

EVIDENCE AND CHALLENGES IN THE CONTEXT OF AUDITING STATE IMPLEMENTATION OF THE SDG

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Abstract

The adoption in 2015 by the UN member states of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) outlined a new paradigm at the national and international level, configuring the directions of action in order to achieve the ideals of peace and prosperity, of eliminating social inequalities against the background of ensuring increased resilience to climate change, strengthening the role of states as legal guarantors of well-being, viewed from a holistic socio-economic perspective. However, although the objectives are valid for all states, the specific way in which national support is ensured for their achievement is not congruent, there are heterogeneous approaches in this sense, depending on the level of development, political vision, particular national interests, financing. Also, the implementation of the SDGs requires a comprehensive approach, the establishment of a national strategy in this regard, the involvement of various state institutions at different hierarchical levels, a set of judicious regulations, the involvement of civil society in the awareness of the need to achieve these objectives and the establishment of some indicators depending on time horizons, for the specific sizing of the progress made and the adoption of some strategic alternatives. In this context, the Supreme Audit Institutions, thanks to their independence, objectivity and professionalism, are called to bring their contribution in the sphere of measuring the degree of implementation of these objectives, of providing concrete recommendations and actions, but also of ensuring the transparency of Governments' actions, of giving assurances that the mandate offered by citizens to the political level is consistent with their expectations, seen through the lens of the SDGs that form the crucible of ensuring general well-being. Thus, our study aims to analyze how the Supreme Audit Institutions brought their contribution in the sphere of ensuring by the states the premises of SDGs implementation, simultaneously with the foreshadowing of future trends and the new sui generis challenges that they will face in carrying out specific activities aimed at the external audit of the performance of national policies and programs subsumed in achieving the principles governing the UN 2030 Agenda.

Key words: Sustainable Development Goals, Supreme Audit Institutions, external audit

The historical course of the development of human society was a winding one, marked by an omnipresent economic Darwinism aimed at ensuring the survival of the strongest, at the expense of the others. As a consequence, the removal of social inequalities, ensuring the prerequisites for satisfying basic needs (food, security, housing) for all members of society has become a consistent concern. The waves of industrial revolutions, the injudicious exploitation of natural resources have left their mark in terms of environmental pollution and climate change. All this paint a bleak picture of an uncertain future for human society as a whole, posing the question of a heavy legacy for future generations (Aydos M. *et al.*, 2022). These consequences did not remain without an echo, being demanded immediate actions in terms of mitigating the negative effects.

The adoption of the 2030 Agenda for Sustainable Development and the Sustainable

Development Goals (SDGs) in 2015 by the UN member states outlined a new paradigm at the national and international level, setting the directions for action in order to achieve the ideals of peace and prosperity, to eliminate social inequalities, against the background of ensuring increased resilience to climate change, strengthening the role of states as legal guarantors of well-being, viewed from a holistic socio-economic perspective. However, although the formulated objectives are valid for all states, the existing way in which national support is ensured for their achievement is not congruent, there are heterogeneous approaches in this sense, depending on the level of development, the political vision, the particular national interests, the possibilities financing.

Also, the implementation of the SDGs requires a comprehensive and coherent approach, the establishment of a national strategy in this

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regard, the involvement of various institutions of the status, located on different hierarchical levels, a set of judicious regulations, the involvement of civil society in the awareness of the need to achieve these objectives and not lastly, the establishment of some indicators grafted on time horizons, for the real dimensioning of the progress made and the adoption of some strategic alternatives.

Some authors (Hamdan K.H., 2018) believe that this coherent approach can be structured on five dimensions - economic (the implementation of the objectives must be carried out by reporting on the level of public debt and the judicial allocation by sector of the necessary funds, to avoid possible disparities), social (outlining in practice the principles of gender equality, income distribution, protection of disadvantaged categories, public health system at low costs and with high accessibility, the effective participation of the private sector, of NGOs, of citizens in formulating their own expectations and possible solutions), environmental (by taking into account the available natural resources, renewable and non-renewable, avoiding their depletion, biodiversity conservation), the institutional dimension (the existence of clear roadmaps, with well-defined strategies and objectives for all institutional hierarchical levels intended to contribute to the generation of synergies, strengthening the role and participation in the SDGs implementation of all national actors, but through a biunivocal collaboration and exchange of experience with the international ones) and the academic one, which completes this perspective, emphasizing the role they have higher education institutions in the development of curricula to ensure the training of specialists in the future, with an aggregate vision regarding the importance of a sustainable socio-economic development.

Opinions from specialized literature (Nilsson M. *et al.*, 2012; Picciotto R., 2005) emphasize the possibility of generating synergies in terms of achieving the SDGs, in the context of a coherent policy that is based on the interaction between - the vertical plan of policies that transcend from the international level, to the national subsystems and - the horizontal plan of these policies, which includes areas such as the environment, agriculture, the exploitation of non-renewable natural resources, infrastructure and processing industries.

But the congruence that the SDGs calls for and a series of compromises between the actors of socio-economic life (institutions of public law, the business environment, NGOs, local communities, aimed at ensuring effective governance, which transpires from the "Leave no one behind" concept of the 2030 Agenda (Cook W. *et al.*, 2016).

Effective governance is not only about the coherence of policies, but also calls for the effective participation of all interested parties in the decision-making process, by virtue of a reflexive reasoning aimed at identifying the way forward, the possible consequences and interactions resulting from the decisions adopted, as well as the optimization of collaboration, in following a judicious follow-up process, all against the background of ubiquitous societal trust (Sørensen E., Torfing J., 2009).

The complex process of the steps taken to optimize the results in the sphere of achieving the SDGs, structured on the biunivocal national-international relationship and leading to effective governance, cannot be carried out in the absence of steps that analyze the effective way in which the actions undertaken have subsumed the proposed objectives, highlighting any existing deviations and concrete recovery measures.

Thus, INTOSAI (International Organization of Supreme Audit Institutions) has included in its strategic plans (and implicitly in the national ones) the implementation of specific actions that consider the way in which the states have configured their own roadmaps with a view to an aggregated strategic vision to achieve the objectives and implicitly their effective achievement (Kraker M. *et al.*, 2017).

In this context, the Supreme Audit Institutions, thanks to their independence, objectivity and professionalism, are called upon to contribute, both in the sphere of measuring the degree of implementation of these objectives, of providing actual recommendations and actions, but also under the aspect of assurance the transparency of the actions of the Governments, the conferring of assurances that the mandate offered by the citizens to the political level is consistent with their expectations, seen through the lens of the SDGs that form the crucible of ensuring the general well-being.

As a result of the specific activities carried out, by formulating pertinent recommendations SAIs contribute to the reconfiguration of public policies and strategies, at the level of government levels, the reconsideration and adoption of normative acts by the legislative power in the spirit of implementing the objectives of sustainable development, the dissemination among the public on how the state carries out the measures aimed at complying with the principles of the 2030 Agenda.

It is also worth mentioning that the SAI does not limit itself to formulating recommendations (through the performance audits carried out) and taking concrete measures (as a result of the compliance audits carried out), but constantly monitors how the recommendations and/or

measures submitted are effectively applied/implemented (follow-up).

MATERIAL AND METHOD

In this context, through a qualitative approach and from an original perspective, our study aims to analyze how the Supreme Audit Institutions brought their contribution in the sphere of ensuring by the states the premises of SDGs implementation, simultaneously with the foreshadowing of future trends, of the new sui generis challenges they will face in carrying out the specific activities aimed at the external public audit of the performance of national policies and programs subsumed in achieving the principles governing the UN 2030 Agenda.

RESULTS AND DISCUSSIONS

At the international level, given the importance of SDGs auditing, INTOSAI launched in 2016 the IDI program on Auditing SDGs, with the aim of facilitating a unitary approach to the issue subject to audit, to create the basis for a fruitful exchange of experience, dissemination of knowledge, e-learning, control of the quality of the specifically carried out activities. In the following year, the program enjoyed the wide participation of 70 SAIs. (Rajagukuk B.W. *et al*, 2017).

While between 2018-2020 most of the audits focused on how states ensure environmental protection, during 2021-2023, climate change was the focal point of attention. Thus, a number of 28 SAIs followed how adaptation to climate change is carried out, 24 SAIs focused on how governments ensure the protection of certain areas and natural parks, 21 such institutions carried out specific activities in the field of agriculture, and 19 concerned the way of establishing, administering and collecting environmental taxes, the circular economy being among the concerns of a number of 19 SAIs (Niemenmaa V., 2022).

In 2017 some aggregated efforts of the SAI in the field of conducting coordinated audits (an audit with separate audit reports delivered to the individual SAI governing bodies a parallel audit with a single audit report, in addition to separate national reports), towards for example, the one carried out by 11 SAIs in Latin America, coordinated by Brazil, which looked at how the governments of this geographical area are prepared to implement the SDGs objective related to food security (EUROSAI WGEA, 2018).

SAIs have also made their contribution in the aspect of the support given to the states to substantiate a number of indicators and to provide robust data through which progress in the

implementation of the SDGs can be measured (Sudan), others have participated in raising awareness among young students of the importance of the SDGs. In Indonesia and Georgia, the Supreme Audit Institutions have developed portals with the help of which citizens can be informed about the status of the steps taken by the states, and the SAI of the Maldives participated in the technical committee for implementation (Montero A.G., Le Blanc D., 2019). The audits carried out identified weak points related to the lack of a national implementation plan (Canada), the lack of a coordination mechanism of the institutions involved (Austria), the loose of political coherence (Netherlands), the lack of vertical integration of policies (Georgia), lacunar budgetary policy regarding multi-year commitments to be paid (Jamaica), institutional duplication (Spain), progress indicators and out-of-date data (Sudan), with recommendations for improvement.

The Supreme Audit Institution of Indonesia (BPK), in a report published in 2019, looking at how to implement the standards according to the Extractive Industries Transparency Initiatives (EITI), highlights the lack of internal control mechanisms at the level of institutions with attributions in this field, which generated negative financial effects amounting to 20.81 million dollars (Pramono A.J., Wibisono W., 2022).

The audits carried out by the National Audit Office of Finland highlight the existence of a large discrepancy between the level of funds allocated to achieve the SDGs and those intended to finance other activities. Thus, if the expenses intended for the program to reduce the carbon footprint were in the amount of 2 billion euros, they were clearly lower than the total volume of subsidies granted to the energy and transport sectors, the respective amount of 3.6 billion euros (Niemenmaa V. *et al*, 2021). The same report also mentions the existence of some paradoxes in some countries – while Brazil has made progress in financing organic farms, some tax exemptions for farmers using pesticides have persisted. It is also emphasized that, while developed countries make constant efforts to reduce the amount of waste, they proceed to a parallel export of such plastic waste to the less developed ones, thus there is a contradiction between the terms national- international that can compromise the fulfillment of the SDGs.

In a report published in 2021 by the National Audit Office in Great Britain regarding the progress made by the Government in the sphere of long-term achievement of environmental objectives, the lack of coherence of some objectives in the national plans, the incompleteness of the legal regulations in

the field are identified, as well as insufficiently articulated medium and long-term budget predictions (NAO, 2021).

Another report of the same institution published in 2022, referring to the Government's efforts in the field of eradicating misdemeanors and crimes related to environmental pollution, shows that such illegal acts have a budgetary impact of 900 million pounds per year, and it is necessary to supplement the funds to finance the institutions with control attributions in this sense, as well as more accurate commensuration of risk areas associated with this negative phenomenon (NAO, 2022).

At the level of the European Union, the European Court of Auditors shows that the funds spent to combat climate change available under the Common Agricultural Policy did not reach their target, not contributing to the reduction of carbon emissions of farms and the increase of forested areas (ECA, 2021). At the same time - according to the same institution - and in the case of the use of EU funds for the promotion of biodiversity, gaps persist between the expected results and the actual impact (ECA, 2020).

Other studies highlight the growth in geometric progression of the ecological footprint generated by the agricultural sector at the international level in recent years, against the background of the existence of high needs for agricultural products of the processing industries, also emphasizing the lack of internationally agreed indicators to highlight the measures that lead to sustainable development of agriculture (Sarkar A. *et al.*, 2022).

From an institutional point of view, there have been and will be some limitations that can prevent the optimal conduct of audits. Given the extent of the steps that must be carried out by them, in terms of the time span, the training of those who carry them out, the interdisciplinary nature of the knowledge, the heterogeneity of the audited institutions, the hierarchical levels at which the audits are carried out, the multitude of sources of information (Le Blanc D., Montero A.G., 2020) audits will demand important financial resources, which must be ensured through an adequate budget. In the context of the increase in the degree of indebtedness of the states, the increase in the price of credits for developing countries, there is the risk of suboptimal financing.

Some states may consider this funding inopportune, depending on the prioritization of certain sectors of activity, but also of some possible consequences that arise from the fact that a possible deviation of the executive from the objectives to be implemented, may generate the

opprobrium of the other stakeholders and possibly possible difficulties in the process electoral.

Auditing the implementation of the SDGs is not exactly an easy task, presupposing extensive specialized knowledge in all fields, an adequate exchange of experience with other similar institutions, a *sui generis* approach targeting the multitude of actors involved, the complex links between them, the variety of issues addressed, policy documents and strategies analyzed. For example, if the government's efforts materialized in increasing access to cheap energy for the population, through the electrification of disadvantaged areas and the construction of high-voltage networks in the area, virtually all residents of that area could have access, but costs are necessary additional for each branch of housing, difficult to bear in the conditions of the low level of income of the population (Cordery C. *et al.*, 2023).

Even if this process can be completed successfully, there remains an old problem, found in the case of all conducted audits, related to the way in which the audited institutions understand how to implement the formulated recommendations. Either for political reasons, or for the lack of adequate mechanisms or just a refractory vision, they can create obstacles to compliance with the formulated recommendations. As a solution, SAIs can strengthen their credibility and increase the visibility of conclusions and recommendations by publicly presenting the results obtained through various media channels, in the hope that the electorate will sanction the deviations of the executive (and possibly legislative) level from the norms in force. From the point of view of the types of audits carried out regarding how national governments aim to connect to the trend set by the SDGs, the performance audit will take precedence, an evolution justified by reporting on the complexity of policies, sectoral plans, strategies, the interdisciplinarity of knowledge and the synergies that appear between sustainable development goals and targets (Sari D.A. *et al.*, 2022).

Approaches from the specialized literature to which we rely, appreciate that the future of auditing by the SAI of the SDGs will be marked by the manifestation of some isomorphisms. – coercive, mimetic and normative (Cordery C., Hay D.C., 2022). Coercive isomorphism manifests itself when an SAI audits an area of the economy of a state that has benefited from international funding, the specific activities carried out being necessary to refer to the standards in the field of the financier and its requirements. Mimetic isomorphism is found in developing countries or poorly developed (former colonies), which, as a reaction to the possible risks that intervene in connection with

certain directions of action aimed at the SDGs, carry out an institutional, legislative import or even as an organizational architecture of a supreme audit institution (from developed countries). One obvious form of normative isomorphism is represented by the ISSAI International Auditing Standards adopted by INTOSAI to create a single, uniform approach to how ISAs operate - for example, the ISSAI 5800 standard on cooperative audits (Monroe-Ellis P., 2018).

The recent UN report, analyzing the progress made by states on the way to implementing the SDGs, reaches alarming conclusions. The modest progress made by the states has been blurred by the incidence of the COVID 19 pandemic, the energy crisis, the war in Ukraine, the lending policy of international financial institutions leading to a high increase in the level of public debt for developing and underdeveloped countries.

From the analysis of the data available for a number of 140 targets related to the objectives of sustainable development, the conclusion emerges that for half of them, the steps of the states have not been grafted on the assumed temporary horizons, and for a percentage of 30%, progress has stagnated or is below the level existing in 2015. The report went on to point out that if these trends continue, by the end of the 2030s, more than 575 million people will live in extreme poverty, 84 million children will not benefit from education, 660 million people will be left without access to electricity. Under these conditions, the SDGs will remain only an epitaph of a world that could have existed (UN, 2023).

In our opinion, this context calls for, in addition to the pro-active involvement of national states and the increase of SAI's contribution to the implementation of the SDGs, by reconsidering specific activities, carrying out concurrent and coordinated audits, disseminating knowledge, continuous improvement of specialist staff, calling on experts recognized, improving communication with the audited institutions, establishing concrete indicators for measuring the progress made, increasing the visibility of reports, drafting them in a concise and easy-to-understand form for stakeholders, institutionalizing partnerships with civil society and NGOs.

CONCLUSIONS

The blurring of social inequalities, ensuring the prerequisites for satisfying basic needs for all members of society has become a consistent concern at the international level, which culminated in the adoption of the 2030 Agenda for Sustainable Development and the Sustainable

Development Goals (SDGs), outlining a new paradigm that transposes the role of states as legal guarantors of your well-being.

The Supreme Audit Institutions, thanks to their independence, objectivity and professionalism, are called upon to contribute, both in the sphere of measuring the degree of implementation of these objectives, of providing specific recommendations and actions, but also under the aspect of ensuring the transparency of Governments' actions, of giving assurances that the mandate offered by the citizens to the political level is consistent with their expectations.

The audits carried out by the SAIs were limited both to the evaluation of the way in which the Governments were prepared in advance, to ensure the overall institutional infrastructure as a SDGs precondition, but they also analyzed the way in which these objectives were actually implemented, highlighting the existing gaps and formulating recommendations concrete for their rehabilitation. They focused on how states ensure environmental protection, resilience to climate change, establishment, administration and collection of environmental taxes, circular economy, food safety. SAIs also contributed in the aspect of supporting the states to substantiate a number of indicators and provide robust data through which progress in the implementation of the SDGs can be measured, others participated in raising awareness among young students of the importance of the SDGs. The audits carried out have identified weak points related to the lack of a national plan to implement a mechanism for coordinating the institutions involved, loose political coherence, lack of vertical integration of policies, lacunar budget policy regarding multi-year financial commitments, institutional duplication, lack of mechanisms for internal control at the level of institutions with attributions in the field, large discrepancies between the level of funds allocated for SDGs and those intended to finance other activities, exceptions from the application of fiscal charges for farmers who use pesticides, the existence of waste exports from developed countries to the most little developed.

The European Court of Auditors shows that the funds spent to combat climate change available under the Common Agricultural Policy did not reach their target, not contributing to the reduction of carbon emissions of farms, the increase of forested areas and the promotion of biodiversity. From an institutional point of view, there were and will be some limitations that can prevent the optimal conduct of the audits given the scope of the steps to be taken, the interdisciplinary nature of the knowledge, the heterogeneity of the audited

institutions, the hierarchical levels at which they are based, the multitude of sources of information. In the context of the modest progress highlighted by the latest UN report, it is imperative to increase the contribution of SAIs by reconsidering specific activities, carrying out concurrent and coordinated audits, disseminating knowledge, improving communication, establishing concrete indicators to measure the progress made, increasing the visibility of reports, constant monitoring of how to implement the recommendations and ensure a feed-back with all national and international partners.

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