
A STRATEGY TO CHANGE THE AUDIT
PROCESS OF THE STATE AUDIT OFFICE OF
VIETNAM TO ALIGN WITH THE AUSTRALIAN
GOVERNMENT AUDIT PROCESS

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ABSTRACT

The audit process of the State Audit Office of Vietnam (SAV) has inherent limitations and weaknesses that need to be addressed in order to keep pace with the development of the SAV. This could be realized if a strategy to change the audit process of the SAV is conducted. The research aims to improve the SAV to meet international auditing standards of the Organization for Economic Co-operation and Development (OECD), using the Australian Government audit process as a direct comparison in order to identify issues in the change management processes required for the SAV to introduce Australian Government audit processes and to propose a methodology to resolve these issues. The change management processes are thus the key focus of the research. The evaluative framework was based on the literature, identifying three major issues of concern. They are technology, costs and people.

The research design is a combination of document review and semi-structured in-depth individual interview methods. The document review includes analysis of relevant auditing processes, standards, methods, procedures and reports, and policies; and review of change management theories, models and practices. The goal of the document review is to obtain an overall picture of the research topic that informed the in-depth interviews. Semi-structured in-depth individual interviews were selected as the major research methodology because it is able to provide a considerable amount of detailed data and a deeper understanding of

the research problem. The research methodology involved the analysis of the interview transcripts using Thematic Content Analysis (TCA). This mutual relationship between the interviews and the document reviews was discussed further in the data synthesis and analysis. In the study, 30 individual interviews were conducted for two groups of stakeholders (auditors and managers of the SAV) at the headquarters of the SAV in Hanoi City, the capital of Vietnam.

The research findings indicated agreement over previous attempts by the literature review. These findings suggested that the change management process may face various issues arising from personal barriers to the change, the SAV culture, application of technology to auditing, costs for the change, the SAV auditor human resource quality and training, and the SAV organizational and operational model. The proposed strategic framework to resolve these issues addressed removing personal barriers to the change, improving infrastructure, human resource, training and legal framework of the SAV, and implementing changes in the SAV culture.

The research outcomes might be applied to the SAV. These outcomes will assist the SAV in developing an effective audit process complying with international auditing standards and principles in order to ensure transparency and effectiveness of public sector expenditure.

Key words: State Audit Office of Vietnam, Organization for Economic Co-operation and Development, Australia, auditor, audit process, auditing standards and technology.

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DECLARATION

I hereby declare that, to the best of my knowledge and belief, the work which is included in dissertation entitled, “A strategy to change the audit process of the State Audit Office of Vietnam to align with the Australian Government audit process”, is my own work, and all sources utilized in the dissertation have been appropriately referenced. The work is in the partial fulfillment of the requirements for the award of Doctor of Professional Studies at CQUniversity, and it has not been previously submitted for the award or for any other degree or diploma at any other university or institution of higher education.

Signature

Anh Minh Le

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Date: 06/04/2014

CHAPTER 1: INTRODUCTION

1.1 General

As a developing country, Vietnam recognised the role of a State Audit Office much later than developed countries did. The State Audit Office of Vietnam (SAV) was established in 1994, and is still in the process of improvement as it adapts itself to the changing economic and social environment of Vietnam (SAV 2009b). Its current status is described by Vuong (2006, p.1):

The SAV is a relatively new agency in Vietnam. After its foundation, SAV began to perform its many responsibilities by establishing its organisational structure, providing necessary physical infrastructure, recruiting and training staff members, and developing proper professional procedures and standards so as to undertake audit assignments required by the Vietnamese Government and the Prime Minister Department (Vuong 2006, p.1).

The SAV is a powerful office in Vietnam's political system. As Vuong (2006) states the SAV plays an important role in monitoring and controlling the management and utilization of the funds and assets of all government departments in Vietnam.

The State Audit Law 2005 of Vietnam has opened up an important legal framework for developing the SAV and its audit process (Vuong 2006). The audit process of SAV was promulgated as an important mechanism to introduce and assess how the auditors work and achieve their objectives and tasks (SAV 2007). However, this audit process has inherent limitations and weaknesses that need to be addressed in order to keep pace with the development of the State Audit Office of Vietnam. This could be realized if a strategy to change the audit process of SAV to align with, say, the Australian Government audit process was implemented.

Thus this research project addresses the research problem: **“A Strategy to Change The Audit Process of The State Audit Office of Vietnam to Align With The Australian Government Audit Process”**. The problem of the research topic, then, is embedded in the research question **“What Change Management Processes are Required for The State Audit Office of Vietnam to Introduce The Australian Government Audit Process?”**.

In order to answer the research question, the following objectives need to be achieved:

- Review the current performance of the SAV
- Select an alternative audit model
- Establish an evaluative framework for the research based on the literature review

-
- Identify issues in the change management process
 - Propose a strategic framework to resolve issues arising from the research in order to facilitate the implementation of the change.

The research outcomes may bring benefits and values to the community, the SAV and the researcher. The following are the expected benefits and values of the research:

- The research which may be applied to the SAV could help the SAV improve its audit process
- Developing a effective audit process for the SAV will strengthen audit quality and effectiveness of the SAV and, in turn, have a positive influence on transparency and effective public sector expenditure
- Developing an effective audit process for the SAV will enhance the effectiveness and quality of work of SAV auditors and managers
- Completion of the research will help the researcher to widen professional knowledge and experience

1.2. Overview of auditing

- Auditing

The role of audit has a long story. As Salehi and Rostami (2009, p. 140) note:

The term 'audit' is derived from the Latin word 'audire', which means 'to hear' and auditor literally means 'hearer'. The adoption of this term was based on customary role of audit function in the sense that the persons responsible for maintenance of accounts were expected to go to some impartial and experienced persons, normally judges, who used to hear the accounts prepared by the persons in charge and express their opinion about their correctness. In the early 1900s, auditors were primarily engaged to provide almost absolute assurance against fraud and international mismanagement (Salehi and Rostami 2009, p. 140).

In today society, however, audit is increasingly changing its object and scope. In order to meet the requirements of the increasing size and complexity of corporate enterprise and its impact on business life, audit engagements emphasized not only detecting fraud but also verifying fairness in financial statements (Salehi & Rostami 2009). As Mahadevaswamy and Salehi (2008, p. 135) note, auditors express their opinion regarding the accuracy, reliability and fairness of accounts and financial statements of companies being audited; the main purpose of audit has shifted from declaring the accounts and financial statements provided by companies "true and correct" to declaring them "true and fair".

The American Accounting Association defines 'auditing' as:

An audit is a systematic process of objectively obtaining and evaluating evidence regarding assertions about economic actions and events to

ascertain the degree of correspondence between these assertions and established criteria and communicating the results to interested users (Hayes et al. 2005, p. 11).

Audits may be classified into three types: financial audits, compliance audits and performance audits.

A compliance audit is an overall review of activities of an entity being audited to verify its compliance with relevant regulations, legislation and policies (International Organisation of Supreme Audit Institutions [INTOSAI] 2010a). A financial audit is conducted by auditors or professional specialists independent of the organization being audited in order to assess the reliability, accurateness, completeness and fairness of financial statements produced by that organisation (INTOSAI 2010b). Performance audits aim to assess particular activities of an organisation being audited with regard to its economy, efficiency and effectiveness in managing and utilizing its available resources (INTOSAI 2010c). Although performance audits are a complex and special type of audit, different from traditional auditing and required a broader knowledge base than traditional auditing (INTOSAI 2004a), it is increasingly becoming in importance and popularity (INTOSAI 2010c).

Performance audits have three main purposes:

-
- (a) Audit of the economy of administrative activities in accordance with sound administrative principles and practices, and management policies;
 - (b) Audit of the efficiency of utilisation of human, financial and other resources, including examination of information systems, performance measures and monitoring arrangements, and producers followed by audited entities for remedying identified deficiencies; and
 - (c) Audit of the effectiveness of performance in relation to achievement of the objectiveness of the audited entity, and audit of the actual impact of activities compared with the intended impact (INTOSAI 2004a, p. 11).

- **Auditing standards**

Auditing standards have an important influence on all facets of audit activity. As the INTOSAI (2001a) notes, auditing standards not only aid the auditors in expressing their opinions and writing up audit reports, but they also provide a framework for establishing the criteria of audit quality assessment and the procedures and practices that auditors should be follow in audit engagements.

- **Audit process**

According to Arens, Randal and Beasley (2006, p. 150), 'an audit process refers to a well-defined methodology for organizing an audit to ensure that the evidence gathered is both sufficient and competent and that all appropriate audit objectives are both specified and met'.

An audit process generally consists of four main phases: planning, fieldwork, reporting and follow-up (SAV 2007). These phases are illustrated in Figure 1-1.

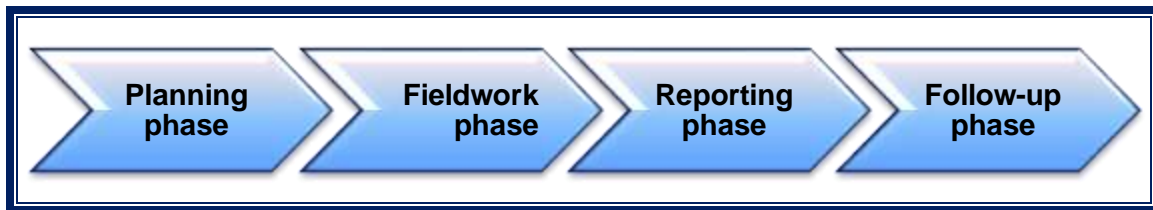


Figure 1-1: Phases of audit process (Adopted from the SAV [2007])

The following is a discussion of four phases of audit process (SAV 2007):

In the planning phase of audit, the auditors define the terms of audit engagement and notify entities being audited about the audit program. An initial meeting between the auditors and the people being audited will then be organised to discuss issues relating to the contents of the audit engagement and enable auditors to have an overall understanding of organisations being audited. A preliminary review with relevant individuals and an exploration of the internal controls of the organisation will be conducted in order to gather necessary information to prepare the audit engagement plan.

In the fieldwork phase, auditors will deeply explore, examine and assess the internal control system and activities of organisation being audited in order to establish findings. The auditors will discuss these findings with the organisations being audited and begin to write up a draft of the audit report.

The reporting phase is where meetings and discussions between the auditors, the people being audited and the managers of the organization being audited occurs in order to clarify the audit findings from the fieldwork phase presented in the draft of the audit report in order to achieve mutual agreement regarding audit results. After finishing the meetings and discussions, revisions and improvements for the draft might be made to perfect the audit report. An official audit report consists of audit findings, auditors' opinions and recommendations.

The follow-up phase is the final phase of audit process. At a specified time after completing the audit engagement, auditors will return to the organization being audited in order to test and verify the implementation of the audit resolutions in the official audit report. Auditors will conduct discussions about relevant issues with the organization's staff and a follow-up report involving unresolved issues will be published.

1.3. The significance of the research

According to the National Assembly Standing Committee of the Socialist Republic of Vietnam [NASCSRV] (2010), the major goal of the SAV development strategy up to 2020 is to improve its audit quality and effectiveness. However, a study of a SAV document (SAV 2010a) discloses that SAV auditing standards are incompatible with international auditing standards and may hinder the development of the SAV.

The research is looking to improve the SAV to meet international auditing standards of the Organization for Economic Co-operation and Development (OECD), using the Australian Government audit process as a direct comparison in order to identify issues in the change management processes required for the SAV to introduce Australian Government audit processes and to propose a methodology to resolve these issues. While there is a gap in the knowledge required for improving the SAV to meet the international auditing standards of the OECD, there has not been any previous research addressing this issue. So this research aims to fill this gap.

1.4. Scope of the thesis

The research will conduct the literature review relevant to the current performance of the SAV, international auditing standards, the revisions required for the auditing standards of the SAV to be compatible with selected strong auditing standards, the Australian government audit model and the challenges of change management. In addition, the literature underpinning the evaluative framework, identifying major issues of concern, will be conducted.

The research design is a combination of document review and semi-structured in-depth individual interview methods. The document review will include analysis of relevant auditing processes, methods, standards, procedures and reports, and policies; and review of change management theories and practices. The goal of

the document review is to obtain an overall picture of the research topic that will inform the in-depth interviews. Semi-structured in-depth individual interviews will be selected as the major research methodology because it is able to provide a considerable amount of detailed data and a deeper understanding of the research problem.

Thematic content analysis (TCA) will be selected for the data analysis of the study. The researcher will synthesise and analyse the data collected during the research phase, involving semi-structured in-depth individual interviews in order to identify issues in the change management process. This mutual relationship between the interviews and the document reviews is discussed further in the data synthesis and analysis. Then, the conclusions and recommendations will be made.

1.5. Structure of the thesis

The research project comprises of six chapters:

Chapter 1 introduces the research topic, research question, the significance of research problem and scope of the research

In Chapter 2, major issues of concern which testify to the significance of research problem are identified; an evaluative framework is developed, underpinned by literature identifying the key factors that impact the research problem.

Chapter 3 is an outline of the methodological approach and the research methods employed to gather and analyse data, namely document review and semi-structured in-depth individual interviews.

Chapter 4 demonstrates the data and summarises key findings of the research

In Chapter 5 data analysis is presented.

Chapter 6 presents a strategic framework to resolve the potential problems arising from the introduction of Australian auditing systems into the SAV and provides recommendations of the research project

Chapter 7, the conclusion are provided

Chapter 8, the reflection of the researcher is presented

The structure of the thesis can be presented in Figure 1-2.

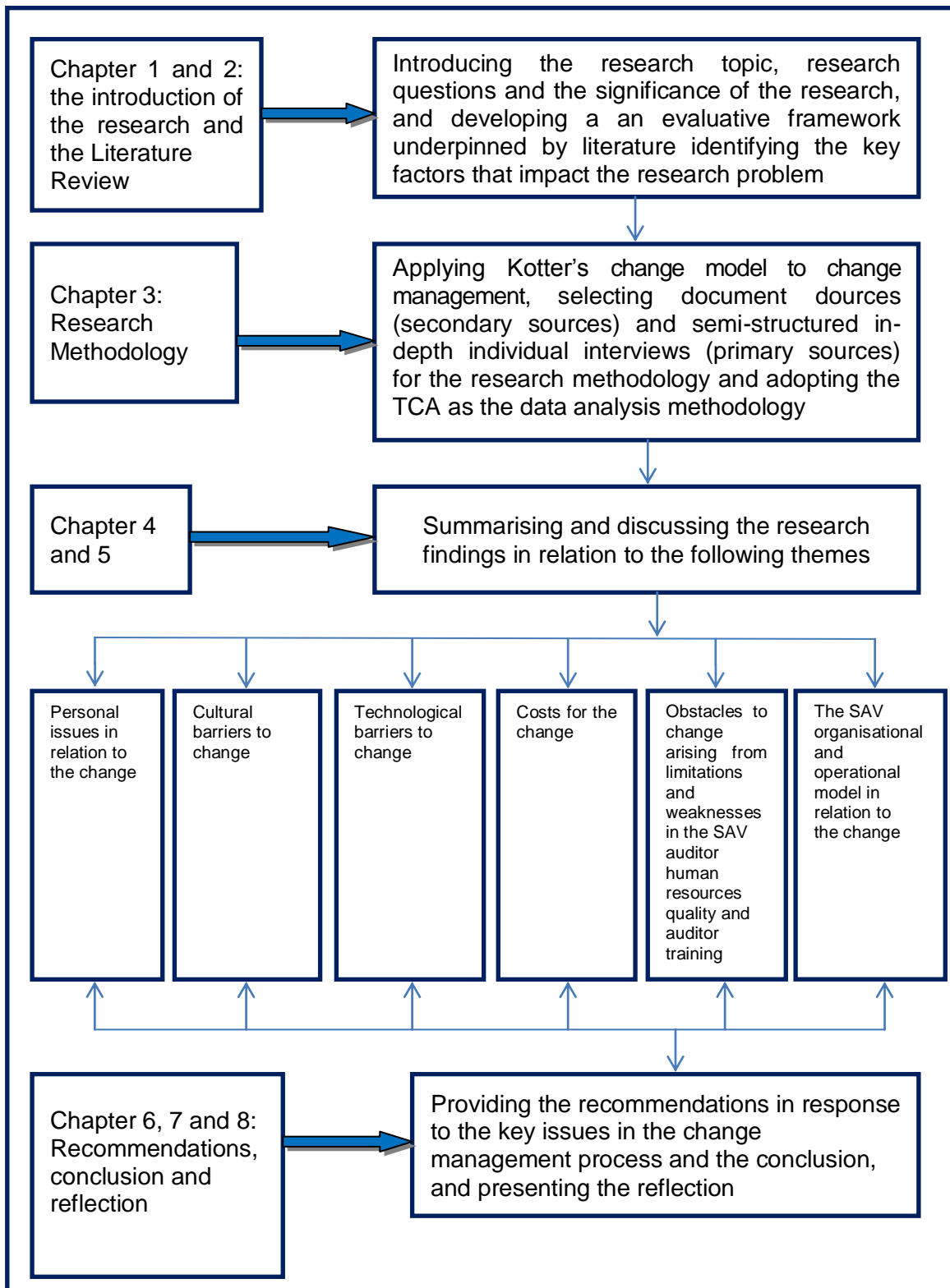


Figure 1-2: The structure of the thesis

CHAPTER 2: LITERATURE REVIEW

In this chapter, the literature review will be conducted in order to provide an overall picture of the research problem. This chapter will address a review of the current performance of the SAV, selection of alternative audit models and the establishment of an evaluative framework for the research.

2.1. Overview of the current performance of the SAV

There are major issues of concern which testify to the significance of the research topic. They are discussed below.

2.1.1. No Long-Term Strategy

The SAV has not built a long term and consistent strategy to develop a legislative framework for its operations. According to the National Assembly of the Socialist Republic of Vietnam (NASRV) 2005, the SAV has only recently established the fundamental principles required for a supreme audit institution when the Law on State Audit was issued in 2005. The current audit process has not yet met the requirements of the SAV role in several respects. Firstly, there has not been a full consideration of the role the performance auditing. Performance auditing is still a new and complex audit type for the auditors in Vietnam and needs support and consultation from participants with a high level of audit knowledge and expertise.

Secondly, increasing cooperation between the SAV and other Supreme Audit Institutions abroad is likely to be required, and the SAV needs to undergo significant changes to adapt to this cooperation. However, these changes have not been anticipated and reflected in the audit process. Thirdly, the scope of the audit operations is increasingly widening and covering broader audit sectors (NASCSRV 2010), and this seems to be challenging the effectiveness and the practical value of the audit process. These dilemmas facing the audit process need to be solved urgently in order to meet the requirements of its development and integration.

2.1.2. Lack of audit knowledge

An analysis of a document of the audit process produced by the SAV (2007) suggests that the audit process lacks steps and specific guidance regarding material and risk assessment. According to the INTOSAI (2004b), these are very significant and contribute to the quality and effectiveness of audit operations. In addition, examining the document of SAV audit process (SAV 2007) indicates that tests of operating effectiveness have not been included in the audit process; and assessment of the suitability of auditing procedures and standards has not taken place in the SAV. The audit process used in the SAV therefore does not meet international standards.

2.1.3. Confusing audit process

The audit process of SAV is focused on the form of assessment rather than the contents. This has led to inconsistencies in the evaluation of audit engagements, since different auditors use dissimilar approaches. Ngo (2008) points out that a variety of audit concepts and terms in the audit process are translated directly from international auditing materials without detailed guidance, analysis or adaptation to the specific context of the SAV. Thus, they tend to confuse not only the staff of organizations audited but even SAV auditors. Lack of clear and specific explanations of how to conduct financial audits, compliance audits and performance audits might lead to misunderstanding of the three types of audit. As a result, the audits are likely to be difficult for the auditors and the audit teams to understand, follow and apply in practice.

2.1.4. No clear standards for performance audits

The current audit process of the SAV does not fully include the three types of auditing, especially the performance audit. Although performance audits are regulated by the State Audit Law of Vietnam (NASRV 2005), a document of the audit process published by the SAV (2007) implies that emphasis is placed on compliance audits and financial statement audits rather than on performance audits (performance audits receive minimal attention in the scope of the process outlined by the SAV). Ngo (2008) points out that the SAV has not yet developed

and promulgated its performance audit standards in order to create a legal framework, which is an important basis for establishing detailed guidance on performance audits in the audit process. However, performance auditing is expected to be developed and to become a significant part of the audit activities of the SAV (NASCSRV 2010).

2.1.5. Lack of adequate methodology and criteria for the audit process

The audit process of the SAV appears to fall short of international standards for audit processes. A recent report by the SAV (2010a) on the audit process does not identify clearly the materials required for an audit or the form of audit reports. In addition, an audit procedure which does not specify objectives and activities is unlikely to provide the detailed guidance for auditors on how to make an audit plan, to conduct an audit and to make audit reports. In the SAV, a lack of criteria descriptions of audit procedures and methodologies for compliance auditing and a lack of adequate assessments relating to the internal control system and the link between objectives, risks, control procedures and criteria have been identified (Ngo 2008).

2.1.6. No current plans to introduce improved auditing processes

Although audit processes such as those for state-owned enterprises, the state budget, targeted national programs, and financial institutions have been

promulgated (International Journal of Government Auditing 2010), they are not good solutions to the problems of the current audit process of SAV. First, they are based on already existing principles and standards; they do not innovate in any way. For example, examination of the audit process for targeted national programs (SAV 2013b) shows that this audit process is considerably reliant on the structural framework of the audit process of the SAV. Secondly, the processes for auditing state-owned enterprises, the state budget and targeted national programs are thematic audit processes which are designed for only one specific audit field. In fact, according to the SAV (2012b), the scope of the audit process for state-owned enterprises covers only state-owned enterprises and has not influenced other audit fields. Finally, SAV documents (2012a, 2012b, 2013a, 2013b and 2013c) indicate that audit processes for specific audit fields appear to have similar limitations to the mere general audit process of the SAV, such as a lack of detailed guidance for audit performance, and methodology and criteria for audit process.

2.1.7. Inconsistencies between audit process and auditing principles and standards

An examination of a document of the auditing standards produced by the SAV (2010b) suggests that the current auditing standards of the SAV only regulate the financial audit and compliance audit as functions of the public audit but do not adequately cover performance auditing. The NASRV (2005) identifies the

fundamental principles of the SAV as ensuring the independence, scope and capabilities of the state audit. In particular, the SAV is independent of the agencies being audited, and the independence is guaranteed by the law of Vietnam. The law defining the scope of the SAV defines three types of audits as compliance audits, financial audits and performance audits. The SAV has the authority to make the audit reports available to the public and to democratically elected representatives. However, an examination of a document of the audit process produced by the SAV (2007) suggests that the fundamental principles of SAV are not fully reflected in the current audit process.

2.1.8. An inappropriate and ineffective driven system

While technology has a major influence on quality and the effectiveness of both entities being audited and audit activities (Moeller 2010), an examination of a document of the auditing standards produced by the SAV (2010b) reveals that the SAV audit process is based on a people-driven system and lack of application of technology to audit engagements. According to the SAV (2010a), the SAV IT infrastructure which is underdeveloped discourages its staff members from improving quality and effectiveness of audit activities. The SAV (2010a) further notes that much emphasis should be placed on application of technology to audit activities of the SAV in the future. Thus, strong auditing standards emphasizing the significance of technology to auditing is an increasing demand of the SAV activities.

2.1.9. Remarks

The analysis of the current performance of the SAV shows that the SAV current auditing standards remain in an underdeveloped state. As the NASCSRV (2010) states, the building of SAV auditing standards compatible with generally accepted international auditing standards is one of the crucial missions and responsibilities of the SAV mentioned in the SAV Development Strategy to the year 2020. In fact, the establishment of a strong auditing standard framework may positively contribute to audit quality and ensure the robustness and stability of public sector auditing (Australian Treasury 2010), and considerably reinforce public sector auditing so that it becomes an effective tool for government, economy and society (Vuong 2006). It can be said that the SAV has not yet equipped and has insufficient capacity to develop strong auditing standards for its audit process fully compatible with the advanced countries' to realize its progressive ambition. Thus, the development of strong auditing standards is an urgent requirement of the SAV.

2.2. Overview of the objective of the change management process in the SAV

2.2.1. General

International auditing standards tend to be the most important driving force in changing the audit process of the SAV. As the INTOSAI (2004b) notes, generally

accepted international auditing standards should be applied by the government audit institutions, and the formation and development of the audit process must work towards the goal of effectively enforcing auditing standards. For example, according to the Australian Treasury (2010), the effectiveness of an audit process may be determined as an ability to build the ‘true and fair view’ principle and the requirement for audit report that are suitable with the international auditing standards. It also indicates the potential relationship between international auditing standards and the quality control of audit process.

The OECD, which was founded in 1961 to enhance economic development and world trade (OECD 2011), appears to be a good starting point to study and provide valuable information, experiences and models for shifting the SAV audit process. This organization consists of 34 member countries (including Australia), among which are the most economically advanced countries in the world (OECD 2011). The OECD member countries are listed in Table 2-1:

Table 2-1: The OECD member countries (OECD 2011)

<u>Australia</u>	<u>France</u>	<u>South Korea</u>	<u>Slovenia</u>
<u>Austria</u>	<u>Germany</u>	<u>Luxembourg</u>	<u>Spain</u>
<u>Belgium</u>	<u>Greece</u>	<u>Mexico</u>	<u>Sweden</u>
<u>Canada</u>	<u>Hungary</u>	<u>Netherlands</u>	<u>Switzerland</u>
<u>Chile</u>	<u>Iceland</u>	<u>New Zealand</u>	<u>Turkey</u>
<u>Czech Republic</u>	<u>Ireland</u>	<u>Norway</u>	<u>United Kingdom</u>
<u>Denmark</u>	<u>Israel</u>	<u>Poland</u>	<u>United States</u>
<u>Estonia</u>	<u>Italy</u>	<u>Portugal</u>	
<u>Finland</u>	<u>Japan</u>	<u>Slovak Republic</u>	

Many of the OECD member countries, having access to highly developed technology, have developed auditing standards supported by information technology to enrich their audit quality. Many the OECD countries have developed high quality software auditing and accounting standards that allows its member countries to strengthen the effectiveness and transparency of tax administration, reports and audit, and improve the outcomes of audit engagements and facilitate in conducting joint audits (OECD 2010).

Moreover, the most advanced OECD member countries have the capacity to update and develop effective and high-quality auditing standards to ensure audit

quality and meet the increasing demands of auditing and accounting. The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions has encouraged the OECD member countries to strengthen transparency and accountability in international business (Pacini, Swingen & Rogers 2002). This, in turn, can create a favourable condition for developing strong international auditing standards in the OECD member countries. The most advanced OECD member countries such as the United States of America, England and Australia, whose strong legislative frameworks and professional practices are recognized by almost all countries around the world, are likely to provide valuable and important change models for the SAV audit process. The United States of America, the United Kingdom and Australia have established strong, effective and high quality auditing standards in order to assure audit quality (Treasury 2010). For example, United Kingdom auditing standards provide detailed guidance for all aspects of its audit activities and cover all audit quality control process in order to ensure quality and effectiveness of audit engagements (Institute of Chartered Accountants in England and Wales 2010).

Another important reason is that many of the OECD member countries have identified and improved inadequacies in their audit standards in a timely manner. For example, The Sarbanes-Oxley Act, enacted in reaction to auditing and accounting scandals involving well-known corporations in the United States of America, has improved financial transparency and audit quality and promoted

financial market stability and development (United States Government Accountability Office [GAO] 2006). In addition, global financial and economic challenges have highlighted the role of strong international audit standards. For example, the global financial crisis may be a test for the auditing standard framework of Australia. As the Australian Treasury (2010) notes, in this crisis, a number of problems with financial reporting have increased at the international level and the audit regulation frameworks of a variety of countries have exposed limitations and weaknesses in detecting and preventing audit risks and poor performance of entities being audited. During the current uncertain economic conditions, however, Australia's audit office has determined that its auditing standard framework has functioned effectively and stably (Treasury 2010).

Therefore, strong OECD auditing standards, established by the most advanced countries of the OECD, should be selected as driving forces of the alternative audit process. The alternative audit process is a combination of the OECD auditing standards. The project aims to improve the SAV to meet the OECD audit standards. The goal of the change management process is represented in Figure 2-1.

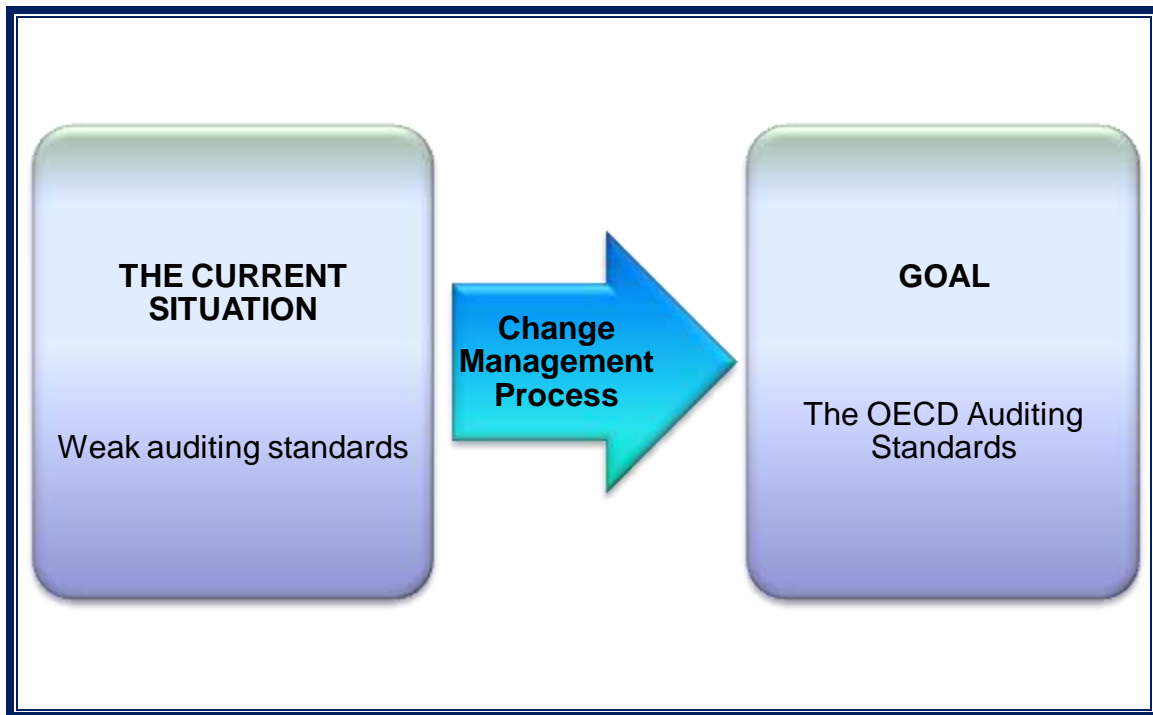


Figure 2-1: The goal of the change management process

2.2.2. Identifying the OECD auditing standards

As discussed in Section 2.2.1 of this research, international auditing standards play an important role in establishing the audit process and are likely to bear key goal in changing the audit process. According to Hayes et al. (2005), international auditing standards are considered to be the highest and best international representation of generally accepted auditing standards widely applied in most auditing organizations in the world. In addition, the Treasury (2010) notes that the formation of a strong auditing standard framework compatible with international best practice contributes to the robustness and stability of government audit offices and audit quality. Vuong (2009) affirms that

collaboration and the sharing of experiences between the SAV and other supreme audit institutions in the International Organization of Supreme Audit Institutions should be enhanced and promoted to increase the role of supreme audit institutions in governance and to improve the effectiveness of public sector audits.

Since the research aims to enable the SAV to meet the OECD auditing standards, a key requirement is that these standards need to be clearly identified. Since there are no official auditing standards agreed upon by the OECD, this section attempts to identify a set of best practices for auditing accepted by the most advanced OECD member countries. They are classified into three major groups of auditing standards as: general standards, field work standards and standards of reporting.

2.2.2.1. General standards

General principles consisting of integrity, objectivity, independence, diligence, confidentiality, respect for technical principles and professional competence and behavior govern professional conduct are being applied in the auditing profession in Italy (Quick, Turley & Willekens 2008).

Judgments of the Portugal Court of Auditors only abide by the Portugal Constitution and law (Portugal Court of Auditors 2008). Independent status of the

National Audit Office of Finland are clearly regulated and underpinned by the Constitution which strengthens its audit quality and transparency (National Audit Office of Finland 2010).

According to the Business Accounting Council of Japan (2009), auditors utilising other auditors works, must assess the significance, scope and level of reliance of these works and consider whether or not there is a consistency between their purposes and procedures and other auditors'. In addition, it indicates that if an auditor uses specialist works, the auditor must take their qualifications and objectivity and significance of the work into account.

2.2.2.2. Field work standards

a) Financial auditing

The National Audit Office of Denmark (2008) shows that audit planning of the National Audit Office of Denmark covers purposes, scope and anticipated outcomes of financial audit. According to the Swedish National Audit Office (2012), evaluations of risk and materiality are emphasized in financial audits and define their purpose and scope. In addition, it notes that financial audits aim not only to provide a fair evaluation of financial statements of entities being audited, but also to prevent and reduce identified risk. The National Audit Office of Denmark develops a list of financial audit packages such as audits throughout

the year involving internal control assessment of entities being audited and specific audit packages specializing in salaries and subsidies (National Audit Office of United Kingdom [NAO] 2005).

b) Compliance auditing

According to the National Audit Office of Finland (2011), the compliance audit aims to assess whether or not entities being audited comply with relevant regulations and legal documents promulgated by authorized organisations. In addition, this office states that compliance audits can be used to examine predetermined activities of entities being audited involved with policies, mechanisms and highly appreciated management principles.

c) Performance auditing

The INTOSAI (2004a) suggests that performance auditing should play a key role and be fully reflected in the audit process of public audit offices. This suggestion may be especially important for the most advanced OECD member countries. As the Office of the Auditor General of Canada (2004, p. 13) notes, the scope of the performance audit covers 'the examination of economy, efficiency, cost-effectiveness and environmental effects of government activities; procedures to measure effectiveness; accountability relationships; protection of public assets; and compliance with authorities'. In addition, according to the NAO (2012b),

value for money auditing needs to consider a full evaluation of the government expenditure required for its specific projects and activities and what objectives and outcomes need to be achieved. Determining potential environmental risks such as emissions, discharges and a wasteful use of natural resources and these impacts on particular performance audit subjects should be also taken into account in performance audits (Office of the Auditor General of Canada 2011). As the Office of the Auditor General of Canada (2004, p. 13) notes the scope of performance audits can include ‘a government entity or activity (business line), a sartorial activity, or a government-wide functional area’. For example, In the GAO, performance audits involve various subjects such as the evaluation of internal control systems, project and business operation effectiveness and legal compliance of organizations (GAO 2011). In addition, as the GAO (2011) notes, performance audits can be conducted with a diversity of methods. For instance, performance auditing applies both quantitative and qualitative methods in audit engagements, including assessment of financial data and management information, documentary analysis, interviews with organization personnel, surveys of customers of entities being audited and comparing the quality and effectiveness of the entities with other entities (NAO 2012b).

In the Netherlands Court of Audits, the nature, scope, methodology and procedures of performance audits are openly and responsively communicated to auditees in order to strengthen the transparency of these performance audits and auditees’ cooperation (Lonsdale, Wilkins & Ling 2011). The National Audit Office

of Denmark (2008), dependent on specific audit purposes, performance audits could or could not be combined with financial audits in conducting audit engagements.

d) IT auditing

According to the Office of the Auditor General of Canada (2010), IT auditors must have adequate and appropriate professional and skills in information technology and the auditing field and be able to deal with the complicated IT systems of organizations being audited. In addition, since IT auditing covers a broad scope of business operations, on conducting IT system environment audits, auditors must obtain an understanding both of organisational structure and operations and of IT infrastructure-related aspects of the organization such as software, hardware, security and networks (GAO 2010).

As the GAO (2010) notes, IT auditors conduct analysis and assessment with both general control systems and business process control systems. General control systems include policies, documents and procedures involving IT system security management, computer resource access controls, IT system security support software, individual authority over sensitive computer-related operations, and service stability (GAO 2010). The factors requiring evaluation and testing in business process control systems include application level general controls, business process controls, interface controls and data management system

controls (GAO 2010). According to the GAO (2010), those controls are presented as follows:

- **Application level general controls:** IT auditors should analyse and evaluate general controls at the business performance level. The analysis and evaluation should focus on business process application security.
- **Business process controls:** IT auditors should analyse and evaluate whether or not transactions and business operation data are complete, accurate, valid and reliable.
- **Interface controls:** IT auditors should analyse and evaluate the accuracy, timing and completeness of information process of IT systems.
- **Data management system controls:** IT auditors should analyse and evaluate the process of collecting, storing and managing business data and information and data management systems and controls.

e) Audit documentation

According to the Supreme Audit Institution of Germany (2005), the Supreme Audit Institution of Germany has developed a database system including sources, contents and guidelines of documents. The Supreme Audit Institution of Germany (2005) notes that the database system covering a wide range of documents involving observations, reports, results and other documents of audit activities supports auditors in searching, collecting and extracting required documents and supporting information. In addition, audit planning and the

information system facilitates auditors in conducting all phases of audit process and identifying audit evidence (Supreme Audit Institution of Germany 2005).

The Auditing and Assurance Standards Board [AUASB] (2010a, p. 9) defines audit documentation as ‘the record of audit procedures performed, relevant audit evidence obtained, and conclusions the auditor reached (terms such as “working papers” or “workpapers” are also sometimes used)’. Auditors can utilize their working papers to assist in the making of professional judgments (Office of the Auditor General of Canada 2004). Although audit documentation may vary considerably in different audit engagements, it should be incorporated in best auditing practices (Whittington et al. 2006).

As the GAO (2011) notes, audit documentation should cover all phases of the audit process, be sufficiently detailed and be appropriate for the specific audit engagement. In addition, audit documentation, which must be compatible with international auditing standards and established on a timely basis, and consist of a set of adequate and correct records and appropriate evidence, aids auditors to perform several of aims such as planning and conducting audit engagements, supervising and accounting for audit tasks and keeping it as important archives (International Federation of Accountants 2009). Appropriate evidence of audit documentation must address relevant, reliable and valid information (Office of the Auditor General of Canada 2004).

Moreover, the criteria for and descriptions of audit documentation for various audit engagements are clearly identified and portrayed in the audit documentation standards of the most advanced OECD member countries.

g) Audit methodology

The most advanced OECD member countries have introduced effective and scientific audit methodologies. According to the GAO (2011), audit methodology should incorporate clearly identified methods, procedures, techniques, assumptions, criteria and sampling systems used to achieve the audit purposes. The GAO (2011) notes that criteria for identifying principles, standards, professional practices and expected outcomes, are determined by audit purposes. While the Spanish Court of Audit uses a combination of various types of audits in audit engagements in order to assess different perspectives of entities being audited, each type of audit aims to obtain dissimilar purposes (NAO 2005).

According to the Austrian Court of Audit (2009), in order to assure implementation of audit engagements according to audit quality standards, a customer survey may aid audit organisations in strengthening their independence, credibility and objectivity. In addition, it shows that peer review, which is an external evaluation conducted by other audit organisation to an audit organisation, helps organisations that have been reviewed to have objective

insight into its performance. Through this peer review, audit organisations reviewed have a better understanding of their performance and may find the best way to improve their performance in the future. According to the Swiss Federal Audit Office (2013), horizontal audits indicate good audit practices and should be emphasised. In addition, it notes that by conducting comparative evaluations of one specific audit aspect involving at least two units or departments of one entity being audited or entities being audited having the same functions and activities, horizontal audits can provide an overall picture of that audit aspect and persuasive suggestions and recommendations for improvements.

Auditors should take the application for IT to audit engagements into account in order to establish appropriate and effective audit planning (Business Accounting Council of Japan 2009). Auditors of the French Court of Auditors can partially conduct audit engagements at the Court because France's state accounting and auditing systems are so strongly supported by IT that auditors of the Court can mostly access online the needed computer files of entities being audited or access the accounts and required documents of these entities storable at their computers (NAO 2005). However, the online environment may have potential risks needing to be adequately and appropriately managed.

h) Audit quality control

According to the European Organization of Supreme Audit Institutions [EUROSAI] (2004), audit quality control standards, which tend to be very complicated and qualitative, comprise crucial guidelines and specific assessment criteria that form the basis of auditors' reports and audit assessment collections. These standards also enable relevant stakeholders to assess the quality of an audit conveniently.

According to the GAO (2011), quality control systems of audit organization includes perspectives regarding leadership, and audit quality control procedures and policies. While leadership focuses on implementing effective audit quality control standards and undertaking audit quality management for the audit entities (GAO 2011), audit quality control procedures and policies aim to enhance auditors' independence, ethics, professionalism and accountability, ensure appropriate personnel assignment in audit organizations and provide detailed guidance, assistance and audit quality monitoring methods (Australian Accounting Research Foundation 2002). The GAO (2011) recommends that audit quality control procedures and policies be documented, provided to audit organization personnel and periodically assessed to identify issues requiring improvement or change in a timely manner. The GAO (2011) also notes that the quality control systems of an audit organization require appropriate external peer

review and supervision to ensure that the organisation's personnel comply with these procedures and policies.

According to the Australian Accounting Research Foundation (2002), quality control establishes policies and procedures that cover all phases of audit process and monitor the ethics and professional work of all individual audits such as auditors, assistants and personnel. According to the Controller and Auditor-General of New Zealand (2012), quality control for annual audit engagements must be taken into account and audit engagement quality control reviewer needs to conduct a comprehensive consideration of following specific aspects:

- Having an understanding of objectives, performance and risks of entities being audited
- Judgments of auditors in accordance to materiality and risks
- Assessment of sufficiency of audit planning
- Required consultations
- Auditors' response to material inconsistencies
- Whether or not there are significant unresolved matters and any significant unresolved issues identified must be properly solved before signing the audit report
- Appropriateness and adequacy of judgments and audit conclusions
- Assessment of interrelation between documentation used and judgments of auditors
- Communication between auditors and auditees about appropriate issues

-
- Auditors' opinion with respect to professional standards.

2.2.2.3. Standards of reporting

Audit report is required to trustworthily reflect opinions of entities being audited and provide clear and appropriate judgments for entities being audited (National Audit Office of Denmark 2008). Further, audit reports include a full assessment of materiality and risk, an internal control system, and legal compliance and financial statements, and may include additional reports addressing more detailed and specific evaluations of relevant issues (GAO, 2011).

2.2.3. Remarks

The OECD auditing standards chosen as driving forces of the alternative audit process are identified as the goal that the SAV needs to achieve in order to improve its performance. After the strong audit practices of various OECD member countries such as United Kingdom, United States of America, Austria, Canada, Denmark, Finland, France, Germany, Italia, Japan, Netherlands, Portugal, Spain, Sweden, and Switzerland have been analysed and discussed, they provided suggestions and recommendations to form the OECD auditing standards. The major feature of these standards is that they are strongly supported by technology and operated on a technology-driven system.

A summary of the OECD auditing standards identified by the literature was sent to participants to serve as interviews. The following are the main focus of the OECD auditing standard model:

- Independent status of the supreme audit institution is clearly regulated and underpinned by the Constitution; and judgments of auditors only abide by the constitution and law
- IT auditors must have adequate and appropriate professional skills in information technology and the auditing field and be able to deal with the complicated IT systems of organisations being audited
- A combination of various types of audits such as compliance audits, financial audits, performance audits and IT audits are used in audit engagements.
- Establishing a list of financial audit packages including audits throughout the year involving internal control assessment of entities being audited and specific specialised audit packages.
- It is necessary to use both quantitative and qualitative methods in performance audit engagements.
- A fully computerized audit environment and an on-line audit databases is established.
- Audit documentation is recorded on paper or on electronic or other media that includes assessment criteria relating to audit evidence, adapted for appropriate audit procedures, and identifies significant issues in audit engagements

-
- The application of the Computer Assisted Audit Techniques (CAATS). IT audit techniques such as the financial audit software, standard electronic audit files, electronic data management systems and interrogative and data mining software. Electronic auditing software must be specialised for auditing public sector entities
 - Development of electronic databases in which audit documents are stored, direct connection of the laptop computers of field auditors to client information data and the document verification and integration of field audit work with the statistical sampling packages of the CAATS.
 - Accounting and auditing systems are strongly supported by IT so that auditors can access online the needed computer files of entities being audited or access the accounts and required documents for these entities. These files are on the auditor's computer.
 - A sample of finalized audit reports, following international audit report standards as exemplars of appropriate auditing and reporting practices needs to be established.

2.3. The revisions required for the auditing standards of the SAV to be compatible with the OECD auditing standards

In order to be compatible with the OECD auditing standards, several of the SAV audit standards will need to be revised. These may be classified as: performance audit standards, standards of reporting, standards of audit documentation, audit

methodology standards and audit quality control standards. Based on the literature review, Figure 2-2 illustrates the revisions required for the auditing standards of the SAV to be compatible with the OECD auditing standards.



Figure 2-2: The revisions required for the auditing standards of the SAV to be compatible with the OECD auditing standards

2.3.1. Revised performance audit standards

Whereas the performance auditing of the most advanced OECD member countries is regarded as effective and practical, this is still a new and complex audit type for auditors in Vietnam, and needs support and specific guidance from the SAV international auditing standards. In fact, the SAV (2010b) notes that the

current auditing standards of the SAV only regulate financial audits and compliance audits as functions of the public audit but do not fully cover performance audits. In addition, the SAV has not yet developed and promulgated its performance audit standards in order to create a legal framework, which is an important basis for establishing detailed guidance for performance audits (SAV 2010a). Thus, if the SAV implements the audit processes of the Australian Government Audit Offices, SAV performance audit standards will need to be revised. It would appear; however, that the change management for SAV audit process could be a long and difficult process.

2.3.2. Revised IT audit standards

A study of the SAV auditing standard documents (NASCSRV [2010], SAV [2010a] and SAV [2010b]) notes that IT audit standards are not mentioned by the SAV. Thus, a further study of IT auditing in the most advanced OECD member countries is required for the SAV when implementing the changes in the audit process.

2.3.3. Revised standards of audit documentation

Differences in audit documentation standards between the SAV and the most advanced OECD member countries are highly significant. An examination of a document of the auditing standards produced by the SAV (2010b) reveals that

that SAV audit documentation standards focus on the assessment's forms rather than its contents. A variety of procedures, materials and terms in the audit documentation standards are not clarified through detailed guidance for specific audit engagement circumstances. There may be significant delays between changes in auditing standards and law, which need to be updated in a timely manner for audit engagements, and corresponding changes in auditing practice guidance documents (SAV 2010a). Thus, if the SAV is to implement the Australian Government audit process, the audit document standards of the SAV need to be supplemented with clear and specific explanations of audit documents and how the different audit teams are to apply audit documents in practice.

2.3.4. Revised audit methodology standards

Unlike the audit methodology of the most advanced OECD member countries, however, as an analysis of a document of the audit standards produced by the SAV (2010b) notes, the current audit methodology standards of the SAV, which has not delved into risk and materiality assessment and audit procedures, are unlikely to adequately provide detailed guidance for auditors on how to make an audit plan, to conduct an audit and to make audit reports.

Ngo (2008) states that the criteria descriptions of the methodologies for compliance audits have not yet been identified, nor have adequate assessments relating to the internal control system or the link between objectives, risks, control

procedures and criteria. Despite the complexity of performance audits, assessment and performance methodologies have been minimally represented in the auditing standards. The auditors therefore depend significantly on individual understanding to apply international performance audit standards and methods. Thus, it can be argued that SAV audit methodology standards need to be amended to make them more detailed, scientific and up to date with technological advances in order to approach the audit methodology standards of the most advanced OECD member countries when implementing the change in the audit process.

2.3.5. Revised audit quality control standards

A study of a document of the SAV (2010c) disclosed that the audit quality control standards of the SAV do not cover specific quality control requirements. Likewise, audit quality control standards do not adequately provide audit quality assessment criteria applied to supervise and review all of the audit process's phases. As Ngo (2008) states, the criteria descriptions of the audit procedures for compliance auditing have not yet been identified, nor have a adequate control procedures for internal control system assessment or links between objectives, risks, criteria and control procedures. Thus, if the SAV implements the Australia Government audit process, the audit quality control standards of the SAV should be revised. First, the audit quality control standards must provide specific guidance for the roles and responsibilities of auditors and other participants in

each phase. Second, the standards have to indicate clearly and give proof of the quality control criteria utilized for each phase and the criteria for evidence are to be collected. Third, during each phase of an audit process, the standards should provide quality control procedures suitable for each phase; the implementation of those procedures and the results need to be identified and proven clearly.

2.3.6. Revised standards of reporting

As an examination of the documents produced by the SAV (2010a and 2010b) notes, even though the audit report standards of the SAV have been revised in order to be more compatible with international audit report standards, there is still a gap between the audit report standards of Vietnam and the most advanced OECD member countries. For example, clear differences are found in the format of auditors' reports and in the guidelines for making audit reports. However, the SAV has not yet produced any audit report samples. An examination of a document of the SAV (2010a) points out that a sample of finalised audit reports, which is be fully effective as a practice statement to guide the SAV auditors in specialized audit areas, has not been developed in the SAV. The majority of SAV audits follow a standard form, for which such a sample would be of great use. The lack of these exemplars is likely to lead to inconsistencies in the format of SAV auditors' reports.

With regard to how audit report standards assist auditors in audit engagements, In contrast, an examination of a document of the auditing standards produced by the SAV (2010b) indicates that the SAV audit report standards present little guidance for auditors about whether or not material uncertainties need be discussed in the audit opinion. As Ngo (2008) notes, the compilation of SAV auditors' reports depends to a significant extent on the auditors' experience and capacity rather than on the general guidance provided by report audit standards. Thus, it is clear that shifting the SAV audit process to align with the Australian Government audit process requires a modification of audit report standards through assessing the gap between Vietnam and the most advanced OECD member countries in the format of auditors' reports and in the nature of the guidelines for creating audit reports.

In summary, the section has dealt with and provided suggestions for revisions required for the auditing standards of the SAV to be compatible with OECD auditing standards. Although, further study into these issues is not the purpose of the research topic, these shortcomings in the practice of auditing in the SAV provide the rationale for and background to the investigation of the change management process that comprises the focus of the research project.

2.4. Australian government audit model – a proposed example for the change model

Contrary to limitations and weaknesses in SAV audit process, the audit processes of the Australian Government audit offices are examples of best auditing practice in the developed world. An examination of the Nicoll document (2005) discloses that the Australian Government audit offices, which have a history of more than 100 years of Parliamentary assurance, were established based on the strong auditing standards framework of a developed country. Thus, a study of Australia's audit process model focuses on Australian auditing standards that may be a good starting point in identifying the change model for the SAV current audit process.

2.4.1. The strength of Australian Government audit process

The key driving forces involved in the Australian Government audit process can be divided into two main groups: driving forces involving strong auditing standards and driving forces involving technology-driven system. These key driving forces improve quality and effectiveness of Australian Government audit process. There are seven major features which underline the strength of Australian Government audit process. They are auditing practices, the reliability of auditing results, macro-economic control, auditing reporting systems, corruption and abuse of power, system stability and auditing information security.

Based on the literature review, Figure 2-3 illustrates major features which underline the strength of Australian Government audit process. These features are discussed below.



Figure 2-3: Major features which underline the strength of Australian Government audit process

a) Auditing practices

According to the Treasury (2010), the quality of auditing practices is a key factor in the strengthening the effectiveness of public sector auditing. The Treasury (2010) further notes that Australian auditing standards have a significant influence on the quality of auditing practice. Australian auditing standards covers all types of audits such as compliance audits and financial statement audits and performance audits (Nicoll 2005), and information technology audits (Australian National Audit Office [ANAO] 2012). An examination of the documents produced by the AUASB (2010c and 2011b) suggested that Australian auditing standards provide detailed guidance for how different types of audit and relevant audit methodologies and procedures are conducted and are applied in organizations audited. In addition, the application of IT to auditing emphasised in the Australian auditing standards has a positive influence on auditing practices (Arens et al. 2011). IT auditing techniques such as audit software programs and electronic databases applied by the Australian Government audit offices considerably enhance the effectiveness of auditing practices such as audit information collection and assessment methodologies as well as the ability to check of historical audit data and update audit information (Dahanayake 2007).

b) The reliability of auditing results

Kuusisto (2000) points out that the reliability of auditing results significantly depends on meeting the relevant legal requirements, applying correct audit methods in practice, and properly established audit tools. As the Queensland Audit Office (2010) notes, Australian auditing standards, which play an important role in setting out the basic principles and crucial procedures using for all audit engagements, are the guideline and mainstays of audit activities. In addition, Australian auditing standards are significant in developing strong audit methodologies used in developed audit systems (Dahanayake 2007).

IT audit techniques such as the financial audit software and interrogative and data mining software, which are applied in audit engagements in order to meet with the requirements of Australian auditing standards (McPhee 2012b), may generate audit transcriptions and outcomes automatically, precisely and straightforwardly if it is provided with adequate and appropriate audit data (Office of Comptroller and Auditor General of India 2002). Auditor independence, objectivity and integrity, which are regarded the important factors in ensuring the reliability of auditing results (Salchi, Mansoury & Azary 2009), are emphasised in the Australian auditing standards (the Treasury 2010). In addition, a study of a document produced by the AUASB (2010b) suggested that transparency is strengthened by Australian auditing standards. Thus, Australian auditing standards are a positive influence on the reliability of auditing results.

c) Macro-economic control

The issue of whether Australian auditing standards can reinforce the effectiveness of macro-economic control is worth considering. Auditing standards appear to have impacts not only for audit activities but also for Australian Government's economic macro-control. Through providing independent assurances of the management and utilization of the state budget, Australian Government audit offices may assist the Australian Government in regulating its policies (McPhee 2012a). For example, audit results of Australian National Audit Office, which identify imbalances between the expenditure and revenue of the state budget, are the key references for the Australian Government to amend its budget policy (Nicoll 2005). Australia's strong auditing standards tend to provide high-reliability auditing results (as mentioned in Section 2.4.1. b of this research), so the government's policy amendments and supplements based on these auditing results may ensure accuracy and appropriateness, and positively impact on the government' budget management.

d) Audit reporting system

The audit reports compiled by auditors may contain inherent risks of fraud and error that may arise from both personal and systematic causes. The objective causes may be associated with audited entities and inadequacies in auditing and financial reporting system. Errors in financial statements may arise from

unintentional misstatement, such as mistakes in gathering data, incorrect accounting, or wrong application of accounting standards and principles (International Auditing and Assurance Standards Board 2004).

Frauds in financial statements are a direct result of intentional acts that are detrimental to the financial reporting system of the audited organizations in order to attain an illegal advantage (AUASB 2011a). As well as personal character flaws, the potential for fraud also results from systemic weakness, fraud in financial statements may not be detected by auditors because the entities being audited tend to sophisticatedly disguise it.

In detecting and preventing such audit errors and fraud in auditing reporting systems, Australian auditing standards are regarded as effective (Treasury 2010). In fact, an examination of two documents of the AUASB (2009a and 2011a) shows that Australian auditing standards provide detailed guidance about how to control errors and fraud in Australian Government entities and are an important basis for forming error and fraud control methodologies and procedures. In addition, an examination of a document of the AUASB (2009b) indicates that detailed and adequate auditing report samples developed by Australian auditing standards facilitate auditors in conducting audit engagements and ensure a reasonable basis for auditor judgments and audit quality. Audit methodologies based on IT audit techniques compatible with requirements of the

Australian auditing standards improve the quality of Australian auditing reports (McPhee 2012b).

e) Corruption and abuse of power

The potential for government corruption appears to be present in all public offices (Smith 2010). However, strong auditing standards may enhance the quality and effectiveness of audit activities, enhance financial transparency and, in turn, positively assist in fighting against corruption and abuse of power (DiPietro 2011). In fact, Australian auditing standards are regarded as strong and effective and play an important part in improving the audit quality and financial transparency (Treasury 2010).

Effective and sound fraud control regulations, policies and practices in Australian Government entities in Australian auditing standards contribute positively in combating corruption and abuse of power (ANAO 2010b). A study of a document of the AUASB (2011a) shows that Australian auditing standards providing effective fraud control procedures and methodologies for auditors facilitates them in a timely manner by effectively detecting corruption and abuse of power in Australian Government entities.

In addition, the application of IT to the working environment, which has positive influences of controlling and preventing corruption and abuse of power

(ADB/OECD Anti-Corruption initiative for Asia and Pacific 2008), is emphasised in Australian auditing standards (McPhee 2012b). According to Office of Comptroller and Auditor General of India (2002), through the application of automatic audit software and self-regulation mechanism, auditors can obtain audit results by inputting required data into the IT auditing system. Such IT auditing systems may enhance social justice thanks to the inherent strengths of IT auditing techniques such as ensuring financial transparency and minimizing corruption and abuse of power.

f) System stability

Information technology, as well as improving operating effectiveness and auditing practices, strengthens the stability of the auditing system (Anderson 2004). Because technology works based on logical thinking without being impacted by emotional and psychological issues (Vrasidas & Zembylas 2003), technological advances can be applied to ensure that the auditing system is operated effectively and precisely and is not influenced by external interventions. This is true with the situation in Australia, where auditing standards, according to a study of a document of the Institute of Chartered Accountants in Australia (2012), have a significant influence on the application of IT auditing techniques and are thoroughly reflected in its audit methodology.

In addition, it can be argued that the global financial crisis may be a test for ethical and auditing standard framework of Australia. In fact, according to the Treasury (2010), in this crisis, a number of problems with financial reporting have increased at the international level and the audit regulation framework of a variety of countries have exposed limitations and weakness in detecting and preventing the audit risks, poor performance of entities being audited. The treasury further notes that during the current uncertain economic conditions, Australia, however, has identified that its auditing standard framework has functioned effectively and stably and in turn this ensures the audit quality of Australia.

g) Auditing information security

Application of IT auditing techniques is appropriate for a world that has increasing dependence on computerized systems by both auditees and auditors (Office of Comptroller and Auditor General of India 2002). Nevertheless, auditing information security may pose a dilemma when applying technology in auditing. Even though the application of automated software tools may save time and money and improve quality and effectiveness of audit activities in practice, technology may come up against increasing dangers from computer hackers and viruses that threaten auditing system security.

For example, as the National State Auditors Association and the U. S. General Accounting Office (2001) warns, the Federal Bureau of Investigation (FBI) has found that serious computer security breaches, of which government agencies suffered a substantial percentage, had resulted in significant financial damage and had been increasing. However, Australia's auditing standards are regarded as effective in ensuring auditing information security.

Australian auditing standards focusing on application of technological advances to auditing (McPhee 2012b) strengthen IT security and auditing information security. An examination of a document from the Institute of Chartered Accountants in Australia (2012) shows that strong, appropriate and comprehensive audit quality control and auditing procedures and methodologies mentioned in Australian auditing standards have a positive influence on timely and effective prevention of threats to auditing information security.

To sum up, the Australian Government audit process adopts strong auditing standards and a technology-driven system as its key features. This audit process model promotes high-quality auditing practices, highly reliable auditing results, effective macro-economic control, effective audit reporting systems, minimized corruption and abuse of power and improved systems stability.

2.4.2. Remarks

Evidence has been provided that the audit process of SAV contains inherent limitations and weaknesses which have negative effects on the quality of the Vietnamese public administration. Thus, it is important to define a strategy to change the audit process of SAV to align with internationally recognized government audit processes.

As Manita and Elommal (2010) state, the audit system will achieve an optimal effectiveness with a combination of effective strong auditing standards and an auditing system driven by high-quality social forces. In contrast, conflict between international auditing standards and social forces appear likely to create potential weaknesses and limitations in the audit system. It is also worth noting that the Australian public sector auditing model may portray to some extent the characteristics of this scenario. In fact, a combination of both strong auditing standards and competent harnessing of social forces has brought positive achievements in the quality and effectiveness of Australia Government public sector auditing (Treasury 2010). It is clear that the Australian public sector auditing model, which represents the most advantageous and positive features of the change model of the SAV audit process, is likely to be regarded as a desirable change model.

However, it can be argued that the audit process of the SAV could be changed to become compatible with those of other advanced countries, of which the United Kingdom may be an ideal choice. In fact, as the Institute of Chartered Accountants in England and Wales (2010) notes, United Kingdom auditing standards, which are regarded as strong and effective, cover and provide detailed guidance for all aspects of its audit activities and play an important role in ensuring and controlling audit quality, and the effectiveness of the audit activities substantially rely on the strict and compulsory compliance of these standards.

In addition, In the United States of America, the compulsory regularization required by the Sarbanes-Oxley Act in the audit field has had positive impacts on improving financial transparency and audit quality, promoting financial market stability and development (GAO 2006). Thus, the research is looking to improve the SAV to meet international auditing standards of the OECD. It uses the Australian Government audit process as a direct comparison in order to identify issues in the change management processes required for the SAV to introduce Australian Government audit processes and to propose a methodology to resolve these issues.

2.5. The challenges of change management

Change management may be represented as a process of transiting from one state to another, particularly from defining a problem to solving it (Nickols 2005). However, managing change is a very complicated and time-consuming activity. The introduction of new producers or values can meet unavoidable resistance and obstacles from the people involved (Sligo 2003). In addition, the GAO (1997, p. 65) states that change management involves a wide range of real-life problems and defines the general meaning of change management as:

Change Management: activities involved in (1) defining and instilling new values, attitudes, norms, and behaviors within an organization that support new ways of doing work and overcome resistance to change; (2) building consensus among customers and stakeholders on specific changes designed to better meet their needs; and (3) planning, testing, and implementing all aspects of the transition from one organizational structure or business process to another (GAO 1997, p. 65).

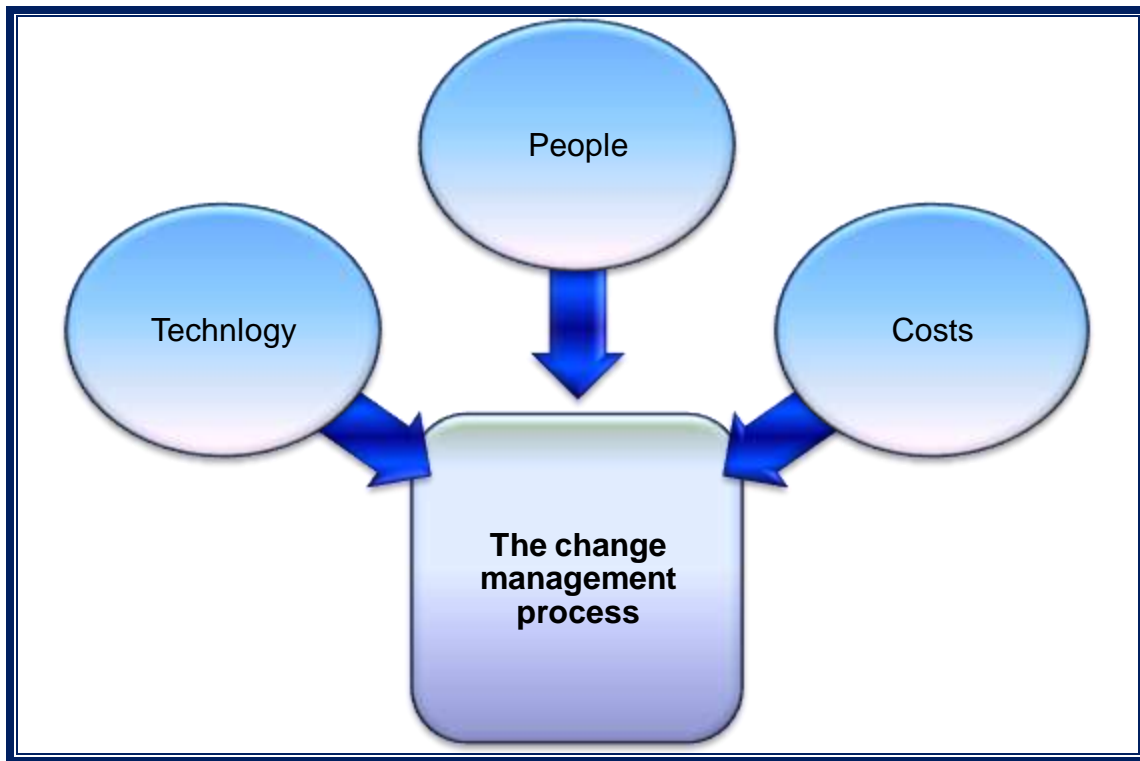


Figure 2-4: The major barriers that impact the change management process

(Adopted from O'Brien & Marakas 2007)

The change may involve technology. Technology impacts change management processes and in turn this requires adequate understanding of technological issues involving a planned change. First, the change requires the development of a technology-driven system. Second, the implementation of the OECD auditing standards involves IT audits and audit software. Third, the SAV may have changes in its IT infrastructure in order to meet the requirements of the change.

Moreover, the study needs to consider the human element because issues involving people may arise from the implementation of the OECD auditing

standards. When change must happen, it tends to meet with resistance from the people involved, who are forced to alter to new conditions perceived as uncomfortable and disagreeable (Ljaz & Vitalis 2011). Although change can attract both positive and negative reactions from people involved, it is unavoidable and necessary to strengthen and benefit both organisations and their individual members (Samah & Kamaruzaman 2008).

Another key issue is costs to change. In other words, the change leaders need to determine necessary costs and mobilise and manage the required resources for success for the change. Implementation of the change needs huge expenditure for improvements to technology, and the human and legal framework. Thus, change management should take issues involving costs, people and technology into account.

2.6. Literature underpinning the evaluative framework

Motivated by the limitations in the SAV current performance identified in Section 2.2 of this research, the project aims to contribute to the improvement of the SAV so as to meet the international audit standards of the OECD, using the Australian Government audit process as a direct comparison to identify changes needed. To implement those changes, it is necessary to establish an evaluative framework for the study. As discussed in Section 2.6 of this research, the change may face key challenges involving issues such as technology, people and costs.

These issues can be significant factors identified in the evaluative framework. This section conducts an in-depth review of those factors in order to establish the evaluative framework.

The purpose of this study is to identify issues in the change management processes required for the SAV to introduce Australian Government audit processes and to propose a strategic framework to resolve these issues. The change management processes are thus the key focus of the research. The evaluative framework is based on the following literature, identifying three major issues of concern. They are technology, costs and people. These issues are represented in Table 2-2.

Table 2-2: Key issues of change management process

Technology	People	Costs
<ul style="list-style-type: none">• Software• Hardware• Network systems and databases• IT Security• IT staff	<ul style="list-style-type: none">• Psychological barriers to change• Cultural barriers to change• Knowledge and training• Power and vested interest• Government politics• Leadership	<ul style="list-style-type: none">• IT cost• Human resources cost• Training cost• Time and opportunity cost• Other relevant costs

2.6.1. Technology

Technology is increasingly becoming an important element that promotes and impacts change processes in organisations. The significance and impact of technology on all aspects of auditing activity worldwide is well recognized (Moorthy et al. 2011).

The application of IT in auditing is likely to enhance the effectiveness and quality of auditors' work by minimising problems such as errors, fraud and inconsistency in employing audit processes, procedures and methodologies caused by human auditors. The use of IT in auditing might enable public sector audit offices to reduce cycle times and to facilitate the implementation of audit engagements. This would increase the job satisfaction and productivity of auditors and audit staff. However, application of IT in auditing might face with potential challenges. Application of IT to auditing requires improvements in the IT skills and knowledge of audit personnel (Information Systems Audit and Control Association [ISACA] 2013). The implementation of audit systems using IT significantly impacts audit methodology and quality control. Risks for IT errors arising from the changes from traditional audit to IT-supported audit may impact the quality and effectiveness of audit engagements (State Audit Office of Hungary 2008). In addition, IT security management and IT staff ethics pose significant challenges on the application of IT in auditing (ISACA 2013).

A study of a document of Moeller (2010) indicates that information technology and application of IT to auditing involves several aspects: software, hardware, security and IT staff. All of these aspects need to be taken into account in relation to change management process required for the SAV audit process.

2.6.1.1. Software

Auditing practices can be significantly improved by appropriate audit software. As Moorthy et al. (2011) notes, the benefits of applying audit software to audit activities can be seen in various aspects of audit activities, including:

- Improvements in auditors' professional skill
- Improvements in the quality of the decision- making process
- Effective support for audit engagements
- A reduction of the daily workload
- Enhancement of transparency control and monitoring
- Identification of savings in supplier, client, personnel, IT and organization management.

For example, audit formatting software, which is rising in popularity in the auditing field, aids auditors in ensuring the precision, promptness, straightforwardness and consistency of audit transcriptions and outcomes (GAO 2010). The GAO identifies the following categories of software used in the federal information system controls audit of the United States Government Accountability office:

- *Commercial Software* is created to assist auditors in assessing data provided by clients and developing audit programs.

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- *Generalized Audit Software* performs the functions of accessing and restructuring computer files, and choosing, extracting, analysing and reporting data.
 - *Specialised Audit Software* is designed to perform particular audit tasks
 - *Other specialized tools* such as password crackers, network sniffers, network scanners, modem locators, and war driving software can be utilized to examine information system controls.
 - *Integrated test facilities* allow auditors to access and test the client's live data.

According to Dahanayake (2007), Australian Government audit offices employ auditing in a completely computerized system environment thanks to the application of audit software programs. For example, the Integrated Public Sector Audit Methodology (IPSAM), an electronic audit program was cooperatively developed by Australian Government audit offices and only intended for use in this context. As Dahanayake (2007) notes, the CAATS are effectively utilized in the process of collecting, generating, checking and analyzing auditing data in Australian Government audit offices.

In contrast, audit software programmes have not been developed in the SAV. Thus, the gap in audit software development between Vietnam and Australia may represent a challenge for the management of change in the SAV audit process.

2.6.1.2. Hardware

Hardware and software are interrelated and equally important to IT infrastructure (Steiner & Athanas 2005). Apart from general IT hardware such as laptop computers, USB storage units and mobile telephones for fieldwork, printers and scanners to generate and store documents and evidence, a study of a document of Kumar et al. (2003) shows that specialized IT hardware of a technology-driven audit system includes physical components of the local area networks, database systems, workstations, monitors, peripheral equipment and servers.

The most advanced OECD member countries have the capacity to update and develop high-quality IT hardware in auditing to ensure audit quality and meet the increasing demands of auditing. For example, laptop computers provided to field managers and auditors of the Australian State Audit Office are used to access the audit databases (Dahanayake 2007). In addition, the NAO utilises and develops the information and communication technology system in order to meet with the increasing requirements of auditing information and communication technology across its auditees (NAO 2012a).

However, the SAV IT hardware development investment is still limited due to shortcomings in the budget, professional and managerial capacity and appropriate and effective IT hardware development strategies (SAV 2010a). This

may increase difficulties and challenges in the change management process required for the SAV audit process.

2.6.1.3. Network systems and databases

Networks such as the Internet and intranets have a significant influence on audit profession. The Internet is popularly utilized for the purposes of the dissemination and provision of corporate financial reports, audit reports and information (Lymer & Debreceeny 2003), for communication, and for searching for required information and documents (Fisher, Oyelere & Laswad 2002). In addition, organisations can also develop private networks, or intranets, for publishing and searching organizational information, recording organizations' reports, procedures, practices and policies, and to communicate and share information, experience and documents among individuals and groups within the organizational environment (Masrek, Karim & Hussein 2007). If Intranets are effectively utilised, they will improve the effectiveness of internal information exchange within public sector auditing offices. Computers and other hardware devices connected via a network of a organization can be utilized to communicate information, documents and tasks to each other and enable personnel to corporate on assignments (Stair & Reynold 2008).

Network systems and electronic database systems related to auditing activities of audit government offices of the most advanced OECD member countries are

strongly developed. For example, the French Court of Auditors has access to highly developed network system to manage online auditing databases in order to facilitate its audit activities (NAO 2005). In contrast, the SAV network systems have not kept up with the development of the SAV and the increasing demand for the application of IT for auditing methods used in the SAV (SAV 2010a).

2.6.1.4. IT security

Security challenges posed by the use of auditing information security can be a major issue (Office of Comptroller and Auditor General of India 2002). Potential threats include hardware and software failure, viruses, hidden code and personnel errors (Office of Comptroller and Auditor General of India 2002). Three aspects of the use of IT in auditing pose particular security threats: portable devices, software and networks.

A key security threat in auditing is the use of portable devices such as laptop computers and USB storage devices. Evidence and sensitive information regarding entities audited is stored in auditors' laptop computers and USBs or other electronic storage devices, which need to be physically secure. Threats of disclosure to authorized individuals or groups may arise from theft or forgetfulness, and so data encryption is strongly recommended. While data encryption is mandatory on all auditors' portable devices in the Australian Government audit office (Barrett 2000) and is included within information system

audits of the United States Government Accountability office (GAO 2010), this has not fully been taken into account in the SAV.

A further threat arises from the software and networks employed in auditing. Software may be attacked by viruses and other malware that can render confidential data insecure. Moreover, while the Internet provides undeniable benefits for the business world as a whole and the auditing field in particular, it is an environment that contains inherent risks to information security. Malware infection can lead to unauthorised access to and modification or deletion of Auditors' data and evidence. Likewise, although unauthorized or external individuals or organizations may appear to be prevented from accessing an intranet by IT security tools such as firewalls (Scheepers & Damsgaad 1997), hackers can attack computer networks through exploiting weaknesses in software used by those systems (Moorthy et al. 2011).

In order to minimise IT security threats to software and networks, effective IT security management policies and practices need to be applied. For example, IT equipment security, network security, physical access security, passwords, security settings and account policies are strictly monitored in the Australian National Audit Office (ANAO 2010a). It is essential that only secure software incorporating up-to-date security patches is installed. Generally, necessary software is pre-installed on networks or IT hardware devices provided to staff such as computer laptops and desktop computers and unauthorized staff are not

permitted to install their own software (Sadowsky et al. 2003). Australian Government audit offices and other audit offices of the most advanced OECD member countries are in a good position to ensure that this occurs. For example, the United States Government Accountability ensures that its systems are protected by the most advanced network security software available (GAO 2010). In contrast, the SAV ability to access the most secure and modern audit software compared with the above countries lags somewhat. The SAV has not established specialised audit software programs, lacks the necessary IT devices such as computer laptops provided to SAV auditors, and, in turn, has not emphasised the significance of development of an appropriate and effective IT security policy (SAV 2010b). Thus, the IT security management gap between Vietnam and the most advanced OECD countries is a significant issue in change management for the SAV audit process.

2.6.1.5. IT staff

In order to maximize advantages and minimize threats of the application of IT in auditing, IT staff in the auditing field need to have good IT knowledge, experience and skills and be willing to keep up with changes in technology and new security challenges. As Sharpe (2009) states, technological barriers may be a cause of potential resistance to change due to the absence of the necessary technical human skills to implement the change and low adaptability of personnel to technological advances in change management. For example, IT staff who are

specialists in the old systems of their organization might feel dissatisfied and undervalued with new systems introduced by IT advances (the Office of Comptroller and Auditor General of India 2002). Baumann (2005) points out that technology tends to impact not only how people perform their work but also how people learn and practice new skills. For example, if there is a gap in applying the advances of information technology in auditing practices between SAV and Australian Government Audit Offices, lack of familiarity with information technology may cause low adaptability to the change when SAV auditors implement the Australian Government audit process.

In addition, as Rashid and Hashim (2009) note, technology is subject to rapid change, which in turn demands considerable changes in the knowledge, skills, work and activities of both employees and managers of organizations. In order to ensure the effectiveness of the IT system and its utilization within audit organisations, their IT staff need to keep pace with what IT advances are happening to their profession and organisation (Office of Comptroller and Auditor General of India 2002). Thus change management needs to include IT staff.

Moreover, IT staff need to be trustworthy. IT staff possessing a good knowledge, experience and skills might effectively serve for audit activities and audit information security, but if they have weak professional ethics, they might exploit the audit information security gap for their own advantage or other negative purposes. The application of IT staff ethics standards and regulations in the

auditing field are thus required. Any differences in these standards and regulations between the SAV and Australian Government audit offices might have a particular influence on IT staff and, in turn, on the change management process of the SAV audit process.

In summary, the research project should consider technology as an important element of change management processes and conduct further investigations about its role and impact on the research problem.

2.6.2. Costs

Costs need to be considered in change management because change is required of utilizing considerable resources. An examination of the document of Lunenburg (2010) indicates that in order to achieve an effective change management strategy, the goal of change needs be clarified to direct the activities and resources needed for the change management process. According to the British Educational Communications and Technology Agency [BECTA] (2004), expenditure, people and time are considered as the main aspects of change management cost. Likewise, as Tran (2011) notes, change process involving costs and risks is required for necessary resources, time and efforts. Costs involving the change management process can be categorised into IT, human resource, training, time and opportunity.

2.6.2.1. IT cost

From an expenditure perspective, change management might increase the costs involving improvement of organizations' infrastructure and application of new techniques. As the BECTA (2004) notes, purchasing software applied for processing information in change management tends to be an arising demand for change management process. In addition, organizations need to cost information technology supports and other supplemental services to adapt to change (Sharma, Yetton & Zmud 2008).

2.6.2.2. Human resources cost

Roles, responsible and capacity of full-time change experts or staffs required for change management may be considered as the aspects of people in change management process (BECTA 2004). According to Sharma, Yetton and Zmud (2008), in order to successfully implement change management, organisations need to focus on adequate and appropriate personnel resource and change management specialists.

2.6.2.3. Training cost

As Sharma, Yetton and Zmud (2008) note personal training is a significant element of the cost of adapting to change. For example, although IT training is

expensive, IT training needs to be regularly provided to staff in order to keep up with continuing changes in both IT software and hardware (Office of Comptroller and Auditor General of India 2002). Training costs include the expenses of building up the training program, training program fees, the costs of delivering training to trainees (payment of trainers), and payments paid to trainees (National Association for Rural Student Accommodation 2007).

2.6.2.4. Time and opportunity cost

Change management is time-consuming. Lunenburg (2010) states 'change demands additional resources for training, for new materials, for new space, and, above all, for time'. For example, planning, preparing, implementing and anchoring changes into organizational culture are always required of consuming a considerable amount of time (BECTA 2004). In addition, Sharma, Yetton and Zmud (2008) notes that opportunity costs need to be considered in the change management, for example: efforts of managers and users in the process of learning and adapting new changes to their organizational context.

2.6.3. People

One of the most important factors of managing change is managing the human aspects of change. 'Managing the human aspects of change is frequently cited as one of the most significant factors to the 'success' or 'failure' of major change

initiatives' (Pendlebury et al. 1998, cited in Andriopoulos & Dawson 2009, p. 287). According to Sharpe (2009), human aspects of change such as psychology, culture, power, interests, politics, capacity and leadership, which have significant influence on organisational change, should be taken into account in change management processes. The human aspects involving the change management process can be categorised into psychological barriers to change, cultural barriers to change, knowledge and training, power and vested interests, government politics and leadership.

2.6.3.1. Psychological barriers to change

The need for change and attachment to existing practices appears to frequently trigger psychological conflicts (Baumann 2005). Implementing change in the work setting tends to come up against various obstacles arising from psychological barriers involving emotions, perceptions, attitudes, and organizational and human behaviors (Burnes 2004). The failures of change management strategies are not only due to a lack of high quality leadership, but also to the lack of understanding personal issues which may result in an increased resistance to change (Kanter 2003)

Sligo (2003, p. 53) identifies some of emotional issues occurring in the change process as follows:

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- Anxiety about risks to economic or other security
 - Fear of not being able to earn a living from current skills
 - Wishing to avoid changes to familiar routines
 - Anxiety about the uncertainty and ambiguity associated with change
 - Lack of understanding of the possibilities of change

Changes in the emotions, attitudes and behaviors of stakeholders, such as pessimism, anger, fear and resistance, which often occur in the change process, are challenges and hindrances for all change leaders that require good planning to overcome (Abu Samah & Jusoff 2008). In addition, Burnes (2004) shows that there are natural restraining forces that keep staff in an organization from accepting a change: for example, they might feel anxious that they are not competent or well equipped enough to approach this change. In a similar vein, Recklies (2001) argues that although change management requires critical thinking, scientific analysis, and convincing and reliable evidence, people tend to let their head be ruled by the heart when making important decisions.

Furthermore, as the author notes, change management is a continuous process in which people tend to be pushed to achieve goals without having enough time to look back and to correct mistakes or faults. Although making mistakes and faults tends to be unavoidable in the change process because the change process has to face new, complex and unforeseeable problems, the people involved tend to be anxious about coping with these. According Sharpe (2009),

through providing supports, benefits, motivations and creating good conditions for the involved people to implement changes in organizations, suspicions, anxieties and interest issues regarding the changes can be managed. Similarly, through strengthening information dissemination about organisational changes, suspicions and anxieties regarding these changes can be clarified and dispelled (Sharpe 2009).

It would appear that perceptual issues may also cause potential obstacles in the change process. Although the need to change is recognized, the wrong perception of change may be an obstacle for change management (Sharpe 2009). In the change process, the individuals involved tend to be reluctant to take part in training program because their perception towards this program is that after finishing it, they will return to old routines and thus it will not improve their opportunities for promotion (Rashid and Hashim 2009). In addition, as Abu Samah and Jusoff (2008) suggest, some people may be resistant to change because they tend to think that they will be forced to give up current working conditions perceived as pleasurable and comfortable. Another potential barrier to change involves terminology. Creativity and motivation may be impacted if new terminology cannot be accurately understood (Recklies 2001). Personal habits of thought may prevent them from adopting new ways of thinking (Ellis et al. 2011). If the change is not established as a new habit to become the standard operating procedure, organizational culture and group norms, practices may revert to what they were before the change (Burnes 2004).

2.6.3.2. Cultural barriers to change

Sharpe (2009) emphasizes the importance of cultural values and organizational norms. The change process may be hindered if the people involved perceive that their cultural values are superior and reject new cultural values. Resistance to change will be high if acceptance of change means that existing strong cultural beliefs must be challenged. Likewise, Recklies (2001) states the change process will become difficult to implement successfully if it meets with challenges arising from the taboos or norms of the organization. He notes that whether tradition results in challenges or opportunities for change depends on the nature of the change.

As Cowperthwaite (2010) notes, auditors of different cultures may approach the same auditing standards in dissimilar ways. For example, while audit engagements are conducted in Great Britain, South Korea and France under the same auditing standards, the interpretation and practice of these audit engagements appear to be inconsistent due to the impact of cultural difference. In addition, auditing is a combination of art and science (Cowperthwaite 2010). Although auditors apply generally accepted auditing standards to audit engagements, auditors' opinions, skepticism and individual traits, which are ruled by culture, drive these audit engagements. Thus, the cultural differences between Vietnam and Australia may be potential challenges for the management of change in the SAV audit process.

2.6.3.3. Knowledge and training

The question of what creates success in change implementation is a complex one, but seems to involve knowledge and training aspects. As Ellis et al. (2011) notes, knowledge to manage change plays an important part in the change process. O'Neill and Jabri (2007) suggest that change attempts may not achieve success if the knowledge used to deliver new perceptions is not appropriate. Stakeholders who lack the knowledge and ability to assimilate new values and perceptions into daily conversations and professional practices may adversely impact the effectiveness of change. In addition, Ben-Eli (2008, p. 149) states that 'another set of difficulties in managing significant change situations relates to persistent "mental models" and the limitations inherent in knowledge and language'. Given the impact of knowledge on the context of SAV, it is clear that using old or inappropriate knowledge to explain the new audit process may cause limitations in the perception of this audit process or misunderstanding of its real nature. Thus, problems relating to knowledge that are not effectively assessed and controlled may contribute to the failure of change management.

Training plays an important part in ensuring audit quality and enhancing audit work effectiveness. Misperceptions and lack of understanding, which result in a high resistance to change, may be solved if strengthening training for the related individuals to grasp the change is provided (Sharpe 2009). While the SAV implements the Australian Government audit process, the gap in qualifications

between SAV and the Australian Government Audit Offices may result in different quality of auditing practices. However, training might improve auditors' profession and skills. Auditors' work is related to specialized or regulated sectors in which they often have to solve complicated problems and duties (the International Federation of Accountants Board 2008). Training requires all auditors, who often have different levels of skill and knowledge, to obtain and maintain technical standards and professional competence that enable them to conduct the audit work (International Federation of Accountants Board 2008). Training programs which are appropriately and specifically built for the SAV auditors might greatly enhance auditors' understanding and acceptance of auditing standards (SAV 2012e).

2.6.3.4. Power and vested interests

Power enables to drive available resources, to require needed efforts and to define people's responsibilities and tasks and to link the involved individuals to solve the real problems of the change process (Lunenburg 2010). However, abuse of power tends to cause negative impacts for change management process. As Sharpe (2009) notes, group resistance to change may happen when it threatens a managerial group's power and influence associated with relationships and interest issues, or the involved groups perceive that the need for change is low. The change of the audit process will impact on the whole SAV. It can be argued that some managerial and influential individuals or groups in the

SAV, such as auditors and managers, may perceive a threat to their power and status and, in turn, withhold cooperation or cause obstructions to change or bend the principles of the change to their individual interests. Sharpe (2009) argues that change that negatively impacts on mutual obligations among closely-knit members of a powerful group may meet with opposition or resistance. If there is a conflict among factions in an organisation implementing the change, the acceptance of change by one faction means that the change has a high possibility of being opposed by rival factions. The cause of that opposition does not arise from the change's inherent problems but from powerful internal conflict.

Ben-Eli (2008, p. 151) explains how vested interests tend to maintain the status quo:

In the special case of human social systems, both language and structure – both epistemic communities and existing organizational arrangements – are embodied in systems of benefits and privileges which, not surprisingly, reinforce a strong interest in preserving a status quo (Ben-Eli 2008, p. 151).

Some of the stakeholders may derive benefits and privileges from the current audit process model. If the implementation of organizational changes work against benefits and privileges of the people involved, it may come up against their strong resistance to change (Sharpe 2009). Because the change may sweep away their benefits and privileges created from the limitations and

weaknesses of the old audit process, there may be potential conflicts between the need for change and the interest structure of groups such as the SAV auditors and managers. Handling this problem properly may involve considerable difficulty.

2.6.3.5. Government Politics

Although the independence of the SAV is assured by the Audit Law (NASRV 2005), SAV activities are likely to be influenced by political issues. For example, the change management strategy may be at a standstill if the Vietnam government's policies modified work against the change. In turn, changing the audit process in the SAV may have effects on the political system. These effects may include changes in the state budget and in the government's policies and regulations. Melchor (2008) argues that because there are political interrelations among government offices, change management occurring in one government office needs to be considered in relation to other offices. The change process may thus have influences on political interactions between the SAV and other Vietnamese Government Offices.

Differences in organizational structures and activities between the SAV and the Australian Government Audit Offices potentially have also political implications when the SAV modifies the audit process. Although the new audit processes may be effective in detecting and preventing corruption and abuse of power in the

Vietnamese Government, the change may be a potential threat to the interests and power of some of the government's offices that may therefore oppose or prevent their implementation. For example, since the National Assembly Standing Committee is responsible for issuing financial resources and approving personnel strategies for the SAV (NASRV 2005), the SAV thus might be at a disadvantage if SAV auditors detect faults in the finance management of this committee and deal with them strictly.

2.6.3.6. Leadership

Because change management tends to involve dynamic, complex and messy processes, the shift in the SAV audit process may face potential difficulties. According to Lunenburg (2010), obstacles arising from unexpected problems such as dissimulation in the goal perception among the related individuals, an increase in conflicts due to the pressure of responsibilities and lack of goal consensus and resources may be encountered during change management process. Nevertheless, these difficulties may be ameliorated by grasping and facilitating the role of leadership in the change management. Kanter (2003) emphasizes the role of leadership in allocating the resources that change management needs, aligning people with the change strategy and motivating people to achieve the change management goals. As Kanter (2003) states, confidence may be enhanced when the change leader is considered competent to empower those involved to accept responsibility for implementing the change.

In addition, according to Kotter and Cohen (2002), the major reasons that change management strategies fail are that these strategies depend too much on gathering data, analysis, writing reports and presentations instead of developing a more creative approach driven by leadership significant to overwhelm all the sources of inertia. Kotter and Cohen (2002) maintain that what defines the success of change management process is the capacity of change leader in communicating the vision; and one of the major reasons that change management strategies fail is that the vision was not being communicated properly.

Implementation of organisational changes may be motivated through the succession of talks, communications and discussions that focus on persuading the involved people to embark on the necessary and inevitable change (Kotter and Cohen 2002). Similarly, Burnes (2004) notes, by enhancing democratic collaboration, the obstacles that arise from the beliefs, values and interests of the involved people can be identified and managed. Another important factor regarding leadership of SAV change leaders is empowerment. Empowering among the involved individuals to implement the change is an essential attempt and the true test of leadership (Kanter 2003).

As Recklies (2001) notes, ideas of organisational change may meet with criticism or opposition, and the success of the change depends on how the change leader involves others in solving these issues with trust and cooperation. If the change

leader is unable to work under the pressure of criticism or opposition, the change may only achieve a limited success. In addition, by providing support and motivation for change, change leaders may manage and dispel suspicions, anxieties and interest issues regarding the change (Sharpe 2009). Furthermore, an examination of the document of Lunenburg (2010) reveals that structure of interests and responsibilities of the involved people in change process need be determined and effectively managed in order to prevent conflicts and drive the people to a successful change. Thus, leadership of the change process needs to be strengthened in order to implement new audit practices effectively.

Kotter and Cohen (2002) emphasise the importance of establishing a powerful coalition in facilitating change management processes. The role of power in the change management of SAV audit process may be emphasized, determined and enhanced through building a coalition of influential people such as auditors, managers and IT staff whose power is derived from different sources. This powerful coalition could contribute to establishing urgency and momentum around the demand for the change.

2.7. Chapter summary

This chapter reviews the literature relevant to the current performance of the SAV, alternative audit models, the challenges of change management and

specific aspects of the change management process, and develops an evaluative framework for the research based on that review.

It has demonstrated both the need for change is the SAV audit system and the magnitude of the challenges required for such a change. These two factors underpin the significance of the research that follows no long-term strategy for development, a lack of audit knowledge; the confused audit process; a lack of clear standards for performance audits, a lack of adequate methodology and criteria for the audit process, no current plans to introduce improved auditing processes, and inconsistencies among audit process, and auditing principles and standards.

In order to improve the SAV current performance, its audit process needs to be shifted with a more proper and effective one. Australia's audit process model, which is a combination of both strong auditing standards and a Technology-Driven System, was selected as the model for changing SAV audit process. Strong OECD auditing standards, established by the most advanced countries of the OECD, were selected as the goal of the change. It is suggested that the change management process may face significant challenges involving human, technology and costs. Thus, in order to succeed the change management, an in-depth study of those challenges should be elaborated.

This chapter conducted a literature review underpinning the evaluative framework. It identified technology, costs and people as major issues of concern in the evaluative framework. In respect of technology, IT staff, software, hardware and security were analysed and discussed. When assessing costs for the change, it demonstrated that the change involves a wide range of costs such as IT, human resources, training, time and opportunity and other costs. Human factors that play an important part in implementing the change are examined through a diverse range of issues such as psychological barriers to change, cultural barriers to change, knowledge and training, power and vested- interest, government politics and leadership. In order to manage issues arising from the change, it is necessary to establish a clear and appropriate research methodology. In the next chapter, the research methodology will be analysed and discussed.

CHAPTER 3: RESEARCH METHODOLOGY

This section presents the proposed methodological approach and the methods to be employed during the research project. Feast (2010) defines methodology as a strategy that utilizes a selection of methods, documents, techniques, tools, steps and conventions in order to achieve the desired results. In this section, the change management models and research methodology adopted, the strategy conducted and the data collection methods and assessment will be analyzed in sequence.

3.1. The proposed research framework

As discussed in Section 2.1 of this research, there are eight major issues of concern which testify to the significance of the research topic. In the SAV, there is no long-term strategy for development; there is a lack of audit knowledge; the audit process is confusing; there are no clear standards for performance audits; there is a lack of adequate methodology and criteria for the audit process; there are no current plans to introduce improved auditing processes; there are inconsistencies among audit process, and auditing principles and standards, and the system is driven inappropriately and ineffectively. Based on the literature review, Figure 3-1 demonstrates major issues of concern for the current performance of the SAV

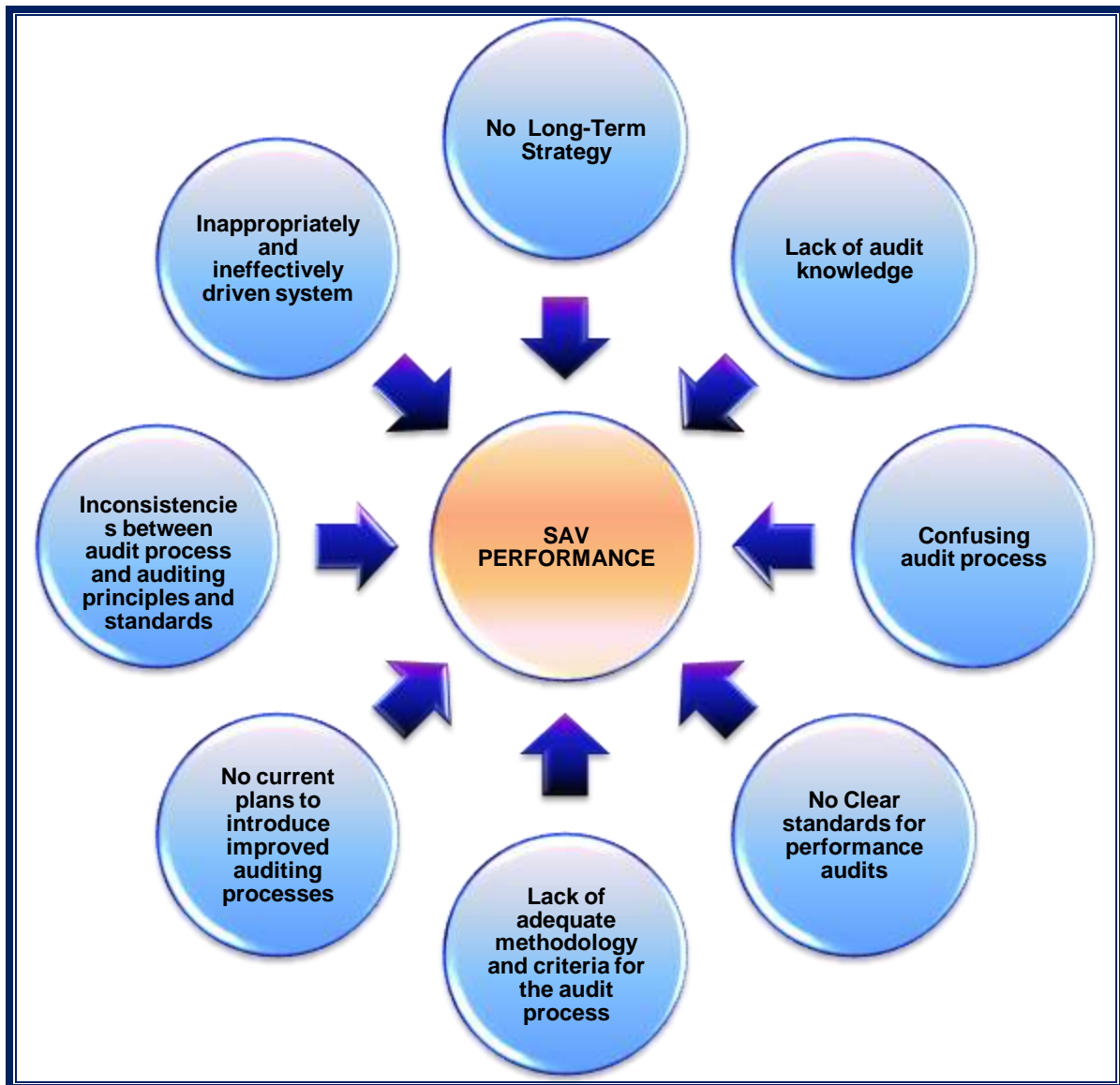


Figure 3-1: Major issues of concern for the current performance of the SAV

3.2. Change management model

Change management, which requires a wide range of activities, knowledge and experience, can be a challenging and difficult task for all change leaders. Thus, selection and utilisation of an effective change management model aiming to

manage issues arising from change process and to lead a way to success for the change should be taken into account. This section deals with a discussion of the change management model for the research.

3.2.1. The selection of change management model

To implement the change, it is required to identify a clear and appropriate change management model concretizing steps of the change management process (Lunenburg 2010). According to Kezar (2001), change management models play an important part in leading the change. In addition, Kezar (2001, p. 25) further states that:

Models can reveal why change occurs (the driving forces of change); how change will occur [the stages, scale, timing, and process characteristics]; and what will occur (the content of change, outcomes, and ways to measure it] (Kezar 2001, p. 25).

Although there are various change management models leading how changes should be followed, Kotter's Eight Step Change Model represents an appropriate and effective change management model for leading the change of the audit process of the SAV to align with the Australian Government audit process.

The Kotter's change model was selected to construct a structural framework for the change management of the research project and is based on several reasons. First, Kotter's Eight Step Change Model is regarded as one of the most popular and famous change models (Lunenburg 2010) and is widely used to solve problems relating to the change management process of a wide range of organisations around the world (Kotter and Cohen 2002). Second, studies show that Kotter's eight step model can be used to lead successful organisational changes (Appelbaum et al. 2012). Third, stakeholders' acceptance and readiness for implementing change that may present the most difficult barrier are emphasized in the model (Kotter and Cohen 2002). Fourth, enhancing confidence, cooperation and empowerment of involved individuals in change management process, which is a big challenge in the change, is focused on this model (Appelbaum et al. 2012).

Fifth, while the research topic involves a variety of different disciplines, difficulties and challenges can make the research model appear confused, the model is designed one after another in steps and provides a comprehensive and detailed guidance for the most common issues arising from the changes (Lunenburg 2010), and facilitates change leaders in implementing organisational changes. Seventh, as discussed in Chapter 2 of this research, leadership, which is one of the key factors of change management of SAV audit process, is represented in the model (Kotter and Cohen 2002).

According to Kotter and Cohen (2002), high-quality leadership may dispel suspicion, enhance knowledge and skills and create confidence and motivation to change among stakeholders. Sixth, Kotter's change model clearly determines the need for building a coalition of influential people to lead the change to its success (Lunenburg 2010). By applying this change management model, a collective unit strengthens the implementation of the change management of SAV audit processes and emphasises a determined and enhanced model. This powerful coalition could positively contribute to solving issues arising from the change management process (Ledez 2008).

The culture of classical hierarchies to which the SAV belongs agrees with the model (Kotter and Cohen 2002). Finally, embedding changes in organisational culture, which may be considered as the most challenging problem for the researcher in managing the change, is clearly and adequately described in the model (Appelbaum et al. 2012).

Kotter's 8 Step Change Model is described as the following (Kotter 1996, pp. 20-22):

"The process has eight stages, each of which is associated with one of the eight fundamental errors that undermine transformation efforts. The steps are: establishing a sense of urgency, creating a guiding coalition, developing a vision and strategy, communicating the change vision, empowering a broad base of people to take action, generating short-

term wins, consolidating gains and producing even more change, and institutionalizing new approaches in the culture”.

3.2.2. Discussion of eight steps of the Kotter’s change model (Kotter 1996, pp. 20-22)

Step1: Establishing a sense of urgency

In this step, a sense of urgency needs to be created regarding the demand for change in the change management process.

Step 2: Creating a guiding coalition

The change management process needs to build a coalition of influential people whose power is derived from different sources. The individuals in that powerful coalition should cooperate closely to achieve the goals of the change.

Step 3: Developing a vision and strategy

In this step, the change management process needs to define the core values of the change and develop a clear vision opening up new prospects in the future for the current audit process. A clear strategy must be established in order to execute that vision.

Step 4: Communicating the change vision

The change leader needs to conduct workshops and discussions regularly regarding the vision of change in order to grasp the stakeholders' concerns and anxieties when the SAV implements the Australian Government audit process. The vision has to be applied and tied to all aspects of the SAV audit activities.

Step 5: Empowering a broad base of people to take action

To empower the stakeholders who actualize the vision of the change, the change management process needs to remove obstacles through a variety of actions.

Step 6: Generating short-term wins

In short-term, to motivate enthusiasm, momentum and efforts, the change management process needs to establish short-term goals and reward people who significantly contribute to the success of these goals.

Step 7: Consolidating gains and producing even more change

Short term wins should be analysed in order to define what actions create success and what strategies need to be adjusted. The experiences and lessons

attained from the fulfillment of every short- term goal will bring improvements and momentum to the next short- term goals.

Step 8: Institutionalizing new approaches in the culture

The change has to become an integral part of the SAV, and stakeholders are required to make continuous efforts to make certain that new approaches are known in every aspect of the SAV.

3.2.3. Applying Kotter's change model in the change management of audit process of the SAV

The Kotter's eight step change model applied in the change management of the SAV audit process can be summarised as the following:

Step1: Significance and potential challenges, difficulties, threats and opportunities of the change was analysed in Chapter 1 and 2 of this research and thoroughly discussed in the interviews. Through these activities, a sense of urgency regarding the demand for change in the change management process was created.

Step 2: Assessment of the role of change leaders in implementing the change was mentioned in Chapter 2 of this research. Identifying potential change leaders was

included in interview questions. Through analysis of transcripts in Chapter 5 of this research, it is recommended that a coalition of influential people in the change management process (potential change leaders) should be SAV auditors and managers.

Step 3: The core values of the change is a clear vision opening up new prospects in the future for the current audit process and a strategy to execute that vision were discussed in Chapter 1, 2 and 3 of this research. In addition, through interviews and analysis of transcripts, this vision and strategy was improved.

Step 4: Communicating the change vision was conducted by open and honest discussions in the interviews and presented in Chapter 5 of this research.

Step 5: Obstacles for change management processes were evaluated in Chapter 2 of this research and identified in Chapter 5 of this research. Methodologies to remove those obstacles were recommended in Chapter 6 of this research.

Step 6: While this stage involve the implementation of the change, the project has not yet been deployed in the SAV. However, this step has been suggested in Section 3.2.2 of this research.

Step 7: Consolidating gains and producing more change, which is beyond the purpose of the research, has been suggested in Section 3.2.2 of this research.

Step 8: Embedding changes in the SAV culture, which may be deployed in the future in the SAV, has been suggested in Section 3.2.2 of this research.

3.3. The selection of research methodology

The choice of research methodology (qualitative or quantitative methodology) is crucial to the research project. Qualitative and quantitative methods conform to different standards of data collection and analysis. While quantitative methods can offer quick and clear results through statistical analysis, qualitative methods, applying techniques such as document review and in-depth interviews, can enable great depth of data collection and allow researchers to closely observe the participants' perceptions, attitudes and behaviors (Thomas 2003). The selection of which research methodology to apply is grounded on the specific research problem. Key differences between the qualitative and quantitative research methodologies are listed in Table 3-1.

Table 3-1: Quantitative research versus qualitative research (Neuman 2003, p. 16)

Quantitative style	Qualitative style
Measure objective facts	Construct social reality, cultural meaning
Focus on variables	Focus on interactive processes, events
Reliability is key	Authenticity is key
Value free	Values are present and explicit
Independent of context	Situationally constrained
Many cases, subjects	Few cases, subjects
Statistical analysis	Thematic analysis
Researcher is detached	Researcher is involved

The research fits more comfortably with qualitative methods for four reasons. First, changing the audit process of the SAV to align with the Australian Government audit process was conducted in a specific but changing social context, the SAV headquarters in Hanoi City. Second, the research examines change management processes, which involve diverse interactions among stakeholders. Third, using qualitative methodology allows examination of the stakeholders' attitudes, behaviors and perceptions. Fourth, qualitative

methodology can provide a considerable amount of detailed data that facilitate a deeper understanding of the research problem (Labuschagne 2003).

Qualitative methodology offers a variety of data collection methods, including document review/search, in-depth interviews and observation. Although these qualitative methods are required to conform to different standards of data collection and analysis, they can be combined in order to clarify a research problem. Creswell (2003, p. 181) states that 'qualitative research uses multiple methods that are interactive and humanistic'.

Changing the SAV audit process is a complex research topic which embodies a variety of disciplines such as sociology, psychology, economics, politics and culture. Using a single methodology to solve a complicated research problem relating to multiple disciplines may involve inherent limitations that can be overcome through a combination of different methodologies (Creswell & Plano Clark 2010). Moreover, any particular data source, investigator and method tend to have inherent biases that can be diminished if combined with other data sources, investigators and methods (Denzin 1978). In this research project, both document review and semi-structured in-depth individual interviews were employed in order to provide a more comprehensive picture of the research problem. Figure 3-2 portrays the steps for the proposed research.

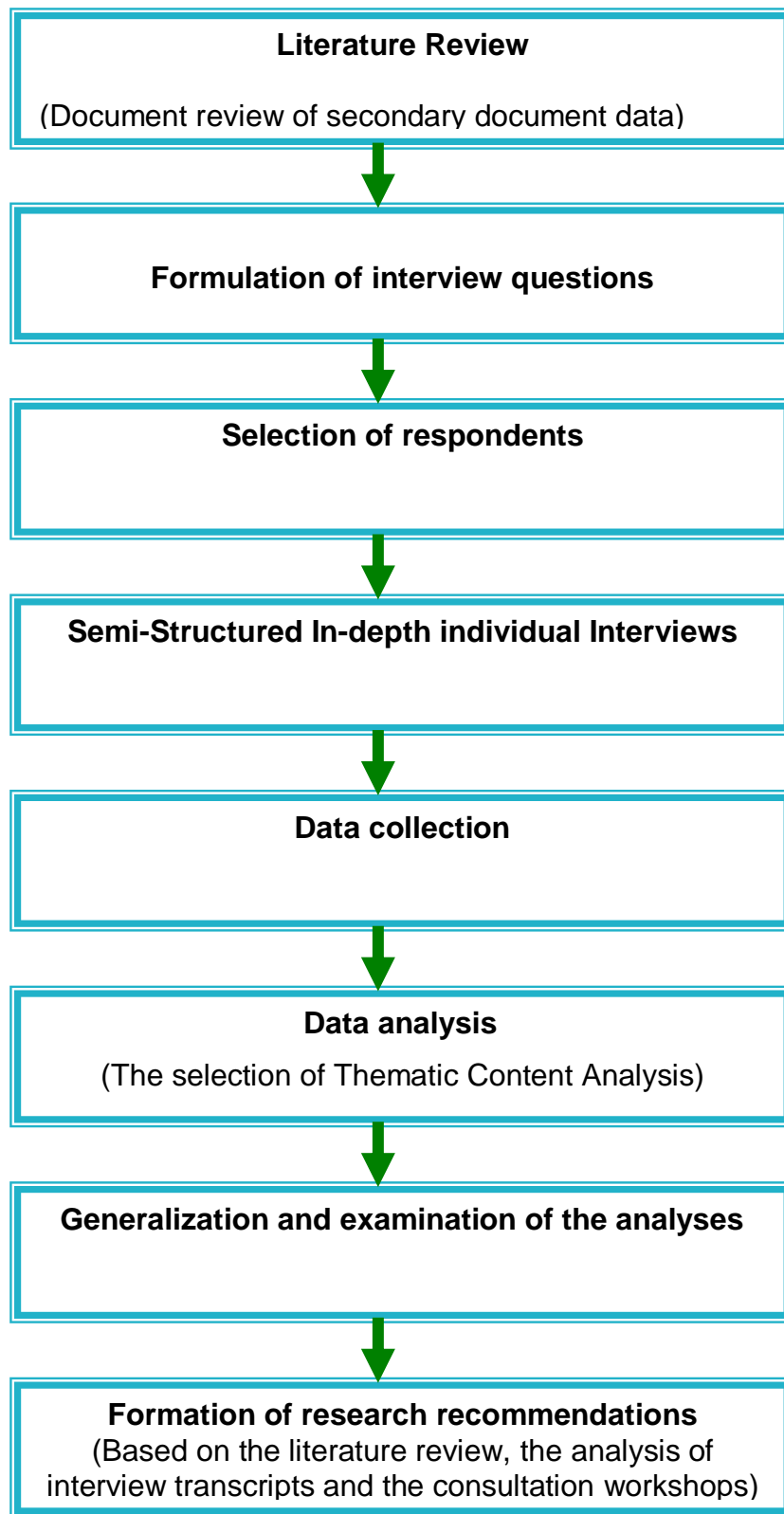


Figure 3-2: The flowchart for the proposed research

3.3.1. Document Review: secondary sources

In the data collection process, document review was utilized to supplement the data provided by the interviews. The goal of the document review was to obtain an overall picture of the research topic that would inform the in-depth interviews. The application of this research method provided reliable and up-to-date information and enabled the researcher to examine the effectiveness of current audit process and reasons for changing the SAV audit process and to develop change management models for the SAV audit process. While journal databases and the internet were important sources of relevant documents for the analysis, some valuable data such as the audit procedures, standards, processes and policies of the SAV and the Australian Government Audit Offices could only be obtained from official sources.

Analysis of documentary data can stimulate researchers to form ideas and refine research methodology (Flick 2009) and is often selected for research topics involving governmental organizations, policy decisions and public service (Neuman 2003). Anderson (2009) notes that document review can allow the researcher to access large quantities of data and locate precise, detailed information that can clarify issues involved the research.

The context that document review focused on is the SAV. Hundreds of documents involving the research purpose and question were collected in paper

or electronic form and then assessed and analysed. They included: reports, policies, practices, decisions, regulations, manuals, books, projects, journal articles, conference papers, presentations and notes. These documents were obtained from the websites of the SAV, Internet searches and databases of CQUniversity. Some documents were provided by the SAV auditors and managers. In addition, the researcher had access to the library of the scientific and training centre of the SAV, which allowed access to certain unpublished documents concerning the SAV audit process that were unavailable from any other source.

In the beginning phase of document review, eighteen documents types evaluated as the most relevant and significant to the research purpose were utilized. These documents concern:

- Change management
- Problems in managing change
- Change theory
- Approaches to managing organizational change
- Heart of change: real-Life stories of how people change their organizations
- Principles of auditing - an Introduction to international standards on auditing,
- The State Audit Law 2005 of Vietnam
- The auditing standards of the SAV

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- The audit process of the SAV
 - The SAV Development Strategy to the year 2020
 - The action plan to implement “the SAV development strategy to the year 2020”
 - Government auditing standards
 - The state audit in the European Union
 - IT audit and assurance standards and guidelines
 - Culture matters: how our culture affects the audit
 - Leadership and the psychology of turnarounds
 - Audit in a democracy: the Australian model of public sector audit and its application to emerging market
 - Implementation costs of IS-enabled organisational change

In order to facilitate document review, documentary data used in the study were classified into twelve main groups. They are presented in Table 3-2.

Table 3-2: Categories of documentary data

GROUP	DOCUMENT
Group 1	<ul style="list-style-type: none">• Auditing processes, standards, regulations and principles
Group 2	<ul style="list-style-type: none">• Organisational and operational model
Group 3	<ul style="list-style-type: none">• Organisational culture
Group 4	<ul style="list-style-type: none">• Application of IT to auditing
Group 5	<ul style="list-style-type: none">• Personnel resources quality
Group 6	<ul style="list-style-type: none">• Training programs
Group 7	<ul style="list-style-type: none">• Change management
Group 8	<ul style="list-style-type: none">• Psychological barriers to change
Group 9	<ul style="list-style-type: none">• Leadership
Group 10	<ul style="list-style-type: none">• Costs for change
Group 11	<ul style="list-style-type: none">• Others

Typical questions addressed in this research phase included:

- What are the existing efforts for changing the SAV audit process in the SAV?
- What documents relevant to the change of the audit process have been implemented in the SAV? How is their effectiveness assessed?

-
- What are the key issues met with the change management process?
 - What specific area of the research has already been explored?
 - Which is hidden and which has not been discovered yet?

These questions enabled the researcher to localize and define which documents should be considered in the research process.

After documents relevant to the study had been defined and collected, they were assessed and analysed in order to identify and clarify significant information. According to Anderson (2009), issues such as the documents' purpose and content, the existence of revisions, and the author's background and experience should be considered in order to assess the importance and relevance of research documents. These issues were taken into account during the document evaluation process.

For example, one document relevant to the audit process of the SAV was reviewed in relation to the above issues as follows:

- This document refers to the SAV formal audit process
- It addresses issues involving overall audit processes, outlining audit phases, methodology, regulations and requirements. It also points out ethical and auditing standards that the SAV auditors and managers must follow.

-
- This document was produced by the SAV auditors and managers and specialists in order to provide a consistent and formal audit process for the SAV auditor and managers.
 - The authors, who are SAV auditors, managers and audit specialists, have extensive experience, knowledge and expertise in the auditing field.

Documentary data collected were synthesized and classified into documents involving change management, auditing, interview questions and research methods. The outcomes of document review clarified a diversity of research issues such as the nature and methodology of change management and the role and impacts on the audit process of international auditing standards, procedures and methodology and types of audit.

Although research methodology focused on semi-structured in-depth individual interviews, document review was used to supplement the overall data. Document review provided information that helped to inform the conduct of the interviews. In addition, the comparison and cross-check between the data gathered from document review and the data collected from the interviews helped to validate and enrich the research findings.

This mutual relationship between the interviews and the document reviews is discussed further in the data synthesis and analysis of the analysis chapter.

3.3.2. Semi-structured in-depth individual interviews: primary sources

After the document review (analysis and examination of the relative documents) was completed, an overall picture of the research topic generated by this phase provided the context for the in-depth interviews. In the second phase of the research, the in-depth individual interviews, which are based on semi-structured format, were conducted.

3.3.2.1. The role of semi-structured in-depth individual interviews

As Flick (2009) notes, the advantage of semi-structured interviews is that during the interviews, the researcher can combine multiple types of questions such as open, theory-driven and confrontational questions. He also notes that semi-structured interview format allows for follow-up questioning and exploration, which is an important feature of qualitative approach, and the participants, may be asked to specifically explain complex issues and contradictions. The goal of in-depth interviewing is to be acutely aware of the perspectives, perceptions, attitudes and behaviors of the stakeholders (the SAV auditors, audit team leaders and managers) regarding new audit process. As Marshall and Rossman (2006) note, in-depth interviewing can facilitate understanding of participants' life and working routine, allowing a thorough grasp of their behaviors, emotions, thoughts, motivations and resistances. In addition, Marshall and Rossman (2006) state that in-depth interviews can generate rich data, enabling the researcher to

explore deeply, analyze intensively and broaden themes. Data collected from the interviews was used to testify the validity, relevance and significance of the information obtained from document review.

This approach is crucial for the establishment of an optimal change management strategy that takes psychological and sociological perspectives of stakeholders into account and is therefore able to sustain equilibrium among stakeholder's demands, goals and interests. Moreover, in-depth interviewing is more attuned to the social context thanks to the application of a flexible interview approach. The researcher both went into details of and controlled the interview content through actions such as encouragement, comment, response and interruption in an open and comfortable conversation (Mack et al. 2005). Through this qualitative technique, the researcher encouraged participants to speak frankly regarding their views and thoughts about the change of the SAV audit process.

The issue of which major factors should be used for defining the appropriateness and effectiveness of the new audit process arises. The change management processes are the key focus of the research. As described in Section 2.6 of this research, based on the literature review, key factors such as international auditing standards, psychological barriers to change, cultural barriers to change, information technology availability, knowledge and training, power and vested interests, government politics, and leadership identified were deeply analyzed and examined. These eight issues thus played an important role in establishing

an effective evaluative framework for changing the SAV audit process and formed the basis research questions to be asked to participants during qualitative interview process.

3.3.2.2. Interview questions

Indicative questions (one based on each of the evaluative framework issues) in these interviews is described in Table 3-3. Because some of the questions concern the OECD auditing standards, these auditing standards need to be explained to the respondents first. Therefore, a description of the OECD auditing standards was sent to the respondents before the interviews, and this description was summarized verbally during the interviews before asking questions about it.

Table 3-3: Indicative questions - one based on each of the evaluative framework issues

1. What do you consider would be the major challenges in shifting the audit process of the SAV to align with the Australian Government audit process?
2. What kinds of the personal difficulties might be achieving involved in this change to the auditing standards of the OECD?
3. Do you believe the SAV culture would need to change to achieve the OECD auditing standards? Why or why not?
4. Do you believe the technology is in place within the SAV to accommodate the OECD auditing standards? What needs to change?
5. What do you think the costs of implementing the change would be?
6. Do you believe you have sufficient knowledge to implement the OECD auditing standards? Why or why not?
7. What do you think the Government should do with regard to legislation to facilitate the implementation of the OECD auditing standards?
8. What kind of person do you think could best lead the implementation of the OECD auditing standards?
9. Do you have other relevant comments or contributions to the research?

The major issues identified in the evaluative framework were mapped against the nine in-depth interview questions in order to organize and arrange research issues into a meaningful and reasonable way. This is represented in Table 3-4.

Table 3-4: The major issues identifying the evaluative framework mapped against the nine in-depth interview questions.

Major Issues	Number of questions
1. Technology	
• Software	4
• Hardware	4
• Security	4
• IT staff	4
2. People	
• Psychological barriers to change	2
• Cultural barriers to change	3
• Knowledge and training	6
• Power and vested interest	2
• Government politics	7
• Leadership	8
3. Costs	
• IT cost	5
• Human resources cost	5
• Training cost	5
• Time and opportunity	5
4. Other relevant comments or contributions to the research	1 and 9

3.3.2.3. Participants

The interviews were primarily conducted at the SAV headquarters in Hanoi City, the capital of Vietnam. There are several reasons why the SAV headquarters in Hanoi City is chosen as the research site. First, these headquarters, which are the largest and the most important office in the SAV, possess a diversity of important departments, implementing a great variety of auditing services for a large number of stakeholders. In fact, while the total number of departments and department-level units in the SAV is twenty five, these headquarters in Hanoi City account for over sixty percent of this figure and comprise not only specialised audit departments but also governing advisory departments and service delivery units (SAV 2009a).

Second, the highest-ranking audit managers and highest-quality audit experts and auditors work in the SAV headquarters in Hanoi city. Finally, Hanoi city is where the researcher began his career and he has experienced the audit environment and activities of these headquarters for ten years. The researcher can take advantage of existing social relationships and networks in order to facilitate the process of conducting proposed surveys, interviews and studies.

According to the SAV (2010a), the total staff of the SAV is 1700. The SAV auditors and managers account for 80% of that figure (about 1350 members). Horsburgh (2003, p. 311) notes that in qualitative research, 'Initial sampling

decisions should be purposive, in that selection of participants is made on the basis of their ability to provide relevant data on the area under investigation'. In the phase of the semi-structured in-depth individual interviews, two distinct groups of participants (the SAV auditors and managers) with different perspectives on the research questions were included.

In order to secure the validity of this study, 30 participants, consisting of 10 SAV managers and 20 SAV auditors from those who responded, were selected to serve at the study sample. The comparison of this sample, for example, to the entire population of the SAV in Vietnam might be open to doubt; nevertheless, the in-depth interviews conducted with the participants in the sample can provide a greater insight into the research problem and valuable evidence to contribute to practice.

To ensure that participants had sufficient professional experiences in the SAV, only participants who satisfied at least one of following criteria were interviewed:

- Prior experience of the SAV audit engagements
- Previous experience as an auditor in the probation period or auditor or audit team leader or manager of the SAV
- Successful completion of the refresher course for pre-civil servants of the SAV or the refresher training course for auditor of the SAV.

Participants were recruited by contacting the SAV employers suggested by the SAV management as well as the SAV employees belonging to the research's own social network. After telephoning potential participants, meetings and discussions were held to explain the research.

3.3.2.4. Interviewing process

Official permission from the SAV was obtained in order to conduct interviews. The researcher discussed the research proposal with authorized individuals of the Headquarters of the SAV in Hanoi. After requests for the interviews were granted, permission from SAV was documented by a signed official consent letter obtained from the Vice Director of Personnel Department of the SAV (refer to Appendix-3).

The researcher began recruitment in September 2012. As the research project conducts involves human subjects and potentially impinges on social relationships and interactions between the stakeholders, ethical issues were carefully considered. Potential participants were provided with a participant information sheet (refer to Appendix-5) before the interviews commenced to clarify what participation in the study would involve. The participant information sheet describes the nature, goals and methodology of the research and the rights of participants.

In particular, the participants were informed that their personal information would be kept confidential and their anonymity would be ensured. In order to ensure that other people are not be able to access or identify the interviewees, no names were attached to the responses (all personal information were removed from the data and replaced with a number). Care was taken that information that might identify the participants not be included in reports of participants' responses.

Furthermore, participants were informed through the participant information sheet that their participation in this study was voluntary and that they had the right to withdraw from the research project at any time without penalties and to refuse to answer any questions for any reason.

Participants were advised that their participation or non-participation in the research project would not affect their academic standing or employment. It was also made clear that no payment or incentive would be offered for participation.

After the participants have clearly understood issues involved in participation in the study, a participant consent form was provided to them in order to certify their informed consent (see Appendix-6).

In-depth individual and face-to-face Interviews were organized at a mutually agreed time and location lasting thirty to sixty minutes. In the interviews,

participants were asked a series of questions about issues, difficulties and challenges involved in changing the audit process of the State Audit Office of Vietnam to align with the Australian Government audit process. The content of the interview was loosely structured and consisted of open questions, and the order of interviewing questions sometimes varied depending on the flow of the interview. The interviews enabled the participants to freely express their experience, attitudes and perceptions towards the research problem. After the interviews, the audio files were transcribed into a computer file.

3.4. Ethical considerations

Data collected in both audio and written form during the interview. Permission was obtained to record interview at the beginning of every interview. Where the participant's responses are transposed to a computer, the file created was protected with a password known only to the researcher. At the conclusion of the research study, any computer files created were transferred to hard copy and the computer files deleted. Research findings were published in a generic form only. Data will be stored for 5 years in accordance with the CQUniversity Code of Conduct policy.

3.5. Data analysis methodology

The data collected during the interviews was analysed in order to identify issues in change management processes. As the data includes various kinds of information and wide-ranging, overlapping and inconsistent thoughts, opinions and perspectives regarding the audit process and potential improvements to it, a data analysis methodology facilitating the extraction of key themes from the data was employed. Thematic content analysis (TCA), a popular data analysis methodology in qualitative research, was a suitable methodology because of its emphasis on the identification of themes or topics (Burnard et al. 2008). It allows researchers to assess and systematize the data gathered from interview transcriptions (Newell & Burnard 2006), and was therefore selected for the data analysis of the study.

3.6. Chapter summary

The purpose of this study is to identify issues in the change management processes required for the SAV to introduce Australian Government audit processes and to propose a methodology to resolve these issues. In order to meet the research objectives, the study adopts qualitative approaches to gather data in the form of feedback from different participants concerning the proposed change management process. The key collection technique is semi-structured in-

depth individual interviews, but document review provides supplementary data. Data was analysed by means of thematic content analysis.

On 22 March 2012, the researcher submitted the application to conduct Phase 2 of the research (interviewing phase) to the Central Queensland University Human Research Ethics Committee and achieved an official approval to conduct the research on 17 July 2012. The CQUniversity Human Research Ethics Committee permitted the researcher to conduct the research from 17 July 2012 to 30 June 2013. The letter of approval to conduct the research is included in Appendix-4.

CHAPTER 4: DATA COLLECTION AND ANALYSIS

In Chapter 3, the document review and semi-structured in-depth individual interviews were selected as data collection methods for the research. Although semi-structured in-depth individual interviews are dominant in the research methodology, document reviews are used to supplement the overall data. This chapter aims to present data collected during the research phase involving semi-structured in-depth individual interviews and summarise the key findings from analysis of interview data. In this chapter, the document review process is briefly described. Further and detailed discussions in relation to research findings will be employed in the next chapter.

4.1. Data collection

In the study, 30 individual interviews were conducted for two groups of stakeholders (the SAV auditors and managers). Characteristics of participants are detailed in Table 4-1.

Table 4-1: Characteristics of participants

Characteristic	Number of Participants
<u>SAV experience</u>	
<3 years	3
3-6 years	4
6-9years	15
> 9 years	8
<u>Qualification</u>	
Doctorate	2
Master	20
Bachelor	8
<u>Audit Speciality</u>	
Finance	4
Economics	11
Banking	3
Civil construction	7
Engineer	2
others	3
<u>Position</u>	
Manager	10
Auditor	20

The SAV auditors and managers selected to participate in the individual interviews worked for the various specialised Audit Departments of the Headquarters of the SAV in Hanoi. A diversity of SAV experience, education backgrounds, professional experience and knowledge and positions were represented. The participants displayed significant variety in terms of education background with qualifications including Bachelor, Master and Doctor Degrees. Most participants were highly educated with a diversity of professional experience and knowledge. The majority of participants serving in manager position had over 5 years' experience with auditing work. In order to compare the ideas of experienced and new auditors, two of the auditors selected for the interviews were in the probation period.

The following procedure for thematic content analysis was followed during analysis phase. It is based on the procedure outlined by Newell and Burnard (2006).

a) Phase one: writing down memos for interviews

An initial step is the writing of memos regarding interviews immediately after the interviews take place. Advice was followed by the researcher, who wrote memos for each of the interviews conducted. These memos were used in subsequent analysis as an additional source of data.

b) Phase two: scrutinizing interviews transcripts and forming overall themes

The researcher repeatedly read through the interview transcripts and identified overall themes emerging from these transcripts. This aimed to help the researcher to become familiar with and clearly understand the data. Marginal notes were used to record the researcher's initial thought and questions.

c) Phase three: intensive reading and establishing open coding headings to portray all perspectives of the data collected.

This phase is normally referred to as open coding. According to Punch (2005, p. 199), 'Codes are tags, names or labels, and coding is therefore the process of putting tags, names or labels against pieces of the data'. Open coding is a time-consuming process starting by breaking down the data collected into segments and then focusing on the analysis, assessment, comparison, conceptualization and categorisation of these (Strauss & Corbin 1990). This allows researchers to form meaningful themes (Berg 2006).

In this period, the interview transcripts were read over and over to discover and identify as many emerging themes as possible. A collection of codes were devised to identify each theme. Elements of the interview data categorized according to these themes. Using the NVIVO computer program, data supporting each theme could then be extracted and compared. Initial themes were

reorganized in more systematic and appropriate manner in order to facilitate the analysis.

- d) Phase four: developing a shorter and more representative and controllable set of themed headings.

All themes were analysed to identify areas of overlap. Where appropriate, groups of similar or related themes were synthesised to create new, broader categories. This process created a shorter and more representative and controllable set of the themed headings. As Newell and Burnard (2006) advise, the set of final themes was reduced to a number of twelve or less (in this case, six) in order to maximise the contrast.

- e) Phase five: restudying the data equipped with the reduced list of themed headings.

In this phase, the researcher went back to the interview transcripts equipped with a reduced list of themed headings. Each interview transcript was divided into different sections and the text assigned to appropriate and specific themed headings. This final reduction of the data was the basis of the overall structure of the results presented in Section 4.2 of this research.

4.2. Data analysis

After interviews, the interview transcripts were analysed by thematic content analysis method. The six themes were identified and extracted to the findings of the analysis of the interview transcripts. These themes have emerged from the examination process.

- **Theme 1**: Personal issues in relation to change
- **Theme 2**: Cultural barriers to change
- **Theme 3**: Technological barriers to change
- **Theme 4**: Costs for the change
- **Theme 5**: Obstacles to change arising from limitations and weaknesses in the SAV auditor human resources quality and the SAV auditor training
- **Theme 6**: The SAV organisational and operational model in relation to the change

In this section, key findings derived from the analysis of the interview transcripts are presented. These key findings, which are important basics for identifying issues in the change management processes, are classified into six themes described above. The key findings can be presented in Table 4-2.

Table 4-2: Key findings derived from the analysis of interview transcripts

Themes	Key Findings	Knowledge Contributors (Key findings derived from interviews)	Interview question (related to the key finding)
Theme 1	1.1 Issues arising from stakeholders' awareness and attitudes, individual personality and habits, and power and interests may be encountered in the change management processes.	Participant 1, 2, 3, 4, 5, 6, 8, 9, 11, 12, 14, 15, 17, 18, 19, 21, 23, 24, 25, 26 and 28	1, 2
	1.2.The implementation of the change may be negatively impacted by stakeholders who lack experience in implementing organizational changes or face tensions in life and work or who have a high level of inertia or age, culture, and educational related issues	Participant 3, 4, 7, 9, 10, 15, 21, 23, 25, 28	1, 2
Theme 2	2.1. SAV culture are formed by factors such as Vietnamese culture, outside influences on the SAV and managerial skills and leading styles of SAV managers; perception, communication and working style and work experiences of the SAV; and assumptions and organizational norms, unwritten rules, tangible elements, taboos, behavioral culture, annual cultural and sporting activities, beliefs and cultural values of the SAV. Thus, these factors should be considered in the change management process.	Participant 2, 5, 11,17, 23, 26, 29 30	1, 3
	2.2. The SAV culture is based on weak human resource quality, underdeveloped infrastructure, low training quality and low standards of economy and technology. In contrast, culture of government audit offices of the OECD member countries is based on high-quality human resource quality, strongly developed infrastructure, internationally recognised and high-quality training and high standards of economy and technology.	Participant 18	3

Table 4-2: Key findings derived from the analysis of interview transcripts (Cont.)

Themes	Key Findings	Knowledge Contributors (Key findings derived from interviews)	Interview question (related to the key finding)
Theme 2	2.3. Significant differences between the SAV culture and culture of government audit offices of the OECD member countries have been found in aspects such as working styles, time, work and life balance, and auditing methodology. These differences have influences on the change management processes	Participant 1, 2, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 17, 19, 20, 23, 26 and 28	3
Theme 3	3.1. The SAV lack of IT security software, network security software and software support for network management.	Participant , 19, 2,3, 14, 22, 28,29	1, 4
	3.2. While application of audit software to the SAV audit activities is a requirement of the change, no specialised audit software programs have been used in the SAV	Participant 1, 16, 21, 18 20, 28, 30	4
	3.3. The SAV IT hardware has been undeveloped. The SAV lack servers and data backup systems and network devices and laptops provided to its auditors. This may hinder the change management process	Participant 6, 8, 18, 22, 26	1,4
	3.4. While the implementation of the change requires the SAV to develop a strong electronic database system, the SAV electronic database systems have been underdeveloped. Data storage about entities being audited and audit results are mainly managed in hardcopy format	Participant 3, 7, 12 and 29	1, 4

Table 4-2: Key findings derived from the analysis of interview transcripts (Cont.)

Themes	Key Findings	Knowledge Contributors (Key findings derived from interviews)	Interview question (related to the key finding)
Theme 3	3.5. While building a synchronous, appropriate and strong network system connecting the SAV with entities being audited and other relevant organizations is a requirement of the change, the SAV current network systems have not met this requirement	Participant 8, 24 and 30	4
	3.6. IT security is a big challenge when the SAV implements the OECD auditing standards. However, multiple SAV staff members do not have accurate perception about IT security	Participant 4, 5, 6, 9, 10, 12, 14, 15, 18, 19, 24, 25, 26 and 28	4
	3.7. The SAV has not established consistent and strong IT security policies and regulations	Participant 7, 10, 11, 13, 18 and 20	4
	3.8. The SAV has not emphasised the importance of providing and maintaining a safe and up-to-date technology infrastructure necessary for safeguarding IT security, compared to that of audit organizations of advanced countries of the OECD	Participant 1, 2, 3, 8, 11, 17, 21, 22, 25 and 26	1, 4
	3.9. IT risks to the change may arise from applying underdeveloped or incompatible technology to the SAV activities and from a big gap in the application of technological advances to auditing between the SAV and government audit offices of the OECD member countries	Participant 1, 2, 3, 11 and 25	1, 4

Table 4-2: Key findings derived from the analysis of interview transcripts (Cont.)

Themes	Key Findings	Knowledge Contributors (Key findings derived from interviews)	Interview question (related to the key finding)
Theme 3	3.10. IT risks may arise from stakeholders' poor IT knowledge and skills and improper IT managerial methodology	Participant 6, 10, 14, 23, 26 and 30	1, 4
	3.11. The SAV is not in good condition to provide professional IT training programs for its IT staff	Participant 12, 19, 21 and 25	4, 9
	3.12. Quantity and quality of SAV IT human resources does not correspond with requirements of development of the SAV and the change.	Participant 1, 3, 4, 6, 8, 10, 11, 12, 13, 14, 16, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30	1, 4
Theme 4	4.1. Costs for development of infrastructure include costs for IT hardware, software, facilities, equipment, maintenance and SAV headquarters	Participant 2, 3, 5, 7, 11, 12, 13, 14, 15, 17, 18, 20, 21, 23, 28 and 29	5
	4.2. Costs for human resource development include: costs of salary, bonuses and executive compensation and training	Participant 1, 2, 3, 4, 5, 6, 8, 9, 12, 14, 15, 16, 17, 18, 19, 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30	5
	4.3. Costs for improving legal framework include costs for revisions of legal documents, conferences and seminars in relation to improvements of legal documents	Participant 1, 2, 5, 6, 7, 8, 11, 12, 13, 15, 16, 17, 18, 22, 24, 25, 26 and 28	5

Table 4-2: Key findings derived from the analysis of interview transcripts (Cont.)

Themes	Key Findings	Knowledge Contributors (Key findings derived from interviews)	Interview question (related to the key finding)
	4.4. Other costs such as costs for international co-operation, time cost and opportunity cost	Participant 1, 2, 4, 6, 7, 8, 9, 10, 13, 15, 18, 19, 23, 25, 26 and 28	5, 9
	4.5. The SAV current budget has not met the required financial resources for the implementation of the change	Participant 28	5
	4.6. Financial obstacles to the change may arise from the global financial crisis and Vietnam's current financial difficulties	Participant 5,12 and 26	5, 9
Theme 5	5.1. Change will be unsuccessful if the SAV change leaders lack stakeholder confidence and support.	Participant 3, 12 and 23	6, 8
	5.2. The SAV change leaders should be selected from the SAV auditors or managers or IT staff or a combination of these people	Participant 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, 17, 19, 21, 22, 23, 26, 28, 29 and 30	8
	5.3. Multiple auditors of the SAV are not competence enough or qualified enough to implement the change	Participant 2, 17, 22 and 27	6

Table 4-2: Key findings derived from the analysis of interview transcripts (Cont.)

Themes	Key Findings	Knowledge Contributors (Key findings derived from interviews)	Interview question (related to the key finding)
Theme 5	5.4. Stakeholders may face difficulties and challenges in implementing the OECD auditing standards because these standards may be beyond their capacity	Participant 1, 2, 3, 4, 5, 8, 10, 11, 13 14, 15, 17, 21, 23, 24, 25, 28, 29 and 30	6
	5.5. Multiple auditors of the SAV have been recruited from specialisations different from auditing. For example, civil construction, engineering, and architecture. These auditors can face difficulties and challenges in implementing the OECD auditing standards. Thus, in order to implement the new auditing standards, the auditors should be retrained.	Participant 1, 5, 8 14, 22 and 28	6, 9
	5.6. It is found that multiple auditors of the SAV do not appreciate the role of auditing standards. Thus, it is not easy to adapt themselves to new standards	Participant 25	6
	5.7. Most auditors of the SAV are presented as not IT proficient and unfamiliar with IT application for SAV audit engagements	Participant 4, 11 and 26	6
	5.8. Application of technology to the SAV activities has not been emphasized. This may increase the IT capacity gap between auditors of the SAV and auditors of government audit offices of the OECD member countries	Participant 10, 15, 16, 21 24 and 27	4, 6

Table 4-2: Key findings derived from the analysis of interview transcripts (Cont.)

Themes	Key Findings	Knowledge Contributors (Key findings derived from interviews)	Interview question (related to the key finding)
Theme 5	5.9. While a lack of foreign language competence may hinder the SAV auditors from studying the new auditing standards, the SAV auditors are not proficient in foreign languages, especially English language	Participant 14, 17, 19 and 23	6
	5.10. The SAV auditor certificate has not been internationally recognised, and auditor training quality of the SAV cannot compare with that of government audit offices of the OECD member countries. In addition, auditor training programs of the SAV have not been designed to integrate into internationally recognised auditor training programs.	Participant 7 and 25	1, 6
	5.11. Auditor training programs of the SAV insist on theories but not practices. In addition, performance and IT auditing have not been emphasised in the SAV auditor training programs. In these training programs, students have no right to select subjects necessary for them and appropriate to their capacity and specialization	Participant 8, 16, 26 and 30	1, 6, 9
	5.12. Although IT training programs are taught in the SAV, these programs only provide SAV auditors with a simple and basic IT knowledge but have not applied IT to auditing	Participant 5, 17 and 24	6

Table 4-2: Key findings derived from the analysis of interview transcripts (Cont.)

Themes	Key Findings	Knowledge Contributors (Key findings derived from interviews)	Interview question (related to the key finding)
Theme 5	5.13. The SAV has not had enough lectures in all required fields, especially high-quality and experienced lectures	Participant 8 and 11	6, 9
	5.14. The quality of the SAV training program may be negatively impacted by indirect causes such as the SAV undeveloped IT infrastructure and IT audit standards and insufficient and inconsistent legal documents. In addition, there are often personnel changes in the SAV. These personnel changes may impact effectiveness of training programs of the SAV	Participant 10, 12, 13, 15, 16, 17, 21, 22 and 23	6, 9
	5.15. There are hindrances in relation to duration of auditor training programs of the SAV. On the one hand, auditors of the SAV do not have enough time to attend long-time training programs at the SAV headquarters because they have to spend nine months per year on conducting audit engagements far from these headquarters and much time on participating workshops, seminars and cultural and sport activities of the SAV. Thus, designing long intensive training programs at the SAV headquarters may not be feasible. On the other hand, while a shorter duration of the SAV auditor training programs facilitates deployment of the SAV annual auditing schedules, too much auditing, economic and legal knowledge is transmitted in these programs. Short duration of auditor training programs of the SAV may impact the SAV auditor training program quality, and in turn cause obstacles for the implementation of the change	Participant 5, 6, 15, 19, 24, 29 and 30	2, 6, 9

Table 4-2: Key findings derived from the analysis of interview transcripts (Cont.)

Themes	Key Findings	Knowledge Contributors (Key findings derived from interviews)	Interview question (related to the key finding)
Theme 6	6.1. The legal status of the SAV and the SAV Auditor General has not been regulated in the Constitution of the Socialist Republic of Vietnam	Participant 3, 15, 21 and 22	7
	6.2. There is a lack of consistencies and synchronization among some legal documents of the SAV and other relevant organizations	Participant 8, 9, 12, 15, 18, 19, 22 and 27	1, 7
	6.3. The temporary provisions for the criteria for evaluation and grading the audit quality have not provided adequate and detailed guidance for audit quality valuation of the SAV	Participant 24	7
	6.4. While the SAV appreciates the role of financial and compliance audits, performance and IT audits have not been emphasized	Participant 13, 17 and 23	9
	6.5. Validity of electronic signatures, electronic documents and electronic evidence of the SAV has not been regulated by law. Legitimacy of these electronic signatures, documents and evidences is weak and even unacceptable by stakeholders	Participant 1, 2, 19, 21 and 27	7, 9
	6.6. The SAV organisational apparatus is not comprehensively developed. The SAV lacks of Specialised Audit Departments and Regional State Audit Offices	Participant 9	9

Table 4-2: Key findings derived from the analysis of interview transcripts (Cont.)

Themes	Key Findings	Knowledge Contributors (Key findings derived from interviews)	Interview question (related to the key finding)
	6.7. The SAV personnel structure, especially the SAV auditor structure is inappropriate. While the SAV senior auditors make a small proportion of the total amount of the SAV auditors, the SAV probation auditors account for a large proportion of the SAV auditors	Participant 28	9
	6.8. The role and status of the SAV within Vietnamese political system might be different to those within advanced countries' political system. The implementation of the change needs to be approved by not only the SAV but also other relevant organizations within Vietnam's political system	Participant 3, 7, 11, 15, 20 and 22	7
	6.9. Vietnam Government and the NASRV should legislate to facilitate the implementation of the new international auditing standards	Participant 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 13, 14, 15, 17, 19, 20, 21, 23, 24, 26, 27, 28, 29 and 30	7
	6.10. The SAV information dissemination lacks professionalization and systematisation. This may hinder the implementation of the change	Participant 5, 16 and 28	9

4.3. Chapter summary

The description of interview data was structured into the qualification of respondents and followed the procedure for thematic content analysis. The six themes extracted from the research findings were presented, including: Personal issues in relation to change, cultural barriers to change, technological barriers to change, costs for the change, obstacles to change arising from limitations and weaknesses in the SAV auditor human resources quality and auditor training, and the SAV organisational and operational model in relation to the change.

This chapter also summarized key findings in relation to the six themes above. The document review process, which was previously presented, identified documents arising from the data analysis and classified them into the six themes described above.

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CHAPTER 5: DISCUSSION OF RESEARCH FINDINGS

Chapter 4 presented research data and identified the research findings derived from the analysis of interview transcripts. However, these research findings were only briefly described and were not compared and cross-checked with relevant documents. In this chapter, the research findings detail discussions with reference to relevant documents identified by the document review. Although research findings derived from analysis of interview transcripts is primary in Chapter 5, outcomes of the document review helps to supplement the overall data and validate and enrich the research findings. The research findings are organised into six themes; these six themes include: personal issues in relation to change, cultural barriers to change, technological barriers to change, costs for the change, obstacles to change arising from limitations and weaknesses in the SAV auditor human resources quality and auditor training and the SAV organisational and operational model in relation to the change.

5.1. Theme 1: Personal issues in relation to the change

The first theme deals with personal issues related to the change. They are awareness and attitudes about the change, individual personality and habits, power and interest and other personal issues. Based on the literature review, Figure 5-1 demonstrates personal issues in relation to the change.

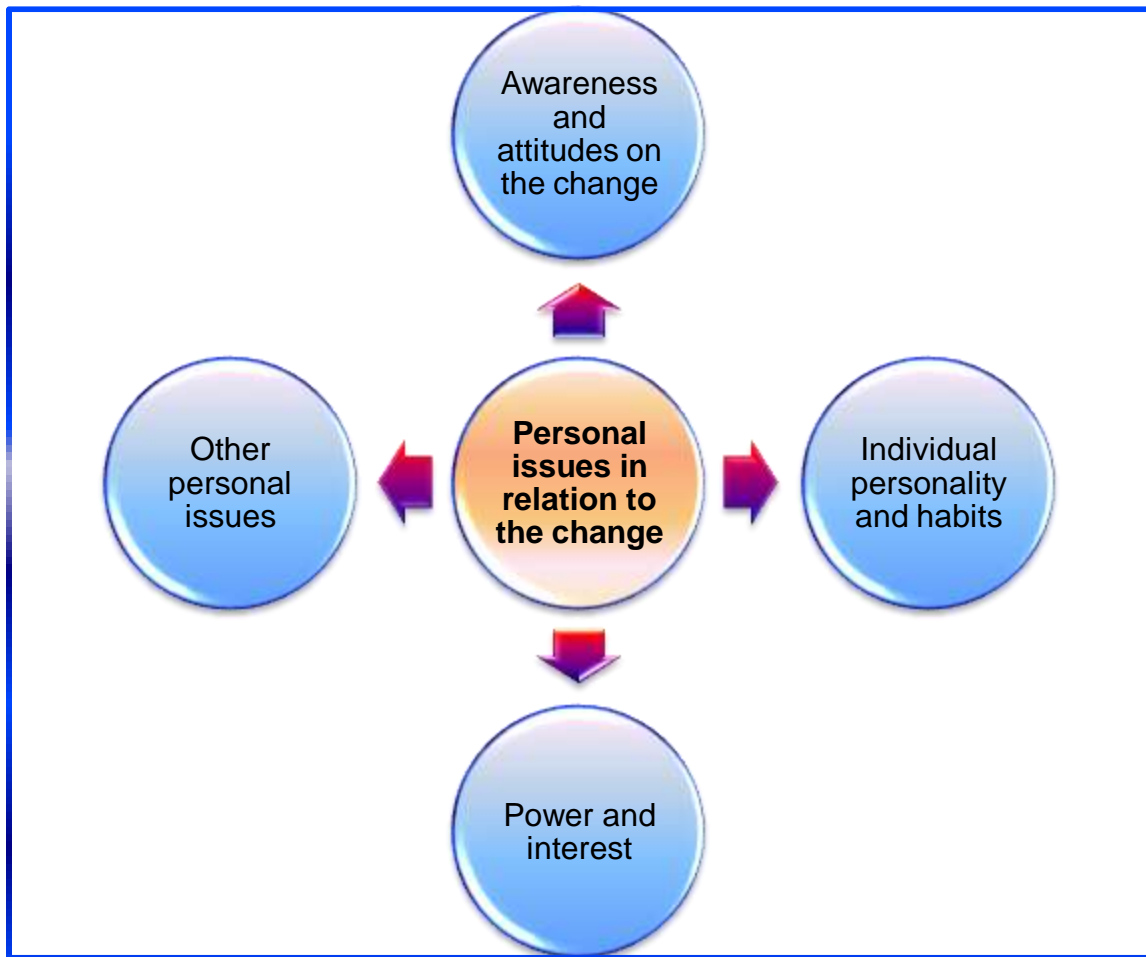


Figure 5-1: Personal issues in relation to the change

5.1.1. Stakeholder awareness and attitudes about the change

It is a myth that stakeholders are always open and accepting of change. While some stakeholders may recognise the need and significance of the change, other stakeholders may not. For example, Participant 8 thought that it is very dangerous if there are mistakes or wrong-doings in the change management process. In contrast, Participant 15 believed that 'mistakes or failures or wrong-

doings happening in the change management process are inevitable and should be accepted with a positive attitude'. Conflicting opinions of stakeholder awareness to the change may cause difficulties in the change process.

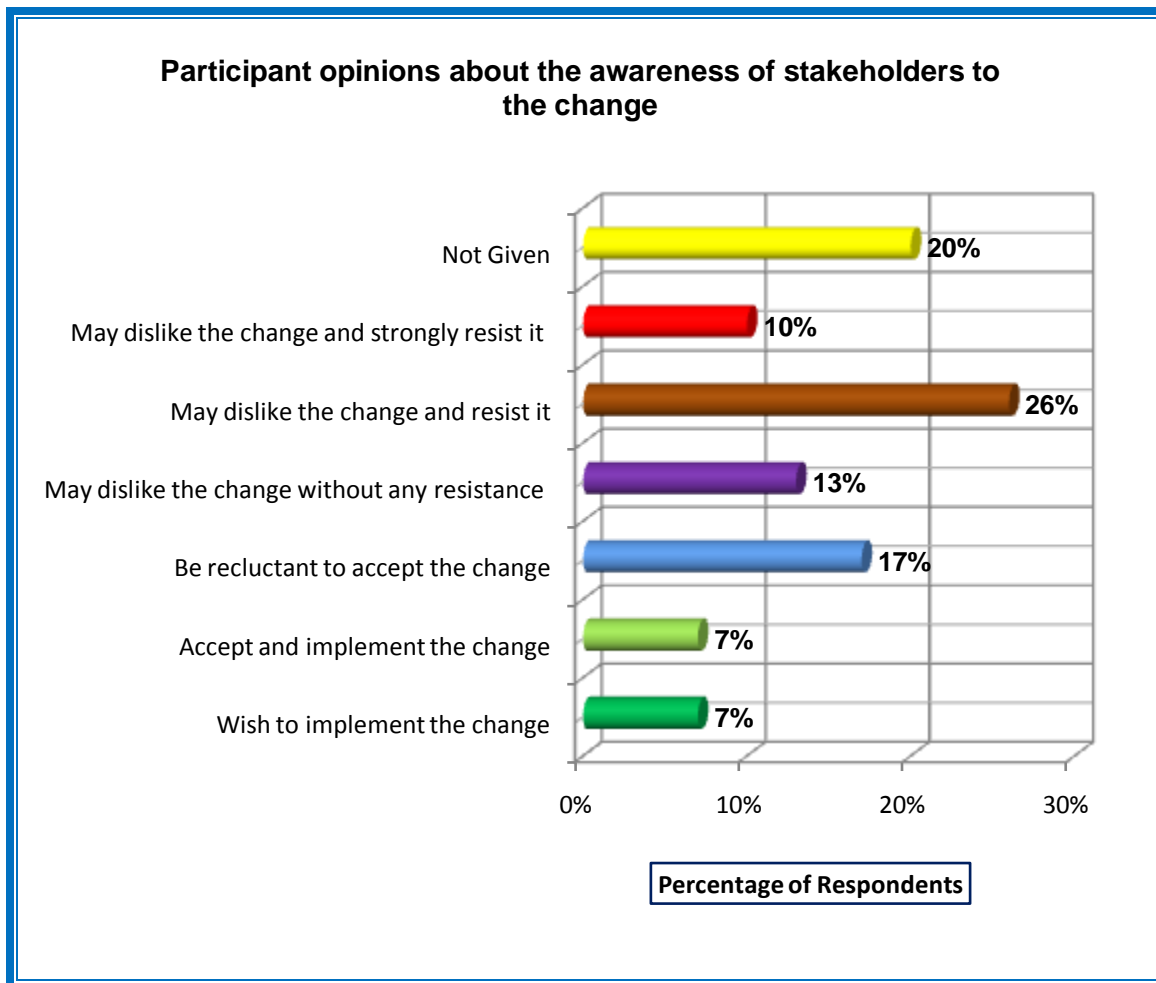


Figure 5.2: Participant opinions about the awareness of stakeholders to the change

According to Figure 5-2, participants were asked about the personal difficulties which might be encountered in this change to the auditing standards of the

OECD. While 26% of the participants thought that stakeholders do not like the change and resist it, there was only 7% of the participants who expressed that stakeholders wish to implement the change.

If stakeholders do not have a positive perception of the change, they may not have a positive attitude or positive behavior towards change. According to several participants, although the SAV requires its staff members to implement the change, they might implement the change with an uncomfortable attitude. For example:

“I think that stakeholders who have inadequate understanding about the change may negatively impact on the change management process. Stakeholders may not be enthusiastic about implementing the change if they think that they cannot overcome challenges and difficulties of the change management process and the change may be unsuccessful. In addition, SAV staff members may not like the change because they misunderstand the change and its implications. They may think that the change is unnecessary or meaningless for the SAV and themselves.” (Participant 1)

Moreover, stakeholders may only consider the change from negative perspectives to them but not from the change benefits to themselves, the SAV and other people. Participant 3 provided the following example on this point:

“Stakeholders may not feel highly enthusiastic in implementing the OECD auditing standards because they must spend a lot of time on training courses and give up current relationships or working habits” (Participant 3).

Furthermore, the change may face both open and unspoken resistance from stakeholders. A number of participants show that stakeholders may express their objection to the change with a negative attitude. For example, one participant expressed this:

“A stakeholder initial reaction to the change may be questioning: what are we doing wrong? Why must we change when everything is good?. Although the proposal of the change may be accepted by SAV staff members, I think that some stakeholders may show a gruff voice when consenting to the change. Others do not blame the change, they even pretend to accept the change but they quietly and tactically undermine or delay the change process” (Participant 6).

Unspoken resistance to the change tends to be more dangerous for the change than open resistance because it is difficult for change leaders to identify and control this unspoken resistance. For example:

“Stakeholders who reverse the change may spread untrue and bad rumors about the change and relevant individuals. These rumors may

make negatively impact cooperation and solidarity of stakeholders in the change management process” (Participant 11).

It can be said that the research findings discussed in this section strengthens the point identified in the literature review that change may bring obstacles arising from the stakeholder perception and attitude (Section 2.6.3.1 of this research). In order to implement the change, removing those obstacles should be elaborated.

5.1.2. The impact of stakeholder individual personality and habits on the change management process

The stakeholder individual personality has an influence on change management. As one participant contended:

“In my opinion, stakeholders who are enthusiastic in work or interested in experimenting with new things have a tendency to respond and adapt well to change. In contrast, stakeholders who feel satisfied with their work or don’t like changes or familiar with only one way of working during their employment history may consider the change as an adventure and resulting in nothing. They may give reluctant consent to the change but to be honest, make no attempt to make the change happen” (Participant 17).

Participant 2 made a similar point of view from a different perspective:

“I think that people with a pessimistic view of life have strong resistance to change because they may be worried that the change may make them lose their current position, power and interest. In contrast, stakeholders with an optimistic thinking style believe that the change will bring good and new opportunities, positive promises and benefits for themselves and the SAV” (Participant 2).

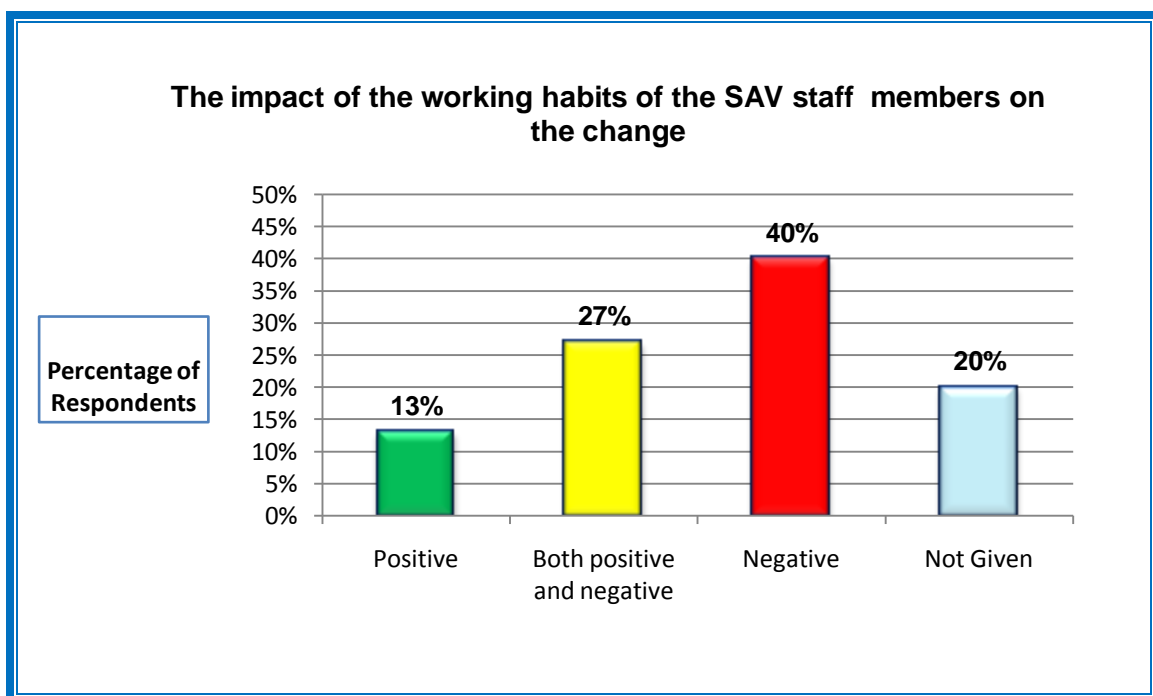


Figure 5-3: The impact of the working habits of the SAV staff members on the change

According to Figure 5-3, in relation to the impact of working habits of the SAV staff members on the change, 13% of the participants expressed positive

opinions, 27% maintained both positive and negative opinions, 40% expressed negative opinions and 20% had no idea.

Implementation of the change may impact habits of the SAV auditors. Although the SAV should implement the change in order to improve its audit quality, a number of participants did not believe that all the SAV auditors can consent to the implementation of the change. For example, Participant 19 pointed out:

“It is not easy for the SAV auditors to replace their current working habits that have been established for a long time with new ones. Most stakeholders do not want to give up current working habits with which they are familiar” (Participant 19).

In addition, stakeholders may feel afraid of doing what they are unfamiliar with and react to things that they are unsure of. As one participant contended:

“Stakeholders may not appreciate starting with a new working methodology when they do not know whether or not it will bring a benefit to them, because they may have enough capacity to practice it well” (Participant 21).

Participant 28 concurred with this contention and provided the following example:

“Most auditors of the SAV are acquainted with storing audit data in their laptops as though it is their private data, these auditors do not want to share their audit data on the SAV electronic database system. Although audit software is logically and appropriately programmed to process audit data, auditors of the SAV might make light of using the audit software because they are familiar with processing audit data with their private methodology or do not like to be monitored by the SAV IT staff and managers via the SAV network system” (Participant 28).

It is worth mentioning that this section provides further information about the personal issues identified in the literature review that organisational changes may be impacted by issues arising from stakeholder individual personality and habits (Section 2.6.3.1 of this research). In order to minimize issues arising from stakeholder individual personality and habits, several participants contended that the change would take leadership, open discussions and training into account (Participant 6, 14, 18 and 26)

5.1.3. The impact of the change on stakeholder power and interests

Issues arising from stakeholder power and interests may be encountered in the change management process. Although those issues significantly impact the implementation of the change, removing them from the change process may be a difficult and challenging task. The following discussions will clarify this problem.

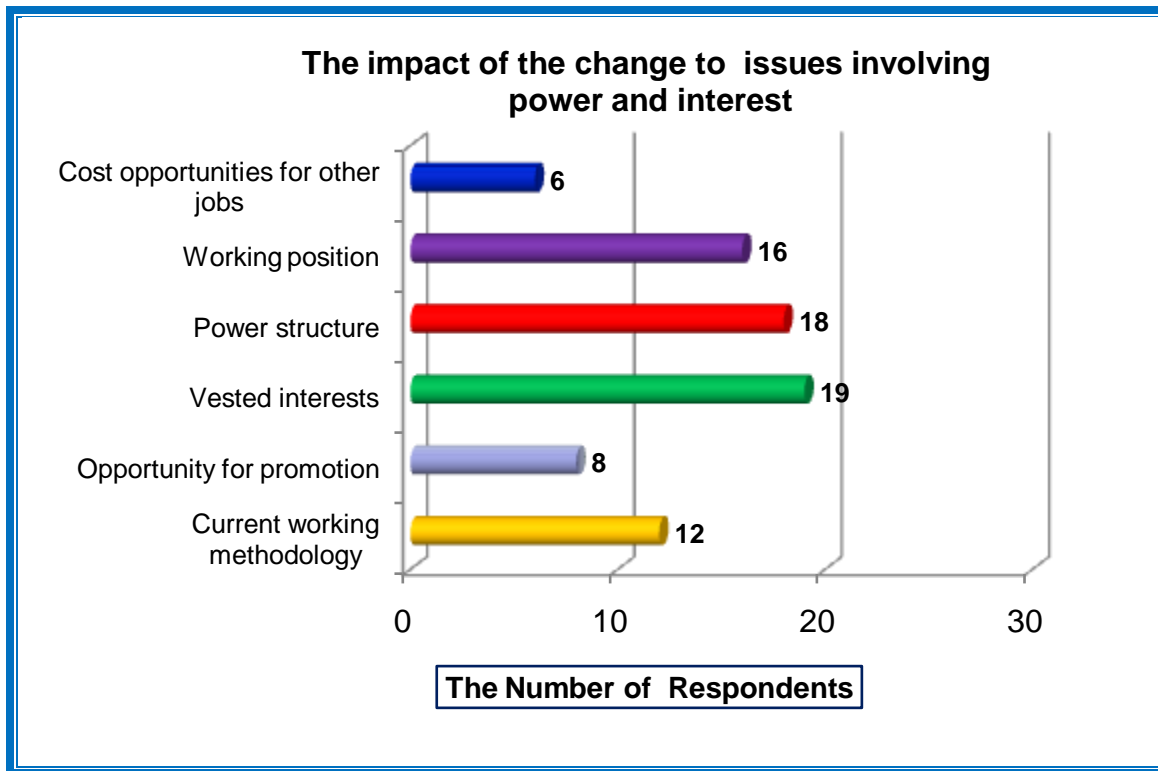


Figure 5-4: Participant opinion about the impact of the change to power and interest

As shown in Figure 5-4, the key issues involving power and interest expressed by respondents are current working methodology, opportunity for promotion, vested interests, power structure, working position and cost opportunities. Of these issues, vested interests (19 responses), power structure (18 responses) and working position (16 responses) attracted the attention of many respondents.

Many participants contended that the change may face challenges arising from individuals whose power and interests are impacted. For example, one participant pointed out:

“Whilst the change may obtain support from a number of stakeholders because they think that the change brings benefits to them, it may impact the power and interests of other stakeholders” (Participant 24).

Similarly, Participant 9 stated:

“I think that stakeholders may be only interested in, and discuss, what things they can achieve from the change. If the change impacts the stakeholder power and interests, these stakeholders will resist the change” (Participant 9).

In addition, multiple participants concurred that it is not easy for stakeholders to give up their power and interests for the need to change. For example, one participant argued:

“I think that a high-ranking position in the SAV ensures stakeholders have power, vested interests and privileges. Those power, vested interests and privileges may make stakeholders think about what losses they may have if the change happens. Although the change strategy may be perfectly established, the change may go with unpredictable risks or failures; and nobody exactly knows what things will come after the change, because these may be positive or negative. Although the SAV current auditing standards may have limitations,

stakeholders, at least, know what the limitations are and are familiar with these standards” (Participant 4).

Participant 21 concurred with that argument:

“The change may bring stakeholders to an uncertain scenario; and not many stakeholders consent to swap their current power and vested interests for an uncertain future and potential risks. In addition, nobody wants to invest his/her attempts to implement the change, if he/she does not know whether or not it may bring certain benefits to him/her” (Participant 21).

Similarly, Participant 14 stated:

“Stakeholders might feel worried about what mistakes or failures can arise from the change management process. Whilst these mistakes or failures may have negative influences on their working position, the success of the change may bring no benefits to their working position. Thus, instead of spending time and effort on implementing the change, stakeholders may have a tendency to delay or resist the implementation of the change in order to safeguard their current working position” (Participant 14).

The change may impact stakeholder power and interests in several aspects. These aspects are professional status, time, promotion, working position and vested interests. The change may impact stakeholder professional status, colleague/team relationships and opportunities for promotion. For example, as one participant stated:

“It is difficult for the SAV auditors to manage changes in their routines because these changes may contain vague and unsure things for the SAV auditors. In addition, many auditors of the SAV are good at the implementation of the current auditing standards but may not be good at the implementation of the OECD auditing standards. Without the change, they are professional auditors or managers who are highly appreciated and respected in the SAV” (Participant 12).

In addition, as Participant 26 noted, while the SAV organisational structure defining the SAV audit teams and divisions and departments forms relationships among stakeholders, the change may require the SAV to reorganize its organisational structure and upset the status quo of stakeholder current colleague/team relationships. Furthermore, Participant 5 contented that the change may deprive stakeholders of their opportunity for promotion because they lack the required knowledge and skills to implement the change. Therefore, resistance to the change may arise from fear and lose stakeholder control of their work, relationships and opportunity for promotion.

The change may impact stakeholder time, working position and cost opportunities for other jobs. For example, Participant 12 noted that the change may require some involved individuals spending much time on solving additional work or even to move from their current working position to other unexpected positions. Participant 23 made a similar point from a different perspective:

“Auditors of the SAV may have to spend a lot of time on training courses and studying and practicing the OECD auditing standards. If the change is not implemented, these auditors may spend their time on conducting audit engagements or doing something they feel interested in. Thus, you should understand that the change may make the SAV auditors cost opportunities for other jobs” (Participant 23).

Participant 6 concurred with that point and further argued that:

“While pressing issues such as the low wages and income and of the majority of the SAV auditors have not been resolved, high levels of required professional knowledge and skills in the implementation of the change and overwork may exacerbate these issues and induce negative reactions from stakeholders” (Participant 6).

Thus, if issues arising from stakeholder time, working position and cost opportunities for other jobs and income are not resolved, they may cause strong resistance to the change.

Changing from the SAV traditional auditing methodology dependent on professional experience to a new auditing methodology reliant on technology may have an influence on stakeholder vested interests. For example, as one participant discussed:

“In the SAV traditional auditing methodology, the SAV auditors often conduct long-time audit engagements in many provinces of Vietnam. This is a good opportunity for the SAV auditors, especially those who have travel preferences, to broaden relationships and their understanding about geography, culture, history and people in many different provinces in Vietnam. When implementing the change, the SAV auditors may conduct auditing online at the SAV headquarters. Although implementation of auditing online can increase quality and effectiveness of the SAV audit engagements, I think that, multiple auditors of the SAV may feel uncomfortable with this change because the change means that they have to give up their travel preferences. They may bring their pessimistic opinions to assessing the need of the change and may put pressure on giving up the change” (Participant 25).

Furthermore, Participant 18 argued that building relationships between auditors of the SAV and staff members of entities being audited may not become as personable if the change means that the SAV must conduct auditing online at the SAV headquarters.

In this section, the research findings strengthen the point of view examined in the literature that power and vested interests have influence on the change (Section 2.6.3.4 of this research). In order to implement the change, removing issues arising from stakeholder power and interests should be taken into account.

5.1.4. Other personal issues in relation to the change

While resistance to the change may be a normal emotional response to the change of stakeholders (Ljaz & Vitalis 2011), a low or high level of resistance or adaptability to the change depends on specific stakeholders. For example, as Participant 28 stated:

“I believe that stakeholders who have a terrible experience in changes or live in environments where changes left them with bad impressions will have a higher level of resistance to change than other stakeholders who have not had those” (Participant 28).

Participant 23, on the other hand, argued that stakeholders who learn the way to cope with the challenges and difficulties in the change process will be more adaptive to the change than other stakeholders who have not done this. Furthermore, several participants contended that tensions at stakeholder work and life quality have a negative impact on their awareness about the change.

These tensions may increase the level of stakeholder resistance to the change.

For example:

“When stakeholders can master their life and work, balance between life and work, they might feel that the change brings benefits for their work and they acknowledge the significance of the change. In contrast, when stakeholders face multiple tensions in their work or life, they may delay or prevent or refuse the change because they simply do not want to assume more burdensome, worrisome tasks and complex issues” (Participant 21).

Issues arising from stakeholder income, culture and education and age may be encountered in the change management process. As Participant 10 noted:

“From the perspective of economics, I think that the change may affect the income of stakeholders because they might not immediately undertake new tasks without attending training and retraining programs or might be assigned to new lower paid salary positions” (Participant 7).

Several participants believed that stakeholder culture and education have certain influence on their ability to adapt to the change (Participant 4, 9 and 15). In addition, Participant 7 and 16 found that it might be difficult for elderly auditors or managers in updating new knowledge because of age related issues.

Analysis of the interview data highlighted the problem of personal inertia of stakeholders. As Participant 24 explained, personal inertia of stakeholders is acknowledged by their satisfaction with the status quo. Changing the status quo may thus cause stakeholder resistance to the change. For example, as Participant 3 contended:

“I think that prosperous stakeholders are people who have low motivation and lack persuasive reasons to implement the change. They may rhetorically question why they must change the status quo when they are successful with the current working methodology” (Participant 3).

Participant 3's contention reflected the view of a number of participants that stakeholders have a tendency towards preservation of the status quo. As Participant 25 pointed out:

“Auditors and managers of the SAV may feel fearful of facing difficulties and challenges of the change, studying new fields that require a higher level of knowledge and skills, devoting their resources to the change. They thus want to preserve the status quo” (Participant 25).

Thus, breaking down personal inertia of stakeholders is a challenge for change and time-consuming work and requires the efforts of both involved individuals and change leaders.

Another issue is that stakeholders may make up reasons for their delay in implementing the change. For example, Participant 27 noted that auditors of the SAV may complain that new audit software programs are complex and incompatible with the hardware configuration of their laptops. Similarly, Participant 10 indicated that stakeholders who hate change may start rumors that the change brings no benefits to people working for SAV and come to nothing. In addition, difficulties may come from providing information about the change for stakeholders. As one participant stated:

“Stakeholders may invent evasive reasons for not participating in workshops about the change or passively implementing the change or perfunctorily practicing the new standards. The SAV auditors and managers may invent reasons to delay practicing the new standards such as lack of knowledge and skills or lack of information about the change or being busy on planning and conducting audit engagements”
(Participant 18).

Based on the analysis of the interview transcripts, a summary of emotional issues occurring in the change process is established. This is presented in Table 5-1.

Table 5-1: Summary of emotional issues occurring in the change process

	Research findings	Knowledge Contributors (Key findings derived from interviews)
1	<ul style="list-style-type: none"> Stakeholders may be fearful of causing mistakes or faults or being criticised in the change management process 	Participant 1, 5, 7, 8, 14 and 18)
2	<ul style="list-style-type: none"> Stakeholders may be fearful of being jobless or being moved to other unexpected position or not being able to well adapt to the change (stakeholders may accept current stable status rather than cope with an unpredictable future of change 	Participant 3, 5, 14, 21, 24 and 26
3	<ul style="list-style-type: none"> Stakeholders may feel pessimistic because they are not well trained to practice the OECD auditing standards 	Participant 10, 11, 13, 15, 16, 18, 21, 24, 25, 26 and 27)
4	<ul style="list-style-type: none"> Stakeholders may feel worried because they cannot study and work as fast as other stakeholders in the new routine 	Participant 2, 8, 10, 13, 15, 24, 25 and 26)
5	<ul style="list-style-type: none"> Stakeholders may feel worried that the change may make them give up their previously preferred working style or habits. 	Participant 1, 3, 5, 8, 11. 13. 15. 17, 19, 20, 21, 23. 24. 25 and 28)
6	<ul style="list-style-type: none"> Stakeholders may feel annoyed because the change deprives them of their power and vested interests and relationships. 	Participant 1, 2, 4, 5, 7, 9, 12, 13, 14, 17, 18, 21, 22, 24, 25, 26, 28 and 30)
7	<ul style="list-style-type: none"> Stakeholders may be discouraged because it deprives them of their freedom or requires them to spend much time and effort on studying and practicing the OECD auditing standards 	Participant 3, 5, 9, 12, 14, 17, 21 and 23
8	<ul style="list-style-type: none"> Stakeholders may resist the change because they are under pressure and tensions in work and life. The change may increase more issues that they need to solve. 	Participant 6, 10, 16, 18, 19, 21 and 28)
9	<ul style="list-style-type: none"> Stakeholders may be doubtful of the success of the change 	Participant 1, 2, 6, 11, 12, 14, 17, 24, 25 and 28

It is worth noting that this section provides further information about emotional and psychological barriers to change identified in the literature review that issues arising from emotions, attitudes and behaviors of stakeholders may be encountered in the change process (Section 2.6.3.1 of this research). Therefore, emotional and psychological barriers to change need to be well managed in order to facilitate the implementation of change.

Analysis of the interview transcripts discloses that there are always hindrances to change even if change is positive to an organisation where change happens. Stakeholder personal issues tend to negatively impact the success of the change management process. Participants contended that Leadership is the capacity to change in response to personal issues and other challenges arising from the change. For example, Participant 20 believed that leadership is a key driver that organizes and leads all relevant factors to the success of change. Thus, strengthening the leadership of the change leaders may be a good start in resolving these.

In relation to personal issues relevant to the change, a list of general recommendations corresponding to these issues has been formed from comments and contributions of participants. This is presented in Table 5-2.

Table 5-2: Summary of general recommendations by participants corresponding to personal issues in relation to the change

	General recommendations	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
1	<ul style="list-style-type: none"> The SAV change leaders should grasp legal documents, culture, organisational structure and the political status of the SAV 	Participant 3, 6, 14 and 27
2	<ul style="list-style-type: none"> The SAV change leaders should thoroughly discuss abilities, methodologies and solutions of implementing the change with stakeholders 	Participant 1, 8, 15, 17 and 21
3	<ul style="list-style-type: none"> The SAV change leaders should establish a general change management methodology controlling and supervising all aspects of the change process 	Participant 2, 6, 18 and 21
4	<ul style="list-style-type: none"> The SAV change leaders should formalise all aspects of the change management process in change planning and adhere to this planning when implementing the change 	Participant 4, 11, 23 and 25
5	<ul style="list-style-type: none"> The SAV change leaders should facilitate stakeholders to grasp change planning and change management methodologies 	Participant 1, 3, 6, 14 and 19
6	<ul style="list-style-type: none"> The SAV change leaders should harmonise between the purpose of the change and benefits to stakeholders 	Participant 6, 15, 19 and 23
7	<ul style="list-style-type: none"> The SAV change leaders should organise open and free discussions among stakeholders about the change 	Participant 1, 2, 3, 4, 6, 13, 14, 17, 18, 19, 21 and 26

Table 5-2: Summary of general recommendations by participants corresponding to personal issues in relation to the change (Cont.)

	General recommendations	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
8	<ul style="list-style-type: none"> The SAV change leaders should provide detailed guidance, certain requirements and supports for involved individuals for the implementation of the OECD auditing standards 	Participant 1, 3, 5, 6, 13, 18, 22 and 24
9	<ul style="list-style-type: none"> The SAV change leaders should maintain a high degree of unanimity to the change of stakeholders because change management is a long lasting, difficult and complex process 	Participant 9, 11, 16, 18, 25 and 29
10	<ul style="list-style-type: none"> The SAV should establish strict discipline in the implementation of the change and request all stakeholders to comply with this discipline 	Participant 1, 8, 14 and 25
11	<ul style="list-style-type: none"> The SAV should tightly co-operate with communication organisations in order to enhance activities involving information dissemination towards the change 	Participant 3, 9, 17 and 22
12	<ul style="list-style-type: none"> The SAV should establish communication networks providing adequate and timely information and knowledge about the change for stakeholders 	Participant 2, 5, 7, 18 and 25
13	<ul style="list-style-type: none"> The SAV should organise the SAV workshops, seminars and conferences about the implementation of the change in order to introduce the change to stakeholders 	Participant 3, 6, 9, 14 and 24

These recommendations should be taken into account in proposing a strategic model to change the audit process of the SAV.

5.1.5. Section conclusion

Personal issues in relation to the change are reflected in several aspects, comprising stakeholder perception, attitude, individual personality and habits, stakeholder power and interests negatively impacted by the change and involving emotional and psychological barriers. These issues may cause hindrances for implementation of the change. Theme 1 strengthens and provides further information about the point of view examined in the literature that the change may face difficulties and challenges from personal issues. In order to implement the change, it is necessary to propose a methodology to resolve those personal issues in relation to the change.

5.2. Theme 2: Cultural barriers to change

Most respondents contended that changing the SAV culture to implement the OECD auditing standards is one of the biggest challenges of change management. Participants 4, 8, 9, 15 and 22 contended that the changes in the SAV culture need to achieve solid determination and effort on the part of the SAV staff members.

5.2.1. Overview of the SAV culture

The SAV culture has been formed by a diversity of different factors and has a significant influence on SAV activities. For example, as one participant stated:

“From my point of view, the SAV culture is made up of various perceptions, values, beliefs involving ethics and behavior standards, philosophy, managerial and operational methodologies, and regulations that all the SAV staff members consent, share, highly appreciate and conform in order to achieve the purpose of the SAV. Those factors of the SAV culture increase motivation at work for the SAV staff members and connect people within the SAV to each other and connect the SAV with relevant organizations in Vietnamese political system and Vietnamese people. In addition, the elements of the SAV culture adhere to the SAV activities and rules over attitudes, behaviors, opinions, perceptions and working style of all the SAV staff members” (Participant 2).

Research findings regarding cultural barriers to change discloses various factors impacting the SAV culture. Based on the primary research, Figure 5-5 demonstrates the factors impacting the SAV culture.

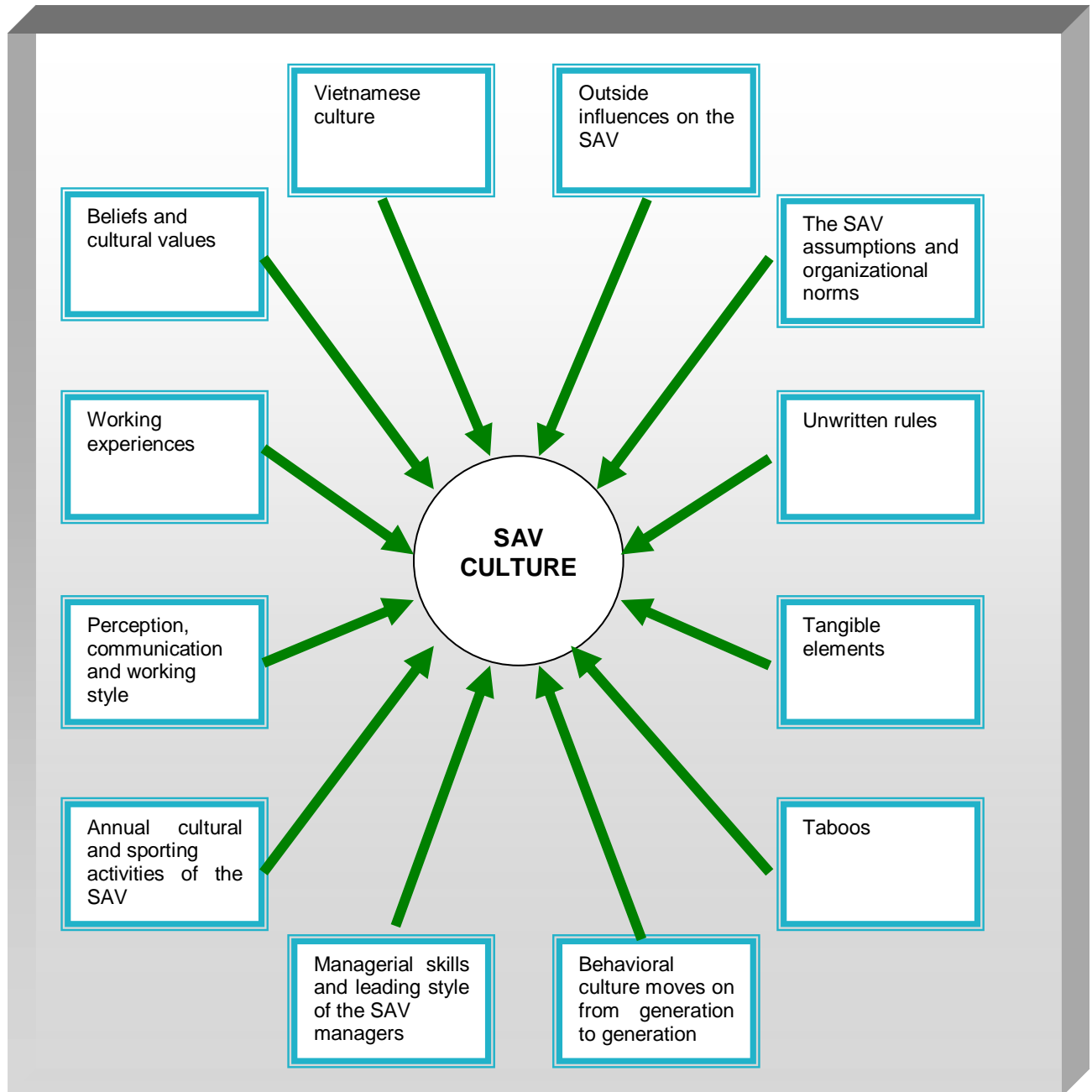


Figure 5-5: Factors impacting the SAV culture

This section highlights elements of the SAV culture discussed by participants. Multiple participants contended that Vietnamese culture has an important influence on the SAV culture. For example, as one participant stated:

“I think that the SAV culture is affected by Vietnamese culture because the SAV culture mirrors Vietnamese culture. All SAV staff members are Vietnamese people and part of their personality is ruled by values of Vietnamese culture. They bring their personality shaped by Vietnamese culture to their working process and this partly contributes to the SAV culture” (Participant 29).

Another related issue is methodologies, procedures, regulations, behaviors and styles implemented in the SAV and contribute to the formation of the SAV culture. Participant 11 contended:

“The SAV administrative procedures and auditing methodology, the SAV assumptions; organizational norms, unwritten rules and taboos; and the SAV behavioral culture moves on from generation to generation in the SAV. They are anchored into the SAV culture and reinforced and developed by the SAV staff members” (Participant 11).

In addition, a number of participants emphasise outside influences on the SAV culture. For example, Participant 5 pointed out:

“The SAV culture is impacted by Vietnam’s mechanics, policies, legal documents, economics, politics and society. In addition, the SAV cultural values are acquired in co-operation with the process between the SAV and other organisations” (Participant 5).

Factors forming the SAV culture can also be reflected in several different aspects. For example, Participant 30 stated that perception, communication and working style of the SAV staff members, and managerial skills and leading style of the SAV managers have influence on the SAV culture. In addition, as Participant 2 and 17 contended, cultural and sporting activities of the SAV are annually organised to unite the SAV staff members with the SAV vision and to let them feel that they are an important part of the SAV. Tangible elements also play an important part in forming the SAV culture. For example, Participant 23 pointed out that tangible assets such as the SAV headquarters, workrooms, material facilities, uniform, IT hardware and auditor manuals are a part of the SAV culture.

Most importantly, the role of the SAV auditing experiences in the SAV culture was emphasised by participants. The SAV auditing experiences have been formed by generations of the SAV auditors, popularized in the SAV and embedded in the SAV culture. For example, as Participant 26 stated:

“First of all, auditing experiences have been accumulated through the SAV audit engagements in many provinces of Vietnam. Second, the SAV auditing experiences are accumulated from studying mechanisms, policies and audit process, procedures and methodology. Third, the SAV auditing experiences are learnt from other organisations or from individuals working for other organisations such as experiences of the SAV auditors and managers obtained from attending professional training programs or organised by audit

organisations or experts at home and abroad. The SAV auditing experiences have been passed from generation to generation in the SAV. By this time, these experiences are accepted by all the SAV staff members, passed from generation to generation and anchored into the SAV culture” (Participant 26).

The research findings discussed in this section provide further information about the SAV culture in relation to the change mentioned in the literature review (Section 2.6.3.2 of this research). Based on those research findings, changes in the SAV culture can be taken into account in order to implement the change.

5.2.2. Required changes in the SAV culture to achieve the OECD auditing standards

While the OECD auditing standards are impacted and given prominence by the culture of audit organisations of the OECD member countries, the SAV culture and culture of audit organisations of the OECD member countries are dissimilar. This cultural difference requires the SAV to have changes in its culture in order to achieve the OECD auditing standards. In relation to the third interview question (Do you believe the SAV culture would need to change to achieve the OECD auditing standards? Why or why not?). Most participants concurred that the SAV culture needs to change to achieve the OECD auditing standards.

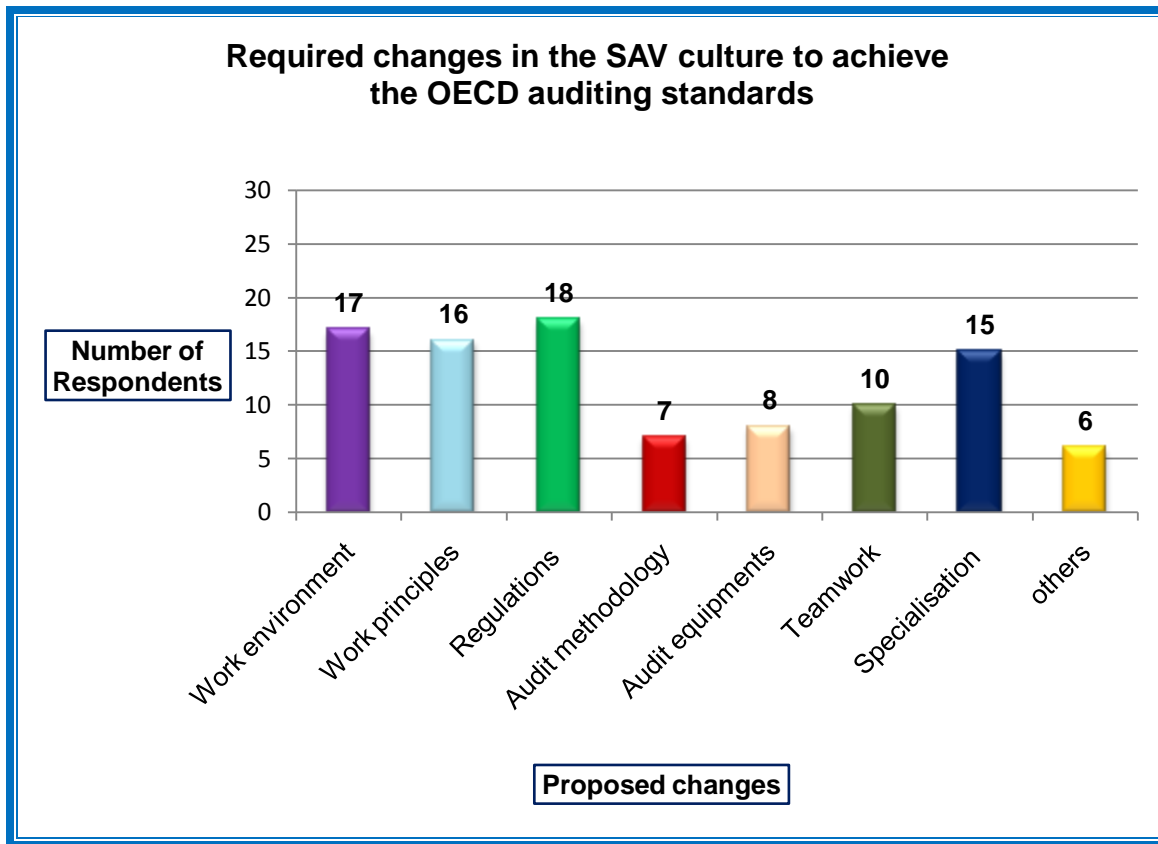


Figure 5-6: Required changes in the SAV culture to achieve the OECD auditing standards

According to Figure 5-6, 18 participants believed that changes in the SAV regulations are needed in order to achieve the OECD auditing standards. The next is changes in the SAV work environment (17 respondents), the SAV work principles (16), the SAV specialization (15 respondents), the SAV audit equipments (8 respondents) and the SAV audit methodology (7 respondents). Other issues obtained six responses.

The actions of people are affected by cultural factors. It would appear that auditors of different cultures may approach the same auditing standards in dissimilar ways. For example, according to Cowperthwaite (2010), while audit engagements are conducted in Great Britain, South Korea and France under the same global standards, the interpretation and practice of these audit engagements appear to be inconsistent due to the impact of cultural differences. Analysis of interview transcripts disclosed that there are several significant differences between SAV culture and culture of government audit offices of the OECD member countries. These differences address resources, tangible elements, outside influences on the SAV culture, cultural values and beliefs, working environment, working style and auditing methodology.

Significant differences between the SAV culture and culture of government audit offices of the OECD member countries identified by participants are resources, tangible elements and outside influences on the SAV culture. As one participant stated:

“The SAV culture is based on weak human resource quality, underdeveloped infrastructure, lack of high-quality training programs, developing economy and underdeveloped technology. In contrast, the culture of government audit offices of the OECD member countries is formed by high-quality and professional human resources quality,

strongly developed infrastructure, high-quality training programs, developed economy and modern technology” (Participant 18).

Other dissimilarities between the SAV culture and culture of government audit offices of the OECD member countries are cultural values and beliefs. For example, Participant 1 pointed out that:

“In the culture of government audit offices of the OECD member countries, professionalism, critical and innovative thinking are emphasized. In contrast, the SAV culture presents the highlights of professional experiences. I think that these cultural differences may impact how the SAV auditors implement the OECD auditing standards” (Participant 1).

In addition, there are inconsistencies in the way of thinking about time between the SAV auditors and OECD auditors. For example, as Participant 5 noted, while conception of time in culture of government audit offices of the OECD member countries is exact and absolute, the SAV culture is relative and changeable. Moreover, Participant 5, 7, 14, 17 and 23 pointed out that Vietnamese culture tends to be inter-dependent, and this cultural value is reflected in SAV culture. However, whereas the SAV auditors consider the value of the collective, the most advanced OECD member countries’ auditors highlight the individual role. For example, as one participant stated:

“Whereas judgments of SAV auditors often are based on the high unanimity of all relevant individuals, independence and self-determination of the most advanced OECD member countries’ auditors are heightened by the culture of government audit offices of the OECD member countries” (Participant 2).

In addition, as Participant 14 contended, while professional competence among auditors is emphasized in the culture of government audit offices of the OECD member countries, the SAV culture highlight a harmonious relationship and a harmonious atmosphere among auditors. This contention is in line with the findings obtained from an examination of a SAV document (2013d) that harmonious relationships and a harmonious atmosphere among the SAV auditors is emphasized in the SAV activities. The cultural differences described above may impact the implementation of the change.

Another related issue is the difference in the working environment between SAV culture and the culture of government audit offices of the OECD member countries which may be an obstacle for the implementation of the change. It was stated by several participants that the SAV attaches special importance to the balance between personal issues and work, and building a family-like work environment where SAV staff members have a strong attachment to each other (Participant 6, 10 and 19). As SAV (2013e) notes, the SAV provides special procedures and processes solving SAV staff members’ annual leave, personal

time-off without pay, stay abroad for personal reasons, sick leave, and, maternity leave. A number of participants contended that the SAV staff members are always considerate to others in the workplace. For example, one participant stated:

“Every morning, the SAV staff members often spend time on drinking tea and talking about nothing in particular, then, they return to their work. If anyone does not live in perfect harmony with other people, he/she feels it is difficult to work with other people” (Participant 13).

In addition, Participant 20 pointed out that private matters such as marriage, funeral, illness, childbirth or emotional issues of the SAV auditors may be shared with other auditors in the SAV. An analysis of a document produced by the SAV (2012g and 2013e) also shows that the work-life balance of SAV staff members is prioritised. In contrast, it was noted by a number of participants that the work-life balance is not the top priority of government audit offices of the OECD member countries. As Participant 26 stated:

“Government audit offices of the OECD member countries emphasise professionalism, effectiveness and independence, and discourage their staff members from sharing personal issues and concerns with each other in working time” (Participant 26).

Difficulties and challenges arising from differences between working style of the SAV auditors and that of auditors of the OECD member countries may be encountered in the change management process. As one participant expressed:

“In the workplace, auditors of the OECD member countries put work in the first position, highly appreciate punctuality, respect their working timetable and leave all their personal issues behind in order to concentrate on solving their assigned duties and tasks. I think that the professional working style of auditors of the OECD member countries can match the audit model combined with the OECD auditing standards and a technology-driven system. However, on the one hand, professional working style can enable auditors of the OECD member countries to improve their productivity, on the other hand, this working style hinders these auditors from sharing their personal issues and concerns with each other in the workplace” (Participant 11).

Similarly, Participant 27 commented:

“While auditors of the OECD member countries consider their working style as effective and professional and pass it on to their auditing standards, the SAV auditors may think that the working style of auditors of the OECD member countries is rigid and designed to make people work like a machine” (Participant 27).

Although applying the professional working style of auditors of the OECD member countries to the SAV may stifle emotions of the SAV auditors and induce a stressful work atmosphere, if the SAV auditors do not change their current working style, the effectiveness of the change will be lowered.

The change may bring about significant changes in the audit methodology of the SAV auditors. When the SAV implements the change, along with the development of a technology-driven system in the SAV, the SAV audit engagements may be conducted online at the SAV headquarters. However, a number of participants contended that auditing online is entirely different from the SAV traditional auditing methodology requiring SAV auditors to conduct long-time audit engagements in various provinces of Vietnam.

For example, one participant suggested:

“In order to implement the change, I think that the SAV traditional auditing methodology based on experience, manual working, fieldwork, note taking, and direct interviews and observation must be replaced with a more professional, effective and modern auditing methodology based on specialized audit software programs” (Participant 8).

In addition, Participant 4, 11 and 28 suggested that in order to facilitate auditing online in the SAV, normal signatures should be replaced with electronic

signatures. Further to that point, Participant 12 stated that when the change is implemented, instead of auditing financial statements in hard-copy format of entities being audited at their headquarters, the SAV auditors may audit those financial statements in electronic format at the SAV headquarters.

Issues arising from the analysis of interview data above can be clarified by the work of the document review. For example, while the Australian Government Audit Office, which tends to quickly adapt to fast changing audit methodologies and technology, establishes plans for audit work in detail and conducts them effectively (Dahanayake 2007), the SAV audit methodology and application of IT to the SAV audit activities has been underdeveloped (SAV 2010a). Thus, in order to implement the change, the SAV audit methodology should be changed.

The research findings discussed in this section support the opinions presented in the literature review that differences between the SAV culture and organisational culture of government audit offices of the OECD member countries have influence on the change management process (Section 2.6.3.2 of this research). Thus, cultural barriers to change having significant influences on the implementation of the change should be elaborated.

In relation to cultural barriers to change, a list of general recommendations corresponding to these cultural barriers has been formed from comments and contributions of participants. This is presented in Table 5-3.

Table 5-3: Summary of general recommendations by participants corresponding to cultural barriers to change

	General recommendations	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
1	<ul style="list-style-type: none"> The SAV should apply computerized audit methodology and modern and safe audit equipment to the SAV audit engagements 	Participant 5, 8, 16, 17, 18 and 23
2	<ul style="list-style-type: none"> The SAV should strengthen professionalization in auditing activities and improve transparency in the SAV audit information and activities 	Participant 1, 13, 14, 16 and 30
3	<ul style="list-style-type: none"> The SAV should change the concept of working time from relative time to absolute time 	Participant 3, 5, 14 and 27
4	<ul style="list-style-type: none"> The SAV should establish a computerized work environment in order to implement new standards 	Participant 3, 6, 8, 14 and 27
5	<ul style="list-style-type: none"> The work-life balance of the SAV staff members should be considered in the change management process 	Participant 2, 5, 6, 7, 10, 13, 14, 17, 19, 20, 23 and 27

These recommendations should be taken into account in proposing a strategic model to change the audit process of the SAV.

5.2.3. Section conclusion

This theme relating organisational culture is relevant to the implementation of change which identifies cultural differences in the work environment, work principles, specialisation, audit equipment and audit methodology between the SAV and government audit offices of the OECD member countries. Thus, the SAV culture should be changed in order to implement the OECD auditing standards. However, as one participant stated:

“The SAV culture has been formed, consolidated and developed by many generations of the SAV staff members and has a strong influence on all the staff members. Changing the current SAV staff cultural values will present and challenge. Although the SAV culture would need to change to achieve the OECD auditing standards, I think that it is time-consuming and requires determination on the part of all SAV staff members” (Participant 29).

5.3. Theme 3: Technological barriers to change

Application of auditing technology is becoming essential (NASCSRV 2010). Although the application of IT to auditing is required for change, it may be a double-edged blade. As one participant contended:

“If the SAV manages the application to IT to auditing effectively, it will significantly contribute to the success of the change. In contrast, if the SAV does not manage that well, application of IT to auditing might bring complex issues to the change” (Participant 3).

5.3.1. Application of IT software to the SAV activities

Auditing methodology strongly supported by IT software may be different from the SAV traditional audit methodology in the aspects of the nature, time and scope of audit procedures. For example, as Participant 6 pointed out:

“The new auditing methodology might provide evidence over different periods for continuous and consistent activities, and enable the auditor to conduct a comparative method of studying different processes and information and analysing interactive relationships among these and to reuse their prior audit outcomes with an unchanged IT system environment” (Participant 6).

In addition, IT audit techniques might save time and financial and human resources for the government, creating benefits for economy (Office of Comptroller and Auditor General of India 2002). However, as one participant argued:

“The audit system of the most advanced OECD countries tends to be supported and compatible with application of IT software to auditing. This thus facilitates them in developing strong audit standards. In contrast, the SAV IT infrastructure is not so developed that it can aid the SAV’s auditors in implementing audit engagements effectively and strongly with IT software” (Participant 10).

That point of view is supported by the study of a document of the NASCSRV (2010). The NASCSRV (2010) states that the SAV IT infrastructure and computerization of the SAV audit activities should be improved in order to meet with the development of the SAV.

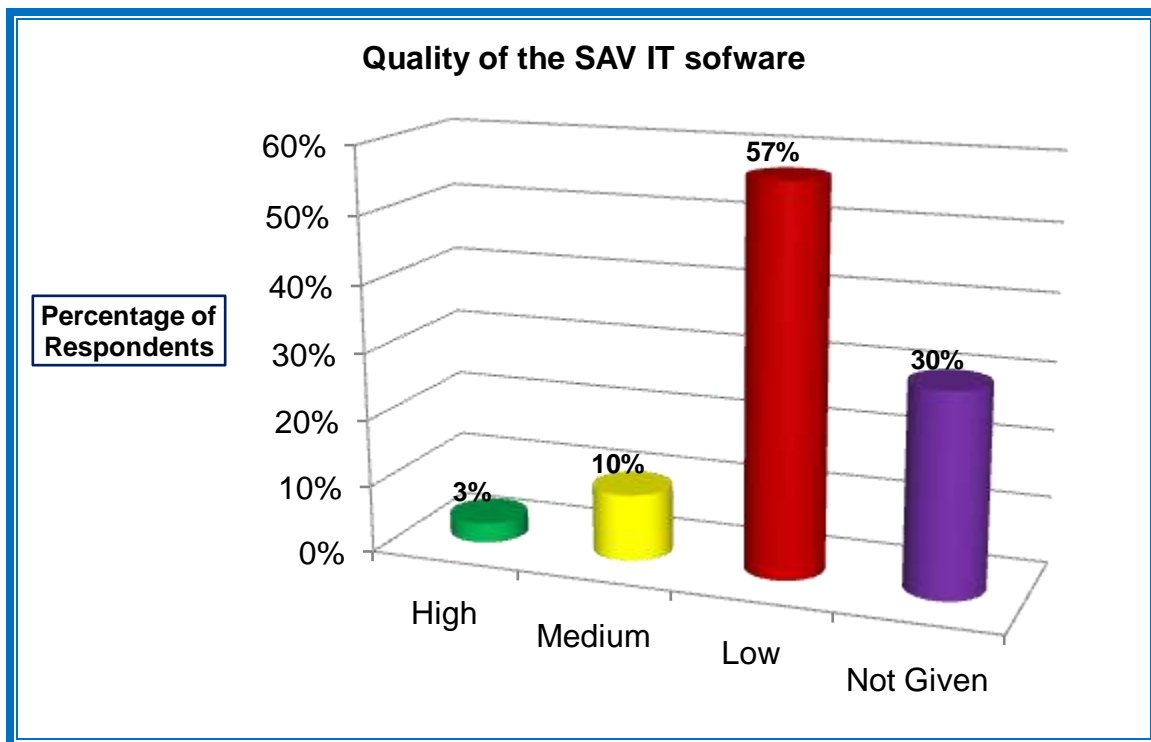


Figure 5-7: Quality of the SAV IT software

As shown in Figure 5-7, while 57% of respondents expressed their view that the quality of the SAV IT software is low, only 3% of respondents thought that this is high. Therefore, much emphasis should be laid on improving the quality of the SAV IT software in order to meet with the requirements of the change.

Application of IT software to activities of the SAV departments has limitations and weaknesses and has not met with the requirements of the change. Multiple participants contended that only a few simple software programs are used in the SAV. For example, Participant 19 pointed out that the SAV has only IT software programs such as document and personnel management software, SAV website and email systems support software. The examination of a document produced by the SAV (2009c) indicates that the SAV has deployed software programs that manage and monitor the implementation of the executive direction through the SAV highest-ranking managers. These software programs aid the SAV managers in timely and adequately grasping commands, requirements and directions of the SAV highest-ranking managers and managing and monitoring the progress and implementation of these commands, requirements and directions (SAV 2009c).

The application of this software program has marked an obvious advance in computerizing the SAV activities and enhances the leadership of the managers of the SAV and its executive management and their performance. However, an examination of the documents (SAV [2010a] and NASCSRV [2010]) shows that

the SAV lacks IT security software, network security software and network management software. As the NASCSRV (2010) notes, application of IT software to activities of the SAV departments is becoming increasingly vital for the SAV.

There is an increasing demand of application of audit software to the SAV audit activities. As several participants contended, when conducting audit engagements, the SAV auditors face IT difficulties and challenges because the multiple entities being audited have computerized their accounting activities. For example, Participant 29 stated that all transactions, internal control procedures, accounting activities and management are computerized in entities being audited such as banks, treasury and joint stock companies. Several participants (2, 3 and 22) recommended that in order to conduct audit engagements in an IT environment, it is necessary for the SAV to provide its auditors with modern and professional audit software programs. The NASCSRV (2010) indicates agreement over this recommendation.

Many participants contend that application of audit software to the SAV audit activities will bring benefits to the SAV. For example, as one participant stated:

“Applying audit software programs to the SAV audit activities can effectively aid SAV auditors in analyzing and assessing audit data and risks. In addition, I believe that application of audit software programs to the SAV audit engagements can aid the SAV managers in making decisions about

audit programs and planning which make it suitable for all kinds of auditing”
(Participant 6).

Likewise, Participant 28 contended that IT software can be used to strengthen the effectiveness of SAV audit activities:

“I think that application of audit software programs to the SAV audit activities will facilitate the SAV auditors in synthesizing audit data, gathering statistics and comparisons and counting ratios. On the one hand, these programs can be used to support the arguments and judgments of auditors of the SAV. On the other hand, through examination of these programs, the SAV supervisors and managers can be provided with information and data involving the SAV auditors, audit teams and divisions and know whether or not these auditors, audit teams and divisions comply with the SAV regulations, principles and standards when they conduct audit engagements. Thus, the timely intervention of the SAV may prevent violation” (Participant 28).

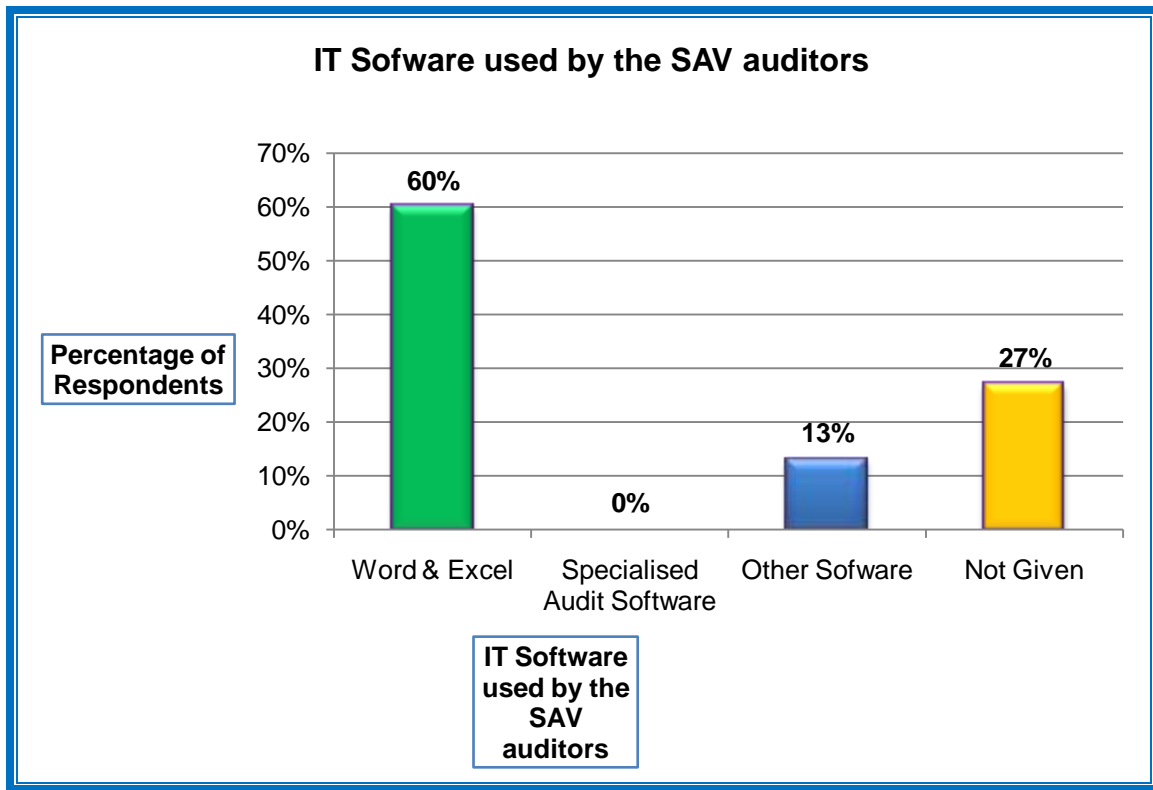


Figure 5-8: Utilisation of Software to auditing in the SAV

According to Figure 5-8, the most popular software programs used by the SAV auditors are simple software programs such as Word and Excel. However, no respondent mentioned utilization of specialised audit software in the SAV. According to the NASCRV (2010), application of audit software to the SAV activities could be improved.

Application of IT software to the SAV audit activities has not been developed. Multiple participants contended that MS Excel and MS Word are the main software programs used by the SAV auditors in order to conduct calculations, data collection, synthesis and analysis, and make audit reports to the SAV audit

engagements. Most participants supported the fact that the SAV has not applied any modern and professional audit software programs to its audit engagements. Participant 14 further commented that there are only few Specialised Audit Departments of the SAV applying simple software for statistics programmed by the SAV auditors.

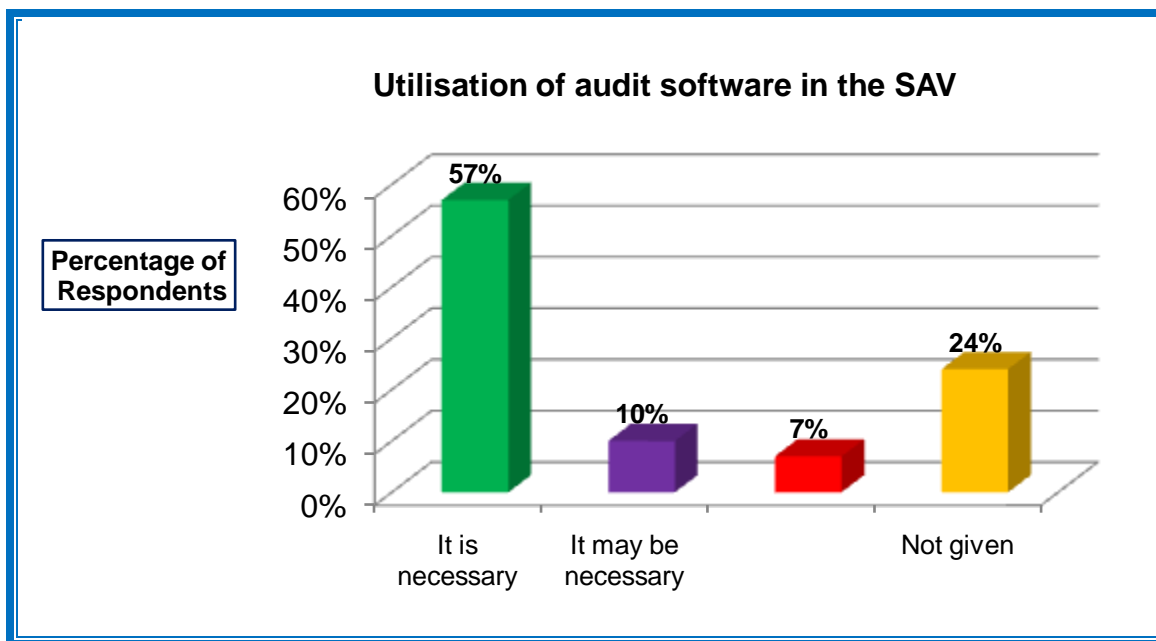


Figure 5-9: Demand of utilisation of audit software in the SAV

Figure 5-9 shows a high demand of utilisation of audit software in the SAV. While fifty seven percent of respondents thought that it is necessary to apply audit software to auditing in the SAV, a very small percentage of respondents (seven percent) agreed that it is unnecessary.

It is worth noting that no specialised audit software programs have been used in the SAV. As Participant 18 stated:

“The SAV has not had specialised audit software programs for auditing and audit fields. The SAV audit activity management, planning, monitoring and supervising audit engagements and synthesising SAV audit results are implemented without audit software programs” (Participant 18).

Lack of audit software programs used for the SAV activities may involve the cost of time and effort to individuals.

In this section, research findings are aligned with previous attempts in the literature review (Section 2.6.1.1 of this research) demonstrating that application of software programs, especially audit software programs to the SAV activities has not been developed.

In relation to the issue of application of IT software to the SAV activities, a list of general recommendations corresponding to this issue has been formed from the comments and contributions of participants. This is in Table 5-4.

Table 5-4: Summary of general recommendations by participants corresponding to application of IT software to the SAV activities

	General recommendations	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
1	<ul style="list-style-type: none"> The SAV should plan application of IT software to SAV IT network and IT security 	Participant 2,3,6, 22 and 29
2	<ul style="list-style-type: none"> The SAV should reconsider which software programs need to be purchased, which software programs can be upgraded and whether or not its current software programs are compatible with new IT infrastructure 	Participant 3, 5, 10, 21 and 29
3	<ul style="list-style-type: none"> The SAV should improve and supplement software programs for executive management, document and personnel management and apply these software programs to all departments of the SAV 	Participant 6, 10, 18 and 28
4	<ul style="list-style-type: none"> The SAV should apply IT software for synthesis of SAV audit outcomes and monitoring and managing implementation of recommendations of the SAV in an adequate and timely manner 	Participant 3, 6,14 and 28

Application of audit software programs to the SAV audit activities received multiple suggestions and recommendations from participants. First, Participant 30 recommended that the SAV should establish an audit software application

model covering processes, guidance, regulations and methodologies of application of audit software to SAV audit activities.

Second, several participants (Participant 1, 16 and 21) suggested that the SAV should establish various audit software programs corresponding with its audit specializations. An analysis of documents produced by the SAV (2012a, 2012b, 2013a, 2013b and 2013c) suggests that there are numerous kinds of auditing, and audit processes, procedures and methodologies. These are applied to various audit fields such as audits for national budget, capital infrastructure investments and projects, banks and financial institutions, and State-run economic groups and corporations. An examination of the documents produced by the SAV (2012a, 2012b, 2013a, 2013b and 2013c) shows that the audit processes, procedures and methodologies are dissimilarly implemented for every audit field. For example, there are different forms of state-run economic groups and corporations such as service, manufacturing and public welfare corporations (SAV 2012b). Similarly, audits for the national budget can be divided into province provincial, district, commune budget audits (SAV 2013c).

Third, as Participant 16 suggested application of audit software programs should cover all specialised audit fields of the SAV:

“I think that the SAV should equip every specialised audit field with at least one appropriate specialised audit software program. For example, these

include specialised software programs for auditing the central budget of ministries and sectors with nationwide and/or macroeconomic functions, capital infrastructure investments and projects, industrial and civil investments and projects, State-run economic groups and corporations, banks and financial institutions” (Participant 16).

Finally, Participant 20 and 28 recommended that the SAV should provide its auditors with specialised audit software programs for all kinds of auditing such as a compliance audit, financial audit, performance audit and IT audit software programs, and specialised audit software programs for all phases of audit process such as planning, fieldwork, reporting and follow-up phases.

This section underlines application of various software programs to SAV activities recommended by respondents. These recommendations should be studied in proposing a strategic model to change the audit process of the SAV.

5.3.2. Required changes in the SAV IT hardware to implement the change

Although the SAV has emphasized investments on its IT infrastructure, the SAV IT hardware is weak and incompatible with the requirements for the change. For example, Participant 8 stated that the SAV auditors have not been adequately equipped with laptops and other IT devices when they conduct audit engagements. That statement is in line with the findings of the SAV (2010a) that

the SAV lacks servers and data backup systems and has underdeveloped network devices. In addition, the SAV (2010b) notes that the average rate of computer per staff of the SAV is 68%; average rate of laptop per staff of the SAV is 52%; average rate of printer per staff of the SAV is 16%. However, that average rate of computer per staff of the SAV is 68% is lower than that rate in the Vietnam Government Ministries (80%). This is presented in Figure 5-10.

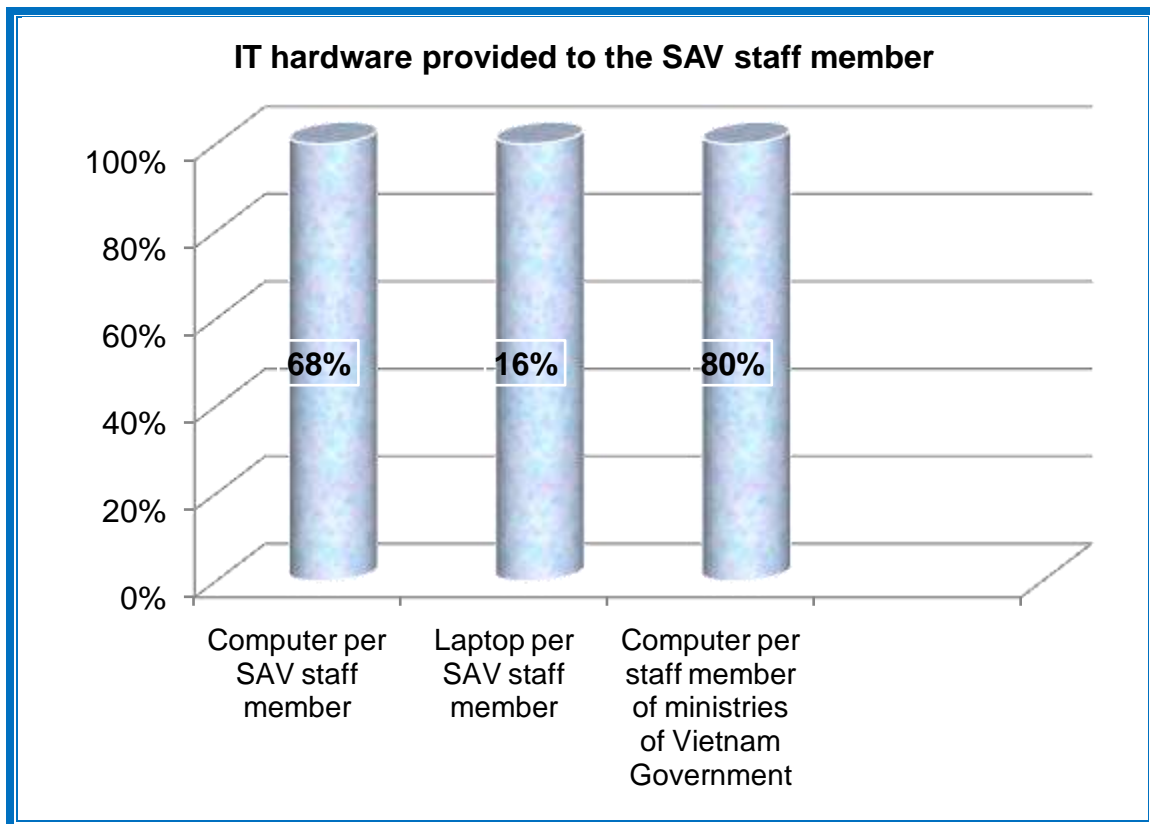


Figure 5-10: IT hardware provided to the SAV staff member (Adopted from the SAV [2010a])

Regarding the SAV IT hardware in relation to the implementation of the change, a number of participants recommend that the SAV needs to upgrade all of its IT devices and especially emphasise the significance of IT devices used for the SAV audit activities. As Participant 6 suggested, when implementing the OECD auditing standards, the SAV auditors should be provided with specialised and modern laptops and appropriately installed audit software programs. In addition, it was suggested by several participants (18, 22 and 26) that the SAV should establish appropriate and adequate IT hardware development policies. These changes in the SAV IT hardware will bring positive outcomes to the SAV audit quality and effectiveness and support the change management process.

It is worth noting that the research findings regarding the SAV IT hardware concurs with previous research in the literature review. For example, the SAV IT hardware has been underdeveloped and is incompatible with the requirement of the change (Section 2.6.1.2 of this research). Thus, modifications in the SAV IT hardware should be considered in the change management process.

5.3.3. Developing a strong electronic database system for the change

The implementation of the change requires that the SAV develops a strong electronic database system. Participant 29 contended that the establishment of an electronic database system which is consistent with the need for change can

improve the quality and effectiveness of the SAV activities. Participant 7 concurred with this contention and pointed out that:

“Electronic documents and evidence such as electronic audit reports, audit evidence, audit statements can be stored in the SAV electronic database system and communicated via common network system connecting the SAV with entities being audited and other relevant organizations” (Participant 7).

Participant 12 provided an example of the benefit of application of a strong electronic database system to the SAV:

“The audit data and other relevant documents are available in the SAV electronic database system. It can facilitate the SAV auditors in conducting statistical works or searching for necessary documents or calculating ratios and figures suitable with specific purposes of every auditor as well as every audit engagement” (Participant 12).

Similarly, Participant 3 stated that the electronic database system can ensure timely and exact information for the SAV managers. However, as Participant 7 argued, whereas government audit offices of the most advanced OECD countries have developed strong and effective electronic database systems, the SAV electronic database system has been underdeveloped. The analysis of a document of the SAV (2012c) discloses that the SAV data storage that records entities being audited and audit results is mainly managed in hardcopy format.

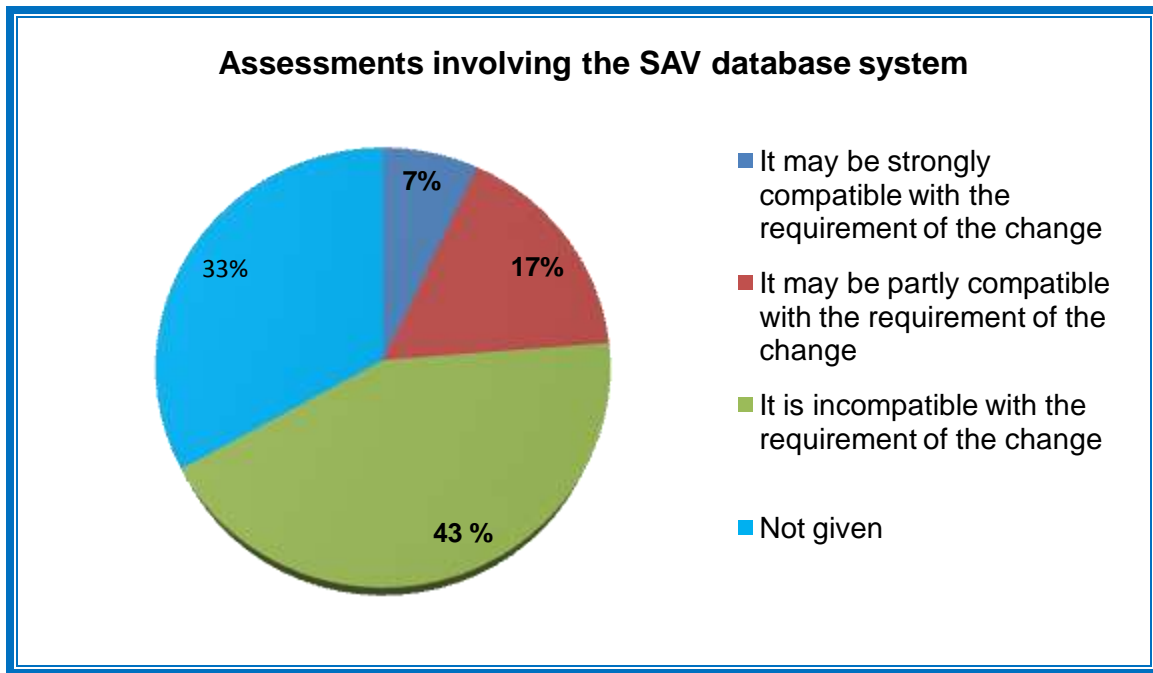


Figure 5-11: Assessments about the SAV database system

According to Figure 5-11, made up of thirty respondents, 43% of the respondents thought that the SAV database system is incompatible with the requirements of the change, 17% of respondents thought it may partly compatible, 7% believed that it is strongly compatible and 33% had no idea. The examination of these figures indicates that the SAV has not developed a strong database to facilitate the implementation of the change. Thus, the SAV should to take its database system into account when it implements the change.

It is worth noting that this section provides further information about the role of electronic databases in the change management process mentioned in the literature review (Section 2.6.1.3 of this research).

In relation to the database system, a list of general recommendations corresponding to the establishment of a strong electronic database system for the SAV has been formed from comments and contributions of participants. This can be presented in Table 5-5.

Table 5-5: Summary of general recommendations by participants in relation to developing a strong electronic database for the change		
	General recommendations	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
1	<ul style="list-style-type: none"> The SAV should develop a strong electronic database system similar to the electronic database system model of government audit offices of the OECD member countries in order to serve the various usage requirements of the SAV 	Participant 3, 6, 7, 12, 17, 23 and 29)
2	<ul style="list-style-type: none"> The SAV should improve and upgrade databases for auditing, entities being audited and audit records 	Participant 3, 7, 12 and 28
3	<ul style="list-style-type: none"> The SAV should be consistent in developing its electronic database system with developing SAV IT security, network systems, data processing tools and devices 	Participant 3, 7, 12, 16 19 and 29)

These recommendations should be considered in proposing a strategic model to change the audit process of the SAV.

5.3.4. Obstacles to the change arising from limitations and weaknesses of the SAV network system

While building a synchronous, appropriate and strong network system connecting the SAV with the entities being audited and other relevant organisations is a need for the change, it is very complicated and time-consuming. As one participant expressed:

“In order to implement the change, the network system connecting the SAV with entities being audited and other relevant organizations must be integrated with a wide range of systems such as auditing and accounting information systems, data systems, data management systems, network management systems, information exchange systems between the SAV and entities being audited and other relevant organisations. I think that building such network system is difficult and challenging needing the support of not only the SAV but also the entities being audited and other relevant organizations” (Participant 24).

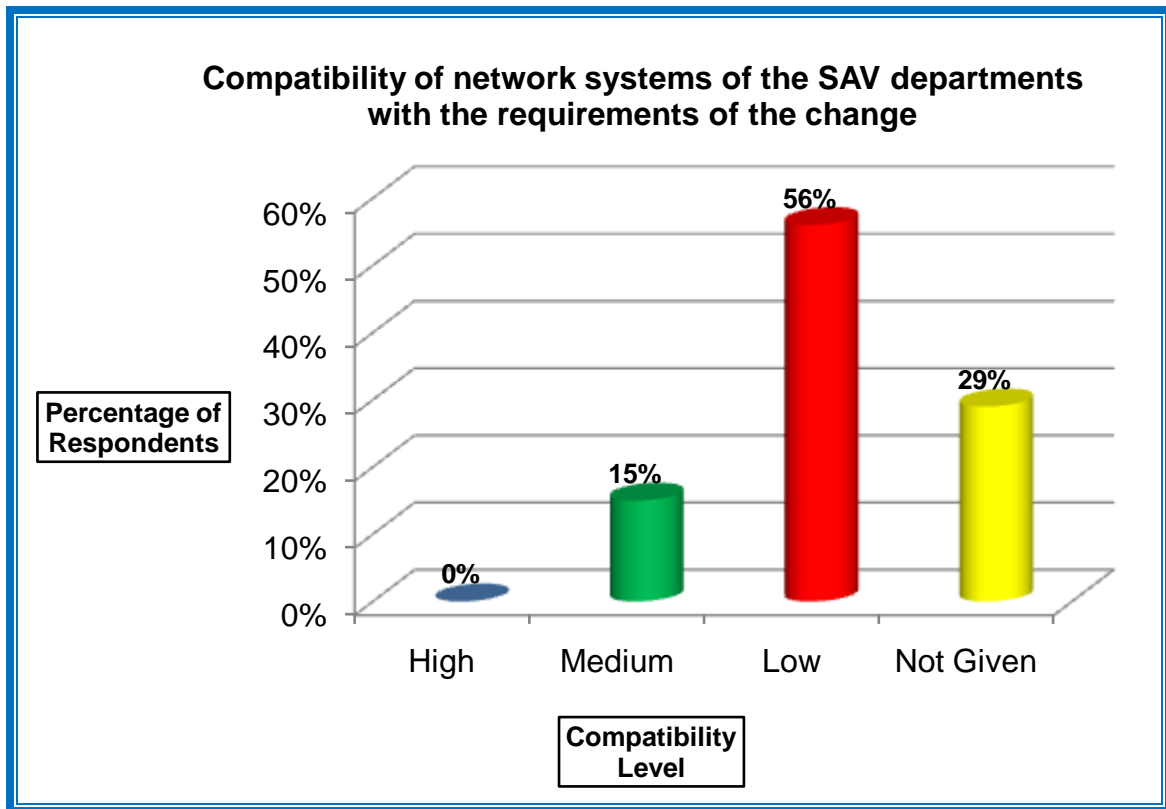


Figure 5-12: Compatibility of network systems of the SAV departments with the requirements of the change

As shown in Figure 5-12, while 56% of respondents stated that the SAV network systems are less compatible with the requirements of the change, no one agreed that the SAV current network systems can meet the goal without changes and modifications. These research findings indicate a big gap in the network management capacity between the SAV and government audit offices of more developed countries.

As Participant 8 and 30 contended, while the SAV websites partly meet the requirements of publishing information of the SAV, online public services on these websites have not been emphasised. That point of view was supported by the work of the document review. The SAV (2010a) reveals that the SAV network system has been established, all the SAV computers are connected to Internet. Information Technology Centre of the SAV plays an important role in controlling and supervising SAV network systems. However, according to the SAV (2010a), some newly established departments have not had a local area network; the local area networks used in Regional State Audit Offices of the SAV are mostly underdeveloped. In addition, as the SAV (2010a) notes, the SAV data backup system and comprehensive network monitoring tools should be improved in order to ensure effectiveness of the SAV network system. Those limitations and weaknesses in the SAV network system may negatively impact information and data to exchange for the SAV.

It can be said that the research findings relating to this section clarifies limitations and weaknesses in the SAV network system implied in the literature review (Section 2.6.1.3 of this research). In relation to the SAV network system, a list of general recommendations corresponding to improving this network system to implement the change has been formed from comments and contributions of participants. This can be presented in Table 5-6.

Table 5-6: Summary of general recommendations by participants corresponding to obstacles to the change arising from limitations and weaknesses of the SAV network system

	General recommendations	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
1	<ul style="list-style-type: none"> The SAV should apply modern methods, procedures and IT tools to the SAV network management 	Participant 5, 16, 23 and 24
2	<ul style="list-style-type: none"> The SAV should ensure its network system is well operated, managed and maintained in order to aid the SAV auditors in auditing online and to facilitate the SAV and other relevant organizations in managing and supervising the SAV audit activities 	Participant 7, 16, 17, 21 and 30
3	<ul style="list-style-type: none"> The SAV should build a strong integrated network system management centre in order to manage and monitor sharing data, information and services among the SAV, entities being audited and relevant organisations. 	Participant 4, 9, 21 and 29

These recommendations should be taken into account and studied before proposing a strategic model to change the audit process of the SAV.

5.3.5. IT security problems to the change

Threats to IT security impacting networks, data, IT hardware and software are increasingly complex. When the SAV implements the change, various IT security problems will be encountered. This is presented in Figure 5-13.

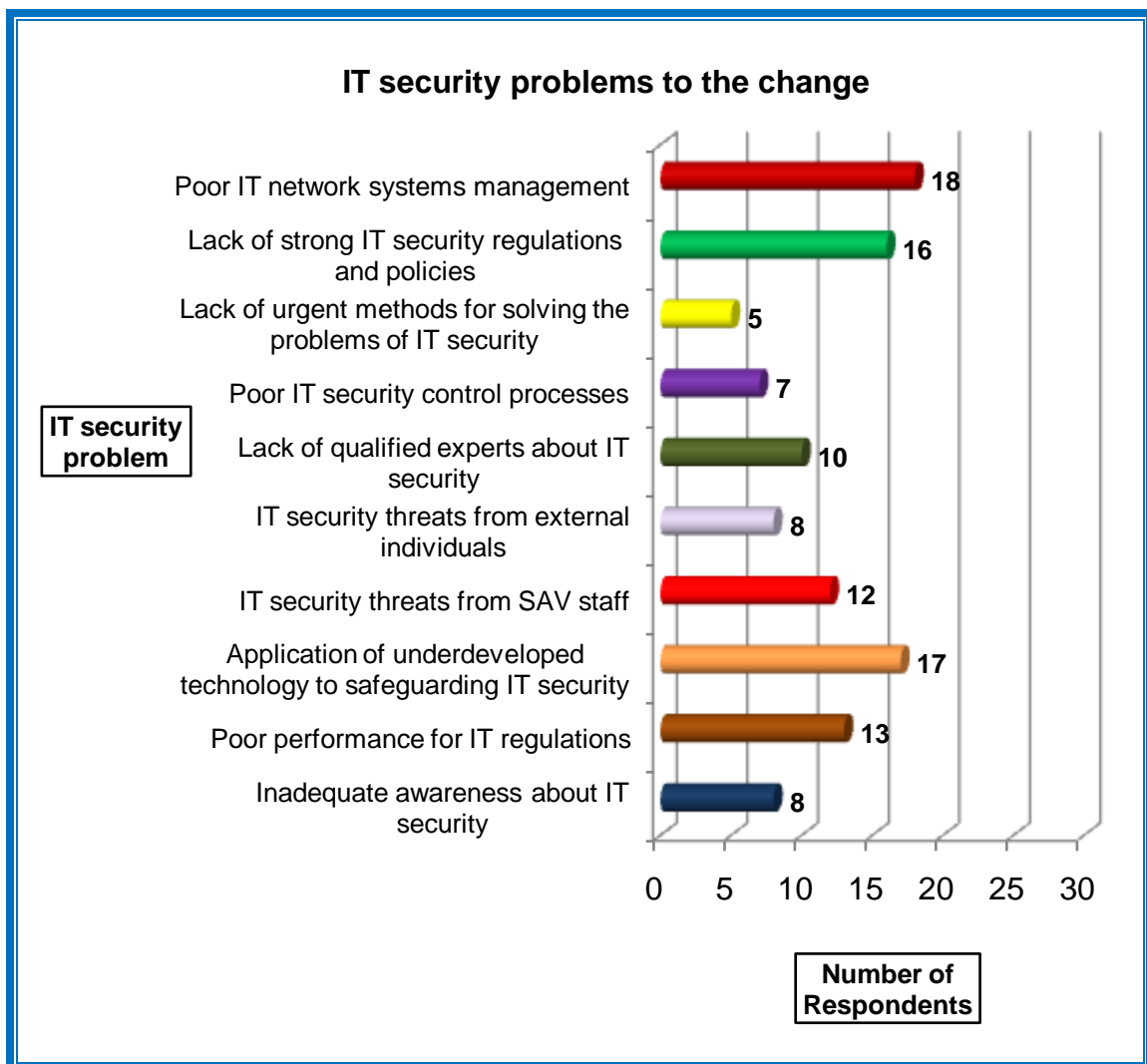


Figure 5-13: IT security problems to the change

As shown in Figure 5-13, a wide range of IT security issues to the change was mentioned and suggestions were given by respondents. Of these issues, poor IT network systems management (eighteen responds), application of underdeveloped technology to safeguarding IT security (seventeen responds) and lack of strong IT security regulations and policies (sixteen respondents) is presented as significant problems of the SAV IT security.

IT security is one of the biggest challenges of the change. According to the NASCSRV (2010), the application of IT to SAV audit activities must be combined with safeguarding IT security for SAV databases and network systems. As Participant 25 stated:

“I think that IT security is a big challenge for not only SAV but also all government audit offices in the most advanced countries. Although the SAV may face the same IT security situation as government audit offices of the most advanced countries, when the change is implemented, the SAV IT security safeguard exposes more limitations and weaknesses than those of government audit offices” (Participant 25).

First, the SAV staff members have a misconception of IT security safeguarding. This may be one obstacle for the implementation of the change. For example, Participant 9 contended that while IT security is a big challenge when the SAV implement the OECD auditing standards, the SAV IT security is not enforced by

its staff members. Participant 9's contention reflected the point of view of many participants that the SAV staff members may have misconceptions about IT security, for example:

- Safeguarding IT security is task of the SAV IT staff but not the SAV auditors and managers (Participant 5, 9 and 24)
- IT security threats from outside are the most dangerous (Participant 14 and 26)
- IT security only involves the SAV network system (Participant 6 and 12)
- Modern technology can solve all problems arising from IT security. The SAV do not need to safeguard its IT security through its IT staff, policies, regulations and management systems because technology advances increasingly safeguard the IT security (Participant 5, 19 and 28)

Second, the SAV IT security threats may arise from its staff members who have a lack of awareness about IT security threats. If the change happens, laptops of the SAV auditors and managers will only have software programs installed by the SAV IT staff or authorized individuals. However, as one participant stated:

"I know that the SAV auditors and managers are user-friendly because they can install software programs on their own laptops. Installation and modification of software used in the SAV auditing activities such as MS Word, MS Excel and Antivirus software programs are entrusted to auditors, many of whom lack awareness of IT security" (Participant 15).

The action described above may expose the SAV auditor's laptops to severe security risks and this should be taken into account in the change management process.

As several participants (4, 18 and 25) note, although installing standardized software programs on laptops of the SAV auditors is a task and responsibility of the SAV IT staff, the SAV auditors might feel annoyed and may not even consent the SAV IT staff or authorized individuals installing any software programs on to their laptops. One participant explained:

“The SAV auditors’ rejection of software programs being installed on their laptops by SAV IT staff or authorized person is because these auditors are afraid that with that, they will lose their privacy and are being supervised and monitored by the SAV IT staff and authorized individuals” (Participant 18).

The SAV auditors might invent numerous reasons to delay or refuse installing software programs on to their laptops. For example, Participant 10 pointed out:

“The SAV auditors may argue that laptops used to implement audit engagements are purchased by them. Another possible argument of the SAV auditors is that the SAV has not established consistent and strong IT security policies and regulations in order to enforce all the SAV staff members to rigorously comply with these policies and regulations” (Participant 10).

However, whether the SAV auditors comply or not comply with IT security regulations and policies has an influence on the implementation of the change.

Third, the change may face the IT security vulnerabilities arising from a technology gap between the SAV and advanced countries. For example, As Participant 17 stated:

“While the SAV has a limitation in the application of technological advances to safeguard its IT security, multiple different sophisticated methodologies used to attack IT security systems has been increasingly developed by hackers. Hackers may even attack the SAV network system with simple tools on the internet” (Participant 17).

In addition, Participant 11 contended that anti-virus systems for the SAV do not cover all aspects of the SAV IT systems. Participant 3 and 21 concurred with this contention and is of the opinion that the SAV has not applied technological advances to safeguarding IT security, compared to that of audit organisations of advanced countries in the OECD. As the SAV (2010b) states, the SAV IT security development project is in the phase of research.

Fourth, data security threats may arise from internal and external individuals of the SAV and from security leaks of integrated network systems. As one participant contended:

“The SAV lacks strong and specific data security policies and regulations preventing auditors or unauthorized individuals from accessing other auditors’ laptops. When the change is implemented, a common network system linking the SAV with entities being audited and other relevant organizations is established. However, IT security for that network system may be at risk if there are breaches of network security from any relevant organizations and individuals” (Participant 20).

As Clarke (2001) notes, auditing systems face the inherent risk of inappropriate actions; in other words, IT security may meet with potential threats arising from the intentional and unintentional acts of the people involved.

The further complication to the matters expressed by several participants (2, 13 and 25) is that hackers may break into the SAV IT network to take classified data and use this for negative purposes. To ensure the SAV IT security, Participant 10 contended that using up-to-date and safe IT security software programs may minimise the damages caused by hackers. Although several participants (1, 8, 22 and 26) concurred with the above contention, they pointed out that applying

those IT security software programs to the SAV activities have not been emphasised. As one participant claimed:

“While IT security can be strengthened by utilisation of licensed copies of software without installed virus threats, these licensed copies of software have not been fully emphasized in Vietnamese organizations in general and in the SAV in particular” (Participant 8).

Although information technology is a key element in ensuring auditing information security, its exploitation and utility depend on the knowledge and understanding of auditors. According to Clarke (2001), auditing information security may be threatened because it is ultimately managed and controlled by people. It can be argued that the audit information system may be vulnerable because of people who either lack the necessary capacity and skills or who have high expertise but weak professional ethics exploiting audit information security gap for their own advantage or other negative purposes. For example, in the process of conducting audit engagements at the Enron corporation (a well-known and huge global energy- trading company), the independent auditors, who lacked integrity, transparency, independence and objectivity, ignored a variety of irregular and suspect accounting reports highlighted by the auditing information security system and through their actions were responsible for bringing the corporation to the verge of bankruptcy (Sridharan et al. 2002). Thus, while information

technology may effectively support system security, the people involved can compromise this security.

There are numerous reasons why the SAV IT security has limitations and weaknesses. First, Participant 7, 11, 13 and 18 pointed out that the SAV has not established appropriate IT security development strategy. Second, Participant 6, 8 and 27 contended the SAV has not had IT security specialised training programs that can provide its staff members with adequate knowledge and skills about IT security. Third, it was said by one participant:

“The SAV lacks qualified IT security specialists, a strong IT security control process and urgent methods for solving IT security problems, as well as strict regulations and policies about its IT security and IT network systems management” (Participant 29).

Another important issue is that there should be an assurance that the financial resources will be improved. However, as one participant stated:

“While the SAV budget for IT development is low, expenses for IT security are quite high. Thus I think that it is difficult for the SAV to implement adequate and appropriate investment for its IT security” (Participant 4).

Required financial resources to improve SAV IT security will be further discussed in Section 5.4.1.

The research findings discussed in this section clarify IT security problems impacting the change and address the need of safeguarding the SAV IT security to facilitate the implementation of the OECD auditing standards. These findings indicate agreement over previous attempts by the literature review (Section 2.6.1.4 of this research). Finding a way to curtail and eradicate threats to the SAV IT security is an expectation of not only the researcher but also of the majority of respondents.

In relation to IT security problems to the change, a list of general recommendations corresponding to these problems has been formed from comments and contributions of participants. This is presented in Table 5-7.

Table 5-7: Summary of general recommendations by participants corresponding to IT security problems to the change		
	General recommendations	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
1	<ul style="list-style-type: none"> Safeguarding IT security should be considered the responsibility and duty of all staff members of the SAV 	Participant 4, 5, 9, 15,18, 24 and 25
2	<ul style="list-style-type: none"> The SAV auditors need to strictly comply with IT security policies and regulations such as regulations involving access and processing of audit data or utilizing laptops and other IT devices 	Participant 5, 6, 14, 15, 19, 24, 26 and 28
3	<ul style="list-style-type: none"> The SAV should apply the most technological advances to its IT security. 	Participant 3, 10, 11, 17, 20 and 25
	<ul style="list-style-type: none"> The SAV should use proper and safe software programs for all audit engagements. 	Participant 1, 4, 8, 22 and 26

These recommendations should be taken into account and studied in proposing a strategic model to change the audit process of the SAV.

5.3.6. IT risks to the change

There are various IT risks arising from different sources both inside and outside of the SAV. For example, as one participant stated:

“I think that frequent risks involving lax security measures such as no passwords or no identifier do not pose much damage to the current system. In contrast, rare lax security measures such as not observing the occupational laid back/relaxed health and safety policies (e.g., smoking) do cause significant damage” (Participant 10).

Similarly, as Participant 23 noted, while there are IT risks that stakeholders may prevent if they are detected in time. There are some IT risks that stakeholders may find acceptable and be prepared to cope with. In general, the key causes of IT risks discussed by participants may arise from the working environment, technology and people.

IT risks to the change may arise from equipment with no security in a working environment and non-utilization of appropriate technology. Environmental risks to SAV IT systems presented by a number of participants include: imperfect support conditions for developing the SAV IT network system, an unqualified working environment, underdeveloped legal framework and political issues. For example, Participant 6 pointed out that IT risks may involve an IT systems development

plan, processes, regulations, methodologies and supervisions. In addition, as one participant stated:

“In conducting audit engagements in a computer information environment, audit risk might arise from limitations, weaknesses and inadequacy in audit software programs, computer files, databases, systems support software tools and IT systems and networks” (Participant 20).

Another issue is that the human factor has a significant influence on IT risks. A number of participants contended that IT risks may arise from limitations and weaknesses in SAV human resource quality and working methodology. For example, Participant 14 pointed out that IT risks concerning the change may arise from improper IT managerial style and methodology of the SAV IT staff, auditors and managers. In addition, as Participant 26 stated:

“Developing a technology-driven system, which is a complex and difficult mission, requires SAV IT staff to obtain a high level of IT knowledge and skills. Lack of IT knowledge and skills may prevent the SAV IT staff from accomplishing their assigned IT tasks” (Participant 26).

It is noted by a number of respondents that there are potential IT risks involving weak foreign language competence of the SAV IT staff. An example of IT risk arising from poor foreign language competence of the SAV staff members was provided by one participant that:

“Communications between the IT experts of the SAV and foreign IT experts often have to be aided by translators because most IT experts of the SAV are not good at the English language. Thus, if translators have no adequate IT knowledge and experience, they may communicate wrong or inadequate information or confusion stakeholders” (Participant 30).

An analysis of interview transcripts showed a list of potential IT risks in the change management process:

- New IT devices and facilities does not match the SAV IT infrastructure (Participant 3, 7 and 29)
- Hardware configuration of laptops provided to the SAV auditors is not compatible with specialized audit software programs (Participant 14)
- Specialized audit software programs run ineffectively on these laptops (Participant 25)
- Software programs may contain errors (Participant 12 and 18)
- Technical risk problems may arise from incompletely established IT network systems (Participant 7)
- The SAV lacks backup systems and lack of software programs due to the boundaries of copyright law (Participant 27)

In this section, the research findings reinforce the literature review that IT risks to change is a significant challenge (Section 2.6.1.4 of this research). When implementing the OECD auditing standards, the SAV should take IT risks into

account. As Participant 15 stated, 'IT risks are unavoidable in the change management process. If the SAV does not identify and control these risks, the success of the change may be threatened'.

5.3.7. Obstacles to the change arising from limitations and weaknesses in the SAV IT human resources

Although technology is a key element in ensuring IT security, its exploitation and use significantly depend on the knowledge and understanding of the SAV IT human resources. However, quantity and quality of the SAV IT human resources do not correspond with requirements of development of the SAV and the change. This can be presented in Figure 5-14.

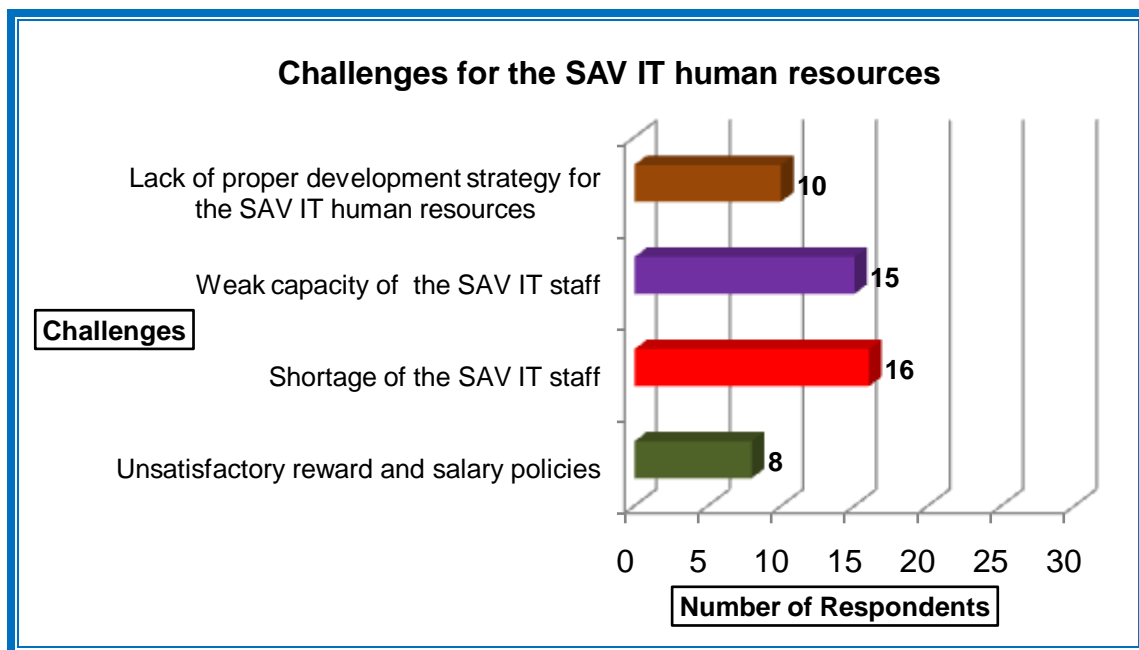


Figure 5-14: Challenges for the SAV IT human resources

According to Figure 5-14, of 30 respondents, 16 respondents expressed the opinion that there is a shortage of SAV IT human resources, 15 respondents thought the capacity of the SAV IT staff is weak. In addition, lack of proper development strategy for the SAV IT human resources (10 respondents) and unsatisfactory reward and salary policies (8 respondents) were shown as challenges for the SAV IT human resources. This indicates that the change may face challenges arising from weaknesses and limitations in the SAV IT human resources.

The SAV lacks IT human resources, especially high-quality IT human resources in order to meet requirements of IT audits (SAV 2010a). As Participant 12 pointed out,

“I think that the weaknesses and limitations in IT human resources quality of the SAV may arise from a lack of appropriate and effective IT training programs. The SAV IT staff has not been well trained due to a lack of appropriate IT learning and teaching equipment and experienced IT lecturers and the SAV underdeveloped IT infrastructure” (Participant 12).

In this section, the research findings regarding the SAV IT human resources in relation to the change indicate agreement over previous attempts by the literature review (Section 2.6.1.5 of this research).

In regard to obstacles to the change arising from limitations and weaknesses in the SAV IT human resources, a list of general recommendations corresponding to these obstacles has been formed from comments and contributions of participants. This can be presented in Table 5-8.

Table 5-8: Summary of general recommendations by participants corresponding to obstacles to the change arising from limitations and weaknesses in the SAV IT human resources		
	General recommendations	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
1	<ul style="list-style-type: none"> The SAV should improve its IT human resources quality and recruit high-quality IT personnel in order to meet with the requirements of the change 	Participant 3, 12 and 21
2	<ul style="list-style-type: none"> The SAV should standardise its IT materials and textbooks, modernize its teaching facilities and build advanced IT training programs for the SAV IT staff 	Participant 1, 9, 10, 12, 17 and 19)
3	<ul style="list-style-type: none"> The SAV should provide its IT staff members with generally accepted and modern IT teaching and training methodology. 	Participant 9, 15, 17, 22 and 26)
4	<ul style="list-style-type: none"> The SAV should improve salary and reward policies for its IT staff members 	Participant 12, 14, 18, 22 and 29)

These recommendations should be considered in proposing a strategic model to change the audit process of the SAV.

5.3.8. Section conclusion

The research findings regarding the application of technology to auditing in relation to the change reveals that the SAV has limitations and weaknesses in IT software and hardware, databases, network systems, IT security and IT human resources. These limitations and weaknesses do not only hinder the SAV from the implementation of the change, but they also negatively impact the quality and effectiveness of SAV activities. Thus, based on analysis of the research findings, the SAV IT infrastructure should be changed in several ways, including the application of various software programs to meet the SAV activities, modernizing the SAV IT hardware, establishing strong electronic database systems and sound network systems, safeguarding the SAV IT security and improving the SAV IT human resources.

5.4. Theme 4: Costs for the change

Costs for the change are an important issue that needs to be considered in the implementation of the change. As one participant elaborated,

“Change is costly and may produce unexpected expenditure in the future.

Thus, I think that the SAV should prepare appropriate provisional plans for additional costs for the change” (Participant 16).

5.4.1. Research findings in relation to costs for the change

When questioned regarding the fifth interview question (What do you think the costs of implementing the change would be?), participants pointed out that costs for the change may include costs for the SAV infrastructure improvements, human resource development and legal framework modifications and other costs. These costs are presented in Table 5-9.

Table 5-9: Summary of research findings in relation to costs for the change

	Research Findings	Knowledge Contributors (Key findings derived from interviews)
1. Costs for development of the SAV's infrastructure	1.1. Costs for building and improving the SAV headquarters; costs for purchasing the required equipment and facilities	Participant 3, 7, 21 and 23
	1.2. Costs for the SAV IT hardware such as purchasing laptops, computers, servers and other relevant devices	Participant 2, 5, 14 and 18
	1.3. Cost for the SAV IT software such as purchasing financial audit software, performance audit software, IT audit software, managerial software, auditor electronic diary software and IT security software. In addition, every audit specialisation is required to have at least a certain audit software program. Thus the SAV has to have audit software programs supporting banking, insurance, the national budget and construction audit	Participant 12, 15, 17 and 28
	1.4. Information resource is data that the auditors and managers use to make judgments. Although the SAV database system serves the SAV current activities satisfactorily, there is a gap between the SAV database system and the required database system in making the change work. Thus, the cost for improving the SAV database system needs to be taken into account.	Participant 15 and 29
	1.5. Cost for maintenance of the SAV IT infrastructure	Participant 2, 5 and 13
	1.6. Cost for improving the SAV network systems and data storage systems	Participant 11 and 17

Table 5-9: Summary of research findings in relation to costs for the change (Cont.)

	Research Findings	Knowledge Contributors (Key findings derived from interviews)
2. Costs for the SAV's human resource development	2.1. Salary, bonuses and executive compensation of the SAV IT staff members	Participant 2, 5, 26 and 27
	2.2. Costs for researching, establishing and editing teaching materials	Participant 12, 15 and 28
	2.3. Travel allowance, salary, benefits and scholarships for students	Participant 3 and 24
	2.4. Cost for developing curriculum in conjunction with the selection of specialized resources in order to meet with the needs of training in the change process	Participant 1, 3, 5, 8, 15, 16, 18, 21, 25, 26 and 30
	2.5. Cost for training and fostering target knowledge and skills, cost for organisation of practical training courses about the OECD auditing standards	Participant 1, 3, 4, 5, 6, 8, 9, 12, 14, 15, 17, 18, 21, 22, 24, 25, 26, 27, 28 and 29
	2.6. Cost for hiring lecturers and experts at home and abroad (cost of food, accommodation, travel, airline tickets, tuition fees)	Participant 1, 8, 15, 21 and 23
	2.7. Cost of translation, teaching equipment and materials for students, stationery, infrastructure leases	Participant 1, 8, 15, 21 and 23

Table 5-9: Summary of research findings in relation to costs for the change (Cont.)

	Research Findings	Knowledge Contributors (Key findings derived from interviews)
2. Costs for the SAV's human resource development	2.8. Costs for organising workshops	Participant 3, 5, 17 and 25
	2.9. Costs for overseas study tours and training programs abroad	Participant 15, 19, 22, 24, and 25
	2.10. Costs for training the SAV auditors, managers and IT staff	Participant 1, 2, 3, 4, 5, 6, 8, 9, 12, 14, 15, 16, 17, 21, 22, 24, 25, 26, 27, 28 and 29
	2.11. Costs for classroom management staff.	Participant 4, 16, 17 and 19
3. Costs for improving the SAV's legal framework	3.1. Cost for establishing and editing audit standards, processes, methodology and procedures and other legal documents	Participant 12, 15, 18 and 22
	3.2. Cost for improving circulars, legal documents and regulations	Participant 6, 11, 18, 19 and 25
	3.3. Cost for studying the change project and establishing mechanisms and policies	Participant 1, 6, 11, 15, 16 and 18

Table 5-9: Summary of research findings in relation to costs for the change (Cont.)

	Research Findings	Knowledge Contributors (Key findings derived from interviews)
3. Costs for improving the SAV's legal framework	3.4. Cost for organising conferences and seminars on the change between the SAV and other relevant organizations	Participant 7, 12, 15, 22 and 28
	3.5. Costs for information dissemination and guiding the implementation of the OECD auditing standards and relevant legal documents	Participant 2, 5, 7, 13, 17, 24, 15 and 26
4. Other costs for the change	4.1. Costs for hiring qualified audit organizations and experts to consult and supervise the change management process	Participant 1, 10 and 23
	4.2. Cost for establishing the route of the change	Participant 15 and 28
	4.3. Cost for cooperation of implementation of the change between the SAV and relevant organisations such as: cost of implementing interviews for relevant organisations on building consistent network systems between the SAV and these organizations; cost for establishing cooperative regulations; cost for improving legal documents of relevant organizations to facilitate implementation of the OECD auditing standards	Participant 4, 6, 7, 8, 13, 18,19, 25 and 26
	4.4. Time cost and opportunity cost. Opportunity cost is difficult to define. Opportunity cost is the total amount of salary paid to SAV auditors, managers and IT staff to participate in the target training courses while not being able to conduct auditing business	Participant 7, 9, 13, 18, and 28

Multiple participants were concerned about the financial issues when the SAV implements the change. For example, Participant 20 suggested that:

“Shifting from the SAV current people-driven system to technology-driven systems requires big initial investment. The development of infrastructure, human resources and a legal framework of the SAV corresponding to those of the change model might cost millions of dollars. Therefore, I think that the SAV should consider the amount of money spent on the improvement of its IT infrastructure with reference to its budget” (Participant 20).

Similarly, as one participant contended:

“While the change may require huge financial resources, the SAV current budget has not met the requirements of the change. I think that the limitations in financial resources of the SAV may prevent it from implementing the change” (Participant 28).

This contention is supported by the analysis of published documentary data. For example, a study of the documents produced by the SAV (2010a, 2010d and 2011a) discloses that the SAV current budget is used to pay for costs of training, scientific research, infrastructure development, human resources, audit quality improvement and other relevant costs of the SAV. However, the study of those three documents (SAV [2010a], SAV [2010d] and SAV [2011a]) discloses that the budget may only meet a small part of the requirement of the development of

the SAV. In addition, as several participants noted, the global financial crisis and Vietnam's current financial difficulties may prevent the SAV implementing big changes in its organization (Participant 5, 12 and 26). Thus, whether the SAV will provide SAV change leaders with needed resources to implement the change is difficult to determine.

The research findings structured into this theme support the document review of secondary sources in Section 2.6.2 of this research and provide detailed information about the costs for the change.

In regard to costs for the change, a list of general recommendations corresponding to these costs has been formed from comments and contributions of participants. This can be presented in Table 5-10.

Table 5-10: Summary of general recommendations by participants corresponding to costs for the change

	General recommendations	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
1	<ul style="list-style-type: none"> The SAV should ask for financial support regarding the implementation of the change from the Vietnam Government 	Participant 1, 12 17 and 28
2	<ul style="list-style-type: none"> The SAV should cooperate with the Ministries of the Vietnamese Government and other relevant organisations in Vietnam's political system to propose budget schedule for the change 	Participant 2, 5, 7, 15, 22 and 28
3	<ul style="list-style-type: none"> The SAV should ask for financial and technical assistance and support from international auditing organizations. 	Participant 4, 6, 8, 18 and 26
4	<ul style="list-style-type: none"> The SAV should mobilise financial resources in relation to the change from international and Vietnamese development support funds, financial institutions and other organizations. 	Participant 1, 3, 5, 8, 18, 21, 23, 25, 26, and 28

These recommendations should be taken into account in proposing a strategic model to change the audit process of the SAV.

5.4.2. Section conclusion

This theme examines the research findings regarding costs for the change, which can be described as follows: costs for development of infrastructure, costs for human resource development and other costs such as costs for international cooperation, time cost and opportunity cost. While those costs are regarded as important for the implementation of the change, they may be beyond the SAV budget. Thus, in order to implement the change, respondents noted that financial supports and assistance in relation to the change from other individuals and organisations should be taken into account.

5.5. Theme 5: Obstacles to change arising from limitations and weaknesses in the SAV auditor human resources quality and auditor training

Auditor human resource quality and training factors play an important role in the success of the change. This theme deals with issues arising from those factors.

5.5.1. Limitations and weaknesses in the SAV auditor human resources quality impacting the change management process

Regarding the eighth interview question (What Kind of Person Do You Think Could best Lead The Implementation of The OECD Auditing Standards?), it was

recommended by most participants that change leaders should be selected from the SAV auditors or managers or IT staff or a combination of these people because they are highly valued for their professional experience and achievement (Participant 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, 17, 19, 21, 22, 23, 26, 28, 29 and 30). As Kezar (2001) notes, factors such as prestige, influence, persuasion and capacity have a positive influence on change management processes.

Several participants contended that change might be unsuccessful if the SAV change leaders do not have stakeholder's confidence and support (Participant 3, 12 and 23). As one participant stated:

“Although the change may bring benefits for stakeholders and their organization, if the SAV change leaders are not able to motivate and muster all stakeholders' strength to the change, the change may fail” (Participant 12).

In addition, Participant 7,9,15 and 18 pointed out that the highly focused expertise and managerial experience of the SAV change leaders can aid them in building a change plan and define a methodology to effectively implement the change.

The question of whether or not the SAV auditor human resources may meet the requirements of the change tends to be problematic. In view of the SAV auditor human resources quality, participants pointed out that the SAV auditors achieve specific quality as follows:

- They have the necessary understanding of legal documents, especially regulations involving audit, economics and finance (Participant 3, 8 and 19)
- They are equipped with general knowledge about economics, finance and law (Participant 5, 13 and 29)
- They are capable of collecting and processing audit data and synthesising economic and financial information in accordance with the requirements of audit engagements (Participant 3, 16 and 24)
- They may consult SAV managers about improving SAV mechanisms and policies (Participant 12 and 18)

The quality of the SAV auditor human resources plays an important role in the change management process. As one participant contended:

“I believe that the success of the change depends on the quality of the SAV auditor is human resources, and that even though the application of strong auditing standards and accurate audit methods and tools may enhance audit quality and effectiveness, auditing standards, methods and tools alone are

unlikely to assure audit quality and effectiveness if the SAV auditors cannot effectively utilize them” (Participant 21).

Further to that, Participant 27 contended that factors such as knowledge and experience of SAV auditors in auditing practices and their understanding of the environment and culture of audited entities appear to affect the implementation of the change. Although multiple participants concurred with this contention, some of them indicated that the SAV auditors can be hindered in their capacity to implement the OECD auditing standards. For example, as Participant 2 stated:

“While the SAV attempts to improve the competence and professionalism of its auditors, a large proportion of the SAV auditors are still not able to adequately meet the requirements of the change because they are not proficient in implementing the new standards” (Participant 2).

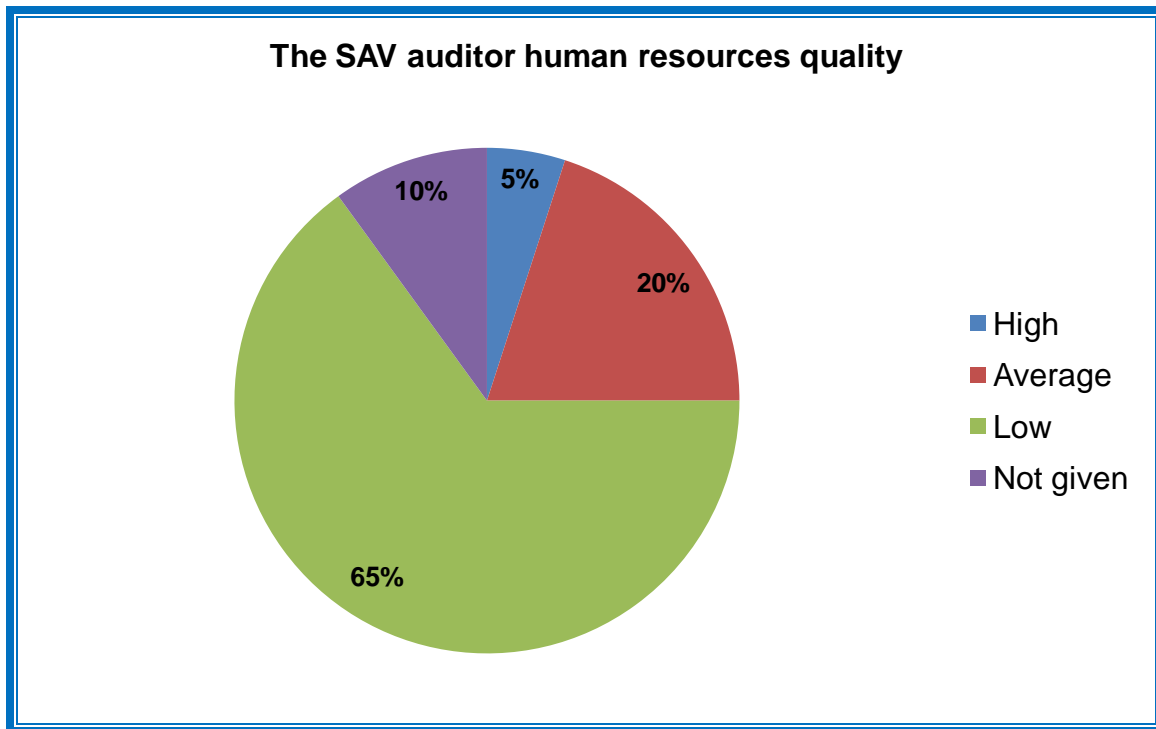


Figure 5-15: The SAV auditor human resources quality

According to Figure 5-15, 5% of respondents thought that the SAV human resources quality was high, 10% average, 65% low. 20% of respondents had no idea. This requires change leaders to establish appropriate training strategies for SAV human resources in order to meet the requirements of the change.

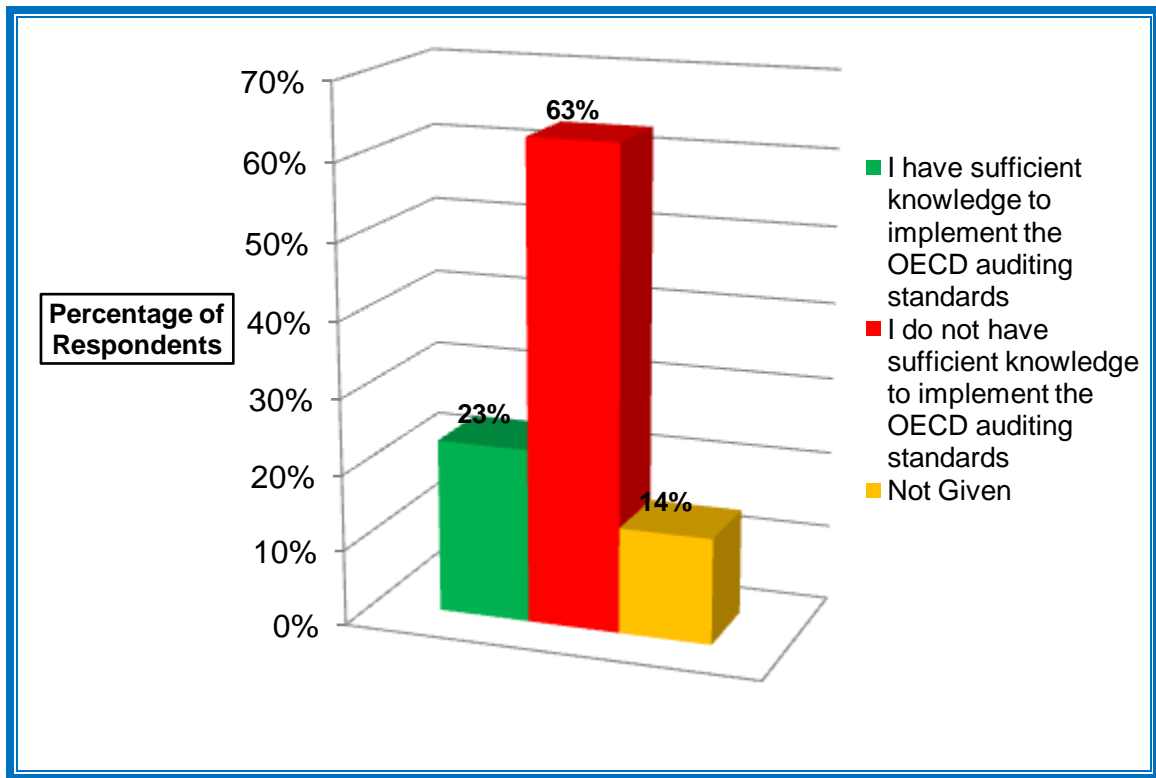


Figure 5-16: Participant capacity to implement the OECD auditing standards

As can be seen from Figure 5-16, in relation to the seventh interview question (Do you believe you have sufficient knowledge to implement international auditing standards? Please explain), of 30 responses to the question, 7 answered in the affirmative and 19 respondents gave negative answers. The remaining respondents felt uncertain as they have not ever experienced the new auditing standards to know whether or not they can use these effectively.

Most participants found it difficult to effectively practice the OECD auditing standards without being trained and retrained because these standards may be beyond their capacity. For example, as one participant stated:

“I, and multiple auditors of the SAV, have inadequate understanding about new auditing standards and kinds of auditing such as performance audit and IT audits. There are only few auditors of the SAV who have been studying internationally recognised auditor training programs such as Certified Public Accountant or the Association of Chartered Certified Accountants”
(Participant 17).

An examination of a document produced by the SAV (2010a) supports that statement. While international auditing integration requires the SAV to develop high-quality auditor human resources, not many auditors of the SAV have completed internationally recognised auditor training programs (SAV 2010a). Lack of qualified auditors may hinder the SAV from implementing the change. As Participant 22 contended, lack of required knowledge about the new standards may prevent the SAV auditors from contributing to the success of the change or even drive these auditors to depend on the old standards.

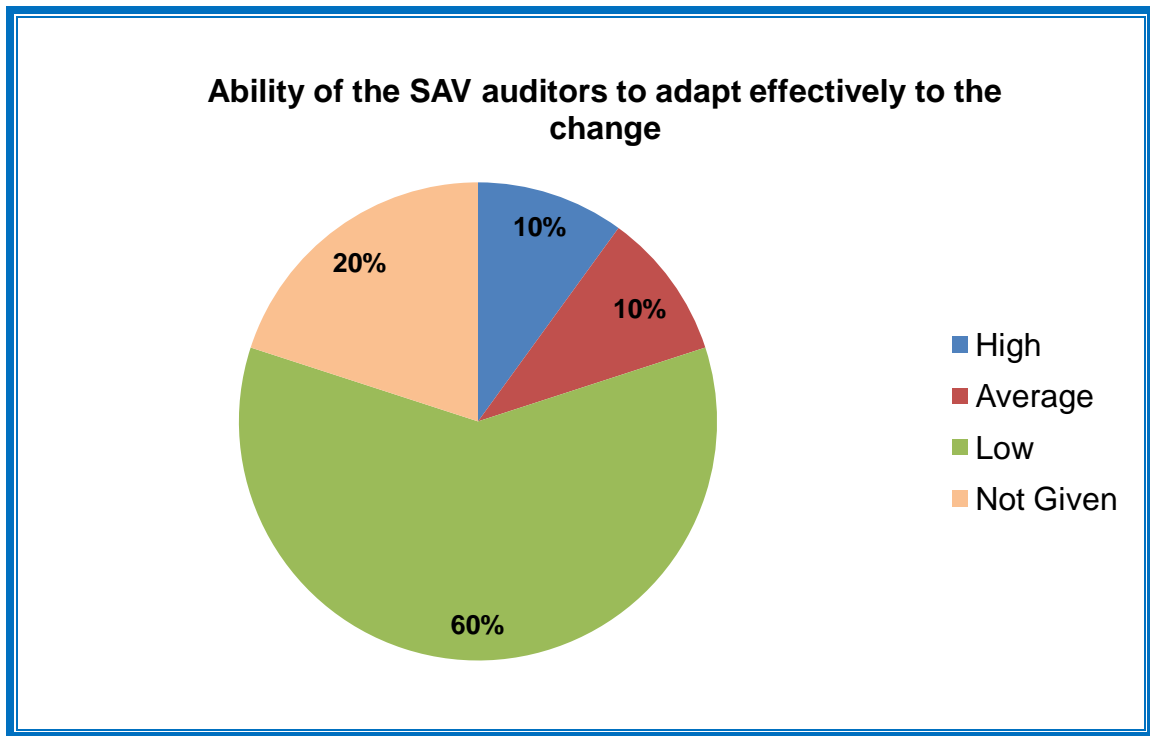


Figure 5-17: Ability of the SAV auditors to adapt effectively to the change

As shown in Figure 5-17, 60% of respondents said that the SAV auditors have little capability in adapting to the change. Average and high capability to adapt to the change made up 10% of respondents. There were 20% of respondents providing no opinion about this aspect.

The reason that auditors of the SAV are not able to adapt to the change may be partly due to their misinterpretation of the role of auditing standards. For example:

“Multiple auditors of the SAV have not appreciated the significance of the SAV auditing standards. When conducting audit engagements, their

judgements are primarily based on their own experience and understanding.

If the SAV auditors do not have sufficient knowledge of the OECD auditing standards, they will not become aware of the benefits that the change can bring to their work” (Participant 25).

Several participants recommended that in order to implement the change effectively, it is necessary for the SAV auditors to be able to use IT technology by having current technology skills that can be applied to the auditing field (Participant 6,19 and 28).

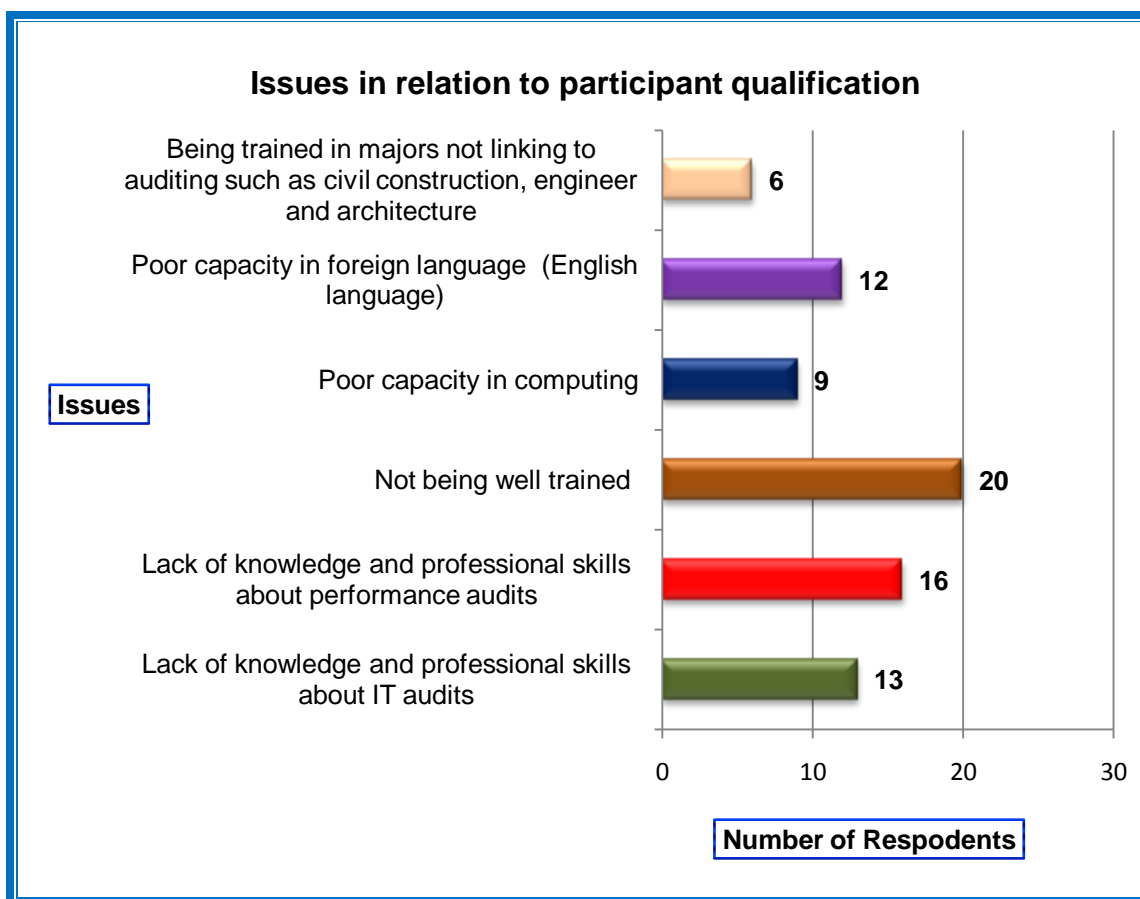


Figure 5-18: Issues in relation to participant qualification

Figure 5-18 shows the response from the most prominent issue impacting participant qualifications was not being well trained (twenty responses). Of 30 respondents, lack of knowledge and professional skills about performance audits (16 respondents) appeared in the second position and then lack of knowledge and professional skills concerning IT audits (13 respondents), poor capacity in foreign language (12 respondents), poor capacity in computing (9 respondents), being trained in areas not linked to auditing such as civil construction, engineer and architecture (6 respondents). These research findings clarify issues acknowledged in the literature review that stakeholders who lack the required knowledge and skills impact on the effectiveness of change (Section 2.6.3.3 of this research).

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A mix of various specialities of the SAV auditors may be a obstacle for the implementation of change. According to the NASCSRV (2010), the SAV auditors are recruited from a wide range of different specialities such as civil construction, law, finance, economics, IT and audit. As one participant argued:

“While a number of the SAV auditors can take advantage of their specialities appropriate to the implementation of the change, the SAV auditors whose specialities do not agree with the change will face difficulties and challenges in thoroughly studying and practicing the OECD auditing standards” (Participant 14).

It was suggested by Participant 1 and 22 that before conducting audit engagements, the SAV auditors whose specialities are civil construction, law, finance, economics and IT should be retrained in auditing.

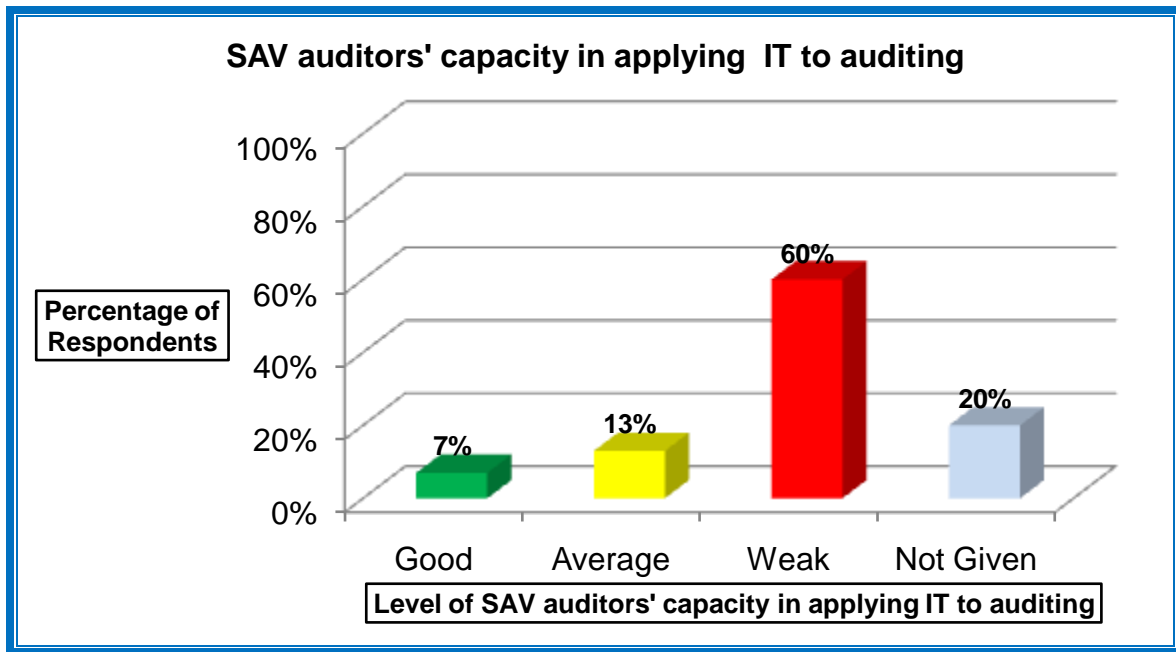


Figure 5-19: IT capacity of the SAV auditors

According to Figure 5-19, 7% of participants are good at applying IT to auditing, 13% would be quite good, 60% are weak, and 20% have no idea. This increases concern indicated in the literature review that effectiveness of the change may be impacted by stakeholders who do not have enough capacity to implement the changes (Section 2.6.3.3 of this research).

One of the important requirements of the change is that SAV auditors need to have adequate understanding of IT and IT used in auditing. However, multiple

participants pointed out that the SAV auditors are not proficient in IT and unfamiliar with applications of IT to SAV audit engagements. For example, Participant 4, 11 and 26 acknowledged that SAV auditors only have basic computing skills and knowledge such as using MS Word and MS Excel programs in audit engagements. These research findings indicate agreement with the literature review. For example, as (SAV 2010a) notes, most staff members of the SAV have only a basic knowledge of IT.

In addition, stakeholders may have misunderstandings about the application of technology to auditing. Participant 15 stated that SAV auditors may misinterpret the development of the SAV IT infrastructure by thinking that it is simply the purchase of computers, laptops and other IT devices. Similarly, as participant 6 stated:

“Although application of IT software can improve the effectiveness of the audit activities, stakeholders may only consider this application of IT software in a negative perspective such as the complexity of these IT software programs, spending additional time for IT training and changes to their working habits” (Participant 6).

Participant 16 concurred with this statement and provided an example that:

“While development of IT hardware such as computers and laptops may be warmly welcomed by the SAV auditors, application of IT software to audit

activities may face resistance arising from the SAV auditors who lack IT knowledge and skills” (Participant 16).

Participant 10, 21 and 27 believed that the success of the change depends considerably on whether or not the SAV can establish a technology-driven system compatible with requirements of the change. However, as one participant argued:

“Development of a technology-driven system is not purely a matter of ensuring the required IT hardware, software and security, but must be combined with improvements in the SAV IT human resources quality and modifications in the SAV work methodology. Although the SAV may spend financial resources on buying the required modern IT devices, these financial resources will become meaningless if the SAV lacks qualified human resources to use these IT devices effectively” (Participant 5).

Weaknesses and limitations in IT capacity of the SAV auditors are partly because the significance of technology to auditing has not been emphasized in the SAV. Most participants contended that the SAV lags behind technologically, compared to government audit offices of the OECD member countries. The underdevelopment of the SAV IT infrastructure has thus an indirect influence on IT capacity of the SAV auditors. As Participant 24 stated:

“Application of IT to the SAV activities does lag behind the development of the SAV. The SAV auditors have not been provided with adequate and appropriate IT devices to conduct the SAV audit engagements. In addition, they conduct audit engagements without any specialized audit software programs” (Participant 24).

A big challenge mentioned by multiple respondents is that the SAV auditors are not proficient in foreign language, especially English language. As Participant 19 stated:

“A lack of foreign language competence may hinder the SAV auditors from studying technological advances and international auditing standards, auditing methodologies, processes and standards of audit organizations of the OECD member countries” (Participant 19).

Similarly, Participant 14 pointed out that the weak capability of the English language skills of SAV auditors may deter the SAV auditors from communicating and sharing auditing and learning experiences with foreign audit experts and auditors. In addition, as Participant 23 argued:

“The SAV auditors might be provided with financial support in the form of scholarships and bursaries during their studies in international auditor training programs at universities or training institutions in advanced countries. However, there are only a few auditors of the SAV eligible for

attending those training programs because most of the SAV auditors do not meet foreign language requirements of those programs” (Participant 23).

In today’s society, studying may be conducted not only at training centers but also at home and in the workplace via computers connected to the Internet. Nevertheless, it was argued by one participant that:

“The SAV auditors may study and search for information about auditing standards via the Internet. However, the documents of international auditing standards and the OECD auditing standards that the SAV auditors may approach online are mostly in English. Thus, I think that limitations and weaknesses about English language affect the SAV auditors in their approach to the OECD auditing standards” (Participant 17).

According to the NASCSRV (2010), the SAV have to improve its auditor human resources quality in order to meet with the requirements of international auditing integration and the SAV development strategy to the year 2020. The SAV auditor human resources will be improved by professional ethics standards and competent levels of knowledge and skills. Thus, the SAV should make changes in its personnel management in order to improve its human resources quality.

Regarding the limitations and weaknesses in the SAV auditor human resources quality related to the implementation of the change, a list of general recommendations corresponding to these limitations and weaknesses has been

formed from comments and contributions of participants. This is presented in Table 5-11.

Table 5-11: Summary of general recommendations by participants corresponding to limitations and weaknesses in the SAV auditor human resources quality related to the implementation of the change		
	General recommendations	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
1	<ul style="list-style-type: none"> The SAV should periodically assess, examine and test its auditor human performance in accordance with specific, appropriate and strict human resource quality standards 	Participant 6, 9, 14, 21 and 22
2	<ul style="list-style-type: none"> The SAV should establish a detailed human resource quality evaluation framework 	Participant 5, 13, 14, 21 and 29
3	<ul style="list-style-type: none"> The SAV should opportunely and adequately update its personnel data and capacity in order to establish an appropriate personnel training plan 	Participant 2, 12, 19, 25 and 27
4	<ul style="list-style-type: none"> The SAV should improve its current personnel database system in order to gradually move to employ a strong electronic database system for its personnel management 	Participant 3, 9, 16, 23 and 26)
5	<ul style="list-style-type: none"> The SAV should improve IT knowledge and skills and foreign language competence for its auditors 	Participant 4, 6, 11, 14, 15, 16, 17, 19, 23 and 26

Table 5-11: Summary of general recommendations by participants corresponding to limitations and weaknesses in the SAV auditor human resources quality related to the implementation of the change (Cont.)

	General recommendations	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
6	<ul style="list-style-type: none"> The SAV should encourage its auditors in studying and practicing the OECD auditing standards 	Participant 5, 9,17,23 and 24
7	<ul style="list-style-type: none"> The SAV should build IT audit teams to facilitate the implementation of the IT audits 	Participant 2, 14 and 15
8	<ul style="list-style-type: none"> The SAV should build a professional audit human resources team in order to implement the purposes of the change 	Participant 1, 14, 17, 22 and 25

These recommendations should be studied in proposing a strategic model to change the audit process of the SAV.

5.5.2. Hindrances to the change arising from limitations and weaknesses in the SAV auditor training

Training plays an important role in the implementation of the change. Training may create positive changes for the SAV human resources quality. Professionalism, knowledge and skills of the SAV auditors can be achieved by the training so that it has significant implications for the implementation of the change. However, limitations and weaknesses in training may impact the SAV human resources quality, and in turn, hinder the SAV from the implementation of the change. As one participant stated:

“In recent years, the SAV has emphasised the role of training for improving its auditor human resources quality. The SAV builds and conducts training programs corresponding to specific positions of the SAV staff members”
(Participant 17).

This statement is aligned with that of the SAV (2010a) that the SAV opens various training programs in order to foster knowledge and expertise for its staff such as refresher training courses for SAV auditors, refresher training courses for SAV pre-civil servants, training courses for senior SAV auditors and professional development courses. In addition, Participant 23 pointed out that:

“The SAV enhances training for its staff members in other relevant majors such as economics, finance, law, IT, civil construction, and skills and knowledge involving analysis of data audit and internal control systems, financial and management consulting and organisation and management of audit engagements” (Participant 23).

Moreover, the SAV lecturers are selected from auditors, experts, managers, researchers and other staff members of the SAV; as well as teachers, lecturers, researchers and specialists from other organizations (SAV [2012e] and SAV [2012f]).

Although the SAV attempts to develop training programs for its auditors, there are specific limitations in these training programs that impact change. These limitations are presented in Figure 5-20.

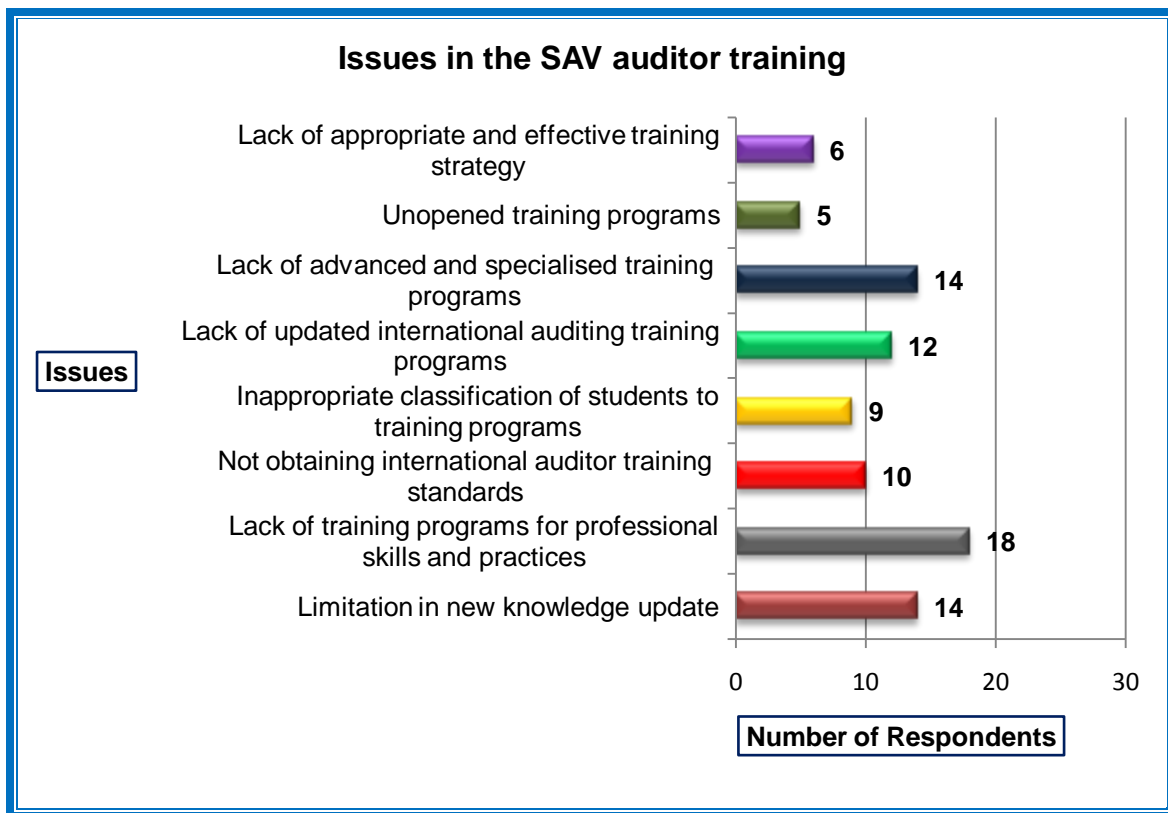


Figure 5-20: Issues in the SAV auditor training

There is a gap in auditor training quality between the SAV and government audit offices of the OECD member countries:

“Whereas auditing is a new career in Vietnam, it is a popular career and has a long process of development in the OECD member countries. While the SAV has been developed for about twenty years, government audit offices of the OECD member countries have been established for hundreds of years. Thus, I think that auditor training quality of government audit offices of the OECD member countries tends to be higher, compared with that of the SAV” (Participant 25).

Similarly, Participant 7 stated:

“Internationally recognised auditor training programs have been developed in many of the OECD member countries such as the United States of America, the United Kingdom and Australia. In contrast, auditor training programs of the SAV have not met with requirements of internationally recognised auditor training programs. In addition, SAV auditor certificates have not been internationally recognised, and auditor training quality of the SAV cannot compare with that of government audit offices of the OECD member countries. Further to that, auditor training programs of the SAV have not been designed to integrate into internationally recognised auditor training programs” (Participant 7).

As Participant 9 noted, although the SAV auditor training programs are updated with relevant mechanisms and policies, they are the same level as the bachelor programs of Vietnam’s universities. In addition, one participant pointed out:

“The SAV auditor training programs insist on theories but not practices and practical skills. With current auditor training methodology of the SAV, although SAV auditors complete the SAV auditor training program, most of them have to experience a long-term period of probation before they may become a auditor of the SAV” (Participant 16).

It was recommended by several participants that in order to implement the change, the SAV should design auditor training programs associating theories with practices (Participant 10, 16 and 22).

In contrast, auditor training programs of audit organizations of the OECD member countries shows strengths and effectiveness. For example, the Certified Practising Accountant of Australia (2013) shows that program of Certified Public Accountant of Australia, which is an internationally recognised qualification, requires auditors to pass multiple subjects that are difficult and complex and to have enough understanding to meet competent skills and knowledge.

The gap in auditor training quality between the SAV and government audit offices of the OECD member countries may have negative influence on the implementation of change.

Given the issue of auditor training, there were concerns expressed by respondents that the SAV lacks effective and appropriate training programs for its auditors. For example:

“Although IT training programs are taught in the SAV, these programs provide auditors with a simple and basic IT knowledge but do not lead to the full application of IT to auditing” (Participant 24).

Participant 8 made a similar point of view from a different perspective:

“While auditor training programs of the SAV provide basic knowledge about SAV auditing standards such as financial and compliance audits, they do not emphasise the role of performance and IT auditing. This may be partly because the SAV does not have enough qualified lecturers and researchers to train performance auditing and IT auditing to meet the requirements of its training programs” (Participant 8).

The structure of auditor training programs of the SAV is ineffective and inappropriate. For example, Participant 30 contended that auditor training programs of the SAV do not make a distinction of their background specialisations. In addition, auditor training programs of the SAV only meet with a small part of the professional development requirements of the SAV auditors. As Participant 26 stated, in the SAV auditor training programs, students cannot select subjects necessary or appropriate to their capacity and specialisation. Further to that, one participant stated that:

“While shorter duration of the SAV auditor training programs facilitates deployment of the SAV annual auditing schedules, too much auditing, economic and legal knowledge is transmitted in these programs. This may confuse students of those programs. Short duration of the SAV auditor training programs may impact the SAV auditor training program quality, and in turn cause obstacles for the implementation of the change” (Participant 5).

Moreover, Participant 11 contended that the SAV has not had enough lecturers in all the required fields, especially high-quality and experienced lecturers. This contention is consistent with that of the NASCSRV (2010) that the SAV should implement changes in training methodologies and improve its lecturer quality and quantity. In addition, research activities of the SAV should be emphasized in order to enhance its audit quality and training quality (SAV 2012d).

Other issues impacting the SAV training quality were presented by participants as follows:

- Underdeveloped IT infrastructure and IT audit standards and insufficient documents (policies, regulations, procedures, etc) of the SAV are indirect causes that obstruct the SAV in deploying training programs appropriate to the requirements of the change (This research finding is derived from interviews with Participant 12, 15 and 27).
- The SAV has not built effective and proper managerial mechanisms and audit quality control (This research finding is derived from interviews with Participant 16 and 21).
- The SAV auditors do not have enough time to attend long-time training programs because they have to spend so much time, nine months per year, on conducting audit engagements. Then, they must spend more time on participating in workshops, seminars and cultural and sporting activities of the SAV. Thus, designing long-time intensive training programs at the SAV headquarters may not be feasible (This research

finding is derived from interviews with Participant 6, 15, 19, 24, 29 and 30).

- There are often personnel changes in the SAV impacting the effectiveness of training and upgrading knowledge of SAV auditors (This research finding is derived from interviews with Participant 10, 13, and 22).

As one participant suggested:

“Although the implementation of the OECD auditing standards may play an important part in strengthening the audit quality of the SAV, the potential limitations in the SAV auditor training should be considered” (Participant 26).

It is worth noting that the research findings discussed in this section are consistent with previous research of the literature review (Section 2.6.3.3 of this research). In regard to hindrances to the change arising from limitations and weaknesses in the SAV auditor training, a list of general recommendations corresponding to these hindrances has been formed from comments and contributions of participants. This is presented in Table 5-12.

Table 5-12: Summary of general recommendations by participants corresponding to hindrances to the change arising from limitations and weaknesses in the SAV auditor training

	General recommendations by participants	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
1	<ul style="list-style-type: none"> The SAV should conduct its auditor human resource quality assessment, regularly study and assess SAV training programs and define the need for training based on training demand of the SAV auditors and classify its auditors into proper training programs 	Participant 9, 26 and 30
2	<ul style="list-style-type: none"> The SAV should build IT training programs for the SAV auditors that focus on training and practicing IT audit knowledge and skills in relation to audit software programs, application of IT to auditing, IT audits, electronic database systems, network and IT security management 	Participant 4, 11, 14, 16, 17, 23, 24 and 26
3	<ul style="list-style-type: none"> The SAV should replace periodical training with regular training and provide the SAV auditors with flexible learning and delivery modes such as distance learning mode and online workshops 	Participant 5, 6, 15, 19, 24 and 30
4	<ul style="list-style-type: none"> The SAV should build handbooks and manuals about the OECD auditing standards in order to improve knowledge and skills for the SAV auditors 	Participant 5, 9, 17, 19, 21 and 23
5	<ul style="list-style-type: none"> The SAV should facilitate its auditors in practising performance and IT audits and in taking part in auditor training programs in the OECD member countries 	Participant 7, 8, 17, 23
6	<ul style="list-style-type: none"> The SAV should build advanced training programs for its proficient auditors and select auditors who have competent level of knowledge, skills and experience, and sense of responsibility and train them to become the SAV lecturers 	Participant 11, 19, 26 and 29

These recommendations should be considered in proposing a strategic model to change the audit process of the SAV.

5.5.3. Section conclusion

Considering the SAV auditor human resources quality, research findings address several aspects. First, the SAV auditors lack knowledge and skills to effectively practice the new standards and do not appreciate the significance of the auditing standards. Second, the SAV auditors have been recruited from multiple specialisations. The SAV auditors trained in specialisations that are different from auditing may face difficulties in adapting to auditing standards. Third, the research found weak IT and English language competence of multiple SAV auditors may prevent these auditors from approaching and practicing the OECD auditing standards.

Research findings regarding the SAV auditor training are reflected in several aspects, including internationally unrecognised auditor training programs, improper structure of training programs, shortages of professional lecturers and professional skills training courses. Participants suggested that the SAV auditor training programs should be improved so that these training programs can adequately provide required knowledge and skills for SAV auditors to implement the OECD auditing standards. To improve the SAV auditor human resources

quality and auditor training, a set of recommendations by respondents have been provided.

5.6. Theme 6: the SAV organisational and operational model in relation to the change

There are differences between the organisational and operational model of the SAV and that of Government Audit Offices of the OECD member countries. These differences influence the implementation of the change. They are elaborated below.

5.6.1. Required changes in the SAV legal framework to implement the change

Even though the development of a technology-driven system for the SAV creates more cost efficient conditions, required to implement the OECD auditing standards, the improvement of SAV auditing standards also requires the establishment of a strong legislative framework. However, the SAV legal framework has potential limitations and weaknesses that may hinder the SAV from implementing the change. As a number of participants contended that:

-
- The legal status of the SAV and the SAV Auditor General has not been legislated in the Constitution of the Socialist Republic of Vietnam (Participant 3,15, 21 and 22)
 - There is a lack of consistency and synchronisation for some legal documents of the SAV and other relevant organisations (Participant 8, 9, 12, 15, 18, 19, 22 and 27)

Those contentions are in line with findings of the NASCSRV (2010) that in order to strengthen the independence of the SAV in controlling and monitoring Vietnam Government's public expenditure, legal status of the SAV and the SAV Auditor General should be supplemented in the Constitution of the Socialist Republic of Vietnam; modifications and amendments to SAV legal documents should be implemented in order to ensure their consistency and appropriateness. In addition, the temporary provision for the criteria for evaluation and grading the audit quality has been promulgated (SAV 2011a). However, these temporary provisions have limitations and weaknesses:

“The temporary provisions for the criteria for evaluation and grading the audit quality have not provided adequate and detailed guidance for audit quality evaluation of the SAV. I think that these temporary provisions should be improved in order to form a strong and appropriate audit quality evaluation framework for the change” (Participant 24).

Moreover, according to the NASRV (2005), the SAV audit law ratified in 2005, this has allowed the SAV to conduct all kinds of auditing such as financial, compliance and performance audits. However, while the SAV conducts financial and compliance audits, it has not paid attention to performance audits. There are several reasons that the performance audit is not adequately applied to audit engagements in the SAV. First, as Participant 13 contended, when the SAV audit law is promulgated, the SAV audit standards, procedures, methodologies, processes and legal documents expose its inappropriateness, inconsistency and insufficiency with the requirements of the audit law. Second, Participant 23 pointed out that the SAV has not perfected rationales for research and practice to introduce performance audits and has not built a detailed manual or handbook for performance audits. Third, as Participant 17 stated the SAV auditors do not have an adequate understanding of audits including how to perform effectively a sampling survey, materiality or risk analysis and other methodologies.

Furthermore, while Participant 21 considered IT audit and audit software programs utilized by government audit offices of the OECD member countries as a promising solution for improving effectiveness and quality of audit activities of the SAV, Participant 2 argued that it will be difficult for the SAV to develop a technology-driven system, to implement IT audits and to apply IT to its audit activities if the SAV lacks a strong IT legal framework.

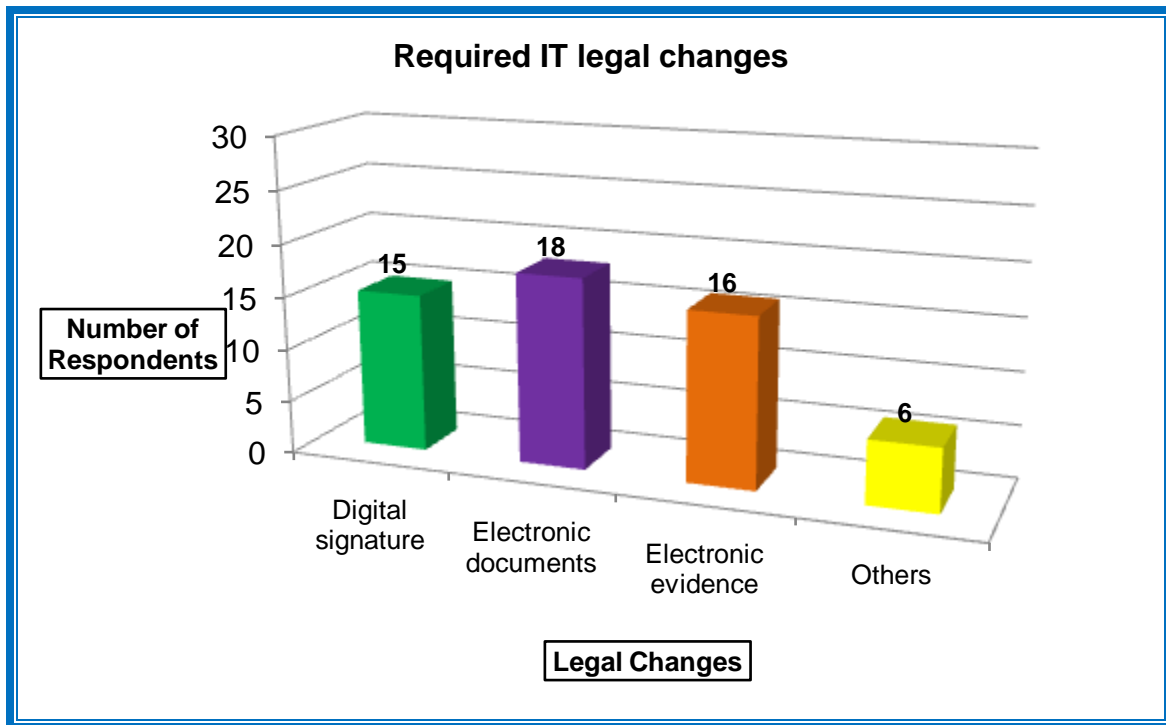


Figure 5-21: Required IT legal changes

As shown in Figure 5-21, 18 respondents found that legal changes for electronic documents need to be implemented. The next is legal changes for electronic evidence (sixteen respondents) then digital signatures (15 respondents). Other required IT legal changes had six respondents. This indicates the demand of developing an IT legal framework in the change management process.

Although electronic signatures, electronic documents and electronic evidence of the SAV have an influence on the implementation of the change, they have not been emphasized in the SAV. For example, Participant 27 contended:

“Validity of electronic signatures, documents and evidence of the SAV has not been regulated by law because amending or changing the content of electronic signatures, documents and evidence may be easily made but difficult to identify” (Participant 27).

Participant 1 concurred with this contention and pointed out that legitimacy of these electronic signatures, documents and evidence is weak and even unacceptable by stakeholders. Delays in establishing legal framework ensuring legal validity of electronic signatures, documents and evidence may negatively impact deployment of technological application to the SAV audit activities.

Research findings regarding the SAV legal framework indicated that the SAV legal framework exposes limitations and weaknesses and has not met with the requirements of the change. As one participant argued:

“A weak legal framework may be exploited and taken advantage of for embezzlement and corruption. I think that auditors (even the most talented auditors) may be defeated or lose their integrity and professional ethics under the power and temptation of money and position. Auditors who conduct audit engagements without having a strict and effective legal framework tend to be placed into circumstances that greatly tempt them to abuse their entrusted power for corrupt practices and they may succumb to this temptation. In this situation, it becomes easier for auditors to practice deception to achieve unjust or illegal benefits. Thus, in order to implement

the change, I think that the SAV legal framework needs to be improved”

(Participant 19).

According to the NASCSRV (2010), the SAV should strengthen cooperation between it and other State Audit Offices to improve the legislative framework compatible with internationally accepted public sector auditing standards.

In this section, the research findings regarding the SAV legal framework in relation to the change are aligned with previous research (Section 2.6.3.3 of this research). According to respondents, the Vietnam Government and the NASRV should facilitate the SAV in improving its legal framework in order to meet with the requirements of the change.

In regard to required changes in the SAV legal framework to implement the change, a list of general recommendations corresponding to these required changes has been formed from comments and contributions of participants. This is presented in Table 5-13.

Table 5-13: Summary of general recommendations by participants corresponding to required changes in the SAV legal framework in relation to the implementation of the change

	General recommendations by participants	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
1	<ul style="list-style-type: none"> The SAV should build and improve its auditing standards, processes, methodologies and procedures, audit samples, forms and records of financial audits, compliance audits, performance audits and IT audits 	Participant 1, 3, 17, 19, 23, 24 and 26
2	<ul style="list-style-type: none"> The SAV should build consistent and synchronous legal documents for implementation of electronic signatures, documents and evidence in order to ensure their honesty, reliability, lawfulness, reasonableness and validity 	Participant 1, 5, 16 and 27
3	<ul style="list-style-type: none"> The SAV should establish strong policies and regulations related to its IT human resources management, IT management, network systems, electronic database systems and IT security 	Participant 3, 12, 14, 17, 19, 21 and 25
4	<ul style="list-style-type: none"> The Vietnam Government and the NASRV should improve legal documents of the SAV, amend some clauses, legal status, operational and organisational principles of the SAV in order to strengthen independent status of the SAV in Vietnam's political system 	Participant 6, 7, 9, 13, 21 and 23
5	<ul style="list-style-type: none"> The Vietnam Government and the NASRV should build proper mechanisms and policies in relation to the development of the SAV IT infrastructure. 	Participant 3, 5, 8, 17 and 26

Table 5-13: Summary of general recommendations by participants corresponding to required changes in the SAV legal framework in relation to the implementation of the change (Cont.)

	General recommendations by participants	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
6	<ul style="list-style-type: none"> The Vietnam Government and the NASRV should establish mechanisms and policies related to the application of IT to the SAV audit activities 	Participant 13, 17, 21, 25, 26, 27 and 30
7	<ul style="list-style-type: none"> The Vietnam Government and the NASRV should establish mechanisms and policies involving mobilisation and utilisation of resources needed for the change 	Participant 1,3, 6, 13, 15, 17, 21, 25 and 27
8	<ul style="list-style-type: none"> The Vietnam Government and the NASRV should improve the legal framework involving financial and accounting system of entities being audited. In addition, The Vietnam Government and the NASRV should improve legal documents involving Vietnam's accounting and auditing system in accordance with the requirements of the change 	Participant 2, 5, 8, 11, 13, 21, 23,24, 26 and 28

These recommendations should be taken into account in proposing a strategic model to change the audit process of the SAV.

5.6.2. The SAV organisational structure in relation to the change

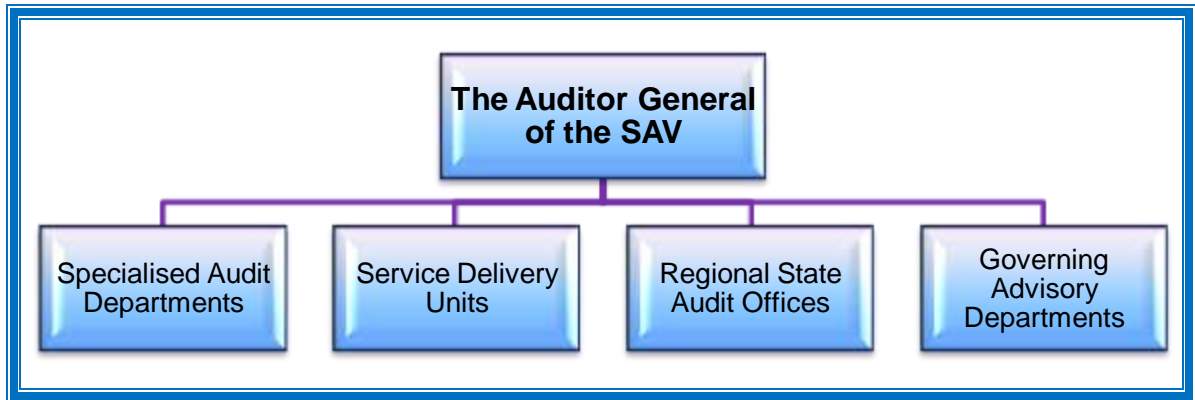


Figure 5-22: The SAV organisational structure

(Adopted from the SAV [2009])

The SAV organisational apparatus has not been comprehensively developed. For example, Participant 9 pointed out that the SAV lacks Specialised Audit Departments and Regional State Audit Offices.

In addition, several participants stated that the SAV personnel structure, especially the SAV auditor structure is inappropriate. For example:

“While the SAV senior auditors make up a small proportion of the number of the SAV auditors, the SAV probation auditors account for a large proportion of the total number of the SAV auditors. The SAV auditors who have less than five years of auditing experience make up over fifty percent of the total number of the SAV auditors” (Participant 28).

In regard to the SAV personnel structure, Participant 4 recommended that the SAV should emphasise development of high-quality and professional auditor and IT human resources in order to facilitate the implementation of the change.

According to the NASCSRV (2010), the SAV needs to properly develop quantity, quality and professional structure for its human resources. In respect of quantity of the SAV personnel, the SAV needs to have 2,600 staff members from now to 2015, and 3,500 staff members from 2016 to 2020; every department of the SAV will have about 120 staff members (NASCSRV 2010). This is presented in Figure 5-23.

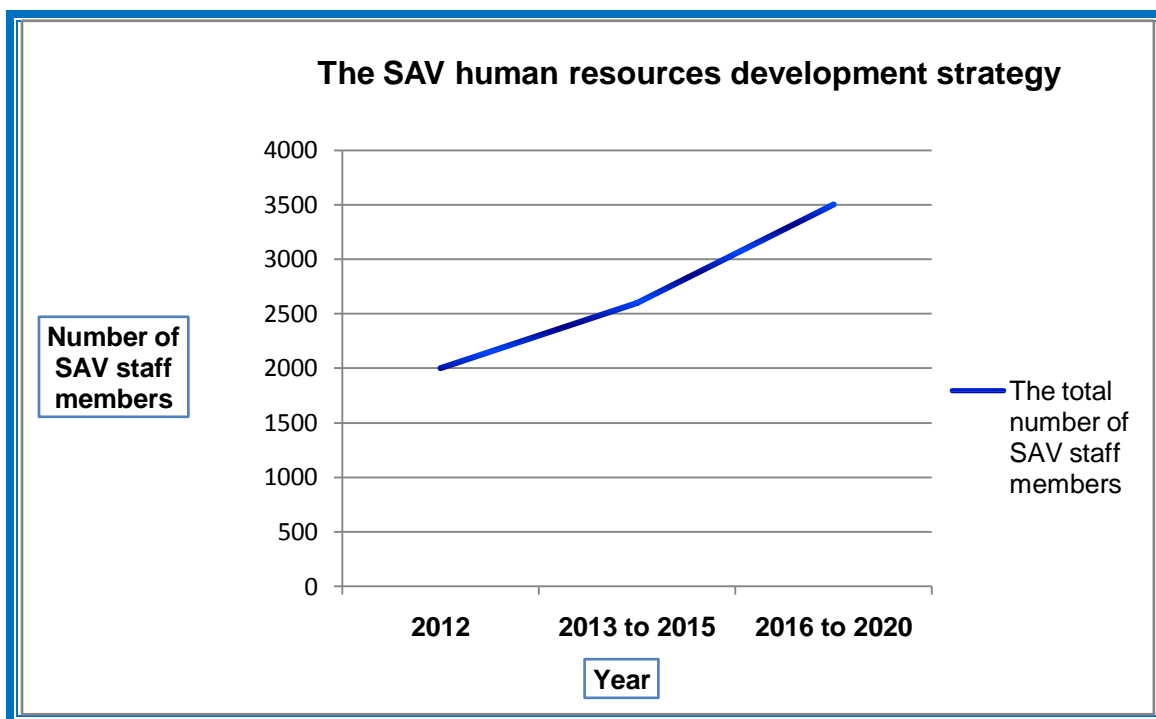


Figure 5-23: The SAV human resources development strategy

(Adopted from the NASCSRV [2010])

In regard to working positions, the SAV auditors propose the following staff increases: 85% of the SAV staff members should be auditors, clerical staff to account for 10% and 5% of other SAV staff members (NASCSRV 2010). This is described in Figure 5-24.

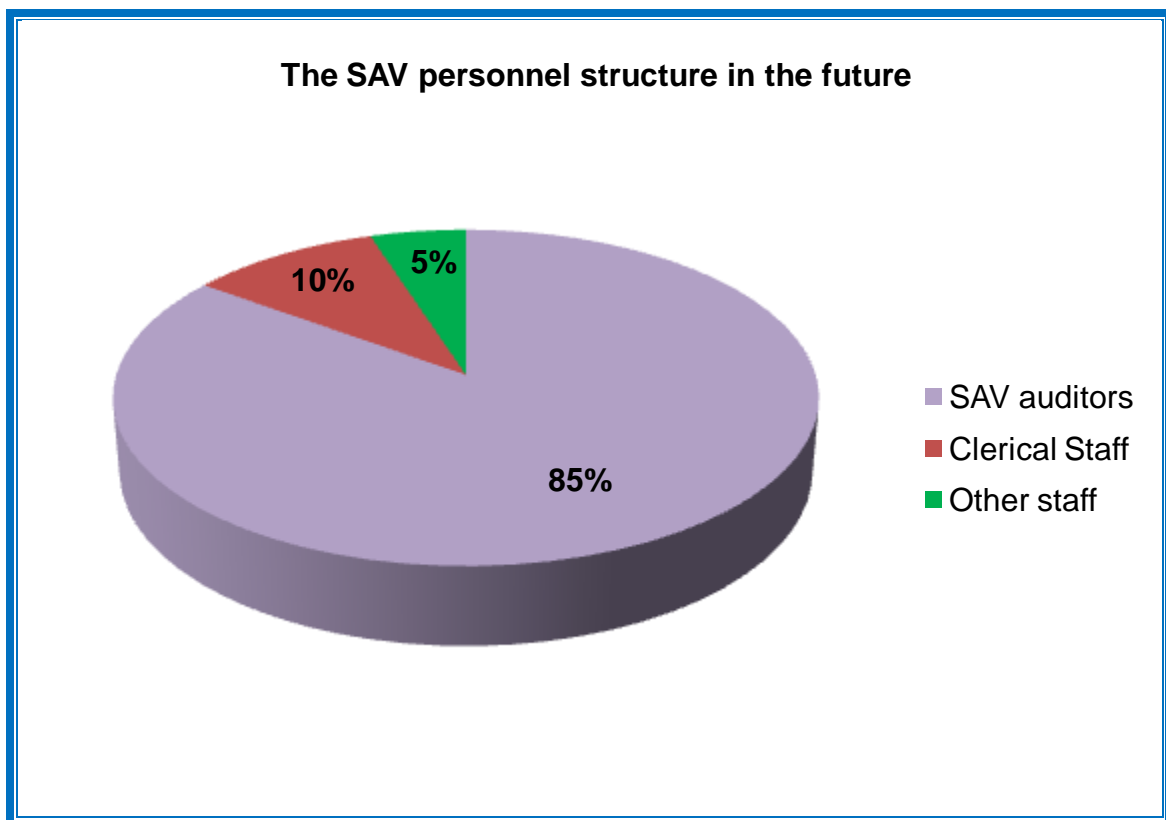


Figure 5-24: The SAV personnel structure in the future

(Adopted from the NASCSRV [2010])

In researching the professional structure, it was found that by 2020 the following percentages would make up the total number of SAV auditors:

- The most senior auditors should make up 3 - 5 %

-
- Senior auditors should make up 20 - 25 %
 - Probation auditors 20 - 25 %
 - Outcome: 40 – 45 % the total number of auditors (NASCSRV 2010).

The SAV professional structure is illustrated in Figure 5-25.

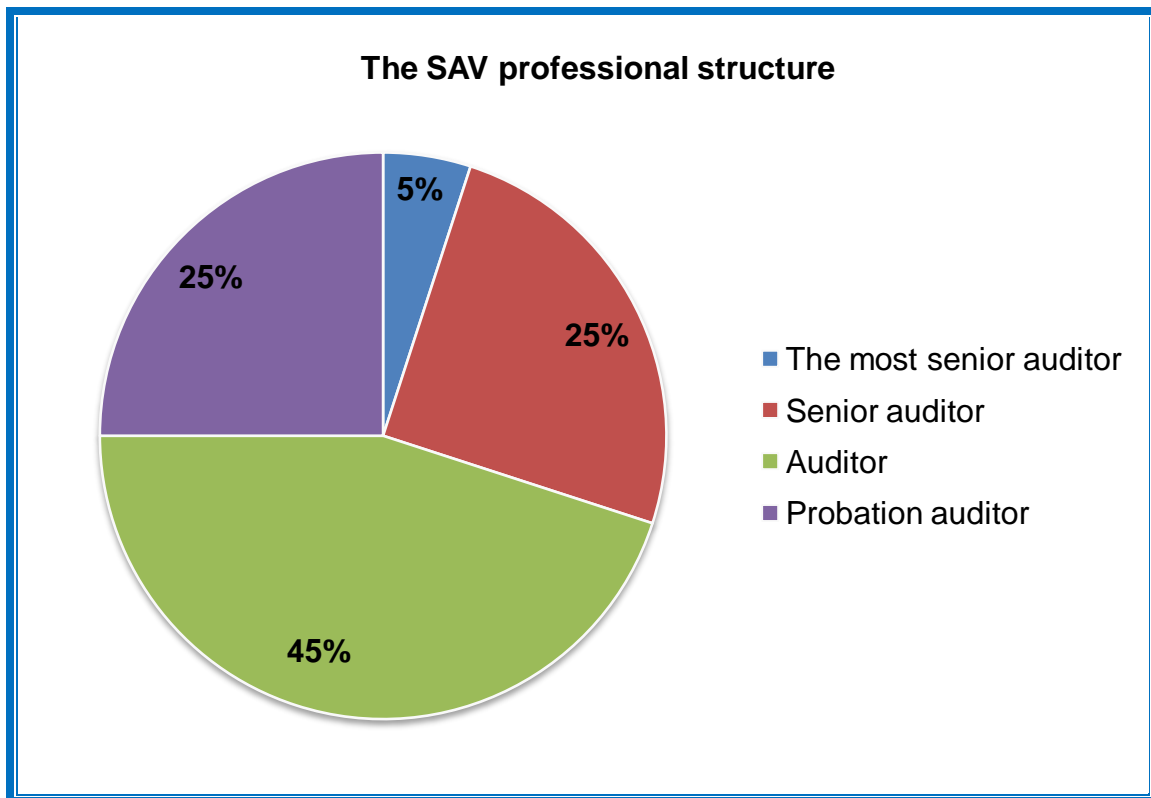


Figure 5-25: The SAV professional structure

(Adopted from the NASCSRV [2010])

In terms of qualifications, it is proposed that by 2020 the SAV staff members who have at least a bachelor's degree will make up 95%, in which 50% of those will have a background in finance, accounting, auditing and banking; while civil

construction, irrigation and architecture will account for 25%; economic management, national management, law, information technology and other areas will make up 25 percent (NASCSRV 2010). This can be shown in Figure 5-26.

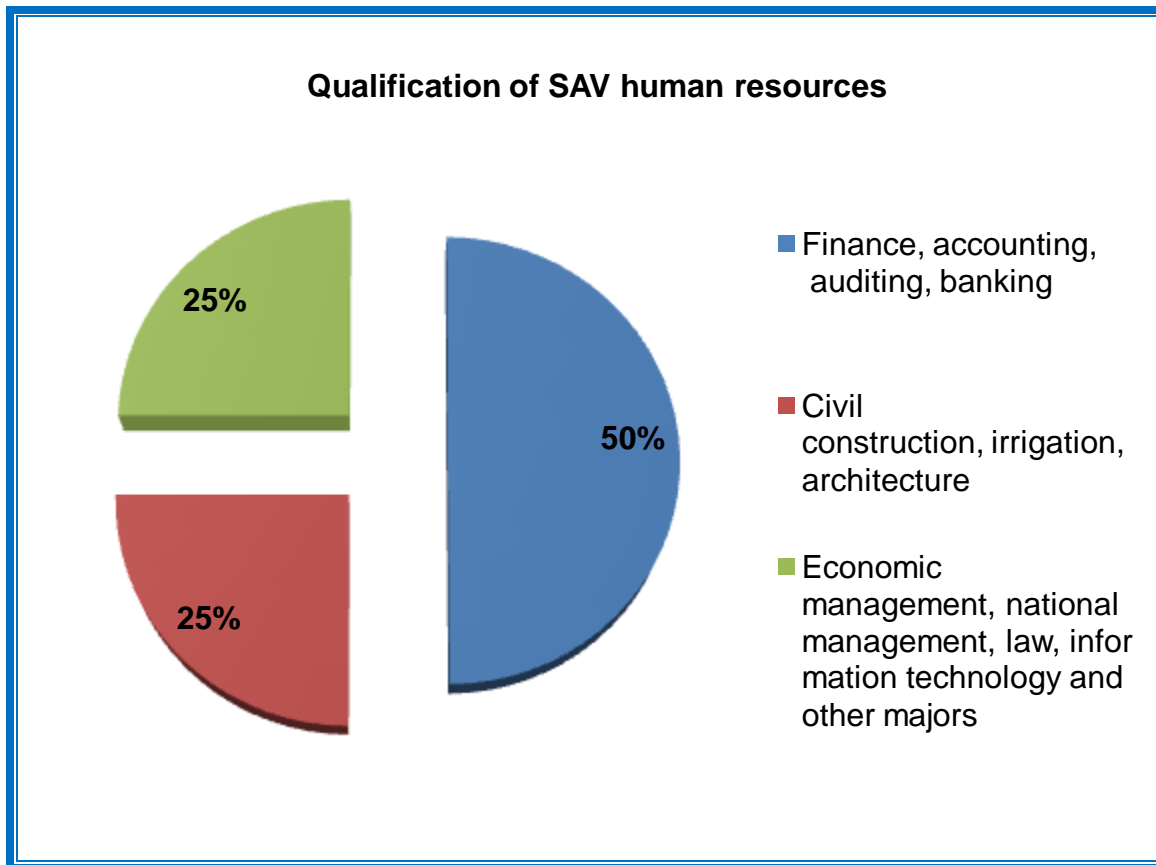


Figure 5-26: Qualification of SAV human resources

(Adopted from the NASCSRV [2010])

The research findings discussed in this section provide further information about SAV human resources in relation to change management processes mentioned in the literature review (Section 2.6.3.3 of this research). These findings should

be considered in improving the SAV auditor human resources in order to meet with the requirements of the change.

5.6.3. Role, status and relationships of the SAV in relation to the change

An important issue noted by a number of participants is that the role and status of the SAV within the Vietnam's political system might be different to those within advanced countries. For example, as one participant stated:

“I think that the difficulties and challenges to the change might arise from the complexity of the SAV political role within Vietnam's political system. The change may come with strengthening transparency of audit outcomes, ensuring auditors' independence and accountability and abolishing unnecessary intermediate stages. However, while these changes may be welcomed by some organisations in Vietnam's political system, they may lead to resistance from other organisations who feel their power is diminished by the change” (Participant 20).

It was noted by a number of participants that the change needs to be approved by not only the SAV but also other relevant organisations within Vietnam's political system (Participant 3, 7, 11, 15 and 22).

Issues arising from the analysis of those research findings are clarified by the work of the document review. Since the SAV is a part of the Vietnamese political

system and under supervision of the Vietnam Government (NASRV 2005), the question of whether or not the SAV may be impacted by political factors tends to be problematical. SAV activities are related directly to Vietnam's economic and political issues and the Vietnamese Government's management and supervision.

According to Vuong (2006), the SAV is responsible for controlling and monitoring how the state budget and the government's money and assets are managed and used. In this regard, the SAV audit results may significantly aid the Vietnam Government in managing the revenue and expenditure of the state budget (Mai 2009). On the other hand, the Government may intervene in SAV affairs through tools such as policies and administrative procedures. For example, the Vietnam Government may examine and make decisions concerning whether or not it should approve the SAV expenditure schedule, personnel policy and development strategy (NASRV 2005). Most participants contended that the Vietnam Government and the NASRV should legislate to facilitate the implementation of the new international auditing standards.

According to (SAV 2010a), the SAV has attempted to build cooperative relationships with other organisations such as the NASRV, agencies of the Vietnam Government, the Vietnam People's Councils and Committees at all levels, media agencies of Vietnam, audit organisations at home and abroad, sponsors and entities being audited. Building these relationships may positively contribute to providing information for audit engagements, audit planning,

providing audit results that serve as management and supervision instruments to utilise Vietnam's state budget, funds and assets.

However, according to the SAV (2010a), co-operative relationships between the SAV and other relevant organisations lack continuity and uniformity, especially in providing information to serve audit planning and identify materiality and risks in audit engagements. In addition, SAV communication activities are mainly implemented by its two journals and the SAV website (SAV 2010a). Nevertheless, these means of communications have limitations and weaknesses. As several participants contended, the journals of the SAV are ineffective in providing specific information about SAV audit activities (Participant 5, 16 and 28). In addition, it was stated by Participant 6 that 'the contents of the SAV website are simple and contain little information and the SAV website page in English has not been regularly updated; and the SAV information dissemination lacks professionalization and systematisation.

In this section, the research finding indicates agreement over previous attempts by the literature review (Section 2.6.3.5 of this research). Political implications in relation to the change should be considered in the change management process.

Given the issue of building co-operative mechanisms to the change, a list of general recommendations corresponding to this issue has been formed from comments and contributions of participants. This can be presented in Table 5-14.

Table 5-14: Summary of general recommendations by participants corresponding to the issue of building co-operative mechanism to the change

	General recommendations by participants	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
1	<ul style="list-style-type: none"> The Vietnam Government and the NASRV should establish cooperative mechanisms between the SAV, entities being audited and relevant organisations 	Participant 4, 7, 12 and 20
2	<ul style="list-style-type: none"> The Vietnam Government and the NASRV should assign duties and responsibilities between the SAV, entities being audited and relevant organisations in implementing the OECD auditing standards 	Participant 3, 7, 11, 20 and 23
3	<ul style="list-style-type: none"> The Vietnam Government and the NASRV should emphasize the role of the SAV as an organization that has the right to lead the change and to require all relevant organisations to coordinate all aspects of the change 	Participant 3, 7 and 15
4	<ul style="list-style-type: none"> The Vietnam Government and the NASRV should promulgate circulars for building connected network systems between the SAV, entities being audited and relevant organisations 	Participant 5, 16, 21, 28 and 29
5	<ul style="list-style-type: none"> The Vietnam Government and the NASRV should propose relevant organisations to reconsider and improve policies, legal documents, projects and programs impacting the change 	Participant 7, 13 and 21

Table 5-14: Summary of general recommendations by participants corresponding to the issue of building co-operative mechanisms to the change (Cont.)

	General recommendations by participants	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
6	<ul style="list-style-type: none"> The Vietnam Government and the NASRV should promulgate information exchange mechanism, managemental and supervising machanisms for network systems connected between the SAV, entities being audited and relevant organisations 	Participant 7, 12, 14, 15, 23 and 24
7	<ul style="list-style-type: none"> The Vietnam Government and the NASRV should enhance investments for modernising and developing IT systems of the SAV, entities being audited and relevant organisations 	Participant 1, 3, 6, 23 and 24
8	<ul style="list-style-type: none"> The Vietnam Government and the NASRV should strengthen quality of Vietnam Associations of Accountants and Auditors, and Vietnamese audit expert and auditors 	Participant 2, 4, 7, 13, 18 and 19
9	<ul style="list-style-type: none"> The SAV should maintain and reinforce traditional bilateral and multilateral cooperation with member countries of Asian Organization of Supreme Audit Institutions (ASOSAI) and the INTOSAI 	Participant 4, 6, 9 16 and 28
10	<ul style="list-style-type: none"> The SAV should enthusiastically take part in internationally training activities and audit engagements cooperated with audit organizations of other countries 	Participant 1, 10 and 15

Table 5-14: Summary of general recommendations by participants corresponding to the issue of building co-operative mechanisms to the change (Cont.)		
	General recommendations by participants	Knowledge Contributors (Participants have relevant comments or contributions to form the general recommendation)
11	<ul style="list-style-type: none"> The SAV should develop new forms of cooperation and new partners 	Participant 7, 21 and 28
12	<ul style="list-style-type: none"> The SAV should be involved in workshops and seminars concerning international training at Vietnam 	Participant 3 , 5 and 18
13	<ul style="list-style-type: none"> The SAV should enhance information dissemination about the SAV to other countries through SAV information channels 	Participant 5, 6, 16. 28
14	<ul style="list-style-type: none"> The SAV should effectively use the technical support of international organisations 	Participant 8, 9 12 18 and 23

These recommendations should be studied in proposing a strategic model to change the audit process of the SAV.

5.6.4. Section conclusion

This theme sets out the research findings regarding the legal framework, organisational structure, role, status and relationships of the SAV. These findings are reflected in several aspects, including the inadequacy and inconsistency of SAV legal documents, weak legitimacy of electronic signatures, electronic documents and electronic evidence, the inadequacy in the SAV organisational apparatus, inappropriateness in the SAV personnel structure, political implications arising from relationships between the SAV and other political organisations in Vietnam's political system. Challenges and difficulties for the change management process may arise from those issues. Limitations of the SAV legal framework, as a key factor of those findings, should be improved. Thus, a set of recommendations by respondents was provided in order to solve the issues arising from analysis of interview data.

5.7. Chapter Summary

In this chapter, the interview data analysed by TCA revealed issues requiring clarification. Various documents identified by the document review were used to clarify the issues arising from the analysis of the interview data. The research findings derived from the analysis of the interview data were structured into six key themes. These research findings, which indicate agreement in previous literature reviews, can be summarised as follows:

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- Obstacles to change may arise from stakeholders' awareness and attitudes about the change, individual personality, habits, power and interests
 - Cultural barriers to change relating to the organisational culture of the SAV and that of government audit offices of the OECD member countries can be reflected in aspects such as the work environment, work principles, specialization, audit equipment and audit methodology
 - The underdevelopment of IT software and hardware, databases, network system, IT security and IT human resources of the SAV may cause difficulties and challenges for the implementation of the change
 - The implementation of the change should consider costs for the development of the SAV infrastructure, human resources and legal framework
 - Auditor human resources quality and auditor training quality of the SAV do not meet with the requirements of the change
 - The SAV legal framework should be improved in order to facilitate the implementation of the change.
 - The Vietnam Government, the NASRV, entities being audited and other relevant organisations should facilitate the SAV in implementing the change.

CHAPTER 6: RECOMMENDATIONS

The research has analysed key factors underpinning the evaluative framework and identified issues in the change management processes required for the SAV to introduce the Australian Government audit processes. The significant issues identified have been analysed and discussed in Chapter 5. This chapter will propose a strategic model to change the audit process of the SAV. This model may aid the SAV in resolving issues arising from the research and facilitate the SAV in implementing the change. In addition, a document for the SAV to change its audit process will be provided. In this chapter, discussions about the implications and limitations of the research are also conducted.

6.1. Key issues identified in the change management processes

In this section, the key findings of Chapter 5 are summarised in order to identify key issues in the change management processes required for the SAV to introduce Australian Government audit processes. These findings are structured into seven sections, including personal issues in relation to change, SAV culture in relation to the change, application of technology to the SAV activities in relation to the change, mobilisation of financial resources for the change, obstacles to change arising from limitations and weaknesses in the SAV auditor human resources quality, obstacles to change arising from limitations and weaknesses in the SAV auditor training, the SAV organisational and operational

model in relation to the change. The key issues in the change management processes can be presented in Figure 6-1.

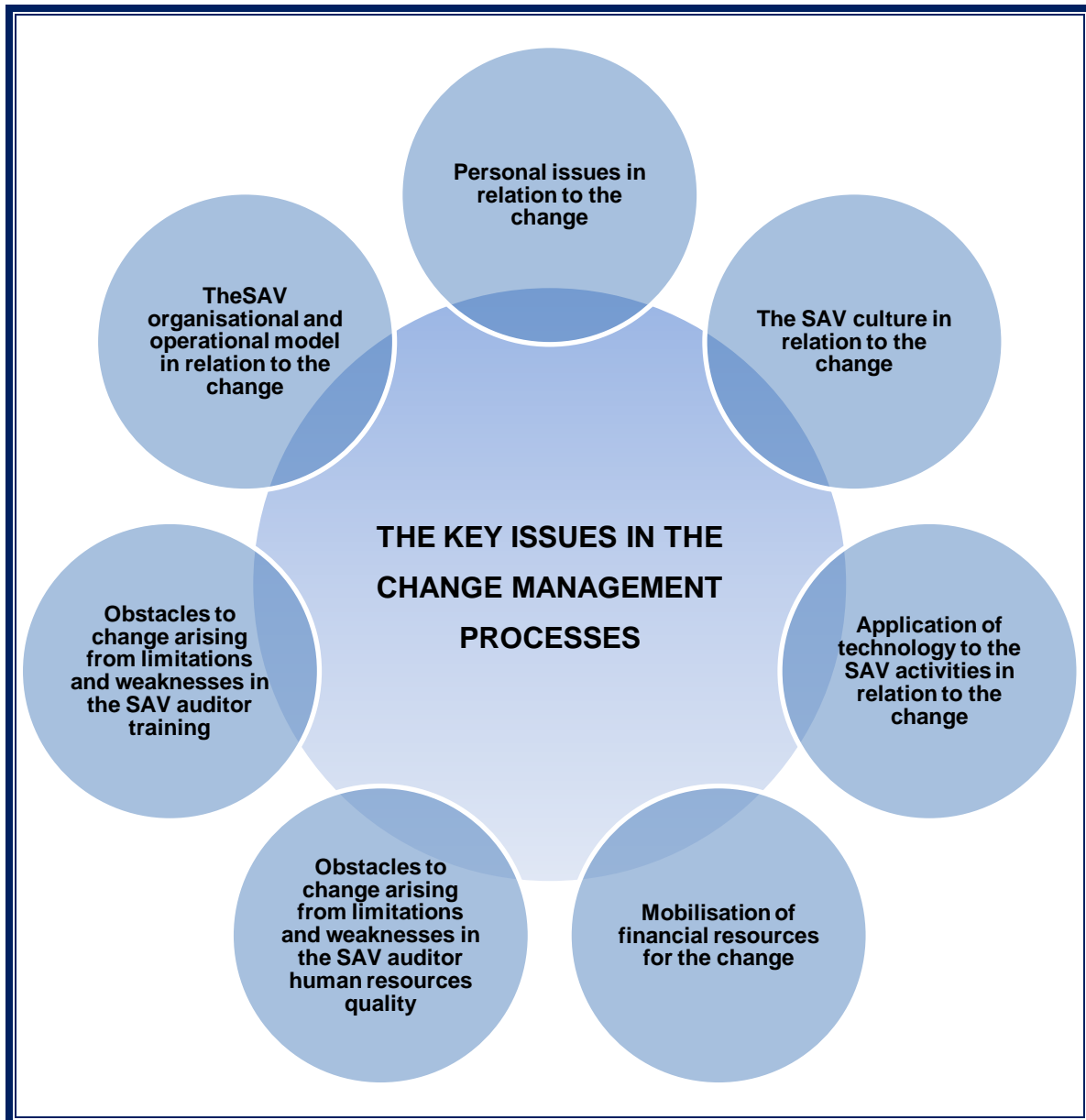


Figure 6-1: The key issues in the change management processes

6.1.1. Personal issues in relation to the change

It is important to know that lack of information about the change may make stakeholders misunderstand the change and cause emotional issues such as worry, fearfulness and resistance in relation to the change (Section 5.1.1, Section 5.1.3 and Section 5.1.4 of this research). While the SAV culture needs to be changed to implement the OECD auditing standards, changes in the SAV culture may cause resistance from stakeholders (Section 5.2.2 of this research). Although application of software programs to the SAV audit activities may bring benefits to stakeholders, it may not be welcomed by stakeholders once they do not clearly understand how to use these programs (Section 5.1.2 of this research).

Similarly, stakeholders may feel indifferent to IT security because they are only partly provided with adequate information about the role and impact of IT security to the SAV IT infrastructure and audit activities (Section 5.3.5 of this research). The SAV auditors have not appreciated the significance of English language and computing and training programs (Section 5.5.1 of this research). In order to implement the change, it is necessary to obtain strong support and cooperation from the SAV and other relevant organisations (Section 5.6.4 of this research). While information dissemination towards the change may facilitate the SAV in removing personal issues in relation to the change, the means of

communications of the SAV have not met the requirements of the change (Section 5.6.4 of this research).

According to Section 5.1.1, Section 5.1.2, Section 5.1.3 and Section 5.1.4 of this research, stakeholders feel afraid and lack confidence in the implementation of the change. These sections provide information that the change may be impacted by personal issues such as stakeholders' inadequate awareness to the change, the effect on their personality and habits, the worry of impacted power and interest, personal inertia, bad impressions to change and tensions in work and life.

In addition, Section 5.3.7 and Section 5.5.1 of this research indicates that weak human resources quality of the SAV poses difficulties and challenges for the change management process. According to Section 5.5.1 of this research, leadership plays an important role in solving difficulties and challenges arising from the change. Thus, in order solve the above difficulties and challenges, it is necessary to improve the leadership of change leaders. Based on the primary research, Figure 6-2 demonstrates the personal issues in relation to the change.

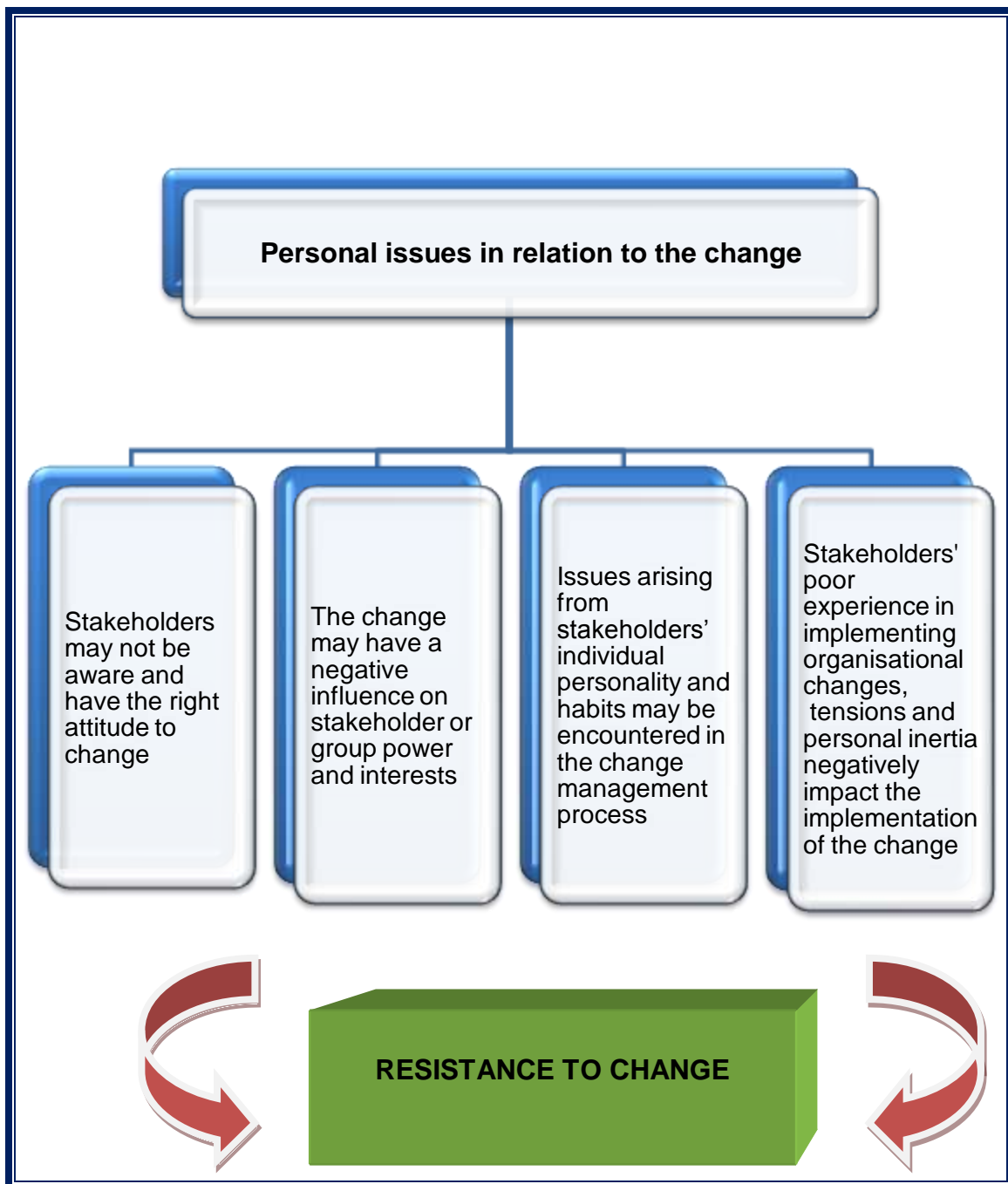


Figure 6-2: Personal issues in relation to the change

6.1.2. The SAV culture in relation to the change

The SAV culture has been formed by generations of SAV staff members and involves various values and beliefs and there have a strong influence on the SAV staff members and the change (Section 5.2.1 of this research).

As shown in Section 5.2.2 of this research, the change may face challenges arising from cultural differences between the SAV and audit organisations of the OECD member countries. These cultural differences impact the implementation of the OECD auditing standards.

Although the SAV culture needs to be changed to implement the OECD auditing standards, changing the SAV culture is considered as the biggest challenge of the change and it is time-consuming and requires the stakeholder continual efforts (Section 5.2.2 of this research). The SAV culture in relation to the change is presented in Table 6-3.

Table 6-3: Significant differences between the SAV culture and the culture of government audit offices of the OECD member countries			
	The SAV culture (identified from the primary research)		Culture of government audit offices of the OECD member countries (Identified from the literature and formed from research participants)
Working style	Professional experiences are emphasised	=><=	Professionalism, critical and innovative thinking are emphasised
Time	Conception of time is understood as relative and changeable	=><=	Conception of time is understood as exact and absolute
Work and life balance	Balance between personal issues and work and building a family-like work environment are emphasised	=><=	Effectiveness and independence are emphasized and work is put in first position
Auditing methodology	SAV auditors' traditional auditing methodology is based on experience, manual working, fieldwork, note taking, direct interviews and observation, and people-driven system	=><=	Auditing methodology is based on specialized audit software programs and technology-driven systems

6.1.3. Application of technology to the SAV activities in relation to the change

One of the significant challenges that the change faces is that its infrastructure has not met the requirements of the change. Section 5.3.1 of this research shows that the SAV lacks qualified IT security, network security and network management software programs. As well, the SAV has not had specialised audit software programs (Section 5.3.1 of this research).

In addition, the change may face IT security issues such as inappropriate IT policies, hackers, low capacity of IT staff, IT security risks due to hackers, the SAV staff members, incompatible or out-of-date IT security software (Section 5.3.5 and Section 5.3.6 of this research). Section 5.3.2 of this research shows that the SAV lacks computers, servers and IT devices for networks, data storing systems and other specialised systems, especially laptops for the SAV auditors.

Moreover, the SAV has not emphasised the significance of IT security in the development of the SAV (Section 5.3.5 of this research). Furthermore, the SAV database system and network management are underdeveloped (Section 5.3.3 and Section 5.3.4 of this research).

Finally, the SAV lacks IT human resources, especially high-quality IT staff, and has not developed appropriate and effective IT training programs for its IT staff

(Section 5.3.7 of this research). Figure 6-4 which is based on the primary research illustrates the technological barriers to change.

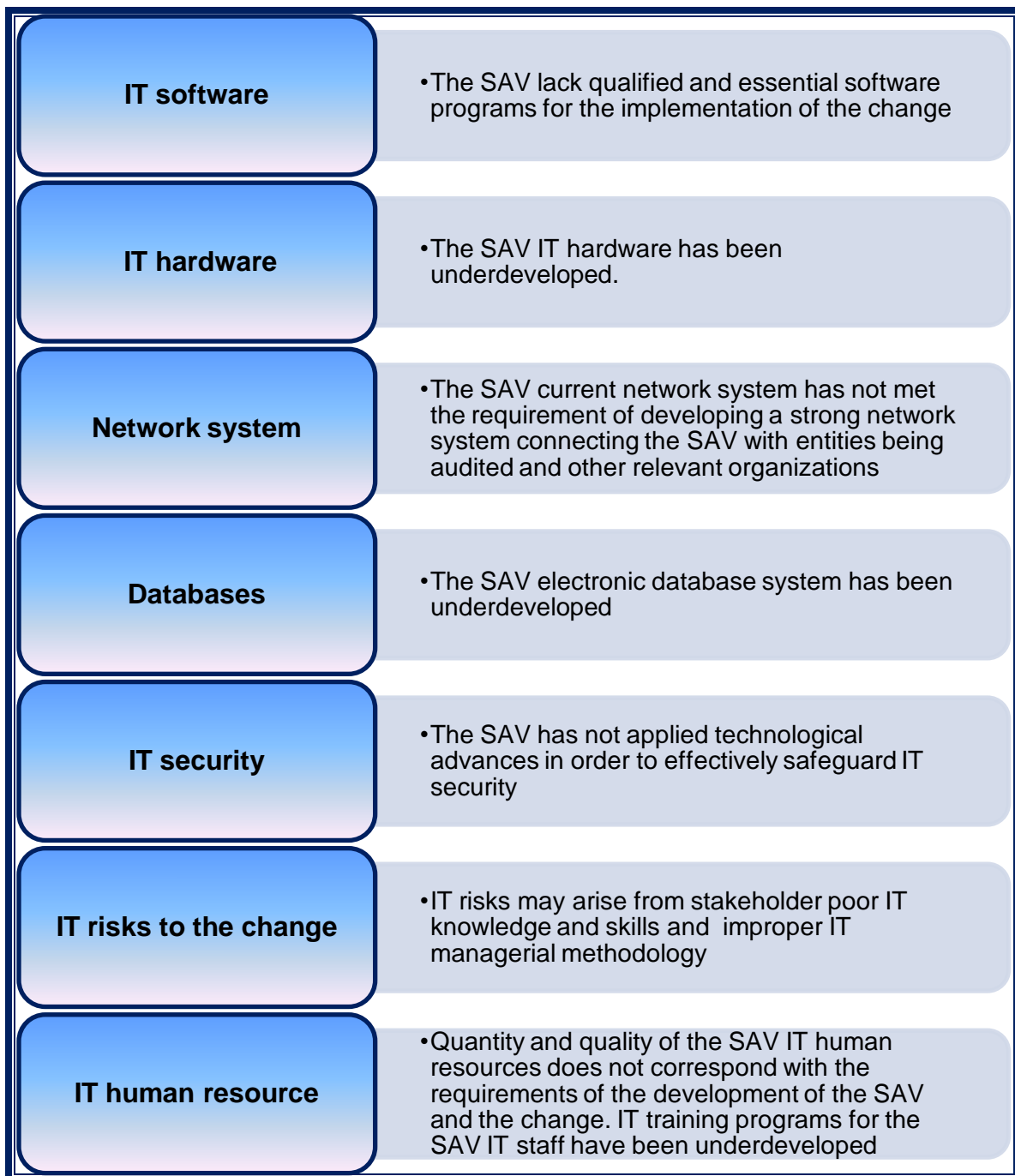


Figure 6-4: Technological barriers to change

6.1.4. Mobilisation of financial resources for the change

Section 5.4.1 of this research indicates that in order to implement the change, the SAV needs to improve and build the current headquarters of the SAV and purchase facilities and equipments. This section also shows that the implementation of the change requires huge costs that need to be thoroughly considered. In addition, improving SAV human resources quality will involve various costs such as costs for developing curriculum, training, teaching materials, workshops and other relevant costs (Section 5.4.2 of this research). Moreover, improving the SAV legal framework requires costs for studying and establishing legal documents, mechanisms and policies, organising conferences and seminars, and information dissemination (Section 5.4.3 of this research). Other costs such as costs for international cooperation, time cost and opportunity cost should also be considered in the change management process (Section 5.4.4 of this research). The primary research shown in Figure 6-5 illustrates the financial obstacles in relation to the implementation of the change.

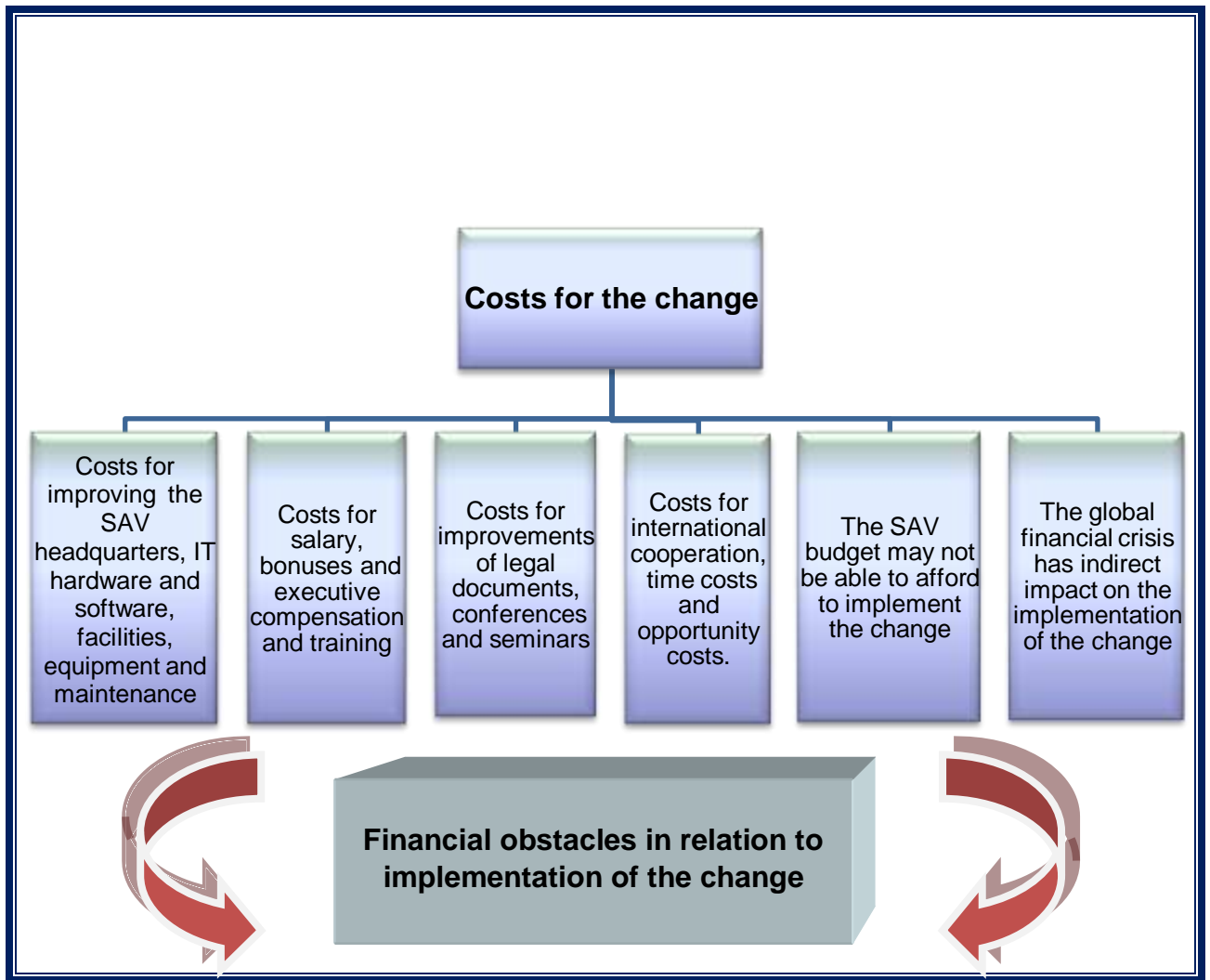


Figure 6-5: Financial obstacles in relation to the implementation of the change

6.1.5. Obstacles to change arising from limitations and weaknesses in the SAV auditor human resources

As shown in Section 5.1.4 of this research, many participants noted that stakeholders may be afraid that they lack the necessary knowledge and skills to

perform to the OECD auditing standards. According to Section 5.5.1 of this research, the SAV human resources quality is relatively weak. This section also shows that the SAV auditors have insufficient understanding of the role of the SAV auditing standards. Multiple participants acknowledged that they have not sufficient knowledge to implement international auditing standards. When conducting audit engagements, their judgements are based on their own experience and understanding.

In addition, Section 5.5.1 of this research indicates that most of the SAV auditors have limited skills in the English language and computing. These weaknesses prevent stakeholders from approaching, studying and practicing international auditing standards. Based on the primary research, Figure 6-6 demonstrates the challenges to the change arising from limitations and weaknesses in the SAV auditor human resources quality.

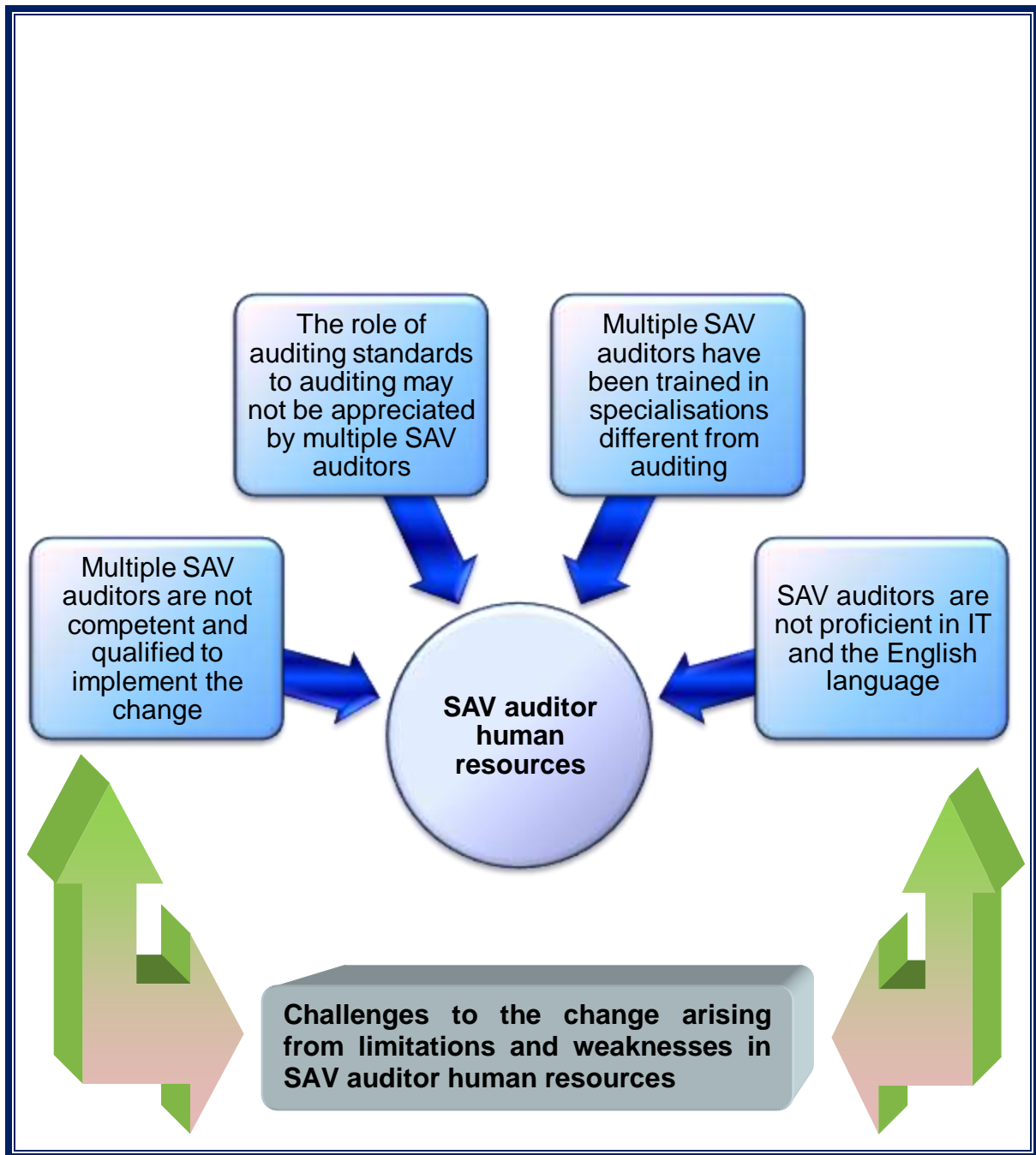


Figure 6-6: Challenges to the change arising from limitations and weaknesses in SAV auditor human resources quality

6.1.6. Obstacles to change arising from limitations and weaknesses in the SAV auditor training

Section 5.1.3 and Section 5.1.4 of this research imply that the SAV training programs have not attracted the attention of the SAV staff members; some of them do not want to spend their time and efforts studying these programs.

Section 5.5.2 of this research indicates that the SAV training programs have not met SAV auditors' demand and or in other words these training programs have not provided the necessary knowledge and skills for SAV auditors. These sections also show that the SAV lacks training programs specialising in IT, IT audits and application of IT to auditing.

According to Section 5.5.2 of this research, the SAV training programs have not met international quality standards of auditing training, or have been appropriately and methodically organized, based only on theory and lack of a practical user experience. This section also indicates that knowledge and skills about performance and IT audits have not been developed in the SAV training programs. In addition, the SAV lacks lecturers, experienced lecturers and teaching materials for its training programs. Figure 6-7 which is based on the literature review illustrates the hindrances to change arising from limitations and weaknesses in the SAV auditor training.

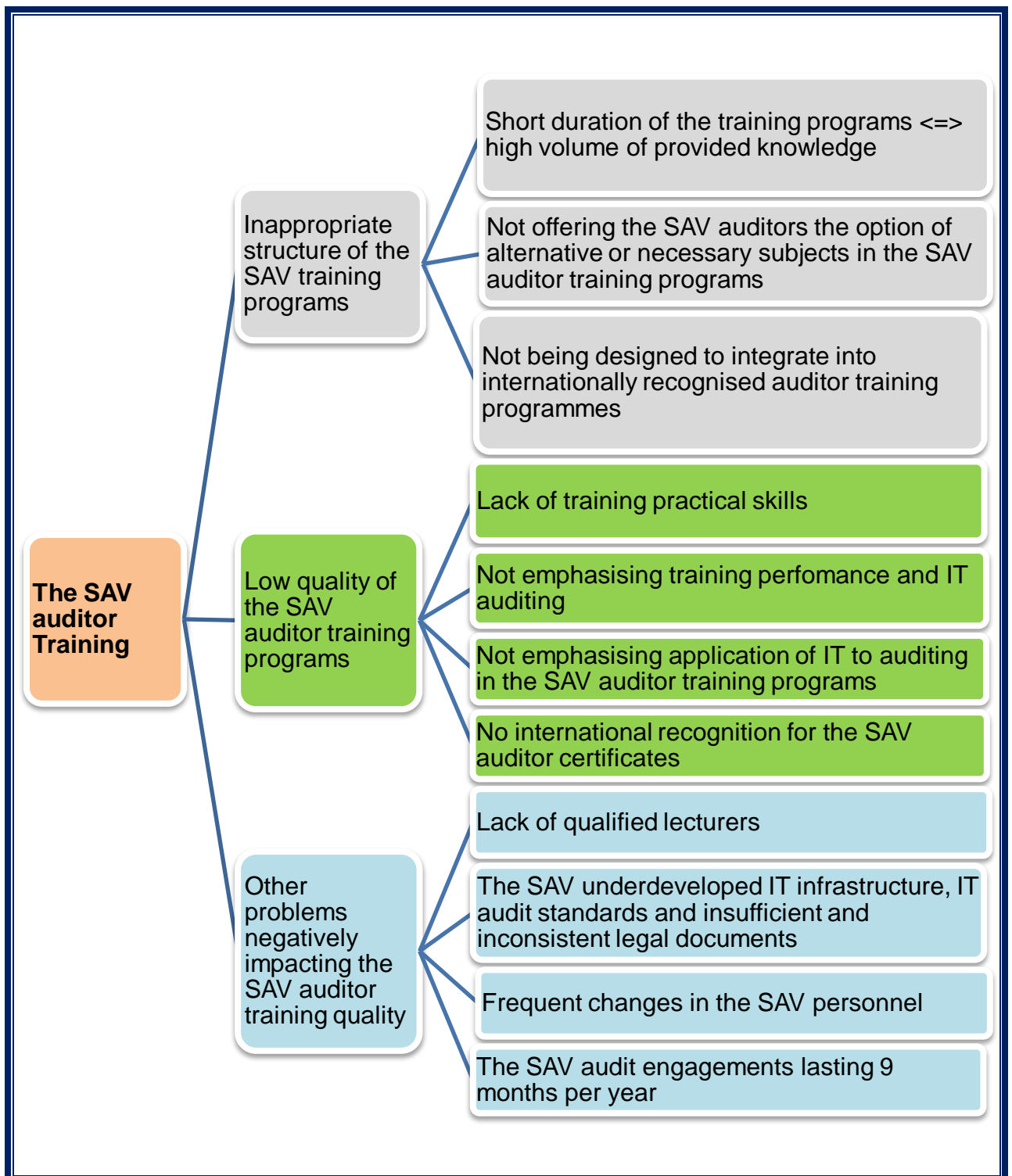


Figure 6-7: Hindrances to change arising from limitations and weaknesses in the SAV auditor training

6.1.7. The SAV organisational and operational model in relation to the change

The change may face legal incompatibility between mechanisms, policies, regulations and legal documents and SAV copyright law and those of government audit offices of the OECD countries (Section 5.3.4, Section 5.3.5 and Section 5.3.6 of this research). According to Section 5.6.1 of this research, while electronic documents, signatures and evidence need to be implemented in the change, their lawfulness, reasonableness and validity have not been recognised as part of the SAV law.

Section 5.6.1 of this research shows that there are inappropriateness, inconsistency and insufficiency in SAV audit standards, procedures, methodologies, processes and legal documents and lack of consistency and synchronization among some SAV legal documents and relevant organisations. In addition, this section indicates that the Constitution of the Socialist Republic of Vietnam has not recognised the legal status of the SAV and SAV Auditor General. Thus, in order implement the change, the SAV needs to improve its legal framework. However, improving the SAV legal framework requires the SAV to obtain a high degree of unanimity and cooperation from relevant organizations (Section 5.6.3 of this research). The primary research shown in Figure 6-8 illustrates the legal obstacles to change.

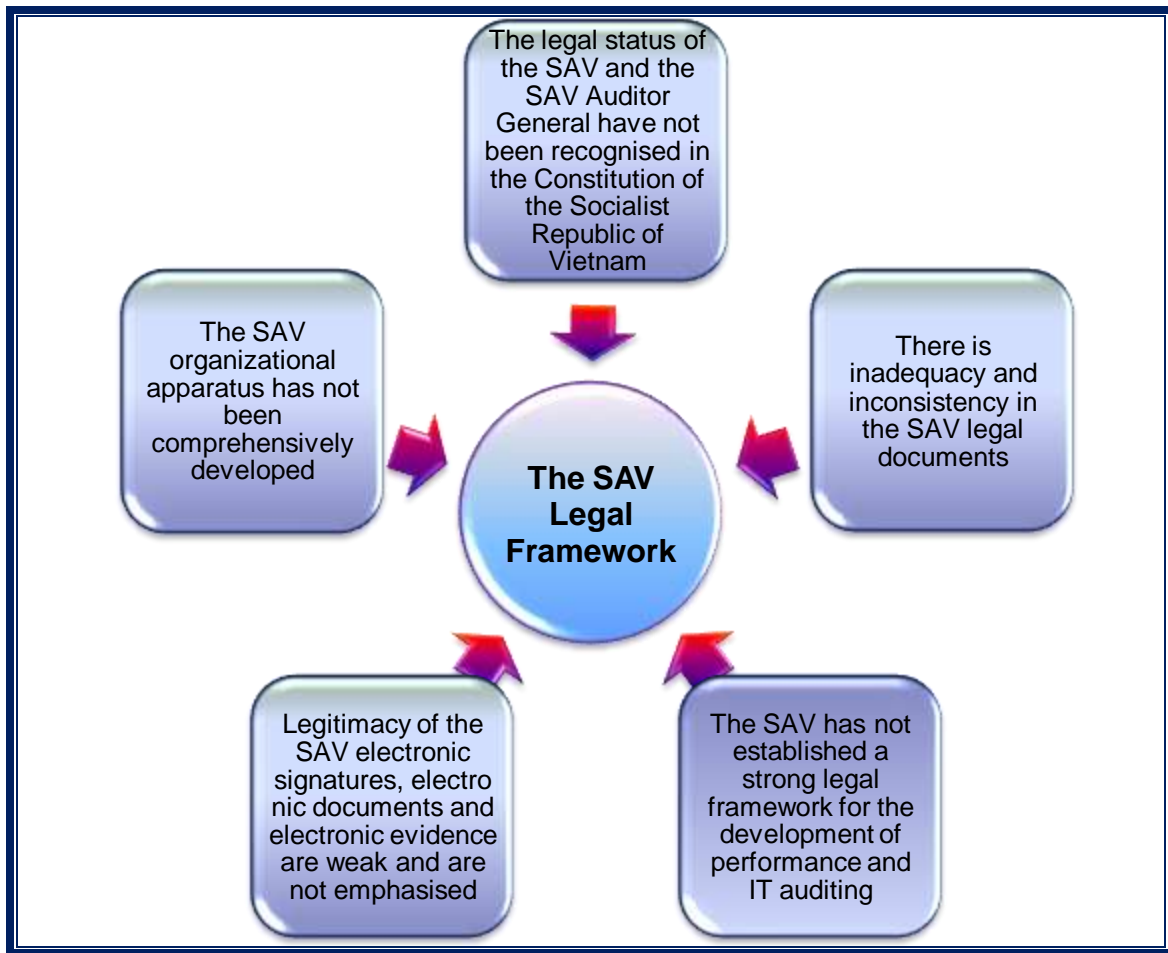


Figure 6-8: legal obstacles to change

6.2. Strategic model to change the audit process of the SAV

The key issues in the change management processes have been discussed and clarified. These issues have been identified from the literature review, the analysis of interview transcripts and the consultation workshops which have contributed to developing a strategic model to change the audit process of the SAV. Figure 6-9 demonstrates the recommendation formation process for the strategic model to change the audit process of the SAV.

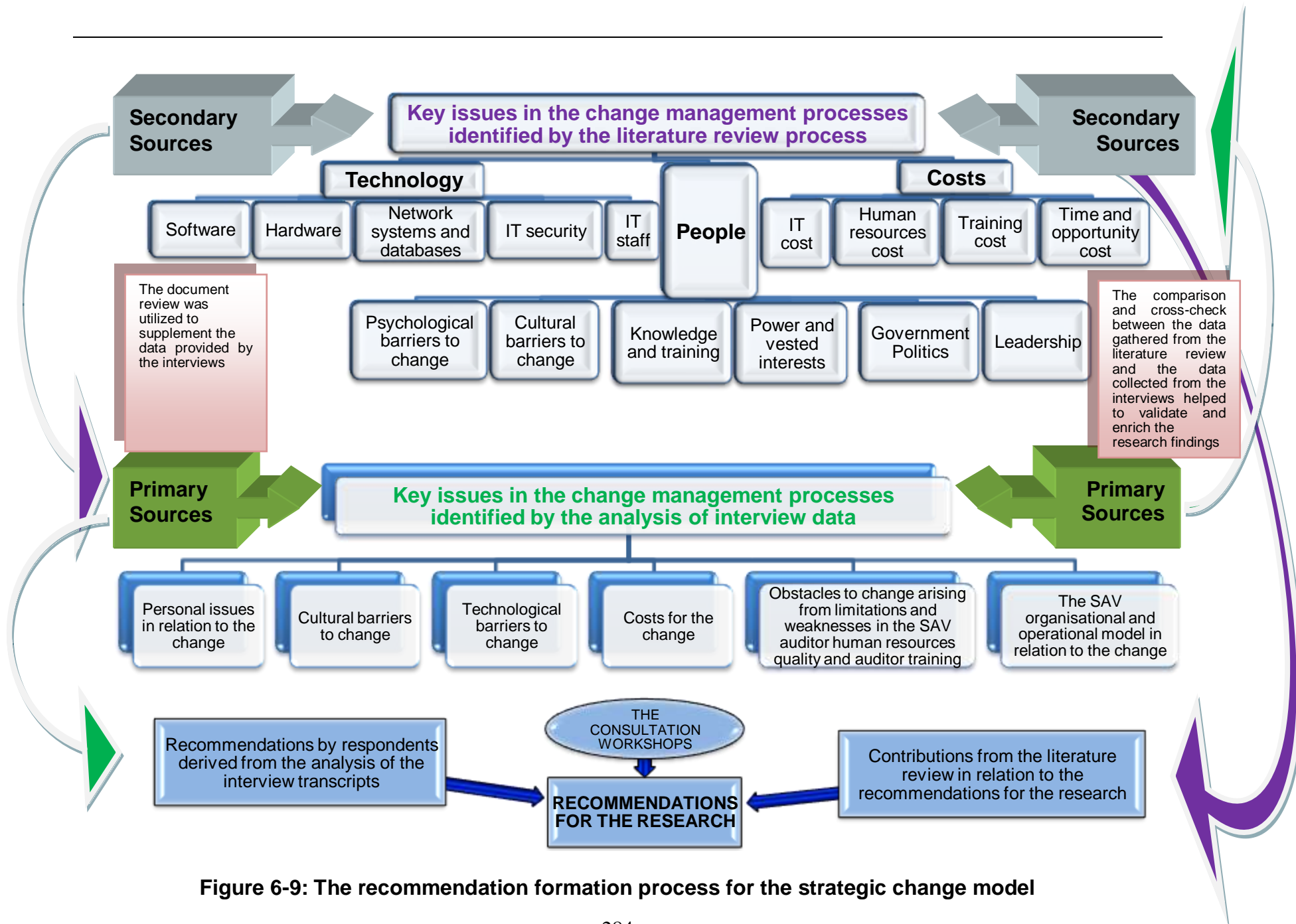


Figure 6-9: The recommendation formation process for the strategic change model

As discussed in Chapter 5 of this research, recommendations formed by contributions of participants should be studied in proposing a strategic model to change the audit process of the SAV. In this Chapter, all suggestions and recommendations by participants presented in Chapter 5 of this research and contributions acquired by the literature review in Chapter 2 of this research corresponding to the key issues in the change management processes are grouped and summarised. Those grouped and summarised suggestions, recommendations and contributions are used to form a set of policy recommendations concerning the strategic change model. A summary of the suggestions, recommendations and contributions can be presented in Table 6-2.

Table 6-2: Summary of contributions corresponding to the issues in the change management processes derived from the analysis of transcript interviews and the literature review

Issues in the change management process	Contributions corresponding to the issues	Sources (Interviews with who or/and what examination of documents the contribution is formed from)
<u>Issue 1:</u> Personal issues in relation to the change	<ul style="list-style-type: none"> • The SAV should enhance information dissemination towards the change 	Participant 2, 3, 5, 6, 7, 9, 14, 17, 18, 22, 24 and 25
	<ul style="list-style-type: none"> • The SAV should strengthen leadership of the change leaders 	Participant 1, 3, 6, 8, 14, 15, 17, 18, 20, 21, 26 and 27 See Lunenburg (2010), Kanter (2003), and Kotter and Cohen (2002)
	<ul style="list-style-type: none"> • The SAV change leaders should be selected from the SAV auditors or managers or IT staff or a combination of these people 	Participant 1, 2, 3,4, 5, 6, 8, 9, 10,11, 12, 13, 14, 16, 17, 19, 21, 22, 23, 26, 28, 29 and 30 See Kotter and Cohen (2002)
	<ul style="list-style-type: none"> • Establishing effective change management strategy should be implemented 	Participant 2, 4, 6, 11, 18, 21, 23 and 25
	<ul style="list-style-type: none"> • The SAV change leaders should grasp and manage effectively stakeholder psychological and emotional issues 	Participant 3, 6, 14, 15, 19, 23 and 27 See (Kanter 2003), Recklies (2001), Sharpe (2009), and Sligo (2003)

Table 6-2: Summary of contributions corresponding to the issues in the change management processes derived from the analysis of transcripts interviews and the literature review (Cont.)

Issues in the change management process	Contributions corresponding to the issues	Sources (Interviews with who or/and what examination of documents the contribution is formed from)
<u>Issue1:</u> Personal issues in relation to the change	<ul style="list-style-type: none"> Factors such as communication, persuasion, empowerment and support should be emphasised in the change management process 	Participant 1, 2, 3, 4, 5, 6, 8, 13, 14, 15, 17, 18, 19, 21, 22, 24, 26 See Sharpe (2009), Burnes (2004), Kotter and Cohen (2002) and Kanter (2003)
	<ul style="list-style-type: none"> Establishment of strict disciplines in relation to the implementation of the change should be employed 	Participant 1, 8, 14 and 25
<u>Issue 2:</u> SAV culture in relation to the change	<ul style="list-style-type: none"> A computerized work environment should be applied to the SAV 	Participant 3, 6, 8, 14 and 27
	<ul style="list-style-type: none"> Computer assisted audit methodology and up-to-date audit equipments should be implemented 	Participant 5, 8, 16, 17, 18 and 23
	<ul style="list-style-type: none"> Specialisation of the SAV auditors and transparency in the SAV audit information and activities should be emphasised 	Participant 1, 13, 14, 16 and 30

Table 6-2: Summary of contributions corresponding to the issues in the change management processes derived from the analysis of transcripts interviews and the literature review (Cont.)

Issues in the change management process	Contributions corresponding to the issues	Sources (Interviews with who or/and what examination of documents the contribution is formed from)
Issue 2: SAV culture in relation to the change	<ul style="list-style-type: none"> • Strict working time, work principles and regulations should be emphasised 	Participant 3, 5, 14 and 27
	<ul style="list-style-type: none"> • The work-life balance of the SAV staff members in the change management process should be taken into account 	Participant 2, 5, 6, 7, 10, 13, 14, 17, 19, 20, 23 and 27
Issue 3: Application of technology to SAV activities in relation to the change	<ul style="list-style-type: none"> • IT software programs (especially audit IT software) to the SAV activities should be applied 	Participant 1, 2, 3, 5, 6, 10, 14, 16, 18, 20, 21, 22, 28, 29 and 30 See GAO (2010), Moorthy (2011) and Dahanayake (2007)
	<ul style="list-style-type: none"> • The SAV IT hardware, emphasizing the significance of IT devices used for the SAV audit activities should be improved 	Participant 6, 8, 18, 22 and 26 See Kumar et al (2003), Dahanayake (2007) and the NAO (2012a)
	<ul style="list-style-type: none"> • A strong electronic database system should be developed for the SAV 	Participant 3, 6, 7, 12, 16, 17, 19, 23, 28 and 29 See the NAO (2005)

Table 6-2: Summary of contributions corresponding to the issues in the change management processes derived from the analysis of transcripts interviews and the literature review (Cont.)

Issues in the change management process	Contributions corresponding to the issues	Sources (Interviews with who or/and what examination of documents the contribution is formed from)
Issue 3: Application of technology to SAV activities in relation to the change	<ul style="list-style-type: none"> • The SAV should reinforce its network system and build a integrated network system connected from it to other relevant organizations 	Participant 4, 5, 7, 9, 16, 17, 21, 23, 24, 29 and 30 See Lymer and Debreceeny (2003), Fisher, Oyelere and Laswad (2002). Masrek, Karim and Hussein (2007), Stair and Reynold (2008), the NAO (2005)
	<ul style="list-style-type: none"> • The SAV should recruit high-quality IT human resources, provide the SAV IT staff with up-to-date IT training, materials and devices, and improve salary and reward policies for the SAV IT staff 	Participant 1, 3, 9, 10,12,14, 15, 17,18, 19, 21, 22, 26, 28 and 29 See Sharpe (2009), Rashid and Hashim (2009), and Baumann (2005)
	<ul style="list-style-type: none"> • The SAV should safeguard its IT security with safe and up-to-date IT hardware and software, and enhance its staff member awareness and responsibility towards strict compliance with the SAV IT security policies 	Participant 1, 3, 4, 8, 10, 11, 17, 20, 22, 25 and 26 See Barrett (2000), GAO (2010) and the ANAO (2010a)

Table 6-2: Summary of contributions corresponding to the issues in the change management processes derived from the analysis of transcripts interviews and the literature review (Cont.)

Issues in the change management process	Contributions corresponding to the issues	Sources (Interviews with who or/and what examination of documents the contribution is formed from)
<u>Issue 4:</u> Mobilisation of financial resources for the change	<ul style="list-style-type: none"> Financial and technical assistance and support from auditing organizations and other Vietnamese and international organizations should be considered 	Participant 1, 3, 4, 5, 6, 8, 18, 21, 23, 25, 26 and 28
	<ul style="list-style-type: none"> Establishment of an expense schedule for the change should be implemented 	Participant 2, 5, 7, 15, 22 and 28
	<ul style="list-style-type: none"> Financial supports from the Vietnam Government should be taken into account 	Participant 1, 12, 17 and 28
<u>Issue 5:</u> Obstacles to change arising from limitations and weaknesses in SAV auditor human resource quality	<ul style="list-style-type: none"> The SAV should establish a detailed auditor human resource quality evaluation framework, and periodically assess and examine its auditor performance 	Participant 5, 6, 9, 13, 14, 21, 22 and 29
	Developing IT audit teams and a professional auditor human resources for the SAV should be considered	Participant 1, 2, 14, 15, 17, 22 and 25

Table 6-2: Summary of contributions corresponding to the issues in the change management processes derived from the analysis of transcripts interviews and the literature review (Cont.)

Issues in the change management process	Contributions corresponding to the issues	Sources (Interviews with who or/and what examination of documents the contribution is formed from)
Issue 5: Obstacles to change arising from limitations and weaknesses in SAV auditor human resource quality	<ul style="list-style-type: none"> • The SAV should improve its auditor IT knowledge and skills, English language competence and professional skills, and encourage its auditors in studying and practicing the OECD auditing standards 	Participant 4, 5, 6, 9, 11, 14, 15, 16, 17, 19, 23, 24, 26 and 28
Issue 6: Obstacles to change arising from limitations and weaknesses in SAV auditor training	<ul style="list-style-type: none"> • Building training programs suitable to SAV auditor qualifications and meet with internationally recognised auditor training standards should be taken into account 	Participant 1, 7, 9, 22, 25, 26 and 30 See Sharpe (2009), International Accounting Education Standards Board (2008), and SAV (2012e)
	<ul style="list-style-type: none"> • Associating theories with practices in the SAV training programs should be taken into account 	Participant 10, 16 and 22
	<ul style="list-style-type: none"> • Distance learning mode and online workshops should be established 	Participant 5, 6, 15, 19, 24 and 30
	<ul style="list-style-type: none"> • Application of IT to auditing, IT auditing and performance auditing should be emphasised in SAV training programs 	Participant 4, 7, 8, 11, 14, 16, 17, 23, 24 and 26

Table 6-2: Summary of contributions corresponding to the issues in the change management processes derived from the analysis of transcripts interviews and the literature review (Cont.)

Issues in the change management process	Contributions corresponding to the issues	Sources (Interviews with who or/and what examination of documents the contribution is formed from)
<u>Issue 6:</u> Obstacles to change arising from limitations and weaknesses in SAV auditor training	<ul style="list-style-type: none"> Professional lecturers and researchers for the SAV should be developed in the SAV 	Participant 11, 19, 26 and 29
	<ul style="list-style-type: none"> Materials related to the new standards should be established 	Participant 5, 9, 17, 19, 21 and 23
	<ul style="list-style-type: none"> Enhancing international cooperation in auditor training and education should be emphasised in international cooperation activities of the SAV 	Participant 1, 4, 6, 9, 10, 15, 16 and 28
<u>Issue 7:</u> SAV organisational and operational model in relation to the change	<ul style="list-style-type: none"> Improving the legal framework in relation to financial and accounting systems of entities being audited and Vietnam's accounting and auditing system should be considered 	Participant 2, 5, 8, 11, 13, 21, 23, 24, 26 and 28
	<ul style="list-style-type: none"> Creating legal documents facilitating the implementation of the SAV electronic signature, evidences and documents should be considered 	Participant 1, 5, 16 and 27

Table 6-2: Summary of contributions corresponding to the issues in the change management processes derived from the analysis of transcripts interviews and the literature review (Cont.)

Issues in the change management process	Contributions corresponding to the issues	Sources (Interviews with who or/and what examination of documents the contribution is formed from)
Issue 7: SAV organisational and operational model in relation to the change	<ul style="list-style-type: none"> • Creating strict and clear mechanisms and policies in relation to SAV IT human resources management, IT management, network systems, electronic database systems and IT security should be considered 	Participant 3, 12, 14, 17, 19, 21 and 25
	<ul style="list-style-type: none"> • The SAV legal documents in relation to auditing standards, processes, methodologies and procedures, audit samples, forms and records of financial audits, compliance audits, performance audits and IT audits should be amended and supplemented 	Participant 1, 3, 17, 19, 23, 24 and 26
	<ul style="list-style-type: none"> • The Vietnam Government and the NASRV should improve legal documents related to function, legal status, operational and organisational principles of the SAV, and establish mechanisms and policies related to the application of IT for the SAV audit activities and mobilisation and utilisation of resources needed for the change 	Participant 1, 3, 5, 6, 8, 13, 15, 17, 21, 25, 26, 27 and 30 See the NASRV (2005) and Melchor (2008)

Based on suggestions and recommendations by participants and contributions acquired through the literature review and the consultation workshops, policy recommendations for developing a strategic model to change the audit process of the SAV have been employed. This recommended strategic model addresses the key issues in the change management processes discussed above. The recommended strategic model is presented in Figure 6-10.

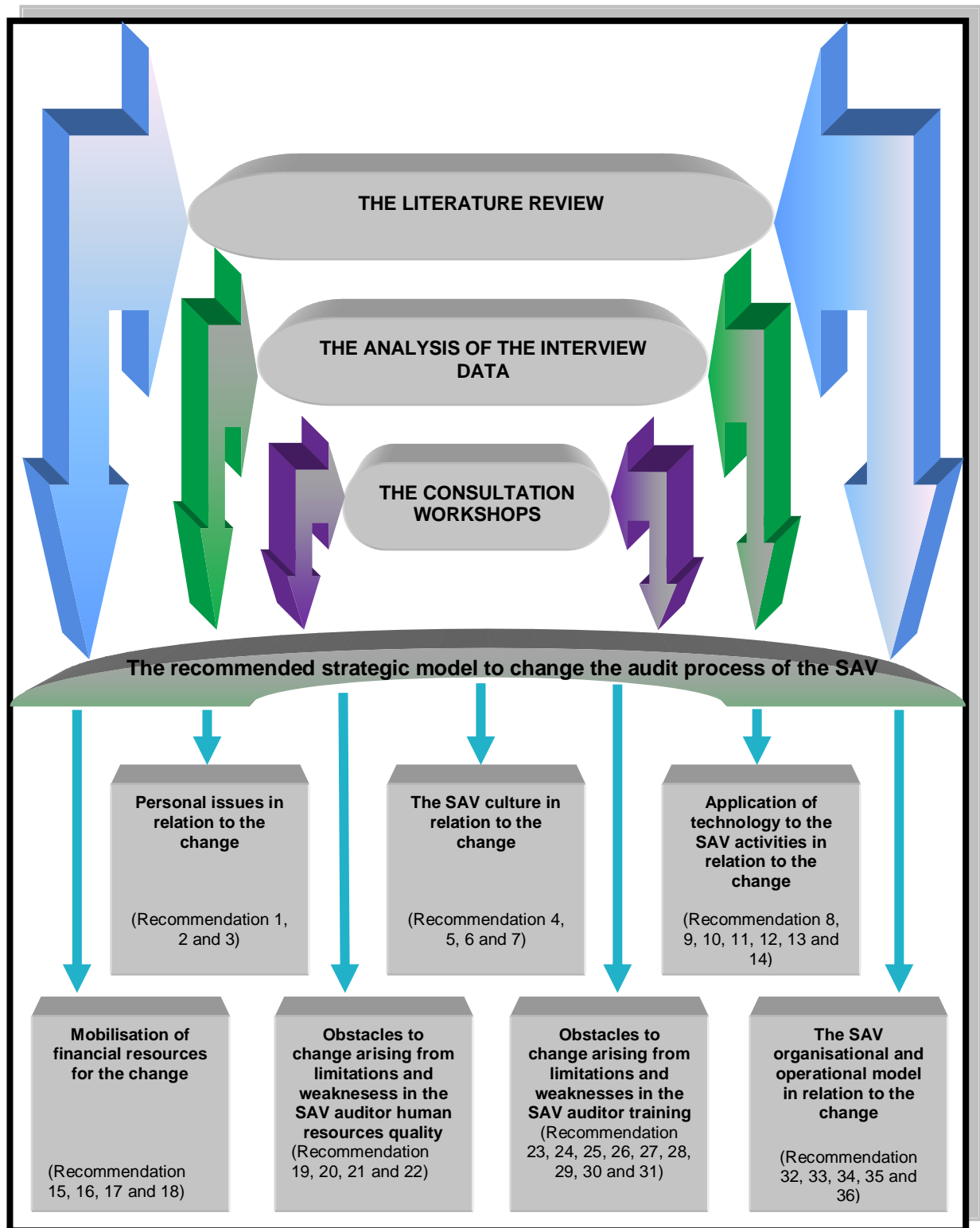


Figure 6-10: the recommended strategic model to change the audit process of the SAV

The following are the policy recommendations corresponding to the seven key themes identified in the strategic model above.

Personal issues in relation to the change

- **Recommendation 1:** It is recommended that the SAV should strengthen information dissemination towards the change. Through strengthening information dissemination about the change, stakeholders' suspicions and anxieties regarding the change can be clarified and dispelled
- **Recommendation 2:** It is recommended that SAV change leaders should be made up of the most representative managers, auditors and IT staff of the SAV
- **Recommendation 3:** It is recommended that leadership of the change leaders should be strengthened through establishing effective change strategy, enforcing strict disciplines for the implementation of the change, understanding psychological and emotional issues of stakeholders and managing these issues effectively and improving their communications, persuasion and supports with the stakeholders

SAV culture in relation to the change

- **Recommendation 4:** It is recommended that the SAV should embed new cultural changes into SAV culture and these changes include: a computerized work environment, computer assisted audit methodology, up-to-dated audit equipment, deployment of the SAV IT teams and

improvements in professionalism of the SAV auditors and transparency of SAV audit information

- **Recommendation 5:** It is recommended that the SAV should emphasise strict discipline in working time and work principles, rules and regulations
- **Recommendation 6:** It is recommended that the work-life balance of the SAV staff members should be thoroughly considered in the change management process
- **Recommendation 7:** It is recommended that the SAV culture and differences between the SAV culture and culture of audit organizations of the OECD member countries should be elaborated in order to effectively embed changes into the SAV

Application of technology to SAV activities in relation to the change

- **Recommendation 8:** It is recommended that the SAV should analyse and assess its available IT resources and mobilize necessary IT resources from individuals and organization at home and abroad in order to change from the SAV people-driven system to the technology- driven system
- **Recommendation 9:** It is recommended that the SAV should apply safe and up-to-date IT software programs to all its audit fields, types of audits, phases of audit processes, personnel management and supervision, IT security, audit quality control and electronic databases
- **Recommendation 10:** It is recommended that the SAV should improve all of its IT devices, especially IT devices used for the SAV audit activities

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- **Recommendation 11:** It is recommended that the SAV should develop a strong electronic database system, improve and upgrade databases for auditing, entities being audited and audit records.
 - **Recommendation 12:** It is recommended that the SAV should build a common and integrated network system connected from the SAV to entities being audited and other relevant organizations.
 - **Recommendation 13:** It is recommended that the SAV should recruit high-quality IT personnel and improve its IT human resource quality and salary and reward policies for its IT staff
 - **Recommendation 14:** It is recommended that the SAV should provide its IT staff with advanced IT training programs, up-to-date IT materials, textbooks and devices, and generally accepted and modern IT teaching and training methodology

Mobilisation of financial resources for the change

- **Recommendation 15:** It is recommended that the SAV should ask for financial support regarding the implementation of the change from the Vietnam Government
- **Recommendation 16:** It is recommended that the SAV should cooperate with the Ministries of the Vietnamese Government and other relevant organisations in Vietnam's political system to establish an budget for the change

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- **Recommendation 17:** It is recommended that the SAV should ask for financial and technical assistance and support from international auditing organizations
 - **Recommendation 18:** It is recommended that the SAV should mobilise financial resources relevant to the change from international and Vietnamese development support funds, financial institutions and other organisations

Obstacles to change arising from limitations and weaknesses in SAV auditor human resources quality

- **Recommendation 19:** It is recommended that the SAV should provide its auditors with the technological advances applied in the auditing field.
- **Recommendation 20:** It is recommended that the SAV should establish a detailed human resources quality evaluation framework and improve the SAV auditor database system in order to timely and effectively assess its human resources quality
- **Recommendation 21:** It is recommended that the SAV should improve IT knowledge and skills and English language competence for SAV auditors
- **Recommendation 22:** It is recommended that the SAV should establish a strategy to develop a high-quality auditor human resources department

Obstacles to change arising from limitations and weaknesses in SAV auditor training

- **Recommendation 23:** It is recommended that the SAV should classify its auditors into appropriate auditor training programs and retrain its auditors if their specialisations are different from auditing
- **Recommendation 24:** It is recommended that the SAV should design SAV auditor training programs associating theories with practices.
- **Recommendation 25:** It is recommended that the SAV should build IT training programs for SAV auditors emphasising skills and knowledge in relation to the application of IT to auditing
- **Recommendation 26:** It is recommended that the SAV should replace periodical training with regular training. This can be possible if the SAV provides SAV auditors with flexible learning and delivery modes such as a distance learning mode and online workshops.
- **Recommendation 27:** It is recommended that the SAV should build handbooks and manuals about the OECD auditing standards
- **Recommendation 28:** It is recommended that the SAV should facilitate SAV auditors in approaching and practising performance and IT audits in its auditor training programs
- **Recommendation 29:** It is recommended that the SAV should build advanced training programs for SAV proficient auditors. These auditors may be trained to become professional auditors and/or lecturers for the SAV

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- **Recommendation 30:** It is recommended that the SAV should develop professional lecturers and researchers in order to facilitate improving its training quality
 - **Recommendation 31:** It is recommended that the SAV should enhance international cooperation in auditor training and education in order to acquire and learn useful knowledge and experience in auditor training

SAV organisational and operational model in relation to the change

- **Recommendation 32:** It is recommended that the Vietnam Government and the NASRV should create strict and clear mechanisms and policies in relation to the development of the SAV IT infrastructure, application of IT to the SAV audit activities and mobilisation and utilisation of resources needed for the change
- **Recommendation 33:** It is recommended that the Vietnam Government and the NASRV should improve legal documents concerning the SAV, as well as improving the legal framework in relation to financial and accounting systems of entities being audited and legal documents related to Vietnam's accounting and auditing systems
- **Recommendation 34:** It is recommended that the SAV should build and improve its auditing standards, processes, methodologies and procedures, audit samples, forms and records of financial audits, compliance audits, performance audits and IT audits

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- **Recommendation 35:** It is recommended that the SAV should build consistent and synchronous legal documents for implementation of electronic signatures, documents and evidence
 - **Recommendation 36:** It is recommended that the SAV should establish strong policies and regulations related to its IT human resource management, IT management, network systems, electronic database systems and IT security. All the SAV staff members need to strictly comply with those policies and regulations

6.3. A policy proposal for the SAV in changing its audit process

Although this project might be applied to the SAV, its effectiveness will be strengthened if the SAV obtains a high degree of unanimity and cooperation of the Vietnam Government and the NASRV, entities being audited and other relevant organisations. The research suggests a policy proposal for the SAV in shifting its audit process. The SAV should:

- Widen its sample size, include more issues and increase the number of SAV Regional Offices participating in the research problem
- Conduct further studies about issues discussed in the research, especially insist on studying complex aspects of the research such as government politics and the SAV culture
- Conduct more discussions and communications with stakeholders about the change

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- Apply the recommended strategic model to change the audit process of the SAV discussed in this chapter. This process was to resolve issues arising from the change management processes required for the SAV to introduce the Australian Government audit process

6.4. Implications and limitations

The first implication of the research is that the SAV should improve its legal framework. These changes facilitate not only the implementation of the OECD auditing standards but also development of the SAV. In addition, the research implies that the SAV needs to improve its human resources quality and training programs. English language and computing competence of the SAV staff members need to be improved. SAV training programs need to be balanced between theory and practice and widened to encompass strong auditing standards such as performance and IT audit standards. In respect of IT infrastructure, the SAV should improve its IT software, hardware and security and network systems in order to facilitate its auditors in implementing IT audits. The SAV staff members should be adequately and appropriately trained with IT knowledge and skills and provided with professional audit software programs. The SAV needs to improve awareness, knowledge and responsibility of the SAV staff members on IT security and apply modern and up-to-date IT security solutions to safeguard its IT system.

However, the research also has several limitations. First, the research did not include quantitative methodologies. Both semi-structured in-depth individual interviews and document review, which are data collection methodologies of the study, are qualitative methodologies. Second, the context of the research is only limited to the headquarters of the SAV in Hanoi City, Vietnam. Third, there is a relatively small number of auditors and managers of the SAV participating in the study. Fourth, the issues arising from the analysis of the interview data involves a wide range of disciplines. The context that the document review focused on is the SAV. Fifth, while there are numerous issues needing to be discussed, timing of interviewing, which is restricted, impacts on the quality of interviews. Sixth, the scope of the research has not included Step 6,7 and 8 in Kotter's 8 Step Change Model because these steps involve the deployment of the change while the change has not been implemented in the SAV yet. Finally, although respondents acknowledged that anonymity and confidentiality was guaranteed, the researcher feels that several respondents seemed to avoid straight criticism and discussion about sensitive issues such as political and cultural issues. This might be due to the influence of occupational cautiousness or the personal character of these respondents.

6.5. Chapter summary

In this chapter, key issues in the change management processes discussed include personal issues in relation to change, the SAV culture in relation to the

change, application of technology to the SAV activities in relation to the change, mobilisation of financial resources for the change, obstacles to change arising from limitations and weaknesses in the SAV auditor human resources quality, obstacles to change arising from limitations and weaknesses in the SAV auditor training, and the SAV organisational and operational model in relation to the change.

Considering those key issues in the change management processes, policy recommendations for developing a strategic model to change the audit process of the SAV have been proposed for implementation. These recommendations were developed out of the literature review, the analysis of interview transcripts and the consultation workshops. In this chapter, a policy document for the SAV in changing its audit process was also provided. However, the research had limitations such as lack of quantitative research methodologies, not widening the research to all headquarters of the SAV, a small research sample, a narrow documentary data scope, restricted interviewing time and some responses were not forthcoming.

CHAPTER 7: CONCLUSION

7.1. Conclusion

The SAV is responsible for auditing the operations of all government departments in Vietnam (Vuong 2006). However, the current audit process of the SAV is inadequate in several ways. This may have a negative influence on the quality and effectiveness of the current performance of the SAV. Changing the SAV audit process is thus a strategy that has the potential to contribute significantly to the SAV development. The project was looking to improve the SAV to meet the international audit standards of the OECD. It use the Australian Government audit process as a direct comparison in order to identify issues in the change management processes required for the SAV to introduce Australian Government audit processes and to propose a methodology to resolve these issues.

To change the SAV audit process, the study has employed the literature review and a combination of document reviews and semi-structured in-depth individual interviews. In the study, 30 individual interviews were conducted for two groups of stakeholders (auditors and managers of the SAV at the headquarters of the SAV in Hanoi City, the capital of Vietnam). The research data collected by semi-structured in-depth individual interviews was analysed using TCA. The analysis of the interview transcripts revealed issues requiring clarification. Documents

identified by document reviews were used to clarify the issues arising from the analysis of the interview data.

The research findings synthesised by outcomes of the interview and document analysis identified key issues in the change management process. These issues involved stakeholders awareness, their emotions, personality, habits, power and interests and the SAV culture. It also included IT infrastructure, legal framework, human resources and training, costs for the change and necessary co-operation.

The research findings extracted from the outcomes of interview analysis identified issues in the change management processes. Based on the literature review, the analysis of the interview data and the consultation workshops, the strategic model to change the audit process of the SAV were recommended. The research results found that the SAV should enhance the information dissemination of the change and provide timely, adequate and reliable information about the change to all stakeholders in order to dispel their worries and misunderstandings about the change. It is noted that the change will be effectively implemented if it is developed with a clear vision and supported by change leaders having strong leadership. In addition, the SAV should focus on improving its infrastructure, auditor human resources, auditor training quality and legal framework in order to meet with requirements of its development and change. Embedding changes into the SAV culture should be employed in order to ensure changes to become an integral part of the SAV.

7.2. Contributions of the research

The research outcomes might be applied in the SAV and provide a useful change management model for audit organisations of Vietnam. This research aims to develop an effective audit process for the SAV that will comply with international auditing standards and principles in order to ensure transparency and effectiveness of public sector expenditure. These results will enhance the economic efficiency of Vietnamese government expenditure. It will also devise a change management strategy to enable the SAV to adapt to the new system and implement it effectively.

The outcomes of the research will be beneficial for participants for several reasons. Developing an effective audit process for the SAV will enhance the effectiveness and quality of the participants work and minimise problems caused by its current audit processes that are incompatible with the requirements of the audit operations such as errors or repetition procedures. In addition, the audit process improvement of the SAV will enable the SAV to reduce the cycle time, to improve the empowerment of the employees and to facilitate the implementation of audit engagements by following appropriate and effective steps, phases, procedures and methodology of the audit process. This will increase the job satisfaction and productivity of the participants. As a result, all these might help the participants to increase the opportunities of promotion and to obtain an increase in salary.

The research topic involves a variety of different disciplines such as audit, human relations, culture, law, and technology and government policy. These disciplines are all significant for determining what solutions may be required for the specific problem of the research topic. Through conducting the research, the researcher was acquired useful knowledge and experience of various disciplines.

7.3. Suggestions for future study

The outcomes of the research suggest a wide range of issues needing to be further studied by the researcher or other researchers. The issues can be described as follows:

- The research refers to the required improvements for the SAV IT and auditor human resources quality. Evaluating and improving the SAV human resources quality may be an important study
- The research indicates limitations and weaknesses in the SAV legal framework. Thus, in order to facilitate the development of the SAV, further studies for improving the SAV legal framework should be conducted
- Research findings noted that the SAV IT infrastructure and the application of IT to auditing have been underdeveloped. In turn, these impact on the development of the SAV. Improvements in SAV IT infrastructure and application of IT to auditing, which are becoming important issues for the SAV, should be further studied in future research.

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- Embedding changes into the SAV culture requires the SAV to conduct further studies about the SAV culture.
 - The research indicated that developing IT audits and performance audits in the SAV has inherent limitations and weaknesses that need to be improved in order to keep pace with the development of the State Audit Office of Vietnam. Building strong IT and performance audit models in the SAV may be a suggestion for future studies.

CHAPTER 8: REFLECTION

When I graduated my Master Degree of Applied Finance from the University of Western Sydney in 2006, I dreamed of achieving a scholarship to study an Australian doctorate program in order to become a professional researcher in the State Audit Office of Vietnam, where I had been working. At the time, however, it was impossible for me to fulfill this ambition and I had to return to position in the State Audit Office of Vietnam. Nevertheless, I persevered with my ambition and eventually have obtained a scholarship from the Vietnamese Government in 2009 which allowed me to pursue my dream of studying a doctorate program.

I chose the Doctor of Professional Studies programs at CQUniversity because of its emphasis on creating research outcomes with immediate practical relevance. Before commencing the course, I had an understanding of requirements of this doctorate program but was confused about what my research topic should be. However, I was certain that my research problem should be relevant to the auditing field, which is my career and passion. When I had completed the first year of the doctorate degree, I had clarified my research topic, which became “A strategy to change the audit process of the State Audit Office of Vietnam to align with the Australian Government audit process”, embedded in the research question “What change management processes are required for the State Audit Office of Vietnam to introduce the Australian Government audit process?”.

My aspiration to conduct the research project arose from my academic background, comprising Bachelor of Economics and Master of Applied Finance degrees. In addition, my expertise had been honed by a variety of courses and research experiences directly related to the research topic, including the pre-civil servant refresher training course and refresher training course for state auditors in the State Audit Office of Viet Nam, and the expert refresher training course in state management knowledge certified by the National Academy of Public Administration. I was prepared to undertake this research in terms of practical experience, professional knowledge and experience within the auditing field over the past by my ten years as an accountant, auditor, and audit expert and researcher in the State Audit Office of Vietnam.

In the first year of the Doctor of Professional Studies programs, consisting of coursework connected to the research problem, enabled me to understand the key concepts underpinning the research project: Mode 2 knowledge production, transdisciplinarity and qualitative research methodology. The transdisciplinary forms of the doctorate program allowed me to study my research problem from different perspectives and disciplines.

Through attending workshops and writing papers, I achieved a deeper insight into critical thinking and academic rigor that went beyond what I had experienced in my previous postgraduate studies and were essential for my research. Discussions with other doctoral candidates and lecturers occurring in workshops

helped us to deepen and broaden our understanding of our research problems. In particular, the Critical Foresight and Creating Futures units refine me my research topic and question.

In addition to the Critical Foresight and Creating Futures, the first year of study comprised four more units. The Futuring unit focused on developing future scenarios about the potential of my research topic. This process assisted me to develop awareness of the uncertain nature of the future as it relates to my research topic. The process of literature review in the Market Positioning unit provided the foundation for an evaluative framework of the research problem. The Net Solutions unit dealt with developing a research methodology. The concepts in the course were all new to me. I studied and assessed a variety of different research methods - quantitative, qualitative and mixed methods – in order to select the most appropriate and reasonable research methodology for my research topic. The final unit, Working in the Knowledge Society, involved using the research and concepts generated by the previous five units to write a colloquium paper.

In the first year, I participated in twelve workshops for six coursework units which had greatly assisted me in grasping how to conduct research, what the research requirements were, and what approach to take. Through these workshops, I became more confident and eager to conquer difficulties and challenges on the way to becoming a professional researcher. I had identified my research topic

and question, conducted a literature review, developed scenarios relevant to the research problem, established research methodologies and completed the coursework component of Doctor of Professional Studies. After completing 6 assignments of coursework, I succeeded in my oral presentation to the Colloquium Panel on 22th September 2011. Although I was approved to proceed to the research phase of degree, expectations of a huge workload and extreme efforts required for degree completion pressed upon my mind.

The first difficulty and challenge I faced in the research phase completing the National Ethics Application Form (NEAF) and achieving ethical approval. The complex process involved considerable anxiety and frustration, but I finally received approval on 17 July 2012. Meanwhile, I was writing my initial drafts for chapters 1, 2 and 3 of this dissertation.

Commencing phase research, I began to conduct my research under the supervision of Associate Professor Ergun Gide. He proved to be a conscientious supervisor who provided me with important guidance and mentorship about my research and how to write up my thesis. He encouraged me to broaden my knowledge about and gain insight into my research topic. He also provided me with useful advice about how to arrange and organize my research work and solve issues arising from my research. On the way to completing my doctorate degree, the role of my supervisor was very important and I would like to show my deep gratitude for his help and kindness.

I would also like to thank my colleagues at the State Audit Office of Vietnam for their support during the process of data collection. I am proud and happy that my research proposal met with the approval of managers of the State Audit Office of Vietnam. The State Audit Office of Vietnam facilitated me by providing permission to research in the workplace, allowing me access to potential participants and encouraging its auditors and managers to participate in the research.

I had many interesting and useful experiences in the process of collecting data for the research. It created opportunities for me to develop my communication skills. These will benefit me on the way to become a professional researcher. The data analysis phase was far more time-consuming than the data collection phase. Advice and recommendations from my supervisor helped me to clarify issues of concern.

I overcame ceaseless difficulties and challenges on the way to achieve my doctoral degree. I felt alone with the great workload and found it difficult to balance studying and entertainment. I often studied until late and spent almost all my daytime reading and studying books and materials at CQUniversity library and working with my laptop. Sometimes, I became anxious and discouraged when meeting with studying and living problems abroad, far from my family. Thankfully, I always received encouraging words and feeling from my wife and my son, help and advice from my supervisor, and trust and support from my

office and colleagues. My time spent studying for the doctoral degree left behind it many unforgettable memories.

I scored significant successes in the period of studying the coursework for of the doctorate degree, data collection and analysis of research outcomes. The more I overcame difficult problems on the way to completing my doctorate degree, the more I gained confidence in myself and motivation and determination to complete my research project. Conducting the research has deepened me academically and professionally and brought me useful experience of how to plan and conduct a research project, critically and rigorously collaborate and communicate with participants while interviewing, and write up a thesis. The process of studying the doctorate created favorable conditions to develop relationships with people coming from around the world such as my fellow students, international lectures and my supervisors.

To sum up, I think that it is a very good decision to study the Doctor of Professional Studies programs of CQUniversity. Although it required spending significant effort and time, the benefits outweigh the costs. The research project has been of much benefit to improving my professional skills. Completing the project has enabled me to make my dream to become a professional researcher and a high-level expert in the auditing field come true and facilitated the development of my professional career. The knowledge I have acquired may be applied to solve real-life problems occurring in my office. I feel happy and proud

of my achievement when I think that the difficulties and challenges on the way to conquering the doctorate degree could not discourage me from the pursuit of my research passion.

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ABBREVIATIONS

ANAO	The Australian National Audit Office
AUASB	The Australian Auditing and Assurance Standards Board
BECTA	The British Educational Communications and Technology Agency
CAATS	Computer Assisted Audit Techniques
EUROSAI	European Organization of Supreme Audit Institutions
GAO	United States Government Accountability Office
INTOSAI	The International Organisation of Supreme Audit Institutions
ISACA	The Information Systems Audit and Control Association
NAO	The National Audit Office of United Kingdom
NASCSRV	The National Assembly Standing Committee of the Socialist Republic of Vietnam
NASRV	The National Assembly of the Socialist Republic of Vietnam
OECD	The Organization for Economic Co-operation and Development
SAV	The State Audit Office of Vietnam
TCA	Thematic content analysis

APPENDICES

APPENDIX 1

Categories of in-depth interview participants

Categories of in-depth interview participants	
List of participants	Interview date
Participant 1	10/09/2012
Participant 2	12/09/2012
Participant 3	14/09/2012
Participant 4	16/09/2012
Participant 5	16/09/2012
Participant 6	17/09/2012
Participant 7	19/09/2012
Participant 8	19/09/2012
Participant 9	21/09/2012
Participant 10	23/09/2012
Participant 11	25/09/2012
Participant 12	26/09/2012
Participant 13	28/09/2012
Participant 14	01/10/2012
Participant 15	03/10/2012
Participant 16	05/10/2012
Participant 17	07/10/2012
Participant 18	11/10/2012
Participant 19	12/10/2012
Participant 20	15/10/2012
Participant 21	18/10/2012
Participant 22	21/10/2012
Participant 23	22/10/2012
Participant 24	25/10/2012
Participant 25	29/10/2012
Participant 26	03/11/2012
Participant 27	08/11/2012
Participant 28	11/11/2012
Participant 29	14/11/2012
Participant 30	16/11/2012

COLLOQUIUM REPORT



CU55 Doctor of Professional Studies

Colloquium Report

Candidate: Anh Minh LE
Student Number: S0057091
Research Topic: A strategy to change the audit process of the State Audit Office of Vietnam to align with the Australian Government audit process
Date: 22nd September 2011
Panel: Dr Ergun Gide
Professor Ross Lehman
Dr Irene Hoetzer
Dr Clive Graham (Chair)

Candidate Presentation:

The candidate presented a detailed explanation of the proposed research topic as follows:

1. The background of the topic

Vietnam recognized the role of a State Audit Office much later than other countries did. The State Audit Office of Vietnam (SAV) was established in 1994, and is still in the process of improvement as it adapts itself to the changing economic and social environment of Vietnam. In addition, the SAV is a powerful office in Vietnam's political system with an important role in monitoring and controlling the management and utilization of state budget, funds and assets of all government departments in Vietnam.

2. The Significance of the research topic

There are seven major issues of concern which testify to the significance of the research topic. In the SAV, there is no long-term strategy for development; there is a lack of audit

knowledge; the audit process is confusing; there are no clear standards for performance audits; there is a lack of adequate methodology and criteria for the audit process; there are no current plans to introduce improved auditing processes; and there are inconsistencies among audit process, and auditing principles and standards.

2. The potential solution models

Three potential models for the change management of the SAV's audit process have been identified and analyzed in the previous assignment: the British, Indian and Australian model. The core concept of the first two models can be understood as the development of strong auditing standards (in the case of the United Kingdom), and a Technology-Driven System (in India), while Australia's model is more like a combination of the first two models that adopts both strong auditing standards and a Technology-Driven System as its key features.

The audit system will achieve an optimal effectiveness with a combination of effective strong auditing standards and an auditing system driven by high-quality social forces. In contrast, conflict between international auditing standards and social forces appear likely to create potential weaknesses and limitations in the audit system. It is also worth noting that the Australian public sector auditing model may portray to some extent the characteristics of scenario 1. In fact, a combination of both strong auditing standards and competent harnessing of social forces has brought positive achievements in the quality and effectiveness of Australia Government public sector auditing. The Australian model, which represents the most advantageous and positive features of the change model of SAV audit process, should be regarded as the most desirable scenario. This research will attempt to develop insight into how the scenario might be achieved.

3. Literature Underpinning the Topic

- A detailed analysis of literature was categorised as follows:
- International auditing standards
- Psychological barriers to change
- Cultural barriers to change
- Information technology availability
- Knowledge and training
- Power and vested interests
- Government Politics
- Leadership

4. Research methodology

The research fits more comfortably with qualitative methods for four reasons. Firstly, changing the audit process of the SAV to align with the Australian Government audit process will be conducted in a specific but changing social context, the SAV headquarters in Hanoi City. Secondly, the research will emphasize examining change management processes, which involve diverse interactions among stakeholders. Thirdly, the researcher is involved and affected by the context of the research because the researcher is an SAV auditor who has an interactive relationship with stakeholders. Fourthly, using qualitative methodology

allows examination of the stakeholders' attitudes, behaviors and perceptions. Thus, the qualitative methodology will be selected for the research paradigm of the project.

5. Data collection methods

A combination of document review and semi-structured in-depth individual interview methods will significantly improve the reliability and credibility of the research by providing a considerable amount of detailed, consistent and trustworthy data and a deeper understanding of the research problem. Typical questions to be addressed in this research phase include:

- What are the existing efforts for changing the SAV audit process in the Headquarters in Hanoi city?
- What change theories and models have been implemented in other countries? Are they effective?
- What are the major concerns or problems met with the change management process?
- Which part of the research has already been done?
- What has not been studied yet?

5. Indicative Questions

- Do you believe the processes of the SAV should be changed to meet international standards?
- Do you feel it would be personally difficult to achieve this change to international standards?
- Do you believe the SAV culture would need to change to achieve international auditing standards?
- Do you feel the technology is in place within the SAV to accommodate international auditing standards?
- Do you believe you have sufficient knowledge to implement international auditing standards?
- Do you feel that some groups within the SAV or the government might prevent the implementation of international auditing standards?
- Do you think the Government needs to legislate to facilitate the implementation of international auditing standards?
- Who do you think could best lead the implementation of international auditing standards?

6. Data analysis

Data will be classified and separated into specific themes. The study will conduct thematic analysis, which is described as a process of encoding qualitative information. After different themes are made clear, models, reasonable arguments or ideas in the direction of changing the SAV's audit process might emerge.

7. Ethical considerations

Issues involving privacy, anonymity and confidentiality will comply with NEAF and the CQUniversity Ethics Committee approval.

PANEL RECOMMENDATIONS

The Panel commends the Candidate on the comprehensive Colloquium Paper and research design and recommends the Candidate might:

- 1 The scenario model to be redefined as a mixed-model rather than selecting just one scenario
- 2 The transition from the old to the new models to be categorized according to people, prices and technology
- 3 The indicative research questions to be re-phrased to ensure open-ended questions
- 4 The research to state overtly the dual task of identifying the issue and a methodology to resolve it
- 5 The literature to identify clearly the OECD international audit standards

The above will need to be taken into account prior to the NEAF submission.

The Panel concurs that the Candidate has met the requirements to proceed to the research phase of the degree.



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22nd September 2011

PERMISSION FROM THE SAV (in English)

PERMISSION FROM THE SAV (in Vietnamese)

KIỂM TOÁN NHÀ NƯỚC CỘNG HOÀ XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc

Số: 1212/KTNN-TCCB Hà nội, ngày 02 tháng 11 năm 2011
V/v chấp thuận thảo luận riêng và
xin ý kiến góp ý đối với đề tài
nghiên cứu tiền sỹ

Kính gửi: Trường Đại học Central Queensland, Australia và các bên có liên quan

Kiểm toán Nhà nước thông báo rằng đề nghị của:


Ông: Lê Anh Minh
Sinh ngày: 27 tháng 04 năm 1980
Đơn vị công tác: Trung tâm Khoa học và Bồi dưỡng cán bộ - Kiểm toán Nhà Nước
Hiện đang là Nghiên cứu sinh của chương trình Tiến sỹ Khoa học Chuyên nghiệp tại
Trường Đại Học Central Queensland, Úc

Về việc thảo luận riêng và xin ý kiến góp ý liên quan tới Đề tài Nghiên cứu Tiến
Sỹ của ông Minh *Chiến lược để thay đổi quy trình kiểm toán của Kiểm toán Nhà
nước Việt Nam ngang tầm với quy trình kiểm toán chính phủ Australia* được thực
hiện đối với các kiểm toán viên và cán bộ quản lý của Kiểm toán Nhà nước Việt Nam
đã được chấp thuận. Đây là một đề tài nghiên cứu khoa học có giá trị thực tiễn cao và
đáp ứng yêu cầu phát triển Kiểm toán Nhà nước Việt Nam. Những kết quả nghiên cứu
của đề tài này sẽ góp phần nâng cao chất lượng và hiệu quả quy trình kiểm toán và hoạt
động kiểm toán của Kiểm toán Nhà Nước Việt Nam.

Kiểm toán Nhà nước Việt Nam đề nghị Trường Đại học Central Queensland
quan tâm và tạo điều kiện để ông Lê Anh Minh có thể hoàn thành tốt đề tài nghiên cứu
của mình.

Nơi nhận:
- Như trên;
- Ông Lê Anh Minh;
- Lưu: VT, TCCB (02).

TL. TỔNG KIỂM TOÁN NHÀ NƯỚC
KT. VỤ TRƯỞNG VỤ TỔ CHỨC CÁN BỘ
PHÓ VỤ TRƯỞNG


Nguyễn Bá Dũng

THE LETTER OF APPROVAL TO CONDUCT THE RESEARCH



Secretary, Human Research Ethics Committee
Ph: 07 4923 2603
Fax: 07 4923 2600
Email: ethics@cqu.edu.au

Dr Ergun Gide
CQUniversity Sydney International Campus
400 Kent Street
Sydney NSW 2000

17 July 2012

Dear Dr Gide

HUMAN RESEARCH ETHICS COMMITTEE OUTCOME PROJECT: H12/04-045, A STRATEGY TO CHANGE THE AUDIT PROCESS OF THE STATE AUDIT OFFICE OF VIETNAM TO ALIGN WITH THE AUSTRALIAN GOVERNMENT AUDIT PROCESS

The Human Research Ethics Committee is an approved institutional ethics committee constituted in accord with guidelines formulated by the National Health and Medical Research Council (NHMRC) and governed by policies and procedures consistent with principles as contained in publications such as the Joint Universities Australia and NHMRC *Australian Code for the Responsible Conduct of Research*. This is available at http://www.nhmrc.gov.au/publications/synopses/_files/r39.pdf.

On 26 June 2012, the Human Research Ethics Committee of CQUniversity met and considered your application. The project was assessed as being greater than low risk, as defined in the National Statement. On 17 July 2012, the committee acknowledged compliance with the requested revisions made to your research project *A strategy to change the audit process of the State Audit Office of Vietnam to align with the Australian Government audit process* (Project Number H12/04-045) and that it is now **APPROVED**.

The period of ethics approval will be from 17 July 2012 to 30 June 2013. The approval number is H12/04-045; please quote this number in all dealings with the Committee. HREC wishes you well with the undertaking of the project and looks forward to receiving the final report and statement of findings.

The standard conditions of approval for this research project are that:

- (a) you conduct the research project strictly in accordance with the proposal submitted and granted ethics approval, including any amendments required to be made to the proposal by the Human Research Ethics Committee;
- (b) you advise the Human Research Ethics Committee (email ethics@cqu.edu.au) immediately if any complaints are made, or expressions of concern are raised, or any other issue in relation to the project which may warrant review of ethics approval of the project. (A written report detailing the adverse occurrence or unforeseen event must be submitted to the Committee Chair within one working day after the event.)

- (c) you make submission to the Human Research Ethics Committee for approval of any proposed variations or modifications to the approved project before making any such changes;
- (d) you provide the Human Research Ethics Committee with a written "Annual Report" on each anniversary date of approval (for projects of greater than 12 months) and "Final Report" by no later than one (1) month after the approval expiry date; *(A copy of the reporting pro formas may be obtained from the Human Research Ethics Committee Secretary, Sue Evans please contact at the telephone or email given on the first page.)*
- (e) you accept that the Human Research Ethics Committee reserves the right to conduct scheduled or random inspections to confirm that the project is being conducted in accordance to its approval. Inspections may include asking questions of the research team, inspecting all consent documents and records and being guided through any physical experiments associated with the project
- (f) if the research project is discontinued, you advise the Committee in writing within five (5) working days of the discontinuation;
- (g) A copy of the Statement of Findings is provided to the Human Research Ethics Committee when it is forwarded to participants.

Please note that failure to comply with the conditions of approval and the *National Statement on Ethical Conduct in Human Research* may result in withdrawal of approval for the project.

In the event that you require an extension of ethics approval for this project, please make written application in advance of the end-date of this approval. The research cannot continue beyond the end date of approval unless the Committee has granted an extension of ethics approval. Extensions of approval cannot be granted retrospectively. Should you need an extension but not apply for this before the end-date of the approval then a full new application for approval must be submitted to the Secretary for the Committee to consider.

The Human Research Ethics Committee is committed to supporting researchers in achieving positive research outcomes through sound ethical research projects. If you have issues where the Human Research Ethics Committee may be of assistance or have any queries in relation to this approval please do not hesitate to contact the Secretary, Sue Evans or myself.

Yours sincerely,



Professor Phillip Ebrall
Chair, Human Research Ethics Committee

Cc: Mr Anh Minh Le (student)
Project file

APPROVED

PARTICIPANT INFORMATION SHEET

PARTICIPANT INFORMATION SHEET (in English)

1. TITLE OF STUDY:

A strategy to change the audit process of the State Audit Office of Vietnam to align with the Australian Government audit process.

2. NATURE OF RESEARCH

The proposed research project addresses the topic “A strategy to change the audit process of the State Audit Office of Vietnam to align with the Australian Government audit process”. I have proposed this project as a potential way to develop auditing processes in the State Audit Office of Vietnam, and to propose a methodology to resolve issues arising from a change. I will be making my findings available to the State Audit Office in the form of summary report which may be used in higher level decision making. The topic seeks to answer the research question “what change management processes would be required for

the State Audit Office of Vietnam to introduce the Australian Government audit process?”.

3. INTRODUCTION

You are being invited to take part in this study because your professional links to the auditing field and the State Audit Office of Vietnam (i.e. you are an auditor or manager in the State Audit Office of Vietnam). The study is being carried out by Anh Minh Le who is an individual researcher and a student of the Doctor of Professional Studies programme at CQUniversity.

4. INTERVIEWS

Interviews will be organized at a mutually agreed time and location which is convenient and comfortable for you. If you agree to take part in this research study, you will participate in a one-to-one interview conducted in Vietnamese. The interview will last for about thirty to sixty minutes.

You will be invited to freely express your opinions, attitudes and perspectives towards change management processes required for a proposal to introduce Australian Government audit processes to the State Audit Office of Vietnam. The content of the interview will be loosely structured and consists of open-ended questions. You have the right not to answer the questions, to ask questions of

the researcher and to add your own observations regarding the research problem. Interviews will be recorded in order to review the key sections.

5. VOLUNTARY NATURE OF PARTICIPATION

Your participation in this study is entirely voluntary. If you decide to participate, you have right to withdraw from the research project any time without penalty. You may end the interview early if you so wish, and have the right to refuse to answer any question. You also have the right to change the time and location of the interview.

6. WILL THERE BE ANY PAYMENT FOR MY PARTICIPATION IN THIS STUDY?

You will not receive any payment or compensation for participation in the research.

7. CONFIDENTIALITY AND ANONYMITY

Anonymity and confidentiality are guaranteed. Participants' identity will be kept confidential.

- The researcher will not reveal to anyone the identities of participants in

the research project.

- Recording will only be conducted if participants consent.
- Participants' personal information such as name, age, position, address and phone number will not be mentioned during the interviews and attached to the data in any form. Participants will be identified with a code, such as participant 1,2,3 and so forth.
- During the interview, if the researcher mentions words that could reveal the participant's identity, that section of the audio file will be deleted.
- Participants have the right to quit the interview at any time without any word of reproach or penalty.

Before conducting the interview, the above information will be explained to participants again. Participants may ask further questions at this time. During the interviews, the researcher will use an audio recorder to record data, voice-disguising software will be employed so that nobody (including the researcher) will be able to recognise who is talking in the interview. This will protect the interviewees themselves in the event of a security lapse. Finally, all data, both audio and textual, will be kept in encrypted computer files for which only the researcher will have the password.

'Please don't disclose any illegal practices, because I might be required to report such instances', and this will be re-iterated at the commencement of each interview.

8. STORAGE AND UTILIZATION OF DATA COLLECTED

Data will be collected in audio form during the interview. Data collected during the interview and other data transcribed will be stored in a locked cabinet. All participants' personal information such as name, position, institution, address and phone number will be removed from the data and will be replaced with a code, such as participant 1,2,3 and so forth. Where the participant's responses are transposed to a computer, the computer file created will be password protected with a password known only to the researcher. At the conclusion of the research study, any computer files created will be transferred to hard copy and the computer files deleted. Data collected and other data transcribed will be stored for 5 years in accordance with the CQU Code of Conduct policy.

When the data is destroyed, all confidential research data in paper format will be burnt or shredded, confidential research data and records in electronic format reformatted and the audio files degaussed. Since better ways of disposing of the information might be developed in the future, the researcher may apply more effective and modern methods to destroy confidential data and records five years after submission of the thesis.

Data collected during the research study will be utilized in the researcher's dissertation and publication(s) on the project and might be used in research

reports, conference papers, journal articles, teaching materials, books, manuals and other methods of dissemination.

9. IF I HAVE ANY QUESTIONS OR CONCERNS, WHO CAN I CONTACT?

If you have any questions about the research now or later, please contact Anh Minh Le by either email: s0057091@student.cqu.edu.au or by phone on 0425968699. Should you have any concerns about the nature and/ or conduct of this research study, please contact the CQUniversity's Office of Research (the contact addresses are shown below).

If participants have any feelings of anxiety or complaints about being part of the research, they can contact:

- The Scientific and Training Centre of the State Audit Office of Vietnam:

Phone: (04) 62820724

Email address: ttkh@sav.gov.vn

- The Department of Legal Affairs of the State Audit Office of Vietnam:

Phone: (04) 62820712

Email address: vpc@sav.gov.vn

It is envisaged that issues will be solved in Vietnam, however if you are not satisfied with the outcome of your enquiry or complaint, you are invited to send complaints in Vietnamese by mail to the postal address of CQUniversity's Office of Research, and these complaints will be translated into English for response.

- CQUniversity's Office of Research

Phone: (07) 492326037

Address: Office of Research - Building 361

CQUniversity

CQ Mail Centre

Rockhampton QLD 4702

A plain English and Vietnamese statement of the research findings will be distributed to persons who volunteer to be interviewed as part of this research project.

PHIẾU THÔNG TIN THAM GIA

(Participant Information Sheet in Vietnamese)

1. TÊN ĐỀ TÀI NGHIÊN CỨU

‘Chiến lược để thay đổi quy trình kiểm toán của Kiểm toán Nhà nước Việt Nam ngang tầm với quy trình kiểm toán chính phủ Australia.’

2. BẢN CHẤT CỦA NGHIÊN CỨU

Vấn đề nghiên cứu được gắn vào câu hỏi nghiên cứu: “Những quá trình quản lý thay đổi gì được yêu cầu đối với cơ quan Kiểm toán Nhà nước Việt Nam để làm quen với quy trình kiểm toán chính phủ Australia?”. Tôi đã xây dựng đề tài này như một phương cách khả thi để phát triển những quy trình kiểm toán của Kiểm toán Nhà nước Việt Nam và đề xuất phương pháp để giải quyết những vấn đề tăng lên từ một sự thay đổi như vậy. Tôi sẽ công bố những bằng chứng nghiên cứu của mình tới Kiểm toán Nhà nước Việt Nam trong dạng của một báo cáo tóm tắt mà có thể được sử dụng trong việc quyết định những vấn đề quan trọng. Đề tài này nhằm để trả lời câu hỏi nghiên cứu “Những quá trình quản lý thay đổi gì được yêu cầu đối với Kiểm toán Nhà nước Việt Nam để làm quen với quy trình kiểm toán Chính phủ Australia?”.

3. GIỚI THIỆU

Bạn được mời để tham gia vào một cuộc thảo luận riêng và xin ý kiến góp ý đối với đề tài nghiên cứu này bởi vì nghề nghiệp của bạn liên quan tới lĩnh vực kiểm toán và Kiểm toán Nhà nước Việt Nam (bạn có thể là một kiểm toán viên hoặc cán bộ quản lý của Kiểm toán Nhà Nước Việt Nam). Nghiên cứu này được thực hiện bởi ông Lê Anh Minh là một nhà nghiên cứu và hiện là nghiên cứu sinh tiến sỹ của chương trình Tiến sỹ Khoa học Chuyên nghiệp tại Trường Đại học CQUniversity.

4. THẢO LUẬN RIÊNG VÀ XIN Ý KIẾN GÓP Ý

Những cuộc thảo luận riêng và xin ý kiến góp ý sẽ được tổ chức tại thời gian và địa điểm được sự đồng ý của cả hai bên mà là thuận tiện và thoải mái cho bạn. Nếu bạn đồng ý tham gia vào nghiên cứu này, bạn sẽ tham dự một cuộc Cuộc thảo luận riêng và xin ý kiến góp ý giữa bạn với nhà nghiên cứu được thực hiện bằng tiếng Việt. Cuộc thảo luận riêng và xin ý kiến góp ý sẽ kéo dài trong vòng ba mươi đến sáu mươi phút. Bạn sẽ được mời bày tỏ một cách thoải mái quan điểm, thái độ và cách nhìn nhận của mình về những quá trình quản lý thay đổi cần thiết đối với Kiểm toán Nhà nước Việt Nam để làm quen với quy trình kiểm toán chính phủ Australia. Nội dung của cuộc thảo luận riêng này sẽ được thiết kế một cách linh hoạt, bao gồm với những câu hỏi mở. Bạn có quyền từ chối trả lời những câu hỏi mà bạn không muốn, đưa ra những câu hỏi cho nhà nghiên cứu, và bổ sung thêm những ý kiến và nhận định của bạn để làm phong phú thêm nội

dung cuộc thảo luận. Cuộc thảo luận riêng và xin ý kiến góp ý sẽ được ghi âm nhằm để có thể xem xét lại được các mục chính.

5. BẢN CHẤT CỦA VIỆC TỰ NGUYỆN THAM GIA

Việc tham gia cuộc thảo luận riêng và xin ý kiến góp ý này là hoàn toàn tự nguyện. Nếu bạn quyết định để tham gia, bạn có quyền để rút khỏi nghiên cứu bất cứ lúc nào mà không phải chịu thức phạt. Bạn có thể kết thúc cuộc thảo luận riêng và xin ý kiến góp ý sớm nếu bạn muốn và có quyền để từ chối trả lời bất cứ câu hỏi nào. Bạn cũng có quyền để thay đổi thời gian và địa điểm của cuộc thảo luận riêng và xin ý kiến góp ý.

6. TÔI CÓ ĐƯỢC TRẢ THÙ LAO HOẶC ĐƯỢC THANH TOÁN KHI THAM GIA VÀO NGHIÊN CỨU NÀY KHÔNG?

Bạn sẽ không phải trả bất cứ chi phí nào cũng như không nhận được bất cứ thù lao cho việc tham gia vào nghiên cứu này của bạn.

7. BÍ MẬT THÔNG TIN VÀ DANH TÍNH NGƯỜI THAM GIA THẢO LUẬN RIÊNG VÀ ĐÓNG GÓP Ý KIẾN

Việc giấu tên và bí mật danh tính sẽ được đảm bảo. Danh tính của người tham gia sẽ được giữ bí mật.

-
- Nhà nghiên cứu sẽ không tiết lộ đến bất cứ ai về danh tính của những người tham gia trong nghiên cứu này.
 - Việc ghi âm sẽ chỉ được thực hiện nếu những người tham gia chấp thuận.
 - Thông tin cá nhân của người tham gia như tên họ, tuổi, chức danh, địa chỉ và số điện thoại sẽ không được đề cập tới trong suốt cuộc thảo luận riêng và xin ý kiến góp ý và không gắn tới dữ liệu trong bất cứ dạng nào. Những người tham gia sẽ được xác định với một mã số, như là người tham gia 1, 2, 3 và vân vân.
 - Trong suốt cuộc thảo luận riêng và xin ý kiến góp ý, nếu nhà nghiên cứu đề cập những từ nào mà có thể tiết lộ danh tính người tham gia, phần đó của tệp tin ghi âm sẽ bị xóa.
 - Những người tham gia có quyền hủy bỏ cuộc thảo luận riêng và xin ý kiến góp ý bất cứ lúc nào mà không có lời trách mắng hoặc hình thức phạt nào.

Trước khi thực hiện cuộc thảo luận riêng và xin ý kiến góp ý, những thông tin trên sẽ được giải thích tới người tham gia một lần nữa. Người tham gia có thể đưa ra những câu hỏi thêm vào thời điểm đó. Trong suốt buổi thảo luận riêng và xin ý kiến góp ý, nhà nghiên cứu sẽ sử dụng một máy ghi âm để ghi dữ liệu, phần mềm cải trang giọng nói sẽ được sử dụng để mà không ai (bao gồm cả nhà nghiên cứu) có thể nhận ra ai đang nói trong buổi thảo luận riêng, lấy ý kiến đóng góp. Phương tiện này sẽ bảo vệ những người tham gia trong trường hợp

sơ suất về an ninh. Cuối cùng, tất cả dữ liệu, cả dạng nguyên bản và ghi âm sẽ được lưu trữ trong các tệp tin máy tính được ghi mật mã mà chỉ nhà nghiên cứu có mật khẩu.

‘Xin vui lòng không tiết lộ bất cứ những thực hành không hợp lệ nào bởi vì tôi có thể phải báo cáo những trường hợp như vậy’, và điều này sẽ được nhắc lại vào lúc bắt đầu của mỗi cuộc phỏng vấn.

8. LƯU TRỮ VÀ SỬ DỤNG DỮ LIỆU THU THẬP ĐƯỢC

Dữ liệu thu thập được trong dạng ghi âm trong suốt cuộc thảo luận riêng và xin ý kiến góp ý. Dữ liệu thu thập được trong dạng ghi âm trong suốt cuộc thảo luận riêng và xin ý kiến góp ý sẽ được lưu trữ trong một tủ được khóa. Tất cả các thông tin cá nhân như tên, vị trí, đơn vị công tác, địa chỉ và số điện thoại sẽ được đưa ra khỏi dữ liệu thu thập được và được thay thế với một mật mã như là người tham gia 1, 2,3 và vân vân. Tại nơi những phản hồi của người tham gia được chuyển tới một máy tính, những tệp tin máy tính được bảo vệ bằng mật khẩu mà chỉ có nhà nghiên cứu biết sẽ được tạo ra để lưu trữ. Đến giai đoạn kết thúc của nghiên cứu, tất cả tệp tin máy tính được tạo ra sẽ được chuyển thành các bản tài liệu cứng và những tệp tin máy tính sẽ bị xóa sạch. Dữ liệu thu thập được sẽ được lưu trữ trong năm năm phù hợp với tiêu chuẩn của chính sách thực hiện nghiên cứu của Trường Đại Học Central Queensland.

Khi dữ liệu bị phá hủy, tất cả dữ liệu nghiên cứu và những bản ghi mật trong dạng tài liệu giấy sẽ bị đốt hoặc xé thành mảnh vụn, và dữ liệu nghiên cứu và những bản ghi trong dạng điện tử sẽ được định dạng lại và thông tin trong những tệp tin ghi âm sẽ bị xóa. Tuy nhiên, vì cách tốt nhất của tiêu hủy thông tin có thể được phát triển trong tương lai, nhà nghiên cứu có thể sẽ áp dụng những phương thức hiện đại và hiệu quả hơn để tiêu hủy những dữ liệu và bản ghi mật năm năm sau ngày nộp luận án.

Dữ liệu thu thập được trong suốt quá trình nghiên cứu sẽ được sử dụng trong luận án tiến sĩ của nhà nghiên cứu và (những) xuất bản về đề tài nghiên cứu và có thể được sử dụng trong những báo cáo nghiên cứu, tham luận hội thảo khoa học, bài viết tạp chí, báo cáo, tài liệu giảng dạy, sách, cẩm nang hoặc các hình thức xuất bản khác.

9. NẾU TÔI CÓ BẤT KỲ CÂU HỎI HOẶC VẤN ĐỀ CẦN QUAN TÂM, TÔI CÓ THỂ HỎI AI?

Nếu bạn có bất cứ câu hỏi nào về nghiên cứu bây giờ hoặc sau này. Xin vui lòng liên lạc với nhà nghiên cứu Lê Anh Minh bằng địa chỉ email: s0057091@student.cqu.edu.au hoặc bằng điện thoại: 0425968699. Nếu bạn có bất cứ vấn đề nào quan tâm về bản chất hoặc thực hiện nghiên cứu này, xin vui lòng liên lạc với văn phòng nghiên cứu khoa học - Trường Đại học CQUniversity (địa chỉ liên lạc được cung cấp dưới đây).

Những phàn nàn hoặc than phiền mà người tham gia có về nghiên cứu này có thể được chuyển tới xem xét tại các địa chỉ sau:

- Trung tâm Khoa học và Bồi dưỡng cán bộ - Kiểm toán Nhà nước

Điện thoại: 0462820724

Địa chỉ: ttkh@sav.gov.vn

- Vụ Pháp chế - Kiểm toán Nhà nước

Điện thoại: 0462820712

Địa chỉ email: vpc@sav.gov.vn

Nó được dự trù rằng những vấn đề sẽ được giải quyết ở Việt Nam, tuy nhiên nếu bạn không thỏa mãn với việc giải quyết những yêu cầu hoặc than phiền của bạn, bạn được mời để chuyển những than phiền bằng tiếng Việt qua thư tới địa chỉ hộp thư của cơ quan nghiên cứu, và những than phiền này sẽ được dịch sang tiếng Anh để phúc đáp.

- Văn phòng nghiên cứu khoa học thuộc Trường Đại học CQUniversity

Điện thoại: (07) 492326037

Địa chỉ: Office of Research – Building 361 CQUniversity, CQ

Mail Centre, Rockhampton QLD 4702

Một bản tiếng Anh và tiếng Việt của những khám phá nghiên cứu sẽ được gửi tới những người tình nguyện tham gia cuộc thảo luận riêng và xin ý kiến góp ý như một phần của nghiên cứu.

PARTICIPANT CONSENT FORM



**A strategy to change the audit process of the State Audit Office of Vietnam to
align with the Australian Government audit process**

PARTICIPANT CONSENT FORM

(Participant consent form in English)

I have read and understood the Participant Information Sheet provided to me for the research project “A strategy to change the audit process of the State Audit Office of Vietnam to align with the Australian Government audit process”, conducted by Le Anh Minh.

I consent to participation in this research project and agree that:

- I have had any questions I had about the project, methodology for collecting and storing the research data answered to my satisfaction by the Participant Information Sheet and any further verbal explanation of the researcher;

-
- I understand that my participation or non-participation in the research project will not affect my academic standing or my employment;
 - I understand that I have the right to withdraw from the project at any time without penalty;
 - I understand the research findings will be included in the researcher's dissertation, publication(s) on the project and this may include conferences and articles written for journals and other methods of dissemination stated in the Participant Information Sheet;
 - I understand that the data will be collected in audio form during the interview, coded and stored for 5 years;
 - I understand that to preserve anonymity and maintain confidentiality of participants, their names will not be used any publication(s);
 - I hereby agree to participate in this research study.

Participant's Name:

Participant's Signature:

Date:

Would you like to receive a Plain English and Vietnamese Statement of results at

the end of the study? Yes ☐ No ☐

Postal

Address:.....

E-mail

Address:.....



**Chiến lược để thay đổi quy trình kiểm toán của Kiểm toán Nhà nước Việt
Nam ngang tầm với quy trình kiểm toán chính phủ Australia**

GIẤY ĐỒNG Ý THAM GIA

(Participant consent form in Vietnamese)

Tôi đã đọc và hiểu rõ Phiếu Thông tin Tham gia được cung cấp tới tôi cho đề tài nghiên cứu “Chiến lược để thay đổi quy trình kiểm toán của Kiểm toán Nhà nước Việt Nam ngang tầm với quy trình kiểm toán chính phủ Australia” được thực hiện bởi ông Lê Anh Minh.

Tôi chấp thuận tham gia thảo luận riêng và đóng góp ý kiến cho đề tài nghiên cứu này và đồng ý rằng:

- Những câu hỏi mà tôi nêu ra về đề tài nghiên cứu, phương pháp thu thập dữ liệu, lưu trữ thông tin nghiên cứu và các vấn đề có liên quan khác đã được giải đáp thỏa mãn bởi Phiếu Thông tin Tham gia và những giải thích cụ thể bằng lời của nhà nghiên cứu.
- Tôi hiểu rằng sự tham gia của tôi hoặc là không tham gia vào đề tài nghiên cứu này sẽ không ảnh hưởng tới học vị và công việc của tôi.
- Tôi hiểu rằng tôi có quyền rút khỏi đề tài nay bất cứ lúc nào mà không phải chịu bất cứ trách nhiệm và hình thức phạt nào cả.

-
- Tôi hiểu rằng những khám phá và kết quả nghiên cứu về đề tài này sẽ được sử dụng trong luận án tiến sĩ của nhà nghiên cứu và có thể bao gồm trong những xuất bản của nhà nghiên cứu như là các tham luận tại hội thảo khoa học hoặc bài viết cho tạp chí khoa học hoặc những phương thức phổ biến khác mà đã được nói rõ trong Phiếu Thông tin Tham gia;
 - Tôi hiểu rằng dữ liệu thu thập được trong suốt cuộc thảo luận sẽ ở dạng ghi âm, sẽ được ghi mã số và lưu trữ trong vòng 5 năm.
 - Tôi hiểu rằng để đảm bảo việc không tiết lộ danh tính và bảo vệ bí mật của những người tham gia mà họ tên của người tham gia sẽ không được sử dụng trong bất kỳ xuất bản nào.
 - Tôi đồng ý để tham gia vào nghiên cứu này.

Ngày tháng năm

Người đồng ý tham gia

(Ký và ghi rõ họ tên)

Bạn có đồng ý nhận một bản tiếng anh và tiếng việt của những khám phá nghiên cứu vào cuối giai đoạn nghiên cứu không? Có ☐ Không ☐

Địa chỉ thường

trú:.....

Địa chỉ

Email:.....

APPENDIX 7

NATIONAL ETHICS APPLICATION FORM

National Ethics Application Form

Version 2008 - V2.0

Proposal title: A strategy to change the audit process of the State Audit Office of Vietnam to align with the Australian Government audit process

For submission to:
CQUniversity's Human Research Ethics
Committee (EC00158)

Name: Mr Le Anh Minh

Address: Unit 263, 420 Pitt Street,
Sydney NSW 2000

Contact: (Bus) 0425968699

(AH) 0425968699

(Mob) 0425968699

(Fax) 0425968699

Proposal status: Complete

Proposal description:

The proposed research project addresses the topic "A strategy to change the audit process of the State Audit Office of Vietnam to align with the Australian Government audit process". The topic is embedded in the research question "What change management processes are required for the State Audit Office of Vietnam to introduce the Australian Government audit process?".

The project is looking to improve the State Audit Office of Vietnam to meet international audit standards of the Organization for Economic Co-operation and Development (OECD), using the Australian Government audit process as a direct comparison in order to identify issues in the change management processes required for the State Audit Office of Vietnam to introduce Australian Government audit processes and to propose a methodology to resolve these issues.

The research design is a combination of document review and semi-structured in-depth individual interview methods. The document review will include analysis of relevant auditing processes, methods, standards, procedures and reports, and policies; and review of change management theories and practices. The goal of the document review is to obtain an overall picture of the research topic that will inform the in-depth interviews. Some of the documents collected the researcher is familiar with due to his profession, some of them are freely available and some of them are provided by the State Audit Office of Vietnam. The mentor secured will advise and assist the researcher in collecting and gathering the documents and ensure the appropriateness and lawfulness of the documents collected. Semi-structured in-depth individual interviews will be selected as the major research methodology because it is able to provide a considerable amount of detailed data and a deeper understanding of the research problem. In the study, 30 individual interviews will be conducted for two groups of stakeholders (auditors and managers of the State Audit Office of Vietnam) at the headquarters of the State Audit Office of Vietnam in Hanoi City, the capital of Vietnam. This study should involve about 10 individual interviews for managers of the State Audit Office of Vietnam and 20 individual interviews for auditors of the State Audit Office of Vietnam.

Previously submitted to:

Administrative Section

1. TITLE AND SUMMARY OF PROJECT

1.1. Title

1.1.1 What is the formal title of this research proposal?

A strategy to change the audit process of the State Audit Office of Vietnam to align with the Australian Government audit process

1.2. Description of the project in plain language

1.2.1 Give a concise and simple description (not more than 400 words), in plain language, of the aims of this project, the proposal research design and the methods to be used to achieve those aims.

The proposed research project addresses the topic "A strategy to change the audit process of the State Audit Office of Vietnam to align with the Australian Government audit process". The topic is embedded in the research question "What change management processes are required for the State Audit Office of Vietnam to introduce the Australian Government audit process?".

The project is looking to improve the State Audit Office of Vietnam to meet international audit standards of the Organization for Economic Co-operation and Development (OECD), using the Australian Government audit process as a direct comparison in order to identify issues in the change management processes required for the State Audit Office of Vietnam to introduce Australian Government audit processes and to propose a methodology to resolve these issues.

The research design is a combination of document review and semi-structured in-depth individual interview methods. The document review will include analysis of relevant auditing processes, methods, standards, procedures and reports, and policies; and review of change management theories and practices. The goal of the document review is to obtain an overall picture of the research topic that will inform the in-depth interviews. Some of the documents collected the researcher is familiar with due to his profession, some of them are freely available and some of them are provided by the State Audit Office of Vietnam. The mentor secured will advise and assist the researcher in collecting and gathering the documents and ensure the appropriateness and lawfulness of the documents collected. Semi-structured in-depth individual interviews will be selected as the major research methodology because it is able to provide a considerable amount of detailed data and a deeper understanding of the research problem. In the study, 30 individual interviews will be conducted for two groups of stakeholders (auditors and managers of the State Audit Office of Vietnam) at the headquarters of the State Audit Office of Vietnam in Hanoi City, the capital of Vietnam. This study should involve about 10 individual interviews for managers of the State Audit Office of Vietnam and 20 individual interviews for auditors of the State Audit Office of Vietnam.

2. RESEARCHERS / INVESTIGATORS

2.2. Principal researcher(s) / investigator(s)

2.2.0 How many principal researchers / investigators are there?

1

2.2.1. Principal researcher / investigator 1

2.2.1. Name and contact details

Name: Mr Le Anh Minh
Address: Unit 263, 420 Pitt Street,
Sydney NSW 2000
Organisation: CQUniversity
Area: Faculty of Arts, Business, Informatics & Education
Position: Researcher
Contact: (Bus) 0425968699 (AH) 0425968699
(Mob) 0425968699 (Fax) 0425968699
Email: s0057091@student.cqu.edu.au

2.2.2... Summary of qualifications and relevant expertise NS 4.8.7 NS 4.8.15

The researcher has studied the following courses:

2010 - now Candidate for Doctor of Professional Studies

2005 – 2006 Master of Applied Finance, College of Business,
University of Western Sydney, Australia.

2004 ACL Diploma in English for Academic Purposes,
Sydney West International College, Australia.

1998 – 2002 Bachelor of economics, Faculty of Finance-Banking,
Finance Academy of Vietnam.

He is a staff member in the Information and Research Division working in the Scientific and Training Center
of the State Audit Office of Viet Nam.

The researcher has studied audit processes and other issues relevant to the research problem.

2.2.2... Please declare any general competing interests

No

2.2.2... Name the site(s) for which this principal researcher / investigator is responsible.

CQUniversity

2.2.3 Describe the role of the principal researcher / investigator in this project.

Data Collection, desktop research, analysis of data, writing up.

2.2.4 Is the principal researcher / investigator a student?

Yes

2.2.4...What is the educational organisation, faculty and degree course of the student?

Organisation CQUniversity, Sydney Campus
Faculty Faculty of Arts, Business, Informatics & Education
Degree course Doctor of Professional Studies

2.2.4... Is this research project part of the assessment of the student?

Yes

2.2.4... Is the student's involvement in this project elective or compulsory?

Compulsory

2.2.4... What training or experience does the student have in the relevant research methodology?

The researcher has attended a two-day workshop 'net solutions & introduction to research methodology' and
receives ongoing supervision at CQUniversity.

2.2.4... What training has the student received in the ethics of research?

The researcher has attended a two-day workshop 'Working in the Knowledge Society & introduction to

NEAF¹ and receives ongoing supervision at CQUniversity.

2.2.4... Describe the supervision to be provided to the student. NS 4.8.8

Academic and Industry supervisor

2.2.4... How many supervisors does the student have?

2

2.2.4...Supervisor 1

2.2.4...Provide the name, qualifications, and expertise, relevant to this research, of the students' supervisor

Title	A/Prof
First Name	Ergun
Surname	Gide
Summary of qualifications and relevant expertise	Bsc, Msc, MBA, Phd, Post Phd Research. He has had over ten years of research supervisor experience in the Business and Information Technology fields at CQUniversity.

2.2.4...Supervisor 2

2.2.4...Provide the name, qualifications, and expertise, relevant to this research, of the students' supervisor

Title	Mr
First Name	Dang Hung
Surname	Nguyen
Summary of qualifications and relevant expertise	This person will be performing a mentor role only.

2.3. Associate researcher(s) / investigator(s)

2.3.1 How many known associate researchers are there? (You will be asked to give contact details for these associate researchers / investigators at question 2.3.1.1)

0

2.3.2 Do you intend to employ other associate researchers / investigators?

No

2.4. Contact

Provide the following information for the person making this application to the HREC.

2.4.1. Name and contact details

Name:	Mr Le Anh Minh
Address:	Unit 263, 420 Pitt Street, Sydney NSW 2000
Organisation:	CQUniversity
Area:	Faculty of Arts, Business, Informatics & Education
Position:	Researcher
Contact	(Bus) 0425968699 (AH) 0425968699 (Mob) 0425968699 (Fax) 0425968699
Email:	s0057091@student.cqu.edu.au

2.5. Other personnel relevant to the research project

2.5.1 How many known other people will play a specified role in the conduct of this research project?

0

2.5.2 Is it intended that other people, not yet known, will play a specified role in the conduct of this research project?

No

2.6. Certification of researchers / investigators

2.6.1 Are there any relevant certification, accreditation or credentialing requirements relevant to the conduct of this research?

No

2.7. Training of researchers / investigators

2.7.1 Do the researchers / investigators or others involved in any aspect of this research project require any additional training in order to undertake this research? No

3. RESOURCES

3.1. Project Funding / Support

3.1.1. Indicate how the project will be funded

3.1.1... Type of funding.

[Please note that all fields in any selected funding detail column (with the exception of the code) will need to be completed.]

	By Researchers Department or Organisation
Name of Grant / Sponsor	NIL
Amount of funding	NIL
Code (optional)	NIL
Confirmed / Sought	Not Sought
Detail in kind support	NIL
Indicate the extent to which the scope of this HREC application and grant are aligned	NIL

3.1.1... How will you manage a funding shortfall (if any)?

N/A

3.1.2 Will the project be supported in other ways eg. in-kind support/equipment by an external party eg. sponsor No

3.2. Duality of Interest

3.2.1 Describe any commercialisation or intellectual property implications of the funding/support arrangement.

N/A

3.2.2 Does the funding/support provider(s) have a financial interest in the outcome of the research? No

3.2.3 Does any member of the research team have any affiliation with the provider(s) of funding/support, or a financial interest in the outcome of the research? No

3.2.4 Does any other individual or organisation have an interest in the outcome of this research? Yes

3.2.4... Indicate the interested party and describe the interest.

The Vietnamese Government and the State Audit Office of Vietnam and its auditors and managers will be benefited by the outcomes of the research. The research aims to produce a change management strategy to achieve a more effective audit process in the State Audit Office of Vietnam. Strengthening the quality and effectiveness of the State Audit Office's audit activities will promote transparency and economic efficiency in the expenditure of Vietnamese Government funds.

3.2.5 Are there any restrictions on the publication of results from this research? No

4. PRIOR REVIEWS

4.1. Ethical review

4.1.0. Duration and location

4.1.0... In how many Australian sites, or site types, will the research be conducted? 0

4.1.0... In how many overseas sites, or site types, will the research be conducted? 1

Provide the following information for each site or site type (Australian and overseas, if applicable) at which the research is to be conducted

4.1.0...Site / Site Type 1

4.1.0... Site / Site Type Name

The headquarters of the State Audit Office of Vietnam

4.1.0... Site / Site Type Location

111 Tran Duy Hung Street, Hanoi City, Vietnam

4.1.0...Provide the start and finish dates for the whole of the study including data analysis

Anticipated start date 10/06/2012

Anticipated finish date 10/06/2013

4.1.0... Are there any time-critical aspects of the research project of which an HREC should be aware? No

4.1.1 To how many Australian HRECs (representing site organisations or the researcher's / investigator's organisation) is it intended that this research proposal be submitted? 1

4.1.1...HREC 1

4.1.1... Name of HREC CQUniversity's Human Research Ethics Committee (EC00158)

4.1.1...Provide the start and finish dates for the research for which this HREC is providing ethical review.

Anticipated start date or date range 10/06/2012

Anticipated finish date or date range 10/06/2013

4.1.1... For how many sites at which the research is to be conducted will this HREC provide ethical review? 1

4.1.1...Site 1

4.1.1... Name of site The headquarters of the State Audit Office of Vietnam

4.1.1... Which of the researchers / investigators involved in this project will conduct the research at this site?

Principal Researcher(s)

Associate Researcher(s)

Mr Le Anh Minh

4.1.2 Have you previously submitted an application, whether in NEAF or otherwise, for ethical review of this research project to any other HRECs? No

4.3. Peer review

4.3.1 Has the research proposal, including design, methodology and evaluation undergone, or will it undergo, a peer review process? NS 1.2 Yes

4.3.1... Provide details of the review and the outcome. A copy of the letter / notification, where available, should be attached to this application.

The researcher presented a detailed research proposal to a Colloquium Panel at CQUniversity on 22nd September, 2011. The panel comprised of following members: Dr Ergun Gide, Professor Ross Lehman, Dr Irene Hoetzer and Dr Clive Graham (Chair). The researcher's proposal was approved (see attached report).

Several recommendations were made by the colloquium panel for minor changes in research methodology, and these changes have been made in consultation with the researcher's supervisor.

Ethical Review Section

Summary

Applicant / Principal Researcher(s)

Mr Le Anh Minh

The researcher has studied the following courses:

2010 - now Candidate for Doctor of Professional Studies

*2005 – 2006 Master of Applied Finance, College of Business,
University of Western Sydney, Australia.*

*2004 ACL Diploma in English for Academic Purposes,
Sydney West International College, Australia.*

*1998 – 2002 Bachelor of economics, Faculty of Finance-Banking,
Finance Academy of Vietnam.*

*He is a staff member in the Information and Research Division working in the Scientific and Training Center of the
State Audit Office of Viet Nam.*

The researcher has studied audit processes and other issues relevant to the research problem.

Potential conflicts of interest

No

Other Relevant Personnel

A/Prof Ergun Gide

*Bsc, Msc, MBA, Phd, Post Phd Research. He has had over ten years of research supervisor experience in the
Business and Information Technology fields at CQUniversity.*

Mr Dang Hung Nguyen

This person will be performing a mentor role only.

5. PROJECT

5.1. Type of Research

5.1.1 Tick as many of the following 'types of research' as apply to this project. Your answers will assist HRECs in considering your proposal. A tick in some of these boxes will generate additional questions relevant to your proposal (mainly because the National Statement requires additional ethical matters to be considered), which will appear in Section 9 of NEAF.

This project involves:

☒ Research using qualitative methods NS 3.1

5.1.2 Does the research involve limited disclosure to participants? NS 2.3 No

5.1.3 Are the applicants asking the HREC / review body to waive the requirement of consent? NS 2.3.5 No

5.2. Research plan

5.2.1 Describe the theoretical, empirical and/or conceptual basis, and background evidence, for the research proposal, eg. previous studies, anecdotal evidence, review of literature, prior observation, laboratory or animal studies (4000 character limit). NS 1.1

It is common knowledge that the current processes need improvement. In fact, the need for the improvement of the audit processes has been mentioned in the documents of the development strategy of the State Audit Office of Vietnam to 2020 and the action plan to implement this development strategy. These two documents were publicised to all the staff of the State Audit Office of Vietnam and are freely available for download on the website of the State Audit Office of Vietnam and other public medias. These documents represent that the State Audit Office of Vietnam will focus on improving its audit processes and other issues relevant to the audit processes such as strengthening the State Audit Office's human resource, audit quality, organisational structure and legal framework, improving its auditing procedures, methods and standards in line with international auditing practices and enhancing the application of Information technology in auditing.

A detailed literature review has been undertaken to investigate the audit process of the State Audit Office of Vietnam. This literature review reveals seven major issues that testify to the significance of the research topic. In the State Audit Office of Vietnam, there is no long-term strategy for development; there is a lack of audit knowledge; the audit process is confusing; there are no clear standards for performance audits; there is a lack of adequate methodology and criteria for the audit process; there are no current plans to introduce improved auditing processes; and there are inconsistencies between audit processes, and auditing principles and standards.

5.2.2 State the aims of the research and the research question and/or hypotheses, where appropriate.

The research topic is embedded in the research question "What change management processes are required for the State Audit Office of Vietnam to introduce the Australian Government audit process?". The purpose of this study is to identify issues in the change management processes required for the State Audit Office of Vietnam to introduce Australian Government audit processes and to propose a methodology to resolve these issues.

5.2.3 Has this project been undertaken previously? No

5.3. Benefits/Risks

5.3.0 Does the research involve a practice or intervention which is an alternative to a standard practice or intervention? No

5.3.2 What expected benefits (if any) will this research have for the wider community?

The research outcomes might be applied in the State Audit Office of Vietnam. This research aims to develop an effective audit process for the State Audit Office of Vietnam that will comply with international auditing standards and principles in order to ensure transparency and effectiveness of public sector expenditure. These results will enhance the economic efficiency of Vietnamese government expenditure. It will also devise a change management strategy to enable the State Audit Office of Vietnam to adapt to the new system and implement it effectively. Thus, the research aims to be socially robust and contribute to social justice and prosperity and Vietnam's sustainable development.

5.3.3 What expected benefits (if any) will this research have for participants? NS 2.1

The outcomes of the research will be very beneficial for participants in several reasons. Developing an effective audit process for the State Audit Office of Vietnam will enhance the effectiveness and quality of the participants' work and minimise problems caused by its current audit process incompatible with the

requirements of the audit operations such as errors or repetition procedures. In addition, the audit process improvement of the State Audit Office of Vietnam will enable the State Audit Office of Vietnam to reduce the cycle time, to improve the empowerment of the employees and to facilitate the implementation of audit engagements thanks to the steps, phases, procedures and methodology of the audit process designed effectively and appropriately. This will increase the job satisfaction and productivity of the participants. As a result, all these might help the participants to increase the opportunities of promotion and to obtain pay rise.

5.3.4 Are there any risks to participants as a result of participation in this research project? NS 2.1 Yes

5.3.5 Explain how the likely benefit of the research justifies the risks of harm or discomfort to participants. NS 1.6

The various risks to participants are represented as follows:

- There are the potential risks of inconvenience and time need to participants.
- Interviewing people about their jobs has the potential to create many different emotions.
- The audit processes is in the disarray, then some auditors could be in breach of legal requirements.

How those above risks are managed:

- Participants could choose the time and place of the interview. Interviews will be organized at a mutually agreed time and location which is convenient and comfortable for the participants. Potential participants will be informed that they have right to change the mutually agreed time and location any time they wish and have the right to cancel interviews without penalty.

- That interviewing people about their jobs has the potential to create different emotions is entirely true but the questions the researcher intends to ask them are highly unlikely to provoke unpleasant emotions. The research problem deals only with process, not people, workplace relationships or job status. The research topic is restricted to audit process improvement in the State Audit Office of Vietnam and does not touch on personal issues. However, the researcher would like to respect the committee's feedback comments on the two NEAF applications of the researcher some months before that interviews conducted for this study have the potential to create many different emotions for participants. Thus the researcher tries to establish how this potential risk is managed as follows:

Before conducting interview, participants will be informed that:

- Participant's identity will be kept confidential and anonymity is ensured.
 - Recording will only conducted if participants consent.
 - During the interviews, personal information such as name, age, position, address and phone number, will be not mentioned. Participants will not be addressed by name.
 - During the interview, if the researcher mentions words that could reveal the participant's identity, that section of the computer file will be deleted.
 - During the interviews, the participants have the right not to answer the questions, to ask questions of the researcher and to add their own observations of the research problem.
 - They have right to quit the interview at any time without any word of reproach or penalty.
 - Personal information such as name, age, position, address and phone number will not be attached to the data in any form. Participants will be identified with a code, such as participant 1,2,3 and so forth.
- The participant invitation letter, participant information sheet and consent form sent to the potential participants will specify this procedure.

During the interview, the researcher will use an audio recorder to record data, but a video camera will not be used in order to avoid the risk of exposure of the interviewees' identities. In addition, during the interviews, voice-disguising software will be employed so that nobody (including the researcher) will be able to recognise who is talking in the interview. This will protect the interviewees themselves in the event of a security lapse. Finally, all data, both audio and textual, will be kept in encrypted computer files for which only the researcher will have the password.

- That the audit processes are in the disarray has been taken into account in the State Audit Office of Vietnam. The state auditor ethical standards and regulations of the State Audit Office of Vietnam can cover all the negative behaviors or aspects of auditors and other staff of the State Audit Office of Vietnam including exploiting the limitations of the audit processes to break of the legal requirements. The punishments will be applied with the breach of the legal requirements in the State Audit Office of Vietnam.

Although the research may have potential risks for both participants and non-participants and other stakeholders, the potential risks are far outweighed by the expected benefits for the participants, for the State Audit Office of Vietnam and for wider community. For the effectiveness and quality of the participants' work, the development of the State Audit Office of Vietnam, social justice and prosperity and Vietnam's

sustainable development, the research should be conducted.

5.3.8 Are there any other risks involved in this research? eg. to the research team, the organisation, others Yes

5.3.8... What are these risks?

- There are potential risks to non-participants, and to the researcher. There is an assumption being made that the audit process is weak and that change is required. This may cause some concern in government circles, as the State Audit Office is a powerful office in Vietnam's political system that has power over monitoring and supervising the utilization of the budgets and assets of all government departments in Vietnam. There is a high likelihood that rallying for change might result in aggrieved people whose funding is curtailed or restricted, or who find themselves facing censure.

- Transparency and effectiveness of public sector expenditure - may be some don't want this and not just those in the State Audit Office of Vietnam.

- Something illegal may be discovered in the course of the research.

- The researcher could be at risk from managers / auditors who may well have overstepped their responsibilities and see this research as a potential harm factor to them

5.3.8... Explain how these risks will be negated/minimised/managed.

- That rallying for change might result in aggrieved people whose funding is curtailed or restricted, or who find themselves facing censure can be minimized. First, the State Audit Office of Vietnam is not authorized to curtail or restrict funding for organizations of individuals or groups. Second, if the outcomes of the research are applied in the context of the State Audit Office of Vietnam, rights, interests and power of relevant individuals, groups and organizations must be taken into account. Finally, the change depends on the unanimity of both the State Audit Office of Vietnam, and relevant individuals, groups and organizations.

- The degree of transparency and effectiveness of public sector expenditure indirectly obtained by the change will depend not only simply on the power and determination of the State Audit Office of Vietnam but also on the harmony and balance of interests and powers of other relevant individuals, groups and organisations and the unanimity of the stakeholders.

- If something illegal is discovered in the course of the research, It will be reported to the Department of Legal Affairs of the State Audit Office of Vietnam.

- The mentor will advise and assist the researcher in conducting the study in order to minimise risks from managers / auditors who may well have overstepped their responsibilities and see this research as a potential harm factor to them.

5.3.8... Explain how these risks will be monitored.

The monitoring and independent support mechanisms can be provided by:

- The Scientific and Training Centre of the State Audit Office of Vietnam
- The Department of Legal Affairs of the State Audit Office Of Vietnam
- The Central Queensland University's Office of Research (this could be the last option. Issues must be solved up there in Vietnam).

5.3.8... Explain how any harm to participants, resulting from these risks, will be reported.

All complaints from any participants who experience any distress or discomfort can be directed to the Scientific and Training Centre of the State Audit Office of Vietnam. Procedures for receiving, handling and seeking to resolve such complaints are included in the regulations of the Scientific and Training Centre.

If a complaint has not been resolved by the complaints-handling procedures of the Scientific and Training Centre, it can be directed to the Department of Legal Affairs of the State Audit Office Of Vietnam. This is a governing advisory department of the State Audit Office of Vietnam that is external to all departments where participants work and the Scientific and Training Centre of the State Audit Office of Vietnam. The Department of Legal Affairs of the State Audit Office Of Vietnam is authorised to supervise and inspect the audit quality and the personnel resource quality of the State Audit Office of Vietnam, and solve all complaints and denouncements directly relevant to all activities of the State Audit Office of Vietnam. The strong complaints-handling procedures were regulated in this department.

All the issues will be solved up there in Vietnam. The last option is that participants can send the complaints in Vietnamese by mail to the postal address of the Central Queensland University's Office of Research, and these complaints will be translated into English.

The phone numbers and email addresses of the Scientific and Training Centre and the Department of Legal Affairs of the State Audit Office of Vietnam and the postal address of the Central Queensland University's Office of Research will be included in the participant information sheet.

5.3.9 Is it anticipated that the research will lead to commercial benefit for the investigator(s) and or the research sponsor(s)? No

5.3.11 Is there a risk that the dissemination of results could cause harm of any kind to individual participants - whether their physical, psychological, spiritual, emotional, social or financial well-being, or to their employability or professional relationships - or to their communities? No

5.4. Monitoring

Refer to NS 3.3.19 - 3.3.25

5.4.1 What mechanisms do the researchers / investigators intend to implement to monitor the conduct and progress of the research project? NS 5.5

The researcher will conduct fortnightly program meetings with supervisors and submit six-monthly progress reports to the Office of Research and the final report to the Human Research Committee.

6. PARTICIPANTS

6.1. Research participants

6.1.1 The National Statement identifies the need to pay additional attention to ethical issues associated with research involving certain specific populations.

This question aims to assist you and the HREC to identify and address ethical issues that are likely to arise in your research, if its design will include one or more of these populations. Further, the National Statement recognizes the cultural diversity of Australia's population and the importance of respect for that diversity in the recruitment and involvement of participants. Your answer to this question will guide you to additional questions (if any) relevant to the participants in your study.

6.1.1 Tick as many of the following 'types of research participants' who will be included because of the project design, or their inclusion is probable, given the diversity of Australia's population. If none apply, please indicate this below.

a) Primary intent of research

People whose primary language is other than English (LOTE)

[X]

6.2. Participant description

6.2.1 How many participant groups are involved in this research project?

2

6.2.2 What is the expected total number of participants in this project at all sites?

30

6.2.3. Group 1

6.2.3... Group name for participants in this group

Auditors of the State Audit Office of Vietnam

6.2.3... Expected number of participants in this group

20

6.2.3... Age range

22 - 60

6.2.3... Other relevant characteristics of this participant group

They are in charge of conducting audit engagements in the State Audit Office of Vietnam

6.2.3... Why are these characteristics relevant to the aims of the project?

Their work role involves audit activities and the audit process of the State Audit Office of Vietnam

6.2.3. Group 2

6.2.3... Group name for participants in this group

Managers of the State Audit Office of Vietnam

6.2.3... Expected number of participants in this group

10

6.2.3... Age range

22 - 60

6.2.3... Other relevant characteristics of this participant group

They are in charge of organizing and conducting audit engagements, managing auditors and directly making decisions involving the administrative management in the State Audit Office of Vietnam.

6.2.3... Why are these characteristics relevant to the aims of the project?

Their work role and status mean that they are involved in decisions involving the modification of the audit process of the State Audit Office of Vietnam.

6.3. Participation experience

6.3.1 Provide a concise detailed description, in not more than 200 words, in terms which are easily understood by the lay reader of what the participation will involve.

Interviews will be organized at a mutually agreed time and location which is convenient and comfortable for the participants. Potential participants will be informed that they have right to change the mutually agreed time and location any time they wish and have the right to cancel interviews without penalty.

If potential participants agree to take part in this research study, they will participate in one-to-one interviews lasting for about thirty to sixty minutes. They will be invited to freely express thoughts, opinions and perspectives towards change management processes required for the State Audit Office of Vietnam to

introduce Australian Government audit processes. The participants have the right not to answer the questions, to ask questions of the researcher and to add their own observations of the research problem. Interviews will be recorded in order to review the key sections. During interviews, participants have the right to cancel the interview and there is no penalty involved.

6.4. Relationship of researchers / investigators to participants

6.4.1 Specify the nature of any existing relationship or one likely to rise during the research, between the potential participants and any member of the research team or an organisation involved in the research.

While the researcher is a staff member of the Information and Research Division working in the Scientific and Training Center of the State Audit Office of Vietnam, the potential participants are auditors or managers working in the Audit Specialist Departments of the State Audit Office of Vietnam. Moreover, the researcher is employed in a department completely separating from the headquarters of the State Audit Office of Vietnam where the potential participants work. Thus the relationship between the potential participants and the researcher is not direct.

The researcher's employment in the Information and Research Division of the Scientific and Training Centre and as a former auditor of the State Audit Office of Vietnam cannot place him in a position of power over the potential participants. In addition, he has never been a lecturer or consultant or supervisor of the potential participants or of any auditor and manager of the State Audit Office of Vietnam. Thus, the researcher is not in a position of power in relation to participants.

6.4.2 Describe what steps, if any, will be taken to ensure that the relationship does not impair participants' free and voluntary consent and participation in the project.

The researcher believes that the participant invitation letter, participant information sheet and consent forms deal with participant's free and voluntary consent appropriately and minimise the risk of participants feeling obligated to participate. These documents make clear to potential participants that:

- If they decide to participate, they have right to withdraw from the research project without penalty.
- Their participation in this study is entirely voluntary.
- Their participation or non-participation in the research project will not affect their academic standing or employment
- They have the right not to answer any questions they do not wish to, and to ask any questions they want.
- Their identity will be kept confidential and anonymity is ensured.
- They will not receive any payment or expenses for participation in the research

The other important reason is that the State Audit Office of Vietnam employs about 1700 auditors and managers, and the researcher will need to interview only approximately 30 participants. Thus, it should be easy to achieve the required sample size and there will be no pressure on me to push employees to take part. Likewise, potential participants will not feel that their individual participation is necessary for the research to be completed.

In addition, it will be emphasised in the researcher's discussions with the management of the State Audit Office of Vietnam regarding obtaining permission for the research that participation must be entirely voluntary and that no pressure of any kind should be placed on employees to participate.

6.4.3 Describe what steps, if any, will be taken to ensure that decisions about participation in the research do not impair any existing or foreseeable future relationship between participants and researcher / investigator or organisations.

No

6.4.4 Will the research impact upon, or change, an existing relationship between participants and researcher / investigator or organisations.?

No

6.4.5 Is it intended that the interview transcript will be shown or made available to participants? 3.1.15

No

6.5. Recruitment

6.5.1 What processes will be used to identify potential participants?

The researcher secures a high profile mentor from the State Audit Office of Vietnam to ensure that the researcher can collect and utilise the data complied with the ethics clearance requirements and regulations of the ethics committee of CQUniversity. In addition, the mentor, who is accessible to the records of auditors and managers of the State audit Office of Vietnam, plays an important role in providing a link between the researcher and the potential participants. The mentor can provide the researcher the necessary access and advice in the workplace, and help the researcher to identify eligible people for the participation in the study and their phone numbers or email addresses, and to make initial contacts to them. Only eligible people for the participation interested in this research and having a general view that the auditing processes need to be improved are potential participants. Distribution of the letter of invitation, the participant information sheet

and the consent form to potential participants will be also supported by the mentor.

Invitation letters will be distributed to potential participants. Thirty potential participants will be selected from those who response. A representative sample that reflects diversity in terms of qualifications, profession and experience.

Before conducting interview, participants will be informed that:

- Participant's identity will be kept confidential and anonymity is ensured.
- Recording will only conducted if participants consent.
- During the interviews, personal information such as name, age, position, address and phone number, will be not mentioned. Participants will not be addressed by name.
- During the interview, if the researcher mentions words that could reveal the participant's identity, that section of the computer file will be deleted.
- They have right to quit the interview at any time without any word of reproach or penalty.
- Personal information such as name, age, position, address and phone number will not be attached to the data in any form. Participants will be identified with a code, such as participant 1,2,3 and so forth.

The participant invitation letter, participant information sheet and consent form sent to the potential participants will specify this procedure.

In addition, the State Audit Office of Vietnam employs about 1700 auditors and managers, and the researcher will need to interview only approximately 30 participants. Thus, it should be easy to achieve the required sample size and there will be no pressure on me to push employees to take part. Likewise, potential participants will not feel that their individual participation is necessary for the research to be completed.

6.5.2 Is it proposed to 'screen' or assess the suitability of the potential participants for the study? No

6.5.3 Describe how initial contact will be made with potential participants.

Initial contact will be made via telephone calls or email.

6.5.3... Do you intend to include both males and females in this study? Yes

6.5.3... What is the expected ratio of males to females that will be recruited into this study and does this ratio accurately reflect the distribution of the disease, issue or condition within the general community?

Gender is not relevant in my research.

6.5.4 Is an advertisement, e-mail, website, letter or telephone call proposed as the form of initial contact with potential participants? Yes

6.5.4... Provide details and a copy of text/script.

Invitation letter to interview participants

Anh Minh Le
No 6, Gate 10, Huong Vien Street, Dong Nhan Ward, Hai Ba Trung District, Hanoi City, Vietnam.
Mobile phone number: 0904373766
Email address: s0057091@student.cqu.edu.au

Date
Dear...,

I am presently undertaking a degree of the Doctor of professional Studies at the Central Queensland University. The research project that I am conducting is aimed at producing a strategy to change the audit process of the State Audit Office of Vietnam to align with the Australian Government audit process. I would like to invite you to participate in my research project. The research will be primarily concerned with aspects of audit process. Your participation in this study is entirely voluntary. If you decide to participate, you have right to withdraw from the research project without penalty. Your participation or non-participation in the research project will not affect your academic standing or employment. Participation would involve a one-to-one interview lasting from thirty to sixty minutes in which you would be invited to express your thoughts, opinions and perspectives regarding changes to the audit process of the State Audit Office of Vietnam to align with Australian Government audit process. The information collected during the interviews will be in non-identifiable form and the data will only be available to me.

You could choose the time and place of the interview. Interviews will be organized at a mutually agreed time and location which is convenient and comfortable for you. You will be informed that you have right to change the mutually agreed time and location any time you wish and have the right to cancel interviews without penalty.

Before conducting interview, you will be informed that:

- Your identity will be kept confidential and anonymity is ensured.
- Recording will only be conducted if you consent.
- During the interviews, your personal information such as name, age, position, address and phone number, will be not mentioned. You will not be addressed by name.
- During the interview, if I mention words that could reveal your identity, that section of the computer file will be deleted.
- You have right to quit the interview at any time without any word of reproach or penalty.
- Your information such as name, age, position, address and phone number will not be attached to the data in any form. Participants will be identified with a code, such as participant 1,2,3 and so forth.

The participant information sheet and consent form sent to you will specify this procedure.

During the interview, I will use an audio recorder to record data, but a video camera will not be used in order to avoid the risk of exposure of your identity. In addition, during the interviews, voice-disguising software will be employed so that nobody (including me) will be able to recognise who is talking in the interview. This will protect you yourself in the event of a security lapse. Finally, all data, both audio and textual, will be kept in encrypted computer files for which only I will have the password.

I would like to inform you that the audit processes in the disarray has been taken into account in the State Audit Office of Vietnam. The state auditor ethical standards and regulations of the State Audit Office of Vietnam can cover all the negative behaviors or aspects of auditors and other staff of the State Audit Office of Vietnam including exploiting the limitations of the audit processes to break of the legal requirements. The punishments will be applied with the breach of the legal requirements in the State Audit Office of Vietnam.

Thank you very much for taking the time to read this letter.

I hope that you will be able to participate.

Kind regards,
Anh Minh Le

6.5.5 If it became known that a person was recruited to, participated in, or was excluded from the research, would that knowledge expose the person to any disadvantage or risk? Yes

6.5.5... What are the risks or disadvantages?

- There may be important considering the number of potential participants and whether there is a general view that the auditing processes need to be improved.
- There is a possibility that participants may be exposed to questioning about the research, by colleagues who may not want changes to occur.

6.5.5... How will these issues be addressed?

It is common knowledge that the current processes need improvement. In fact, the need for the improvement of the audit processes has been mentioned in the documents of the development strategy of the State Audit Office of Vietnam to 2020 and the action plan to implement this development strategy. These two documents were publicised to all the staff of the State Audit Office of Vietnam and are freely available for download on the website of the State Audit Office of Vietnam and other public medias. These documents represent that the State Audit Office of Vietnam will focus on improving its audit processes and other issues relevant to the audit processes such as strengthening the State Audit Office's human resource, audit quality, organisational structure and legal framework, improving its auditing procedures, methods and standards in line with international auditing practices and enhancing the application of Information technology in auditing.

Moreover, the researcher's mentor can provide the researcher the necessary access and advice in the workplace, and help the researcher to identify eligible people for the participation in the study and their phone numbers or email addresses, and to make initial contacts to them. Only eligible people for the participation interested in this research and having a general view that the auditing processes need to be improved are potential participants. Distribution of the letter of invitation, the participant information sheet and the consent form to potential participants will be also supported by the mentor.

In addition, the State Audit Office of Vietnam employs about 1700 auditors and managers, and the researcher will need to interview only approximately 30 participants. Thus, it should be easy to achieve the required sample size and there will be no pressure on me to push employees to take part. Likewise, potential participants will not feel that their individual participation is necessary for the research to be completed.

- Participants will be informed that:

- Participant's identity will be kept confidential and anonymity is ensured.
- Recording will only be conducted if participants consent.
- During the interviews, personal information such as name, age, position, address and phone number, will be not mentioned. Participants will not be addressed by name.
- During the interview, if the researcher mentions words that could reveal the participant's identity, that section of the computer file will be deleted.
- They have right to quit the interview at any time without any word of reproach or penalty.
- Personal information such as name, age, position, address and phone number will not be attached to the data in any form. Participants will be identified with a code, such as participant 1,2,3 and so forth.

During the interview, the researcher will use an audio recorder to record data, but a video camera will not be used in order to avoid the risk of exposure of the interviewees' identities. In addition, during the interviews, voice-disguising software will be employed so that nobody (including the researcher) will be able to recognise who is talking in the interview. This will protect the interviewees themselves in the event of a security lapse. Finally, all data, both audio and textual, will be kept in encrypted computer files for which only the researcher will have the password.

6.6. Consent process

6.6.1 Will consent for participation in this research be sought from all participants? Yes

6.6.1... Will there be participants who have capacity to give consent for themselves? Yes

6.6.1... What mechanisms/assessments/tools are to be used, if any, to determine each of these participant's capacity to decide whether or not to participate?

N/A

6.6.1... Are any of the participants children or young people? No

6.6.1... Will there be participants who do not have capacity to give consent for themselves? No

6.6.1... Describe the consent process, ie how participants or those deciding for them will be informed about, and choose whether or not to participate in, the project.

The participant invitation letter, participant information sheet and consent form will be distributed to all participants. These documents make clear to potential participants that:

- Their participation in this study is entirely voluntary.
- If they decide to participate, they have right to withdraw from the research project without penalty.
- Their participation or non-participation in the research project will not affect their academic standing or employment
- They have the right not to answer any questions they do not wish to, and to ask any questions they want.
- Their identity will be kept confidential and anonymity is ensured.
- They will not receive any payment or expenses for participation in the research

Any questions that participants have about the project and methodology for collecting and storing the research data will be answered to their satisfaction by the participant invitation letter, participant information sheet and consent form and further verbal explanation of the researcher.

6.6.1... If a participant or person on behalf of a participant chooses not to participate, are there specific consequences of which they should be made aware, prior to making this decision? 4.6.6 - 4.6.7

No

6.6.1... Might individual participants be identifiable by other members of their group, and if so could this identification expose them to risks?

No

6.6.1... If a participant or person on behalf of a participant chooses to withdraw from the research, are there specific consequences of which they should be made aware, prior to giving consent?

No

6.6.1... Specify the nature and value of any proposed incentive/payment (eg. movie tickets, food vouchers) or reimbursement (eg travel expenses) to participants.

No incentive/payment

6.6.1... Explain why this offer will not impair the voluntary nature of the consent, whether by participants' or persons deciding for their behalf. NS 2.2.10 - 2.2.11

N/A

6.6.3 Do you propose to obtain consent from individual participants for your use of their stored data/samples for this research project? Yes

7. PARTICIPANTS SPECIFIC

7.1. Participants whose primary language is other than English (LOTE)

You have indicated that the project involves persons whose primary language is other than English (LOTE)

7.1.1 Describe what steps will be taken to ensure each participant's free and voluntary consent and participation in the project given that the person's language is other than English ?

The participant invitation letter, participant information sheet and consent forms will be translated into Vietnamese (the primary language of participants) and sent to all participants. Interviews will be conducted in Vietnamese.

The researcher believes that the participant invitation letter, participant information sheet and consent forms deal with participant's free and voluntary consent appropriately and minimise the risk of participants feeling obligated to participate. These documents make clear to potential participants that:

- If they decide to participate, they have right to withdraw from the research project without penalty.
- Their participation in this study is entirely voluntary.
- Their participation or non-participation in the research project will not affect their academic standing or employment
- They have the right not to answer any questions they do not wish to, and to ask any questions they want.
- Their identity will be kept confidential and anonymity is ensured.
- They will not receive any payment or expenses for participation in the research

The participant information sheet specifies that interviews will be organized at a mutually agreed time and location which convenient and comfortable for the participant. Potential participants will be informed that they have right to change the mutually agreed time and location any time they wish and have the right to cancel interviews without penalties. It will be possible to schedule the interviews to be organized after the potential participants have completed their tasks and audit engagements.

In addition, the State Audit Office of Vietnam employs about 1700 auditors and managers, and the researcher will need to interview only approximately 30 participants. Thus, it should be easy to achieve the required sample size and there will be no pressure on me to push employees to take part. Likewise, potential participants will not feel that their individual participation is necessary for the research to be completed.

7.1.2 In what language(s) will the research be conducted?

☒ Other

7.1.2... Specify the language(s)

Vietnamese

7.1.2... Will an interpreter to be present during discussions with the participants about the research project?

7.1.2... Why will an interpreter not be present during discussions with participants about the research project?

Since Vietnamese is the native language of both the researcher and participants, no interpreter will be required.

7.1.3 Will participants be provided with written information in the language in which the research will be conducted?

8. CONFIDENTIALITY/PRIVACY

8.1. Do privacy guidelines need to be applied in the ethical review of this proposal?

8.1.1 Indicate whether the source of the information about participants which will be used in this research project will involve:

☒ collection directly from the participant

8.1.1... Information which will be collected for this research project directly from the participant

8.1.1... Describe the information that will be collected directly from participants. Be specific where appropriate.

Thoughts, opinions and perspectives of participants regarding the audit process and potential improvements to it.

8.1.1... The information collected by the research team about participants will be in the following form(s). Tick more than one box if applicable.

☒ non-identifiable

8.2. Using information from participants

8.2.1 Describe how information collected about participants will be used in this project.

Document review will be utilized to supplement the data provided by the interviews. In-depth interviews will allow the researcher to gather significant and integrated data in the form of feedback from different groups of stakeholders concerning the proposed change management process.

Data collected from semi-structured interviews will be classified and separated into specific themes. The study will conduct thematic content analysis, which is described as a process of encoding qualitative information. The themes and patterns, which tend to be uncertain, will be identified by reading all the data and annotating it with codes. After different themes are made clear, models for changing the audit process of the State Audit Office of Vietnam might emerge.

8.2.2 Will any of the information used by the research team be in identified or re-identifiable (coded) form?

No

8.2.4 List ALL research personnel and others who, for the purposes of this research, will have authority to use or have access to the information and describe the nature of the use or access. Examples of others are: student supervisors, research monitors, pharmaceutical company monitors .

The researcher

8.3. Storage of information about participants during and after completion of the project

8.3.1 In what formats will the information be stored during and after the research project? (eg. paper copy, computer file on floppy disk or CD, audio tape, videotape, film)

Computer file.

8.3.2 Specify the measures to be taken to ensure the security of information from misuse, loss, or unauthorised access while stored during and after the research project? (eg. will identifiers be removed and at what stage? Will the information be physically stored in a locked cabinet?)

Anonymity and confidentiality are guaranteed. Data collected during the interview and other data transcribed will be stored in a locked cabinet. All participants' personal information such as name, age, position, address and phone number will not be attached to the data in any form. Participants will be identified with a code, such as participant 1,2,3 and so forth. Where the participant's responses are transposed to a computer, the computer file created will be password-protected with a password known only to the researcher. At the conclusion of the research study, any computer files created will be transferred to hard copy and the computer files permanently deleted.

8.3.5 The information which will be stored at the completion of this project is of the following type(s). Tick more than one box if applicable.

☒ non-identifiable

8.3.6 For how long will the information be stored after the completion of the project and why has this period been chosen?

Data collected and other data transcribed will be destroyed within five years of the submission of the thesis. This period has been selected because it is in accordance with the CQU Code of Conduct policy and will allow verification of the work undertaken if required.

8.3.7 What arrangements are in place with regard to the storage of the information collected for, used in, or generated by this project in the event that the principal researcher / investigator ceases to be engaged at

the current organisation?

N/A

8.4. Ownership of the information collected during the research project and resulting from the research project

8.4.2 Who is understood to own the information resulting from the research, eg. the final report or published form of the results?

CQUniversity

8.4.3 Does the owner of the information or any other party have any right to impose limitations or conditions on the publication of the results of this project? No

8.5. Disposal of the information

8.5.1 Will the information collected for, used in, or generated by this project be disposed of at some stage? Yes

8.5.1... At what stage will the information be disposed?

After five years

8.5.1... How will information, in all forms, be disposed?

All confidential research data in paper format will be burnt or shredded and confidential research data and records in electronic format reformatted. However, since better ways of disposing of the information might be developed in the future, the researcher will apply the most effective and modern methods to destroy confidential data and records five years after submission of the thesis.

8.6. Reporting individual results to participants and others

8.6.1 Is it intended that results of the research that relate to a specific participant be reported to that participant? No

8.6.1... Explain/justify why results will not be reported to participants.

The purpose of this study is to identify issues in the change management processes required for the State Audit Office of Vietnam to introduce Australian Government audit processes and to propose a methodology to resolve these issues. The research problem deals only with process, not people, workplace relationships or job status. The research topic is restricted to audit process improvement in the State Audit Office of Vietnam and does not touch on personal issues. Thus, the research does not aim to provide suggestions for a specific participant.

8.6.2 Is the research likely to produce information of personal significance to individual participants? No

8.6.3 Will individual participant's results be recorded with their personal records? No

8.6.4 Is it intended that results that relate to a specific participant be reported to anyone other than that participant? No

8.6.5 Is the research likely to reveal a significant risk to the health or well being of persons other than the participant, eg family members, colleagues No

8.6.6 Is there a risk that the dissemination of results could cause harm of any kind to individual participants - whether their physical, psychological, spiritual, emotional, social or financial well-being, or to their employability or professional relationships - or to their communities? No

8.6.7 How is it intended to disseminate the results of the research? eg report, publication, thesis
Thesis

8.6.8 Will the confidentiality of participants and their data be protected in the dissemination of research results? Yes

8.6.8... Explain how confidentiality of participants and their data will be protected in the dissemination of research results

Before conducting interview, participants will be informed that:

- Participant's identity will be kept confidential and anonymity is ensured.
- Recording will only conducted if participants consent.
- During the interviews, personal information such as name, age, position, address and phone number, will be not mentioned. Participants will not be addressed by name.
- During the interview, if the researcher mentions words that could reveal the participant's identity, that section of the computer file will be deleted.
- They have right to quit the interview at any time without any word of reproach or penalty.

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- Personal information such as name, age, position, address and phone number will not be attached to the data in any form. Participants will be identified with a code, such as participant 1,2,3 and so forth.

The participant invitation letter, participant information sheet and consent form sent to the potential participants will specify this procedure.

During the interview, the researcher will use an audio recorder to record data, but a video camera will not be used in order to avoid the risk of exposure of the interviewees' identities. In addition, during the interviews, voice-disguising software will be employed so that nobody (including the researcher) will be able to recognise who is talking in the interview. This will protect the interviewees themselves in the event of a security lapse. Finally, all data, both audio and textual, will be kept in encrypted computer files for which only the researcher will have the password.

9. DECLARATIONS AND SIGNATURES

9.1 Project Title

A strategy to change the audit process of the State Audit Office of Vietnam to align with the Australian Government audit process

9.2 Human Research Ethics Committee to which this application is made

CQUniversity's Human Research Ethics Committee (EC00158)

9.3 Signatures and undertakings

Applicant / Principal Researchers (including students where permitted)

I/we certify that:

- All information is truthful and as complete as possible.
- I/we have had access to and read the National Statement on Ethical Conduct in Research Involving Humans.
- the research will be conducted in accordance with the National Statement.
- the research will be conducted in accordance with the ethical and research arrangements of the organisations involved.
- I/we have consulted any relevant legislation and regulations, and the research will be conducted in accordance with these.
- I/we will immediately report to the HREC anything which might warrant review of the ethical approval of the proposal NS 5.5.3 including:
 - serious or unexpected adverse effects on participants;
 - proposed changes in the protocol; and
 - unforeseen events that might affect continued ethical acceptability of the project.
- I/we will inform the HREC, giving reasons, if the research project is discontinued before the expected date of completion NS 5.5.6 see NS 5.5.8(b);
- I/we will adhere to the conditions of approval stipulated by the HREC and will cooperate with HREC monitoring requirements. At a minimum annual progress reports and a final report will be provided to the HREC.

Applicant / Chief Researcher(s) / Principal Researcher(s)

Mr Le Anh Minh
CQUniversity

Signature

07/06/2012
Date

Supervisor(s) of student(s)

I/we certify that:

- I/we will provide appropriate supervision to the student to ensure that the project is undertaken in accordance with the undertakings above;
- I/we will ensure that training is provided necessary to enable the project to be undertaken skilfully and ethically.

A/Prof Ergun Gide

Signature

11/06/2012
Date

Mr Dang Hung Nguyen

Signature

Date

Heads of departments/schools/research organisation

I/we certify that:

- I/we are familiar with this project and endorse its undertaking;
- the resources required to undertake this project are available;
- the researchers have the skill and expertise to undertake this project appropriately or will undergo appropriate training as specified in this application.
