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Compare and contrast the extent of content compliance in public performance audit reports published in South Africa and Australia

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Compare and contrast the extent of content compliance in public performance audit reports published in South Africa and Australia

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Table of Contents

Abstract 6

Chapter 1 Introduction 7

1.1 General background to the study 7

1.2 Research question 9

1.3 Purpose and relevance of the study 10

1.4 Limitations of the study 11

1.5 Report structure 12

Chapter 2 Literature Review 14

2.1 Agency Theory 14

2.2 Concept of performance auditing in an international context 17

2.3 Performance auditing in South Africa 20

2.4 Performance auditing in Australia 22

Chapter 3 Research Method 25

3.1 Research design 25

3.2 Research approach 25

3.3 Population size and sample 26

3.4 Source of data 28

3.5 Data collection and analysis 28

3.6 Data management 31

3.7 Validity and reliability 32

3.8 Assumptions and limitations 33

Chapter 4 Research results and discussion 35

4.1 Chapter Outline 35

4.2 Content compliance levels of the performance audit reports published by the AGSA in 5 specific public sectors. 36

4.3 Content compliance levels of the performance audit reports published by the ANAO in 5 specific public sectors. 40
4.4 Comparison of the content compliance levels of the performance audit reports published by the AGSA and the ANAO 45
4.4.1 Health and Education 45
4.4.2 Police services, border control and other crime-prone areas 48
4.4.3 Housing 50
4.4.4 Environmental, water and country related affairs 55
4.4.5 Other 58
4.5 Comparison of the overall content compliance levels in South Africa and Australia 61
Chapter 5 Conclusion and recommendations 64
5.1 Conclusion 64
5.2 Recommendations and areas for future research 69
References 70
Appendices 77
Appendix A 77
List of Performance Audit Reports used in the study. 77
Appendix B 83
Descriptive statistical analysis relating to the frequency of content within reports published the AGSA and the ANAO (Sector specific results) 83
Table I. Summary of the descriptive analysis relating to frequency of content compliance within reports published by the AGSA. 83
Table II. Summary of the descriptive analysis relating to frequency of content compliance within reports published by the ANAO. 86

List of Figures and Tables

Figure 1. Graphical illustration of the overall content compliance factors relating to the sample of performance audit reports published by the AGSA…….. 38

Figure 2. Graph illustrating the levels of content compliance in performance audit reports published by the AGSA, in relation to 5 sectors…… 40

Figure 3. Graphical illustration of the overall content compliance factors relating to the sample of performance audit reports published by the AGSA…….. 42

Figure 4. Graph illustrating the levels of content compliance in performance audit reports published by the ANAO, in relation to 5 sectors…… 44

Figure 5. Graph illustrating a comparison of the content compliance levels of performance audit reports published by the AGSA and the ANAO, in the health and education sector…….. 47

Figure 6. Graph illustrating a comparison of the content compliance levels of performance audit reports published by the AGSA and the ANAO, in the police service, border control and crime prone areas…… 50

Figure 7. Graph illustrating a comparison of the content compliance levels of performance audit reports published by the AGSA and the ANAO in the housing sector…… 55

Figure 8. Graph illustrating a comparison of the content compliance levels of performance audit reports published by the AGSA and the ANAO, in the environmental, water and country related affairs sector…… 58

Figure 9. Graph illustrating a comparison of the content compliance levels of performance audit reports published by the AGSA and the ANAO in the other sectors…… 60

Figure 10. Graph illustrating an overall comparison of the content compliance levels of performance audit reports published by the AGSA and the ANAO…….... 63

Figure 11. Graph illustrating a summary of the overall comparative content compliance levels of performance audit reports published by the AGSA and the ANAO…… 67

Table 1. Specific content compliance factors according to ISSAI 3000-3001 (2004)…… 29

Table 2. Score assigned to the extent of content compliance found in published performance audit reports…….…. 31

Table 3. Results relating to the content compliance levels of performance audit reports published by the AGSA and the ANAO, in the health and education sector..... 45

Table 4. Results relating to the content compliance levels of performance audit reports published by the AGSA and the ANAO, in the police service, border control and crime-prone areas…… 48

Table 5. Results relating to the content compliance levels of performance audit reports published by the AGSA and the ANAO in the housing sector……..... 51

Table 6. Limitations of scope identified in reports published by the AGSA……... 52

Table 7. Results relating to the content compliance levels of performance audit reports published by the AGSA and the ANAO, in the environmental, water and country related affairs sector……..… 56

Table 8. Results relating to the content compliance levels of performance audit reports published by the AGSA and the ANAO in the other sectors…… 59

Table 9. Comparative results relating to the content compliance levels of performance audit reports published by the AGSA and the ANAO……..... 61

Abstract

Public performance auditing is a type of auditing government departments' use to review three specific aspects (efficiency, effectiveness and economy) of a sector, department or project. Upon completion of a public performance audit, the relevant supreme audit institution releases a performance audit report. The purpose of this study is to determine the level content compliance in these public performance audit reports with the international performance audit standards ISSAI 3000-3001. This study compares the level of content compliance in South Africa, a developing countries against Australia, a developed country. A type of text analysis was used to collate the levels of content compliance in a total of fifty reports, twenty-five reports published by the Auditor General of South Africa (AGSA) and twenty-five reports published by the Australian National Audit Office (ANAO), during the period 2006 – 2013. The finding revealed that public performance audit reports published in Australia have a greater level of content compliance than reports published in South Africa. The results of the report further detail the content shortcomings in the reports reviewed. This study will assist both the AGSA and ANAO in highlighting content concerns in these performance audit report, which is the first step towards improvement.

Key Words: public performance audit report, supreme audit institution, Auditor General of South Africa (AGSA), Australian National Audit Office (ANAO), International Standards for Supreme Audit Institutions (ISSAI 3000-3001)

Chapter 1 Introduction

1.1 General background to the study

Public accountability and transparency are key issues which should be addressed by the government. Governments are usually required to provide a transparent account for all State resources, specifically the origins of these resources and the ways in which the resources have been utilised (Dittenhofer, 2001). Auditing is one of the methods in which the public sector or government meets this requirement. Therefore, the audit process has been referred to as an important component of transparency and control (Dittenhofer, 2001; Gendron, Cooper, & Townley, 2007).

However, during recent times there have been numerous corruption and fraud cases in governmental sectors worldwide (Dye & Stapenhurst, 1998), indicating that a simple audit is not sufficient to deter illegal behaviour. Specifically, government sectors, public funds and resources are not being effectively monitored or controlled as part of the traditional auditing process. The performance audit process may be a solution to this problem, as this is an audit which reviews efficiency, effectiveness and the economy of sectors, funds and resources. This process appears to be used as a method to minimize opportunities for corruption and fraud (Ng, 2002).

Performance auditing appears to be defined in various ways but there are three consistent elements referred to as the '3 E's, efficiency, effectiveness and economy' within all definitions of performance auditing (Hatherly & Parker, 1988; INTOSAI, 2004a; Nombembe, 2013). For the purpose of this study the manner in which INTOSAI (2004) defines performance auditing is most relevant. Performance auditing is defined as 'an independent examination of the efficiency and effectiveness of government undertakings, programs or organizations, with due regard to economy, and the aim of leading to improvements' (INTOSAI, 2004a). Therefore this process aims to assist with concerns surrounding the manner in which

public funds are used, monitored and controlled in an effort to improve public management (Dittenhofer, 2001; Johnsen, Meklin, Oulasvirta, & Vakkuri, 2001).

The outcome of performance audits conducted in both the public and private sector are performance audit reports. Reports are considered to be a medium for better comprehending the function of public administration; they describe the report as a 'window' (Gendron, Cooper, & Townley, 2001) for better understanding. Accordingly, the performance audit reports published by the Auditor General of South Africa (AGSA) and the Australian National Audit Office (ANAO) seem to enhance the understanding of the organization, program or any other activity being audited.

Public sector performance audits are governed by the Performance Audit Guidelines, referred to as the International Standards for Supreme Audit Institutions (ISSAI 3000 – 3001) set out by the International Organisation of Supreme Audit Institutions (INTOSAI). INTOSAI governs all Supreme Audit Institutions (SAI) registered with the institution, including AGSA and the ANAO, which are the focus of this study. The standards that govern performance auditing are considered as a relevant foundation for the study conducted because these standards have been developed based on the 'experience of INTOSAI members' (INTOSAI, 2015).

This study examines the extent of compliance with ISSAI 3000 – 3001, specifically relating to the content within public performance audit reports published in South Africa and Australia. This review is valuable in assessing past content within the reports and recommending improvements to enhance future compliance with INTOSAI guidelines. The identification of shortcomings within the content of these performance audit reports can contribute to the understanding of how to enhance the public sectors management of fund and resources further.

Although there is one universal definition for performance auditing according to INTOSAI, the guidelines implemented by South Africa and Australia are unique to their individual countries and are based on those applied by the AGSA (Auditor General of South Africa) and the ANAO (Australian National Audit Office) respectively (AGSA, 2008a; ANAO, 2014).

Australia is a 'developed country' whereas South Africa is a 'developing country' based on the economics and infrastructure in each country. Australia is more economically developed and has an advanced infrastructure, whereas South Africa is seen underdeveloped in these areas at this time (UN/DESA, 2014). Specifically in relation to performance auditing, the ANAO have been conducting performance audits in the public sector in great detail over the last five decades (Hossain, 2010) as compared to performance audits performed in the public sector of South Africa. The AGSA has been conducting performance audit for approximately the last three decades however these performance audits were performed on an infrequent basis (AGSA, 2015a).

This study is exploratory in that it will examine the extent of content compliance with the INTOSAI performance audit standards in the performance audit reports published in South Africa and Australia. This is done in order to ascertain how effectively the performance audit report is at conveying understanding regarding economy, efficiency and effectiveness in an effort to encourage improvements.

1.2 Research question

The following research question forms the basis for this study:

What is the extent of compliance with ISSAI 3000-3001 with regard to the content in performance audit reports published by the AGSA and the ANAO?

Furthermore, these sub-questions are used to address the main research question stated above:

i. What is the extent of compliance with ISSAI 3000-3001 with regard to the content in performance audit reports published by the AGSA?
ii. What is the extent of compliance with ISSAI 3000-3001 with regard to the content in performance audit reports published by the ANAO?
iii. In a comparative context, is Australia's level of compliance greater than that of South Africa in relation to the content in public performance audit reports?
iv. What shortcomings can be highlighted for the AGSA and the ANAO with regard to the content published in order to adhere more specifically to the ISSAI 3000-3001?

This study specifically reviews content compliance in relation to the ISSAI 3000-3001 in an effort to expand on research regarding public performance auditing in developed and underdeveloped countries. Considering the high levels of fraud and corruption in the public sector (Dye & Stapenhurst, 1998), the process of performance auditing has been regarded as a function which has been implemented to encourage public accountability and transparency (Dittenhofer, 2001; Ng, 2002).

1.3 Purpose and relevance of the study

South Africa is considered a developing country in relation to economic principles; however in many ways the AGSA's process of public performance auditing also appears to be in a stage of development. Although the practice of performance auditing was established in 1975, the first performance audit performed by the AGSA only took place in 1986, 11 years after its original mandate (AGSA, 2015a). This indicates a significant time lag in the development of performance auditing practices as compared to developed countries like the United States of America (US), Australia and Canada (Dittenhofer, 2001; Hossain, 2010; Morin, 2008).

The purpose of this study is to assist the AGSA in bridging the gap in the area of performance auditing. This study will definitively identify the shortcomings in the performance audit reporting process so the process can be improved. The study consequently addresses one aspect within the performance audit process as a step towards development and change in public sector auditing.

A study that focuses on performance auditing in the public sector is important as service delivery, accountability, transparency and corruption are all concerns within public administration. Most of the concerns are minimized with the performance audit function in the public sector, as seen with other studies conducted in Finland, Norway and Japan (Johnsen et al., 2001; Yamamoto & Watanabe, 1989). There are many benefits that can be gained by executing a well-planned performance audit in a government department (Dittenhofer, 2001). A comparative study between AGSA's and ANAO's performance audit outcomes therefore appears relevant as it indicates weaknesses in the reporting process. Weaknesses clearly identified within the performance audit reporting framework can be eradicated over time, which may result in positive effects seen from well-executed performance audit reports.

1.4 Limitations of the study

There are various limitations inherent in an exploratory study within the performance auditing field focusing on South Africa and Australia. This section of the study reviews and explains the nature and implication of these limitations.

Performance audit reports are scarce in a South African context. So the majority of the reports published by the AGSA have been used in this study. South African and Australian performance audit reports used as a result of this limitation span an eleven-year time frame between 2002 and 2013. Consequently, the matter of time is not considered in the results of the study.

This research does not use a scientifically proven method to assess the extent of content compliance in the reviewed performance audit reports. The researcher is used as the research instrument to review and determine the extent of content compliance. Therefore human error is a limitation in the results however, this limitation has been minimised with specific research tools. This is discussed in more detail in Chapter 3 of the study. Furthermore, this study does not attempt to ascertain the quality of performance audit reporting, as this would involve a degree of subjectivity.

The research focuses on 5 sectors based on the availability of reports: this will enhance the research and identify sectors which comply and do not comply with ISSAI 3000-3001. It should be noted that the study was conducted on the various sectors to ascertain whether or not the AGSA and ANAO were consistent in the application of the ISSAI 3000-3001 or were there varied levels of application amoung the various sector. These sectors have been identified based on the available reports published by the AGSA and the ANAO, and the results of this study will be limited to these sectors.

Lastly, this study focus on public performance audit reports and the results of this study cannot be transferable to performance audit reports published in the private sector. These limitations are described to prevent any misconceptions inherent in the results of this study.

1.5 Report structure

The report has been arranged in the following order: Chapter 2 reviews the agency theory in relation to the concept of performance auditing, the implication of performance auditing in the public sector and the techniques used by the AGSA and the ANAO when performing an audit of this nature. Chapter 3 explains the methodology used in conducting this study. Chapter 4 details the results of the study

and further discusses these results. Chapter 5 completes the report by concluding and by suggesting areas for future research in the field of performance auditing.

Appendix A provides a comprehensive list of all the performance audit reports used in the study. Appendix B includes tables of descriptive statistical results, indicating further details regarding the content compliance of the performance audit reports published by the AGSA and ANAO.

Chapter 2 Literature Review

The literature review of this study will contextualize the research problem in an attempt to focus on the gist of the research question (Leedy & Ormrod, 2013). The following is discussed and explained in this section of the study: Firstly, the academic theory that forms the basis for a performance audit study of this nature, known as agency theory. The concept of performance auditing will be discussed in relation to agency theory. Secondly, the notion of performance auditing is explained in an international context as it is a worldwide process used within public administration. Thirdly, the research conducted reviews the performance audit reports published in South Africa therefore the AGSA's approach to public performance auditing is closely examined. Research based on South African public performance audit is rare so any additional insight into this process is included. Lastly, the approach adhered to, to perform a public performance auditing in Australia, is detailed, along with comprehensive findings expressed by researchers in the field.

2.1 Agency Theory

Agency theory is a model grounded in economic literature which fundamentally outlines the principal-agency relationship (Ross, 1973). This theory is referred to as controversial in academic research, as some researchers are pro agency theory and others are against the theory. It has, however, been used in research in a variety of fields including accounting, marketing, economics and finance (Eisenhardt, 1989). The economic theory has additionally been noted as valuable in the auditing field. Specifically the agency theory can be used to justify the development of the auditing process (ICAEW, 2005). As a part of this literature review, agency theory is discussed in relation to performance auditing conducted by supreme audit institutions (SAI) like the AGSA or the ANAO.

Historically, agency theory has been divided into two primary categories (M. Jensen, 1983): firstly there are proven arguments stating that agency theory explains the effect of capital market on firms. Secondly, many other authors use the agency theory to explain relationships that have no implications for capital markets (Eisenhardt, 1989). In this study, agency theory is used to clarify the relationships within public performance auditing, a topic with no direct capital market consequences.

Agency theory is based on a premise suggesting a relationship between two or more parties in an entity. Specifically, one party is referred to as the principal and the other the agent. The principal-agent relationship has been explained as a foundation to the owner-manager relationship in a firm (Jenson & Meckling, 1976). However, in recent times agency theory has been used additionally to explain the role of the audit (Adams, 1994; ICAEW, 2005). This explanation sets the precedent used in this research to explain the process of public performance auditing in relation to agency theory, as the process is considered a type of governmental auditing (Dittenhofer, 2001).

In order to explain the agency theory in relation to the public performance audit process, each aspect of the principal-agent relationship is reviewed. An agent is referred to as the decision-maker: he manages his own interests and those of a third party, known as the principal (Spremann, 1987). The agent within the performance audit process would be the SAI, in addition to the government employees, who have been tasked by the government (i.e. the principal) to conduct national and local tasks on their behalf. Furthermore, a principal is defined as the party who employs or entices the agent to execute specific tasks on behalf of the principal (ICAEW, 2005).

The agency-principal relationship results in various agency problems. The initial problem suggests that the agent has a greater amount of information than the principal. This problem can be identified in the public performance audit process. The agents, namely the SAI and the government employees, have in their individual capacities a significant amount of information. This negatively influences the principal's ability to oversee the agent's competence with regard to the management of the principal's interests (Adams, 1994; Eisenhardt, 1989). The government therefore, may have difficulty with overseeing their government employees. However the SAI, for example the AGSA, has a mandate within the Constitution of South Africa, stating that the institution must perform their audit duties in compliance with legislation. Additionally, the AGSA 'must be impartial and exercise its power and perform its functions without fear, favour or prejudice' (AGSA, 2015b). Therefore the public performance audit process does not appear to be entirely defined within the agency theory as it is a complex process.

Furthermore, agency theory assumes that even though the agent is acting on behalf of the principal, the agent and principal will both act in a manner serving their self interest. The self-interest of the principal and agent are generally conflicting which leads to an additional agency problem (Adams, 1994; Spremann, 1987). Those employed by the various governmental sectors do have individual interest as do top governmental officials so these are often in conflict. Additionally, SAI's are mandated by legislation, therefore any self-interest threat between the government and the SAI should be eliminated.

The agency theory has been reviewed in relation to the agent-principal relationship, but do the auditors have an additional role in this relationship. The auditors provide a type of verification on the work and information delivered by the agent. This independent process, known as the audit, provides the principal with security

regarding the actions and outputs of the agent (ICAEW, 2005). Therefore the SAI (i.e. the auditor and agent) is tasked with the responsibility of independently reviewing the work conducted within public administration in order to verify the information given to the government (i.e. the principal).

The auditor's additional role in the agency-principal relationship is further explained as this clarifies and summarises the role the SAI plays in the performance audit process. The SAI is responsible for conducting the performance audit which includes reviewing various governmental tasks looking at 3 concepts: these are the efficiency, effectiveness and the economy (INTOSAI, 2004a, 2004b). A report is then complied by the SAI indicating their findings and suggested improvements for the governmental project reviewed. Performance audits are not performed in relation to all government activities, but if there were areas of concern, the SAI would pursue the performance audit function. The government (i.e. the principal) is entitled to suggest performance audit areas to the SAI or the agent.

With the use of the agency theory, the performance audit process can be explained as an agent-principal relationship in existence between the government and the SAI. It has further been established that the performance audit role assists the principal (i.e. the government) by independently reviewing governmental projects for efficiency, economy and effectiveness. This process reinforces the trust and confidence the government places in its employees, even though the SAI is governed by legislation within the Constitution.

2.2 Concept of performance auditing in an international context

The concept of performance auditing is defined as 'an independent examination of the efficiency and effectiveness of government undertakings, programs or organizations, with due regard to economy, and the aim of leading to improvements'

(INTOSAI, 2004a). There are three main components within the definition that form the core foundation of the performance auditing process.

The 3 main components are referred to as the 3 E's and include: efficiency, effectiveness and economy. The notion of efficiency refers to the method of how resources are used; was it the best possible method? Effectiveness reviews whether the governmental organisation has met the objective or goal set at the beginning of its operation and lastly economy reviews whether the public undertaking, organisation or goal has been achieved in a cost effective manner (Barzelay, 1997; Hatherly & Parker, 1988; INTOSAI, 2004a)

The concept of performance audit has firstly been examined in an international context as part of the literature review in this study. In order to establish properly the concept of performance auditing internationally studies conducted worldwide are reviewed as part of the research. Research conducted in the US, Canada, Sweden, Japan, China, Finland, Norway and the Netherland is considered.

Some of the studies conducted in the area of performance auditing advocated for the activity, stating via research the benefits of a process of this magnitude. In the US, a study conducted on performance auditing in government suggests that the activity can be viewed by government as a measure of success. The benefits from this process include the promotion of public accountability and transparency in government (Dittenhofer, 2001). In Japan in the late 80's performance auditing, although in infancy, was established as a process which should be implemented in the Japanese public sector as the process encouraged public accountability (Yamamoto & Watanabe, 1989).

In China due to high levels corruption and misconduct in the governmental sectors, performance auditing was considered as a mechanism that would assist with the notion of public accountability (Ng, 2002). In Finland and Norway a study regarding performance auditing in local government was conducted. This study concluded that the function of performance auditing is considered as a 'useful, rational public management tool' (Johnsen et al., 2001). Therefore, in an international context, there are numerous studies on the public performance auditing process. These studies promote the performance audit process.

Although there are many researchers who have advocated the process of performance auditing, there are also those who have proven that performance auditing in the public sector does not have the expected effect of improvement or public accountability. In Canada, a study was conducted on the influence of value for money auditing (another name for performance auditing) on public administration. This research found that changes or the improvement made post performance audit were minimal at most; no substantial improvements were actually seen as a result of the audit. However, the auditors conducting the performance audit were seen to have a perceptible influence on the organisation audited (Morin, 2008).

In the Netherlands a study was conducted on performance auditing and new public management. This research questions whether it actually is public performance auditing that leads to more efficient and effective governmental sectors. It concludes that it may be new public management responsible for these positive changes and in combination with performance auditing leads to efficiency and effectiveness in public administration (Leeuw, 1996). The studies conducted in Canada and the Netherlands effectively argue against the benefits of the performance audit process.

Finally, there are additional studies that encourage the expansion of the performance audit function. In order to review all arguments in relation to the performance audit process, these studies are reviewed. In Sweden performance auditing in its traditional sense is unusual. As part of the governmental audit process, the Swedish National Audit Office uses a combination of performance and compliance audit methodology. These audits address two concerns: they, firstly, establish whether the mandate of the government has been undertaken effectively and, secondly, they determine whether legislation has been complied with when conducting this governmental task. Therefore in Sweden performance auditing has been taken a step further from its use in the traditional sense (Gronlund, Svardsten, & Ohman, 2011).

In an international context a vast amount of research has been conducted within the performance audit framework. There are diverse views on the results of the performance audit process, these have been outlined as part of the study. However for the purpose of this study performance auditing is viewed as positive approach which promotes accountability and transparency in governmental sectors, as per the studies conducted in the US and China (Dittenhofer, 2001; Ng, 2002).

2.3 Performance auditing in South Africa

The AGSA mandated the performance audit process in 1975 in the Exchequer and Audit Act of 1975 and executed the first performance audit in 1986 (AGSA, 2015a). Furthermore, in South African legislation, namely the Public Finance Management Act 1 of 1991, it is strongly recommended that performance audits are conducted in areas where corruption or fraud is suspected (GT, 2013). There are many benefits which have been identified as a result of performance audits being conducted, including: ‘the identification of areas and processes where waste and inefficiencies occur, assurance of your regulatory compliance and the provision of cost saving

controls and systems' (GT, 2013). The performance audit process is mandated as a legitimate audit process in the public sector.

In a South African context the concept of public performance auditing has been researched as a method to establish ethical behaviour in local government (Mpehle & Qwabe, 2008). This research reviews two areas, performance auditing in relation to legislation and performance audit outcomes. The complete analysis reveals areas in the local government which require immediate attention. The study suggests that there are challenges regarding the implementation of legislation, furthermore there are ways to improve financial management in municipalities. These methods may include: the employment of qualified, well trained individuals, the promotion of compliance and corporate governance, the appropriate management of documentation and the encouragement of ethics and suitable behaviour (Mpehle & Qwabe, 2008).

A study was conducted on the public performance audit reports published by the AGSA and ANAO. This study focused on level of format compliance in performance audit reports according to ISSAI 3000-3001. It was found overall that the ANAO is more compliant than AGSA (Gomez & Padia, 2014). The study conducted on the format compliance of these reports forms a basis for this study reviewing the levels of content compliance in performance audit reports published by these countries.

In the South African studies reviewed, performance auditing is viewed as process which promotes benefits and improvements in governmental departments (Gomez & Padia, 2014; GT, 2013; Mpehle & Qwabe, 2008; Thornton, 2013). As this process is relatively new in South Africa there has not been vast amounts of research on the concept illustrating the various effects of performance auditing as shown in chapter 2.2. In an attempt to expand on the research conducted in South Africa, the

standards set out by the AGSA published in 2008 will be briefly outlined as a component of this study (AGSA, 2008a).

The AGSA firstly collects information with regard to a department or sector of interest. The information collected reflects all the information pertaining to the department under review. Some examples of the information collected include policy and procedures, legislative issues, performance goals and even the organisational structures. Secondly, the performance auditor identifies areas of ineffectiveness or inefficiencies. The main issues within the department are then identified, like fraudulent activity or unauthorised use of funds. Lastly, a memo is to be complied and submitted to the performance audit advisory committee. The committee then decides whether or not to pursue a performance audit of this particular department or sector within the public administration of South Africa (AGSA, 2008a).

In the manual published by the AGSA, it outlines the reporting guidelines in addition to the approach just described above. These guidelines suggest the 10 content specific requirements which should be included within a published performance audit report. These include: a title, purpose and content, nature and scope, auditing concepts and approach, audit findings and recommendations, comments by the accounting officers on corrective steps, address of the auditor general, signature of the auditor general or the delegated person, date of the report and the final sign off of the report (AGSA, 2008a). The AGSA is a member of INTOSAI and as such the guidelines which are published should be in line with ISSAI 3000-3001. These guidelines are minimal in comparison to those set out by INTOSAI, which are further detailed in Table 1 and forms the grounding for this study.

2.4 Performance auditing in Australia

In an Australian context the performance auditing process has been entrenched in governmental auditing since the 1970's. As such a study conducted by

Transparency International showed the levels of corruption in Australia as being relatively low. In this study reviewing 163 jurisdictions Australia is perceived to be one of least affected by corruption (TI, 2006). This may be as a result of the performance audit process ingrained in public auditing.

Over the last few decades, the process of performance auditing has evolved and this has been researched in an Australian context (Hossain, 2010). The researcher found that it is not time that influences the development of performance auditing but the process is actually influenced by demand. Specifically, the demand of government, policy makers and the public (i.e. the stakeholders) regarding performance audit information. The ANAO has therefore changed performance audit practise in line with the demand of the various stakeholders over time (Hossain, 2010).

In addition, research has been conducted on the mandate of the then, Australian Auditor General (Parker & Guthrie, 1991). In the past the performance audit mandate appeared to only encompass economy and efficiency, there appeared to be a lack of focus on effectiveness. It is found that the performance audit process does not simply meet its requirements by stating them at the beginning of the process. Proper procedure and strategies are required to be implemented for the mandate of a performance audit to be fulfilled (Parker & Guthrie, 1991).

There have been various research projects completed in Australia, based on public performance auditing. Some review the credibility of the performance audit process (Funnell & Wade, 2012), while others discuss the evolution of performance auditing which has bought upon international consensus regarding the 3 E's within the concept of performance auditing (Hatherly & Parker, 1988). All the research discussed in an Australian context is relevant to the evolution of the performance

audit process and as such is pertinent to this study. As part of this discussion the current status of performance auditing is reviewed, based on the ANAO's insight.

The ANAO outlines the approach the departments use to conduct performance audits in a manual published in 2014. The ANAO implements a 'structured planning approach' by producing and publishing an annual audit work program (ANAO, 2014). This program sets out all the performance audits to be conducted in a particular year. The decision process which the ANAO follows differs from the process the AGSA follows.

Firstly, the performance auditor goes through a risk identification process where four main risks are considered. These risks include resource capacity risks, areas that are of particular interest to Parliament, various areas which challenge public administration and any opportunity sectors which are open to improvement. Secondly, the auditor reviews all risks to identify special areas of interest or the most pertinent issues within the view of the ANAO. Lastly a potential list of issues are complied and then these issues is discussed and limited by the state and territory auditors involved in order to determine the final audit work program (ANAO, 2014).

The literature review includes an explanation of performance auditing in relation the agency theory, the concept of performance auditing in an international context and performance auditing in South Africa and Australia. It outlines various research to contextualise this study, which reviews the levels of content compliance in performance audit reports published by the AGSA and ANAO.

Chapter 3 Research Method

3.1 Research design

There are various types of accounting research frameworks, however the interpretive framework is used in relation to the scope of this study (Baker & Bettner, 1997). The study conducted is categorised within the interpretive and critical accounting framework (Ryan & Scapens, 2002), as proven by the nature of the research question. This study explores the topic of performance audit reporting, by questioning the extent of content compliance to ISSAI 3000-3001 in performance audit reports published, within the public sector of two countries, South Africa and Australia. The research embarked upon is qualitative and exploratory in nature; it uses factors adapted from ISSAI 3000-3001 to identify specific content factors within the disclosure of public performance audit reports. These factors identified are based on an initial study in this area on the extent of format compliance and are expanded upon to include additional content factors based on ISSAI 3000-3001 (Gomez & Padia, 2014).

In order to justify the method used for this specific type of accounting research, the current section in this chapter introduces the research method. The chapter then continues by examining the research approach employed. Further on the population size and sample is established as part of the methodology. Next the data is discussed outlining specifically the data source, collection and analysis. As this is an exploratory study by nature the validity and reliability of the method utilised is discussed and finally the core limitations and assumptions implied within the study are disclosed.

3.2 Research approach

A study of this nature is to be conducted using a qualitative methodology known as a type of content analysis. Content analysis is ‘a detailed and systematic examination

of the contents of a particular body of material for the purpose of identifying patterns, themes or bias' (Leedy & Ormrod, 2013). There are two forms of content analysis referred to as the 'form orientated method' and the 'meaning oriented method' (Leedy & Ormrod, 2013). This study uses the meaning orientated method also referred to as a type of text analysis (Merkl-Davies, Brennan, & Vourvachis, 2014).

The method used identifies the researcher as the 'research instrument' (Leedy & Ormrod, 2013). The researcher uses the list of specific content compliance factors derived from ISSAI 3000-3001 (refer to Table 1, in section 3.5), in order to commence the data extraction process. Next, the process involves the reading and re-reading of public performance audit reports in order to identify whether these specific content factors are included.

This process is conducted to gain insight into the disclosures within published performance audit reports. Additionally the process will assist the researcher by isolating trends and patterns prevalent in the content of public performance audit reports (Solomon & Maroun, 2012). This technique may assist in the identification of unexpected information and trends (Smith & Taffler, 2000). The aim of the research is to establish these patterns and gain new insight into public performance audit reports. The use of a qualitative approach namely, a text analysis therefore appears more appropriate than a quantitative approach.

3.3 Population size and sample

This study specifically focuses on public performance audit reports published by the AGSA and ANAO. In determining the research population of the study, the researcher is required to consider testing the entire population or a smaller sample of the population. The following discussion will review the process pursued to determine the population size and sample.

In a South African context, public performance audit reports are scarce, as a total of 45 performance audit reports were found, published between 2006 and 2013. However, upon further inspection, the following was deduced: 10 performance audit reports were published on the infrastructure and delivery processes in the Education and Health sectors in 2011. These reports related to each of the 9 provinces in South Africa and one related to national infrastructure and delivery processes in the Education and Health sectors. After further review it was found that the content was significantly similar. Furthermore, this type of pattern in publishing was also found in a performance audit conducted on consulting services in 2013 and in a performance audit conducted on housing subsidies in 2006. As a result of this observation, the majority of these repeated performance audit reports were considered out of the scope of the study to avoid repetitive results in the overall study. Consequently 25 public performance audit reports published by the AGSA were used in this study.

In an Australian context, performance auditing is an established part of the governmental auditing process (Hossain, 2010) and, as a result, the ANAO has published numerous performance audit reports in various governmental sectors. This is, however, a comparative study between South Africa and Australia and only 25 published performance audit reports were collected from the ANAO's website. A total of 50 published performance audit reports will form the basis for this study reviewing the extent of content compliance in South Africa and Australia. Appendix A provides a comprehensive list of all the performance audit reports used in the study, highlighting the title and the year in which the report was published.

In an attempt to gain more insight into the content of these reports, the total of 50 reports has been categorised into 5 different sectors: firstly, health and education; secondly, emergency services, border control and crime prone areas; thirdly, housing; fourthly, environmental, water and country related affairs and lastly, other.

A total of ten reports were reviewed per category, five reports from the AGSA and five reports from the ANAO.

Due to the lack of availability of public performance audit reports the sample population is smaller. According to Merkl-Davies et al (2014) when conducting a qualitative study of this nature, it is considered more suitable to use a smaller sample size. Furthermore, Leedy and Ormrod (2013) state as the sample population is less than one hundred reports, it is recommended that all reports be utilised within the study. Therefore all 50 performance audit reports are used as the population for this research.

3.4 Source of data

The source of data for this research study is the public performance audit reports published by the AGSA and the ANAO. These reports have been extracted from the AGSA website (http://www.agsa.co.za/Documents/Specialauditreports/Performanceauditreports.aspx) and the ANAO website (http://www.anao.gov.au/Publications) as they are publically available reports.

3.5 Data collection and analysis

The data employed in this study has been clearly identified as the public performance audit reports published by the AGSA and the ANAO (Appendix A). The specific content factors to be examined within these performance audit reports are defined in precise terms. These factors have been adapted based on the performance auditing reporting guidelines set out in ISSAI 3000-3001. A study conducted on the extent of format compliance identifies a few of these factors as part of another study and has been used in order to confirm some of the content factors identified, as content and format within performance audit reports are closely related (Gomez & Padia, 2014). Table 1 below outlines the factors used to examine the

published performance audit reports. There are a total 15 main content compliance factors, with sub-factors indicated as necessary.

Table 1. Specific content compliance factors according to ISSAI 3000-3001 (2004).

1	A suitable heading - indicates the performance audit topic which has been audited
2	Executive summary
3	Introduction
4	Background
5	A motive for the performance audit
6	Performance audit objectives
7	Performance audit Scope
8	The performance audit method employed to conduct
9	The audit sources used for the performance audit have been indicated
10	Audit findings and analysis
10.1	Audit interpretations are based on relevant facts and conditions
10.2	More than one has been included within the analysis conducted
10.3	All finding are included in the performance audit report (positive and negative)
10.4	Findings are presented separately from the conclusion
10.5	Audit findings are based on evidence presented within the performance audit report
10.6	Presented findings are consistent with audit scope
11	Conclusion and assessment
11.1	Presented conclusion is consistent with audit scope
11.2	The conclusion stated has arisen from audit findings and analysis
12	Recommendations and appendix
12.1	Logical and clear link to the audit objective and the audit findings

12.2	Benefits of the recommendations suggested are included in the performance audit report
12.3	Person required to implement these recommendations has been suggested within the report
13	Limitations within the performance audit
14	Performance audit report have been officially signed
15	Reports are published in a timely manner (review date of source data and when the report was published if it's within a year the report is regarded as timely)

Performance audit reports are generally complex and lengthy documents. The reports can vary from a documents made up of 16 pages to a 200-page report. As a result of these lengthy reports, each report is broken down into smaller sections based on the content specific qualities that are outlined on the contents page within each individual report. The specific content compliance factors identified in Table 1 are now used to analyse the performance audit reports.

The analysis process involves the review of one performance audit report at a time. Each report has been reviewed at least three times in order to establish whether the content factors outlined in Table 1 are present, somewhat present or not present in the report. Each outcome is allocated a numerical score between 0 and 2, this is outlined in Table 2 below. The results established based on the analysis were then tabulated in order to collate the data pertaining to the 50 performance audit reports.

Table 2. Score assigned to the extent of content compliance found in published performance audit reports.

Extent of content compliance in performance audit reports	Score
Content is not present	0
Content is somewhat present	1
Content is completely present	2

This method used to collect data has been used in various other studies and is a legitimate data collection method (Makiwane & Padia, 2013; Padia & Yasseen, 2011). These studies focused on different aspects in auditing, one reviewing content in annual reports and another reviewing content within integrated reports. Therefore, this methodology is verifiable as it has been successfully used in other studies in the auditing field.

Statistical analysis was conducted on the tabulated results. More specifically descriptive statistics were used in order to gain insight into content compliance in the field of public performance audit reporting. The results of this analysis will be discussed in Chapter 4 of this study.

3.6 Data management

The performance audit reports sourced from the AGSA and ANAO websites were extracted and saved in one of two designated folders, namely, the AGSA performance audit reports or the ANAO performance audit reports. The title of each report was carefully reviewed as, within the two main performance audit report folders 5 folders were created to depict the sectors which has formed the basis of this study. Individual reports were then placed into a folder based on the title of the report. This was done to ensure accuracy with regard to the classification of these reports. A complete list of reports was then complied designating each report with a

number for easier identification. This list includes the title of each report and the year in which the report was published. The completed list of performance audit reports can be seen in Appendix A.

An Excel workbook was then created, depicting the 15 main content compliance factors and the sub factors on two separate worksheets. In worksheet 1, the data relating to 25 performance audit reports from the AGSA were captured and in worksheet 2 the data relating to the 25 performance audit reports from the ANAO was captured accordingly. This workbook was maintained by saving its content on a primary hard drive and backing it up on an external USB.

3.7 Validity and reliability

There has been significant critique of qualitative text analysis specifically stating that validity of this type of research is non-existent as complex statistical methodologies are not employed for solving the research problem (Creswell, 2009). Conversely, Maroun (2012) states that validity of research methodology is not based on the scientific method of the research but are grounded in detailed documentation and account of results. The validity and reliability of the methodology used in this study has been constructed based on the assumptions of Maroun (2012).

Text analysis is considered to be a qualitative methodology. This analysis requires the input of the researcher as the research instrument (Leedy & Ormrod, 2013). Therefore, in order to attain validity and reliability of a qualitative methodology of this nature an 'iterative process' has been followed; this is the continuous process between data and analysis (Merkl-Davies et al., 2014).

Reliability can be achieved if the connection between the analysis and the results is apparent (Elo & Kyngas, 2008). This has been established with the use of the following steps: documenting the data analysis process in great detail, reviewing

prior literature on the topic of public performance auditing and providing a detailed description of the conclusions reached within the study. Reliability has been achieved by providing the reader with numerous possible views regarding performance audit reporting (Coetsee, 2011; Elo & Kyngas, 2008; Maroun, 2012).

Credibility can additionally be attained by engaging longer with the text under review, the process of reading and re-reading the performance audit reports may increase reliability (Merkl-Davies et al., 2014). As mentioned above, the content compliance factor illustrated in Table 1 has been utilised in the study. These factors were employed as part of the analysis process. This process entailed reading and re-reading performance audit reports in order to establish whether specific content compliance factors are found within reports.

Finally, other studies conducted in the field of auditing have used this methodology to address some relevant issues in the field, (Makiwane & Padia, 2013; Padia & Yasseen, 2011) further validating the reliability of this research methodology. Therefore, qualitative research has been validated by explanation and application of the approach discussed in detail in Chapter 3.

3.8 Assumptions and limitations

The research conducted within this study has been established based on specific assumption and limitations, which, are further discussed in this section of the report.

The published performance audit reports obtained from the AGSA and the ANAO websites are expected to be reliable, valid and complete. Furthermore, the specific content compliance factors outlined in Table 1 are assumed to be valid as the factors are based on ISSAI 3000-3001 (INTOSAI, 2004a, 2004b) and confirmed by an additional study pertaining to format compliance in public performance audit report

(Gomez & Padia, 2014). In addition, to these assumptions, various limitations have been identified through the research process.

A study of this nature involves a certain amount of subjectivity as the researcher is used as the research instrument in this study, which is a limitation. However, the process of reading and re-reading performance audit reports (Merkl-Davies et al., 2014) significantly reduces the effect of this limitation. Furthermore, this study is considered as exploratory in nature, which is considered a limitation. However, the detailed account of the research approach and data analysis assisted in validating a study of this nature (Maroun, 2012).

Additionally, the limitation of time is considered pertinent in this study. This limitation was addressed with the use of a detailed planning process. This planning process entailed an outline of the time frames allocated for each major component of the study. These discussed assumptions and limitations were considered through the research process.

Chapter 4 Research results and discussion

4.1 Chapter Outline

This chapter is divided into 3 parts: firstly, performance audit reporting compliance is reviewed in a South African context, based on a sample of reports published by the AGSA (refer to Appendix A for a complete list of the reports used). Each report was reviewed in relation to all factors outlined in Table 1. These factors were adapted from ISSAI 3000-3001 and are used to determine the level of content compliance achieved by the AGSA. The results depict overall compliance levels and levels of compliance in the 5 specific sectors reviewed. These sectors include: health and education; police service, border control and crime-prone areas; housing; environmental, water and country related affairs and other. The results on the 5 sectors are discussed and a summary of all South African related results are then outlined.

Secondly, performance audit reporting compliance is reviewed in an Australian context, based on the reports published by the ANAO (refer to Appendix A for a complete list of the reports used). The results are discussed similarly in relation to overall compliance levels and compliance levels in the 5 sectors outlined above. A summary of the overall Australian compliance levels is then presented to conclude this component of the chapter.

Lastly, a comparative analysis is illustrated using basic descriptive statistics indicating the compliance levels in South Africa and Australia. This analysis reviews the levels of compliance on a sector-by-sector basis, considering each of the 5 sectors individually. The final results regarding the comparison of the 2 countries' performance audit reporting compliance is then explained based on the statistical analysis and considered in relation to other studies conducted in the field of

performance auditing. In relation to this comparative analysis the shortcomings identified in the content of the performance audit reports are discussed.

4.2 Content compliance levels of the performance audit reports published by the AGSA in 5 specific public sectors.

In a South African context, the 25 reports published by the AGSA were reviewed individually. Content was specifically considered in relation to the 15 content factor identified in the standards governing performance auditing (ISSAI 3000-3001) and these factors were collated in Table 1. Figure 1 summarizes the overall content compliance of all 25 results reviewed. This graphical representation suggests the level of content compliance in percent form, reviewing 3 outcomes with regard to content. These 3 outcomes include the question of whether the content is not present within the report, the content is somewhat present in the report or the content is completely present within the report as outlined by Table 2.

The results in Figure 1 positively indicate overall that the AGSA is able to provide a suitable heading for performance audit reports and that the AGSA does focus significantly on the findings and analysis component of these reports. However, there is scope for improvement in the area of performance audit content, mainly in relation to the following factors, which are discussed in detail.

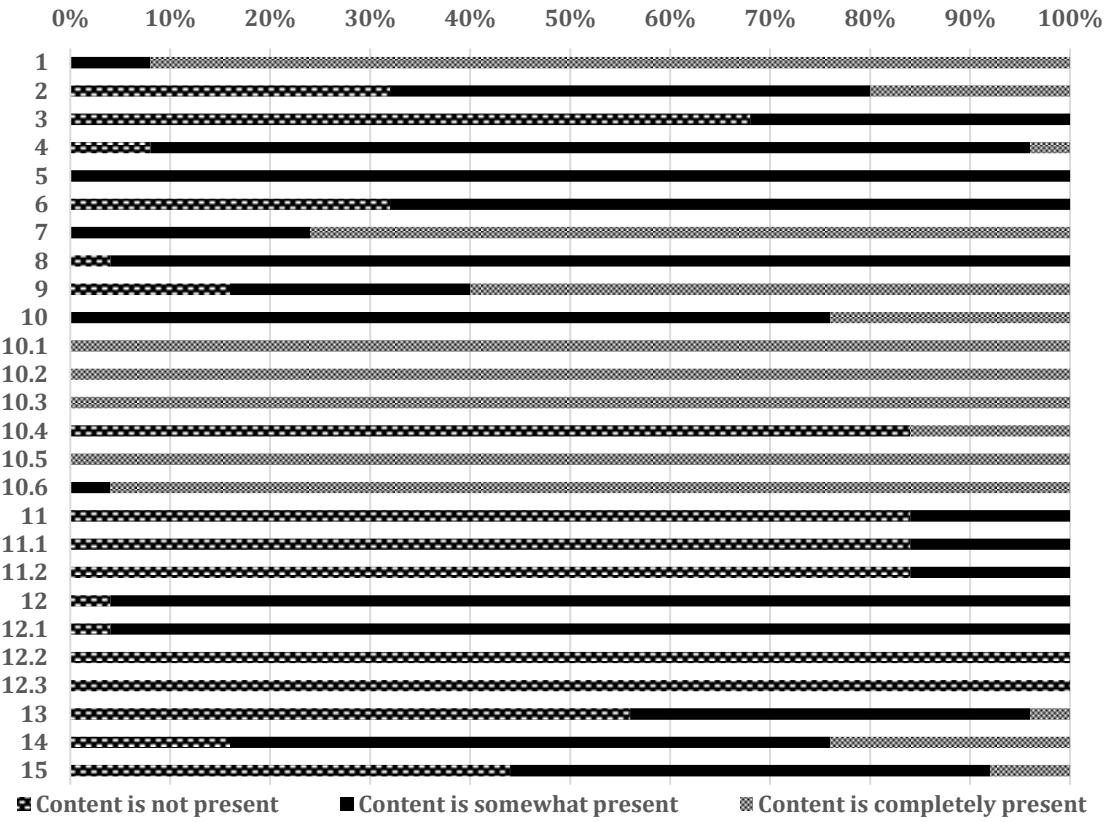
According to Figure 1, the executive summary, introduction and background content is relatively weak, each of these parts within the reports lacks a detail or is excluded entirely. The AGSA does not explain the reason for conducting the specific performance audit or outline the objectives of the report. Most of the performance audit reports state a generic objective which has been replicated over the years. In addition the method used to conduct the performance audit report is never detailed, leaving a question about what the AGSA is actually doing during these performance audits. These results can be attributed to the reporting guidelines in the performance

audit manual published by the AGSA, as discussed in the literature review the guidelines only focus on ten content compliance factor (AGSA, 2008a).

Most of the performance audit reports conducted by the AGSA lack a conclusion section and the recommendations outlined are generic, with no particular detail to assist the government department with improvements. These reports are not always signed by the lead auditor on the project but frequently, at the end of the reports someone signs 'Auditor General' like in report no. 5, 9 or 10 among others (AGSA, 2008b, 2009a, 2011). This signature doesn't promote accountability or transparency of the individual auditors at the AGSA.

Lastly, many of the reports published by the AGSA are not published in a timely manner and this results in the report being irrelevant (INTOSAI, 2004a, 2004b). Specifically, this observation is identified in report no. 7, 11 and 19 (AGSA, 2006a, 2007, 2009b) among other, the information regarding the performance audit is outdated and as a result the report becomes irrelevant (refer to Appendix A for a complete numbered list of performance audit reports). Part of the reason for conducting a performance audit to encourage improvement if too much time has passed between the time of the audit and publishing of the report, in many cases the problems identified have changed, increased in severity or the project being reveiwed has already ended. Therefore as a result no improvements can be implemented which results in the report being considered irrelevant.

Figure 1. Graphical illustration of the overall content compliance factors relating to the sample of performance audit reports published by the AGSA.



The reports sourced from the AGSA were split into 5 sectors in order to gain more insight within these reports in relation to the content compliance factors outlined in Table 1. Further descriptive statistic analysis was conducted with respect to these sectors. The results of the descriptive analysis are included in Table I (Appendix B), and they outline the mean of the content compliance factors reviewed per sectors as part of the purpose of this study is to review the extent of content compliance in South Africa.

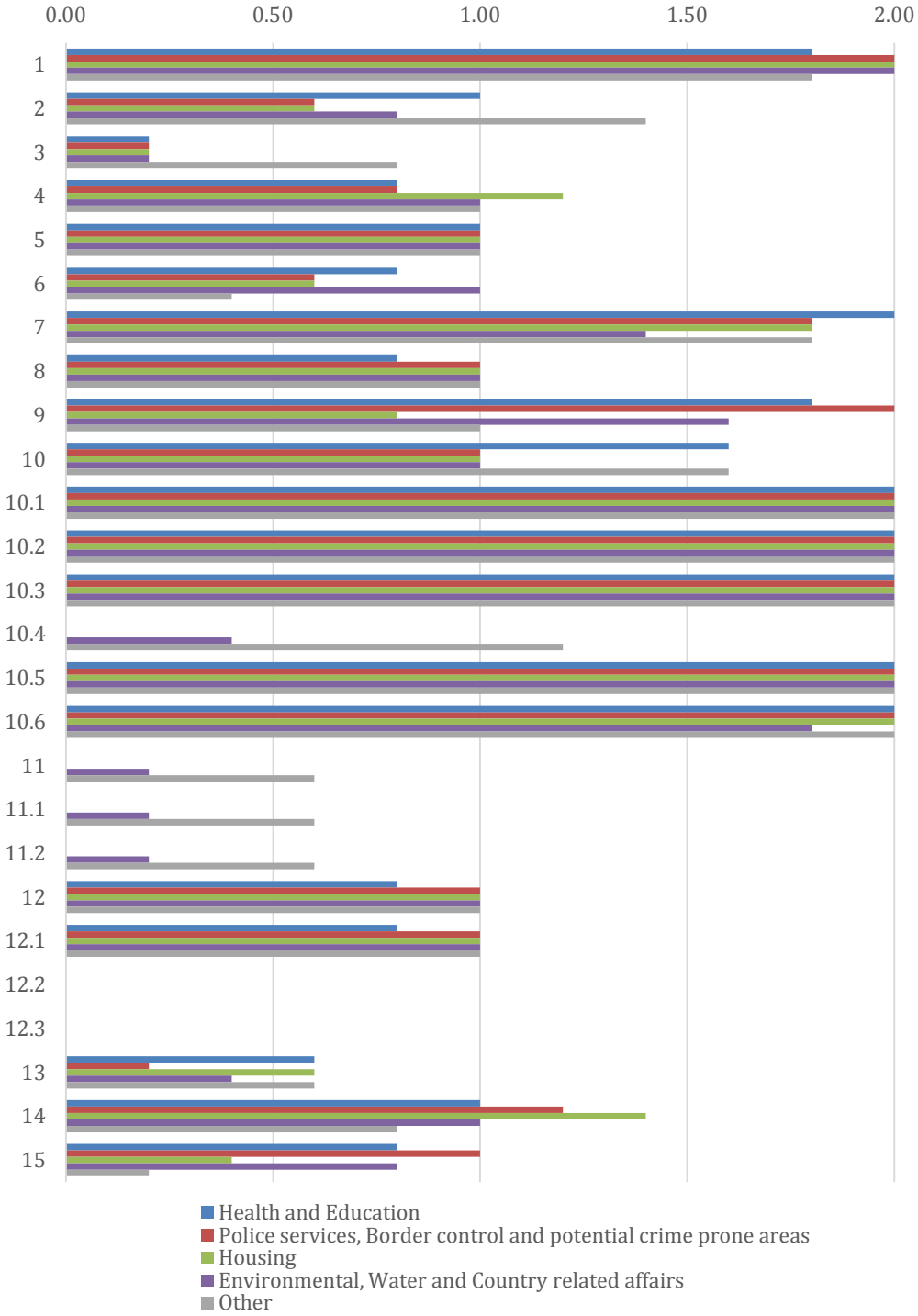
In order to explain the results depicted in Figure 2, one needs to understand the means calculated from the data collection process. The score scale used in the data collection process was 0 to 2 as described in Table 2. Treating the score as scale in measurement level, the mean is calculated for each of the indicators (i.e. content compliance factor), 1 being the middle value of the scale of 0 to 2 used to score the

indicators, mean values of below 1 is an indication that on average the sample of companies tends towards the low end of the score scale and mean values of above 1 is an indication that on average the sample of companies tends towards the high end of the score scale. In summary this indicates that means calculated below 1 indicate the lack of content compliance whereas means calculated above 1 and more towards 2 indicate greater levels of content compliance. Based on the results in Table I (Appendix B), Figure 2 was created to summarize the results.

The results shown in Figure 2 generally indicate consistency in the content compliance levels across sectors, with a few noticeable anomalies. Across all sectors, it appears all report have greater levels of compliance in 3 areas, namely; the majority of the reports reviewed have suitable titles, a clear performance audit scope and adequate findings, except in relation to factor 10.4.

Furthermore, the results show that in relation to executive summary, background, motive, method, audit source and signature disclosure the majority of the reports in the 5 sectors have average level of disclosure. This indicates that the AGSA is disclosing these elements in part but they can improve in these areas. In relation to the content; within the introduction, performance audit objectives, conclusion, recommendation, limitations and the timely reporting of the performance audit the AGSA is failing, as the level of disclosure is weak in these respects. The specific levels of content compliance in relation to the 5 sectors reviewed are discussed later in the study in section 4.4.

Figure 2. Graph illustrating the levels of content compliance in performance audit reports published by the AGSA, in relation to 5 sectors.



4.3 Content compliance levels of the performance audit reports published by the ANAO in 5 specific public sectors.

In an Australian context, the sample of 25 reports, published by the ANAO, was reviewed in relation to the content compliance factors included in Table 1. The

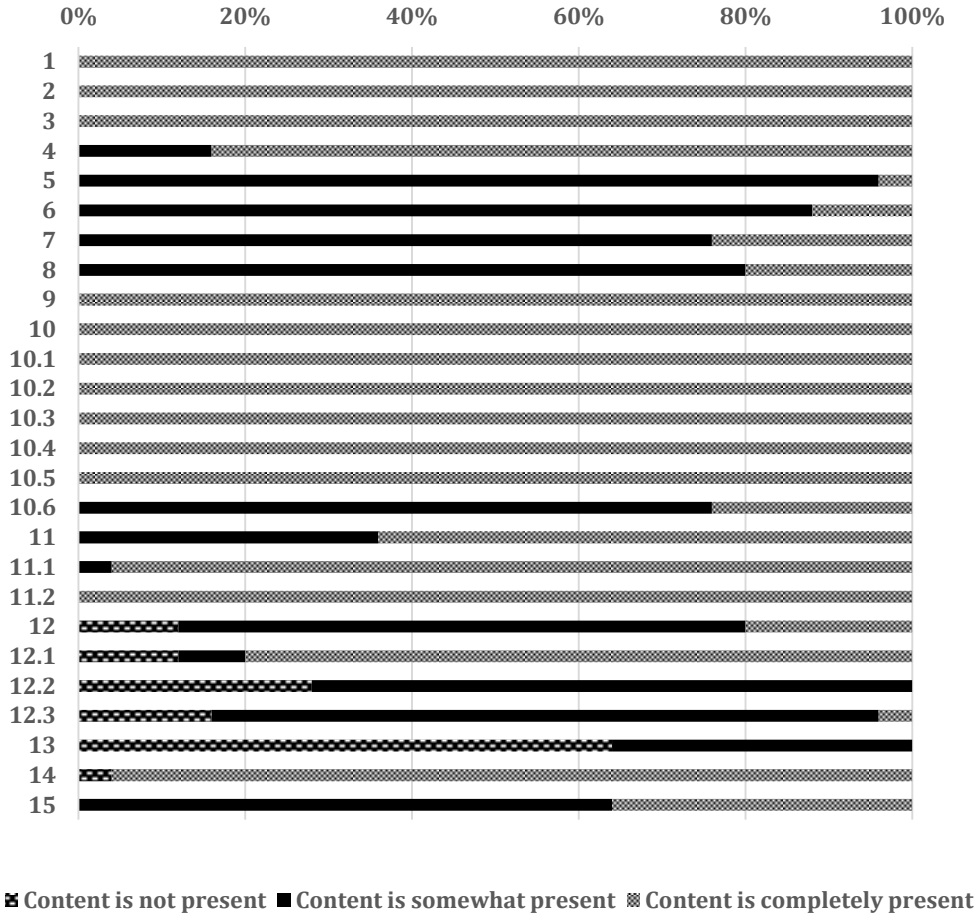
review process was consistent with the process followed when reviewing the reports published by the AGSA. Figure 3 below summarises overall content compliance in relation to 3 indicators which include content not present, content somewhat present and content completely present (Table 2). The levels of these indicators are illustrated in percentage form.

The ANAO appear to be doing a significantly good job with content compliance in the performance audit reports reviewed. The ANAO has perfect compliance with regard to 5 main factors and 6 sub-factors reviewed indicating how established the performance audit reporting activity is in Australia's public sector.

There are a few factors (the motive, objective, scope, method, recommendations and timely publishing of the report) where content is present but can be improved. Upon review of these sections in the various reports, the content is considered brief as compared to other factors.

As seen in Figure 3, the only content compliance factor which was missing from the performance audit reports is the limitations, if any within the scope audit. There could be two reasons for this indicator: there were either no limitations in the scope of the audit or the limitations were not stated. Based on the review conducted, the limitation of scope it is more likely that in most performance audits conducted there was no limitation as when there was a limitation this was clearly indicated within the report. Therefore, overall the ANAO's content compliance is impressive in relation to the ISSAI 3000-3001 performance auditing reporting standards.

Figure 3. Graphical illustration of the overall content compliance factors relating to the sample of performance audit reports published by the AGSA.



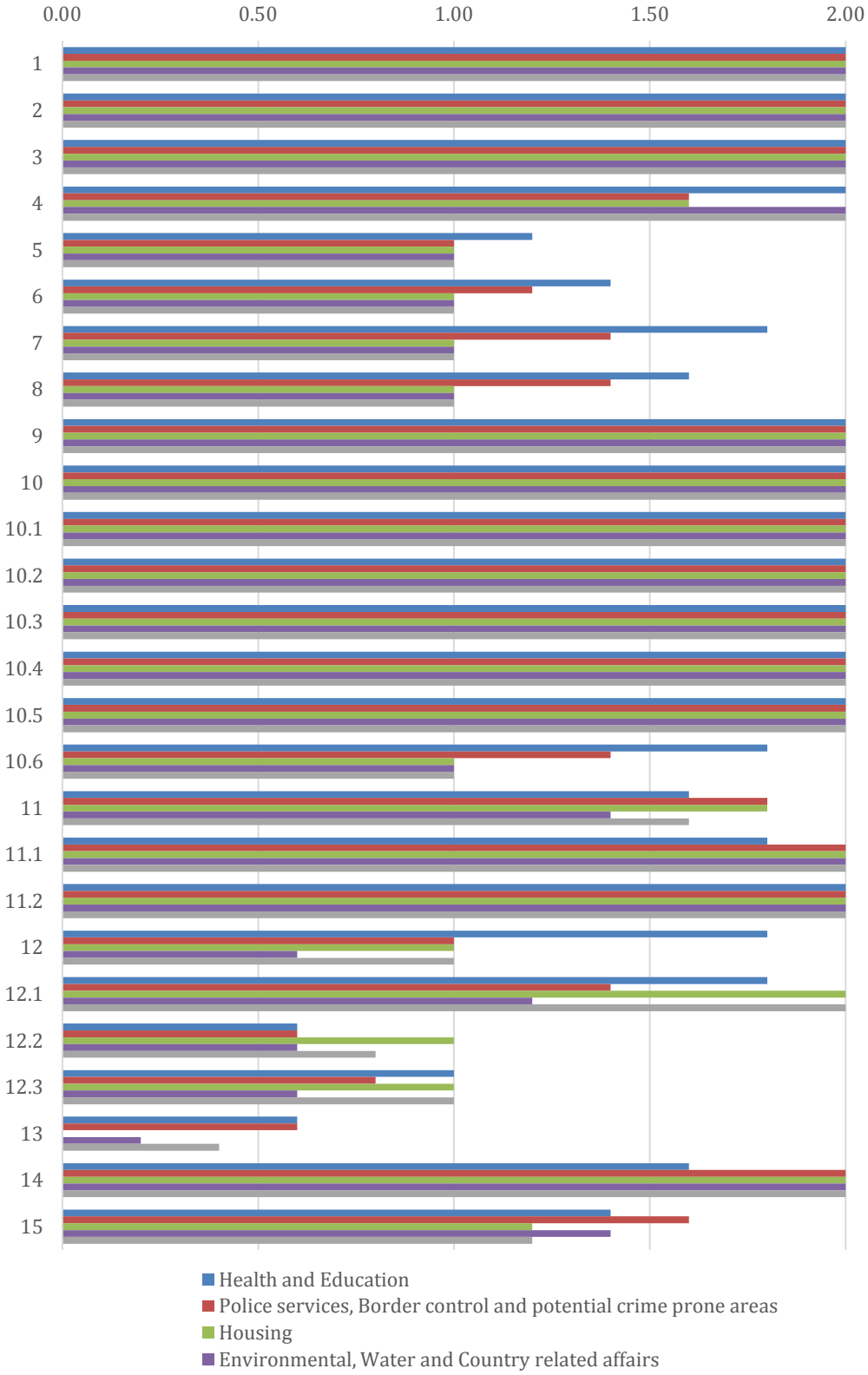
In order to review the results of this study in more detail, the reports were split into 5 individual sectors and the content compliance with regard to each sector was reviewed. Descriptive statistical analysis was used to study the extent of content compliance in the ANAO's performance audit reports. The results of this analysis are depicted in Table II (Appendix B). A summary of these results can also be seen in Figure 4 below.

Figure 4 illustrates that the content compliance in the 5 sectors are consistent in nature for the majority of the factors reviewed. It should be established that there is a level of content compliance with regard to, all except factor 13, which has been discussed earlier. In addition, in relation to the health and education sector, there is

greater content compliance with regard to the following factors, motive, objectives, scope, method and recommendation. It appears that performance audits conducted in this sector are reported more rigorously than in other sectors reviewed. The ANAO may be unknowingly publishing more relevant content in these reports.

When reviewing the results in Figure 4 collectively, the following noticeable observations can be made. Level of content compliance is above average in relation to the heading, executive summary, introduction, audit source, findings, conclusion, signature of auditor in report and reports published in a timely manner. It is found that ANAO is mostly content-compliant with the performance audit standards set out by INTOSAI. Further detail regarding the sector specific content compliance will be discussed in section 4.4 to avoid repetition in the results and discussion.

Figure 4. Graph illustrating the levels of content compliance in performance audit reports published by the ANAO, in relation to 5 sectors.



4.4 Comparison of the content compliance levels of the performance audit reports published by the AGSA and the ANAO.

In this comparative analysis between South Africa and Australia, each sector's performance audit reports are reviewed in relation to all the content compliance factors set out in Table 1. The purpose of this component of the results and discussion section is to establish whether Australia's content compliance is better than South Africa's with regard to the 5 sectors reviewed in this study. In addition, the discussion highlights the main shortcomings with respect to the content compliance factors. The sectors are discussed in the following order: firstly, health and education; secondly, police service, border control and crime-prone areas; thirdly, housing; fourthly, environmental, water and country related affairs and lastly, other.

4.4.1 Health and Education

In relation to the health and education sector, the results are outlined, based on the descriptive analysis conducted. Specifically, the mean values have been summarized from the analysis: this can be seen in Table 3 below. In addition, Figure 5 visibly depicts the results summarized in Table 3, in order to establish conclusive results.

Table 3. Results relating to the content compliance levels of performance audit reports published by the AGSA and the ANAO, in the health and education sector.

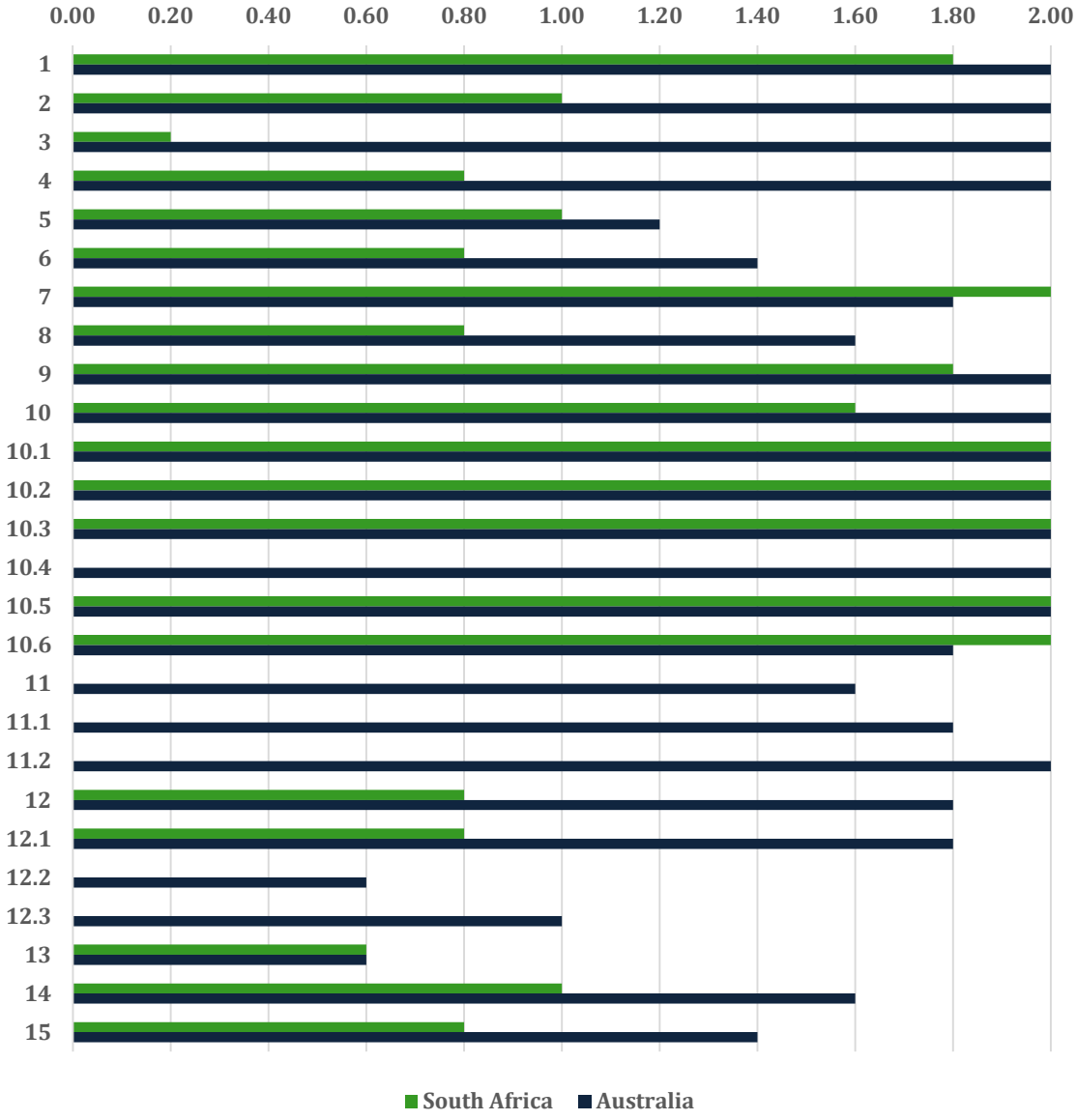
Health and Education	South Africa	Australia
1_A suitable heading - indicates the performance audit topic which has been audited	1.80	2.00
2_Executive summary	1.00	2.00
3_Introduction	.20	2.00
4_Background	.80	2.00
5_A motive for the performance audit	1.00	1.20
6_Performance Audit objectives	.80	1.40
7_Performance Audit Scope	2.00	1.80

8_The performance audit method employed to conduct	.80	1.60
9_The audit the sources used for the performance audit have been indicated	1.80	2.00
10_Audit findings and Analysis	1.60	2.00
10.1_Audit interpretations are based on relevant facts and conditions	2.00	2.00
10.2_More than one finding has been included within the analysis conducted	2.00	2.00
10.3_All finding are included in the performance audit report (positive and negative)	2.00	2.00
10.4_Findings are presented separately from the conclusion	.00	2.00
10.5_Audit findings are based on evidence presented within the performance audit report	2.00	2.00
10.6_Presented findings are consistent with audit scope	2.00	1.80
11_Conclusion and Assessment	.00	1.60
11.1_Presented conclusion is consistent with audit scope	.00	1.80
11.2_The conclusion stated has arisen from audit findings and analysis	.00	2.00
12_Recommendations and Appendix	.80	1.80
12.1_Logical and clear link to the audit objective and the audit findings	.80	1.80
12.2_Benefits of the recommendations suggested are included in the performance audit report	.00	.60
12.3_Person required to implement these recommendations has been suggested within the report	.00	1.00
13_Limitations within the performance audit	.60	.60
14_Performance Audit Report have been officially signed	1.00	1.60
15_Reports are published in a timely manner (review date of source data and when the report was published if it's within a year the report is regarded as timely)	.80	1.40

According to the results in Figure 5, the ANAO is more compliant with regard to the content in performance audit reports than is the AGSA in relation to 14 main factors (out of 15 main factors) and 10 sub-factors (out of 11 sub-factors). The AGSA only surpasses the ANAO in relation to two content factors, one main factor and one sub-factor. These factors pertain to content relating to the audit scope, so, as the AGSA clearly outlines the audit scope in the performance audit reports (factor 7), the findings reported are consistently in line with the audit scope (factor 10.6) in the health and education sector. These results were found in relation to report no. 26 in the health and education sector. This report did not outline the scope of the audit in detail and as a result the conclusion presented was not completely consist with the audit scope (ANAO, 2004-05).

As a result of the analysis conducted, the AGSA can learn a great deal about content compliance in performance audit reporting from the ANAO. Although the content with the reports published by the ANAO is not perfect in all respects, the ANAO do compile reports which comply with the ISSAI 3000-3001. Therefore the ANAO's extent of compliance is greater than the AGSA's in relation to the health and education sector.

Figure 5. Graph illustrating a comparison of the content compliance levels of performance audit reports published by the AGSA and the ANAO, in the health and education sector.



4.4.2 Police services, border control and other crime-prone areas

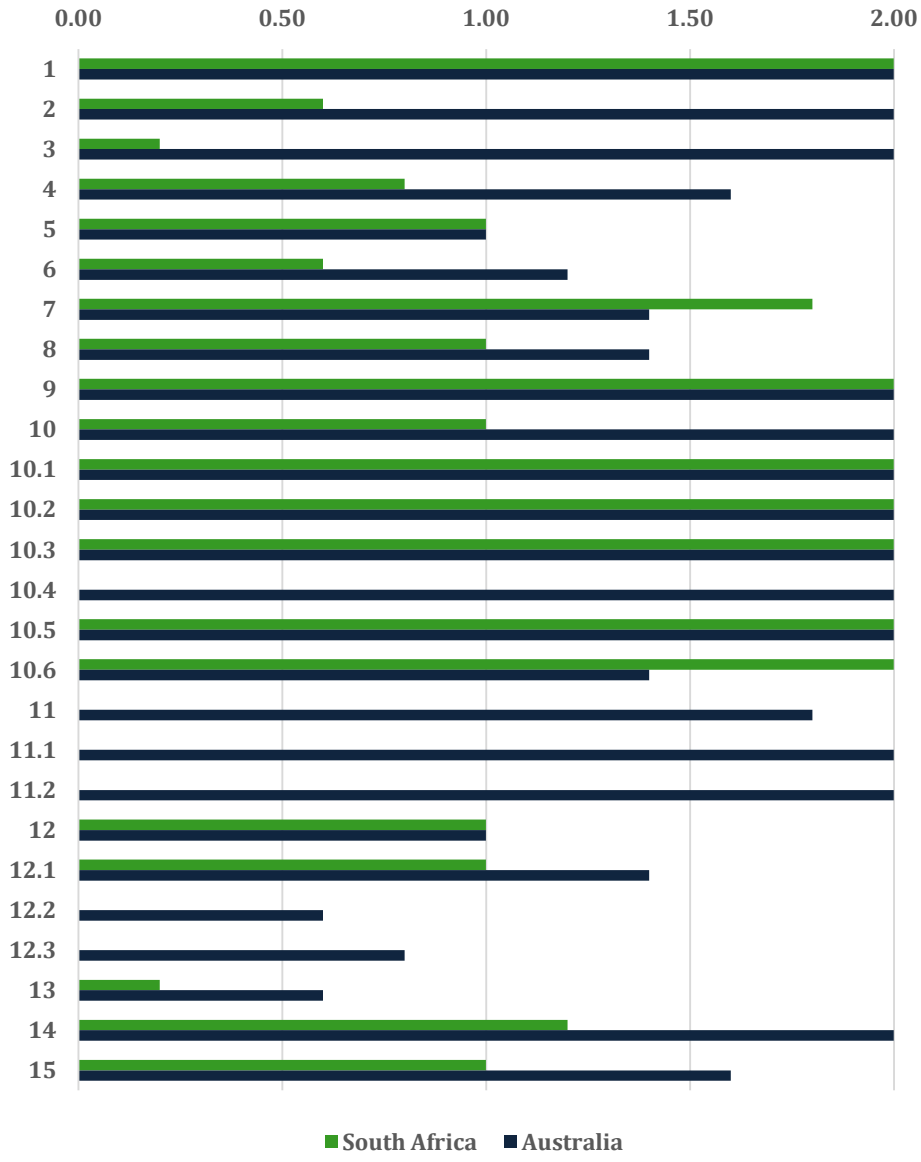
In this sector, the results illustrated in Table 4 and Figure 6 are consistent with those found in the health and education sectors. The ANAO's overall content compliance levels are greater than the AGSA's content compliance levels with regard to all factors, except those relation to the audit scope (factor 7 and factor 10.6). These results are found in report no. 31, 32 and 33, specifically the audit scope is not detailed as a result the conclusion is not entirely in line with the scope (ANAO, 2007-08, 2009-10b, 2010-11). There are numerous shortcomings in the AGSA's content of published performance audit reports and the AGSA should pursue ways to improve reporting content. However, for the purpose of this study, this is out of the scope of the research.

Table 4. Results relating to the content compliance levels of performance audit reports published by the AGSA and the ANAO, in the police service, border control and crime-prone areas.

Police services, Border control and potential crime prone areas	South Africa	Australia
1_A suitable heading - indicates the performance audit topic which has been audited	2.00	2.00
2_Executive summary	.60	2.00
3_Introduction	.20	2.00
4_Background	.80	1.60
5_A motive for the performance audit	1.00	1.00
6_Performance Audit objectives	.60	1.20
7_Performance Audit Scope	1.80	1.40
8_The performance audit method employed to conduct	1.00	1.40
9_The audit the sources used for the performance audit have been indicated	2.00	2.00
10_Audit findings and Analysis	1.00	2.00
10.1_Audit interpretations are based on relevant facts and conditions	2.00	2.00
10.2_More than one finding has been included within the analysis conducted	2.00	2.00
10.3_All finding are included in the performance audit report (positive and negative)	2.00	2.00
10.4_Findings are presented separately from the conclusion	.00	2.00

10.5_Audit findings are based on evidence presented within the performance audit report	2.00	2.00
10.6_Presented findings are consistent with audit scope	2.00	1.40
11_Conclusion and Assessment	.00	1.80
11.1_Presented conclusion is consistent with audit scope	.00	2.00
11.2_The conclusion stated has arisen from audit findings and analysis	.00	2.00
12_Recommendations and Appendix	1.00	1.00
12.1_Logical and clear link to the audit objective and the audit findings	1.00	1.40
12.2_Benefits of the recommendations suggested are included in the performance audit report	.00	.60
12.3_Person required to implement these recommendations has been suggested within the report	.00	.80
13_Limitations within the performance audit	.20	.60
14_Performance Audit Report have been officially signed	1.20	2.00
15_Reports are published in a timely manner (review date of source data and when the report was published if it's within a year the report is regarded as timely)	1.00	1.60

Figure 6. Graph illustrating a comparison of the content compliance levels of performance audit reports published by the AGSA and the ANAO, in the police service, border control and crime prone areas.



4.4.3 Housing

In the housing sector the results indicated by Table 5 and Figure 7 show that the ANAO outperforms the AGSA in relation to content compliance in their performance audit reports. These results are consistent with those indicated in the health and education sectors and the police services, border control and crime-prone areas.

However, in this sector the AGSA has a higher level of compliance with regard to 3 factor, the first 2 factors still being those relating to the audit scope and the last factor relating to the limitation of scope disclosure within the content of the reports. The audit scope is not detailed in any of the reports (report no. 36-40, refer to Appendix A) reviewed in this sector, in addition as a result the conclusions are not completely in line with the audit scope outlined by the ANAO. As discussed above the reason for the low content compliance with regard to limitations of scope in reports published by the ANAO could be as result of no limitations within the audit or could be a lack of disclosure.

Table 5. Results relating to the content compliance levels of performance audit reports published by the AGSA and the ANAO in the housing sector.

Housing	South Africa	Australia
1_A suitable heading - indicates the performance audit topic which has been audited	2.00	2.00
2_Executive summary	.60	2.00
3_Introduction	.20	2.00
4_Background	1.20	1.60
5_A motive for the performance audit	1.00	1.00
6_Performance Audit objectives	.60	1.00
7_Performance Audit Scope	1.80	1.00
8_The performance audit method employed to conduct	1.00	1.00
9_The audit the sources used for the performance audit have been indicated	.80	2.00
10_Audit findings and Analysis	1.00	2.00
10.1_Audit interpretations are based on relevant facts and conditions	2.00	2.00
10.2_More than one finding has been included within the analysis conducted	2.00	2.00
10.3_All finding are included in the performance audit report (positive and negative)	2.00	2.00
10.4_Findings are presented separately from the conclusion	.00	2.00
10.5_Audit findings are based on evidence presented within the performance audit report	2.00	2.00
10.6_Presented findings are consistent with audit scope	2.00	1.00
11_Conclusion and Assessment	.00	1.80
11.1_Presented conclusion is consistent with audit scope	.00	2.00
11.2_The conclusion stated has arisen from audit findings and analysis	.00	2.00

12_Recommendations and Appendix	1.00	1.00
12.1_Logical and clear link to the audit objective and the audit findings	1.00	2.00
12.2_Benefits of the recommendations suggested are included in the performance audit report	.00	1.00
12.3_Person required to implement these recommendations has been suggested within the report	.00	1.00
13_Limitations within the performance audit	.60	.00
14_Performance Audit Report have been officially signed	1.40	2.00
15_Reports are published in a timely manner (review date of source data and when the report was published if it's within a year the report is regarded as timely)	.40	1.20

In reports published by the AGSA specific limitations of scope (factor 13) can be identified in report no. 11, 12 and 13 (refer to Appendix A), this is outlined in Table 6. These limitations are significant and as such are quoted as part of the results of this study. The limitations of scope in report no. 12 and 13 are identical. The auditor responsible for the completion of the performance audit reports replicated the inputs from one report to another, indicating questionable content compliance according to ISSAI 3000-3001.

Table 6. Limitations of scope identified in reports published by the AGSA.

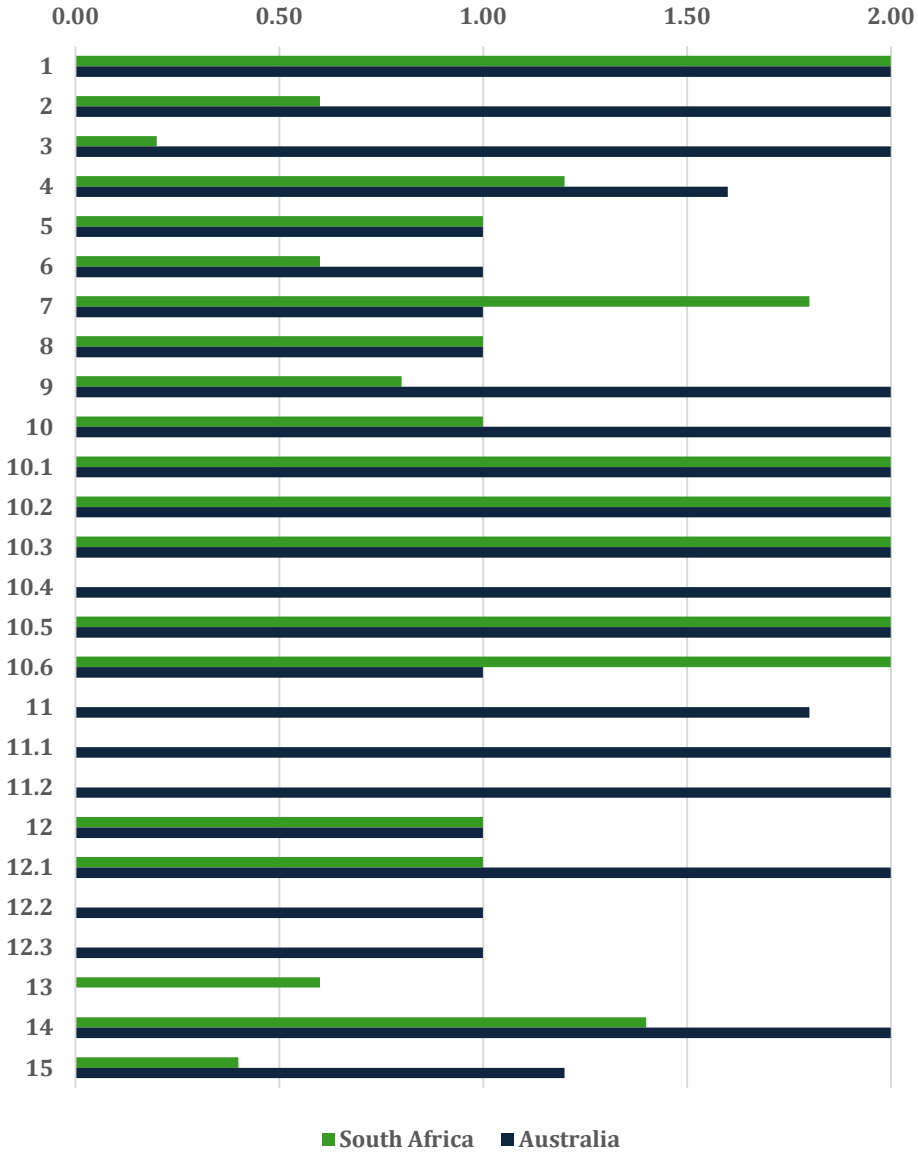
Report No.	Limitations of scope identified in reports published by the AGSA
11	'The provincial housing departments could not provide the Auditor-General with all the supporting documentation indicating payments made with regard to approved subsidiaries. Therefore the Auditor General could not verify all the subsidy payments' (AGSA, 2006a).
12	'The department could not provide all of the requested subsidy application forms and therefore not all of the envisaged audit procedures could be performed. Furthermore, the following should be taken into consideration:

	- The information presented in this report hereafter was extracted from the HSS of the department as well as other databases. The Auditor-General did not verify the information contained in the databases for correctness, completeness and accuracy, and consequently no opinion can be expressed on the integrity of the information thus extracted. - The Auditor-General did not verify the information on payslips obtained from the State Information and Technology Agency or the current employment status of the applicants selected for testing. - The department could not provide the Auditor-General with all the supporting documentation indicating payments made with regard to approved subsidies. Therefore the Auditor-General could not determine the amount of the payments made by the department in respect of approved subsidies.' (AGSA, 2006b).
13	'The department could not provide all of the requested subsidy application forms and therefore not all the envisaged audit procedures could be performed. Furthermore, the following should be taken into consideration: - The information presented in this report was extracted from the HSS of the department as well as other databases. The Auditor-General did not verify the information contained in the databases for correctness, completeness and accuracy, and consequently no opinion can be expressed on the integrity of the information thus extracted.

	- The Auditor-General did not verify the information on payslips obtained from the State Information Technology Agency or the current employment status of the applicants selected for testing. - The department could not provide the Auditor-General with all the supporting documentation indicating payments made with regard to approved subsidies. Therefore the Auditor-General could not determine the amount of the payments made by the department for approved subsidies.' (AGSA, 2006c).

In respect of the overall content compliance, the ANAO has greater compliance levels in the reports reviewed. As a result, the AGSA should consider ways to enhance the compliance of their published reports. There have been studies conducted in field of performance auditing indicating that value of performance audit reports worldwide. The benefits of performance auditing in promoting transparency and accountability in public administration have also been proven (Dittenhofer, 2001; Johnsen et al., 2001; Yamamoto & Watanabe, 1989). The AGSA may see these benefits if they address the content issues within their published performance audit reports.

Figure 7. Graph illustrating a comparison of the content compliance levels of performance audit reports published by the AGSA and the ANAO in the housing sector.



4.4.4 Environmental, water and country related affairs

In the reports published within the environmental, water and country related affairs sector the results found are consistent with those in the housing sector. Therefore, in summary, the AGSA outpaces the ANAO in relation to 3 factors, including the factors relating to audit scope and the factor relating to the limitations of scope. In addition, the AGSA has shown higher levels of compliance in relation to recommendation. These results can be seen in Table 7 and Figure 8. Report no. 41 – 45, published by

the ANAO does not completely detail the audit scope and as such the findings discussed are not entirely in line with the audit scope (refer to Appendix A). Report no. 17 published by the AGSA specifies a detailed limitation of scope regarding this performance audit (AGSA, 2008c). In relation to report no. 41 and 45 published by the ANAO the Auditor General does not suggest recommendations for improvements of these specific governmental project, the reports explicitly state 'no recommendation' will be suggested (ANAO, 2009-10a, 2012-13).

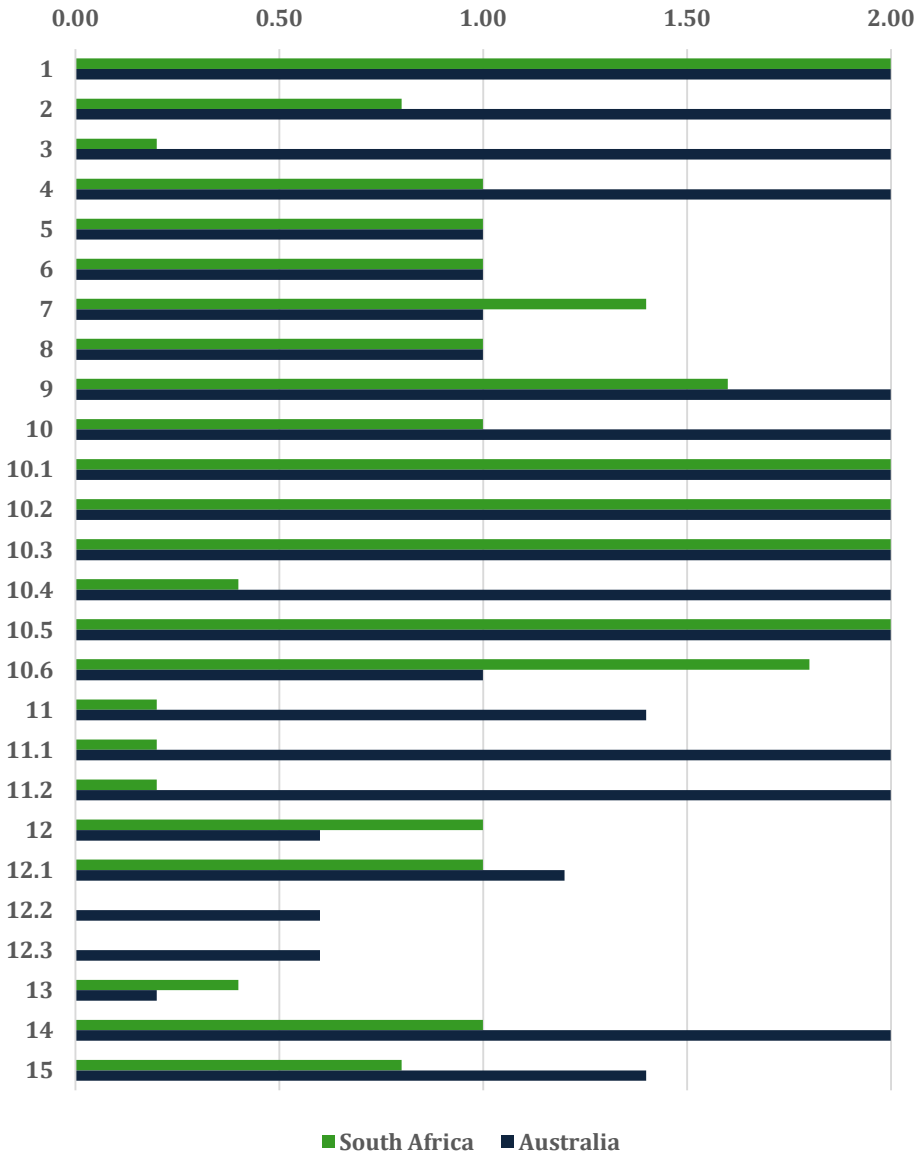
Overall, the ANAO still has greater levels of content compliance in performance audit reports. Therefore, the AGSA has many shortcomings with regard to content compliance and should address these shortcomings in order to see benefits from the overall performance audit process.

Table 7. Results relating to the content compliance levels of performance audit reports published by the AGSA and the ANAO, in the environmental, water and country related affairs sector.

Environmental, water and country related affairs	South Africa	Australia
1_A suitable heading - indicates the performance audit topic which has been audited	2.00	2.00
2_Executive summary	.80	2.00
3_Introduction	.20	2.00
4_Background	1.00	2.00
5_A motive for the performance audit	1.00	1.00
6_Performance Audit objectives	1.00	1.00
7_Performance Audit Scope	1.40	1.00
8_The performance audit method employed to conduct	1.00	1.00
9_The audit the sources used for the performance audit have been indicated	1.60	2.00
10_Audit findings and Analysis	1.00	2.00
10.1_Audit interpretations are based on relevant facts and conditions	2.00	2.00
10.2_More than one finding has been included within the analysis conducted	2.00	2.00

10.3_All finding are included in the performance audit report (positive and negative)	2.00	2.00
10.4_Findings are presented separately from the conclusion	.40	2.00
10.5_Audit findings are based on evidence presented within the performance audit report	2.00	2.00
10.6_Presented findings are consistent with audit scope	1.80	1.00
11_Conclusion and Assessment	.20	1.40
11.1_Presented conclusion is consistent with audit scope	.20	2.00
11.2_The conclusion stated has arisen from audit findings and analysis	.20	2.00
12_Recommendations and Appendix	1.00	.60
12.1_Logical and clear link to the audit objective and the audit findings	1.00	1.20
12.2_Benefits of the recommendations suggested are included in the performance audit report	.00	.60
12.3_Person required to implement these recommendations has been suggested within the report	.00	.60
13_Limitations within the performance audit	.40	.20
14_Performance Audit Report have been officially signed	1.00	2.00
15_Reports are published in a timely manner (review date of source data and when the report was published if it's within a year the report is regarded as timely)	.80	1.40

Figure 8. Graph illustrating a comparison of the content compliance levels of performance audit reports published by the AGSA and the ANAO, in the environmental, water and country related affairs sector.



4.4.5 Other

In relation to performance audit reports reviewed in other sectors, the level of content compliance show in the results indicated within Table 8 and Figure 9 shown results in line with those found in the housing sector. These results indicate that ANAO outperforms the AGSA in relation to all content compliance factors except for three factors, the two relating to the audit scope and one relation to the limitation in scope. Consequently, the ANAO extent of content compliance is greater than the AGSA.

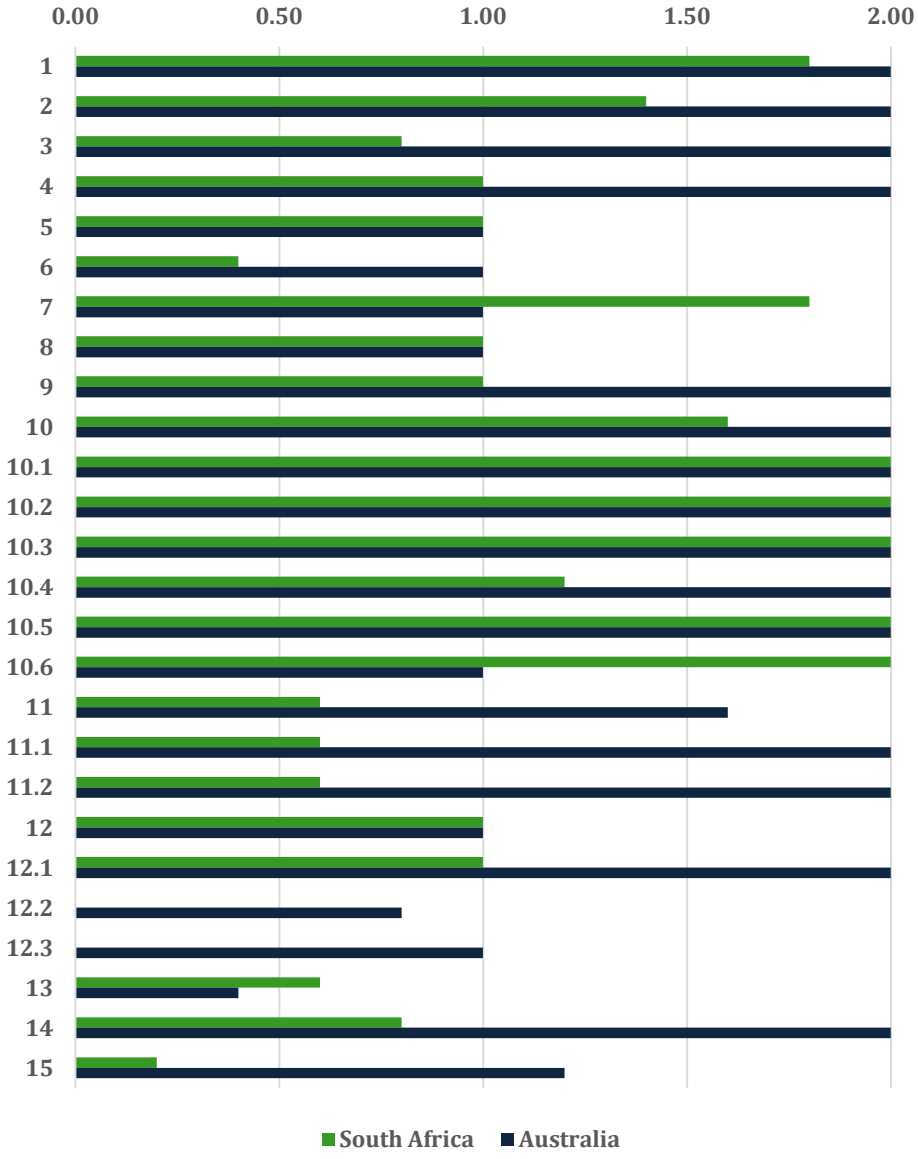
Specifically, the audit scope shortcomings in the reports published by the ANAO, can be seen in all the reports reviewed in this sector (report no. 46 – 50, refer to Appendix A). Furthermore, the AGSA appears to have more limitations in the scope of the various audits in this sector, by disclosing this the AGSA is actually increasing its level of content compliance. These limitations are specifically in relation to report no. 23, 24 and 25 (refer to Appendix A).

Table 8. Results relating to the content compliance levels of performance audit reports published by the AGSA and the ANAO in the other sectors.

Other	South Africa	Australia
1_A suitable heading - indicates the performance audit topic which has been audited	1.80	2.00
2_Executive summary	1.40	2.00
3_Introduction	.80	2.00
4_Background	1.00	2.00
5_A motive for the performance audit	1.00	1.00
6_Performance Audit objectives	.40	1.00
7_Performance Audit Scope	1.80	1.00
8_The performance audit method employed to conduct	1.00	1.00
9_The audit the sources used for the performance audit have been indicated	1.00	2.00
10_Audit findings and Analysis	1.60	2.00
10.1_Audit interpretations are based on relevant facts and conditions	2.00	2.00
10.2_More than one finding has been included within the analysis conducted	2.00	2.00
10.3_All finding are included in the performance audit report (positive and negative)	2.00	2.00
10.4_Findings are presented separately from the conclusion	1.20	2.00
10.5_Audit findings are based on evidence presented within the performance audit report	2.00	2.00
10.6_Presented findings are consistent with audit scope	2.00	1.00
11_Conclusion and Assessment	.60	1.60
11.1_Presented conclusion is consistent with audit scope	.60	2.00
11.2_The conclusion stated has arisen from audit findings and analysis	.60	2.00
12_Recommendations and Appendix	1.00	1.00
12.1_Logical and clear link to the audit objective and the audit findings	1.00	2.00
12.2_Benefits of the recommendations suggested are included in the performance audit report	.00	.80

12.3_Person required to implement these recommendations has been suggested within the report	.00	1.00
13_Limitations within the performance audit	.60	.40
14_Performance Audit Report have been officially signed	.80	2.00
15_Reports are published in a timely manner (review date of source data and when the report was published if it's within a year the report is regarded as timely)	.20	1.20

Figure 9. Graph illustrating a comparison of the content compliance levels of performance audit reports published by the AGSA and the ANAO in the other sectors.



4.5 Comparison of the overall content compliance levels in South Africa and Australia

As the final component of the results and discussion section, the overall content compliance levels in the reports published by the AGSA are compared to the overall content compliance levels in the reports published by the ANAO. These results are not sector specific and are based on the statistics conducted as part of section 4.4; the results of the statistic analysis appeared consistent in most of the sectors reviewed. Based on the study conducted, an unforeseen result can be documented. The reports published by the AGSA and ANAO appear to be complied with consistent content disclosed over all sectors, irrelevant of the performance audit topic.

Table 9. Comparative results relating to the content compliance levels of performance audit reports published by the AGSA and the ANAO.

	South Africa	Australia
1_A suitable heading - indicates the performance audit topic which has been audited	1.92	2.00
2_Executive summary	.88	2.00
3_Introduction	.32	2.00
4_Background	.96	1.84
5_A motive for the performance audit	1.00	1.04
6_Performance Audit objectives	.68	1.12
7_Performance Audit Scope	1.76	1.24
8_The performance audit method employed to conduct	.96	1.20
9_The audit the sources used for the performance audit have been indicated	1.44	2.00
10_Audit findings and Analysis	1.24	2.00
10.1_Audit interpretations are based on relevant facts and conditions	2.00	2.00
10.2_More than one finding has been included within the analysis conducted	2.00	2.00
10.3_All finding are included in the performance audit report (positive and negative)	2.00	2.00
10.4_Findings are presented separately from the conclusion	.32	2.00
10.5_Audit findings are based on evidence presented within the performance audit report	2.00	2.00
10.6_Presented findings are consistent with audit scope	1.96	1.24
11_Conclusion and Assessment	.16	1.64
11.1_Presented conclusion is consistent with audit scope	.16	1.96
11.2_The conclusion stated has arisen from audit findings and analysis	.16	2.00

12_Recommendations and Appendix	.96	1.08
12.1_Logical and clear link to the audit objective and the audit findings	.96	1.68
2.2_Benefits of the recommendations suggested are included in the performance audit report	.00	.72
12.3_Person required to implement these recommendations has been suggested within the report	.00	.88
13_Limitations within the performance audit	.48	.36
14_Performance Audit Report have been officially signed	1.08	1.92
15_Reports are published in a timely manner (review date of source data and when the report was published if it's within a year the report is regarded as timely)	.64	1.36

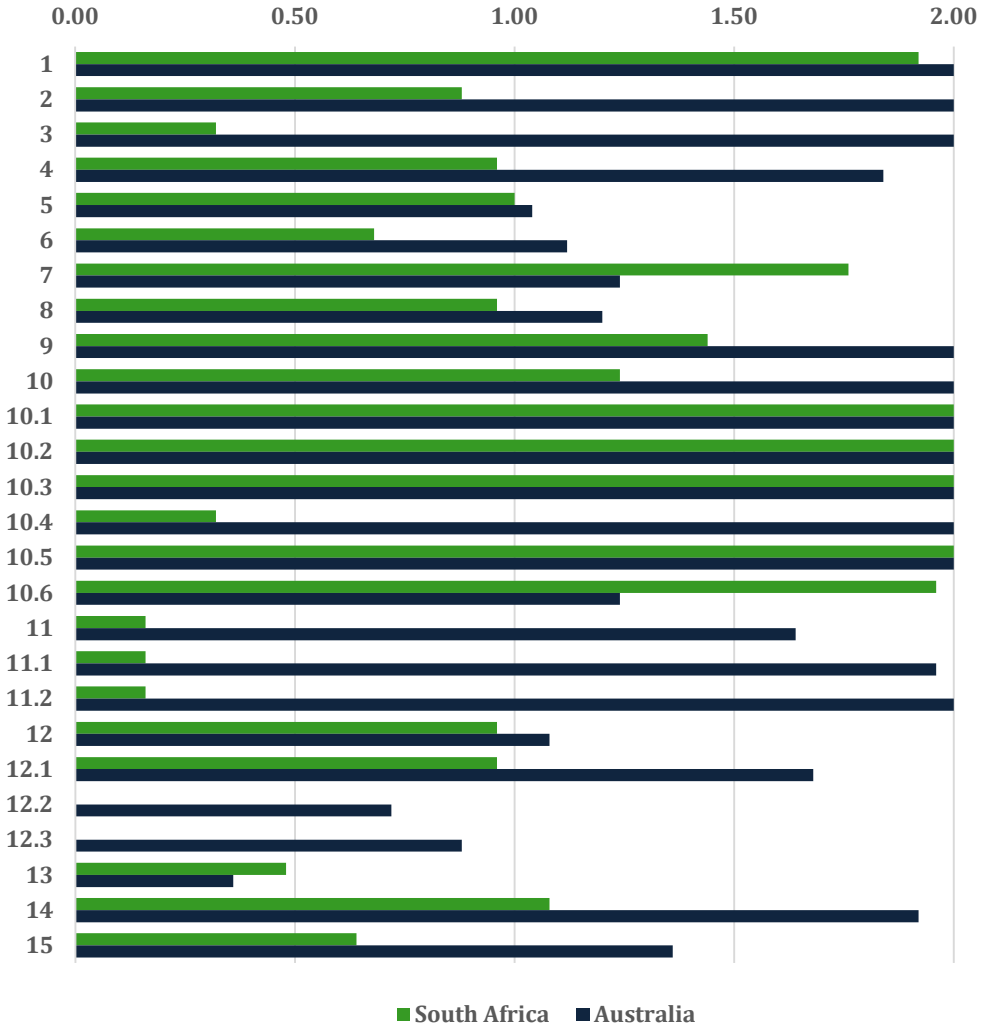
In a South African context, according to the results set out in Table 9 and Figure 10 there are 9 main factors and 6 sub-factors identified as below average with regard to content compliance with ISSAI 3000-3001. These factors include an executive summary, introduction, background, objectives, audit method, conclusion, recommendations and the timely publishing of performance audit reports. They are identified as shortcomings compliance with INTOSAI.

In an Australian context, there is only one main factor and two sub-factors, which are considered below average in relation to content compliance guidelines, set out by INTOSAI. These shortcomings with regard to content compliance include the limitation of scope and sub-factors relating to disclosure of recommendation. The ANAO currently does not include the benefits for the implementation of the auditors' recommendations and does not specify the person who should implement these recommendations. When reviewing collectively all the content compliance factors as set out in the results in Table 9 and Figure 10, the ANAO's compliance is considered promising for the most part.

The results reflect that ANAO's extent of compliance is greater than the AGSA's compliance with regard to the content within published performance audit reports. There are still areas for improvement with regard to the content disclosed in the

public performance audit reports in South Africa and in Australia as perfection has not been achieved in any of the SAI's considered in this study.

Figure 10. Graph illustrating an overall comparison of the content compliance levels of performance audit reports published by the AGSA and the ANAO.



Chapter 5 Conclusion and recommendations

5.1 Conclusion

Performance auditing is considered a process which facilitates public accountability and transparency in government (Dittenhofer, 2001; Johnsen et al., 2001; Ng, 2002). This activity involves the review of the effectiveness, efficiency and economy of a particular public department, project or resource in order to suggest improvements. The outcome of this process is a report that is compiled as part of the process which is published publically by the SAI who is responsible for conducting the audit (INTOSAI, 2004a). Reports are considered as a medium for understanding (Gendron et al., 2007): hence the content that makes up a report is vital to understanding.

In South Africa (a developing country) performance audit reporting in the public sector is still relatively new as compared with Australia (a developed country). In South Africa the SAI responsible for the public performance audit process is the AGSA and in Australia it's the ANAO. There is a body that governs all SAI's called INTOSAI. INTOSAI has set performance audit standards which are supposed to be used by all SAI's as a guideline for performance auditing, ISSAI 3000-3001. This study is a comparative research reviewing the extent of content compliance in public performance audit reports published by the AGSA and ANAO according to ISSAI 3000-3001.

In order to address the research topic comprehensively, performance auditing was reviewed in relation to an academic theory, specifically the agency theory (ICAEW, 2005). The agent-principal relationship was explained in relation to the public performance auditing. The principal the government will employ governmental workers as agents on their behalf. The SAI conducting the performance audit reinforces the trust and confidence the principal places in the agent. In addition, the

SAI can be seen as an agent of the principal, the government, as the SAI is employed as per legislation as an independent party to act on behalf of the governmental structure to provide oversight on public administration (AGSA, 2015b).

Furthermore the concept of performance auditing is reviewed in detail. In addition, various studies conducted on performance auditing are discussed in an international context. Most studies reviewed whether the process of performance auditing leads to improvement in public administration. There were studies which advocated this premise (Dittenhofer, 2001; Ng, 2002; Yamamoto & Watanabe, 1989) and those that denied it (Morin, 2008). There were studies conducted that expanded on the notion of performance auditing (Gronlund et al., 2011; Leeuw, 1996). However, none of the studies explored the content of performance audit reports so the study conducted is exploratory and contributes to the literature on performance auditing.

As the study related to the AGSA and ANAO these SAI's are reviewed in a performance audit context. Each SAI has a unique manual, outlining the process of performance auditing (AGSA, 2008a; ANAO, 2014). The manual published by the AGSA provides guidelines regarding the approach to be followed when conducting a performance audit. The manual additionally outlines the reporting guidelines to be followed by the AGSA. The reporting guidelines suggest context factors which should be included in a published performance audit report, these 10 content factors were discussed accordingly (AGSA, 2008a).

In addition, studies conducted in South Africa regarding public performance audit reports were reviewed. These contributed to the literature surrounding the concept, as one study related format compliance in these reports which is closely related to content (Gomez & Padia, 2014). Another study reviewed public performance auditing as a method to encourage ethical behaviour (Mpehle & Qwabe, 2008).

These studies both promote the public performance auditing a method which encourages improvements in government sectors.

The performance audit manual set up by the ANAO is different and not as detailed as the AGSA's manual. The manual outlines basically the ANAO's approach to performance auditing, however does not specify the content which are required to be included in the report (ANAO, 2014). It is a basic yet comprehensive guide to public performance auditing.

Performance audit research conducted in an Australian context reviews various aspects within the field of performance auditing. Performance auditing is a long standing process in the country as such research on how the process and outcomes have changed is considered relevant. According to Hossain (2010) the developments in performance auditing in Australia are not as a result of time but due to the constantly changing demands from stakeholders. Other research regarding the mandate of performance auditing (Parker & Guthrie, 1991) and the credibility of the performance audit process (Funnell & Wade, 2012) are also discussed in order to gain insight into the process.

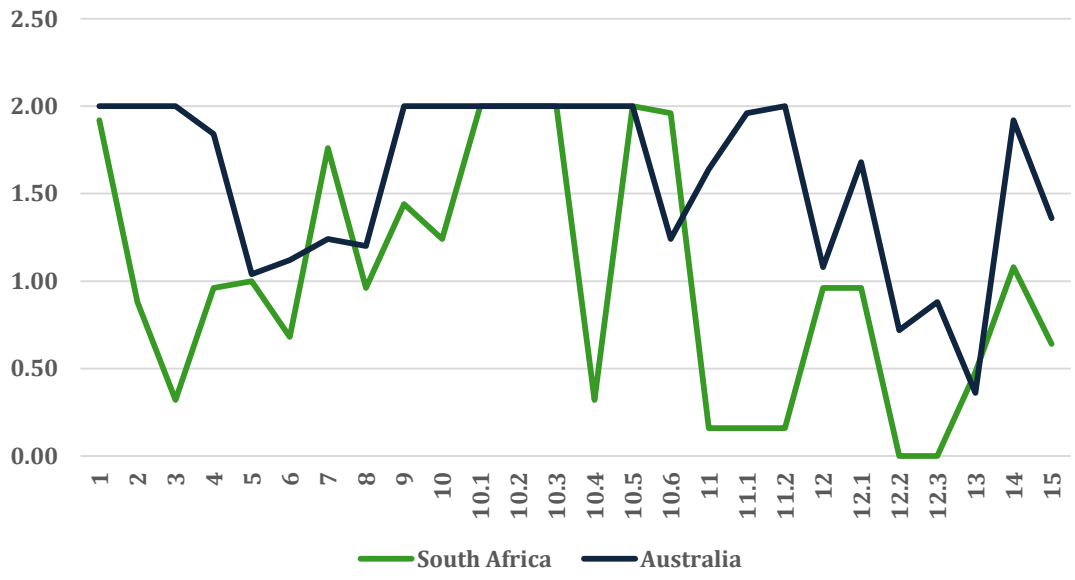
A qualitative text analysis was used on 50 performance audit reports: 25 performance audit reports published by the AGSA and 25 published by the ANAO. These reports were split evenly into reports relating to 5 sectors. These sectors include health and education; police service, border control and crime-prone areas; housing; environmental, water and country related affairs and other.

Results relating to these individual sectors are reviewed in the results and discussion section of the report. In summary, it was found that the ANAO is more content compliant than the AGSA, with regard to all factors except: firstly, those relating to

audit scope (factor 7 and 10.6) in all sectors. Secondly, in the housing, environmental and other sectors it was discovered that the AGSA is more compliant with regard to disclosing limitations in the audit scope (factor 13), more detail regarding this finding is outlined in Chapter 4. Lastly in the environmental sector the AGSA is more compliant with regard to recommendations (factor 12) disclosure, as the ANAO did not suggest recommendations as part of the audit report. These sector-specific results are in line with the overall results found in this study.

The overall result of this study reviews the extent of content compliance with regard to performance audit reports published by the AGSA and the ANAO in relation to ISSAI 3000-3001. Figure 11 below illustrates a summary of the content compliance levels within the performance audit reports published by the AGSA and the ANAO. Overall the concluding results indicate that the ANAO's content compliance is much greater that the content compliance of the AGSA.

Figure 11. Graph illustrating a summary of the overall comparative content compliance levels of performance audit reports published by the AGSA and the ANAO.



Individually, the ANAO's level of content compliance is high with respect to the factors set out by ISSAI 3000-3001. This indicates that although the ANAO has a specified performance audit manual (ANAO, 2014), the content found in the reports published are mostly in line with ISSAI 3000-3001. This may be because the performance audit manual does not specifically set out the reporting content which is required to be included within a public performance audit report. Additionally, reviewing the ANAO's results, low levels of content compliance is discovered in relation to only three content factors outlined in Table 1, namely limitation of scope, the benefits of the recommendations and person within the sector required to implement these recommendation. Therefore, the ANAO appears to be mostly compliant with INTOSAI with regard to the content found in the reports reviewed.

The AGSA's content compliance is not regarded as high in relation to the factors outlined in Table 1. These reports lack basic content such as an executive summary, introduction, background, objectives, audit method, conclusion, recommendations and the timely publishing of performance audit reports. The major content shortcomings identified in this study indicate that the AGSA can move towards improving the content within the performance audit report. These results may be as a result of the detail specified in the guidance, relating to the reporting content in the AGSA's performance audit manual (AGSA, 2008a), as the specific content requirements in this manual are not completely in line with ISSAI 3000-3001. Furthermore, the shortcomings identified may therefore be addressed by updating the AGSA performance audit manual.

5.2 Recommendations and areas for future research

The research conducted outlined the shortcomings in the content of publically published performance audit reports, so in order to improve the content within performance audit reports, the AGSA may want to pursue research into this. Although South Africa is behind Australia in performance audit reporting, there is time for development and improvement: the AGSA should take this opportunity to update the performance audit manual and tackle the process of performance auditing.

In the future it may be beneficial to assess whether a performance audit conducted in the public sector of South Africa actually does lead to improvements in those sectors. Specifically in a South African context the idea of public accountability and transparency are questionable, due to the levels of corruption and fraud in public administration. Public performance auditing is seen as a method which encourages public accountability and transparency (Dittenhofer, 2001; Ng, 2002), if the AGSA gets the process of performance auditing right in the public sector this may lead to improvements in public accountability and transparency. Therefore the scope for future research in public performance auditing is vast and should be advanced by the AGSA.

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Appendices

Appendix A

List of Performance Audit Reports used in the study.

South African reports published by the AGSA.

Report No.	Title of performance audit report
1	Performance audit report of the Auditor-General at the Gauteng at the Gauteng Department of Health (October 2006).
2	Report of the Auditor-General on medical waste management as well as infrastructure conditions in selected hospitals at the Western Cape Department of Health (August 2007).
3	Report of the Auditor-General on a performance audit of the Forensic Chemistry Laboratories at the national Department of Health (November 2009).
4	Report of the Auditor-General of South Africa to Parliament on a performance audit of the infrastructure delivery process at the provincial departments of Education and Health (August 2011).
5	Report of the Auditor-General of south Africa to the legislature on a performance audit of the infrastructure delivery process at the departments of Education and Health of Eastern Cape (September 2011).
6	Report of the Auditor-General on a performance audit completed at the Department of Justice and Constitutional Development (May 2006).
7	Report of the Auditor-General on a performance audit of the import inspection services at the Department of Agriculture (March 2007).
8	Report of the Auditor-General on a performance audit of border control at the South African Police Service (January 2008).
9	Report of the Auditor-General on the repair and maintenance of correctional services at the Department of Correctional Services (June 2008).

10	Report of the Auditor-General on a performance audit of service delivery at police stations and 10111 call centres at the South African Police Services (March 2009).
11	Report of the Auditor-General on the finding identified during a performance audit of the approval and allocation of housing subsidies at provincial housing departments (January 2006).
12	Report of the Auditor-General on the finding identified during a performance audit of the approval and allocation of housing subsidies at the Department of Local Government and Housing of the Free State Provincial Administration (February 2006).
13	Report of the Auditor-General on the finding identified during a performance audit of the approval and allocation of housing subsidies at the Department of Local Government and Housing of the Gauteng Provincial Administration (February 2006).
14	Report of the Auditor-General on the management and provision of Official accommodation to staff at the Department of Defence (November 2007).
15	Report of the Auditor-General on a performance audit of the allocation of housing subsidies to municipal employees and the administration of low-cost housing projects by the Western Cape Department of Local Government and Housing (May 2008).
16	Report of the Auditor-General on a performance audit of the provision of sanitation services at the Department of Water Affairs and Forestry (January 2008).
17	Report of the Auditor-General to Parliament on a performance audit of entities that are connected with government employees and doing business with national departments (August 2008).

18	Report of the Auditor-General to Parliament on a performance audit of the handling of confiscated abalone at the Department of Environmental Affairs and Tourism (June 2009).
19	Report of the Auditor-General to Parliament on a performance audit of projects that are funded by the National Development Agency (October 2009).
20	Report of the Auditor-General to Parliament on a performance audit of the rehabilitation of abandoned mines at the Department of Mineral and Energy (October 2009).
21	Report of the Auditor-General on a performance audit of grant management at the National Lotteries Board (December 2008).
22	Report of the Auditor-General to Parliament on the status of climate change initiatives in South Africa (January 2010).
23	Report of the Auditor-General of South Africa on a performance audit of the use of consultants at selected national departments (January 2013).
24	Report of the Auditor-General of South Africa on a performance audit of the use of consultants at the Department of Health of the Mpumalanga Provincial Government (November 2013).
25	Report of the Auditor-General of South Africa on a performance audit of the use of consultants at selected national departments of the KwaZulu-Natal Provincial Government (November 2013).

Australian performance audit reports published by the ANAO.

Report No.	Title of performance audit report
26	Internationalisation of Australian Education and Training – Department of Education, Science and Training (Audit Report No. 48 2004-05).
27	Accuracy of Medicare Claims Processing – Medicare Australia (Audit Report No. 20 2007-08).
28	Evaluation of Primary Health Care Funding to Aboriginal and Torres Strait Islander Health Services (August 2009).
29	Administration of Mental Health Initiatives to Support Younger Veterans – Department of Veterans' Affairs (Audit Report No. 48 2011-12).
30	Administration of the Agreements for the Management, Operation and Funding of Mersey Community Hospital – Department of Health and Ageing (Audit Report No. 2 2013-14).
31	Emergency Management Australia – Attorney-General's Department (Audit Report No. 27 2007-08).
32	Processing of incoming International Air Passengers – Australian Customs and Border Protection Service (Audit Report No. 10 2009-10).
33	Australian Federal police Protection Services – Australian Federal Police (Audit Report No. 43 2010-11).
34	The Management of Physical Security – Australian Crime Commission (Audit Report No. 49 2013-14).
35	Cyber Attacks: Securing Agencies' ICT Systems – Across Agencies (Audit Report No. 50 2013-14).

36	Defense Housing and Relocation Services – Department of Defense (Audit report No. 51 2002-03).
37	Indigenous Housing Initiatives: the Fixing Houses for Better Health program - Department of Families, Housing, Community Services and Indigenous Affairs (Audit Report No. 21 2010-11).
38	Implementation and Management of the Housing Affordability Fund – Department of Families, Housing, Community Services and Indigenous Affairs (Audit Report No. 11 2011-12).
39	Implementation of the National Partnership Agreement on Remote Indigenous Housing in the Northern Territory (Audit Report No. 12 2011-12).
40	Implementation of the National Partnership Agreement on Homelessness – Department of Families, Housing, Community Services and Indigenous Affairs (Audit Report No. 31 2012-13).
41	Administration of the Water Smart Australia Program – Department of the Environment, Water, Heritage and the Arts (Audit Report No. 21 2009-10).
42	Geoscience Australia (Audit Report No. 22 2009-10).
43	Administration of the National Greenhouse and Energy Reporting Scheme – Department of climate Change and Energy Efficiency (Audit Report No. 23 2011-12).
44	Administration of the Tasmanian Forests Intergovernmental Agreement Contractors Voluntary Exit Grants Program – Department of Agriculture, Fisheries and Forestry (Audit report No.22 2012-13).
45	Commonwealth Environmental Watering Activities – Department of Sustainability, Environment, Water, Population and Communities (Audit Report No. 36 2012-13).

46	Disability Employment Services – Department of Families, Housing, Community Services and Indigenous Affairs (Audit Report No. 11 2008-09).
47	Planning and Allocating Aged Care Places and Capital Grants – Department of Health and Ageing (Audit Report No. 40 2008-09).
48	National Partnership Agreement on Remote Service Delivery – Department of Families, Housing, Community Services and Indigenous Affairs (Audit Report No. 43 2011-12).
49	Management of the Australian Taxation Office's Property Portfolio – Australian Taxation Office (Audit Report No. 51 2012-13).
50	Initiatives to Support the Delivery of Services to Indigenous Australians – Department of Human Services (Audit Report No. 45 2013-14).

Appendix B

Descriptive statistical analysis relating to the frequency of content within reports published the AGSA and the ANAO (Sector specific results).

Table I. Summary of the descriptive analysis relating to frequency of content compliance within reports published by the AGSA.

		South Africa				
		Health and Education	Police services, Border control and potential crime prone areas	Housing	Environmental, Water and Country related affairs	Other
1_A suitable heading - indicates the performance audit topic which has been audited	Mean	1.80	2.00	2.00	2.00	1.80
	N	5	5	5	5	5
	Std. Deviation	.447	.000	.000	.000	.447
2_Executive summary	Mean	1.00	.60	.60	.80	1.40
	N	5	5	5	5	5
	Std. Deviation	1.000	.548	.548	.447	.894
3_Introduction	Mean	.20	.20	.20	.20	.80
	N	5	5	5	5	5
	Std. Deviation	.447	.447	.447	.447	.447
4_Background	Mean	.80	.80	1.20	1.00	1.00
	N	5	5	5	5	5
	Std. Deviation	.447	.447	.447	.000	.000
5_A motive for the performance audit	Mean	1.00	1.00	1.00	1.00	1.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
6_Performance Audit objectives	Mean	.80	.60	.60	1.00	.40
	N	5	5	5	5	5
	Std. Deviation	.447	.548	.548	.000	.548

7_Performance Audit Scope	Mean	2.00	1.80	1.80	1.40	1.80
	N	5	5	5	5	5
	Std. Deviation	.000	.447	.447	.548	.447
8_The performance audit method employed to conduct	Mean	.80	1.00	1.00	1.00	1.00
	N	5	5	5	5	5
	Std. Deviation	.447	.000	.000	.000	.000
9_The audit the sources used for the performance audit have been indicated	Mean	1.80	2.00	.80	1.60	1.00
	N	5	5	5	5	5
	Std. Deviation	.447	.000	1.095	.548	.707
10_Audit findings and Analysis	Mean	1.60	1.00	1.00	1.00	1.60
	N	5	5	5	5	5
	Std. Deviation	.548	.000	.000	.000	.548
10.1_Audit interpretations are based on relevant facts and conditions	Mean	2.00	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
10.2_More than one finding has been included within the analysis conducted	Mean	2.00	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
10.3_All finding are included in the performance audit report (positive and negative)	Mean	2.00	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
10.4_Findings are presented separately from the conclusion	Mean	.00	.00	.00	.40	1.20
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.894	1.095
10.5_Audit findings are based on evidence presented within the performance audit report	Mean	2.00	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
10.6_Presented findings are consistent with audit scope	Mean	2.00	2.00	2.00	1.80	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.447	.000
11_Conclusion and Assessment	Mean	.00	.00	.00	.20	.60
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.447	.548

11.1_Presented conclusion is consistent with audit scope	Mean	.00	.00	.00	.20	.60
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.447	.548
11.2_The conclusion stated has arisen from audit findings and analysis	Mean	.00	.00	.00	.20	.60
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.447	.548
12_Recommendations and Appendix	Mean	.80	1.00	1.00	1.00	1.00
	N	5	5	5	5	5
	Std. Deviation	.447	.000	.000	.000	.000
12.1_Logical and clear link to the audit objective and the audit findings	Mean	.80	1.00	1.00	1.00	1.00
	N	5	5	5	5	5
	Std. Deviation	.447	.000	.000	.000	.000
12.2_Benefits of the recommendations suggested are included in the performance audit report	Mean	.00	.00	.00	.00	.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
12.3_Person required to implement these recommendations has been suggested within the report	Mean	.00	.00	.00	.00	.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
13_Limitations within the performance audit	Mean	.60	.20	.60	.40	.60
	N	5	5	5	5	5
	Std. Deviation	.548	.447	.548	.894	.548
14_Performance Audit Report have been officially signed	Mean	1.00	1.20	1.40	1.00	.80
	N	5	5	5	5	5
	Std. Deviation	1.000	.837	.548	.000	.447
15_Reports are published in a timely manner (review date of source data and when the report was published if it's within a year the report is regarded as timely)	Mean	.80	1.00	.40	.80	.20
	N	5	5	5	5	5
	Std. Deviation	.447	.707	.894	.447	.447

Table II. Summary of the descriptive analysis relating to frequency of content compliance within reports published by the ANAO.

		Australia				
		Health and Education	Police services, Border control and potential crime prone areas	Housing	Environmental, Water and Country related affairs	Other
1_A suitable heading - indicates the performance audit topic which has been audited	Mean	2.00	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
2_Executive summary	Mean	2.00	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
3_Introduction	Mean	2.00	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
4_Background	Mean	2.00	1.60	1.60	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.548	.548	.000	.000
5_A motive for the performance audit	Mean	1.20	1.00	1.00	1.00	1.00
	N	5	5	5	5	5
	Std. Deviation	.447	.000	.000	.000	.000
6_Performance Audit objectives	Mean	1.40	1.20	1.00	1.00	1.00
	N	5	5	5	5	5
	Std. Deviation	.548	.447	.000	.000	.000
7_Performance Audit Scope	Mean	1.80	1.40	1.00	1.00	1.00
	N	5	5	5	5	5
	Std. Deviation	.447	.548	.000	.000	.000
8_The performance audit method employed to conduct	Mean	1.60	1.40	1.00	1.00	1.00
	N	5	5	5	5	5
	Std. Deviation	.548	.548	.000	.000	.000

9_The audit the sources used for the performance audit have been indicated	Mean	2.00	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
10_Audit findings and Analysis	Mean	2.00	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
10.1_Audit interpretations are based on relevant facts and conditions	Mean	2.00	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
10.2_More than one finding has been included within the analysis conducted	Mean	2.00	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
10.3_All finding are included in the performance audit report (positive and negative)	Mean	2.00	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
10.4_Findings are presented separately from the conclusion	Mean	2.00	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
10.5_Audit findings are based on evidence presented within the performance audit report	Mean	2.00	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
10.6_Presented findings are consistent with audit scope	Mean	1.80	1.40	1.00	1.00	1.00
	N	5	5	5	5	5
	Std. Deviation	.447	.548	.000	.000	.000
11_Conclusion and Assessment	Mean	1.60	1.80	1.80	1.40	1.60
	N	5	5	5	5	5
	Std. Deviation	.548	.447	.447	.548	.548
11.1_Presented conclusion is consistent with audit scope	Mean	1.80	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.447	.000	.000	.000	.000

11.2_The conclusion stated has arisen from audit findings and analysis	Mean	2.00	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.000	.000	.000	.000	.000
12_Recommendations and Appendix	Mean	1.80	1.00	1.00	.60	1.00
	N	5	5	5	5	5
	Std. Deviation	.447	.707	.000	.548	.000
12.1_Logical and clear link to the audit objective and the audit findings	Mean	1.80	1.40	2.00	1.20	2.00
	N	5	5	5	5	5
	Std. Deviation	.447	.894	.000	1.095	.000
12.2_Benefits of the recommendations suggested are included in the performance audit report	Mean	.60	.60	1.00	.60	.80
	N	5	5	5	5	5
	Std. Deviation	.548	.548	.000	.548	.447
12.3_Person required to implement these recommendations has been suggested within the report	Mean	1.00	.80	1.00	.60	1.00
	N	5	5	5	5	5
	Std. Deviation	.707	.447	.000	.548	.000
13_Limitations within the performance audit	Mean	.60	.60	.00	.20	.40
	N	5	5	5	5	5
	Std. Deviation	.548	.548	.000	.447	.548
14_Performance Audit Report have been officially signed	Mean	1.60	2.00	2.00	2.00	2.00
	N	5	5	5	5	5
	Std. Deviation	.894	.000	.000	.000	.000
15_Reports are published in a timely manner (review date of source data and when the report was published if it's within a year the report is regarded as timely)	Mean	1.40	1.60	1.20	1.40	1.20
	N	5	5	5	5	5
	Std. Deviation	.548	.548	.447	.548	.447