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Review of Performance Audit Impact Studies

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Introduction

The studies in the field of the impact of the performance audit are an important part of understanding the usefulness of this kind of audit. The literature analysis revealed that there are a few different types of the performance audit impact. Despite studies on various forms of impact, there is a gap in research. This gap is the impact on the user – the public – of the performance audit results. The purpose of the study is to explain the variety of impacts of performance audits and justify the necessity to continue researching the field. The task of review is to investigate the studies carried out, explain the variety of impacts, find gaps in those studies and define the field for further research. The object of the study is the impact of performance audit. The following research methods were used: review of scientific literature, content analysis.

1. Impact of performance audit and its classification

In the Performance audit standard ISSAI 3000, (INTOSAI, 2019b) declared that the auditor shall conduct the process of selecting the audit topics with the aim of maximising the expected impact of the audit while taking account of audit capacities. The impact of a performance audit can also be explained as an “outcome”.

From the academic perspective, the performance audit impact has a much broader meaning. Performance audit impact studies were started approximately three decades ago. It is not a long time for a science. The first studies of the impact of performance audits in scientific sources were conducted in Australia (Hatherly, Parker, 1988), the United States (Johnston, Jr., 1988), the Netherlands (Van der Meer, 1999).

Research in the performance audit field was impacted by political, economic, technological, and social causes. Taxpayers are becoming increasingly educated and legitimately expect the managers of government finance to be accountable for the use of tax funds and citizens and the society reap the maximum benefit from public finances. Therefore, the pub-

lic sector is encouraged to improve the governance of organizations, increase the responsibility and accountability of managers and various levels of the government.

However, the research on the impact of performance audits has revealed that the science is still looking for the most appropriate research methods to assess whether conducted SAI performance audits bring benefit to the society, help to create public value, contribute to the well-being and public interest.

In the scientific literature, the impacts of the performance audit are classified into several forms. Many researchers use a framework of the performance audit impact consisting of five forms: instrumental; conceptual; interactive; impact through political legitimacy; tactical (Table 1).

Table 1. **Forms of the performance audit impact**

Form	Location of impact	Continuity	Ability to measure
Instrumental	Object of recommendations	Short period	Easy
Conceptual	Slow but successful change in perception, comprehension, mental level	Long period	The evaluation is difficult and complicated
Interactive	Negotiation, consensus between stakeholders	Medium period	Difficult
Impact through political legitimacy	Media reaction, interest of politicians	Short period, instantaneous	Easy
Tactical	Decision making	Short period, instantaneous	Easy – medium

Source: compiled by the authors

Should be noted that there is another form of performance audit impact in the scientific literature—the impact on the intended users as defined in ISSAI 3000 (INTOSAI, 2019b) and GUID 3910 (INTOSAI, 2019a). There are just a few studies on the impact on the user—the society and citizens. These studies focus on the impact on the consumers' satisfaction, well-being as well as the social welfare.

2. The results of the carried out performance audit impact studies

Researchers emphasise different specific areas of performance audit impact and provide their own insights. Morin (2001) concluded that taxpayers should have reasonable grounds to suspect that a performance audit does not always achieve its objective. There is only the illusion that the situation is getting better, which in turn does not guarantee the efficient use of funds. Morin (2008) highlighted the tendency for environmental conditions to affect the work of auditors, leading to the need for environmental impact assessments. Auditors cannot expect to control all the circumstances but should be aware of them. Weets (2008) disagrees with the “popular” indicators most commonly used by SAIs to measure the impact of their performance audits, which usually have only a limited measure of the effectiveness of the performance audit but do not understand the causal links. The study by Torres, Yetano, Pina (2016) revealed that the SAIs in the European Union conducting the state per-

formance audits do not have the sufficient legal power; and the fact that the legal power is not provided by law indicates a lack of political will. Reichborn-Kjennerud, Johnsen (2018) examined the issue of accountability and organizational learning when implementing performance audit recommendations. It also defined the direction for further research, which focuses on how performance audits affect politicians and public policy.

The theoretical background revealed that the results of research to date raise more questions than they answer. It is debatable whether the impact of a performance audit is significant, whether it exists at all, whether a performance audit helps to improve performance, or whether the public benefits fairly from paying taxes. It should be concluded that it does not matter what form of impact is implemented, the priority is public well-being and the creation of public value.

Conclusions

1. The impact of the performance audit covers both the outcome of the auditing process and the long process after the follow-up. It depends on the form of impact. Every form has some special features, such as location, continuity, and the ability to measure it.
2. After analysing the previous studies in the performance audit impact field, it was determined that there is a gap in conducted research. It is the impact of a performance audit on the society, citizens, or the public. According to INTOSAI, the impact of performance audits on the society should be a priority. This gap opens up a wide space for future research.

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