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The Framework of Public Value as a Prerequisite for Measuring the Impact of Performance Audits on Public Value Creation

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In research, the impact of performance audits conducted by SAIs has been classified based on measurement complexity, the duration of the effect, and the entities where this impact occurs (Banushi, 2019; Irawan & McIntyre-Mills, 2016; Van Loocke & Put, 2011). The discourse on the results of performance audit impact assessments provides a basis for further research in this field. According to the theory of Cordery & Hay (2018), next to all other forms of performance audit impact, it is appropriate to introduce a new form of impact – impact in creating public value. To investigate the impact of performance audits on public value creation, it is necessary to develop a system of public value dimensions and use it to evaluate the impact of performance audits on public value creation.

The study seeks to develop a theoretical framework of assessment for public value creation. The research object is the theoretical framework of assessment for public value creation. Content analysis of scientific sources was employed. The works of researchers Moore (1994), Talbot (2007), Puron-Cid et al. (2008), Alford & Hughes (2008), Jain Gupta & Suri (2017), Meynhardt (2014), Cordery & Hay (2018), and others, were selected for content analysis.

Content analysis leads to the identification of four key areas for public value assessment: strategy, governance, consumers and society, and supply chain. *Strategy* involves mission of public entity and long-term objectives formulation in areas like environmental protection and transparency, aiming to enhance public welfare. These objectives must justify public resource use, optimize bureaucratic processes, and ensure continuity beyond political terms. The second dimension is the planning process, which must help achieve the set objectives. *Governance* focuses on management of financial resources, activity, data, information management, accountability and responsibility. The third key direction in the assessment framework of public value creation is *consumers and society*. The first essential component, tied to the rule of law, ensuring that all legal consumers have the right to access public

services. This also involves compliance with laws. The second component is participation and engagement, where consumer involvement in public services and activities enhances public value. The fourth direction focuses on the *supply chain*, which ensures that public services are efficiently delivered. Effective supply chain involves management features, human resources, practices of impact evaluation and stakeholder engagement. Together, these directions form a holistic framework that enhances evaluation of public value creation (see Figure 1).

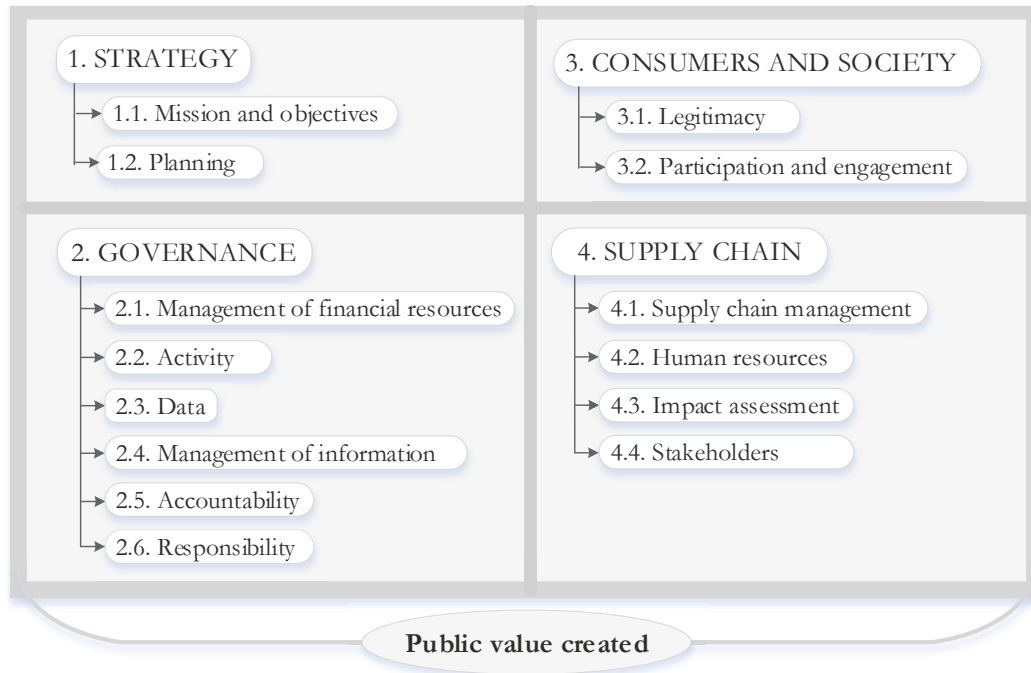


Figure 1. **Theoretical assessment system for public value creation**

Source: compiled by the authors

The dimensions of all four directions consist of smaller sub-dimensions, the overall assessment of which reflects the level at which the indicators are achieved. All the directions and elements of the public value creation evaluation system form the foundation for assessing the impact of performance audits from the perspective of public value creation.

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