

PUBLIC SECTOR PERFORMANCE AUDITS: STAKEHOLDER INTERPRETATIONS OF IMPACT

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WHY – SIGNIFICANCE OF THIS STUDY

Without better understanding of the nature of performance audits and its impacts, “there is a risk that people will over or under-appreciate its usefulness as a mechanism of public sector scrutiny.”

(Kells 2011, p. 87)

WHAT – RESEARCH OBJECTIVE

This thesis aims to develop a **conceptual map** that explicates the **scope and nature of PA impacts** and their conditioning context based on **key stakeholder groups' accountability relationships**.

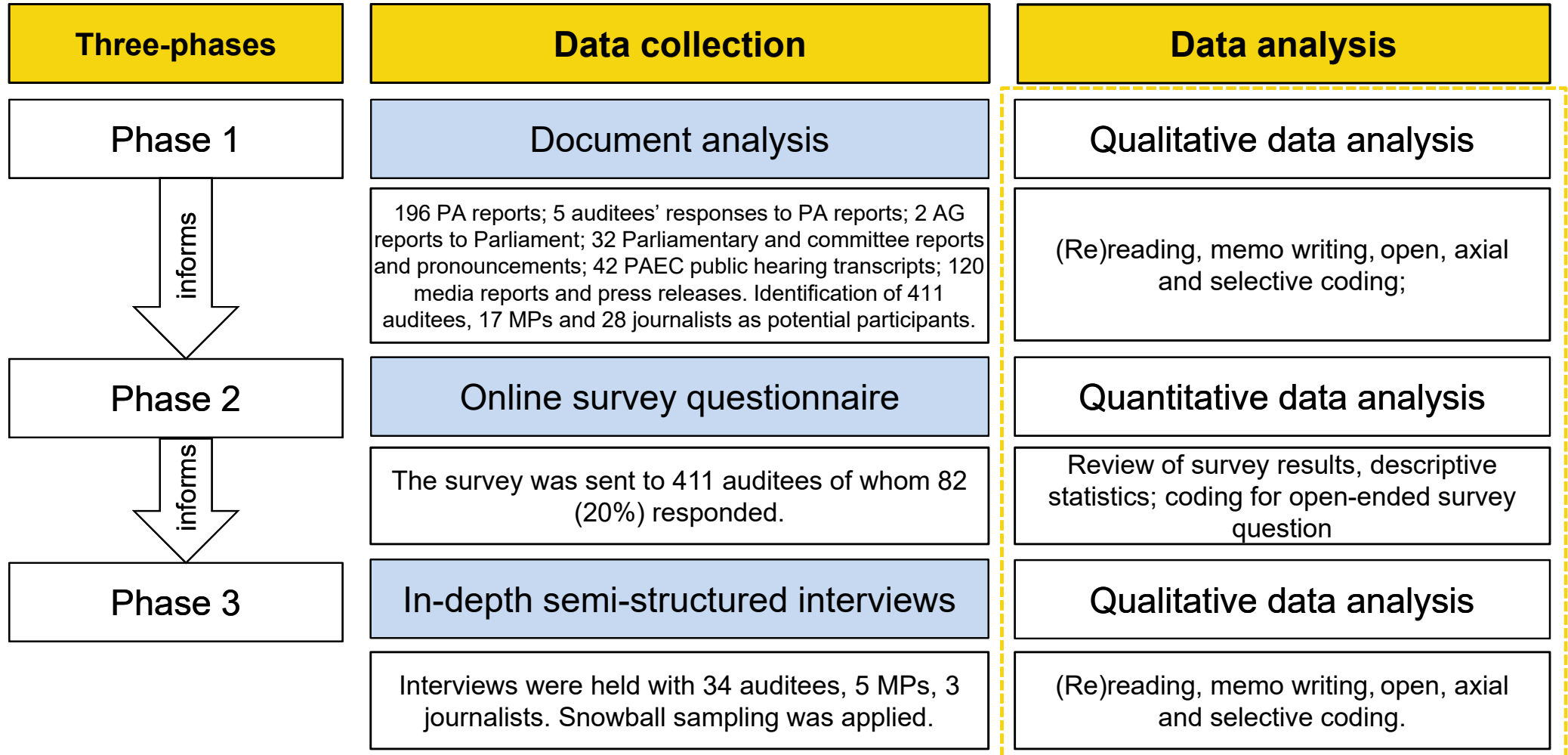
Key stakeholder groups:

- Auditees
- Members of the Victorian Parliament
- Journalists
- Victorian Auditor-General's Office performance auditors

WHAT – RESEARCH QUESTIONS

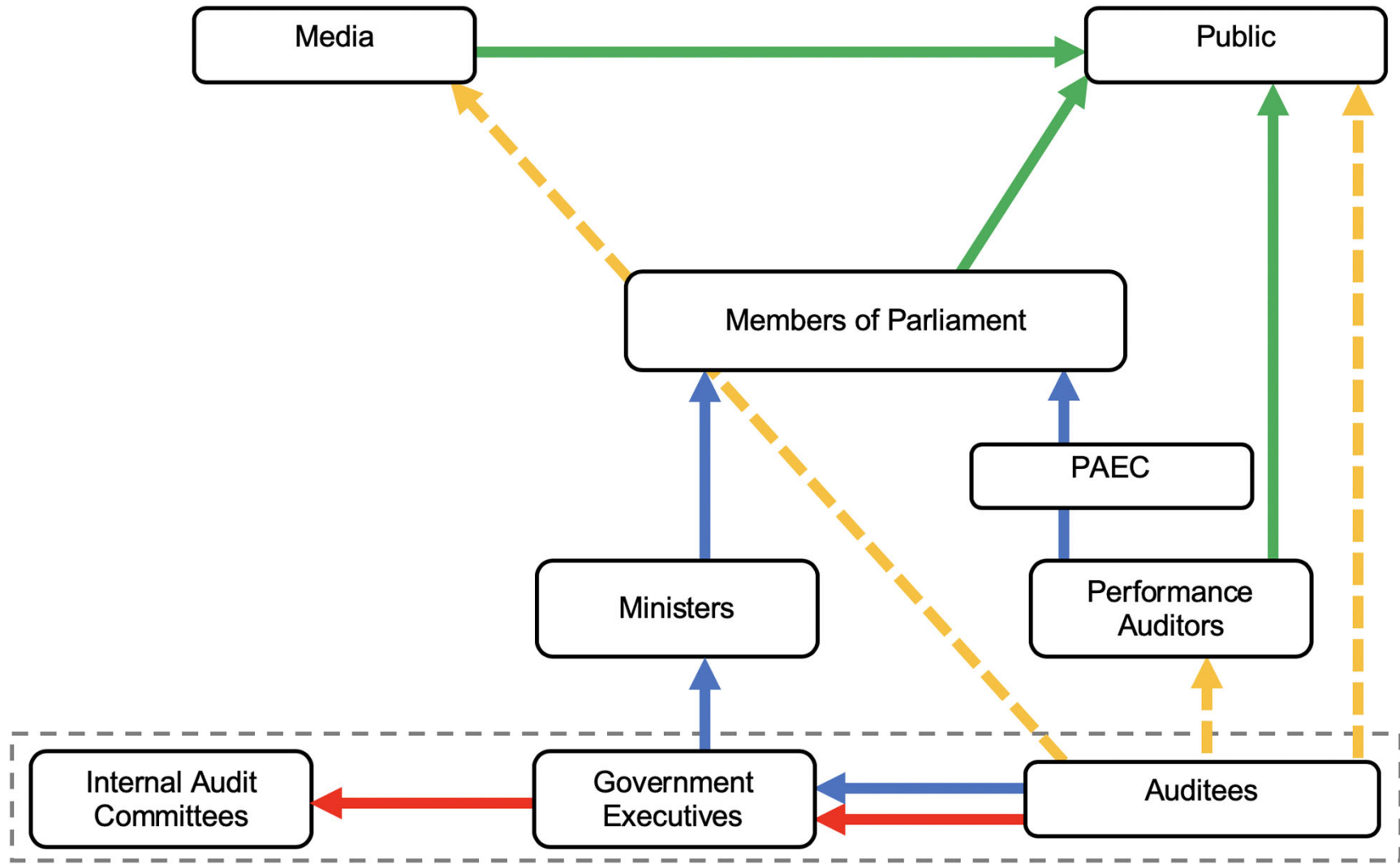
- RQ1 – How do **accountability relationships between** relevant **stakeholders** influence their interpretation of performance audits?
- RQ2 – What do relevant **stakeholder groups** involved in performance auditing **interpret as impact**?
- RQ3 – To what extent have **performance audits** been **perceived as useful** by relevant key stakeholders in terms of **changes** made to audited organisations?

HOW – RESEARCH DESIGN



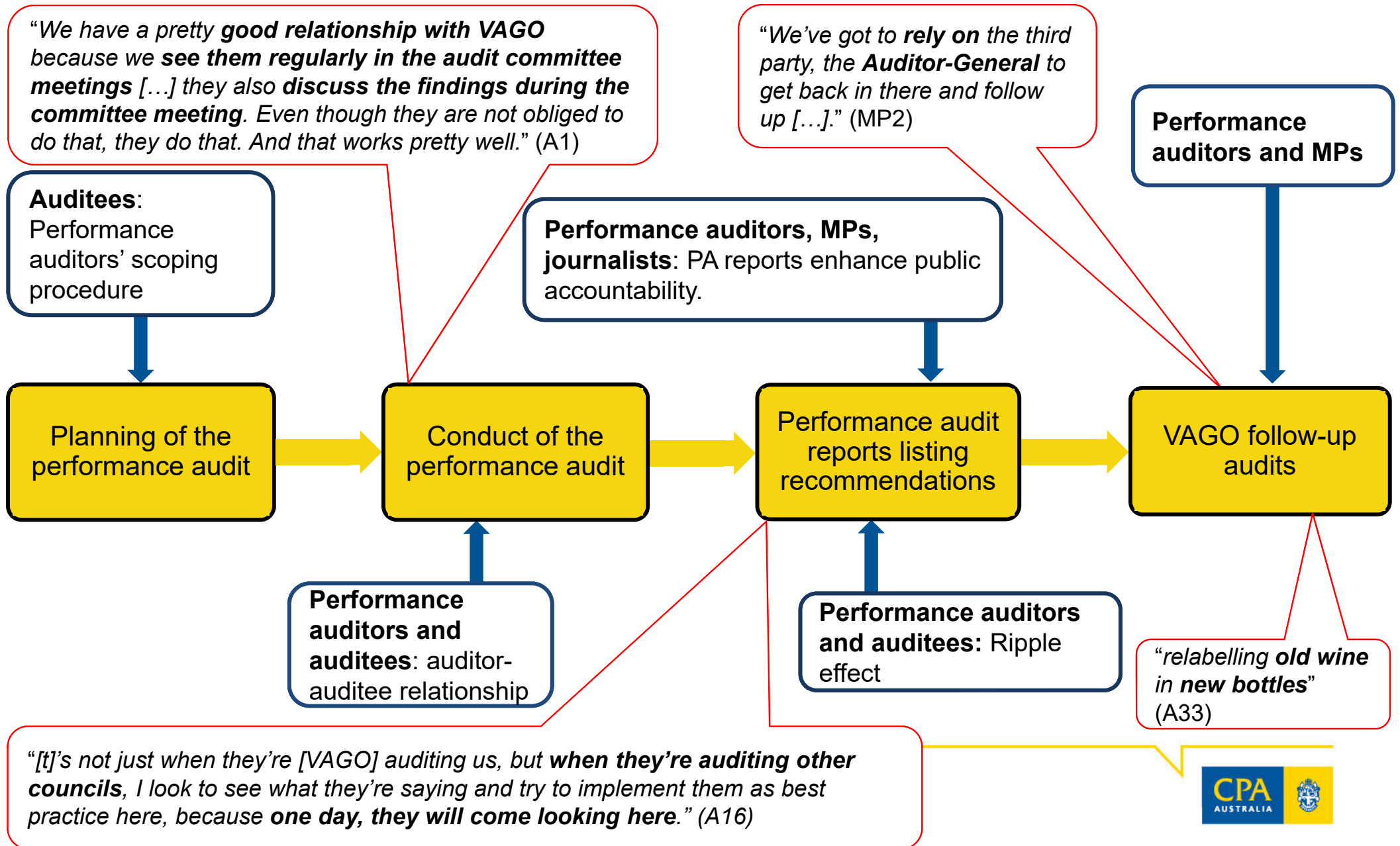
Triangulation of data

FINDINGS (RQ1) – ACCOUNTABILITY RELATIONSHIPS



- Political accountability
- Managerial accountability
- Public accountability
- Legitimacy-seeking behaviour
- Relationships within the public sector organisation

FINDINGS (RQ2) – PROCESS-INDUCED IMPACT



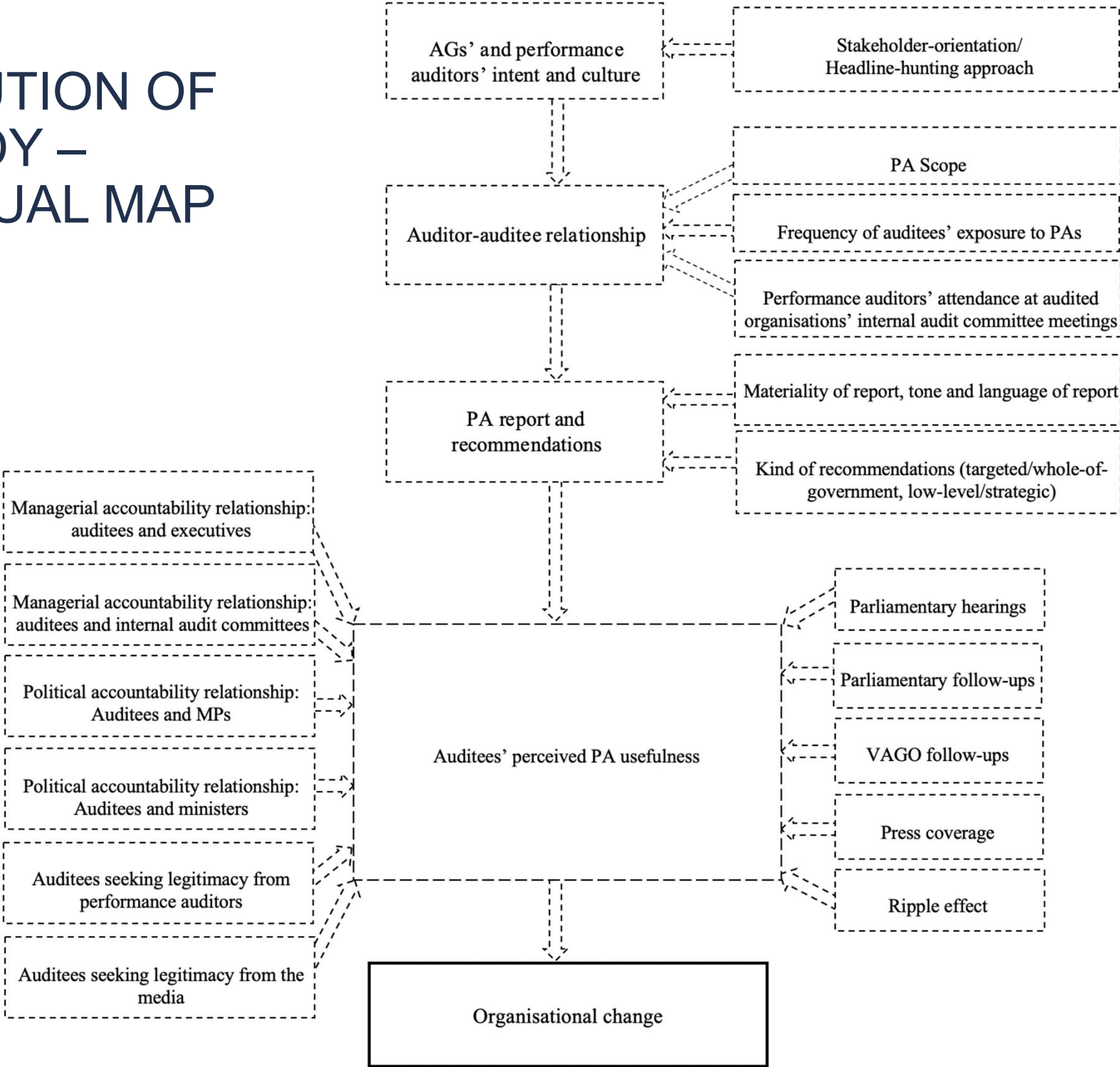
FINDINGS (RQ3) – ORGANISATIONAL CHANGE

Kind of change	Dimension	Auditees' comments
Changes in staff training	substantial	<i>"almost like a ground up reform, [...] a big deal"</i> (A2)
Changes in IT	substantial	<i>"massive"</i> (A19)
Changes in accounting systems	substantial	<i>"huge"; "the very big changes"</i> (A2)

MPs claimed that not all recommended changes lead to valuable performance improvements:

*"I would say anecdotally that **50 per cent or more** of the performance audits have **contributed to improvement** across the public sector, but there's **probably 50 per cent that don't.**"* (MP3)

CONTRIBUTION OF THIS STUDY – CONCEPTUAL MAP



CONTRIBUTION OF THIS STUDY – MOST IMPORTANT FINDINGS

Of most importance in the thesis are its findings that:

- Managerial, political and public accountability relationships between key stakeholders affect their interpretations of PA impact.
- While not all stakeholders feel accountable to other groups, their interpretations of PA impact appear to be driven by the endeavour to obtain and maintain legitimacy from other key stakeholders.
- Stakeholder interpretations of PA impact are dependent on their perceptions of the usefulness of PAs.
- Complex and reform-like changes, if considered timely and necessary, are perceived as useful and, therefore, impactful.
- Certain impact definitions provided by different key stakeholder groups are similar, whereas others vary.
- State Government audited entities and Local Government audited entities exhibit systemic differences in perceptions regarding PAs.

THANK YOU

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