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ASSESSING THE EFFECTIVENESS OF AUDITS IN PUBLIC ADMINISTRATION[2]

Abstract
The feedback supreme audit institutions (SAI) provide from their audits of public funds and property owned by the national and local governments is critical to the audited governments and public authorities, while also important information for both the professional and general public. The article seeks to assess the performance of the SAIs in the Visegrád Four (V4) countries by evaluating hypotheses that assess the effectiveness of the audits they conduct. Data for the analysis came from annual reports of the institutions and interviews conducted with their staff. The evaluation covers sixteen years (2005-2020) and the five hypotheses established in this article were assessed using the Pearson and Spearman correlation coefficients. In general, a conclusion could be drawn from the analysis that the volume of new audit findings was not influenced by the number of audits from previous years or the number of recommendations made therein. On the other hand, the relationship between the number of audits conducted and the number of criminal complaints filed was seen as statistically significant. The public sector works slightly differently in all countries, but the SAI needs to be able to identify and point out the most significant systemic issues concerning the various areas of the state economy.

Key words: public administration; audits conducted; audit findings; Supreme audit office, Visegrád Four (V4) countries

1 INTRODUCTION

An audit is defined here as ascertaining and assessing whether and how the persons reviewed therein are complying with certain requirements

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specified either in legal standards or implementing acts. Public authorities' targeted activities are scrutinized by audit institutions and other stakeholders. The significance of the audits conducted by supreme audit institutions lies mainly in the independent information they provide to management, superior institutions, and the country's citizens about how public institutions are managing their financial resources. The audits identify weaknesses and require measures to be taken by the audited entities toward remedying them. In addition, recommendations are made by the auditors about how to resolve the weaknesses they have found. Although they have no power to punish offenders, the institutions can conduct audits and work with the prosecutor‘s office, tax authorities, financial control offices, and law enforcement agencies. The V4's supreme audit institutions are independent government authorities whose existence is derived from the Lima Declaration of Guidelines on Auditing Precepts adopted by the International Organisation of Supreme Audit Institutions (INTOSAI), established in 1953 and headquartered in Vienna.

The paper aims to evaluate the performance of the supreme audit institutions in the Visegrád Four (V4) countries (Slovakia, Czech Republic, Hungary, and Poland) and assess the effectiveness of the audits they conduct from established hypotheses. We decided to analyze this area because there are very few studies dealing with the assessment of the audit activity of SAIs and the comparison between countries. We chose these countries because the V4 countries are Central European countries, and EU and NATO member states that share similar socio-economic, economic, and cultural-historical values.

The article begins by pointing out the importance of control in public administration, especially control performed by the SAO. The following is an overview of relevant literary sources on the topic. The methodology section explains the data used and the methods used. An essential part is the empirical results and discussion of the results. In conclusion, we point out the validity of the problem.

2 LITERATURE REVIEW

The public sector, representing a significant part of the public economy, is considered one of its supporting pillars (Halásková et al., 2017). Audit is an indispensable element of public administration activity as the public administration, just like every social organization, contains in itself sources of mistakes and bureaucratic structures. By auditing public administration both externally and internally, we also seek to prevent the degeneration of power, manifested in power abuse. Therefore, one of the basic prerequisites

for a good and successful audit is the independence of the auditor from the auditee (Redmayne et al, 2010). In our opinion, the most succinct meaning is conveyed by understanding the audit as (one) state of affairs versus (the second, the other) state of affairs (Klierová & Kútik, 2017).

The audit is an integral part of management and decision-making processes. It constitutes an act and a process that through feedback provides information on the achievement of goals. As a management subsystem, the audit can also be defined based on its specific functions, which we understand to be regulation, negation motivational, educational, and institutional tools (Iacovino et al., 2017).

The public financial control system is built as a whole around a pyramidal structure in which different layers, responding to diverse political and legal rationales, can be distinguished: internal, external, jurisdictional, political, and social. Each level rests directly on the level below, and indirectly upon the remaining lower levels. The external control subsystem is composed of specialized independent entities (Lima Declaration, sections 5–7) that control public administration following audit standards. These entities can be labeled as SAIs (supreme in their jurisdictional order, hence reporting to the highest level of a State) or Regional Audit Institutions (which report to subnational political levels). (Porras-Gómez, 2020)

The Supreme Audit Office is the primary state audit institution (Murat, 2019; Kalinowska - Wojcik, 2017). Supreme audit institutions (SAIs) oversee the use of public resources and ensure accountability and, as such, they are very important for public sector reform. (Bonollo, 2019). The independence of Supreme Audit Institutions (SAIs) is essential to their effectiveness (Peci & Pulgar, 2019) The SAO must work according to global standards and requirements for good governance (Slobodyanik et al, 2019). The effective, accountable, and transparent financial control of the government plays a crucial role in Sustainable Development Goals achievement. Supreme Audit Institutions (SAIs) can enhance the accountability of state administrative bodies towards society for utilized resources and performance results. Building the capacity of the SAIs, sharing foreign experience, and international cooperation in this field will favor good governance development and advancing its rules in different countries (Slobodyanik & Chyzhevska, L., 2019).

Since the 1970s the Supreme Audit Institutions (SAI) have gradually expanded their role as external controllers of the public administration. Instead of merely controlling whether accounts are according to standards they have taken on the role of evaluators with a mandate to assess whether the public administration works economically, efficiently, and effectively (Reichborn-Kjennerud et al, 2018). Audit as conducted by supreme audit institutions (SAIs), is focused on the classical 'three Es' (efficiency, economy, and effectiveness).

Ethics is increasingly recognized as one of several important dimensions of performance. The reluctance to address issues of ethical misconduct has taken the audit practice of SAIs to a critical juncture, where the legitimacy of these audits ultimately is at stake. The SAIs need to add a fourth 'E'— ethical audit (Bringselius, 2018).

There are big variations in how audit institutions are organized in the world, in what they produce, in their relations to stakeholders and media, and their impacts on organizations and society. Overall, auditors are little active in the fight against corruption, and the Napoleonic court system for organizing supreme audit institutions seems to be ineffective. The audit institutions in the Anglo-American and Nordic accountability regimes seem to be relatively effective, but recent research shows that auditors' independence and relevance are persistent challenging issues in public sector audits. (Johnsen, 2019)

The independence of public sector auditors is guaranteed by the legislature (Sumiyana, et al., 2021). The characteristics generally required of private-sector audit bodies (independence, accounting and financial expertise, industry specialization, diligence, and institutional support) are also relevant to the public sector (Langella, et al., 2021). The audit industry specialization is associated with higher audit quality in public sector organizations. (Donatella, 2021). A good level of independence and a good level of performance of a Supreme Audit Institution is associated with a good level of fiscal transparency (Suzart, 2012). The Supreme Audit Institutions should have transparency and accountability to target groups. These organizations should base their strategy on three fundamental target audiences, messages, and channels of communication. The Supreme Audit Institutions must strive to aim their communication strategy at an increasingly wider audience which will, in turn, receive different messages via both traditional and new media (González-Díaz et al, 2013).

In Poland, the law establishes such competence, while in many countries it has been defined only indirectly, including SAO practice in the Czech Republic, Hungary, and Slovakia (Mazur, 2016).

Supreme audit institutions are gradually becoming important agents of public management reform; a development raising issues of autonomy and potential capture by auditees as well as by the political system. Different SAIs have different approaches to the balance between autonomy and impact. It means that there is not only one way of organizing an efficient and autonomous SAI but that different positions can prove viable (Pierre, de Fine Licht, 2019). The audited institutions are not always taking on board the recommendations made through the SAO. No internal control system is completely effective, there is still much room for improvement within the Public Sector to ensure that public funds are appropriately utilized. The detection of various issues

by the SAO is therefore inevitable, particularly given the complexity and size of the Public Sector. The NAO findings should be more thoroughly examined to reduce the incidence of issues. Furthermore, the way forward should be directed at enhancing the current systems and promoting a more positive relationship between the SAO and auditees (Baldacchino, 2016).

It is very important to set up follow-up procedures to monitor the effects of their audit recommendations. Public auditors will thus gain a comprehensive picture of the resulting measures to improve accountability (Bonollo, 2019).

Supreme Audit Institutions (SAIs) have an important role in ensuring public sector accountability; their main activities are managing the audit of public sector entities' financial statements and assessing probity/compliance, providing advice to parliamentary committees, and undertaking performance audits (Cordery, Hay, 2019).

Supreme audit institutions (SAIs) are fundamental institutions in liberal democracies as they enable control of the exercise of state power. To maintain this function, SAIs must enjoy a high level of independence. Moreover, SAIs are increasingly expected to be also relevant for the government and the execution of its policies by way of performance auditing (Triantafillou, 2020). Performance audits allow audit institutions to contribute to the improvement of the economy, efficiency, and/or effectiveness of public sector entities through the recommendations of their reports. The results of the study show that there are two main ways in which the recommendations included in the performance audit reports produce an impact: the Anglo-American way, based on auditee actions and follow-up processes, and the Germanic way, based on parliamentary action. (Torres, Yetano, Pina, 2019).

Knowing how an SAI orients its performance auditing has the potential to support SAI monitoring by stakeholders – Parliament, the government, the citizens, and others (Ahonen & Koljonen, 2020; Jeppesen, K. K., 2017). The theory anticipates that accountability institutions such as the SAO may create feedback loops supporting public innovations (Nemec et al, 2016).

Performance audit is widespread but contested (Reichborn-Kjennerud, 2018; Johnsen, 2019). The auditees can perceive performance audits to be useful even if it does not lead to specific changes in policies or organizational practices. While the factors internal to the audit process – including the perceived expertise of the auditors, their openness to dialogue with the auditees, and the quality of the audit report – influence the perceived usefulness of the audit, they have less bearing on the adoption of changes by the audited organizations (Raudla et al, 2016).

The Supreme Audit Institutions of many OECD countries have stepped up their performance auditing of public administrations and agencies to ensure

that they provide value for money (Triantafillou, 2015).

To improve auditing procedures auditors should use modern information digital technology; strengthen investigative powers; encourage more professional designation; and support international transparency (Antipova, 2018). An increase in transparency of the budgetary processes will become the major step to increase in efficiency of activity of public authorities (Muratbekova et al, 2017).

The study of this theoretical background led us to the motivation to analyze the auditing activity of SAO in Slovakia and compare it with similar countries.

2 RESEARCH METHODOLOGY

The article seeks to assess the performance of the supreme audit institutions in the Visegrád Four (V4) countries (Slovakia, Czech Republic, Hungary, and Poland) and assess the effectiveness of the audits they conduct from established hypotheses.

It includes evaluating the statistical significance of correlations between the number of audits conducted, the volume of audit findings, the number of recommendations, and measures taken to remedy the weaknesses found and complaints lodged of criminal offenses.

The focus of our interest is on the impact of the number of findings in subsequent audits from the volume of audits previously conducted, the breadth of actions taken because of them, and the number of recommendations made in the audits.

The assessment covers the four Visegrád countries in Central Europe because the Czech Republic, Hungary, Poland, and Slovakia have always been part of the same civilization, grounded on the same cultural and intellectual values, common roots, and traditions they wish to preserve and further strengthen.

The data evaluated in all V4 countries are composed of the total number of audits carried out, broken down by type into performance, compliance, and financial control audits; the total volume of audit findings expressed in euro; the number of corrective measures taken by the audited entities; the number of recommendations formulated by the auditors; the number of criminal complaints lodged by the supreme audit institutions and the number of entities they audited in each of the years they were evaluated. The data for the analysis comes from the annual reports that the institutions publish every year. We communicated the data that we could not find in the annual reports via e-mail with the employees of the SAIs. We analyze the years (2005-2020) for which we managed to obtain all the necessary data for all countries, to

ensure comparability.

To ensure comparability, the data is presented as relative indicators in terms of the total number of entities the supreme institution in each country is supposed to audit. The volume of findings in the euro is converted into a relative indicator from the size of each country's economy (by GDP). The assessment covers 16 years 2005 and 2020.

Research questions:
RQ1: What is the relationship between the number of audits conducted and the volume of findings in the following year?
RQ2: What is the relationship between the number of audits and the number of criminal complaints filed in the following year?
RQ3: What is the relationship between the measures taken and the number of findings in the following year?
RQ4: What is the relationship between the number of recommendations and the number of findings in the following year?
RQ5: What is the relationship between the number of audits and the number of criminal complaints lodged in the year?

Hypotheses:
H1: In all of the countries, there is consequently (in subsequent years) a lower volume of audit findings when more audits are conducted.
H2: In all of the countries, there is consequently (in subsequent years) a lower number of criminal complaints lodged when more audits are conducted.
H3: In all of the countries, there is consequently (in subsequent years) a lower volume of audit findings when more recommendations are made.
H4: In all of the countries, there is consequently (in subsequent years) a lower number of audit findings when more recommendations are made.
H5: In all countries, the more audits conducted in a given year, the more criminal complaints lodged.

Descriptive statistics (mean, median, mode, standard deviation) were used to provide a general assessment of the supreme audit institution's performance in each of the countries.

Pearson's correlation coefficient was used to test whether there was a statistically significant relationship between the variables if the assumption of normality was met and there were no outliers in the data. The non-parametric alternative, Spearman's rank correlation coefficient, would be used were the data not to be normally distributed.

Both the Pearson and Spearman correlation coefficients measure the degree of the relationship between two continuous variables. They measure

the strength of the association and also its direction.
Strength:
± 1 – perfect correlation
Between ± 0.50 and ± 1 – very strong correlation
Between ± 0.30 and ± 0.49 – moderately strong correlation
29 or less - weak correlation
Direction is determined by the sign. A minus sign indicates a negative correlation (when one variable increases, the other decreases), while a plus sign indicates a positive correlation (an increase in one variable means an increase in the other variable).

3 RESULTS

In all of the countries analyzed, the supreme audit institutions conduct their audits by the International Standards of Supreme Audit Institutions issued by INTOSAI, whereunder they conduct legal compliance, performance, and financial audits, the three basic types under their remit.

They identify findings in different areas of the audited entities' activities, ranging from breaches of the law to systemic weaknesses, which cause resources not to be spent efficiently, economically, or effectively. The entities are then supposed to take corrective action to remedy them. In addition, the auditors formulate recommendations that, if adopted beforehand, could have prevented the shortcomings subsequently pointed out. Any suspected criminal activity, which would be the most serious finding from an audit, would be referred to law enforcement agencies,

Tables 1-5 show how descriptive statistics were able to assess the performance of the supreme audit authorities in each of the four countries.

Table 1. Audits carried out relative to the number of entities to be audited

		SK	CZ	PL	HU
Mean		0.008	0.047	0.007	0.020
Median		0.007	0.048	0.007	0.015
Mode		0.010	0.053		
Standard deviation		0.002	0.007	0.002	0.012
Minimum		0.004	0.034	0.005	0.007
Maximum		0.010	0.058	0.009	0.042
Number		16	16	16	16

Table 2. Audit findings relative to GDP

		SK	CZ	PL	HU
Mean		0.0010	0.0003	0.0006	0.0004
Median		0.0008	0.0002	0.0004	0.0004
Mode					
Standard deviation		0.0008	0.0004	0.0006	0.0001
Minimum		0.0002	0.0000	0.0002	0.0003
Maximum		0.0024	0.0017	0.0022	0.0006
Number		16	16	16	16

Table 3. Number of corrective measures taken by the audited entities

	SK	CZ	PL	HU
Mean	0.244	0.262	0.319	0.715
Median	0.280	0.262	0.325	0.756
Mode				
Standard deviation	0.108	0.121	0.062	0.132
Minimum	0.067	0.130	0.209	0.539
Maximum	0.359	0.492	0.401	0.873
Number	16	16	16	16

Table 4. Number of recommendations formulated by the auditors

	SK	CZ	PL	HU
Mean	0.086	0.062	0.118	0.193
Median	0.078	0.057	0.122	0.150
Mode		0.054		
Standard deviation	0.031	0.024	0.020	0.082
Minimum	0.051	0.038	0.068	0.092
Maximum	0.139	0.137	0.139	0.356
Number	16	16	16	16

Table 5. Number of criminal complaints lodged by the supreme audit institutions

	SK	CZ	PL	HU
Mean	0.0006	0.0056	0.0058	0.0034
Median	0.001	0.005	0.006	0.002
Mode				0.001
Standard deviation	0.001	0.005	0.002	0.003
Minimum			0.004	0.001
Maximum	0.002	0.016	0.009	0.012
Number	16	16	16	16

Source (all tables): own elaboration.

The highest average number of audits carried out relative to the number of entities was in the Czech Republic, while the lowest average number was in Poland. The highest average number of audit findings relative to GDP was in Slovakia and the lowest was in the Czech Republic. The highest number of corrective measures that were taken by the audited entities was in Hungary, while the lowest was in the Czech Republic. The highest number of recommendations formulated by the auditors was in Hungary and the lowest was in the Czech Republic. The highest number of criminal complaints lodged by the country's supreme audit institution was in Poland, the lowest number in Slovakia.

The analysis further looked at the assessment of the correlations between the number of audits that were conducted, the volume of findings from them, the number of recommendations that were made, the number of measures taken, and the number of criminal complaints lodged.

Assessment of the hypotheses

H1: In all of the countries, there is consequently (in subsequent years) a lower volume of audit findings when more audits are conducted.

Table 6. Evaluation of Hypothesis H1

Correlations		HU		PL		CZ		SK	
Spearman's rho		Audits conducted	Volume of findings	Audits conducted	Volume of findings	Audits conducted	Volume of findings	Audits conducted	Volume of findings
Audits conducted	Correlation Coefficient	1.000	-0.429	1.000	0.390	1.000	0.323	1.000	0.097
	Sig. (2-tailed)		0.337		0.188		0.259		0.742
	N	16	13	16	16	16	16	16	16
Volume of findings	Correlation Coefficient	-0.429	1.000	0.390	1.000	0.323	1.000	0.097	1.000
	Sig. (2-tailed)	0.337		0,188		0.259		0.742	
	N	13	13	16	16	16	16	16	16

Country	p-value
HU	0,337
PL	0,188
CZ	0,259
SK	0,742

Source: own elaboration.

Here it was the relationship between the volume of audit findings and the number of audits conducted that concerned us. We examined whether a higher number of audits carried out in a particular year would subsequently reduce the volume of audit findings in future years.
The p-value was less than 0.05 for all the countries. At the 5% significance level, there was no statistically significant relationship in any of the countries between the number of audit findings in the following year and the number of audits previously conducted. Therefore, the hypothesis was rejected (Table 6).

H2: In all of the countries, there is consequently (in subsequent years) a lower number of criminal complaints lodged when more audits are conducted.

Table 7. Evaluation of Hypothesis H2

Correlations		HU		PL		CZ		SK	
Spearman's rho		Audits conducted	Volume of findings	Audits conducted	Volume of findings	Audits conducted	Volume of findings	Audits conducted	Volume of findings
Audits conducted	Correlation Coefficient	1.000	-0.429	1.000	0.390	1.000	0.323	1.000	0.097
	Sig. (2-tailed)		0.337		0.188		0.259		0.742
	N	16	13	16	16	16	16	16	16
Volume of findings	Correlation Coefficient	-0.429	1.000	0.390	1.000	0.323	1.000	0.097	1.000
	Sig. (2-tailed)	0.337		0,188		0.259		0.742	
	N	13	13	16	16	16	16	16	16

Country	p-value
HU	0,337
PL	0,188
CZ	0,259
SK	0,742

Source: own elaboration.

The relationship between the number of criminal complaints filed and the number of audits were investigated to prove or disprove the second hypothesis. Here we wanted to know whether a higher number of audits would subsequently reduce the number of criminal complaints lodged by the supreme audit institutions in subsequent years.

In Slovakia, there was a statistically significant correlation between the number of criminal complaints filed in the next year and the number of audits that had been conducted (p-value = 0.006, i.e. < 0.05. Consequently (in subsequent years), there was a lower number of criminal complaints lodged when more audits were conducted (Table 7).

H3: In all of the countries, there is consequently (in subsequent years) a lower volume of audit findings when more recommendations are made.

Table 8. Evaluation of Hypothesis H3

Correlations		HU		PL		CZ		SK	
Spearman's rho		Audits conducted	Volume of findings	Audits conducted	Volume of findings	Audits conducted	Volume of findings	Audits conducted	Volume of findings
Audits conducted	Correlation Coefficient	1.000	-0.429	1.000	0.390	1.000	0.323	1.000	0.097
	Sig. (2-tailed)		0.337		0.188		0.259		0.742
	N	16	13	16	16	16	16	16	16
Volume of findings	Correlation Coefficient	-0.429	1.000	0.390	1.000	0.323	1.000	0.097	1.000
	Sig. (2-tailed)	0.337		0,188		0.259		0.742	
	N	13	13	16	16	16	16	16	16

Country	p-value
HU	0,337
PL	0,188
CZ	0,259
SK	0,742

Source: own elaboration.

We also looked into the relationship between the volume of corrective action taken and the volume of audit findings in subsequent years. The question here was whether, if more corrective action is taken in a year, the entities learn from their errors and there are subsequently fewer audit findings in future years.

However, there was no statistically significant relationship in any of the countries between the number of audit findings in the following year and the degree of corrective action taken. Therefore, the hypothesis was rejected (Table 8).

H4: In all of the countries, there is consequently (in subsequent years) a lower number of audit findings when more recommendations are made.

Table 9. Evaluation of Hypothesis H4

Correlations		HU		PL		CZ		SK	
Spearman's rho		Audits conducted	Volume of findings	Audits conducted	Volume of findings	Audits conducted	Volume of findings	Audits conducted	Volume of findings
Audits conducted	Correlation Coefficient	1.000	-0.429	1.000	0.390	1.000	0.323	1.000	0.097
	Sig. (2-tailed)		0.337		0.188		0.259		0.742
	N	16	13	16	16	16	16	16	16
Volume of findings	Correlation Coefficient	-0.429	1.000	0.390	1.000	0.323	1.000	0.097	1.000
	Sig. (2-tailed)	0.337		0,188		0.259		0.742	
	N	13	13	16	16	16	16	16	16

Country	p-value
HU	0,337
PL	0,188
CZ	0,259
SK	0,742

Source: own elaboration.

The fourth relationship that concerned us was the number of recommendations issued by the auditors to the number of findings from audits conducted in subsequent years.
In none of the countries was there a statistically significant relationship between the number of audit findings in the next year and the number of recommendations that had been previously made (Table 9).

H5: In all countries, the more audits conducted in a given year, the more criminal complaints lodged.

Table 10. Evaluation of Hypothesis H5

Correlations		HU		PL		CZ		SK	
Spearman's rho		Audits conducted	Volume of findings	Audits conducted	Volume of findings	Audits conducted	Volume of findings	Audits conducted	Volume of findings
Audits conducted	Correlation Coefficient	1.000	-0.429	1.000	0.390	1.000	0.323	1.000	0.097
	Sig. (2-tailed)		0.337		0.188		0.259		0.742
	N	16	13	16	16	16	16	16	16
Volume of findings	Correlation Coefficient	-0.429	1.000	0.390	1.000	0.323	1.000	0.097	1.000
	Sig. (2-tailed)	0.337		0,188		0.259		0.742	
	N	13	13	16	16	16	16	16	16

Country	p-value
HU	0,337
PL	0,188
CZ	0,259
SK	0,742

Source: own elaboration.

There was a statistically significant relationship found between the number of findings and the number of audits conducted in both the Czech Republic and Slovakia, with p-values for the two countries equal to 0.005 and 0.045, respectively. In all of the countries, the more audits that were conducted in a year, the more criminal complaints were subsequently filed (Table 10).

4 DISCUSSION

The relationships were found to be statistically significant in the following cases: Between the number of audits conducted and the volume of findings in the following year; Between the number of measures taken and the number of findings in subsequent years; Between the number of recommendations and the number of audit findings in subsequent years.

The implication is that there is no influence on the volume of new audit findings from previous years coming from the number of audits that had been conducted, the number of corrective measures taken, or the number of

recommendations that had been made.

On the other hand, the relationships between the number of audits conducted and the number of criminal complaints lodged are statistically significant at two levels. It was found that when more audits are conducted, the number of criminal charges filed by the supreme audit institutions consequently drops in subsequent years. Furthermore, the more audits conducted in a year, the more criminal complaints the institutions in all of the countries observed would subsequently lodge.

It was noted from the interviews conducted in all of the countries with supreme audit institution staff that they mainly identified shortcomings due to incorrect application of binding legislation, in particular legislation on budgetary rules, accounting, public procurement, and freedom of information. The audits uncovered violations of laws of general application covering the use of public funds and asset management, as well as weaknesses found in internal control systems. Audited entities were especially cited for inconsistent application of binding legislation and non-compliance with internal rules.

A major weakness discovered in audits is non-functioning internal control mechanisms at government institutions. Results from audits showed some of the entities do not have an effective internal control system in place for the detection, assessment, and mitigation of risks from their accounting of purchases and economic transactions. If there had been an internal control system put in place at these entities, the fatal weaknesses detected in financial management, which caused inefficient and wasteful use of public funds, would have never happened at all.

In general, a conclusion could be drawn from the analysis that the volume of new audit findings was not influenced by the number of audits from previous years or the number of recommendations made therein.

CONCLUSION

The analysis found that the Czech Republic has the highest average number of performed audits and, at the same time the lowest average number of audit findings and the lowest average number of recommendations formulated by the auditors. Poland has the lowest average number of audits carried out, but also the highest average number of criminal complaints filed by the SAO. The Slovak Republic has the highest average number of audit findings and at the same time the lowest average number of corrective measures taken by the audited entities for remediation and the lowest average number of criminal complaints submitted by the SAO. Hungary has the highest average number of corrective measures taken by audited entities and also the highest

average number of recommendations formulated by auditors. Based on this, we evaluate the most satisfactory situation in Hungary, we can understand it as an example of good practice. When evaluating the interrelationships between the volumes of audits carried out, the volume of findings, the number of recommendations, the number of measures taken, and the number of criminal complaints, we found that the volume of new audit findings was influenced either by the number of audits from previous years or the number of recommendations made therein.

The most critical aspect when assessing the performance of the supreme audit institutions is certainly the results from their audits. They need to highlight the most pressing systematic problems in various areas of government management. This provides valuable feedback for management, control, and decision-making by the authorities responsible for them. The feedback supreme audit institutions can provide from their audits of public funds and property owned by the national and local governments is essential to the audited governments and public authorities and their internal control systems, while also important information for both the professional and general public. This is the mission given to them as independent institutions and it plays an irreplaceable role in the functioning of democratic states.
Other benefits include systematic recommendations formulated by auditors and, to a considerable extent, shining a light on breaches in financial discipline and the laying of criminal charges.

The scope of each supreme audit institution's activities is defined to a large extent by the objectives, rules, and budgetary policies of the entities they audit. In practice, these policies are seen in laws and other standards that regulate the budget process and compliance therewith, as well as revenue, disbursements, and regulatory policies intended to reflect the strategic and operational objectives for the development of society and its different components. The evaluation of the results of the SAO's activities as well as regional, national, and supranational comparisons is a wide space for further analyses
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