Implementation Guide: How to Use the Report "Navigating Global Trends: Future Implications for Supreme Audit Institutions (SAIs)"

OBJECTIVE OF THE GUIDE

The primary objective of this guide is to assist Supreme Audit Institutions (SAIs), especially those with limited resources or foresight experience in effectively utilizing the "Navigating Global Trends: Future Implications for Supreme Audit Institutions (SAIs)" report. This guide bridges the gap between foresight methodologies and the SAIs´ audit world, enabling SAIs to remain proactive and relevant in an ever-evolving landscape.

INTRODUCTION

In an era of rapid change and complex challenges, SAIs must remain proactive and forward-looking. Trend reports provide valuable tools for identifying emerging issues, understanding global dynamics, and preparing for future developments. This guide provides practical steps and insights to integrate the Global Trends Report into SAI's strategic and operational frameworks.

GLOBAL TRENDS REPORT: TABLE OF CONTENT

Using foresight methodologies, the report emphasises proactive measures to prepare INTOSAI and SAIs for an evolving future, support them address emerging risks, leverage opportunities, and contribute to good governance and societal resilience.

The report identifies seven global megatrends that are expected to shape societies, governments, and public audit between 2025 and 2040:

1. Erosion of trust in institutions
2. Economic challenges and debt
3. Digital transformation of governments and society
4. Climate change and the triple planetary crisis
5. The widening demographic gap
6. Global migration
7. Rising inequalities

The report provides structured insights into each trend, divided into key facts, uncertainties, potential implications for governments and societies, and actionable recommendations for SAIs.

Understanding the seven megatrends is crucial because they provide a lens into the evolving landscape of challenges and opportunities. They can support INTOSAI and SAIs anticipate change rather than simply react to it.

The report also includes a Cross-Impact Analysis that shows the interactions between the trends to assess how they influence each other and shape future scenarios.

STEP-BY-STEP: HOW TO USE THE REPORT

1. **Understand the Report´s Structure**:

   - Familiarize yourself with the layout, sections and key findings.
   - Pay special attention to the Cross-Impact Analysis for insights into interconnected trends.

2. **Identify Relevant Trends**:

   - Align trends with the SAI's mandate, stakeholder concerns, and national or global priorities.
   - Prioritize trends based on their potential impact.

3. **Contextualize Insights**

   - Adapt global or regional trends to your country´s specific and audit environment.
   - Assess potential implications for public governance, policy, and accountability mechanisms.

4. **Discover Possible Uses:**

   - Explore applications of the report in strategic planning, audit planning, risk management or policy development.
   - Identify how the findings cann inform decision-making or inspire new initiatives within the SAI.

5. **Engage Stakeholders:**

   - Share findings with internal teams, government bodies, and other stakeholders.
   - Foster a shared understanding of emerging issues to drive collaborative actions.

POSSIBLE USE CASES FOR SAIs

The simplest use of the report is the discussion and adoption of measures based on the "implications for SAIs." However, more sophisticated uses can also be implemented.

This section provides information on these different possibilities for SAIs to utilize the content of the report. The most feasible ones are:

1. **Strategic Planning**:
   - **Vision Alignment:** Ensure the SAI's vision and long-term goals reflects anticipated challenges and opportunities.
   - **Goal setting:** Use the megatrends to develop goals addressing both immediate and long-term priorities for capacity development and resource allocation.
   - **Scenario Building:** Use trends to develop plausible future scenarios.
2. **Risk Assessment**:
   - **Identify Risks:** Evaluate risks associated with emerging trends and their implications for governance and accountability.
   - **Analyze Likelihood:** Determine probabilities and potential impacts.

- o **Integrate into Risk Managament:** Incorporate these risks into the SAI's existing risk management framework.
3. **(Annual) Audit Planning**
   - o **Audit Topic Selection:** Align audits with emerging trends to address critical areas such as digital transformation, environmental sustainability, and societal shifts.
   - o **Ressource Allocation:** Strategically allocate resources to prioritize audits that tackle the most pressing challenges highlighted in the report.
   - o **Capacity Development:** Equip audit teams with the necessary skills and expertise to effectively address new and complex challenges posed by emerging trends, ensuring high-quality and impactful audits.
4. Planning Individual Audits
   - o Use the report to obtain insights into specific areas of interest for planning subject specific audits.
   - o These may include environmental audits, audit of public debt etc.
   - o Help as a source of global trends in meeting the needs and expectations of stakeholders.
5. **Policy Recommendations**:
   - o **Evidence Based Insights:** Provide robust, evidence-based recommendations to policymakers.
   - o **Monitor Policies:** Regularly assess effectiveness of governance structures and strategies, ensuring resilience and preparedness for future challenges.
   - o **Promote Knowledge Sharing:** Share best practices and case studies within INTOSAI.
   - o Stress Check Tool: Assess whether the trends and their impacts affect the recommendations in a substantial manner (e.g. making them less appropriate, less effective, more costly etc.)

DETAILING THE FOUR POSSIBLE USES

The following details the four possible uses of the trends from the report, providing further support for SAIs to better utilize its content.

1. Use in SAI Strategic Planning

Emerging trends identified in the report can serve as essential inputs for shaping the strategic direction of SAIs. Incorporating these trends into the strategic planning process enables SAIs to remain proactive, future-ready, and relevant in an evolving world. Below are key ways trends can be utilized in strategic planning:

- **Vision Alignment**:
  - o Ensure the SAI's vision reflects a comprehensive understanding of emerging trends, positioning the institution as a forward-thinking organization. This alignment helps maintain the SAI's credibility and relevance in addressing contemporary and future challenges.
- **Goal Setting**:
  - o Use insights from trends to define strategic goals that address both pressing issues and long-term priorities. This approach ensures the SAI's objectives are grounded in current realities while preparing for future developments, such as technological advancements or societal shifts.

- **Stakeholder Engagement**:
  - o Leverage trends to foster meaningful collaboration with government bodies, civil society, and international partners. Highlighting the SAI's ability to anticipate and address emerging issues can enhance trust, demonstrate value, and promote joint solutions to shared challenges.
- **Scenario Building for Strategic Insights**:
  - o Use trends as foundational elements to construct plausible future scenarios that explore the implications of different trajectories. Scenarios can serve as valuable tools in strategic planning, helping SAIs identify risks, opportunities, and critical areas for intervention. By doing so, SAIs can craft more resilient and adaptable strategies that are informed by a range of possible futures.

2. Use in Risk Assessment

Risk assessment is a vital process for SAIs to anticipate and address uncertainties. By systematically evaluating and integrating risks stemming from emerging trends into their frameworks, SAIs can proactively safeguard governance, enhance public accountability, and ensure resilience in government operations and public service delivery. This section outlines how trends can be leveraged to strengthen risk management processes.

- **Identify Emerging Risks**:
  - o Evaluate risks associated with trends such as technological advancements, economic instability, climate change, and social shifts.
  - o Assess their potential implications for governance, public accountability, and the delivery of government programs.
- **Analyze Risk Likelihood and Impact**:
  - o Determine the probability of risks materializing and their potential consequences on government operations and public spending.
- **Integrate into Risk Management Framework**:
  - o Incorporate identified risks into the SAI's risk management framework to ensure a proactive and structured response.
- **Prioritize and Allocate Resources**:
  - o Use risk assessment outcomes to prioritize areas of focus and allocate resources effectively to mitigate vulnerabilities.

3. Use in Annual Audit Planning

Trends identified in the report can play a pivotal role in shaping the SAI's annual audit planning. By integrating these insights, SAIs can enhance the relevance, effectiveness, and adaptability of their audits. Below are key ways the report can inform annual audit planning:

- **Audit Topic Selection**:
  Use trends to identify audit themes that address emerging risks and opportunities. This ensures the SAI remains proactive in tackling critical areas, such as digital transformation, climate resilience, or demographic changes.
- **Resource Prioritization**:
  Allocate resources to audits that align with the most pressing or impactful trends, ensuring optimal use of the SAI's capabilities in addressing high-priority issues.

- **Capacity Development Needs**:
  Recognize areas where the audit team may need additional skills or expertise to address new challenges posed by trends, such as advanced data analytics or sustainability assessments.

By using the trends report as a tool for annual audit planning, SAIs can ensure their work is aligned with current and future priorities, maximizing their impact on governance and public accountability. This practice can be a starting point for unlocking the full potential of foresight within the auditing domain.

4. Policy Recommendations

- **Utilize Insights as a Foundation**:
  - Leverage the trends and data in the report to identify key areas that require policy attention or reform.
  - Use these insights to create a foundation for strategic discussions with stakeholders and policymakers.
- **Conduct Comprehensive Analyses**:
  - Dive deeper into specific trends through additional research and studies to understand their implications on governance, public services, and accountability.
  - Collaborate with experts and institutions to gather diverse perspectives and strengthen the evidence base.
- **Develop Evidence-Based Recommendations**:
  - Formulate actionable and well-supported policy recommendations that address both immediate and long-term challenges.
  - Align recommendations with the SAI's objectives to enhance public accountability and governance.
- **Monitor and Assess Policies**:
  - Establish mechanisms to assess the effectiveness of implemented policies regularly.
  - Use ongoing feedback and new trend insights to refine recommendations and ensure continued relevance and impact.
- **Promote Knowledge Sharing and Best Practices**:
  - Share findings and recommendations with other SAIs and relevant networks to encourage mutual learning and the adoption of proven solutions.
  - Highlight successful case studies and innovative approaches to inspire broader implementation.

By systematically following these steps, SAIs can provide policymakers with valuable, evidence-backed guidance to address challenges effectively and build governance systems that are prepared for future uncertainties.

How SAIs Can Use Cross Impact Analysis Section

The Cross Impact Analysis can be a valuable strategic tool for SAIs (Supreme Audit Institutions), especially when considering global trends and the interactions between different factors that may impact governments and society.

The analysis allows SAIs to understand how trends can affect each other. By exploring how one trend can influence or be influenced by others, SAIs can develop a more comprehensive view of future scenarios and identify areas where risks may be amplified or mitigated. For instance, climate change can impact global migration, which in turn can affect social equity and pose challenges for public policies.

To learn more about foresight and address questions

Any questions regarding the Navigating Trends Report Usage Guide can be directed to the email XXXXX

To access INTOSAI's content related to Foresight, visit the website: XXXX.