



Guidelines

For Reviewing Voluntary National Reports

- ARABOSAI SDGs Audit Committee -

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The introduction

The role of the supreme audit and accounting institutions in accountability for the results of achieving the sustainable development goals is generally represented by:

First: Evaluating the results and progress achieved during the readiness and actual implementation phases of the sustainable development goals.

Second: Review of the voluntary national reviews submitted to the High-Level Political Forum

There is no doubt that the subject of reviewing voluntary national reports is considered an emerging topic, given the recent experience of countries and supreme audit institutions in the field of sustainable development. Therefore, the importance of reviewing these reports stems from their novelty and the unique characteristics they possess, as they are beneficial to all parties using the report, in addition to being the most transparent and clear means of expressing the state's commitment to its global pledges towards the 2030 Agenda for Sustainable Development.

Whereas the preparation and review of voluntary reports may be carried out simultaneously with the readiness phase for implementing the plan or the phase of its actual implementation - according to the circumstances of each country.

The role of the supreme audit institutions in reviewing these reports is to verify the suitability and reliability of the information contained therein.

Relevance usually relates to the timing of publication of reports, their impact, and their predictive value. Verifying the reliability of the information contained in the voluntary report and ensuring its credibility stems from the fact that information and disclosures - whatever their type - must be reliable, trustworthy, and free from material errors and bias.

To be credible and reliable the information and data contained in voluntary national reports must have the following characteristics:

- **Comparable:** Through the possibility of accessing it by any person or entity, provided that the same measurement methods are used.
- **Subject:** Or impartiality, and honesty of expression, such that the information is prepared in a neutral manner and not for the purpose of showing it in a way that is consistent with what the parties using these reports desire.

In light of the fact that the stages of preparation, readiness, and actual implementation of the sustainable development plan are subject to evaluation through the comprehensive methodology or the whole-of- government method using performance monitoring with the aim of monitoring progress in implementing the state's plans to achieve the sustainable development goals, it can be said that examining and reviewing the voluntary national reports is a confirmation and verification service aimed at obtaining the appropriate level of confirmation for the data contained in the state's voluntary report on the results of implementing those two stages. The two referred to and the progress achieved by them

Nature of the voluntary report review

The review of voluntary national reports on sustainable development comes into an attestation engagement in compliance audit compliance auditing, to verify the credibility of the data and information included in those reports and confirm them.



Review objectives

In general, the importance of reviewing the voluntary national reports that countries present to the High-Level Political Forum stems from the importance of maximizing the benefit from the data they contain, by verifying their credibility and suitability to achieve the goals for which they were collected.

If reviewing these reports falls into an attestation engagement in compliance auditing t

As we have previously indicated, so how is this type of engagement used in reviewing and auditing voluntary national reports?

Before we answer this question, we must clarify in some detail the reasons for choosing attestation engagement type of compliance auditing to review voluntary national reports rather than other types of audits.

Scope/Field of Review

It is well known, according to the International Standard for Supreme Audit Institutions, that the main objective of compliance auditing in general is to provide the target users with information about the extent of the compliance of the government audited entities with the references that govern the subject audit, from laws, policies, decisions, agreed-upon clauses, and other references that can be relied upon as a standard for conducting compliance.

Nature of Review

Also, according to the same standard, every compliance audit engagement is an assurance engagement, and every assurance engagement is either an attestation engagement or a direct reporting engagement, where the auditor chooses the level of assurance based on the needs of the target users, so that the auditor gives reasonable or limited assurance of the subject matter covered by the audit.

Stakeholders

Target users may want to trust the reliability of the information provided by the audited entities so that they can make their decisions based on it. Therefore, the audit process here comes as an organized process that aims to access evidence and evaluate it objectively to determine whether the information provided by these entities adheres to the specified standards and references.

The standard framework governing the review

If the audit is based on evaluating information (related to the subject of the control), then it is considered an attestation engagement in compliance audit . However, if it is based on evaluating actual cases related to that information (the subject), then it is considered as a direct reporting in compliance audit.

By applying the above to voluntary national reports, and since the parties concerned with sustainable development - according to the system of each country - prepare, review, submit and publish voluntary reports; in commitment to the 2030 Sustainable Development Plan and Agenda, these reports, with the data, information and statistics they contain regarding the progress achieved in implementing the sustainable development goals, are considered relevant information that is evaluated and its credibility verified, which is considered an attestation engagement in compliance audit

Opinion and outputs

The role of the auditor here lies in providing certified conclusions about whether the assertions contained in the voluntary national report are correct or not. Therefore, in this type of audit, the auditor expresses his opinion on the information provided by the government regarding the progress made in achieving the sustainable development goals, rather than evaluating the progress made itself.

That is, the audited entity is the one who provides - within the framework of the attestation engagement -

- The information - subject to examination - on the basis of which the auditor collects sufficient and appropriate evidence as a reasonable basis for formulating a conclusion expressed in the

form of observations, conclusions, recommendations or opinion.



While in direct reporting engagement , the auditor is the one who provides information about the audit subject as a result of measuring and evaluating the audit subject compared to the standards, in the form of conclusions, observations and recommendations.

In short, when the relevant government agency in a country submits its voluntary national report on its activities related to sustainable development, the role of the supreme audit institution revolves around verifying the assumptions related to the accuracy of the information contained in the report (accuracy confirmation), its completeness (completeness confirmation), and whether that information is in compliance with the relevant laws and references (compliance confirmation). This is done by conducting compliance attestation engagement audits, as the most appropriate type of audit.

General principles for reviewing voluntary reports

After determining the type of audit that will be used in the process of reviewing voluntary national reports, the practical steps for the audit will be explained, guided by the International Standard for Compliance Auditing (ISSAI 4000).

The Supreme Audit Institution must take into account the general principles of compliance auditing before beginning to design, plan and implement the audit process of voluntary national reports. The aforementioned principles are as follows:



Independence

The independence of supreme audit institutions is closely linked to the independence of their members. Members are defined as those entrusted with making decisions on behalf of the institution and are held accountable for these decisions to third parties.

Objectivity and professional ethics

This is achieved through the auditor's commitment to procedures related to objectivity and professional ethics, which in turn adhere to the international standards of supreme audit institutions on objectivity and ethics. The auditor must be careful to remain objective so that his observations and conclusions regarding the subject of audit - represented here by the voluntary national report - are accurate.

- Neutral and viewed as such by other parties

Control risks

The auditor should take appropriate measures to reduce the risk of providing incorrect conclusions regarding the voluntary national reports under examination to an acceptable low level, by anticipating known or possible risks during the work, and the possible consequences of the proposed measures to address those risks.

Fraud Risks

This is one of the most important risks that the auditor must take into consideration throughout the audit process. When documenting the evaluation results, the auditor must assess and identify the fraud risks that the voluntary reports under examination may have been based on, and obtain sufficient and appropriate evidence to prove them. This is because the risk of not discovering illegal acts resulting from fraud is higher than the risk of not discovering incidents resulting from errors.



Selecting areas of interest to target users

When the supreme audit institution has the discretion to choose the scope of compliance auditing, it should identify the areas that are of importance to the targeted users. The voluntary report may address the progress achieved in more than one of the sustainable development goals. However, the institution must take the necessary measures to identify the important areas with potential risks of non-compliance, or those whose credibility and reliability are questionable, taking into account several matters, including the interests of the general public or relevant authorities. Such as legislative authority, impact on citizens, roles of various public sector entities, rights of citizens and public sector bodies, etc.

Professional judgment and professional scepticism

The exercise of professional judgment is essential at all stages of the audit process. The auditor uses it when making decisions regarding determining the subject of audit, its scope, the appropriate audit standards and the level of assurance, and when assessing risks and relative importance. It is also used to evaluate the procedures necessary to collect and analyze appropriate evidence.

Quality control

The auditor must take responsibility for the overall quality of the audit to ensure that the audit operations are carried out in accordance with professional standards and relevant laws, regulations and bylaws, and that the reports are appropriate in the surrounding circumstances. Similar to other audit work, the tasks of reviewing voluntary reports are subject to the quality assurance procedures in place at the SAI . In order to achieve this, the supreme audit institution must ensure that the audit team collectively possesses the professional competence to carry out the audit.



Documentation



The purpose of documenting the audit work performed is to enhance transparency regarding the work performed to enable the experienced auditor, who does not have any prior knowledge of the audited task, to

- Understanding the important issues, conclusions and opinions that emerge during the audit engagement.

Communication



The auditor must communicate effectively during the audit process with the audited entity, or with those involved in preparing the country's voluntary national report. This will help achieve a mutual understanding of the audit process and the processes subject to audit. It is also important that the form of communication during the audit process be adapted to the surrounding circumstances, so that the auditor takes into consideration the timing of the communication processes, and whether they will be implemented orally, in writing, or in both ways.

After the auditor takes into account the above principles, the audit process begins in practice. It is necessary to proceed through the known audit stages specified by the standard (ISSAI4000) for compliance auditing, which are:

First: Planning the audit engagement

This stage includes the necessary steps to prepare an efficient and effective audit process in accordance with the international auditing standards issued by INTOSAI, which state that: "The auditor must plan the audit process to ensure high quality of the audit process..."

The planning process aims to define the objectives of the audit engagement and determine its scope. It also helps in adopting the appropriate methodology to obtain sufficient and sound evidence to achieve the audit objectives.

The basic principle is that the planning process for various types of audit engagement begins with planning at the level of the SAI, whereby the SAI determines the subjects to be audited, prepares the annual audit plan, and decides - with regard to compliance audits - whether they will be attestation or direct reporting engagements.

National Reference Framework for Voluntary Reporting

The Supreme Audit Institution should, within the framework of planning to review voluntary national reports - as compliance audit engagement - consider the level of assurance provided by the institution during the review process, whether it is reasonable assurance or limited assurance, as determining the level of assurance referred to has an impact on the design of the audit plan for the review task.

Reasonable assurance indicates that the subject of audit represented in the voluntary national report

- In the auditor's opinion, either the entity complies or does not comply with the criteria and references against which compliance is measured. Limited assurance means that the auditor has no evidence to support the belief that the voluntary national report under review does not comply with those criteria and standards. Naturally, there is nothing to prevent the SAI from providing both assurances within the framework of a single assignment, whether reviewing the voluntary national report or other certification assignments.

The determination of the level of assurance and whether it is limited or reasonable assurance depends on several factors, which are:

Target user needs

Target users are the individuals, institutions or entities for which the auditor prepares the audit report. In many countries, the legislator or the body that issues the legislation is the primary target user. However, depending on the standards, this user may also be the supervisory authorities, those charged with governance or the general public.

User needs are one of the most important factors to consider when determining the level of assurance. The agency must assess the needs of the target users to determine the most appropriate type of conclusion (reasonable/limited). This requires assessing those needs - in accordance with the ISSAI4000 standard - by understanding the decisions taken by users and the type of information used in the process of making those decisions.

In other words, if users' decision-making based on the voluntary national report requires detailed information, then choosing reasonable assurance will be more appropriate in this case, considering that the level of assurance will provide insight into the reliability and credibility of the voluntary national report data.



However, if users are focused on the results while ignoring the systems and controls governing the preparation of these reports, then choosing limited assurance for this audit will be the most appropriate option.

Availability and accessibility of information

Although the supreme audit institutions have strong powers to ensure the necessary access to information related to the inspection process, these institutions may face some cases in which the information available for inspection is scarce or non-existent, or the auditor may not have sufficient access to the available information, which may affect the level of assurance that must be provided, especially in cases in which the entities subject to inspection seek the assistance of external sources to implement their services. In this case, full access to information requires the agency to monitor the entity providing the service, which is something that many SAI do not have the authority to do.

Hence, access to information related to the process of reviewing voluntary national reports is an important factor in determining the level of assurance that the SAI can provide, especially since the preparation of these reports is carried out - according to the methodology of the High-Level Political Forum - through a broad participatory process between various interested or related parties (governmental/civil/private sector...), which may pose a difficulty for the SAI in relation to the process of tracking and accessing this information.

Accordingly, if the auditor is able to access sufficient information regarding the systems and processes used in preparing the voluntary national report, then the SAI can provide reasonable assurance in this case. However, limited assurance is in the case where the auditor is unable to access a sufficient amount of information related to preparing the report and the information it contains.

Auditor competencies

To carry out a successful compliance audit engagement in general and VNR audits in particular, the members of the monitoring team must have the necessary knowledge, skills and experience in the field of sustainable development and in the role of voluntary national reports in demonstrating the results of progress made towards its goals.

Therefore, the Supreme Audit Institution should study whether it has sufficient and appropriate competencies.



When deciding on the scope of auditing these reports and the level of assurance that must be provided, if the necessary competencies are not available, the authority should study alternative solutions such as changing the composition of the audit team or contracting with an expert specialized in this field. Accordingly, it can be said that the audit team in reasonable assurance tasks must have the necessary and appropriate competencies for what this assurance requires in terms of detailed and objective testing of the controls, systems and processes related to the subject of the examination.

As for limited assurance operations, they do not require the same competence required in the audit team for reasonable assurance assignments, due to their reliance on the limited nature, scope and timing of audit procedures.

Availability of resources

Reasonable assurance audits require more time and resources than limited assurance audits conducted on the same audit subject and to the same extent, due to the number and scope of audit procedures tested in a reasonable assurance audit. Therefore, a supreme audit institution with limited resources tends to conduct a limited assurance audit.

Therefore, in the context of reviewing voluntary national reports, the available resources of the agency should be taken into consideration to determine the level of assurance, by giving priority to first considering the needs of users, and studying other factors such as relative importance and risks.

After developing the annual audit plan and determining the level of assurance that the higher authority wishes to provide, comes the stage of developing the inspection program or review plan, which passes through a number of determinants or stages represented in the following:

► Determine the subject and scope of the audit/review

The audit team must accurately define the subject and scope of the audit, given its importance in planning and designing the audit engagement.

Determining the subject of audit and its scope is of great importance in assessing whether the subject of audit or its scope specified in the annual audit plan of the supreme audit institution is still valid, or whether it needs to be modified in light of any changes that may have occurred in the risks on which the plan was based.



Within the framework of voluntary national reports, there is no problem in determining the subject of audit if the annual plan of the SAI includes reviewing the voluntary national report as one of the audit subjects that are examined and reviewed during the year.

However, the audit team assigned to conduct the review of the voluntary report must determine the scope of that review, whether it is a comprehensive review of the report with all its parts and contents, or a partial review limited to some parts and items and not others. The importance of determining the scope of the review in general and the review of voluntary national reports in particular lies in the fact that it enables the audit team to design appropriate procedures to obtain the evidence and indications necessary to achieve the objectives of the review, in addition to determining the time period required for this, in light of the resources available to the oversight team.

Given that voluntary national reports rely on community participation from multiple government agencies, civil society organizations, and other relevant stakeholders in their preparation, and that they often address progress made on more than one of the sustainable development goals, the process of determining the scope of audit - in the event that a partial review is chosen - includes determining the entities that will be included in the audit or review process; It may be difficult for the audit team to refer to all parties involved in preparing the report.

Defining the scope of the review also includes identifying topics of importance according to what the team deems appropriate, given that the report includes multiple items that may address more than one topic or more than one of the sustainable development goals.

The selection of the most important topics to be audited by the team depends on many factors;

- As the powers of the Supreme Audit Institution
- And the capabilities of the reviewers
- The purpose of the Review
- Implementation risks
- Auditability
- The potential impact of the audit on the implementation of development goals

Sustainable

The scope of the audit topic can also be selected and determined based on the general interests and expectations of the beneficiaries, and their desire to ensure the effectiveness and efficiency of management in using the available economic resources to achieve the goals of sustainable development, as well as the extent to which



the relationship of the oversight topic to prominent issues in society, its impact on citizens, and the extent of its connection to government spending and public funds, as well as other factors that the audit team can assess based on the circumstances and conditions of each country.

In all cases, the scope of the task should be sufficient - in itself.

- To achieve the objectives of the review process

In this regard, we must recall the link between the subject of audit and its scope and the standards relevant to the subject. The International Standard for Supreme Audit Institutions (4000) stipulates that when the supreme audit institution has the authority to choose the coverage of compliance audit operations, the auditor must determine the relevant audit standards before conducting the audit, to provide a basis for the conclusion/opinion on the subject of audit.

► **Determine the objective of the Review/audit**

The audit/control objective generally defines what the auditor aims to answer through the audit process. The importance of defining the audit objective or objectives lies in the fact that it is one of the foundations for selecting and designing the audit methodology. Some audit objectives may be general questions that can be divided into specific sub-questions.

With regard to reviewing voluntary national reports, the audit process aims to express an opinion on the data contained in the voluntary report, and to verify its reliability and credibility with the aim of providing (reasonable/limited) assurance of that data, in a manner that leads to enhancing users' confidence in it.

The review of voluntary national reports is conducted with the aim of lending credibility to the assurances provided by the government agency concerned with preparing the report to all stakeholders. Therefore, the process of audit and review here comes within the framework of the possibility of revealing fundamental errors related to the inclusion of false or incomplete information in the voluntary report, whether this is due to fraud or an error, whether intentional or unintentional.



Understanding the entity's Operations

Understanding the entity subject to audit is of utmost importance in the process of effective planning and implementation of the audit engagement, as understanding the entity contributes effectively to determining the subject of audit, its scope and its standards.

The audit process may cover more than one entity - in view of the audit topic and its objectives - and in these cases, the audit team members should identify the role of the entities whose activities fall within the scope of the audit topic.

Since the process of preparing and reviewing voluntary national reports is carried out through the participation of more than one party, the process of understanding the competent party and becoming familiar with its operations will include, in addition to the main party entrusted with preparing the report, other parties that provide the main party with information and data sources. Here, it must be said that the auditor's understanding of these parties must focus on the necessary elements to help reach a convincing and correct conclusion regarding the objectives of audit. This is because the reviewer here does not need to understand all the operations of these bodies, but only the operations related to preparing voluntary national reports.



Examination and evaluation of internal control systems

Examining and evaluating the internal control system is considered one of the most important steps in the planning process, given its great importance in helping the auditor understand and comprehend the entity's information system, with the aim of verifying the accuracy of the data and information issued by it.

There is no doubt that evaluating the internal control system helps the auditor determine the nature, timing and scope of the data and information audit tests under examination.

- The auditor/reviewer may rely on the sampling method in the audit process, in light of his inability to examine and test all available information and data, especially if the internal control system is tight, effective and reliable.

An effective internal control system contains five components:

1. Control environment: Which consists of multiple factors, some of which have a direct relationship to management, such as the integrity of employees at various levels, prevailing ethical values and behavioral standards.



Applied, including factors related to the organization of the facility itself, such as an efficient organizational structure and the definition of powers and responsibilities.

2. Risk assessment: Which is concerned with evaluating and analyzing the risks related to achieving the entity's objectives, identifying the possibilities of their occurrence, and attempting to reduce the severity of their effects to acceptable levels.

3. Control methods: These are the policies, procedures and rules that provide reasonable assurance that the objectives of the internal control system are achieved in an appropriate manner and that risks are managed effectively.

4. Information and Communication: This component of the internal control system is concerned with identifying the appropriate information to achieve the entity's objectives, and communicating it to the various administrative levels of the facility through open channels that allow the flow of that information.

5. Follow-up: Through continuous monitoring and periodic evaluation of the various components of the internal control system. The evaluation and scope of the periodic evaluation depend on the results of continuous monitoring and risks related to the internal control system.

Within the framework of reviewing voluntary national reports, the evaluation of the internal control system may not be related to one entity, but rather to multiple entities. Therefore, the evaluation of the aforementioned system with its five components in those entities must be limited to verifying the accuracy of the information generated by the system when applied, in a manner that reflects the reality of the progress achieved in implementing the sustainable development goals in a complete and transparent manner, without misleading or distorting this information. Information provided to stakeholders/government, which helps them in decision-making

Second: Collecting evidence

The evidence gathering phase comes as a subsequent phase to the audit planning process. This phase includes the actual implementation of the audit process, in which evidence is collected and evaluated based on the initial results generated by the planning process.

Whereas it was previously mentioned that the review of voluntary national reports is an assurance and verification service aimed at obtaining the appropriate level of assurance for the data contained in the voluntary report, within the framework of the tasks of verifying compliance, the role of the reviewer at this stage lies in examining the data in the report and expressing his opinion on the extent of the validity, reliability, fairness and suitability of that data.

In light of the fact that the Voluntary National Report contains numerous statements and confirmations, the reviewer must make a great effort to obtain information and statistics regarding the specific indicators related to each of the Sustainable Development Goals. He must also review the plans and strategies adopted by the subject entity so that he can express his opinion on a sound basis, meaning that the evidence must be closely linked to the indicators and the entity responsible for preparing them. This does not mean that the auditor is required to examine every statement and every assertion, but rather he must be convinced in general terms - at least - that the statements falling within the scope of his examination are reasonable before expressing his technical opinion on the voluntary report as a whole or as a single unit, by following the following steps:

1. Determine the data to be checked and verified.

2. Evaluating the previous statement in terms of its importance

3. Collecting the necessary information and evidence about this statement.

4. Evaluating evidence in terms of its sufficiency, validity, and relevance to the topic.

5. Forming a technical opinion regarding the validity, fairness, accuracy and reliability of this statement.



The review program prepared during the planning phase plays an important role in determining the data to be examined and in gathering the necessary information and evidence for this data. The reviewer attempts to gather as much evidence as possible for each of the data required to be reviewed in the voluntary report, so that he can form his opinion on a reasonable basis regarding the validity of this data.

There is no doubt that sufficient and convincing evidence must be obtained through examination, observation, inquiries and confirmations in order to form a reasonable basis for the auditor's opinion on the data under examination. It is noted that the word "sufficient" refers to the quantity of evidence obtained by the auditor, while the word "convincing" refers to the type of this evidence and the degree of reliance on it.

Every statement of the data - subject to review - within the scope of the examination specified in the planning phase - must be subject to the auditor's questioning in terms of its validity or invalidity, and all the facts and information that the auditor obtains and that help him in judging the validity or invalidity of the data included in the report are considered as evidence of proof. Accordingly, the voluntary report within the scope of the examination specified for it can be considered a set of data that must be verified, and evidence of proof in the audit. Includes all the facts that the auditor uses to prove the validity or inaccuracy of these statements.

The evidence available to the reviewer here is of several types:

1. Inspection and actual examination of the thing represented in the voluntary report data and its physical examination by the auditor.

It is one of the strongest types of evidence. If the reviewer can examine the progress made in achieving the sustainable development goals materially - according to the data included in the voluntary report - then this is the strongest evidence of its existence. However, actual existence by its nature is only suitable as evidence of proof for things that have a tangible material entity such as buildings, equipment, machines, investments, etc. Therefore, this evidence is limited to only one angle, which is the angle of existence, and its effect does not extend. And other things like quality, for example.

2. Documents supporting the transactions (documentary examination):

Documents supporting operations are the most common type of evidence, and auditors rely on this type of evidence more than they rely on any other type of evidence. Documentary reviews of operations of progress made in implementing the Sustainable Development Goals



The documentation included in the voluntary national report is considered one of the most important pillars of the review process, such as reviewing invoices, contracts, minutes of relevant meetings, and other documents arising from the actual implementation of the sustainable development goals.

Given the importance of documents in proof, the auditor must always be wary of the possibility of forgery and fake documents, and when examining documents, he must investigate any possibility of doubt about them.

3. Declarations obtained by the auditor from third parties:

The statements/certifications obtained by the auditor from an independent external person are considered among the strongest types of evidence. Therefore, the auditor must determine in advance whether his use of these external statements is necessary to obtain sufficient and appropriate evidence to support certain assertions in the voluntary national report - the subject of the audit - with the aim of obtaining a statement or written confirmation from independent external parties regarding the accuracy or inaccuracy of the data contained in the report.

External confirmations or endorsements are considered a direct written response to the auditor from another party, where the auditor obtains comments directly from the beneficiaries or third parties other than the beneficiaries stating that they have received grants or other funds that the audited entity confirms have been paid - within the framework of achieving sustainable development goals - or confirming that the use of the funds was for the specified purpose.

4. The information and data that the auditor obtains from the entity subject to examination (inquiry):

The auditor often relies - to some extent - on the testimonies and data he obtains from the management and employees of the audited entity . There is no doubt that this type of evidence is less conclusive in proof than the previous types. The management may have an interest in concealing information from the auditor, or the employees may deliberately give him misleading data and answers to hide the truth from him. The auditor cannot discover this unless he conducts detailed tests on a wide scale. Which may make the review process very expensive, and sometimes no amount of detailed testing may lead to discovering the truth in cases of deliberate fraud that is carried out with the complicity of senior management and senior employees. Therefore, the auditor is often forced to rely - to some extent - on the certificates and data that he obtains from the management and employees of the project, provided that he takes



A reasonable amount of caution and care in accepting these certificates and statements, provided that he conducts sufficient tests that reassure him of the validity of these certificates and statements.

5. The existence of a sound internal control system:

The existence of a sound and tight internal control system in the audited entity subject to inspection will reduce the chances of committing fraud and errors to the minimum possible level and enable to quickly detect them when they occur. Therefore, the existence of a sound internal control system gives a kind of assurance to the auditor that the data and information shown in the report - the audit subject - are sound and can be relied upon for their accuracy. In this regard, the auditor must ensure that the internal control system is actually implemented as it is. There may be a sound written system for internal control, but it is not actually implemented, and the employees in charge of the work resort to not adhering to it to save time from their point of view or to get rid of what they may call routine procedures. Therefore, it is the auditor's duty to ensure that the internal control system is actually implemented as planned, in addition to his evaluation of the system as a whole to judge its integrity and the degree of reliance on it and to determine the amount of detailed tests that he will perform.

6. Analysis processes carried out by the auditor himself.

Detecting errors is one of the important advantages that may result from the audit process

And in to ensure the accuracy of certain data in the report, particularly accounting data, the auditor personally verifies this information. However, this functionality is completely absent from automated and manual information systems.

7. Correlation between the data under examination.

It is well known that there is a correlation between the data shown in any sound report that serves its purpose accurately and honestly. This correlation leads to increased confidence in the auditor in this data and is considered a piece of evidence upon which the auditor relies. These relationships are usually translated in the form of ratios, and these ratios are compared to the ratios achieved by the entity under examination in previous years and to the ratios achieved by similar projects.

The competent auditor is the one who must observe these relationships and comparisons between the different items. In the event that the desired connection or relationship is not achieved, he must research the

subject in detail, until he is convinced that this did not arise from fraud or manipulation of the numbers and statistics. Just as order and uniformity in the data lead to an increase in the auditor's confidence.



In numbers and statistics, the difference between the data and their incomparability should raise questions in the auditor and prompt him to investigate the reasons that led to this until he is convinced of the seriousness of these reasons.

Accordingly, it becomes clear from reviewing the aforementioned evidence that its validity and degree of reliance on it differ, which requires the auditor to always be vigilant and aware of these differences, in addition to the difficulty of obtaining some of this evidence without others. For example, the auditor cannot obtain data from others with the same ease with which he obtains data from the employees of the entity under examination. Consequently, the cost of obtaining the evidence in terms of time and effort follows the difficulty of obtaining it. Obtaining it, as some evidence is more expensive to obtain than others. In this area, the auditor must evaluate the importance of the evidence desired to be obtained and balance between the importance of this evidence and the cost of obtaining it. It is unreasonable to spend large expenses to obtain some unimportant evidence. Likewise, costs must not stand as an obstacle before the auditor in obtaining the evidence necessary to support some important items, numbers, or indicators.

Finally, it must be known that the available evidence may not be complete and convincing. When the auditor expresses his opinion, he is exposed to a kind of calculated risk. He tries to obtain the best available evidence and forms his opinion according to the evidence he obtains. In some cases, this evidence may not only be conclusive, but it may also actually push him to draw some wrong conclusions. This is the reason why the auditor does not attest to or guarantee the accuracy of the data contained in The report, but he only expresses his opinion on it.

Third: Analyze and evaluate evidence

The auditor evaluates the evidence he has obtained to determine whether this evidence is sufficient and appropriate to reduce control risks or draw an incorrect conclusion to the lowest acceptable level, in order to reach a balanced and objective view on the subject matter under examination.

The evaluation process requires examining all the evidence obtained to determine its sufficiency and efficiency. The sufficiency of the evidence expresses the number of appropriate evidence to rely on compared to the mechanism that was collected. Some matters must be taken into consideration when determining the number of evidence that the auditor needs, including:

1. The purpose of the audit process

If the goal is to express an opinion - as is the case in reviewing voluntary reports - then the number of Evidence differs when the goal is to detect errors or fraud.

2. Relative importance (importance of the activity subject to audit)

The number of evidence is directly proportional to the degree of importance.

3. Degree of risk associated with the activity

The degree of risk is directly proportional to the number of evidence.

4. The size of the community and the homogeneity of its units

The larger the size of the community and thus the size of the sample, the greater the number of evidence will be, which can be applied to the review of voluntary reports. The larger the number of parties subject to...

For verification, the number of required evidence has increased.

5. The auditor's degree of competence and experience

The auditor's competence affects the amount of evidence that will be obtained.



The efficiency of evidence refers to the quality or validity of the evidence, which is affected by some factors, including:

- Independence of evidence: The more independent the evidence is from performance, the higher its quality. The evidence that the auditor obtains himself is of higher quality than that which he obtains from external parties, such as certifications. The latter is of higher quality than the evidence that the auditor obtains and is kept by the entity subject to examination, and so on...
- Time of obtaining evidence: If evidence is obtained at the appropriate time, its validity will be stronger than if it is obtained later.
- The auditor's degree of competence and work experience.
- Degree of trust in the party providing the evidence: In general, the official party is considered more trustworthy than the unofficial party, and the external party is more trustworthy than the internal party.
- The degree of efficiency of internal control: It is considered an influential factor in the sufficiency and efficiency of evidence.
- The degree of relevance of the evidence to the activity subject to audit: Evidence directly related to the audit activity is considered of higher quality than indirect evidence.
- Documentary evidence: more efficient than oral evidence.
- Type of documents: Original documents are more efficient and reliable than photocopied or copied documents.

To learn more details about the mechanism for deriving conclusions from audit evidence, and how to conduct tests on controls, material errors, documentation, and communication, one can refer to the audit standards and evidence related to this matter.

Fourth: Preparing the report

- After the completion of the actual examination process, the collection and evaluation of evidence, and the derivation of conclusions from it - in accordance with the above - comes the stage of preparing the final audit report on the review of the voluntary national report in preparation for its issuance.
- Given that reviewing the voluntary national report is one of the tasks of certifying compliance, it is logical for the standard audit report prepared for it to contain the auditor's technical opinion regarding the accuracy, reliability, and credibility of the data and information contained in the report. The conclusion or opinion is presented in the form of a report to the target user, and the auditors include the recommendations and the entity's responses to them.
- The audit report, which represents the final outcome of the audit process, is prepared based on appropriate and sufficient audit evidence collected by auditors during the implementation of audit procedures. The Supreme Audit Institution officially presents the audit results to all users, regarding the accuracy, appropriateness and reliability of the voluntary national report data related to the progress achieved in implementing the sustainable development goals, in a manner that constitutes an opportunity for the responsible party to take appropriate corrective action. To address deviations, and at the same time, it is easy for the auditor to follow up on the results of these procedures and take corrective measures when necessary.

The International Standards for Supreme Audit Institutions on Compliance Audit require that a written report, which presents the results in an appropriate form, be prepared at the end of each audit engagement, in accordance with the format determined by the system and authority of the supreme audit institution, in terms of the content of the report and the principles upon which it is based, which do not usually deviate from international standards and applicable auditing guidelines.

However, it should be noted that as long as the voluntary national reports review report falls within the framework of the tasks of attesting to compliance, the auditor must express in his report the conclusions he has reached regarding the validity and reliability of the assertions, information and data included in the report - the subject of the review - either through conclusions or opinions with limited certainty, or with reasonable certainty. In reasonable assurance, the auditor expresses his opinions and conclusions in a positive manner whether



The report - subject to examination - was, in the auditor's opinion, compliant or non-compliant in all relevant material respects, such that the data - subject to examination - provides a true and fair view in line with the applicable standards.

In the case of limited assurance, the auditor must clarify that the conclusions and opinions he reached in light of the audit procedures do not include anything that would make the auditor believe that the report under examination does not comply with the applied standards.

The auditor's report may also include reporting on the cases he has observed of non-compliance with laws, regulations, governance procedures, etc. The need to report this to the relevant authorities depends on the importance and severity of the cases of non-compliance.

Fifth: Follow-up

Like any audit process, a report on the results of the sustainable development audit must be issued and sent to the relevant party. The report must be balanced by mentioning what the government has done well in its efforts to implement the national goals, and what needs to be developed. A balanced report on the Sustainable Development Goals adds significant value, as it encourages the government to continue its positive impact measures, while working to correct, improve, and develop other aspects.

It is self-evident that the implementation of the aforementioned audit process, including the issuance of a report on the results derived from it, must be followed by an effective follow-up process. Follow-up within the framework of auditing the implementation of the Sustainable Development Goals is considered an important matter, so the Supreme Audit Institution must conduct a follow-up audit. Not only to ensure that the recommendations are implemented, but also to ensure the progress made in achieving national goals at different stages of time.

Therefore, the principles of compliance audit recommend that auditors should follow up on cases of non-compliance as necessary, as audit follow-up is one of the processes through which the auditor monitors the corrective actions taken by the responsible party to address cases of non-compliance identified in the audit report.

The need to follow up on reported cases of non-compliance varies depending on the specific case of non-compliance and the circumstances of the audit process. The importance of follow-up appears to lie in the fact that it facilitates the effective implementation of corrective actions and provides useful feedback to the audited entity, users of the report, and auditors in planned future audits.

The Supreme Audit Institution shall carry out the follow-up process according to the procedures, frameworks and powers followed by it, and in accordance with the principles stipulated in the relevant international standards.

Sixth: Terminology

Sustainable development

- ▶ It is an international term (issued by the United Nations) that aims to develop the Earth's natural and human resources, and improve economic and social engagement with them, in a manner that meets the needs of the present without compromising the ability of future generations to meet their needs. With this term, the United Nations has drawn up a map of environmental and economic development to improve the living conditions of every individual in society, without overusing natural resources, which burden the Earth beyond its capacity. ⁽¹⁾

Voluntary national parades

- ▶ These are reports aimed at tracking progress made in implementing the 2030 Agenda, including the Sustainable Development Goals and targets, in all countries, in a manner that takes into account their global and integrated nature and achieves these goals in all their dimensions. ⁽²⁾

Certification engagement

- ▶ An organized process aimed at obtaining and objectively evaluating evidence to determine whether the information provided by those parties adheres to specified standards and references.

Timing convenience

- ▶ It is intended that the data and information contained in the report have been presented at the appropriate time, so that they can be used by decision-makers and various stakeholders before they lose their ability to influence.

(1) See: <https://masralarabia.net>

(2) See: High-level Political Forum on Sustainable Development, Guide for the Preparation of Voluntary National Reviews.



► **Impact suitability**

It refers to the feedback that results from presenting this information and data to the plan implementation mechanisms.

► **Predictive value**

It aims to measure the extent to which the data and information presented can help report users and decision-makers predict the impact of this information on the progress made in achieving sustainable development goals in the future.