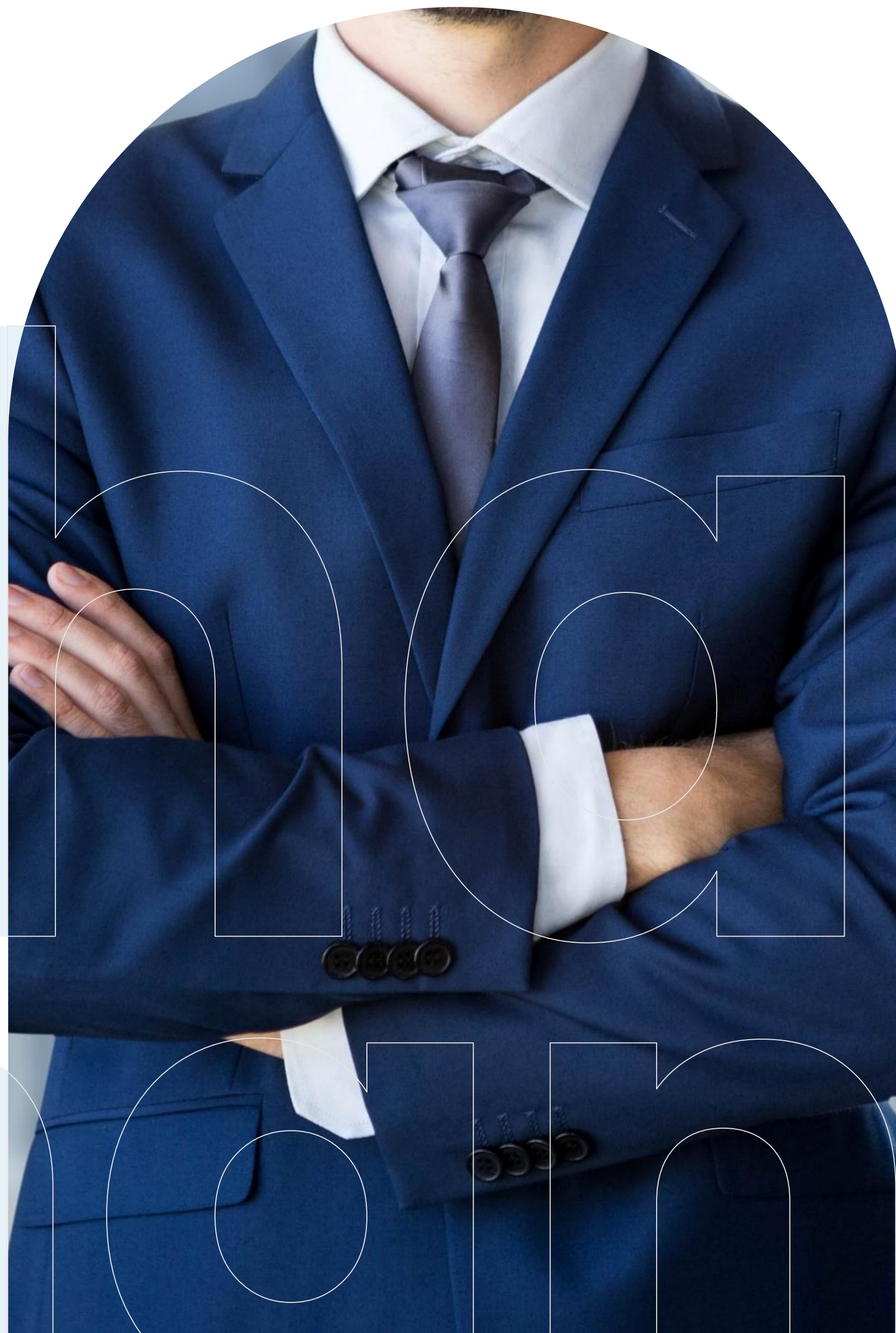




Navigating the Future of Auditing:
Prepared during SAI Thailand's
ASOSAI Chairmanship 2021 – 2024



A Chairman's View

Modern Auditing Practices
Uncovered Weekly

A Chairman's View: Modern Auditing Practices Uncovered Weekly Vol. 32



The Role of Supreme Audit Institutions
in Climate Finance Accountability:
Insights from ASOSAI WGEA Research
7 November 2023

a
chairman's
view

A Chairman's View Vol. 32

The Role of Supreme Audit Institutions in Climate Finance Accountability: Insights from ASOSAI WGEA Research

In an era where climate change poses unprecedented challenges, the allocation and utilization of climate finance have become essential. The ASOSAI Working Group on Environmental Auditing (WGEA) embarked on a comprehensive research project to understand the role of Supreme Audit Institutions (SAIs) in promoting accountability in climate finance. This article presents the key findings and recommendations from our research.



Dr. Sandra Guzman with our research team from SAI Thailand

On behalf of SAI Thailand as the project leader, I extend our heartfelt gratitude to Dr. Sandra Guzmán, founder of the Climate Finance Group for Latin America and the Caribbean. Her insights and expertise have been instrumental in shaping the direction and depth of our research.

view



1. Institutional Capacity is Crucial: For SAIs to effectively audit climate finance, they need specialized knowledge in environmental science, sustainable development goals, and climate finance. Investing in training and advanced analytical tools is essential.
2. Tailored Audit Frameworks Enhance Efficiency: Climate finance presents unique challenges. SAIs need tailored methodologies and risk assessment tools to evaluate the efficiency, effectiveness, and impact of climate finance initiatives.
3. Collaboration Amplifies Impact: International cooperation among SAIs can lead to the sharing of best practices, knowledge, and experiences. Engaging with external experts, environmental scientists, and civil society organizations ensures comprehensive audits.
4. Continuous Monitoring is the Future: Implementing systems that allow for ongoing monitoring of climate finance expenditures, rather than periodic audits, can provide real-time insights. Feedback mechanisms where stakeholders can raise concerns are equally important.
5. Transparency Builds Trust: Regularly releasing detailed reports on climate finance audits and engaging local communities, NGOs, and other stakeholders in the audit process ensures transparency and builds public trust.
6. Benchmarking Drives Performance: Adopting or developing indices, like the Sustainable Finance Index (SFI), can help track, compare, and benchmark climate-related expenditures. Setting specific performance indicators and targets is equally crucial.
7. Policy Recommendations Shape the Future: SAIs can play a proactive role by recommending policy changes based on audit findings. Engaging with policymakers can lead to legislation that strengthens climate finance accountability.
8. Regular Updates Ensure Relevance: Given the rapidly evolving nature of climate science and finance, SAIs must ensure that audit

methodologies and practices are updated regularly.

9. Specialized Units Enhance Focus: Establishing specialized departments or teams within SAIs that focus exclusively on climate finance can lead to more in-depth and focused audits.

10. Global Representation Matters: SAIs should have a voice in global forums like the UNFCCC, where climate finance mechanisms and commitments are discussed.



Our research discussion

A Call for Global Representation: SAIs' Vital Role in Climate Finance Dialogues

As global challenges like climate change transcend borders, it becomes imperative to have representation from all relevant stakeholders at international decision-making tables. Supreme Audit Institutions (SAIs) play an important role in ensuring transparency, accountability, and efficacy in public administration. Their expertise and oversight capabilities make them indispensable in discussions surrounding climate finance.

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It is commendable that Dr. Bruno Dantas, the Chairman of INTOSAI and President of TCU Brazil, recognizes this imperative. Since 2022, under his leadership, there has been a notable push for the “Climate Scanner” project. This endeavor not only exemplifies the proactive stance SAls can take in addressing climate challenges but also underscores the necessity for their voice in global forums.



With the ‘Climate Scanner’ initiative, President Bruno Dantas paves the way for INTOSAI to make impactful global climate contributions.”

When deliberations about climate finance mechanisms and commitments occur, the insights and expertise of SAls can ensure that funds are utilized efficiently, commitments are met, and transparency is upheld. As we navigate the intricacies of global climate action, it’s essential that entities like SAls are not just spectators but active participants in shaping the future.



Our ASOSAI WGEA research team

In conclusion, the role of SAIs in Climate Finance Accountability is challenging in the next era. As stewards of public finance, SAIs have the responsibility and the opportunity to ensure that financial resources allocated to address climate change are used transparently, efficiently, and effectively. Our research underscores the need for SAIs to evolve, collaborate, and innovate to meet the challenges of climate finance accountability. As we move forward, the insights and recommendations from this research can serve as a roadmap for SAIs worldwide, ensuring a sustainable and accountable future for all.

After word

A Chairman's View: Modern Auditing Practices Uncovered Weekly

According to the ASOSAI Chairman 2021–2024, The State Audit Office of the Kingdom of Thailand promotes the Bangkok Declaration 2021, which explains the adaptation of SAIs in the next normal era. Therefore, this short paper aims to provide weekly insights and updates on modern auditing practices, focusing on the experiences and perspectives of SAI Thailand's Chairman during their ASOSAI 2021–2024 term.

The paper series focuses on the Public Sector Audit Trends: Analyze emerging trends and advancements in the public sector audit landscape within Thailand and across ASOSAI member countries. The short paper series will be published in a concise and accessible format, with each weekly installment consisting of 3–5 pages. This format ensures that the content is easily digestible for a broad range of readers. The short paper series will be published weekly, with a new installment released every week, covering various topics within the defined scope.

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