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College of Social and Behavioral Sciences

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2020

Abstract

Demand for and Impact of Performance Audits on Public Administration in Kazakhstan

by

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Dissertation Submitted in Partial Fulfillment

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Abstract

Demand for and impacts of performance audits (PA) on public administration in Kazakhstan have not been studied. This information gap increases risks of missed government opportunities to improve public sector performance. Using new public management theory and the principal-agent model as guiding lenses, the purpose of this phenomenological study was to explore the demand for and effects of PA on Kazakhstan's public administration. The research question explored the lived experiences and perceptions of the key participants and users of PAs, i.e., auditors, managers of auditees, and parliamentarians, and included reviews of over 200 official documents including audit reports and 14 semistructured interviews. Transcripts underwent inductive descriptive and conceptual coding, integrated application of bracketing and constructed thematic were used to generate and verify themes and patterns associated with PA demand and impact. Research findings illustrated that PAs are frequently requested in Kazakhstan due to problems in public administration, impacting positively and negatively those involved in PA, audit organizations, auditees, and contributing to improved budget process, laws, and regulations. Positive social change implications include providing information for parliamentarian decision-making on using responsive PA and for audit leaders and auditees on development strategies, fostering new performance auditor professional advancement. Additionally, new insights on influential PA triggers may help auditors undertake useful PA, while new PA impact information may support public policy leaders as they steadily improve citizens' well-being through responsible government.

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Dedication

To my lovely family.

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Chapter 1: Introduction to the Study

Introduction

Beginning in the 1970s, the number of public sector audit organizations around the world that have powers to conduct performance audits increased significantly (The International Organization of Supreme Audit Institutions Development Initiative (IDI), 2018; The International Organization of Supreme Audit Institutions (INTOSAI), 2004, 2013a; Torres, Yetano, & Pina, 2019). These performance audits are conducted to (a) increase the accountability of governments by providing them and the general public with an independent and objective opinion about meeting the principals of economy, efficiency, and effectiveness by government entities; and (b) improve the public sector performance by making recommendations (INTOSAI, 2019).

While the performance auditing phenomenon has received considerable attention from both the academic community and scholars-practitioners, the demand for performance audits and their impact on public administration are poorly studied (Desmedt, Morin, Pattyn, & Brans, 2017; Hay & Cordery, 2018; Reichborn-Kjennerud & Johnsen, 2018). This identified information gap in the literature was critical, especially for Kazakhstan where the performance auditing is a novelty. By exploring the Kazakhstani case in terms of demand for and impacts of performance audits on public administration, I incrementally addressed and attempted to reduce this information gap. My study might be helpful to auditors who are mastering a new profession, i.e., performance auditors, and their organizations. Additionally, governments and their entities that are subject to performance audits to include parliamentarians and legislative

bodies who use performance audit report in policymaking may benefit from a detailed look at performance auditing processes and outcomes in order to evaluate public policy effectiveness.

Background

Contemporary public sector audit organizations are empowered with mandates to conduct performance audits (IDI, 2018; INTOSAI, 2004, 2013a; Torres et al., 2019). Before using the performance audits, public auditors conducted traditional compliance and financial audits, i.e., their objectives were an examination of compliance of auditees' operations with the laws and regulations and conduction of audits of financial statements of government entities and other auditees, such as government-owned enterprises or private companies that deliver public services (Glynn 1995; Pollitt, 2003). Performance auditors' objectives are to determine whether governmental initiatives (programs, projects, and other undertakings) or auditees' activity are in line with the principles of economy, efficiency, and effectiveness (INTOSAI, 2019, p. 8).

The following two key trends are associated with the development of performance auditing. Firstly, performance auditing is a widespread practice used within the public sector in many countries; as a rule, performance audits conducted by public sector audit organizations called supreme audit institutions (SAIs). Issuance of performance auditing standards by the International Organization of Supreme Audit Institutions (INTOSAI) supports this position statement given that more than 190 countries have national and regional organizations that consists of SAIs whose purpose is to undertake performance audits (INTOSAI, 2018). Secondly, performance audits replace traditional compliance

and financial audits from SAIs' audit portfolios. This trend means that today's SAIs spend more resources to conduct performance audits. For instance, in the United States, Canada, United Kingdom, Sweden, and other countries, which are pioneers and leaders in performance auditing, SAIs increase their resources allocated for performance audits (INTOSAI, 2004, 2013a; IDI, 2018). Hay and Cordery (2018) offered that performance audits are in high demand. Despite the widely accepted objective of performance auditing, i.e., contribution to accountability, efficiency, and effectiveness of executives' programs and operations, and more than 50 years of historical experience, this question is still topical (Hay & Cordery, 2018; INTOSAI, 2013).

Several studies have illustrated the relation between the performance auditing emergence and the 1970s reforms in public administration coined *new public management* (Azuma 2003, 2005; English & Skaerbaek, 2007; Lapsley, 1999; Power, 1996). Countries' experiences in adopting the performance audit have also received considerable attention from scholars (Flesher, Samson, & Previts, 2003; Grönlund, Svärdsten, & Öhman, 2011; Hossain, 2010; Jacobs, 1998; Morin, 2001; Morin & Hazgui, 2016; Reichborn-Kjennerud, 2013a; Skaerbaek, 2009; Weihrich, 2018; Yamamoto & Waranabe, 1989). For instance, based on experience of Australian SAI, Hossain (2010) concluded that the development of performance audit is related to changes within the public administration system and the increasing need for accountability and responsibility of governments in dealing with the taxpayers' money. The problems associated with performance auditing were also subject to more recent studies. In particular, according to Morin and Hazgui (2016) and Hossain (2010), governments resisted to expanding public

auditors' powers by providing them with mandates to conduct performance audits of governmental programs. Funnell, Wade, and Jupe (2016) and Morin (2008) offered critiques of performance auditing in terms of ambitiousness of performance audits' objectives and limitations associated with SAIs' capacity to objectively evaluate the effectiveness of auditees' activity and found them to be reasonable. Critics of performance auditing coupled with the isomorphism phenomena, i.e., applying reforms or practice because of their popularity rather than their reasonability, strengthens the topicality of questions regarding the demand for performance audits. These questions are at issue due to the scarce availability of systematic empirical evidence on the impact of performance auditing on public administration (Desmedt et al., 2017; Reichborn-Kjennerud & Johnsen, 2018).

There have been several influential studies that focused on the impact of performance audits on public administration systems (Alwardat, Benamraoui, & Rieple, 2015; Desmedt et al., 2017; Funnell et al., 2016; Morin, 2001, 2008; Reichborn-Kjennerud, 2013b; 2014a; Reichborn-Kjennerud & Johnsen, 2018; Reichborn-Kjennerud & Vabo, 2017; Torres et al., 2019). According to Morin (2001, 2008), performance auditors' work leads to changes for auditees. Interestingly, the extent of performance audits' impacts may depend on the perceived roles of performance auditors, such as controllers or watchdogs and assistants or modernizers (Lapsley & Pong, 2000; Morin & Hazgui, 2016). However, in all cases, it is difficult or even impossible to objectively define and measure the effects of performance audits on improving the public sector performance (Funnell & Wade, 2012; Morin, 2008; Pollitt, 2003). The absence of an

indicator that is acceptable to all within the public sector (like a profit within the private sector) explains this limitation of performance auditing (Lapsley & Pong, 2000). However, performance auditors' work is in demand, and the number of users of performance audit reports, including parliamentarians, has been increasing (Torres et al., 2019). In particular, Funnell et al. (2016) offered that performance audits may also be used to legitimize earlier political decisions or to promote democratization by public officials. For instance, in some European countries, policymakers used arguments on improving the quality of political and democratic processes as the rationale for empowering public sector audit organizations with mandates to conduct performance audits (Tillema & Bogt, 2010). Approaches and practices of performance audit significantly differed depending on country specifics, including the organizational styles of their public administration structures (Glynn, 1995; Hossain, 2010; Morin, 2016; Torres et al., 2019). As such, Hay and Cordery (2018) urged exploring the causes of demand for performance audits, while Reichborn-Kjennerud and Johnsen (2018) reasonably called for more empirical studies on impact of performance audits.

Problem Statement

The most recent studies on exploring the impact of performance auditing on public administration focused on the cases of developed countries, while the developing countries' perspectives were fragmentarily explored within a few studies (Loke, Ismail, & Hamid, 2016). Despite legitimization of performance audits, i.e., empowering the public sector audit organizations with mandates to conduct performance audits by law, and stable increase in the number of performance audits conducted by the Accounts

Committee for Control over Execution of the Republican Budget (the Accounts Committee), the central public sector audit organization, and Revision Commissions, the local public sector audit organizations, there were no empirical studies on demand for and impacts of performance auditing on public administration in Kazakhstan. A few applied pieces of research on international experience in performance auditing were conducted by the Accounts Committee to develop standards and establish the methodological base for performance auditing (The Centre for Financial Violations Research (CFVR), 2014, 2016, 2017). As a consequence, it was unknown why performance audits are in demand in Kazakhstan and how they influence the national public administration system.

This gap was not surprising, since, unlike the Anglo-American countries or countries of Continental Europe, the use of performance auditing in Kazakhstan started in 2002 from two pilot audits conducted by the Accounts Committee and the intensive use of performance audits by both the Accounts Committee and Revision Commissions started only in 2015 (The Information System of Legal Acts of the Republic of Kazakhstan (ISLARK), 2015). The problem was that a lack of empirical evidence about the usefulness or, more precisely, the positive impact of performance audits on public administration, challenges the credibility of performance auditors' works and their organizations' activity in general (Funnell et al., 2016; Reichborn-Kjennerud & Johnsen, 2018). This problem increased risks of missed opportunities of public sector audit organizations in Kazakhstan in the government's efforts to increase efficiency and effectiveness of the public sector performance.

A gap, therefore, existed for scholars-practitioners in understanding the factors that might explain the demand for performance auditing in Kazakhstan and it was unknown the perceived effects of performance audits on Kazakhstani public administration. This gap was strengthened by recent scholars who rightly stated that performance auditing and its impacts vary depending on the development of a nation and styles of public administration (Desmedt et al., 2017; Loke et al., 2016; Torres et al., 2019). Hay and Cordery (2018) reasonably suggested a more extensive examination of the demand for performance audits within different settings and highlighted the usefulness of new explanations for performance auditing. In this regard, the case of Kazakhstan was unique.

There are four aspects that separate the Kazakhstani case from well-studied cases of developed and some developing countries. Unlike the pioneers and leaders in performance auditing, such as the United States, Canada, United Kingdom, Sweden, and Australia that started to use performance audits in the 1970s or even earlier, Kazakhstan has been using the performance audits for only a few years. Kazakhstani public sector audit organizations including the Accounts Committee and Revision Commissions referred to the Board Models of SAIs that is significantly different from Westminster or Napoleonic models of SAIs (ISLARK, 2015). Unlike developed countries, in Kazakhstan, neither central nor local governments resisted the expanding public auditors' mandates from conduction of traditional to performance audits. Finally, Kazakhstan is a young nation that started to establish its public administration system after the breakup of the Soviet Union in 1991 and, therefore, Kazakhstani public administration system

referred to recently emerged styles (Adnan & Fatima, 2015; Knox, 2008; Riboud, 2015). These aspects exacerbated the problem of a lack of information regarding the impact of performance audits on Kazakhstani public administration.

Purpose Statement

The purpose of this qualitative study was to explore the factors that might explain the demand for performance auditing in Kazakhstan and the perceived effects of performance audits on Kazakhstani public administration. To achieve this purpose, in depth understanding of the reasons for conducting more performance audits and these audits' contributions to changes in public administration through the eyes of those individuals performing or requesting audits was needed. In this study, I focused on exploring the lived experiences and perceptions of performance auditors, managers of auditees, and parliamentarians related to (a) the influential factors that may explain the recently existing demand for performance auditing in Kazakhstan, and (b) the impacts of performance audits on auditors, managers of auditees, parliamentarians, their organizations, and public administration in general.

Exploring the perceptions of public sector audit organization representatives and executive and legislative bodies was critical in my quest for a better understanding of this studied phenomena. Furthermore, exploring the causes of performance audit demand and audit reporting's influence on Kazakhstan's public administration will contribute to greater understanding for other newly emerged public administration styles that differ from a Western style of government.

Research Question

The following central research question guided my study:

Research Question (RQ): What are the lived experiences and perceptions of performance auditors, managers of auditees, and parliamentarians, the key participants and users of performance audits, regarding the demand for and impacts of these audits on Kazakhstan's public administration?

Theoretical Framework

The theoretical framework for my study was a combination of Hood's new public management theory (NPM) and Waterman and Meier's principal-agent model (PAM; Hood, 1991; Waterman & Meier, 1998). As previously described, performance auditing emerged due to the 1970 reforms called *new public management* and performance audits are used as an instrument to implement these reforms aimed at promoting improvements, increasing accountability, and achieving the desired goals and results in the public sector. In line with an ideology of new public management, transferring from bureaucratic style to customer-oriented and accountable management style grounded in the private sector leads to an improved public sector performance (Hood, 1995; Kapucu, 2006). NPM implies replacing process-oriented approaches with result-oriented techniques to increase the efficiency and effectiveness within the public sector (Bao, Wang, Larsen, & Morgan, 2012; Hood, 1995; Kapucu, 2006). This formula of improvements works in today's realities (Bao et al., 2012; Esposito, Ferlie, & Gaeta, 2018; Reiter & Klenk, 2019; Verbeeten & Spekle, 2015).

Expression of an independent and objective opinion by performance auditors regarding the efficiency and effectiveness of government initiatives is a tool for implementing the accountability principle, while performance auditors' recommendations are a means to promote improvements. Logically, introducing the performance auditing, i.e., a public auditors' professional practice used to establish whether the public sector organizations operate with due regard to efficiency and effectiveness, directly relates to NPM (Azuma 2003, 2005; English, 2003; Funnell, 2015; Reichborn-Kjennerud, 2013a). Thus, I used NPM as the theoretical lens for identification and interpretation factors that might explain the phenomenon of demand in performance audits in Kazakhstan.

Further, performance audit is a process of trilateral interaction between auditors, managers of auditees, and parliamentarians who use performance audit reports to make political decisions (Morin, 2008). The participants of a performance auditing process are three parties with a different status, mandates, and responsibilities. This construction of interacting between auditors, managers of auditees, and parliamentarians is embeddable in the principal-agent model. PAM, in the context of executing the accountability principle, implies dividing the participants of a performance auditing process to principals or, policy makers, and agents or, policy implementers (Barzelay, 2001; Funnell et al., 2016; Morin, 2008; Reichborn-Kjennerud, 2013a).

With reference to performance auditing, PAM is the construction of three-level relations between principals and agents, where, as it is demonstrated in Figure 1, performance auditors are principals for managers of auditees and agents for parliamentarians, parliamentarians are principals for both performance auditors and

managers of auditees, and finally, managers of auditees are agents for both parliamentarians and performance auditors (Barzelay, 2001; Reichborn-Kjennerud, 2013a).

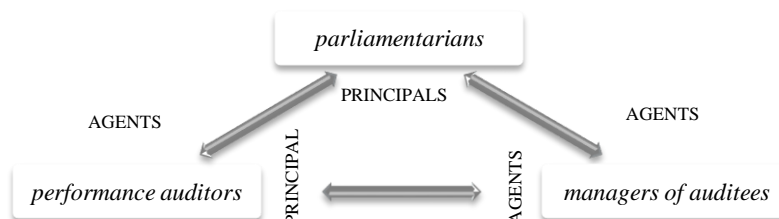


Figure 1. The principal-agent model

Note: Developed based on Barzelay (2001) and Reichborn-Kjennerud (2013a).

I used PAM as a lens to interpret rules, approaches, and practices of interactions between the participants of a performance auditing process. Barzelay (2001) argued that PAM in the context of NPM takes on a specific feature; both principals and agents have agreements on improving public sector performance. This aspect was the rationale to use two frameworks in a combined manner since it provided a foundation for the interpretations of perceptions of auditors, managers of auditees, and parliamentarians regarding the usefulness of performance audits and their impact on public administration in Kazakhstan.

Nature of the Study

To address the purpose of my study, I used a qualitative method with a phenomenological approach.

The Qualitative Method

Based on the comparison of application requirements, advantages and limitations of qualitative, quantitative, and mixed methods in researching, I selected the qualitative method as the most suitable to explore causes of demand for performance audits in Kazakhstan and their impact on Kazakhstani public administration. Qualitative inquiries are used to examine a phenomenon that impacts individuals or groups in a specific setting (Frankfort-Nachmias & Nachmias, 2008; Maxwell, 2013; Patton, 2015). The selected method implies communications with study participants and observations to gather rich and first-hand data in a particular cultural and social context (Mills & Birks, 2017). Patton (2015) stated, through applying the qualitative method, a researcher may interpret meaning-making processes. Thus, direct access to the study participants who are experienced participants of a performance auditing process, i.e., auditors who conduct performance audits as well as managers of auditees and parliamentarians who use performance audit reports, contributed to greater information and understanding of the recent phenomenon of demand for performance audits in Kazakhstan and to determine whether these audits are impacting public administration approach and effectiveness. I used a comparative analysis to determine whether the case of Kazakhstan differs from the well-studied cases of developed countries.

The Phenomenological Approach

According to Moustakas (1994), the phenomenological approach implies the obtaining of comprehensive descriptions of study participants' experience to analyze and portray the essence of their experience. Within phenomenological studies, a researcher

collects data through in-depth interviews with people who have directly experienced the studied phenomenon and then he or she transfers their experiences into consciousness (Moustakas, 1994; Patton, 2015). These applied aspects of phenomenological inquiries and lack of empirical evidence regarding the impact of performance audits (Desmedt et al., 2017; Reichborn-Kjennerud & Johnsen, 2018) were the key arguments to use an empirical phenomenological approach in my research.

To comprehensively explore the performance auditing as a widespread phenomenon and a means of influence for policy-makers and policy-implementers, I gathered, learned, and analyzed information shared by the study participants selected about their experience. Therefore, I used in-depth phenomenological interviews to explore opinions, lived experiences, and perceptions of auditors, managers of auditees, and parliamentarians associated with performance audit use within Kazakhstani public administration.

O'Sullivan, Rassel, and Berner (2008) offered that the most challenging aspect of a selected research method is finding individuals who have experienced a particular phenomenon of interest who are willing to participate in the research inquiry. Thus, I used the group characteristics sampling and single-significant-case sampling methods to identify my research participants with additional participant encouragement through snow ball sampling. I used member checking and data triangulation to verify my primary data prior to and as a foundation of thematic analysis (see Koelsch, 2013; Lietz, Langer, & Furman, 2006; Patton, 2015; Ravitch & Carl, 2016, for more).

Generally, the studied phenomena affect the public and private sectors' organizations that deliver public service, taxpayers, and recipients of public services. I focused on the impact of performance audits on public administration to include participants of a performance auditing process; hence, the central target population consisted of:

- public auditors who served in 18 public sector audit organizations in Kazakhstan that empowered with the mandates to conduct performance audits including the Accounts Committee and 17 Revision Commissions;
- managers of auditees, i.e., central and local governments' entities;
- parliamentarians who are members of the Parliament of the Republic of Kazakhstan (the central legislative body) and parliamentarians who are members of the Maslikhats (the local legislative bodies).

In order to reach a threshold of data saturation, I interviewed 14 government officials whose primary jobs include governmental budgeting and managing public funds, auditing, and higher-level parliamentary commissioners responsible for auditing outcomes.

Definitions

The following key terms were used within the study.

Auditee: An organization that is subject to audit. According to the Act of the Republic of Kazakhstan “On Public Auditing and Financial Control” adopted in 2015 (the 2015 Public Auditing Act), auditees are government bodies and entities,

organizations of the quasi-public sector and the recipients of budget funds (ISLARK, 2015, para. 1).

Auditor: An employee of an audit organization who due to his or her official duties participates in audits. According to the 2015 Public Auditing Act, a public auditor is a public servant who conduct public audit and financial control and has the public auditor certificate (ISLARK, 2015, para. 1).

Demand for performance auditing: Conditions or reasons that cause the need for performance audits.

Economy: A principle of governance and managing the public sources that used as an evaluation criterion for performance auditing objectives. “The principle of economy means minimising the costs of resources. The resources used should be available in due time, in and of appropriate quantity and quality and at the best price” (INTOSAI, 2019, p. 9).

Effectiveness: A principle of governance and managing the public sources that used as an evaluation criterion for performance auditing objectives. “The principle of effectiveness concerns meeting the objectives set and achieving the intended results” (INTOSAI, 2019, p. 9).

Efficiency: A principle of governance and managing the public sources that used as an evaluation criterion for performance auditing objectives. “The principle of efficiency means getting the most from the available resources. It is concerned with the relationship between resources employed and outputs delivered in terms of quantity, quality and timing” (INTOSAI, 2019, p. 9).

Impact of performance audits: A set of direct and indirect, desired and undesired effects that SAIs, local public sector audit organizations, and their performance auditors have on auditees, audited areas of public administration, and the public sector in general (Lonsdale, 2000; Morin, 2001).

Local revision commission: A public sector audit organization that is responsible for fulfilling external local audit functions established by local laws or by a law-making body at local level. According to the 2015 Public Auditing Act, the Revision Commissions are external public audit organizations that have the power to conduct performance audits at the local government level (ISLARK, 2015, para. 13).

Performance audit (within the public sector): A legitimate professional activity of independent public sector audit organizations on examination of whether an audited area of public administration (reforms, programs, policies, and projects) or an auditee (its operations, systems, and activities) meet the generally-accepted principles of economy, efficiency, effectiveness, and other criteria of good governance. Performance audits are carried out to promote improvements in public administration through providing the managers of auditees, executives, parliamentarians, and the general public with new insights about the audited area and auditee and recommendations on improvements, if necessary (Alwardat et al., 2015; Desmedt et al., 2017; Funnell & Wade, 2012; INTOSAI, 2013b; Morin, 2016; Reichborn-Kjennerud & Johnsen, 2018).

Supreme audit institution: “A supreme audit institution (SAI), or national audit institution, fulfils the independent and technical public sector external audit function that is typically established within a country’s constitution or by the supreme law-making

body” (OECD, 2016, p. 20). According to the 2015 Public Auditing Act, the Accounts Committee is SAI of Kazakhstan that has the power to conduct performance audits at the central government level (ISLARK, 2015, para. 12).

Public administration: A scholarly area of enquiry and research and a field of practice associated with the formal legal and procedural governance of society (Fenwick & McMillan, 2014).

Assumptions

There were several assumptions associated with my study. These assumptions related to the studied phenomena, selected theoretical framework and methodology, research participants, and expected results of my research.

Despite the examples of resistance to adoption and development of performance auditing, conduction of performance audits has been established as a legal mandate of public sector organizations in many developed and developing countries (Hossain, 2010; INTOSAI, 2018; Torres et al., 2019). Based on this historical experience and long-term priorities of Kazakhstani public policy on increasing the effectiveness of public administration to join the group of the most 30 developed countries of the world (ISLARK, 2018), I assumed that the performance auditing as a legal mandate of the Accounts Committee and Revision Commissions in Kazakhstan will not change significantly until my research is complete.

I used the new public management theory, which stimulated the extensive use of performance audits in many countries including Kazakhstan, and the principal-agent model, that may explain in-depth nature of relations between participants of performance

audits, to exhaustively explore the studied phenomena. I applied the phenomenological approach to examine the lived experiences of those actors involved in performance audits within Kazakhstan to answer my posed research question.

Further, I used group characteristics sampling and single-significant-case sampling methods to select and gain access to the study participants who are in line with the selection criteria including being experienced in performance auditing. My intention was to be able to establish a trusting and inspiring atmosphere during the communications with my study participants by application of the selected techniques on gathering data, including an informed consent process. All study participants are public servants and, thus, they refer to a specific cohort of employees who, due to their job positions and official duties, should be committed to principles of good governance (Frederickson, 1982; Frederickson & David, 1985). Therefore, I assumed that the study participants will share honest and valuable information based on their professional experiences. I also assumed there will be agreement of my study participants to take part in my research (i.e., the study participants' informed decision) and their willingness to take an active position of interest in possible improvements in Kazakhstani public administration will be an encouraging element in their affirmative participation decision. I also assumed that documents to be reviewed during my research, such as performance audit reports of the Accounts Committee and Revision Commissions, are properly prepared and consist of accurate data.

Last but not least, I assumed that the practice of using performance audits by public sector audit organizations, auditees, and legislative bodies in Kazakhstan will be

positively affected by the results of my proposed study. I expected that, based on my research results, I will be able to formulate concrete theoretical and practical implications regarding the demand for and impacts of performance auditing on Kazakhstani public administration and associated positive social changes.

Scope and Delimitation

In this study, I focused on the demand for performance audits conducted by external public sector audit organizations in Kazakhstan. Using the performance audits or their certain instrumentations by internal auditors or authorized government bodies within the public sector (for instance, the Ministry of National Economy of the Republic of Kazakhstan has powers to evaluate the effectiveness of government entities' activity), and organizations of the quasi-public and private sectors was out of the scope of my research.

Generally, the performance auditing influences all areas of human being, directly or indirectly affecting the interests of all citizens in Kazakhstan. However, to effectively conduct my research, I focused on the impact of performance audits on public administration system or, in detail, on public sector audit organizations, auditees, and legislative bodies. I explored the perceived effects primarily relying on experience and opinion of participants of performance auditing, such as performance auditors, managers of auditees, and parliamentarians. Thus, my research confined to specific groups of users of performance audits in Kazakhstan.

The list of my research participants consisted of representatives of the Accounts Committee and the Parliament of Kazakhstan, i.e., single organizations of their kind, as

well as representatives of one from 17 Revision Commissions and one from 17 local legislative bodies. I selected the Revision Commission on Nur-Sultan city and the Maslikhat on Nur-Sultan city (the local legislative body) applying the following selection criteria:

- performance auditing scope shaped by the size of the economy and allocated budget funds within the defined region;
- study participants availability (unlike other regions, there are minimum business-trips of employees of entities in Nur-Sultan city due to their location and hosting both governmental and parliaments' events in the capital city).

The list of the research participants also consisted of representatives of two from 32 central government organizations and two from more than 400 local executive organizations.

The scope of my research was also delimited by a specified timeframe. Despite the first application of performance audits in Kazakhstan dated back to 2002, I focused on performance auditing practice specifically between 2016 and 2019 (i.e., selection of the study participants experienced in performance audits conducted during that timeframe; reviewing performance audit reports of the Accounts Committee and Revision Commissions and other related documents issued in 2016–2020). The rationale for this delimitation was that the rules, methodology, and practice associated with performance auditing significantly differed until the adoption of the 2015 Public Auditing Act.

Limitations

The total number of my research participants was 14, with a distribution across five public auditors, five managers of auditees, and four parliamentarians. It was anticipated that this sample size and distribution was sufficient to conduct my qualitative phenomenological study to the point of content saturation; however, there were some limitations associated with the generalizability of research findings because of a small sample (Frankfort-Nachmias & Nachmias, 2008; Patton, 2015). Specifically, auditors who participated in performance audits before 2015, auditors from 16 Revision Commissions, parliamentarians from 16 local legislative bodies, auditees' managers and parliamentarians without experience on being involved in performance audits, and managers of more than 400 central and local executive organizations were out of the defined sample. Whereas performance audits differ depending on the level of public management (central or local) and environmental (organizational and cultural) aspects (Glynn, 1995; Hossain, 2010; Lonsdale, 2008; Morin, 2016), experiences of my study participants may significantly differ from the other non-selected participants involved in their unique performance audits in Kazakhstan. I managed this limitation by applying secondary data and proposing related areas for future research extension.

Given that all study participants were public servants there were risks of the lack of availability for interviews or follow up communication for content clarity and member checking of transcribed data. To minimize these risks, I prepared a reserve list of the study participants and agreed on the intensity of our communications in advance.

Phenomenological interviewing is a complex process of the external intervention for the study participants (Bevan, 2014; Patton, 2015). Interviewees may experience difficulties, especially in situations when they need to share unsuccessful or negative experiences. Or, due to personal or political reasons, my study participants may not disclose information that is important to the study. Additionally, my study was associated with a potential for researcher bias given that I have more than 18 years of experience in the public auditing area, including serving as both employee and manager of the Accounts Committee, advisor of the Accounts Committee and Revision Commissions, trainer of Kazakhstani public auditors' certification program, regional public auditor advisor in Central Asian republics, member of working groups and consultative committees. As such, my insight into data interpretation may carry an interpretive cloud that would not otherwise be found in an external individual researcher. I am no longer an employee of any Kazakhstan public audit organization nor any government entities; therefore, I no longer have official powers to influence the research participants participation. I hoped to use my knowledge of this specific public administration in order to gain sufficient understanding that I needed manage and limit any associated power distance between myself and my research participants (see Patton, 2015, for more).

There was one more limitation associated with the research and research participants biases. A phenomenological inquiry implies using interpretations (Moustakas, 1994). I was dealing with the following four chains of interpretations: (a) the research participants' interpretations associated the studied phenomena; (b) my interpretation of the research participants' vision, experiences, and perceptions; (c) my

interpretations associated the studied phenomena (i.e., a researcher's active and prolonged engagement into the study); and (d) my interpretation of documentary data. As such, my qualitative phenomenological study may be associated with the subjectivism (Mills & Birks, 2017; Moustakas, 1994).

Significance

What was not addressed in the literature is why performance auditing is in demand in Kazakhstan and what are the perceived effects of performance audits on Kazakhstani public administration. Hay and Cordery (2018) argued that, whereas performance audits are used by many countries to improve the governance within the public sector, extensive studies on demand for performance auditing are needed. Many scholarly works conducted beginning in the 1970s evidenced that performance audits differ depending on the country where they are used (Glynn, 1995; Hossain, 2010; Reichborn-Kjennerud, 2013b; Morin, 2008, 2016). Thus, available researches relating to the impact of performance auditing on auditees and public administration, in general, may not be applicable for countries uncovered by these researches (Reichborn-Kjennerud & Johnsen, 2018). My study, therefore, was significant in addressing the mentioned gap since it was the first-time study aimed at exploring the case of Kazakhstan. As performance auditing is one of the widely recognized mechanisms for examining public policy formulation, implementation, and evaluation (The Organization for Economic Cooperation and Development (OECD), 2016), my study seeks to capitalize and expand on this phenomenon by exploring the impact of performance audits specific to Kazakhstani public administration, a unique experience.

For today's Kazakhstani public administration system, the performance auditing is a novelty. The intensive use of performance audits stimulated by the adoption of the Conception on Introduction of Public Auditing in Kazakhstan, known as the 2013 Conception (ISLARK, 2013), the 2015 Public Auditing Act, and development of methodology. This trend preceded by pilot efforts of the Accounts Committee and fragmental practices of the Accounts Committee and Revision Commissions on incorporation audit questions on efficiency evaluation of auditees' operations into the traditional compliance audit programs. Unlike developed countries with more than 50 years of performance auditing experience, performance auditing in Kazakhstan has been conducted only recently. For countries like Kazakhstan (e.g., other Post-Soviet or newly emerged countries) where the performance auditing is an innovative practice, examining the impact of performance audits is especially relevant for capacity building in this emerging territory of public administration audit organizations.

It was the first case of exploring the perceptions of (a) auditors as principals and sources of influence, (b) auditees as agents and targets of influence, and (c) parliamentarians as principals for both auditors and auditees (see Morin, 2001, 2008; Reichborn-Kjennerud, 2014b, for more) within performance auditing processes in Kazakhstan. Understanding the perceived impacts of performance audits in Kazakhstan and whether the experience of developed countries in performance auditing, such as the performance audits' contributions to better changes in auditees' performance or to more accountable and efficient governance within the public sector (Desmedt et al., 2017; Funnell, 2015; Morin, 2008, 2014, 2016; Reichborn-Kjennerud & Johnsen, 2018; Torres

et al., 2019) are truth or applicable for Kazakhstan's case may inform national auditors about well-tested approaches on performance auditing and help them to identify new strategies to achieve positive impacts on public administration through their audits.

Findings related to factors that might explain the demand for performance audits may allow the public sector audit organizations to take them into account in the course of their operational activities. Thus, defining new information about the demand for performance auditing and its possible impacts on Kazakhstani public administration may help both the Accounts Committee and Revision Commissions to establish proper policies, strategies, and methodologies associated with their audits. The findings of my study may also help auditees and legislative bodies to establish policies on the incorporation of the performance auditing into their organizations' strategies stimulating the credible performance audits (see Funnell & Wade, 2012, for more); as a result, contributing to sustainable national fiscal responsibility and effectiveness.

My study also may contribute to positive social changes. Firstly, the results of the study have the potential to influence national auditors' perspectives through exploring their experiences in mastering a new and challengeable profession, i.e., performance auditor. Secondly, performance auditing is a novelty for managers of auditees and parliamentarians in Kazakhstan, i.e., the persons who can use the performance auditing as an opportunity for learning (Reichborn-Kjennerud, 2013a). Therefore, my study may also influence their perspectives by providing them with new insights relating to usefulness or limitations of using performance audits to implement their daily duties.

Summary

Performance auditing is the most demanded type of public sector audit organizations' activity that have emerged in response to increasing the needs in the more accountable and effective management of the public resources and taxpayers' money. Exploring the causes of demand for performance audits and their impact on public administration is a topical and perspective objective for both scholars and practitioners. This objective is a critical especially for Kazakhstan where today, like in developed countries several decades ago, the performance auditing has become a widespread practice; however, there were no empirical studies on the demand for and impact of performance audits on public administration in Kazakhstan. The lack of knowledge about the studied phenomenon increased risks of missed opportunities of the Accounts Committee, i.e., SAI of Kazakhstan, and local revision commissions to increase accountability of governments and improve the public sector performance through their audit works.

In Chapter 1, I presented the rationale for my study aimed at exploring the causes of demand for performance auditing in Kazakhstan and the perceived effects that performance audits have on Kazakhstani public administration. I described my vision on combined applying the new public management theory and the principal-agent model as the theoretical lens to guide an entire research process. I also rationalized applying the qualitative method with the phenomenological approach as the most suitable research design to do my study. The key term definitions, assumptions, scope and delimitations, and limitations associated with the proposed research are provided as well in this chapter.

In Chapter 2, based on the literature review results, including the conceptualization of performance audits, describing the emergence and development of performance auditing practice around the world and in Kazakhstan in particular, I formulated the identified gap in the literature associated with the studied phenomena. Chapter 2 also includes descriptions of the theoretical framework of my study. In Chapter 3, I rationalized the selected research design and approach, namely – a qualitative phenomenological study. Descriptions regarding the selection of research participants, my roles as the researcher, procedures on data collection and analysis, and measures on managing the issues of trustworthiness and ethical issues are included in Chapter 3 as well.

Chapter 2: Literature Review

Introduction

In this chapter, I present the results of reviewing and analyzing the literature about the performance auditing phenomenon, and its emergence and impact on public administration. I proposed a modified definition of a performance audit consistent with recent theoretical and practical developments. Performance audits are carried out by public sector audit organizations including SAIs, joined within INTOSAI, and local audit organizations. I identified the current triggers for performance auditing based on these organizations and INTOSAI's approaches to contribute to good governance. I also described four ways, i.e., instrumental, cognitive (conceptual), interactive, and strategic, and three levels, i.e., micro-, meso-, and macrolevels, of targeting public administration through performance audits.

In my research, I focused on the case of Kazakhstan, a young Central Asian state, which gained independence after the 1991 collapse of the Union of Soviet Socialist Republics (USSR). I explored why performance audits are in demand in Kazakhstan and how auditors, managers of auditees, and parliamentarians perceive these audits' impact on Kazakhstani historical and present public administration approaches. Despite the short historical period, establishing and developing the public administration system in Kazakhstan are complicated processes and subjects for separate studies. Therefore, instead of detailed descriptions associated with these processes, I focused on the key milestones and characteristics of Kazakhstani public administration, which are significant

for understanding the studied phenomena, as well as focusing on performance audits conducted by SAI and the local audit organizations.

Literature Search Strategy

The main literature sources of my study were peer-reviewed articles, theoretical texts, dissertations, books, international professional organizations' research and policy papers specific to the topic, performance and audit reports of public sector audit organizations. To find the literature on performance auditing, focusing on performance audits' impact on public administration, I used databases, such as SAGE Journals (formerly, SAGE Premier), Political Science Complete, Taylor and Francis Online, Public Administration Abstracts, ProQuest Dissertations & Theses, ScienceDirect, and EBSCO Host. I also referenced the following journals: *Critical Perspectives on Accounting, Evaluation, Financial Accountability & Management, Government Auditing Review, International Journal of Auditing, International Public Auditing Journal, Managerial Auditing Journal.*

I used the reference lists of recent publications, Google Scholar, and the Find@Walden Tool of the Walden Library to find specific articles, theoretical texts, and books. I used official websites of international organizations including INTOSAI, internet sources of INTOSAI's members including SAI of Kazakhstan, and websites of Kazakhstani executive bodies to find official papers related to performance auditing.

In the beginning of my search, I used dates that ranged from 2015 to 2020, to examine the literature on recent developments in an area of performance auditing.

Thereafter I did not limit the literature search by dates of publication, in order to make

appropriate historical references and find original theoretical works tied to the topic. I limited the search for laws and regulations, audit and performance reports of public sector audit organizations in Kazakhstan, and sources about Kazakhstani public administration to dates between 2015–2019. Then, I expanded the search for that sources to dates between 1991–2020 to analyze the perspectives of public administration in Kazakhstan’s contemporary history and introducing the performance audits.

The keyword search terms included: *performance auditing, performance audit, value for money audit, public audit, public sector audit organizations, supreme audit institutions, public auditors, auditees, public administration, impact of performance audits on public administration, public administration in Kazakhstan, and performance auditing in Kazakhstan*. Referenced sources were in the English, Kazakh, and Russian languages. None of the searches revealed empirical studies regarding the demand for and impact of performance audits on public administration in Kazakhstan. To describe the theoretical framework, I used the key search terms: *new public management, principal-agent model, new public management and performance auditing, and principal-agent model in the public sector*. I also used SAGE Research Methods Online to find sources regarding the selected qualitative phenomenological research method.

Conceptualizing Performance Audits

The 1970s reforms of public administration, entitled new public management, were aimed at adopting managerial techniques of private companies within the public sector and determined new starting points for scholar-practitioner led performance auditing (Funnell, 2004a, 2004b, 2015; Reichborn-Kjennerud, 2013a). The extensive use

of performance audits, as these audits are interpreted today, started in the 1970s (Glynn, 1985; Levy, 1996; Pollitt, 2003); however, the new public management initiatives likely classify the conceptualization of performance audits as only partially complete.

Performance auditing is not a new phenomenon (Flesher et al., 2003; Glynn, 1985). Mandates of auditors expanded from traditional examinations of auditee's operations to efficiency evaluations even before the appearance of managerial trends within the public sector. One of the pioneers in using performance audits, or more precisely predecessors of performance audits, is the United States (Flesher et al., 2003). The predecessors of performance auditing in the United States are operational or management audits. Operational auditing is a systematic nonfinancial examination of an entity's operations conducted for improvements (Flesher & Zarzeski, 2002), and it is interpreted as a synonym of Dittenhofer's (1971) performance auditing, incorporating an improved degree of accuracy. In historical chronicles the concept of operational auditing dates from the 12th century and starting from the 1940s operational audits have been used by private sector internal audits with advancement into the public sector (Flesher et al., 2003).

Another unique feature of the United States' case is that within the public sector, performance audits are firstly legitimated and used by states, i.e. at local levels. For instance, beginning in 1963, public auditors of the state of Michigan were empowered to conduct performance audits (Dittenhofer, 1971). It required a further 10 years before the United States General Accounting Office's (presently, the United States Government Accountability Office [GAO]) the federal level audit organization, was granted the same

powers. In line with the 1972 GAO's standards, public auditing relates to examinations of both financial operations and economy and efficiency in achieving the purposes of governmental programs (GAO as cited by Flesher & Zarzeski, 2002).

Along with the United States, Canada contributed to the modern concept of the performance audit. Initially, performance audits in Canada were named *comprehensive audits* (Flesher & Zarzeski, 2002; Glynn, 1985). Unlike the operational auditing in the United States, comprehensive auditing emerged within Canada's public sector and specifically aimed to establish whether the public sector organizations have operated with due regard to economy, efficiency, and effectiveness (Glynn, 1985).

The United Kingdom also significantly contributed to making *performance auditing* a self-sufficient concept and discipline. Performance audits in the United Kingdom, called *value for money audits*, first debuted in the 1880s (Glynn, 1985; Lapsley & Pong, 2000). Like the United States, but unlike Canada, the United Kingdom's performance audits were aimed specifically to the examination of public fund use with due regard to economy and efficiency. According to Glynn (1985), value for money audits contribute to realizing the rights of taxpayers to receive efficient public services at minimal costs as a part and condition of the country's social contract. Thus, the key feature of value for money audits is its strict focus on the needs and expectations of, and by, public services; the National Health Service being an illustrative example.

Australia, New Zealand, some European and Asian countries also started use of performance audits in the 1970–1980s, adding *country* features into the concept (Grönlund et al., 2011; Hossain, 2010; Jacobs, 1998; Yamamoto & Waranabe, 1989).

Nevertheless, historical and international perspectives are not the sole determinants of performance audits. The methodology drives changes in the interpretation of performance audits including objectives, scopes, and methods of these audits (Alwardat et al., 2015; Lonsdale, 2000). Kells and Hodge (2011) offered that intellectual and technological developments also shape the concept of performance auditing.

A primary objective of performance audits is to establish whether the executives have functioned with due regard to: a) *economy*, commonly referred by audit professionals as 1st E, which means using minimum public funds to produce the required volume of outputs with an acceptable level of quality; b) *efficiency*, referred as 2nd E, which means getting the most from the available resources; and c) *effectiveness*, referred as 3rd E, which means which means meeting the objectives set and achieving the intended results (INTOSAI, 2019). According to Barrett (2010, 2011a), the scope of performance audits can be confined to an audit of one or more selected functions of auditees, management of governmental programs and other undertakings. The list of methods of performance auditing consists of documentary reviews, questionnaires, surveys, site visits, focus groups, expert panels, and international comparisons (Tillema & Bogt, 2010).

Performance auditing means influencing auditees and other users of performance audit reports to add value in terms of better governance within the public sector. This view is shared by many scholars, including those who stressed that today's performance audits are conducted with both performance improvement and transparency goals (Alwardat et al., 2015; Barrett, 2011b, 2012; Funnell, 2016; Hossain, 2010; Morin, 2016;

Reichborn-Kjennerud, 2013a, 2013b). In turn, the adding of value through performance audits is possibly subject to both public sector audits organizations and auditors' independence (Funnell et al., 2016; Morin, 2016). Thus, the concept of performance audit has significantly evolved. As described in Chapter 1, I used the following definition of performance audit developed based on recent interpretations (see Alwardat et al., 2015; Desmedt et al., 2017; Funnell & Wade, 2012; Morin, 2016; Reichborn-Kjennerud & Johnsen, 2018, for more) and INTOSAI's definition as well. Performance audit is a legitimate professional activity on examination of whether an audited area of public administration or an auditee's operations, systems, and activities meet the principles of economy, efficiency, effectiveness, and other criteria of good governance. Performance audits are carried out by public sector audit organizations to promote improvements in public administration (INTOSAI, 2019, p. 8).

Performance Audit Institutions

Performance audits are carried out by audit organizations labeled SAIs, such as the United States Government Accountability Office, the Office of Auditor General in Canada, the National Audit Offices (NAO) in the United Kingdom, other European countries, Australia, New Zealand (INTOSAI, 2004, 2013a), and the Accounts Committee in Kazakhstan (ISLARK, 2013, 2015). In some countries, including Kazakhstan, local public sector audit organizations also have the power to conduct performance audits (ISLARK, 2015; Torres et al., 2019). Internal auditors and governments' evaluation agencies may also conduct performance audits or use certain techniques of performance auditing to evaluate (Barton, Aibinu, & Oliveros, 2019;

Kweun, Wheeler, & Gifford, 2018). In my study, I focused on SAIs and local public sector audit organizations' perspectives since they are today's leaders in the use and development of performance audits (see Torres et al., 2019, for more). According to Tara and Gherai (2014), the appearance of SAIs or, more precisely, their predecessors, dates from 14th century; as demonstrated in Figure 2, modern SAIs were established in 18th–20th centuries, and today they operate in more than 190 countries.

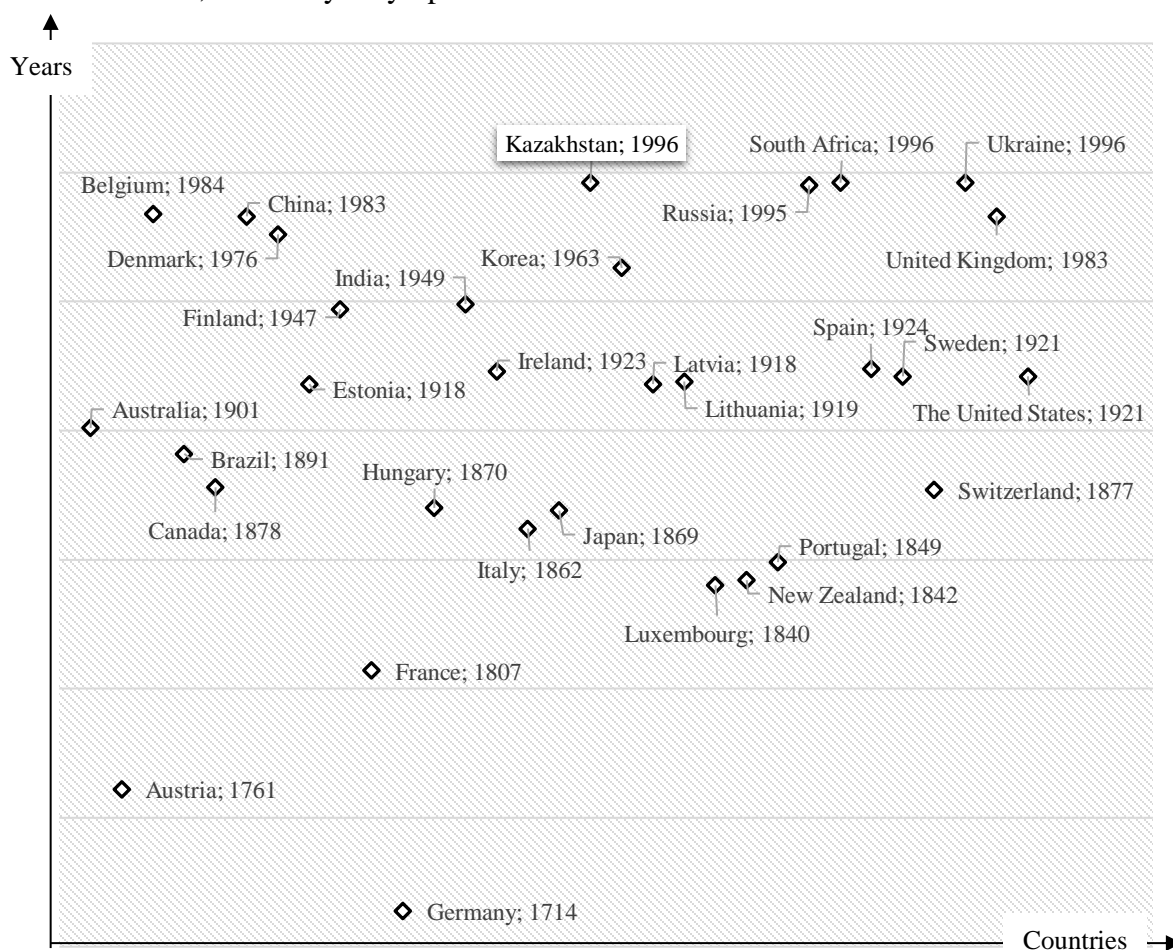


Figure 2. The chronological map of appearance of SAIs

Note: Developed based on INTOSAI (n.d.).

Scholar-practitioners call SAIs watchdogs that oversee public finances (Jantz, Reichborn-Kjennerud, & Vrangbaek, 2015; Morin & Hazgui, 2016; Norton & Smith, 2008). SAIs may operate as external audit bodies at central and local government levels or as the only national SAIs with local branches (INTOSAI, n.d.).

Table 1 illustrates three models of SAIs.

Table 1

The Models of SAIs

Court (Napoleonic) Model	Westminster Model	Collegial (Board) Model
<i>The key characteristics</i>		
Public sector audit organizations granted with judicial powers	Public sector audit organizations led by Auditors General	Public sector audit organizations governed by a collegial body which is led by chairpersons
<i>Countries</i>		
Brazil, Belgium, El Salvador, France, French-speaking Africa and Asia, Greece, Italy, Portugal, Spain, Turkey	Chile, Colombia, Cyprus, Denmark, Estonia, Finland, Hungary, Ireland, Latvia, Lithuania, Malta, Mexico, Peru, Poland, South Africa, United Kingdom	Argentina, Czech Republic, European court of audit, Germany, Luxembourg, Nicaragua, Netherlands, Slovak Republic, Indonesia, Korea, Japan

Note: Developed based on Tara & Gherai (2015), INTOSAI (2004, 2013).

SAIs differ by status, mandates, accountability approaches, and resources; their distinctive features depend on the state order, public administration structure, and separation of powers in nations where they operate. For instance, some SAIs conduct audits in all organizations, whereas others' powers are limited to audits of government entities (INTOSAI, 2013). Thus, the classifying of SAIs by Napoleonic, Westminster, and Board models may be useful in understanding their place within the public

administration, but they are typically symbolic in nature. Most SAIs are independent of the executive, accountable to non-executive elected institutions or officials, and conduct performance audits (INTOSAI, 2013, 2018). As an independent public institution, SAIs play an important role in public administration in democratic societies (OECD, 2016).

The expectations regarding SAIs' roles as contributors to democratic accountability is strengthened as their power expanded from traditional compliance and financial audits to performance audits (Funnell, 2015; Morin, 2016). The 2011 Resolution of the 66th United Nations (UN) General Assembly entitled "Promoting the Efficiency, Accountability, Effectiveness and Transparency of Public Administration by Strengthening Supreme Audit Institutions" supports this argument (UN, 2011). This and other global initiatives, such as promoting the principles of good governance, citizen participation in government auditing, and Sustainable Development Goals (SDG), have been implemented by SAIs' through their performance auditing functions (Baimyrzaeva & Kose, 2014; OECD, 2015, 2016).

Like SAIs, local public sector audit organizations differ by status, powers, requirements to their accountability, organizational capacities, and experiences in using performance audit formats (English, 2003; Rosa, Morote, & Colomina, 2014; Tillema & Bogt, 2016; Torres et al., 2019). Typically, SAI and local audit organizations' powers on performance auditing are distributed depending on the separation of powers between central and local governments (Torres et al., 2019). However, there are no significant differences in implementing performance audits by SAIs or local audit organizations. This similarity is due to the application of common auditing standards and regulations,

sharing information and cooperation between SAIs and local audit organizations. For example, in the United States all public sector audit organizations typically follow the requirements of the Government Auditing Standards issued by GAO (USGAO, 2018). To not follow these industry-expected standards would result in an organization being subjected to added scrutiny whether justified or not.

Current Triggers for Performance Auditing

Identification of triggers for performance auditing contributes to a better understanding of why performance audits are in demand. Current triggers for performance auditing, such as exogenous and endogenous circumstances that rationalize SAIs' audit practice, typically yield more performance audits by volume. As outlined in previous paragraphs, performance auditing enshrined as SAIs' statutory power consequent to the transformation of public administration, may be an initial trigger for a widespread using of performance audits. This trigger has become *classical*, yet it remains a standard rationalization term of performance auditing. Similar to the 1970s, today's performance audits are initiated and carried out in response to community and political concerns regarding the effective administration of public affairs and delivering anticipated public services (Hossain, 2010).

But there are also other exogenous circumstances that stimulate the initiation of performance audits. Torres et al. (2019) argued that performance audits received more attention after the 2008 Global Financial Crises. The crises trigger performance audits because of increasing the risks of ineffective implementation of governmental tasks including anti-crisis measures. Governments use privatization or public-private

partnership (PPP) mechanisms to cover the budget deficit to be able to deliver public services under the tight financial constraints (OECD, 2012). Both privatization and PPP, according to the fundamental principles of performance auditing, should be determined as high-risk areas (INTOSAI, 1998, 2004, 2007). Thus, SAIs with well-developed performance auditing methodology and practices respond to these governmental anti-crisis measures by carrying out performance audits of PPP programs and projects. Beginning in the 2010s, many SAIs have included performance audits of privatization and PPP in their audit portfolios (Barrett, 2011a; The Canadian Audit and Accountability Foundation (CAAF), 2015; The European Court of Auditors (ECA), 2018). There are also other external circumstances that lead to more performance audits in an area of public financial administration when *ministries of finance* or government entities with the same powers are core auditees who, in turn, are visited by performance auditors as a matter of public policy, law, or statutory regulation.

Structural problems inherent in different public administration areas also increase the number of performance audits. The list of these problems includes imbalances of economy, structural flaws in social and health care systems, and low productivity (Ahrend, Saia, & Schwellnus, 2017; Hugh-Jones, 2012). Unlike cyclical financial crises, structural problems are systematic, and long-running measures including executives' programs are required to address these problems. Executives' programs are often subjected to enhanced performance audits both in content and frequency (INTOSAI, 2016a). For instance, GAO has issued more than 300 performance audit reports and related papers regarding the implementation of the Medicare and Medicaid Programs in

the last five years likely in relation to public scrutiny and need for information transparency with the implementation of the Affordable Care Act in 2010 (USGAO, n.d.). Innovations used to solve the structural problems also trigger new performance audits. In particular, utilizing the new information and communication technologies by governmental organizations lead to conduction more performance audits in the IT area. For instance, NAO issued more than 100 performance audit reports and related papers regarding the communications and digital government (UKNAO, n.d.).

Natural and anthropogenic disasters trigger performance audits as well. In the language of the International Standards of Supreme Audit Institutions (ISSAIs), these audits are called performance audits with environmental perspectives (INTOSAI, 2016b). Environmental performance audits are conducted by SAIs to establish whether the executives have functioned with due regard to the *economy* (i.e., 1st E), *efficiency* (2nd E), and *effectiveness* (3rd E), as well with due regard to the *environment* ([4th E]; Leeuwen, 2004; Weihrich, 2018). According to INTOSAI's Working Group on Environmental Auditing ([WGEA]; 2015), the number of SAIs that conduct environmental performance audits increases almost every year with specific focus on topical environmental issues, such as climate change, environmental pollution, and non-renewable energy use. One of the explanations for the intensive use of performance audits is the general public's concerns about the negative impact of the environmental issue on public health. Thus, natural and anthropogenic disasters trigger more performance audits in an environmental area when *ministries of healthcare* and other

government entities, such as SAIs and local audit organizations' clients, realize and fulfil their executive functions.

Further, global environmental challenges may trigger international performance audits with environmental perspectives conducted by SAIs collaboratively (WGEA, 2012, 2015). As for today, the scope of environmental performance audits has been expanded to auditing governments' preparedness to efficiently and effectively implement SDG (UN & INTOSAI, 2018). Like SDG, other global initiatives are in the list of exogenous circumstances that lead to intensive use of performance auditing. In my research, I focused on current triggers for performance audits in areas when the Ministry of Finance of the Republic of Kazakhstan and the Ministry of Healthcare of the Republic of Kazakhstan are core executive authorities.

Targeting Public Administration through Performance Audits

SAIs conduct performance audits "to promote economical, effective and efficient governance. It also contributes to accountability and transparency" (INTOSAI, 2019, p. 8). In pursuant of this objective, SAIs, as well as local public sector audit organizations, impact public administration through their performance audits (Desmedt et al., 2017; Morin, 2016; Reichborn-Kjennerud & Vabo, 2017; Torres et al., 2019). Impacting the public administration through performance audits implies contribution to positive changes in auditees' activity or an audited area of public administration and improving the public sector performance in general (Lonsdale, 2000; Morin, 2001).

Instrumental, Conceptual (Cognitive), Interactive, and Strategic Influences

There are several categories of impacts of performance auditing on public administration. These categories differ depending on the use of performance audits and levels of impacting the public administration. Performance auditing implies conduction of evaluation and, therefore, categories of evaluation use are applicable for performance audits (Lonsdale, Wilkins, & Ling, 2011). Lonsdale et al. (2011) identified instrumental, conceptual, political-legitimizing, and tactical use of performance audits (pp. 180-181).

The *instrumental use* of performance auditing is a linear process converting evaluation to knowledge and, then, converting knowledge to policy (Lonsdale et al., 2011). This type of evaluation use means applying knowledge for actions, such as decision-making and problem-solving (Alkin & King, 2016). Based on knowledge acquired in the course of an audit, performance auditors provide managers of auditees and other concerned parties with recommendation on the elimination of the revealed shortcomings and further improvements. Thus, giving recommendations by auditors is the central tool of instrumental use of performance audits (Lonsdale et al., 2011; Morin, 2008). Depending on the context of recommendations performance auditors impact decision-making and contribute to problem-solving (Desmedt et al., 2017).

The *conceptual use* (impact) of performance audits means embedding knowledge through different channels that leads to change in mental or intellectual frames (Lonsdale et al., 2011). In the course of evaluations, knowledge is used to influence policymakers' thinking (Alkin & King, 2017). Or, in other words, evaluators (performance auditors) have a cognitive impact on auditees' managers and other officials with power in policy

making within the audited area of public administration. The conceptual (cognitive) impact is manifested through both visible and invisible changes, challenging the identification and measurement of that impact (Desmedt et al., 2017; Lonsdale et al., 2011).

Policymakers constructively respond to evaluations when evaluators provide them with a new vision regarding the existed problems, or ‘enlighten’ them, and suggest new perspectives on solving these problems (Weiss as cited by Alkin & King, 2016). In the language of performance auditing, auditees’ managers constructively respond to performance audits when performance auditors provide them with new information (or previously misunderstood information) about the revealed shortcomings in effectively managing the auditee’s affairs.

The *interactive use* explained by the fact that performance audits are not the sole influence factor since other participants or sources of information join the influence process as well (Lonsdale et al., 2011). In that case, knowledge used in conjunction with personal insights and experiences of decision makers and communicated information (Alkin & King, 2016). Users of evaluation verify the evaluation findings and, therefore, the interactive use contribute to the evaluation credibility and informed decision-making (Alkin & King, 2016). Auditees have rights to react on performance auditors’ opinions and, in turn, performance auditors have obligations on responding to auditees’ reactions (Alwardat et al., 2015; INTOSAI, 2019). Other concerned parties, from public officials to citizens, may also join this communication process (Lonsdale et al., 2011).

According to Lonsdale et al. (2011), the *political-legitimizing use* of performance audits implies the engagement of mass media and parliamentarians in performance auditing that contributes to political debates, while the *tactical use* implies impacting the decision making by auditees. The political-legitimizing use relates to using the evaluation findings to rationalize earlier decisions and legitimize reforms (Alkin & King, 2016, 2017; Breidahl, Gjelstrup, Hansen, & Hansen, 2017). This type of use is close to the symbolic use of evaluation. According to Alkin and King (2016), the symbolic use means using the evaluation findings to support a political position or rationalize previous decisions. Further, SAIs may plan and conduct their performance audits with intends to legitimize policy; the political-legitimizing use occurs because of the nature of audited issues or without SAIs' political intentions (Funnell, 2015; Morin, 2016). SAIs' performance audits may influence decisions regarding the prolongation, or opposite, cancelation of governmental programs. GAO's practice on annual performance audits conducted to reduce fragmentation, overlap, and duplication of federal programs (USGAO, n.d.) is one of the examples of the political-legitimizing use of performance audits by SAIs.

In my study, I applied the *strategic use* of performance audit, which is the combination of legitimize, symbolic, and tactical uses, as measuring units of analysis. The strategic use of performance auditing means using the audit findings to contribute to political debates and, as a result, to promote reforms, which are legitimate and rational from the perspectives of good governance (Desmedt et al., 2017, INTOSAI, 2019).

Impacting the Micro, Meso, and Macro Levels

According to Lonsdale et al. (2011), performance auditing impacts the microlevel (impacting individual performance audit itself), mesolevel (impacting audit organizations and auditees), and macrolevel (impacting the public sector) of government and the wider concept of public policy. Methodological aspects explain the impact of performance audits at the microlevel. Unlike traditional compliance and financial audits, performance audit is not a standardized process and, therefore, it implies frequent exercising performance auditors' judgments (Funnell et al., 2016). Each individual performance audit is unique. Unlike compliance and financial auditors, performance auditors more frequently are dealing with new knowledge regarding both the audited area of public administration and implementation of audit procedures. Therefore, methods and findings of a performance audit in tandem with communications between auditors and auditees shape the individual performance audit (Lonsdale et al., 2011).

As SAIs and auditees gain experience on being involved in performance auditing, they change and advance their internal policies and processes. These organizational changes are examples of impacting the mesolevel related specifically to a performance auditors' interventions (Desmedt et al., 2017). From one side, SAIs' reputations, powers, and accountability, and from other side, auditees' policy on knowledge management, familiarity with performance auditing and attitude toward knowledge facilitate impacts of performance audits at the mesolevel (Lonsdale et al., 2011).

Impacting the macrolevel implies changes of public administration in general. Individual performance audits and SAIs' practice on using the findings from all

individual performance audits to present a holistic (comprehensive) view regarding the audited issues facilitate changes in the public sector (OECD, 2012). According to Lonsdale et al. (2011), obligations to assess policy on a regular base and attitude toward knowledge facilitate impacts of performance audits at the macrolevel.

Performance audits are not the sole factor that influences public administration; it is difficult to single out performance audit's influence among other influential factors including changes in public policies initiated by the executes themselves. Unlike impacting the micro- and mesolevel, impacting the macrolevel is more complex in terms of its identification and measuring (Lonsdale et al., 2011). Integrated application of instrumental, conceptual (cognitive), interactive, and strategic uses of performance audits facilitates measuring their impact at macrolevel. Today, this approach is fragmentarily used by some SAIs and realized by developing SAI's Performance Evaluation Framework (INTOSAI, 2016c).

Performance Auditing in Kazakhstan

Historical Perspectives of Kazakhstani Public Administration

Kazakhstan is a young state located in Central Asia with a unique history of nation-building starting in 1991 with the dissolution of USSR. Establishing the public administration system of a new sovereign state was complicated by the negative consequences of the economic crisis inherited from the Soviet Union (Nazarbayev, 1992, 1994, 2017). At the initial stage, economic reforms were the highest priority opposite to political and public management reforms (Knox, 2008; Nazarbayev, 2017).

The economic reforms aimed at implementation of a free market economy and supported by abundant natural resources, such as oil, gas, uranium, copper, zinc, and other minerals that are in demand on world markets, resulted in positive social changes but ones that needed management to avoid exploitation (OECD, 2014, 2017a, 2017b; Vakulchuk, 2016). Today, national government has gained experience in economic reforms and these strengthened national institutions aid in smoothing any global financial crisis impacts in which Kazakhstan now stands alone as a sovereign state.

As for today, Kazakhstan is categorically identified as a faster-growing economy that demonstrates good results in macroeconomic data (Nazarbayev, 2017; OECD, 2017a; Vakulchuk, 2016). Figure 3 illustrates the growth of the Kazakhstani economy resulting expanded capacities of the government to deliver more public services and increase citizens' incomes, thus improving the quality of citizen's lives (Nazarbayev, 2017; OECD, 2014, 2017a).

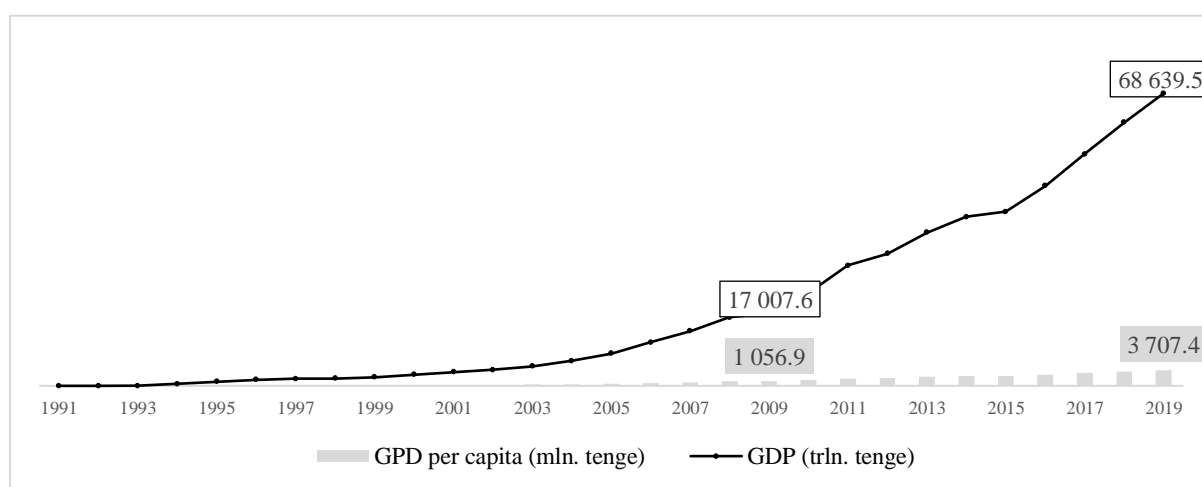


Figure 3. The dynamic of GDP and GDP per capita Kazakhstan in 1991–2019

Note: Developed based on SCMNERK (n.d.).

The Declaration of state sovereignty (1990), Law on state independence (1991), and adopting the national Constitution (1993) were the first legal acts of the new state specific to planned and implemented political changes (Kemel & Shaikenova, 2015; Shomanov et al., 2005). Ideas incorporated into the first Constitution were implemented partially because of confrontations and resistance to political transformations (Nazarbayev, 2017). Constitutional reforms, adopted in 2015, serve as the fundamental principles and framework for today's public government. Accordingly, "Kazakhstan proclaims itself as a democratic, secular, legal and social state whose highest values are a person, his life, rights, and freedoms" (Constitution, 1995, para. 1). In 1995, Kazakhstan declared itself as a unitary state using a presidential form of government (Constitution, 1995).

During the early days of Kazakhstan's political transformations changes in power distribution between executive, legislative and judicial bodies, and dividing the expert community into supporters and critics were primary political and social activities (Knox, 2008; Mesquita, 2016; Nazarbayev, 2017; Shomanov et al., 2005). Key Presidential milestones occurred: (a) the President was vested with the highest administrative and executive powers in 1990; (b) the post of the President became elected beginning in 1991; (c) till 2017 the Presidents' powers have been expanded; and (d) part of the Presidents' powers were delegated to the Government in 2017 (ISLARK, 1995a; Nazarbayev, 2017; Shomanov et al., 2005). The Presidential Administration is the principal state entity with coordination and control functions at both the central and local governmental levels (OECD, 2017a).

Coupled with Presidential power is the Parliament. The Parliament of Kazakhstan is a representative body with legislative functions; it consists of the higher and lower houses headed by chairpersons (ISLARK, 1995b). As the new government matured this legislative body was gradually granted more power, including control and oversight functions in fiscal administration (OECD, 2014, 2017a). The Government of Kazakhstan (Cabinet of Ministries) directed by the Premier-Minister (ISLARK, 1995c) serve as the supreme executive and administration bodies. The Government is a collegial body accountable to the President and Parliament (ISLARK, 1995c). Political reforms between 1991–2018 resulted in changes in the structure of the Government, its powers and functions; its members, i.e., ministries and agencies, have been granted more autonomy for the last two decades (OECD, 2014, 2017a).

The same changes were implemented in terms of distribution powers between central and local governments; it was initially prioritized establishing a vertical structure of public administration that implies strengthening the central government and, then, initiated decentralization that implies gradual delegation central government's powers to local (Bhuiyan, 2010; OECD, 2017b; Shomanov et al., 2005). Today, Kazakhstan is divided into 14 oblasts (regions) and three cities with special status (Nur-Sultan, the current capital renamed Astana; Almaty, the former capital; Shymkent, the second largest city in the country by population). Local governments are directed by Akims (mayors) who are appointed by the President and accountable to the President and Maslikhats, i.e., local legislative bodies (ISLARK, 2015).

Reforming public management was defined as a priority state policy in Kazakhstan (Knox, 2008). Applying a state strategy approach and ‘importing’ NPM’s ideas are two core aspects of reforming the Kazakhstani public administration. The state strategy approach implies the implementation of country-development strategies which are the highest priority papers within a hierarchy of strategic documents in Kazakhstan (ISLARK, 2017a, 2017b). As for today, the central strategic goal of Kazakhstan is to join the rank of the top 30 developed economies by 2050 (ISLARK, 2018). This ambiguous and challengeable vision of the country-development outlined long-term plans on further achievements in public governance consistent with NPM’s ideas (Linn, 2014; Nazarbayev, 2017; Vakulchuk, 2016). NPM’s ideas, such as adopting managerial techniques by government organizations, client- and result-oriented public service delivery, granting executives with more autonomy, and changing civil servants’ roles and responsibilities, shaped the public administration system of Kazakhstan (Janenova & Knox, 2017; Oleinik, Yermekov, & Kuatbekov, 2015; Vakulchuk, 2016). According to Oleinik et al. (2015), there are some gaps between declared objectives and achieved results in improving Kazakhstani public administration system. Generally, the political and public administration reforms in Kazakhstan are associated with both disadvantages and advantages leading to related changes of the worldwide governance indicators for Kazakhstan (OECD, 2017a).

As demonstrated in Figure 4, despite the linear trend on the Government Effectiveness Indicator, improvements in this area of public governance are not stable. There are several explanations for this dynamic including changes in the performance and

accountability systems. The accountability for the executives' results were realized through (a) new approaches to evaluation of government organizations' performance; (b) parliamentarians' function on control and oversight the public funds; (c) open government initiatives; and (d) the public auditing (OECD, 2014, 2017a, 2017b).

According to OECD (2014, 2017a), public auditing is one of the weak areas in reforming the accountability system in Kazakhstan due to the lack of implementation of performance audits.

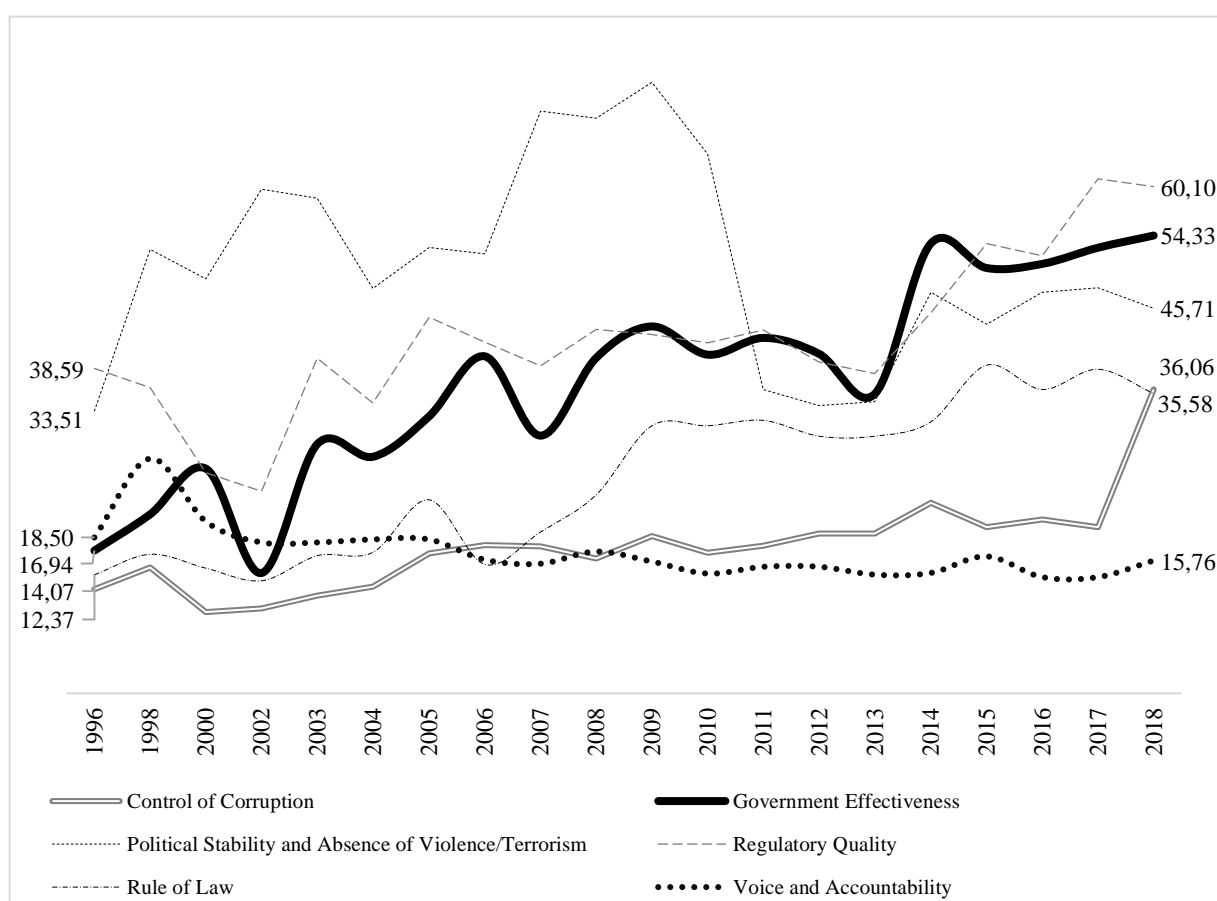


Figure 4. Worldwide governance indicators for Kazakhstan in 1996–2018

Note: Developed based on WB (n.d.).

Implementation of Performance Audits

Performance audits within Kazakhstan’s public sector are carried out by the Accounts Committee and Revision Commissions. The Accounts Committee was established in 1996 as a collegial body that consists of eight members and a chairman. It is accountable to the President. It submits its annual report, which is the conclusion (audit opinion) on the Government’s report on execution of the republican budget, to Parliament for approval (ISLARK, 2002a). Revision Commissions were created in line with the Decree of the President “On Improvement of Bodies of External State Financial Control in Regions in 2011” (ISLARK, 2011). New commissions were created to replace the Revision Commissions of Maslikhats that implemented local parliamentarians’ tasks without the status of an independent body. Revision Commissions are accountable to Maslikhats; they also submit their audit reports to SAI for coordination purposes, e.g., to eliminate duplications in audits (ISLARK, 2015).

The starting point for implementation of performance audits was the adoption of the 2013 Conception (ISLARK, 2013). The overarching concept aim was to replace the system of financial control by the public auditing system consistent with international standards and auditing practices (ISLARK, 2013). Following to the 2013 Conception, the 2015 Public Auditing Act provided the Accounts Committee and Revisions Commissions with powers to conduct performance audits (ISLARK, 2015). Beginning in 2016, performance auditing, implying analysis and evaluation, conducted by external audit bodies to establish whether the executives operate with due regard to 3E, was implemented and label as *legitimate* in Kazakhstan.

Like in the cases of developed countries, there were some predecessors of performance auditing in Kazakhstan. For instance, the Accounts Committee and Revision Commissions of Maslikhats conducted efficiency controls (ISLARK, 2002b); before 2013, it was not accepted to use the term of audit in laws, regulations, and other official documents within the public sector. However, as it is illustrated in Table 2, similarities in interpretations of efficiency control and performance audits became visible beginning in 2002.

Table 2

Interpretations of Predecessors of Performance Auditing in Kazakhstan

2002 Law on Control over Execution of the Republican Budget	2004 Budget Code	2008 Budget Code
Efficiency control is an examination of execution of a budget program by controlled (evaluated) entity in line with a passport of the budget program.	Efficiency control is a checking the implementation of actions within the scheduled timeframe and examination of achieving the expected results and indicators after the implementation of a budget program applying evaluations of economy and productivity.	Efficiency control is an examination (conducted based on compliance control and control over the financial statements) of achieving by government organizations outputs and outcomes identified in their strategic plans, budget programs, as well as a complex evaluation of impacts of government organizations and enterprises' activity on the economy, social sphere or a certain area of public management.

Note: Developed based on ISLARK (2002b, 2004, 2008).

Use of efficiency controls by the Accounts Committee and Revision Commissions of Maslikhats were scarce; these functions did not become entrenched as a standard government practice since they are carried out within compliance controls (The Accounts Committee for Control over Execution of the Republican Budget (ACCERB), 2003, 2004, 2013, 2014). SAI conducted two pilot efficiency controls in healthcare and

educations systems, however these experiences were far from the expectations of performance auditing, e.g., SAI did not use 3E categories to make its conclusions regarding the evaluated areas of public administration (ACCERB, 2004).

As for today, both SAI and Revision Commissions conduct performance audits by different areas of public administration, including:

- budgeting and tax administration;
- implementing documents of the System of State Planning including state strategies, governmental programs, strategies of government entities, and development-plans of state-owned companies;
- public debt;
- public procurement;
- environmental protection;
- information technologies (Goryainov, 2015; ISLARK, 2015; Koszhanov, 2010; Oksikbayev, 2010; Zeinelgabdin, 2015).

The performance auditing procedural standards and methodological guidelines were adopted by SAI to support performance auditing practices (ISLARK, 2016a, 2016b).

Literature Review and Gaps

There is an extensive body of research work aimed at exploring the impact of performance auditing on public administration (Alwardat et al., 2015; Desmedt et al., 2017; Funnell et al., 2016; Morin, 2001, 2004, 2008, 2014; Reichborn-Kjennerud, 2013b, 2014a; Reichborn-Kjennerud & Johnsen, 2018; Reichborn-Kjennerud & Vabo, 2017;

Torres et al., 2019). The above cited researches are examples of investigation of the impact of performance audits by exploring the experiences of managers of auditees and auditors. In the opinion of auditees', performance audits positively influence their organizations subject to good relations with auditors, placing auditors' recommendations among auditees' priorities, and will of auditees' leaders for changes (Alwardat et al., 2015; Morin, 2008; Torres et al., 2019). While auditors perceive performance audits as effective in terms of contribution to better governance, managers of auditees may contest some auditors' approaches, including their interventions to policy making, criticize the quality and fairness of audit reports, and question auditors' competencies (Alwardat et al., 2015; Desmedt et al., 2017; Reichborn-Kjennerud, 2013b; Reichborn-Kjennerud & Johnsen, 2018; Reichborn-Kjennerud & Vabo, 2017).

A few studies were conducted to learn parliamentarians' views partially exploring their attitude toward performance auditing where they are the key users of audit reports (Funnell et al., 2016; Morin, 2016; Reichborn-Kjennerud, 2014b). Funnell et al. (2016) argued that parliamentarians may use performance audit reports to enhance their positions as elected officials with an enhanced interest in auditors' findings that questioned the effectiveness of executives' actions. Loke et al. (2016) offered that recent studies in the area of public and government audit are focused on countries used Westminster or Napoleonic models of SAIs', with fragmented audit research being conducted on developing countries, of which Kazakhstan is classified.

There were no empirical studies on the demand for and impacts of performance auditing on public administration in Kazakhstan. The Accounts Committee's research

center conducted a few applied studies with the primary objective to establish the methodological base for performance auditing practice (CFVR, 2014, 2016, 2017). As mentioned in Chapter 1, the identified gap was not surprising. Unlike developed countries, the use of performance auditing in Kazakhstan began as recent as 2002 with two pilot audits conducted by the Accounts Committee. More robust use of performance auditing by the Accounts Committee and Revision Commissions began in 2015 (ISLARK, 2015). Some research indicates a lack of empirical evidence about the usefulness of performance audits, which threatens the credibility of performance auditors' works (Funnell et al., 2016; Reichborn-Kjennerud & Johnsen, 2018). It, in turn, increased risks of missed opportunities of public sector audit organizations in Kazakhstan whose purpose is to promote efficient and effective public sector programs and operations using validated audit outcomes.

A practice-related gap, therefore, existed for both scholars and practitioners in understanding the reasons and causes of the high demand for performance auditing observed in Kazakhstan beginning in 2016; the perceived effects of performance audits on Kazakhstani public administration remained unknown. Whereas the impact of and, as a consequence, demand for performance audits significantly vary depending on the level of nations' development, traditions, and changes of national public administration systems (Desmedt et al., 2017; Loke et al., 2016; Torres et al., 2019), more extensive and empirical studies are needed regarding the performance auditing phenomena, demand for and usefulness of performance audits from the public sector perspectives (Hay & Cordery, 2018). The identified information gap was especially topical for Kazakhstan as

a newly emerged country that has been adopting the performance auditing practice at a relatively early stage of its nation-building and establishing a sovereign public administration system.

Theoretical Foundation

New Public Management Theory

New public management is the 1970s trend of reforming the public sector (Barzelay, 2001; Kapucu, 2006) and renovation of the 1830s vision on changing the administration of public affairs (Bowrey, Hui, & Smark, 2017). It is established as a self-sufficient theory in a public administration field by bridging the ideology of new institutional economics with ideas on the applicability of business-like managerial approaches within the public sector (Hood, 1991).

Hood (1991) derived the following seven doctrinal components of new public management: (a) “hands-on professional management” in the public sector; (b) explicit standards and measures of performance; (c) greater emphasis on output controls; (d) shift to disaggregation of units in the public sector; (e) shift to greater competition in public sector; (f) stress on private sector styles of management practice; and (g) stress on greater discipline and parsimony in resource use (pp. 4-5). NPM implies the establishment of new standards of performance in the public sector that might be achieved through using skills mastered by professional managers within the private sector, who increase the effectiveness of public sector organizations because of granting an autonomy, greater control over the outputs, and working in competitive environments. Hood’s theory stimulated the transformation of public administration systems through replacing process-

oriented approaches by result-oriented techniques (Bao et al., 2012; Kapucu, 2006). Despite the criticism of NPM, Hammerschmid, Van de Walle, Andrews, and Mostafa (2018) offered that managerial reforms positively impact public administration supporting the actuality of Hood's theory.

Hood's (1991) theoretical elaborations were used to explore the cause of demand for performance audits conducted in Kazakhstan to establish whether the executives operate with due regard to 3E categories, i.e., economy, efficiency, and effectiveness (INTOSAI, 2019). These categories are in line with NPM's core values including the matching of resources to tasks for given goals (Hood, 1991). Further, NPM implies not only removing differences between the private and public sector but also emphasizing accountability over the results (Hood, 1995).

Principal-Agent Model

The principal-agent model theory describes who is accountable to whom (Maggetti & Papadopoulos, 2018) and is used to construct various principal-agent models (Gerber & Teske, 2000). PAM implies the identification of actors within the accountability process who play the role of principals or agents. Since agents operate in the interests of principals, principals define and structure incentives for agents (Maggetti & Papadopoulos, 2018).

Waterman and Meier's PAM is an extension of traditional principal-agent models (Waterman & Meier, 1998). Firstly, Waterman and Meier's model illustrates that goals of principals and agents may conflict; secondly, agents may have more information than principals creating an information asymmetry between them; thirdly, multiple principals

and agents may engage in one relationship chain (Waterman & Meier, 1998). Waterman and Meier (1998) stressed that conflict of goals and information asymmetry is one of the possible combinations that describe the relations between principals and agents. The authors admitted that principals and agents may have the same level of access to information or agents may have more information than principals or vice versa (Waterman & Meier, 1998). Similarly, there are various combinations of situations with conflict of goals – from full agreements to full contradictions of principals and agents’ goals (Waterman & Meier, 1998).

Figure 5 illustrates the main advantage of Waterman and Meier’s PAM, i.e., a combination of assumptions regarding the conflict of goals and information asymmetry in dynamics.

		<i>Agent’s Information Level</i>	
		LITTLE	MUCH
<i>Principal’s Information Level</i>	LITTLE	Principals have information, agents do not: Limited agents' resistance	Both principal and agent have information: Cooperation principal-agent relations
	MUCH	Principal and agent lack information: No productive goal conflicts	Agent has information advantage over principal: Classical goal conflicts

Figure 5. Combining information and goal

Note: Developed based on Waterman & Meier (1998).

NPM and PAM Integration in the Context of Performance Auditing

Hood (1991, p. 5) interpreted the origin of NPM as “as a marriage of two different streams of ideas” including (a) the institutional economics created on development of

public choice, transactions cost theory, *principal-agent theory*, theory of bureaucracy, and (b) “a set of successive waves of business-type ‘managerialism’ in the public sector.” Barzelay (2001) strengthened the linkage between the new public management theory and the principal-agent theory, arguing that principals and agents have agreements on improving public sector performance in a new public management environment.

According to Morin (2001, 2003), performance auditors try to influence managers of auditees or, in the language of PAM, they structure intensives for auditees. Conversely, performance auditors conduct their audit work in the interests of citizens (The United Nations Department of Economic and Social Affairs (UNDESA), 2013); they are accountable to elected parliaments or presidents. Thus, referring to the performance auditing, PAM is the construction of three-level relations between principal and agents, where performance auditors are principals for managers of auditees and agents for parliamentarians, parliamentarians are principals for both performance auditors and managers of auditees, and managers of auditees are agents for both parliamentarians and performance auditors (Barzelay, 2001; Reichborn-Kjennerud, 2013a; Waterman & Meier, 1998).

Further, two key assumptions of PAM, i.e., conflict of goals and information asymmetry between principals and agents, are fair to performance auditing chain relations. For instance, goals of auditors who are principals and auditees who are agents may conflict (Morin 2001, 2003, 2008). Auditees may have more information than auditors. Both conflicts of goals and asymmetry information take place in the following chains: managers of auditees and parliamentarians, parliamentarians and auditors (see

Funnell, 2015; Morin, 2016, for more). Underpinned to the *language* of PAM, performance auditing is a chain of relations between auditors, managers of auditees, and parliamentarians, i.e., multiple principals and agents. As demonstrated in Figure 6, embedding these relations into PAM implies the fact that one actor (e.g., auditors) play both principal and agent's role.

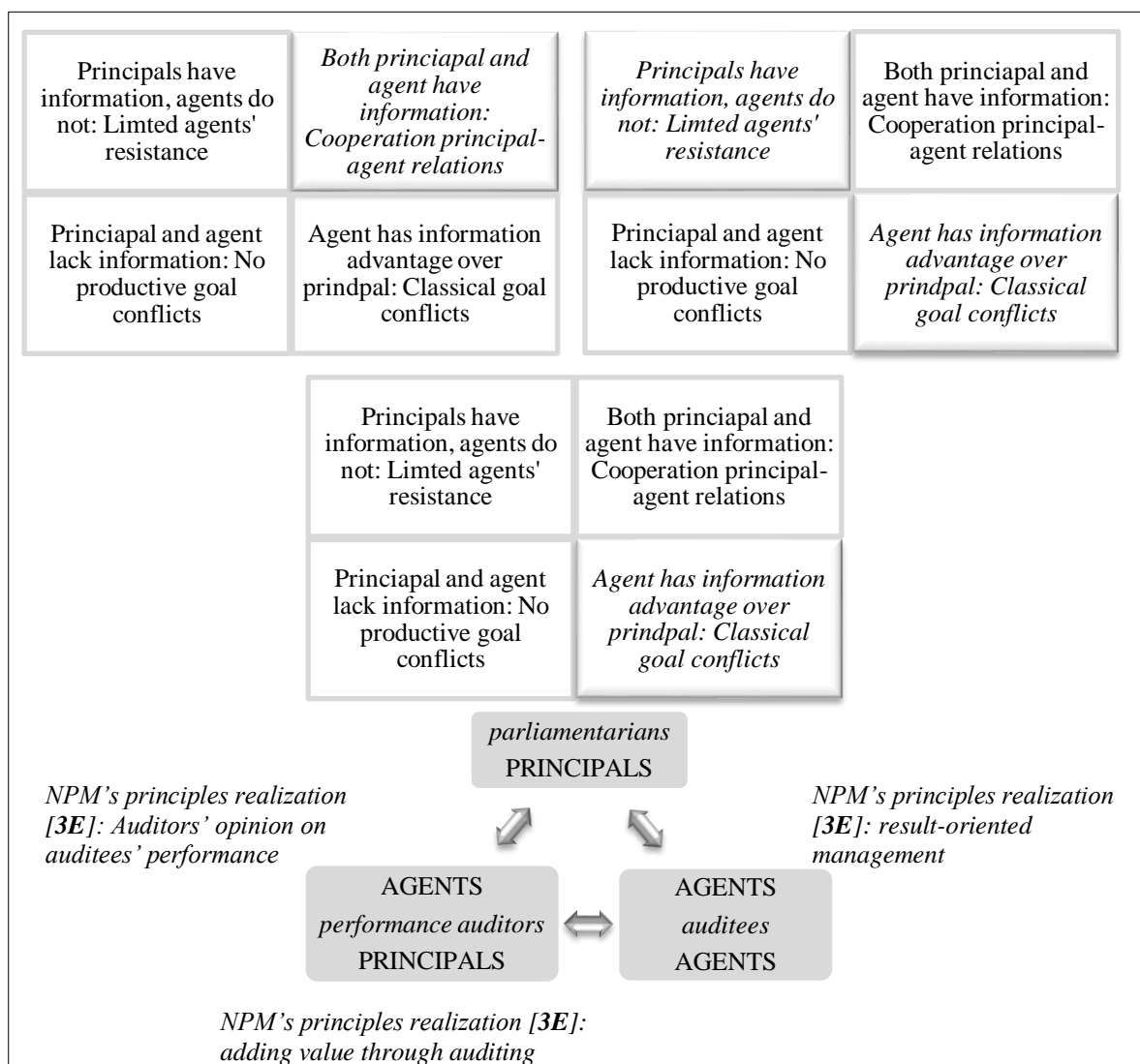


Figure 6. Combining information and goal on PAM

Note: Developed based on Funnell (2015; 2016); Hood (1991), Morin (2001; 2003); Waterman & Meier (1998).

The key integrators between NPM and PAM are 3E categories, i.e., economy, efficiency, and effectiveness. They are generally-accepted principles of good governance declared by parliamentarians and other elected officials (INTOSAI, 2019; OECD, 2016). Performance auditors' opinion regarding the addressing of 3E's requirements by auditees is important information derived within conflict goals and asymmetry of the information environment. Thus, integration of NPM with PAM provided a foundation for the interpretations of perceptions of auditors, managers of auditees, and parliamentarians regarding the usefulness of performance audits and their impact on public administration in Kazakhstan.

Summary

The performance auditing became an area of interest for scholar-practitioners almost 50 years ago. It is a power of independent public sector audit organizations on examination of the effectiveness of executives' activity; performance auditors' findings (or, more precisely, their opinion regarding the following to principles of economy, efficiency, and effectiveness by the executives) is publicly available information. Based on the literature review, I determined changes in public administration, global financial crises, structural problems, environmental issues, other national and global challenges as triggers for performance auditing. Herewith, the impacts of performance audits differ by means and targeted levels of public administration.

The perspectives of developed countries in terms of impacting the public administration through performance audits have received considerable attention, while there is a limited number of studies on exploring the perspectives of developing countries

including Kazakhstan. The case of Kazakhstan is unique since, unlike developed countries, Kazakhstan has been applying performance audits during the last few years. Establishing this practice coincided with modernization of the public administration system in Kazakhstan. I described the historical perspectives and current features of the Kazakhstani public administration system focusing on the implementation of performance audits within the public sector. I concluded that gap existed in understanding the factors that might explain the demand for performance auditing in Kazakhstan and it was unknown what are the perceived effects of performance audits on Kazakhstani public administration. In this Chapter, I also described the approach on the combination of the new public management theory and the principal-agent model used as the theoretical framework to contribute to filling the identified gap in the literature.

Chapter 3: Research Method

Introduction

The purpose of my research was to explore the perceived demand for and impacts of performance auditing on Kazakhstani public administration. The lived experiences of participants of a performance auditing process, i.e., auditors, managers of auditees, and parliamentarians, and their associated perceptions were the essential information that I used to achieve my research purpose. I applied a qualitative research design with the phenomenological approach as the most suitable to explore the studied phenomena through learning the perceptions of individuals experienced in performance auditing (see Moustakas, 1994).

I used semistructured phenomenological interviews to collect the primary data and documentary reviews to collect the secondary data. I selected interviewees, i.e., the research participants, by applying group characteristics sampling and single significant case sampling strategies as the most effective to get access to informant rich cases (Patton, 2015). I interviewed 14 individuals experienced in performance auditing to achieve data saturation.

My role as the researcher varied depending on the specification of research procedures and fieldworks. I was responsible for conducting my study in a way that ensured achieving the research purpose efficiently and for compliance with the Institutional Review Board's (IRB) principal and requirements on the conduction of an ethical research (IRB, n.d.). I ensured the trustworthiness of my research by establishing credibility, transferability, dependability, and confirmability (see Lincoln & Guba, 1985,

for more). I took both formal and practical measures to manage ethical issues, including the protection of research participants.

Rationalizing the Research Design and Methodology

Design: Qualitative Study

To explore the causes of demand for performance audits in Kazakhstan and their impact on Kazakhstani public administration, I answered the following question: What are the lived experiences and perceptions of performance auditors, managers of auditees, and parliamentarians, the key participants and users of performance audits, regarding the demand for and impacts of these audits on Kazakhstan's public administration?

I answered this question by conducting semistructured interviews through which I identified (a) the factors contributed to making decisions on the conduction of more performance audits by the key participants of a performance auditing process, namely: auditors, managers of auditees, and parliamentarians, and (b) how they perceive the impact of performance audits on their perspectives, organizations, and public administration in general.

This qualitative research design was the most suitable for my research because it involves learning about peoples' lives and experiences through their stories (Frankfort-Nachmias & Nachmias, 2008; Patton, 2015). The qualitative method is especially valuable in social sciences, including the public policy and administration discipline, because it provides scholars with new perspectives regarding the research problem (Mills & Birks, 2017). The selection of qualitative research design was also justified because

qualitative inquiries close the gap between scholars and practitioners (see Ospina, Esteve, & Lee, 2018, for more).

Unlike quantitative studies, in which researchers test existing theories and determine best practices through the predictable hypotheses about relationships between associated variables, qualitative studies produce new patterns and themes based on in-depth learning of real cases of people's lives, which are not subject to predictions (Patton, 2015). The subject of qualitative studies is multiple realities shaped by the lived experience of study participants, while the subject of quantitative studies is objective realities based on statistical abstractions (Brower, Abolafia, & Carr, 2000). The lack of necessary data for developing variables was a barrier to the application of the quantitative method in my research. The novelty of performance auditing practice in Kazakhstan is the cause of the lack of data, and applying both quantitative and mixed methods to explore the performance auditing phenomenon is a viable option for future studies subject to further developments in performance auditing practice and accumulating sufficient quantifiable database (Baskarada & Koronios, 2018).

Qualitative research designs may involve a large number of elements of data for interpretations of observed changes; these data are accessible through interviews and observations made in a naturalistic context (Taguchi, 2018).

Methodology: Phenomenological Approach

Moustakas (1994) defined *perceptions* as the central source of knowledge in phenomenology and justified the application of the phenomenological approach as a means to portray the essence of individuals' experience. Applying this approach leads to

the generation of new knowledge about a specific phenomenon from learning about the world of individuals (Husserl as cited by Moustakas, 1994). Agreeing with these arguments of Clark Moustakas and Edmund Husserl, the founders of the phenomenology (Patton, 2015), I used the phenomenological approach that is one of the most influential approaches of qualitative inquiries (Jamali, 2018).

The central phenomena of my study were the perceived factors of demand for performance audits and the perceived impacts of these audits on public administration. The application of phenomenological approach makes possible the transformation of an individual or groups' experience into the meaning; it is achieved through exploring and understanding the perceptions, descriptions, judgments, and other means of meaning-making by the research participants (Patton, 2015). I explored and learned the perceptions of three different groups of individuals who are participants of performance audits. Participation in performance audits means being experienced in the phenomena under study or, in other words, to be in line with the characteristics of the source of information in phenomenology (Moustakas, 1994).

There are other well-tested approaches to qualitative studies, such as ethnography, autoethnography, grounded theory, and case studies (Abutabenjeh & Jaradat, 2018; Moustakas, 1994; Patton, 2015). However, unlike these approaches, phenomenology was the most appropriate for my research since portraying the essence of experience of auditors (who initiate and conduct performance audits), managers of auditees (who are subjects for performance audits), and parliamentarians (who are users of performance audits findings) allowed me to understand why performance audits are in demand as for

today and whether and how they [performance audits] impact public administration in Kazakhstan.

By exclusion of other methodological approaches because of their limitations, I concluded that the phenomenological approach was the best for my study. Unlike ethnography, in which activities of a specific group with shared values or cultural specifics are explored through extensive fieldwork with prolonged participant observation, phenomenology is used to explore the lived experience of diversified groups (Moustakas, 1994; Park & Park, 2016). In case studies, the researcher focuses on an individual case that is limited by boundaries, narrowing the opportunities to comprehensively understand the phenomenon under study, whereas the phenomenological approach is not associated with that limitation (Creswell, 2013; Park & Park, 2016; Patton 2015). Both ethnography and case studies are focused on particular activities or processes, while the phenomenology is focused on the study participants' experiences scoped by the research problem (Creswell, 2013; Moustakas, 1994; Park & Park, 2016; Patton 2015). My research goal was not to generate a new theory; therefore, I did not use grounded theory.

Research Participants and Researcher

Target Population and Selection of Participants

The population consists of all individuals, organizations, cases, and other units of analysis or data used in researching (Frankfort-Nachmias & Nachmias, 2008).

Conceptually, individuals and organizations create the demand for performance audits.

The impact of performance audits implies influence on the actions of individuals and

organizations alike (Hay & Cordery, 2018; Lonsdale et al., 2011; Morin, 2001, 2008; Reichborn-Kjennerud, 2014a). Thus, in the context of my research, the general population consists of all individuals and organizations that need performance audits and are subject to performance audits.

The target population consists of individuals and organizations depending on their relation to the research problem and scope (Frankfort-Nachmias & Nachmias, 2008). To identify the target population of my study, I defined organizations that belong to the public sector and are directly associated with the performance auditing. I then determined the target groups of individuals who belong to these organizations and participate in performance audits.

Performance auditing is a practice of public sector audit organizations, such as the Accounts Committee and Revision Commissions of 17 regions in Kazakhstan (ISLARK, 2015). Among 17 Revision Commissions I selected Revision Commission on Nir-Sultan city since, unlike other commissions, it was a significant case in terms of increasing efficiency in using associated budget funds (see INTOSAI, 2019, for more). The Accounts Committee and Revision Commission on Nir-Sultan city belong to the first cluster of the target population. The target group of individuals consisted of all public auditors who belong to both managing and executive staffs of these public sector audit organizations.

Auditees may initiate performance audits, and they are subject to performance audits conducted by the Accounts Committee and Revision Commissions (ISLARK, 2015). According to the 2015 Public Auditing Act, government entities, quasi-public

organizations (i.e., state-owned companies or organizations with state participation), and any other organizations that receive budget funds are subjects for performance audits (ISLARK, 2015). In my research, I focused on government entities and, hence, all central and local government entities belong to the second cluster of the target population. This cluster consisted of government entities responsible for financial and healthcare affairs (i.e., the Ministry of Finance of the Republic of Kazakhstan and financial departments of local governments, and the Ministry of Healthcare of the Republic of Kazakhstan and healthcare departments of local governments). I selected these organizations due to their significance in terms of increasing efficiency in using associated budget funds and adding value through performance audits conducted by the Accounts Committee and Revision Commissions. The target group of individuals consisted of all managers of auditees, i.e., government officials who are responsible for interaction with external auditors.

Parliamentarians may also initiate or, more precisely, request conduction of performance audits, and they are users of all audit reports (ISLARK, 1995b). The legislative bodies may contribute to the implementation of performance auditors' recommendations addressed to auditees (Funnell et al., 2016; Morin, 2016). Therefore, the Parliament of the Republic of Kazakhstan and 17 Maslikhats, local legislative bodies, belong to the third cluster of the target population. Unlike employees of public sector audit organizations and managers of auditees, all parliamentarians, i.e., members of the Parliament of the Republic of Kazakhstan and Maslikhats, belong to the third target group of individuals since they empowered with the same mandates. Thereby, as

demonstrated in Table 3, the target population consisted of three clusters of organizations and three target groups of individuals who are participants of performance audits.

Table 3

The General and Target Population

The general population	The target population			
		Organizations		Individuals
All individuals and organizations that need in performance audits and are subject of performance audits	1 st cluster	Accounts Committee	1 st target group	Public auditors
		Revision Commissions		
	2 nd cluster	Central government entities	2 nd target group	Managers of auditees
		Local government entities		
		Parliament		
	3 rd cluster	Maslikhats	3 rd target group	Parliamentarians

Based on the identified target population, I determined a sample, i.e., a subset of the target population that is subject to further in-depth analysis (see Frankfort-Nachmias & Nachmias, 2008, for more). Sampling is an essential procedure of all researches regardless of the selected research design because it is impossible or inadvisable to analyze the general population to generate new patterns and themes or to test the existing theories (Frankfort-Nachmias & Nachmias, 2008). However, sample design and sample size significantly vary depending on research design (Park & Park, 2016; Patton 2015) since the sampling implies taking into account research problem, purpose, and nature (Blaikie, 2018).

I used purposeful sampling strategies including *group characteristic sampling* (GCS) and *single sufficient case sampling* (SSCS) strategies as the most suitable for conducting a phenomenological study (see Mills & Birks, 2017; Patton, 2015, for more).

“The logic and power of purposeful sampling lies in selection information-rich cases for in-depth study” (Patton, 2015, p. 264). The information-rich cases in my research are individuals experienced in performance auditing since my research aimed at exploring the perceived demand for and impact of performance audits. Patton (2015) stated, applying the purposeful sampling means learning information shared by individuals who “deal about issues of central importance to the purpose of inquiry” (p. 264).

I used an algorithm for designing the sample similar to the algorithm of identification of the target population. I have defined three groups of the research participants applying GCS with a shared characteristic, namely – belonging to a specific organization. This strategy allowed me to reveal and illuminate important group patterns (see Patton, 2015, for more). This is an important advantage in the context of my research. As mentioned in previous chapters, the performance auditing is a process of interaction between three groups (i.e., the group of auditors, group of managers of auditees, and group of parliamentarians). Therefore, group patterns were critical in obtaining a better understanding of the studied phenomena.

I selected the study participants applying SSCS. According to Patton (2015), a single significant case is an individual or another unit of analysis that provides a rich understanding of the studied phenomena. So, the single significant cases in my research were individuals who met the following characteristics: (a) they are high-impact cases, or they may influence policies and practices related to the performance auditing; and (b) they are crucial cases or it means that they share information similar to the information that might be shared by other representatives of the target population (Patton, 2015).

I used the following criteria to select and recruit the research participants:

1. general criteria for all participants –
 - being experienced in performance audits conducted in 2006–2019;
 - willingness and consent to participate in the study;
2. specific criteria for auditors –
 - being certified public auditors;
 - hold managing position or belong to audit departments of the Accounts Committee and Revision Commission on Nur-Sultan city;
 - participate in planning and conduction of performance audits;
 - being experienced in making strategic decisions related to performance auditing practice in their organizations;
3. specific criteria for managers of auditees –
 - hold managing position in auditee and being empowered with mandates to coordinate financial, economic or strategic affairs in their organizations;
 - being experienced in interactions with external auditors;
 - empowered with mandates to initiate performance audits;
4. specific criteria for parliamentarians –
 - being a member of parliamentarian committees empowered with mandates in area of financial, economic, and budget affairs;
 - being experienced in interactions with external auditors;

- being experienced in participation of parliamentarian committees' meeting on consideration performance audit reports.

There is no singular formula on defining the sample size for qualitative inquiries (Patton, 2015). A researcher may define the sample size methodologically or based on previous studies (Dworkin as cited by Sim, Saunders, Waterfield, & Kingstone, 2018). Proper sampling leads to data saturation in case of relying on information power (Malterud, Siersma, & Guassora, 2016). Malterud et al. (2016) suggested the following relationships: "The larger information power the sample holds, the lower N is needed, and vice versa" (p. 1754). Well-tested or recommended sample sizes are ranged from 2 till 60; the most often used sizes are ranged from 10 till 20 (Blaikie, 2018; Guest, Bunce, & Johnson, 2006; Guest, Namey, & McKenna, 2017; Sim et al., 2018). According Guest et al. (2006), within phenomenological studies, the data saturation achieved in the case of conduction 12 interviews, it means that all themes emerge as a result of the interpretation of responses of 12 interviewees. Sim et al. (2018) stated that preliminarily defining the sample size is problematic, especially in interpretive models of qualitative studies.

Table 4 illustrates how I defined the sample size as at least 12.

Table 4

The Sample Design and Size

Target groups of individuals	Sample: a-priory size		
	level of public administration		Total
	central	local	
1 Auditors	2	2	4
2 Managers of auditees	2	2	4
3 Parliamentarians	2	2	4
<i>Total</i>	6	6	12

I conducted interviews with 14 participants of performance auditing selected by applying GCS and SSCS and identified 90% of all patterns and themes associated with the studied phenomena (see Guest et al., 2017; Malterud et al., 2016; Sim et al., 2018, for more).

Researcher's Role and Participants' Values

A researcher plays multiple roles shaped by the research problem, purpose, setting, and design (Patton, 2015). My key role as the researcher was to project and implement my study by applying approaches and techniques that ensure achieving the research purpose. Researcher implements a set of consistent and logically linked procedures, including a delineation of research focus, development of understandable research questions, quiring individuals to gather data, and data analysis (von Eckartsberg as cited by Moustakas, 1994). In the course of fieldworks, a qualitative researcher's roles vary from participant-observer to spectator-observer (Patton, 2015). Whereas the purpose of my phenomenological study was to explore the perceptions of study participants regarding the increasing demand for performance audits and their impact on the national system of public administration, I acted as a participant-observer.

In communications with the study participants and reviewing documents, I learned to and implemented the role of both investigator and interpreter. As the investigator, I searched for in-depth information constructing relations with the study participants in a way that avoids threats and risks of negative consequences that might emerge because of my access to their experience in performance auditing (Alase, 2017). According to Moustakas (1994), the central objective of a researcher-phenomenologist is to interpret the lived experience of individuals; it is achievable through contacting the

people experienced in the phenomena (Van Manen, 2014). So, as the interpreter, I made meanings associated with the studied phenomena relying on the study participants' stories and maintain an acceptable level of distance from them (Moustakas, 1994).

As the researcher I also:

- collected data as an instrument (Janesick, 2011; Patton, 2015);
- conducted negotiations with the study participants (Rahiem et al., 2016);
- conducted interviews mastering skills on asking open-ended and probing questions (Patton, 2015);
- conducted observations mastering skills on interpretation of body language and facial expressions (Bevan, 2014; Patton, 2015);
- implemented analytical procedures arguing the research findings (Patton, 2015);
- created a phenomenological text as a writer-phenomenologist (Fletcher, 2017).

While the researcher is a data collection instrumentation, the study participants are co-researchers (Janesick, 2011; Patton, 2015). Unlike researchers, study participants are principal owners of information important to the study. The results of phenomenological studies based on the lived experience of study participants, their values, ideas, and views; they shape their perceptions related to the phenomena under study (Moustakas, 1994). Therefore, conduction of quality phenomenological study requires understanding and illuminating the participants' values (Brower et al. 2000; Fletcher, 2016). I learned and illuminated the participants' values to better understand the

essence of their lived experience avoiding judgmental attitude toward them (Karagiozis, 2018). Understanding the participants' values allowed me, in turn, to make valuable their participation in my study building trust with them. As Alase (2017), Janesick (2015), Moustakas (1994), and Patton (2015) stated, establishing a trust and rapport with the participants contributes to obtaining needed data.

Data Sources, Collection, and Analysis

Primary and Secondary Sources

Using multiple sources contributes to quality qualitative studies (Patton, 2015). I used interviews and documentary reviews to collect data needed for my research work. The lived experience of study participants is essential information in phenomenological studies. The empirical phenomenological approach implies returning to experience allowing "the phenomena speak for themselves" (Giorgi as cited by Moustakas, 1994, p. 11). By conduction of 14 interviews I collected the primary data that describe the perceptions of the study participants regarding the (a) causes of demand for performance audits within the public sector in Kazakhstan and (b) impact of these audits on participants' perspectives, their organizations, and public administration in general.

I logically accumulated and structurally organized the interview data, including my notes on observations, in compliance with IRB's requirement. I started to collect these primary data after getting IRB's approval (IRB, n.d.; Janesick, 2011; Patton, 2015). To corroborate the interview data, I used the secondary data collected by documentary reviews. I did it for data saturation, triangulation and for ensuring the credibility of my study (Patton, 2015).

The list of documents to be reviewed included:

- annual reports and performance audit reports issued by the Accounts Committee and Revision Commissions in 2016–2020;
- press releases on performance audits' results issued by the Accounts Committee and Revision Commissions in 2016–2020;
- orders of the Parliament of the Republic of Kazakhstan and Maslikhats related to approval of annual reports issued by the Accounts Committee and Revision Commissions in 2016–2020;
- press releases on parliamentarians' meetings on considering annual reports issued by the Accounts Committee and Revision Commissions in 2016–2020.

Permission was not needed to use the secondary data since all these data are publicly available.

Instrumentation for Data Collection

In the course of my study, I conducted 14 phenomenological interviews to find out why, from the point of view of the study participants, performance audits often used as for today and whether these audits impact on national system of public administration in Kazakhstan. I recruited the study participants by contacting them using the publicly available contact information, such as phone numbers and email addresses, and invited them to participate in the proposed study by sending them invitation letters (see Appendix A). I used a snowball approach, i.e., asking my study participants to recommend other persons who meet the selection criteria and may consider the invitation to take part in the study. The study participants were not be asked to provide non-public

contact information for their co-workers nor were they be asked to distribute the invitation to their co-workers at work.

The main objective of all planned interviews is to capture the lived experience of participants in the performance auditing process (Van Manen as cited by Patton, 2015, p. 433). I used this approach to shed some light on the research problem and find out previously unknown or undisclosed information about the performance auditing practice that is a novelty for Kazakhstan. I conducted semistructured face-to-face and phone interviews with open-ended questions since they are best suited for phenomenological studies (Bevan, 2014; Giorgi, 1997; Merriam, 2009; Mills & Birk, 2017; Moustakas, 1994; Patton, 2015; Seidman, 2006; Van Manen, 2014). Structuring the interview means using a set of shared questions, and it allows to focus on research purpose guaranteeing alignment the research questions with the interview questions (Bevan, 2014; Merriam, 2009; Seidman, 2006).

Seidman (2006) suggested consequently use questions related to life histories, reconstructing the experience, and reflection on the meaning of an experience. Bevan (2014) suggested to structure interviews by using questions needed for contextualization (e.g., to explore bibliographic data), apprehending (i.e., focusing on the phenomenon under study), and clarifying (i.e., clarifications related to specific elements participants' experience). To ensure a correct understanding of the information shared by participants, researchers use probing questions (Patton, 2015). Pessoa, Harper, Santos, and Gracino (2019) proposed to use a wide range of interview questions, including confirmatory questions, questions to organize chronological events, and questions to explain

contradictions. I used three sets of questions that consisted of (a) general questions for all participants and (b) specific questions for a particular group of participants. I asked two types of questions. I used broad and open-ended questions directly related to the research questions to gain access to information relevant to the purpose of my research. I then used additional questions to ensure accurate interpretation of the essence of participants experience in performance auditing.

I developed the interview questions aligned with the central research question. To effectively collect data during the interviews, I developed the Interview Guide, i.e., *the first instrumentation* (Patton, 2015; see Appendix B). My interview questions based on the literature, including the works of Desmedt et al. (2017), Funnel (2015), Morin (2001, 2008, 2014, 2016), Reichborn-Kjennerud and Johnsen (2018). These authors shared the view that exploring the impact of performance audits on public administration through learning reactions of managers of auditees and parliamentarians and auditors' perceptions is advisable. Since the impact of performance audits manifests at different levels and vary depending on organizational specifics (Lonsdale, 2000), I also took into account the Supreme Audit Institutions Performance Measurement Framework (SAI PMF) issued by INTOSAI (INTOSAI, 2016c). SAI PMF consists of performance measurement indicators, including the indicators that measure the effectiveness of performance audits (see Appendixes C and D). Finally, since the demand for performance audits have not been studied (Hay & Cordery, 2018), I developed a related set of questions relying on my experience in developing national performance audit standards and methodological

guidelines, in planning and conducting performance audits, and in teaching the performance auditing.

I conducted ten interviews in face-to-face mode and four phone interviews for 8 weeks. I agreed with all interviewees the mode, place, and duration of the interview in advance. To effectively prepare and conduct all interviews and follow-up activities. Table 5 illustrates how I used the Interview Organization Matrix, i.e., *the second instrumentation* in my interview approach. Along with the matrix, I used the Interview Protocol, i.e., *the third instrumentation*, to conduct all interviews within a scheduled timeframe (Janesick, 2011; Patton, 2015; see Appendix E).

Table 5

The Interview Organization Matrix

Interviewee's code	Sending invitation letter		Signing informed consent		Interviewing			Duration			
	plan	fact	plan	fact	Date	Location	Mode			plan	fact
							F	O	P		
Auditor-1	+		+		TBD	TBD	+	TBD	40-		
Auditor-2	+		+		TBD	TBD	+	TBD	60		
Auditor-3	+		+		TBD	TBD	+	TBD	min		
Auditor-4	+		+		TBD	TBD	+	TBD			
Manager-1	+		+		TBD	TBD	+	TBD	40-		
Manager-2	+		+		TBD	TBD	+	TBD	60		
Manager-3	+		+		TBD	TBD	+	TBD	min		
Manager-4	+		+		TBD	TBD	+	TBD			
Parliam-1	+		+		TBD	TBD	+	TBD	40-		
Parliam-2	+		+		TBD	TBD	+	TBD	60		
Parliam-3	+		+		TBD	TBD	+	TBD	min		
Parliam-4	+		+		TBD	TBD	+	TBD			

I also made notes in the Interview Journal, i.e., *the fourth instrumentation*, to accurately interpret body language and facial emotions that might add insight to the results of verbal communications (Roulston, 2018). I used this journal to note issues or

unexpected situations that may emerge during interviews as well (see Appendix F). I used two digital audio recorders and my personal computer with audio-recording function.

Strategies and Techniques for Data Analysis

Properly collected and organized raw data are crucial in analyzing qualitative data (Patton, 2015). Figure 7 illustrates how I grouped all collected data by sources and in chronological sequence; it allowed me to effectively implement further procedures on triangulation to ensure the validity and reliability of data.

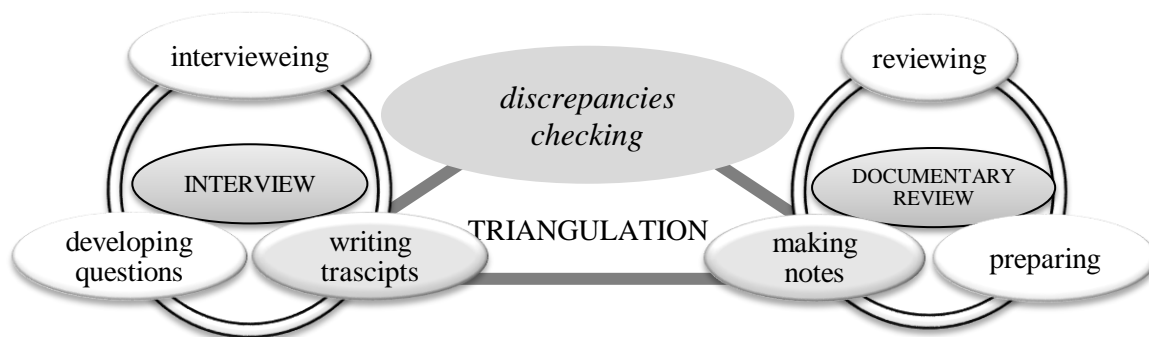


Figure 7. Data collection and organization

Note: Developed based on Patton (2015).

According to Moustakas (1994) and Van Manen (2014), to properly analyze data within phenomenological studies, researchers need to bracket their knowledge about the phenomena under study. Bracketing means for researchers being away from their prior knowledge and experience and, therefore, it allows them to understand the phenomena with a new attitude (Mills & Birks, 2017). I used bracketing to analyze interview data to explore perceptions of the study participants about the reasons to use more performance audits and effects of these audits on public administration in Kazakhstan from the

scratch; i.e., by bracketing my experience and prior knowledge about the performance auditing phenomena.

The bracketing approach is associated with limitations (e.g., in specific areas of human experiences); it is difficult or even impossible to analyze, examine, and interpret gathered information without prior knowledge (Creswell, 2013; Mills & Birks, 2017). To manage these limitations of bracketing, I used inductive and deductive methods to analyze primary and secondary data. I used these methods depending on each stage of working with data to be analyzed. I applied the deductive approach to generate new or previously undisclosed explanations about the demand for performance audits and whether these audits influence auditors, managers of auditees, and parliamentarians and change their organizations. These results were preceded by coding or, in other words, identification and labeling pieces of information significant to understand the studied phenomena (Ravitch & Carl, 2016). I used two-cycle coding applying the content and thematic analyses, as demonstrated in Figure 8.

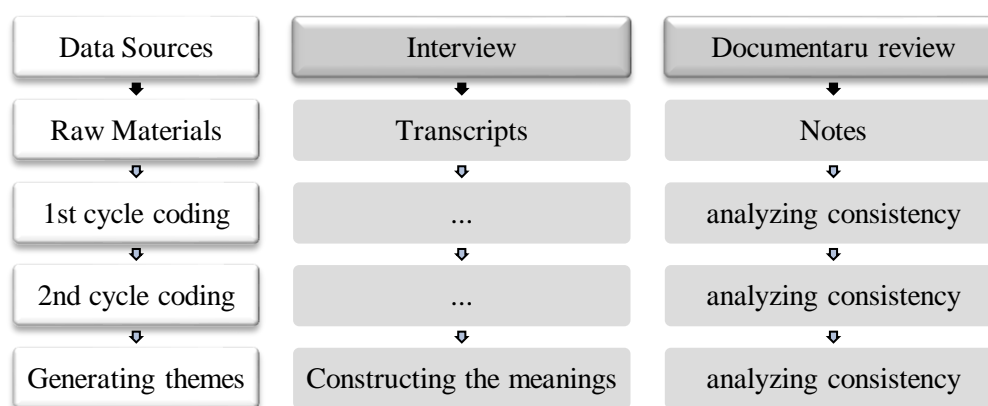


Figure 8. Data analysis algorithm

Note: Developed based on Patton (2015).

During 1st cycle, I used descriptive and concepts codes, and during the 2nd cycle I used patterns and themes codes derived from textual and structural descriptions; both 1st and 2nd cycles codes were aligned with the theoretical framework and the selected strategies of sampling (Miles, Huberman, & Saldana, 2014; Patton, 2015). I used the thematic analysis to identify and group the significant statements derived from the interview transcripts to themes, i.e., meaning units; to compare the themes derived from my prior knowledge and previous experience with the themes derived from the participants' experience; to portray the essence of the study participants experience through associated themes and patterns (Moustakas, 1994; Van Manen, 2014).

I derived patterns and themes ensuring their logical consistency with the research question (see Miles et al., 2014; Patton, 2015, for more). It allowed me to identify and systematize influential factors that might explain the reasons for increasing the number of performance audits and shed some light on their impact by the evaluation categories, such as positive, negative or neutral impacts. I applied visual tools to demonstrate the results of data analyses, including the charts presented in Figure 9.

Digital tools contribute to qualitative study (Paulus, Jackson, & Davidson, 2017). I utilized the software program, NVivo 12 Plus, to organize and analyze qualitative information collected in text formats, tables, diagrams, charts, and audio-records. This program allows to use of symbolic systems and visualize the results of coding and developing patterns (Creswell, 2013; Oliveira, Bitencourt, Santos, & Teixeira, 2016; Paulus et al., 2017). I selected NVivo 12 Plus due to also its capabilities on avoiding mistakes and gaps in analyzing the primary data (Patton, 2015).

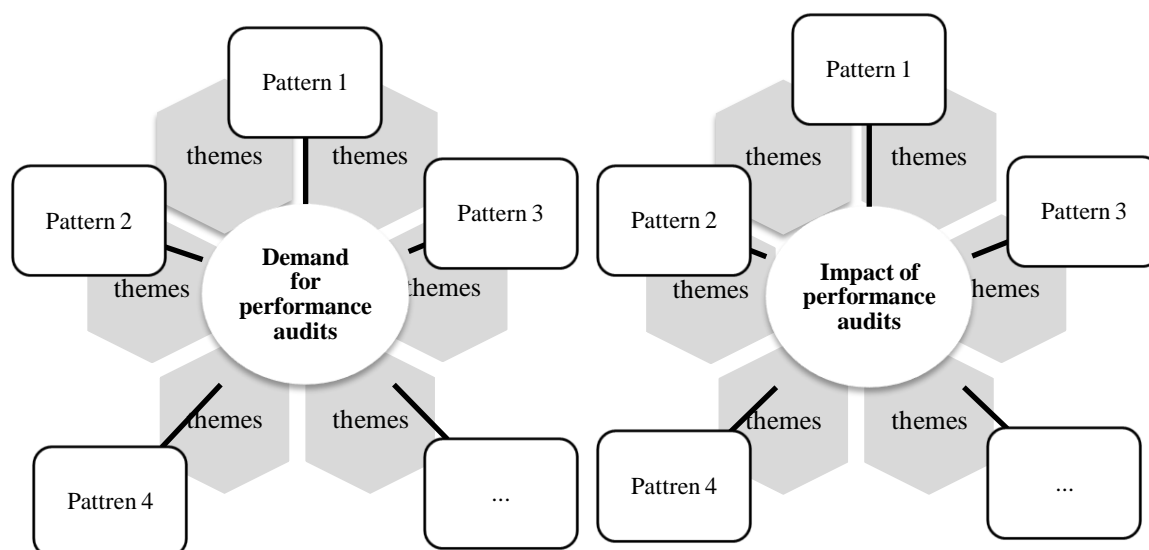


Figure 9. Data Analysis Results

Note: Developed based on Patton (2015).

Managing Issues of Trustworthiness

Trustworthiness is critical for phenomenological studies since the findings of these studies shaped by researchers' judgments (Frankfort-Nachmias & Nachmias, 2008; Lincoln & Guba, 1985; Patton, 2015). Unlike quantitative studies, when formulas used to ensure the validity and reliability of research findings, the validity and reliability of qualitative studies ensured when the credibility, transferability, dependability, and confirmability, i.e., criteria of trustworthiness, are established (Lincoln & Guba, 1985).

Credibility and Transferability

Credibility refers to the internal validity, whereas transferability relates to the external validity of researchers' work (Patton, 2015; Shenton, 2004). Establishing

credibility means a maximum approximation of research results to reality. In the context of my research, I ensured the credibility by interpretation of the study participants' perceptions in a way that leads to exploring the essence of their experience in performance auditing. I focused on my research problem, asking the participants clear questions that are related to the studied phenomena, avoiding the pressure on them (see Lietz et al., 2006; Shenton, 2004, for more). I interpreted the perceptions of auditors, managers of auditees, and parliamentarians accurately, and I did not change an "emerging picture" because of my perspectives or beliefs.

Transferability implies possibilities on transferring the research findings and results into the reality within different settings (Lincoln & Guba, 1985; Shenton, 2004). The performance auditing is a novelty for Kazakhstan and it becomes widespread practice; for this reason, transferability of my research work is critical. It may contribute to reducing the gap in the knowledge about the performance auditing phenomena. The research findings and results are transferable when they acceptable for individuals or organizations uncovered by research (e.g., 16 local public sector audit organizations in Kazakhstan or public sector audit organizations in other countries). I made my research useful for scholars and practitioners by applying the comparative techniques and detailed documentation of my fieldworks.

Dependability and Confirmability

According to Lincoln and Guba (1985), dependability established when all planned and required tasks on doing research completed. As an indicator to measure the dependability, I used the following consideration: Repeated data collection and analysis

will lead to results that are similar to the initial results (Shenton, 2004). To ensure the dependability, I used an audit trail. It means that I made detailed documentation at each stage of my research work – starting from the justification of my research till interpretation the research findings and dissemination of the research results.

Confirmability established in case of maintaining neutrality and being objective throughout an entire research process (Lincoln & Guba, 1985; Patton, 2015). To be deal with that task, I relied on reliable and tested evidence focusing on my research purpose and the study participants' perspectives. I established trust relationships with the research participant and complete checking procedures, including compliance with IRB's requirements on the conduction of ethical research (see Birt et al., 2016; IRB, n.d.; Patton, 2015, for more).

In sum, I used triangulation to address the issues of trustworthiness in general and its criterions in particular (see Patton, 2015, for more). One of the well-tested strategies is to use multiple sources of information and, therefore, I used interviews and documentary reviews (Patton, 2015). I used triangulation of qualitative sources that implies checking the compliance of data among different sources (Patton, 2015). In that case, incompliance is not a sign of incredible, untransferable, undependable, or unconfirmable research work. As Moustakas (1994) argued, phenomenological studies are associated with inconsistencies in the collected data. So, my objective was to understand and correctly interpret identified inconsistencies (in case of their detection) since they may provide opportunities for deeper insights (Patton, 2015).

Managing Ethical Issues

Researcher's Biases and Protection of Participants

Unmanaged bias of a researcher may lead to distortion of research results and, as a consequence, threaten the reliability of research (Frankfort-Nachmias & Nachmias, 2008). Biases caused because of different reasons, such as previous experience and awareness of a researcher about the problem under study or a researcher's commitment to his or her prospects (Patton, 2015). Frankfort-Nachmias and Nachmias (2008) argued that biases manifest in the course of interviewing through verbal cues and nonverbal communications. Thus, it needs to identify risks, sources, and manifestations of biases to avoid them.

My experience in an area of public auditing, i.e., serving in the Accounts Committee and working as both independent consultant and trainer, or my involvement into the development of national standards and guidelines on performance auditing is a possible source of bias. I managed all my actions, ensuring their compliance with IRB's requirement on the conduction of quality and unbiased research work (IRB, n.d.). I exercised application judgments without any pressure on my research participants. My objective was to interpret the words (stories) of research participants in the meanings that are laid in these words (of the story) by the participants (Moustakas, 1994).

I am committed to the performance auditing ideology, but this commitment did not influence the means I used to gather and interpret both the raw and secondary data. I maintained an unbiased and neutral attitude throughout an entire process of my study, since, as Patton (2015) stated, "the investigator's commitment is to understand the world

as it unfolds, be true to complexities and multiple perspectives as they emerge, and be balanced in reporting both confirming and disconfirming evidence with regard to any conclusions offered” (p. 58). Unbiased researching allowed me to communicate with the research participants effectively; my reciprocal and respectful attitude toward them provided the necessary access to information about the phenomenon under my study (see Riese, 2018, for more).

Unbiased and (as a result) ethical researching implies protection of the research participants that was my responsibility as the researcher. The protection of research participant is important since it is essential in realizing their rights to freedom and self-determination (Frankfort-Nachmias & Nachmias, 2008). So, throughout my study including the fieldwork stage (i.e., interviewing, documentary reviewing), I took measures to prevent undesirable and negative consequences for my participants as a result of their participation in my study.

I started direct communications with the research participants after getting the Walden University IRB approval (12-16-19-0425017) on December 16, 2019. I completed the National Institutes of Health online training entitled “Protecting Human Research Participants”. In addition to these preventive measures, I took appropriate measures to protect personal data and identifiers of my research participants. I agreed the place of all interviews with the research participants. All potential study participants were employees of the public sector organizations including government entities; the identity of organizations was masked (i.e., audit organizations, audited government entities, and

legislative bodies); participants were de-identified and reported using their assigned participant code to ensure confidentiality.

During documentation of my fieldworks (e.g., interview transcripts and journal notes) I deidentified and separately coded personal data and any other identifiers of the study participants. Cross-referencing of the participants-to-codes was kept secured. Research data are stored on an encrypted thumb drive and will remain stored for a period of 5 years and then the drive will be re-formatted. Paper records are stored for a period of 5 years and will be destroyed by shredding.

I conducted interviews in Kazakh (the state language in Kazakhstan) and Russian (the official language in Kazakhstan), and I translated significant statements of all interviews into English. I received an official confirmation regarding the accuracy of translation from a translation agency; before providing the interview transcripts, I signed nondisclosure agreement with the translation agency. The interview transcripts did not include personal data in line with the Interview Protocol (see Appendix E). I started audio recording after the introduction section; demographic data were coded.

Informed Consent

To protect my research participants, I used informed consent. It is one of the essential procedures in researching, and it implies decision-making by the study participants regarding their participation in research being aware of the purpose and nature of research (Diener & Crandal as cited by Frankfort-Nachmias & Nachmias, 2008). Timeliness is critical in using informed consent. The informed consent form was submitted to my study participants before interviewing (for review and asking questions,

in case of need). According to the Interview Protocol (see Appendix E), the study participants were asked to sign the informed consent form before or at the time of interviews. Signature or verbal verifications took place prior to starting interviews. It allowed me to guarantee that the participation in my research is the result of a voluntary and informed decision made by the research participants.

The informed consent consists of information about the research purpose and nature, risks and benefits for research participants, and means of ensuring confidentiality (Frankfort-Nachmias & Nachmias, 2008). One of the key objectives of using informed consent is to inform about voluntary participation in the study (Brear, 2018a; Frankfort-Nachmias & Nachmias, 2008). It means that the research participants will get information about their rights to voluntarily participate in the research and withdraw from the research at any time; their decision will not entail sanctions (Brear, 2018b; Frankfort-Nachmias & Nachmias, 2008). I developed the informed consent sample that includes all these important points. Using the developed sample of the informed consent allowed me to build trust with the research participants (see Mockler, 2014, for more).

Additional Ethical Procedures

The ethical issues arise from the research problem itself, data collection methods, and research participants' positions (Frankfort-Nachmias & Nachmias, 2008). So, ethical aspects were considered and managed at all stages of my study.

The research participants who are senior-level public officials may express an ambiguous or biased opinion during interviews. For instance, the participants who are senior-level managers of auditees may express a vague opinion because of their biased

attitude to the identified research problem; or, public auditors who lead SAI's organizational units may express an ambiguous opinion because of potential threats to their career. The participants may also experience psychological stress since qualitative interviews imply access to detailed information about their lives (Wiles & Boddy, 2013), but this sharing was not expected to be of any greater risk than the participant's normal working environment. Along with the mentioned procedural measures, researchers use measures on addressing ethical issues in practice (Guillemin & Gillam, 2004). To ensure proper managing all ethical issues, I followed IRB's principles and regulations on the conduction of ethical studies (IRB, n.d.).

Summary

A qualitative method with the phenomenological approach was the most suitable research design to explore the factors that might explain the increasing number of performance audits conducted by public sector audits organizations in Kazakhstan and the perceived impacts of these audits on Kazakhstani public administration.

In Chapter 3, I rationalized the selected research design in detail. I described strategies, techniques, and algorithms used to identify the general and target population, sample design and size, and to select research participants. I described the varied nature of my role as the researcher and my responsibilities as well.

To ensure the validity and reliability of my study, I used multiple sources of information. Thus, in Chapter 3, I listed the central sources of information and explained instrumentations that I used to collect both primary and secondary data, including interviews and documentary reviews. Chapter 3 consists of visualized information about

strategies for data analysis (e.g., the deriving of patterns and themes applying the content and thematic analyses).

In this chapter, I also detailed measure on establishing the credibility, transferability, dependability, and confirmability of my research work, including the triangulation procedures. Risks associated with researcher biases and ethical issues are also listed in this chapter. Thus, I detailed measures on protection of my research participants (e.g., utilizing the informant content process that I used in the course of gathering and analyzing the interview data).

Chapter 4: Results of the Study

Introduction

The purpose of my study was to explore the factors that might explain the demand for performance auditing in Kazakhstan and the perceived effects of performance audits on Kazakhstani public administration. I used a phenomenological approach to answer the following research question: What are the lived experiences and perceptions of performance auditors, managers of auditees, and parliamentarians, the key participants and users of performance audits, regarding the demand for and impacts of these audits on Kazakhstan's public administration?

Through using both phenomenological interviews and documentary reviews, I figured out some real causes for expanding the performance auditing practice or factors that explained why these audits are highly demanded in Kazakhstan. I also tried to explore the perceived effects of performance audits on public administration from the perspectives of auditors, managers of auditees, and parliamentarians, who are directly involved in processes of performance audits and use the results of these audits in their professional and legislative activities. Whereas performance auditing is a Western practice adopted by Kazakhstani public audit organizations, I tried to understand whether the impacts of performance audits on public administrations in Kazakhstan and well-studied cases of western countries differ.

This chapter consists of detailed descriptions of implementing the field stage of my study, including the research setting, demographics, and collection and analysis of phenomenological data.

Setting

I conducted my research in Nur-Sultan city, the capital of Kazakhstan. As planned, I primarily focused on the practice of performance audits conducted in 2016–2019 by external public audit organizations at central and local levels of public administration. During that timeframe, auditors from 18 public audit organizations, managers of more than 1,600 government entities, public and quasi-public organizations, and parliamentarians from 18 legislative bodies were involved in the process of performance auditing. From that target population, as described in Chapter 3, I defined the potential study participants by applying group characteristics and single sufficient case sampling methods to collect primary data. Fourteen participants and users of performance audits, including five performance auditors, five managers of auditees, and four parliamentarians participated in my study.

I interviewed the study participants in January and February 2020. Generally, that time was a favorable period for interviews since it did not coincide with the planning or reporting period of both public audit organizations and auditees and with the time of beginning or finishing parliamentarians' terms. There were no significant organizational changes in public audit organizations, auditees, and legislative bodies as well as unscheduled sessions of legislative bodies or large-scale government events during the interview time or immediately preceding. However, due to weather conditions in Nur-Sultan city, a state of emergency was declared starting from January 27, 2020 limiting travel. Consequently, and to not endanger my study participants or myself, I conducted four interviews by phone. This plan alteration was not a deviation from my original data

collection design as I incorporated face-to-face interviews as well as phone or online technology modes initially depending on the study participants' availability. As such, no organizational or personal conditions impacted my study participants which may have contributed adversely to study interpretation.

The study participants defined the dates, time, and locations for face-to-face interviews and similarly their preferred timing for phone interviews. All 14 participants participated voluntarily and consent to participate was obtained. All documents reviewed and analyzed during the field stage of my research work were collected from open access sources.

Demographics

Whereas the lived experiences of auditors, managers of auditees, and parliamentarians in the studied phenomena are the key source of meaningful information, I defined the experience in performance auditing as the general inclusion criteria for all study participants. All participants met that criteria and their professional experience was 9.6 years per a participant on average, including 55 years of experience in performance audits conducted in 2016–2019, or 3.9 years per a participant on average. As demonstrated in Table 6, the study participants also met specific inclusion criteria applied to them depending on their roles in the process of performance auditing.

All five auditors are certified external public auditors. Three auditors hold leadership positions, i.e., they are senior-level managers in their organizations; two auditors are members of public audit organizations' departments responsible principally for conducting the performance audits. All auditors participated in both planning and

conducting performance audits as well as making strategic decisions associated with the performance auditing practice. For instance, they were responsible for selecting the areas of public administration or organizations to be audited. Additionally, they made recommendations based on performance audits' results and developed the performance auditing rules and methodologies.

Table 6

Meeting Inclusion Criteria by the Participants

Participants' Codes	Participants' role in performance auditing	Meeting the general criteria	Professional work experience		Meeting the specific criteria
			in total (years)	in performance auditing practice in 2016-2019 (years)	
AC01	Auditor	Met	17	4	Met
AC02	Auditor	Met	4	4	Met
AL03	Auditor	Met	15	4	Met
AL04	Auditor	Met	7	4	Met
AC/L05	Auditor	Met	8	4	Met
PC06	Parliamentarian	Met	8	4	Met
PC07	Parliamentarian	Met	16	4	Met
PL08	Parliamentarian	Met	18	4	Met
PL09	Parliamentarian	Met	8	4	Met
MC10	Manager of auditee	Met	8	4	Met
MC11	Manager of auditee	Met	12	4	Met
ML12	Manager of auditee	Met	6	4	Met
ML13	Manager of auditee	Met	3	3	Met
ML/C14	Manager of auditee	Met	4	4	Met

Two parliamentarians are members of the Parliament of the Republic of Kazakhstan, and two parliamentarians are members of the Maslikhat of Nur-Sultan city. All four parliamentarians are members of committees of the central and local legislative bodies principally responsible for coordinating economic, finance, and budget affairs.

These four parliamentarians were highly experienced with external auditor interactions and legislative body presentations of performance audit results to include public hearings.

All five managers of auditees are senior-level managers in their organizations. They are highly experienced with external auditors. These managers possessed legitimate powers to request performance audits; however, none stated that they had ever initiated performance audits to be conducted in their organizations.

To obtain a holistic view of the studied phenomena, I included in the list of participants auditors, managers of auditees, and parliamentarians who work in organizations that belong to the central and local levels of public administration. As illustrated in Figure 10, one auditor and one manager of auditees had experience in both levels of public administration, thus providing a good opportunity to explore differences in their lived experiences depending on working in central or local organizations.

My study participant varied by age, gender, ethnicity, and religion; however, I did not use these demographic characteristics to evaluate any significance in terms of the phenomena under study. The study participants are qualified in their professional areas and well-experienced in performance auditing; that fact allowed me to gather rich information and met data saturation requirements.

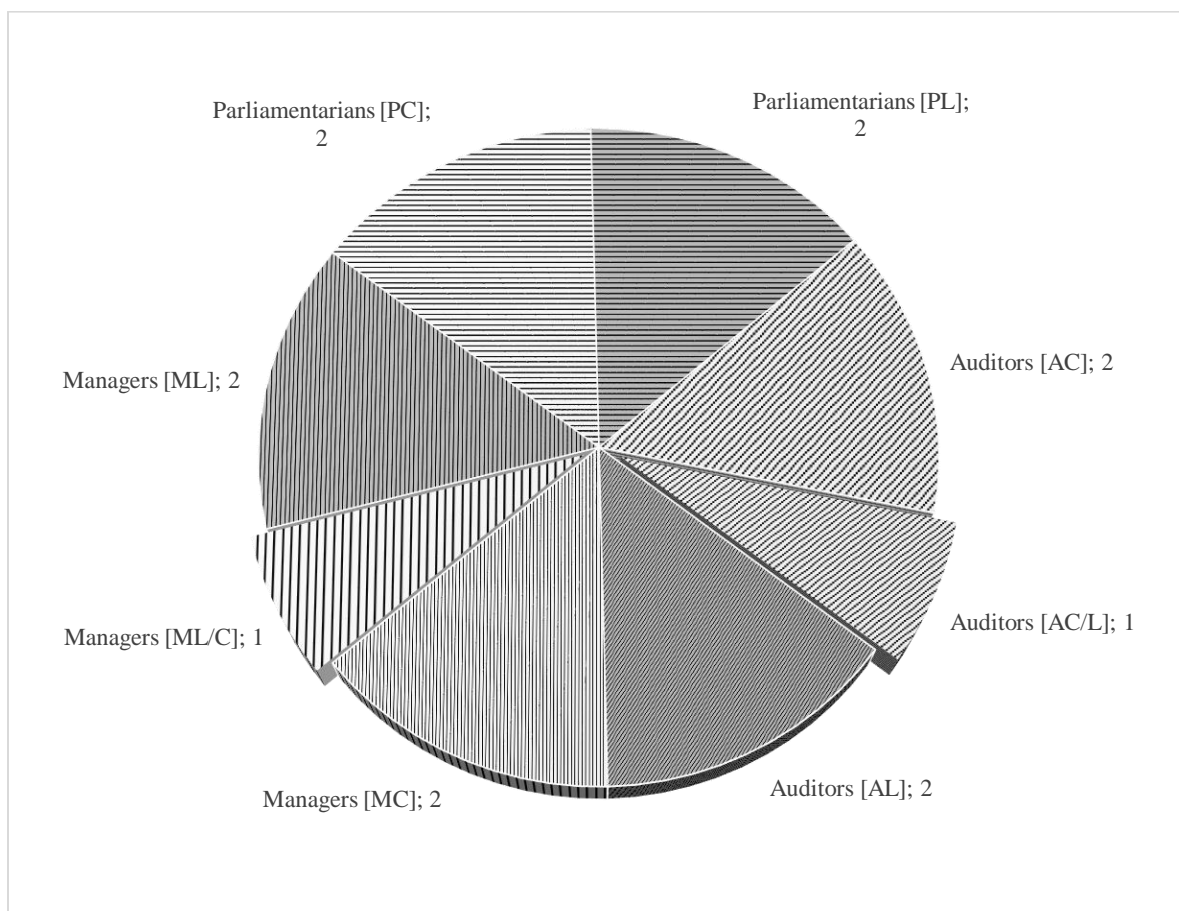


Figure 10. The study participants distribution by groups

Data Collection

I started my data collection stage based on the IRB's approval dated December 16, 2019. I conducted 14 phenomenological interviews to collect primary data. Additionally, I reviewed more than 200 documents posted on official public sites of public audit organizations, government entities, and quasi-public organizations all having been subjected to performance audits in 2016–2019. Documents were also reviewed from public websites of legislative bodies within the same time frame. For comparative

analysis, I also reviewed reports on 2016–2019 performance audits posted on official public web sites of supreme audit institutions of the United States, United Kingdom, Australia, and Canada.

Participants Recruiting

I prepared the list of potential study participants using organizational charts and contact information posted on the public-facing websites of the following organizations: the Accounts Committee, Revision Commission on Nur-Sultan city, Ministry of Finance, Department of Finance on Nur-Sultan city, Ministry of Healthcare, Department of Healthcare on Nur-Sultan city, Parliament of the Republic of Kazakhstan, and Maslikhat on Nur-Sultan city. I recruited the study participants using different strategies.

I called four auditors for 2 days and invited them to take part in my study. During first calls, I explained to them (a) the purpose of my research, (b) conditions on their participation such as voluntariness and confidentiality, (c) reasons for their selection, and (d) their contributions to the research. Three auditors accepted the invitation, and we agreed on the date, time, and place for their interview. One auditor preferred to meet firstly. We met the next day after my call and, during our meeting, I explained the purpose of my study in detail. The auditor was interested in my study, actively asked questions, shared some examples from performance auditing practice, and expressed the view in favor of conducting more performance audits. However, I did not use that information at the next stages of my study since the potential study participants declined my invitation. For those who declined the invitation to participate, I did not solicit explanations as to why they declined. Some potential participants explained the reasons

for their decision to not participate, while others did not. I called the fifth auditor who asked me to call at a later time. To be in line with my data collection plan, I moved on to the sixth auditor, who accepted the invitation. The fifth auditor also accepted the invitation during my second call. Five auditors ultimately participated in the study.

I sent invitation letters to four parliamentarians, and I called them as follow-up to those letters across two days. Parliamentarians were informed about the purpose of my research and their rights as participants. Like in the case of auditors, I explained to parliamentarians why I selected them as potential participants and how I will ensure the confidentiality of their participation. Two parliamentarians accepted the invitation, and we agreed on the date, time, and place for the interview. One parliamentarian did not reply, and one parliamentarian declined the invitation due to a busy schedule. Two interviewed parliamentarians referred me to their equally qualified colleagues from the deputy corps who might accept participation in the study. Through these snowball methods, two parliamentarians were recruited. All parliamentarians were contacted using publicly available, open-access contact information. In all, four parliamentarians agreed to participate in the study.

Unlike the first and second groups, more time was needed to recruit and complete interviews with managers of auditees. To obtain the participation of at least four managers of auditees, as described in Chapter 3, I communicated with eight potential participants from the third group. The first potential manager of the auditee accepted the invitation during my first call. Two managers declined the invitation since they were not interested in the topic of my research. Two managers agreed to participation but then

asked to reschedule interviews (twice and every time for a week). Due to these postponing behaviors of two potential interviewees, I called three additional managers of auditees, all of which accepted my participation invitation. One of the two managers who postponed interviews ultimately declined study participation without explanation. Five managers of auditees ultimately participated in my study.

Implementing the Interview Matrix

I conducted 14 interviews from January 8 to February 28, 2020. The total time of interviews was approximately 12 hours (51.1 minutes per an interviewee on average), segmented as 2.4 hours explaining provisions of the Informed Consent Form and collecting demographic data and 9.6 hours for interview questions directly related to the studied phenomena, as it is demonstrated in Table 7.

Table 7

Completed Interviews Matrix

Participants' Codes	Being consent: S – signed and V – verbal acknowledgments	Date	Mode	Place	Duration (minutes)
AC01	S	01.08.2020	Face-to-face	Café	65
AC02	S	01.08.2020	Face-to-face	Café	70
AL03	S	01.09.2020	Face-to-face	Café	50
AL04	S	01.10.2020	Face-to-face	Business center	45
AC/L05	V	01.15.2020	Face-to-face	Café	65
PC06	V	01.16.2020	Face-to-face	Personal office	50
PC07	V	01.17.2020	Face-to-face	Personal office	40
PL08	V	01.20.2020	Face-to-face	Personal office	40
PL09	V	01.23.2020	Face-to-face	Personal office	60
MC10	V	02.11.2020	Phone	-	40
MC11	V	02.14.2020	Phone	-	45
ML12	V	02.15.2020	Phone	-	55
ML13	V	02.15.2020	Phone	-	40
ML/C14	V	02.28.2020	Face-to-face	Business center	50

As illustrated in Table 7, I conducted ten interviews using a face-to-face technique. These interviews were conducted in private offices and private areas of cafes and business-centers. Four interviews were required to be conducted by phone. Four study participants signed the Informed Consent Form, and ten study participants verbally acknowledged that they agreed to the provisions of the Informed Consent Form but declined to provide signatures.

Twelve interviewees did not express objections to be audio recorded. Two interviewees declined to be audio recorded but did accept that I could making detailed notes that were then member-checked for validity after the interviews were conducted. According to the Interview Protocol, I started audio recording after the introduction and demographic sections; this strategy contributed to maintaining trust and maintaining confidentiality in my communications with each study participant.

Personal data and other participant identifiers were coded using letters and figures. I modified originally planned participants' codes in order to incorporate needed changes regarding additional information collection that was not anticipated with my initial study design. For instance, I discovered that a few participants were experienced in performance audits conducted by both the central and local public audit organizations. To mask participants, I used letters A, P, and M depending on their roles in the process of performance auditing, i.e., auditors, managers of auditees, and parliamentarians. The letters C and L were applied depending on where the participant and their organizations resided in the government's public administration structure; central (C) or local levels (L). I applied the code C/L for masking participants who worked at central and then at

local organizations, and the code L/C for masking participants who worked at local and then at central organizations. Finally, I used figures from 01 to 14 as the serial number of participants. Thus, instead of the originally planned codes, such as Auditor – 1, Parliam – 1, Manager – 1, I used modified coding, such as AC01, PC06, and MC10. For instance:

- AC01 means that the study participant is an auditor who worked at central public audit organization, the first participant;
- PL08 means that the study participant is parliamentarian who worked at the local legislative body, the eighth participant;
- ML/C14 means that the study participant is the manager of an auditee who worked at local and then at central organization, the 14th participant.

The study participants selected their preferred language for interviewing. I conducted six interviews in the Kazakh and Russian languages combined and eight interviews in the Russian language alone. I wrote 12 interview transcripts and two interview notes, and I printed them in Microsoft Word. I translated the significant statements and results of manual coding into the English language. As described in Chapter 3, my translations were verified by a translation agency according to our signed confidential agreement.

I used the Interview Guide and Interview Protocol during all interviews, regardless of their mode. To collect rich data, I changed the sequence of interview questions and asked additional questions, depending on participants' responses. I also asked some questions with the member checking objectives.

The study participants were active and expressed readiness for further communications in case of need. I reviewed 12 transcripts and concluded that interviewees clearly and exhaustively responded to all questions. Notes from two interviews were reviewed and accepted by respective participants during our meetings.

I made notes in my interview journal using symbols to mark behavioral aspects and other results of my observations. Ten interviewees had previous experience in being interviewed; for the other four participants, it was the first experience in being interviewed. Despite these minor experience differences, all participants were open and friendly throughout our interview time. All participants operated on facts and examples from their lived experiences. However, parliamentarians often referred to theoretical and conceptual things, citing examples from various areas of public administration. Auditors mainly referred to applied things, but similar to the parliamentarians they operated on examples from various areas of public administration. Managers generally referred to legislative aspects and particularities in narrow (specific) areas of public administration. Private areas for face-to-face interviews and times of phone interviews, which were out of the business day, contributed to completing all 14 interviews effectively.

Evidence of Trustworthiness

By applying approaches described in Chapter 3, I ensured the trustworthiness of my research guided by credibility, dependability, transferability, and confirmability criteria.

Credibility

Data of 14 semistructured phenomenological interviews were the central sources of information used for my study. Therefore, and to properly manage subjectivism issues that might lead to risks of gathering misinformation or inaccurate data, I used group characteristics and single sufficient case sampling methods to find and recruit the most suitable study participants. I checked the compliance of selected participants with both general and specific inclusion criteria when I prepared the list of potential participants and I verified these inclusion criteria during our first communication. I received exhaustive responses to all my questions which are, in turn, logically aligned with the research question.

I carefully listened to all interviewees, made notes in my journal, and applied the member checking techniques during interviews by asking clarification and probing questions. As a result, 12 transcripts and two interview notes were compiled with rich descriptions of my participants' experience in performance auditing. As such, I created a reliable contextual database with which to interpret meanings from their lived experiences closely aligned as to how they were shared. I also used prolonged engagement tactics to ensure the credibility of research findings. I communicated with each participant at least three times to recruit them (providing them with information related to my study), interview them (providing detailed explanations related to informed consent), and member check the accuracy of their stories.

Transferability

Performance auditing practices of internal auditors, private audit companies, local-level public audit organizations in other regions of Kazakhstan as well as performance auditing practices in other countries were out of the scope of my study. Nevertheless, using obtained thick descriptions and audit trails allowed me to illustrate for future scholars and practitioners how to use the research results assessing their applicability within other situations, other populations, and other timeframes. Instead of studying the lived experiences of a specific group of participants, I focused on and studied the lived experiences of three groups of participants who each play different roles in performance auditing and public administration (i.e., public auditors, parliamentarians, and senior-level managers of central ministries and local departments). Thus, the findings from my research may be replicable for exploring unstudied phenomena related specifically to performance auditing and to the wider public administration discipline. Finally, I was able to improve transferability by following critical guidance and constructs from the phenomenological approach and interpretive analyses.

Dependability

Like credibility and transferability, dependability was supported by using thick descriptions and audit trails. I created detailed documentation to make my research work transparent. Using the alignment between research stages based on my constructed literature review and maintained through the constructs of my theoretical framework, I was able to collect, organize, and manage data systematically. For instance, I created separate working files for my primary and secondary data and the interview transcripts

were saved separately as Microsoft Word and Microsoft Excel working files. I stored all the documents as password-protected files on my computer.

To analyze and interpret data analysis results, I used techniques on the visualization of a large amount of complex and multi-sources information, e.g., comparative tables, dynamic charts, and cyclic diagrams. Finally, I used both manual and computer-based data processing and analyzing methods.

Confirmability

To derive the results of my research from the lived experiences of my participants, I used bracketing approach to collect and preliminarily analyze collected data and, then, ‘unbracketing’ approach. I applied the unbracketing approach to evaluate data collected from multiple sources in a neutral and objective approach. Even being committed to performance auditing ideology, I recognize that the performance auditing is not a panacea. As a researcher, my objective was to collect data from multiple sources without bias (see Moustakas, 1994; Patton, 2015, for more). Therefore, I collected data from all key participants and users of performance audits including auditors, parliamentarians, and managers of auditees.

I deployed multiple methods to reduce bias during both collecting and analyzing data. During my communications with my participants, I remained neutral and did not exert pressure on them. Awareness of my participants related to their rights on voluntary participation, the possibility to withdraw from the study at any stage, for any reason and without explanations, and exclusion of sanctions for withdrawal significantly contributed to building a trusting relationship. Using the study participants’ quotes contributed to the

confirmability as well (see Lincoln & Guba, 1985, for more). Each participant, along with their responses to my questions, was allowed to speak freely regardless of the questions asked.

To ensure the reliability of used resources, truthfulness, and applicability of my research results, I used triangulation to investigate related themes and potential differences (see Patton, 2015, for more). Together with the interview data, including transcripts and my journal entries for observing interviewees, I used peer-reviewed and official documents of government organizations that are related to the topic of my research. For systematic data collection, I used my created tools to include the Interview Guide, Interview Protocol, and Interview Matrix. By monitoring and analyzing the similarities and differences between the participants' data, between the participants' data and secondary data, as well as marking the repeated information and the lack of new information, I was able to draw conclusions related to data saturation.

Data Analysis

Applied Strategies and Techniques

I analyzed the collected data by using strategies defined at the initiation stage of my study. Firstly, I analyzed participants' data and secondary data separately; secondly, I intergraded the results of these analyses to create a holistic and reliable view on the phenomena under study.

I adopted Moustakas's (1994) method on analyzing the phenomenological data. Moustakas (1994) suggested using a modification of Van Kaam's or Stevick-Colaizzi-Keen's method for data analyses and interpretation (pp. 120-124). These methods differ

by application of a researcher's experience with phenomenological data interpretation. I combined these two modified methods in the following way:

- 1) I used bracketing to keep a distance from my experience during data collection and preliminarily data analysis, i.e., before the interpretation of final results;
- 2) I incorporated the thematic analysis method to generate and validate themes associated with the studied phenomena;
- 3) I used the 'unbracketing' approach to critically interpret specific results of my study, including discrepancies between data from different sources;
- 4) I kept to the following algorithm:
 - a. To be familiar with the raw data (epoch);
 - b. To generate themes based on significant statements (phenomenological reduction);
 - c. To create textual and structural descriptions related to the phenomena under study (imaginative variation);
 - d. To consolidate the research findings by the composition of textual and structural descriptions. (Moustakas, 1994; Van Manen, 2014)

For data analysis, I used an inductive approach that implies making analytical interpretations based on the collected data and by referencing my personal experience (see Moustakas, 1994, for more). While the modification of the Van Kaam's method implies distancing from a researcher's and, vice versa, the modification of Stevick-Colaizzi-Keen's method implies using a researcher's experience; I did not use my

knowledge and experience as a source of information to analyze. It would lead to cognitive dissonance between the two methods. So, I modified my data analysis strategy by referring to my experience to interpret discrepancies between the data collected from different sources.

I analyzed data manually and by utilizing NVivo 12 Plus for qualitative data analyses. I wrote and printed 12 transcripts and two interviews notes in Microsoft Word. Before transcribing, I listened each audio records at least two times. Utilizing NVivo 12 Plus, I translated all significant statements and results of my manual analysis from the Kazakh and Russian languages into the English language. Like the primary data, I analyzed the secondary data in the original language of the document, i.e., in the Kazakh or Russian languages; I then translated all significant statements and results of manual coding into the English language. The translation of all data was inadvisable since they were voluminous and contained insignificant statements. I reviewed translations multiple times to ensure and minimize the risks of loss or alteration of original data due to translation errors or contextual misinterpretations between the spoken interview scripts and their eventual reduction to English text.

All codes were assigned based on my collected data thus avoiding a process of creating pre-codes for thematic matching. Table 8 illustrates how I assigned both descriptive and conceptual codes based on my in vivo coding approach, i.e., codes derived from my participants' lived experiences as well as a value coding approach.

Table 8

Examples of Assigned Descriptive and Concept Codes

Participants' Codes	Raw data (extracts from interview transcripts)	Concept codes	Descriptive codes
AC01	In other words, we decide on the conduction of performance audits when we develop the list of auditees for a planning year.	performance audit list of auditees planning	making decision on performance audits annual planning of performance audits
PC06	Sometimes we request public audit organizations to provide as with the information about the results of their audits. But we have right to send our request to any other organizations.	public audit organizations results of audits mandate other organizations	legislative body's procedure on requesting audit results legislative body's procedure on requesting other information; [results of audits are in demand: parliamentarians' perspective]
AL03	In 2018 we conducted performance audits in response to citizens' complaints... increasing their complaints. We know about their complaints from i-komek system.	performance audit citizens' complaints i-komek system	making decision on performance audits; [performance audits are in demand: citizens' perspective] using open government systems to plan performance audits and respond to citizens
ML/C14	Any auditors' visits are stressful for me. The main problem is that we have many tasks that should be done in any case... I mean it doesn't depend on auditors' visits... But auditors add tasks.	auditor problem workload tasks	interactions between managers of auditees and auditors stress response to audit impact on working order

I used a value coding approach as it helped to evaluate and provide context to perceived demand for and effects of performance audits and my participant's attitude toward these phenomena. When assigning codes and generating themes, I considered each participants' statement to be of equal importance, and I then conducted a deeper review to identify those statements illustrating more significance to the collective

participant group than others. I used alignment with the research question as a landmark for confirming the significance of statements and reliability of themes.

I used Microsoft Word in both cycles of coding, identification of significant statements, selection of the study participants' quotes in order to use them further as my evidence base. Color coding, tables, and diagrams were used to assign codes, formulate categories, and generate themes. Next, I used Microsoft Excel to evaluate codes, categories, and themes in terms of their validity and alignment with the research question. I used spreadsheets to identify similarities and differences among codes and categories and to create the descriptive statistics of the research results. For instance, I quickly calculated the number of codes and identified the dominance of specific themes. At the final stage, I utilized NVivo 12 Plus to check the results of manual analytical work and provide a visualization of the results analyses.

Consolidated Statistics of Data Analysis Results

I assigned 7,494 codes as the result of the 1st cycle of coding and 1,085 concept and descriptive codes as the results of the 2nd cycle of coding. I then created 97 categories focusing on the research question. Based on textual and structural descriptions, I generated 11 themes related to the perceived factors of demand for performance audits in Kazakhstan and seven themes and two sub-themes related to the perceived impact of performance audits on Kazakhstani system of public administration. Eighteen themes and two sub-themes were divided into six patterns associated with the studied phenomena in general. As demonstrated in Figure 11, I derived six patterns associated with the studied phenomena from 7,494 codes, applying the technique of phenomenological reduction.

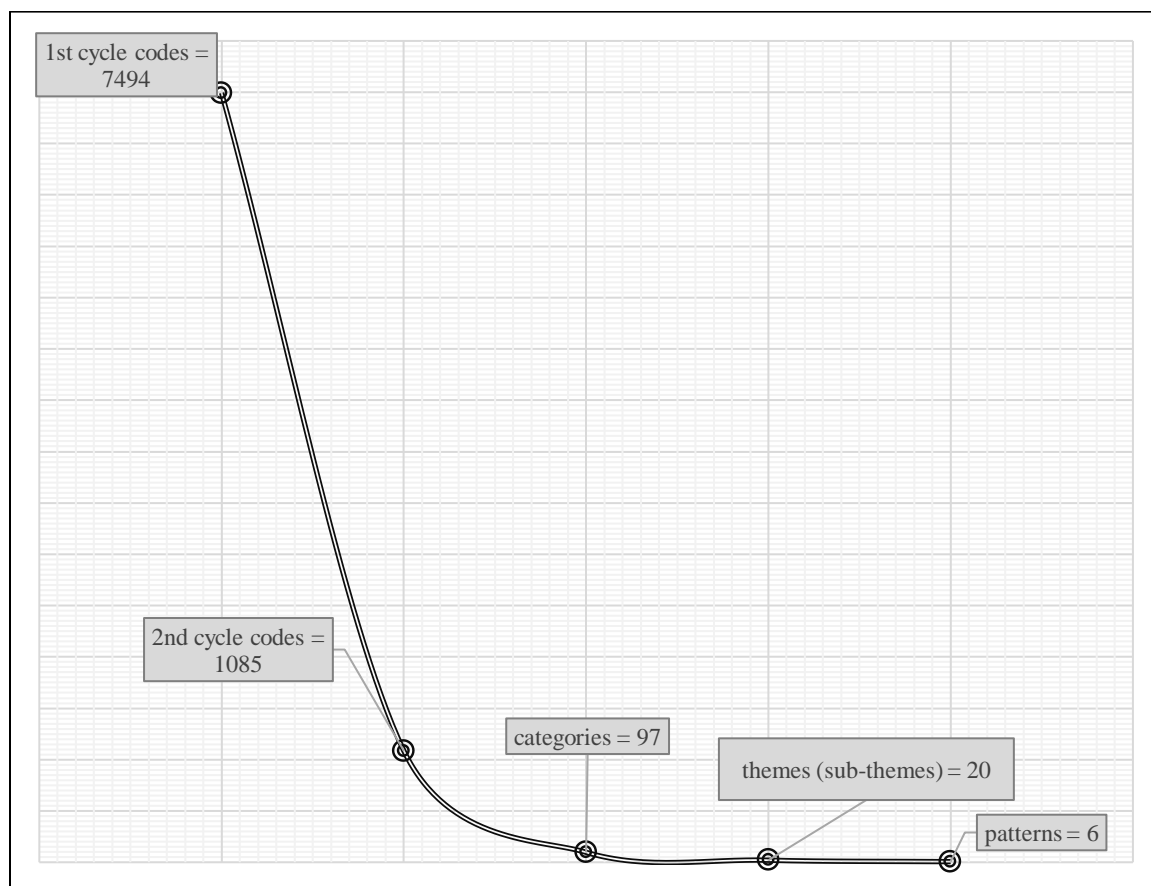


Figure 11. The aggregated results of phenomenological reduction

I created all categories based on significant statements. Whereas participants belonged to three different groups, a specific theme might be nonessential for one group and essential for the other two groups. Therefore, I generated themes under the following conditions:

- (a) the frequency of categories associated with a potential theme is one or more, in one group of participants; and
- (b) the frequency of categories associated with a potential theme is nine or more in three groups of participants.

I identified that participants of performance audits and other key participants of public administration create the demand for performance audits (the 1st pattern). The features of the system of public auditing (the 2nd pattern) and problems in public administration (the 3rd pattern) emerged as influential factors helping to explain the demand for performance audits in Kazakhstan. According to the lived experience of participants, performance audits impact performance auditors, managers of auditees, and parliamentarians (the 4th pattern), audit organizations and auditees, i.e., audited organizations (the 5th pattern), and these audits have macrolevel impact (the 6th pattern), as it is illustrated Figure 12, which has been created by using the initial outline described in Chapter 3, and in Table 9.

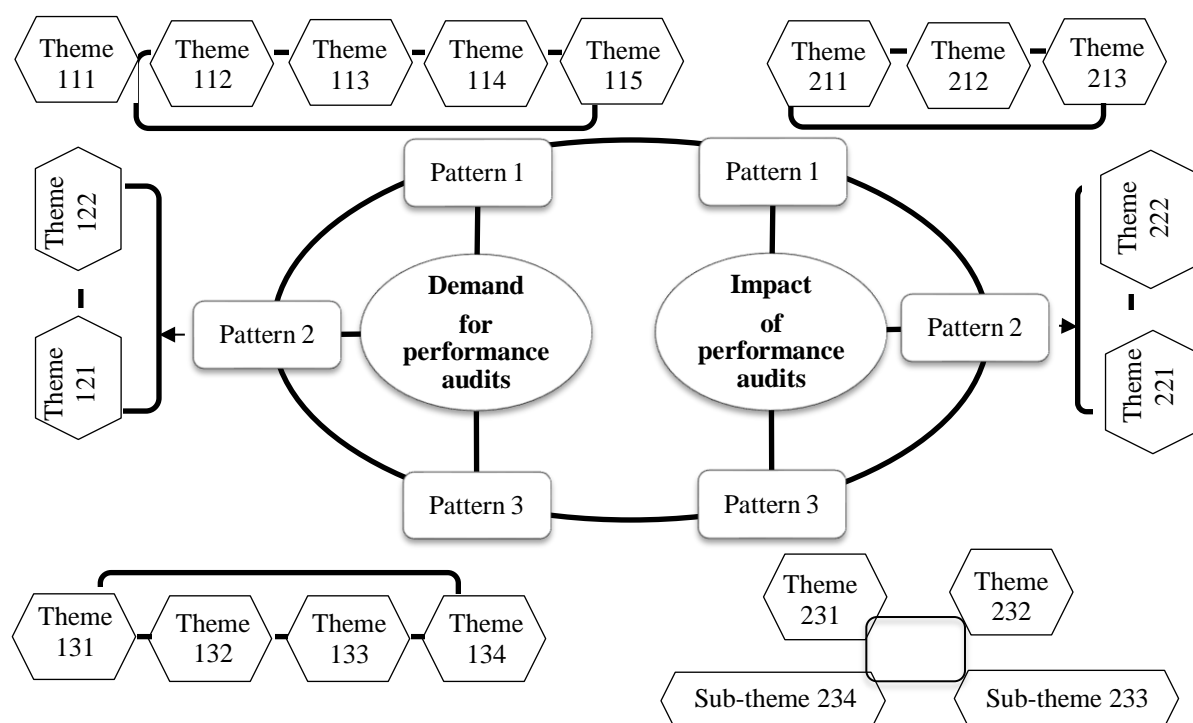


Figure 12. Visualization of patterns, themes, and sub-themes

Table 9

Aggregated Results of Data Analysis

The research question: What are the lived experiences and perceptions of performance auditors, managers of auditees, and parliamentarians, the key participants and users of performance audits, regarding the demand for and impacts of these audits on Kazakhstan's public administration?			
The perceived factors of demand for performance audits in Kazakhstan		The perceived impact of performance audits on Kazakhstani system of public administration	
code	name	code	Name
Pattern 1	Who creates demand for audits	Pattern 1	Impact on participants of audits
Theme 111	Auditors prefer performance audits	Theme 211	Impact on auditors
Theme 112	Parliamentarians need in performance audits	Theme 212	Impact on managers of auditees
Theme 113	President prioritize performance audits	Theme 213	Impact on parliamentarians
Theme 114	Managers of auditees use performance audits' results	Pattern 2	Impact on audit organizations and auditees
Theme 115	Citizens and media shape the demand for performance audits	Theme 221	Changes in audit organizations
Pattern 2	Features of the system of public auditing	Theme 222	Changes in auditees
Theme 121	Legitimization of performance audits	Pattern 3	Macrolevel impact
Theme 122	Adaptation of international experience	Theme 231	Improved budget process
Pattern 3	Problems in public administration	Theme 232	Changes in laws and regulations
Theme 131	State planning		
Theme 132	Systems' problems	Sub-theme 233	Self-contribution to 3E
Theme 133	Risks of new areas		
Theme 134	Needs in evaluating the effectiveness	Sub-theme 234	Requested changes in performance auditors' work

Like auditors, parliamentarians often used the words *audit (audits)* and *performance* in the sense of performance audit. However, within the parliamentary group these descriptive words were mainly explained to be related to the implementation of parliamentary oversight functions. Next by frequency was the word *budget*. Parliamentarians often used that concept to share their experiences in using auditors' work to approve budgets of the central and local governments and audit organizations' annual reports submitted to legislative bodies as a monetary measure of performance success. Parliamentarians also often used the word *result* to share their perceptions related to the expected effectiveness of government programs and projects. Finally, as demonstrated in Figure 14, parliamentarians frequently used the words *auditors*, *parliamentarians*, and *government* with the same frequency.



Figure 14. Perceived central concepts of parliamentarians

As illustrated in Figure 15, the third and final participant group, managers of auditees, often used the word *auditors*. This descriptive word was mainly related to

managers' perceptions associated with their interactions with auditors. Next by frequency were the words *audit (audits)* and *performance*, and managers used these words in the sense of performance audit less often than auditors and parliamentarians. The concept of performance audit was used by managers of auditees to share their views about the absence of significant differences between performance and compliance audits. Often, managers used the concept of performance to tell stories about their organizations' achievements. Managers often used the word budget to share their experiences on participation in budget processes, such as planning and implementing the budget programs.



Figure 15. Perceived central concepts of managers of auditees

The concept of performance audit was central for many of the participants, as it is demonstrated in Figure 16; that concept was introduced in the course of implementing NPM (see Jacobs, 1998; Funnell, 1997; Morin, 2001, for more). Participants' perceptions associated with the budget concepts are also related to NPM; e.g., auditors shared their experiences in evaluating the effectiveness of budget programs, parliamentarians – on

public audit organizations undertook more than 400 performance audits covering more than 1,600 auditees per year. As demonstrated in Table 10, the audited areas of public administration included state planning (i.e., performance audits of state programs, programs of development of regions, strategic plans of central ministries, and development plans of state-owned companies), budget planning, tax administration, infrastructure and investment projects in core sectors of the economy (i.e., subsoil use, agriculture, construction, transport and communications, healthcare, and education), and programs specific to social care for citizens.

Table 10

Performance Auditing Statistics in Kazakhstan

	2016	2017	2018	2019
<i>Accounts Committee</i>				
Completed performance audits, weighted (%)	65	65	55	60
Areas of public administration covered by performance audits	state planning, budget planning, infrastructure projects	state planning, tax administration, education programs	tax administration, healthcare programs, investment projects	infrastructure and investment projects, social care for citizens, quasi-public companies
<i>Revision Commissions</i>				
Completed performance audits, weighted (%)	40	45	45	60
Areas of public administration covered by performance audits	healthcare programs and providing social care for citizens	healthcare and education programs, and providing social care for citizens	state planning, infrastructure projects, education programs, land use	state planning, healthcare programs, and providing social care for citizens

Note: ACCERB (n.d.); RCNC (n.d.); RCAR (n.d.); RCAR (n.d.); RCAR (n.d.); RCAR (n.d.); RCWKR (n.d.); RCZR (n.d.); RCKR (n.d.); RCKR (n.d.); RCKR (n.d.); RCMR (n.d.); RCPR (n.d.); RCNKR (n.d.); RCEKR (n.d.); RCAC (n.d.).

Pattern 1: Who creates demand for audits. Themes 111 to 115 illustrated evidence that auditors, managers of auditees, parliamentarians, and the key participants of public administration, such as the President of the Republic of Kazakhstan, citizens, and media create demand for performance audits, as it is demonstrated in Figure 17.

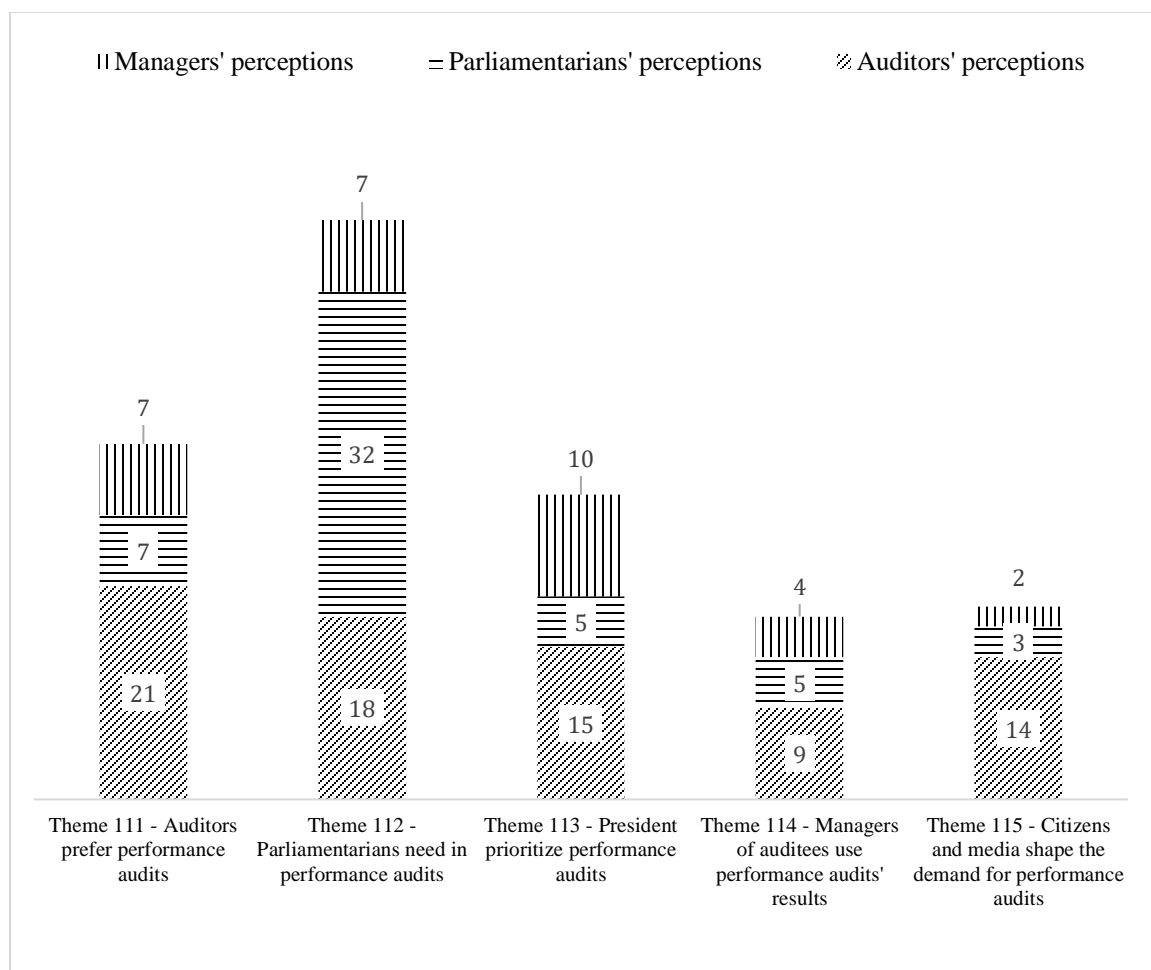


Figure 17. Visualization of themes on Pattern 1 by the frequency of categories

The need of parliamentarians for performance audits is the most influential factor of demand for these audits; all five themes emerged in three groups of participants with different levels of frequencies, as it is demonstrated in Table 11.

Table 11

Pattern 1: Matrix of Themes and Frequency of Associated Categories

Theme	Frequency of themes by participants				Weighted percentage: Frequency of categories
	Group 1: Auditors	Group 2: Parliamentarians	Group 3: Managers	Total	
Theme 112: Parliamentarians need in performance audits	5 of 5 (100%)	4 of 4 (100%)	2 of 5 (40%)	11 of 14 (78.6%)	35.8%
Theme 111: Auditors prefer performance audits	5 of 5 (100%)	4 of 4 (100%)	4 of 5 (80%)	13 of 14 (92.9%)	22.0%
Theme 113: President prioritize performance audits	5 of 5 (100%)	2 of 4 (50%)	4 of 5 (80%)	11 of 14 (78.6%)	18.9%
Theme 114: Managers of auditees use performance audits' results	5 of 5 (100%)	2 of 4 (50%)	2 of 5 (40%)	9 of 14 (64.3%)	11.9%
Theme 115: Citizens and media shape the demand for performance audits	5 of 5 (100%)	2 of 4 (50%)	3 of 5 (60%)	10 of 14 (71.4%)	11.3%

Parliamentarians need in performance audits. All auditors stated that parliamentarians use performance audits. Two auditors more specifically described that parliamentarians, who are members of the central legislative body, do not directly request conduction of performance audits; however, they often request information about performance audits. In turn, three auditors noted that members of Maslikhat request the local audit organization to conduct performance audits and actively participate in the meetings of this organization on considering performance audits' results. AL04 argued that parliamentarians are more interested in performance audits rather than in compliance audits. "Performance audit provokes intensive discussions, and that's why it is interesting to deputies. We audit areas with unresolved issues, problematic issues that are topical.

Then, these problems become high on the agenda of parliamentary hearings” (AL04, personal communication, January 10, 2020). All auditors stated that parliamentarians are interested in the results of performance audits included in annual reports of audit organizations submitted to the Parliament and Maslikhats. According to three of the five auditors, parliamentarians are awaiting reports from their organizations longingly.

Auditors’ perceptions were generally in line with parliamentarians’ views. Three of the four parliamentarians send requests to audit organizations in order to provide them [parliamentarians] with information about performance audits, and all four parliamentarians used the results of performance audits in their policy making activities. PC07 shared experiences on using the results of performance audits to lodge deputy inquiries and send related requests to the Prime Minister, central ministries, and agencies. PL09 shared experiences on using the performance audits’ results in making legislative proposals. Three parliamentarians opted for performance audits comparing the compliance and financial audits with performance audits. “It is important to conduct more and more performance audits... Compliance and financial audits is an area of interests for ministers and heads of departments. They all are about routine things. I am not very interested in such things” (PL08, personal communication, January 20, 2020).

Three parliamentarians reasoned that performance audits will be in demand in the future.

So far, we have not practiced sending the requests on the conduction of performance audits to the Accounts Committee... [*thinking*]... but in the future, probably, it will be realized, because we are preparing the package of bills to

strengthen parliamentary oversight. In my point of view, the strengthening of parliamentary oversight should also include the practice of requesting audits. (PC06, personal communication, January 16, 2020)

Unlike auditors and parliamentarians, managers of auditees were less active on Theme 112. Two of the five managers shared their opinion about using the performance audits by parliamentarians. They gained related experiences when they receive deputy inquiries and attend the meetings of audit organizations on considering the performance audits' results.

Auditors prefer performance audits. All auditors are experienced in initiating the performance audits, and they emphasized that suggestions on the conduction of performance audits, as a rule, are supported by auditors and senior-level managers of their organizations. “Since we are a collegial body, all decisions made collectively... almost always, proposals on performance audits are accepted unanimously” (AL04, personal communication, January 10, 2020). Telling about the conduction of compliance and performance audits, auditors noted the advantages of compliance audits in six cases and the advantages of performance audits in 14 cases. When I asked them to select their preference of compliance or performance audits, all five auditors opted for performance audits.

There were no situations when my colleagues did not support ideas on performance audits... I suggested a few topics for the future, for example, performance audits on the Sustainable Development Goals. We cannot manage

this kind of audits today because of a lack of resources, but we will do them in the future. (AC/L05, personal communication, January 15, 2020)

AC01 and AL04 also noted that a few decisions on postponing the proposed performance audits for the midterm were made due to a lack of auditors. Therefore, like parliamentarians (Theme 112), auditors might continue to create the demand for performance audits (Theme 111).

The frequency of categories on Theme 111 in the groups of parliamentarians and managers was 7 in each group (20.0% out of the frequency of categories associated with Theme 111 in all three groups). Unlike auditors, they were less active in discussing the auditors' interests in performance audits. As PL08 noted, auditors conduct more performance audits because of the "political motivations of leaders of audit organizations" (PL08, personal communication, January 20, 2020). "A performance audit is the most popular trend among auditors; performance audits are mainstream activities of all audit organizations in our country" (ML12, personal communication, February 15, 2020).

President prioritize performance audits. Eleven interviewees (78.6%) were experienced in performance audits conducted by audit organizations in response to the instructions of the President.

AC01 stated that including the performance audits in audit organizations' plans is a priority since "...per the recent message from the Head of State, we need to get away from conduction of current controls and we have to conduct more and more and more performance audits" (AC01, personal communication, January 8, 2020). Similar

references to prioritizing the performance audits by the President made the other three auditors. AL04 emphasized that “if we receive the instruction of the President Administration to undertake a performance audit, then we include that audit in our plan without fail” (AL04, personal communication, January 10, 2020). All five auditors noted that they participated in performance audits requested by the President Administration; three auditors shared their experiences on performance audits conducted in response to the President’s instructions during the days of our interviews. “Now, I’m participating in the audit of quasi-public companies requested by the President. I know that other audit organizations in parallel with us work on the same requests” (AC02, personal communications, January 8, 2020).

Influencing the demand for performance audits by the President’s instructions as the theme on Pattern 1 emerged in the experiences of two parliamentarians. PC07 stated, “multiple times I and my colleagues from deputy corps questioned the effectiveness of our national companies, but only now the auditors are stepping up and this, of course, is because they received an order from President” (PC07, personal communication, January 17, 2020).

Four of the five managers associated conducting the performance audits with the President’s instructions. “Audit organizations, no difference, Accounts Committee or Revisions Commissions, they all in the case of President’s criticism of the work of ministries or state companies or instructions from the President Administration respond by their audits” (ML/C14, personal communication, February 28, 2020). Two managers shared their experience of working together with auditors on the instructions from the

President Administration. In one case, health professionals were included in the team of auditors, and internal auditors of the Ministry of Healthcare transferred their reports to the Accounts Committee. In another case, several central ministries create the working group on the evaluation of state-owned companies.

Citizens and media shape the demand for performance audits. Based on the lived experiences of nine participants (64.3%), I concluded that citizens and media, to a certain degree, shape the demand for performance audits in Kazakhstan.

All five auditors stated that some performance audits were conducted in their organizations due to citizens' constraints and needs. "There are a lot of complaints year after year. In 2018 we conducted performance audits in response to citizens' complaints on the provision of urban amenities; they were unhappy with the quality of landscaping and so forth" (AL03, personal communication, January 9, 2020).

We initiated the performance audit on safety-net programs for people with disabilities. All supported that suggestion without any objections because it is important, and we did it. And, recently, measures on social support for large families, pensioners, and children have been very much discussed or even criticized in our city. That's why we conduct our audits. (AL04, personal communication, January 10, 2020)

Three auditors mentioned that they use media publications in making decisions on performance audits.

We study journalists' articles and monitor media publications. It is required by our rules. It helps us to make our decisions on our audits. Today, working with the

government's reports or auditees' accounting documents is not enough to propose a good performance audit. I mean a useful performance audit. (AC/L05, personal communication, January 15, 2020)

Three auditors shared their experiences on interactions with media; according to their perceptions, the media actively use their performance audits' results. As AC02 noted, journalists accept invitations to the meetings of audit organizations and actively use audits' results in their investigations.

Two parliamentarians referred to the needs of citizens, including users of public services, when they shared their views about the importance of performance audits.

Citizens' needs are important. By auditing the effectiveness of the efforts of our governments in addressing citizens' problems, auditors provide us with good materials. Auditors should continue to focus their efforts on social problems, problems of residents of our city. (PL09, personal communication, January 23, 2020)

Two managers shared their opinions on using the performance audits by media; in both cases, their experiences were related to publishing resonant articles based on auditors' work.

Managers of auditees use performance audits' results. Unlike the previous four themes on Pattern 1, Theme 114 is less highlighted; but, 10 participants (71.4%) shared views on using the results of performance audits by managers of auditees.

Four auditors (80%) stated that managers of auditees did not request performance audits formally, and two auditors shared their expediencies when managers of central

ministries requested audits informally. “I know that they ask for audits, but they did not do it by official requests, by sending letters. They ask for audits informally by phone calls... [smiling]...” (AC02, personal communication, January 8, 2020). Two auditors mentioned that newly appointed ministries request audits to be aware of operations completed before their appointment.

They must minimize the risks of financial violations, but they are interested in all things that could be criticized by performance auditors as well. Here, I want to add that only new ministries request audits, and they do it informally. (AC/L05, personal communication, January 15, 2020)

All five auditors argued that managers of auditees used the results of their works because most of their recommendations were implemented by auditees. AC02 shared the experience of using the performance audits’ results by managers of auditees.

I see that now they perceive our work as a means to achieve their objectives or address their problems. It was, let’s say, managers’ poor dealing with their old problems, and they were unable to solve these problems themselves, without us. (AC02, personal communication, January 8, 2020)

Two parliamentarians stated that using the results of audits depends on both managers and auditors. “Ministries or chairs of central agencies are different. Few ministries use the auditors’ work in the right way, I see it because of their reactions to our questions, but the others are not so active” (PC06, personal communication, January 16, 2020). “Some chairs are pro-active, while the others, unfortunately, they represent the majority, respond to performance audit results sluggishly. Honestly, I have to say that in

some cases auditors' work caused that kind of reaction" (PL08, personal communication, January 20, 2020).

"About using the audits, it is the right direction. As one of the key players in budget processes, our ministry is interested in performance audits ... criticism, of course, is unpleasant. But we are interested in an external assessment" (MC10, personal communication, February 11, 2020). Other managers' perceptions, however, mainly relate to the requirements of legislation on implementing auditors' instructions. "For us, it is like a functional task because we must review that audit report, we must implement instructions. We try to implement auditors' instructions, but we have more freedom with recommendations" (ML12, personal communication, February 15, 2020).

Pattern 2: Features of the system of public auditing. According to the lived experience of participants, features of the system of public auditing in Kazakhstan is another factor that explains the demand for performance audits, including the legitimization of performance audits (Theme 121) and adapting an international practice (Theme 122). As demonstrated in Table 12, the legitimization of performance audit is more of an influential factor than demanding the performance audits to be done.

Legitimization of performance audits. According to the experience of 12 (85.7%) participants, demanding performance audits in Kazakhstan is related to the legitimization of these audits, i.e., audit organizations conduct more performance audits because they were empowered to do so by the legislation.

Table 12

Pattern 2: Matrix of Themes and Frequency of Associated Categories

Theme	Frequency of themes by participants				Weighted percentage: Frequency of categories
	Group 1: Auditors	Group 2: Parliamentarians	Group 3: Managers	Total	
Theme 121: Legitimization of performance audits	5 of 5 (100%)	4 of 4 (100%)	3 of 5 (60%)	12 of 14 (85.7%)	73.2%
Theme 122: Adaptation of international experience	3 of 5 (60%)	3 of 4 (75%)	2 of 5 (40%)	8 of 14 (57.1%)	26.8%

When I asked auditors about making decisions on performance audits, all five auditors started sharing their experiences from the planning audits, making multiple references on the Public Auditing Law or on the Rules on Conduction of Public Audits by External Public Audit Organizations. As AC/L05 noted, “We have the mandate ... to express an opinion on the Government’s report over execution of the republican budget and, so, we have to annually conduct performance audits on budget revenues...” (AC/L05, personal communication, January 15, 2020). Auditors, when answering other questions, also referred to mandates of their organizations to conduct performance audits. Three auditors claimed that their organizations plan and conduct more performance audits because the introduction of these types of audits is a priority state policy spelled out in strategies and concepts. Finally, AL04 stated that “to comply with recommendations of the Coordinating Council of Public Audit Bodies, established under the auspices of the Accounts Committee, audit organizations should strive to ensure that more than 70% of their audit activities related to performance audits” (AL04, personal communication, January 10, 2020).

Like auditors, all parliamentarians connected the increased number of performance audits with empowering of audit organizations. In most cases, parliamentarians referred to audit organizations' conclusions on governments' reports detailing execution of the republican and local budgets. All four parliamentarians stated that audit organizations' conclusions are made based on performance audits results; they support it. Two parliamentarians reasoned that audit organizations have a wide range of mandates, and it allowed those audit organizations to enhance influence in parliamentary decision making.

In describing the experience of interactions with auditors, three of the five managers referred to auditors' mandates to undertake performance audits.

They visit our ministry every year. Every year. Before we saw them less often. Of course, I understand their objectives. They visit us to gather facts on budget execution and to report to Parliament. Auditors also need to report on how they cope with their mandates... [smiling]. (MC10, personal communication, February 11, 2020)

Adaptation of international experience. The adaptation of audit practices of foreign countries, as revealed in the experience of 8 participants (57.1%), also can be interpreted as one of the influential factors of demanding the performance audit in Kazakhstan. In particular, auditors and parliamentarians shared their perceptions about the practices of United Kingdom (three times), the United States and Latvia (two times), and Australia and Canada (one time).

According to the experiences of three auditors, introducing performance audit developments in their organizations are due to adapting international practices.

I participated in international seminars, and I liked how auditors from various countries, for example, Canada and Latvia, presented their achievements in studying the environmental issues within their performance audits. We did not conduct such audits. So, I suggested to conduct environmental performance audits, and all supported my idea. (AC/L05, personal communication, January 15, 2020)

However, negative perceptions were shared by auditors in terms of adapting these international experiences. As AL04 mentioned, "... we use international practice to conduct our performance audits, study different methods, and we try to apply them, but we do not succeed in some cases..." (AL04, personal communication, January 10, 2020).

Three parliamentarians were well aware of the adaptation of international practices by audit organizations. As PL08 noted, "I know that auditors travel to foreign countries, study international experience, they do it to develop their own rules and internal work to improve their performance audits" (PL08, personal communication, January 20, 2020). Unlike auditors, all three parliamentarians spoke positively about the practice of adapting world experience, and two parliamentarians argued the need to continue implementing the best international practice. "In Great Britain, they also have a unitary state. Nevertheless, their Parliament reviews the materials of each performance audit. The same practice in Latvia. I would also like to have such a practice in our

country” (PC06, personal communication, January 16, 2020). Two managers also shared their experiences associated with international practice.

We worked on the draft concept on the introduction of public auditing. The implementation of this concept implies using international practice, including the benchmarks in performance auditing. But our auditors are still very far from the best experiences. It is my, may be very subjective, but my view. (MC 10, personal communication, February 11, 2020)

Secondary data analysis on Theme 121 resulted in the following conclusion. The national standards on performance auditing are generally in line with the Performance Audit Principles, also known as ISSAI 300. Review of themes illustrated few differences between the compared standards. These differences are interpreted to be not significant; they are not-matching aspects of ISSAI 300 as regulated by the National standards on public auditing or the Rules of conduction of external public audit, as it is illustrated in Table 13.

I also compared the provisions of performance audits reports of the Accounts Committee and the Revision Commission on Nur-Sultan city (by two reports from each organization) published in January and February 2020 with the provisions of performance audits reports of the SAIs of Australia, the United States, and United Kingdom (by two reports from each country) published in the same period, and two reports of the SAI of Canada published in December 2019. Table 14 illustrates the main results of comparing these SAI’s performance audit reports.

Table 13

Results of Comparing Performance Auditing Standards

National standards	International standards	Conclusions
100. Procedural standard – extracts and descriptions	ISSAI 300 - Performance Audit Principles – extracts	
Audit objective		
... expression an independent, competent, and objective opinion on economy, effectiveness, and efficiency in an audited area...	...constructively to promote economical, effective and efficient governance...	no significant differences
Audit scope		
tax and custom administration, budget planning and execution, assets management, implementation strategic documents, pricing and public procurement, public debt management, using the grants, investments, and loans, environmental protection, information technologies, auditees' activities	... need not be limited to specific programmes, entities or funds but can include activities... or existing situations... Examples might be service delivery by the responsible parties or the effects of government policy and regulations on administration, stakeholders, businesses, citizens and society.	no significant differences
Audit approach		
Audit team selects result-, problem- or system-oriented approaches or a combination these approaches.	... a result-, problem- or system-oriented approach, or a combination thereof...	no differences
Audit criteria		
Audit team use the basic criteria, including the criteria related to the principles of economy, efficiency and effectiveness, and specific criteria.	... suitable criteria which correspond to the audit questions and are related to the principles of economy, efficiency and effectiveness.	no differences
Strategic planning		
Audit organizations develop perspectives plan for performance auditing through identifying potential performance audit topics based on the study of public management system.	Auditors should select audit topics through the SAI's strategic planning process by analysing potential topics and conducting research to identify risks and problems.	no significant differences
Recommendations and follow-up		
recommendations and follow-up related are included in the list of objectives of performance audit	...provide constructive recommendations that are likely to contribute significantly to addressing the weaknesses or problems identified by the audit Auditors should follow up previous audit findings and recommendations wherever appropriate.	no differences
Audit report		
*Provided references to the Rules of conduction of external public audit.	Auditors should seek to make their reports widely accessible, in accordance with the mandate of the SAI.	no significant differences

Note: INTOSAI, 2016a; ISLARK, 2016b.

Table 14

Results of Comparing Performance Audit Reports

Australia	Canada	Kazakhstan	The United States	United Kingdom	Conclusions
<i>Audit objective is related to evaluation of economical, effective and efficient governance</i>					
Yes	Yes	Yes	Yes	Yes	no significant differences
<i>Auditee scope is not limited specific programmes, entities or funds</i>					
Yes	Yes	Yes	Yes	Yes	no significant differences
<i>Audit criteria is related to evaluation of economical, effective and efficient governance</i>					
Yes	Yes	Yes	Yes	Yes	no significant differences
<i>Recommendations is related to addressing the weaknesses or problems identified by the audit</i>					
Yes	Yes	Yes	Yes	Yes	no significant differences
<i>Follow-up related info incorporated into audit reports</i>					
Yes	Yes	Yes	Yes	Yes	no significant differences

Note: Australia: Audit report 1: Aboriginal and Torres Strait Islander Participation Targets in Major Procurements, National Indigenous Australians Agency (ANAO, 2020a); Audit report 2: Management of Spectrum Reallocation to Support the Deployment of 5G Services, Department of Communications and the Arts Australian Communications and Media Authority (ANAO, 2020b). Canada: Audit report 1: Call Centres, Department for Employment and Social Development Canada (OAG, 2019a); Audit report 2: Departmental Progress in Implementing Sustainable Development Strategies, Across Departments (OAG, 2019b). Kazakhstan: Audit report 1: Using the Republic Budget's Funds and Assets Allocated for Exploration and Subsoil Use Sectors, The Ministry of Energy of the Republic of Kazakhstan (ACCERB, 2020a); Audit report 2: Using Budget Funds Allocated for the Development of Kostanay Region (ACCERB, 2020b); Audit report 3: Implementing the Action Plan for State Program on Development of Education and Science in the Republic of Kazakhstan for 2016-2019 and Material and Technical Equipment of Educational Organizations in Nur-Sultan city (RCNC, 2020a); Audit report 4: Communal Property and Assets Management of the JSC "Social-Entrepreneurial Corporation "Astana" (RCNC, 2020b). The USA: Audit report 1: Enhanced Federal Information Sharing on Coordination Could Improve Rural Transit Services, The Federal Transit Administration (USGAO, 2020a); Audit report 2: Opportunities Exist to Address Water Quality Problems, International Boundary and Water Commission (USGAO, 2020b). UK: Audit report 1: Business support schemes, Department for Business, Energy & Industrial Strategy (UKNAO, 2020a); Audit report 2: Local authority investment in commercial property, Ministry of Housing, Communities & Local Government (UKNAO, 2020b).

While performance auditing practices and approaches to write performance audit reports vary depending on the features of public administration, powers, and traditions of public audit organizations, I made fragmentary analysis using a few core aspects of performance auditing outlined in ISSAI 300 (see Barton et al., 2019; Jantz et al., 2015; Rosa et al., 2014a; Tillema & Bogt, 2016; Torres et al., 2019, for more). So, as demonstrated in Table 14, this content evaluation illuminated some similarities in approaches to performance audits of the compared countries.

Pattern 3: Problems in public administration. Problems in public administration (Pattern 3) is the most influential factor on demanding performance audits in Kazakhstan compared to the previous two patterns. According to the lived experience of participants, the demand for performance audits is explained by problems in state planning (Theme 131), systems problems in various sectors of the economy (Theme 132), risks of new areas (Theme 133), and the need in the evaluation of the effectiveness of government programs and activities (Theme 134). As demonstrated in Figure 18 and Table 15, the most highlighted theme is Theme 132, at the same time, all four themes on Pattern 3 emerged in all participant groups with different levels of frequency.

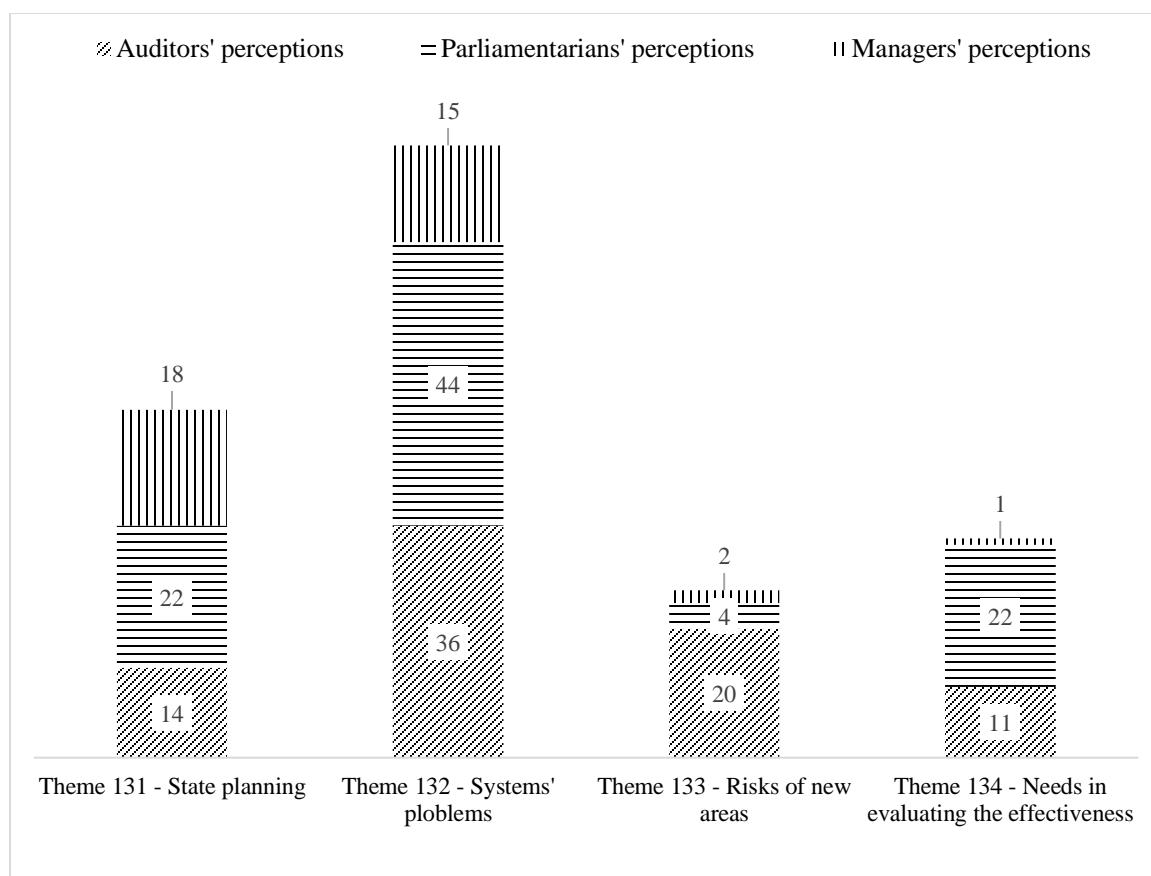


Figure 18. Visualization of themes on Pattern 3 by the frequency of categories

Table 15

Pattern 3: Matrix of Themes and Frequency of Associated Categories

Theme	Frequency of themes by participants				Weighted percentage: Frequency of categories
	Group 1: Auditors	Group 2: Parliamentarians	Group 3: Managers	Total	
Theme 132: Systems' problems	5 of 5 (100%)	4 of 4 (100%)	4 of 5 (80%)	13 of 14 (92.8%)	45.5%
Theme 131: State planning	4 of 5 (80%)	3 of 4 (75%)	3 of 5 (60%)	10 of 14 (71.4%)	25.8%
Theme 134: Needs in evaluating the effectiveness	4 of 5 (80%)	3 of 4 (75%)	1 of 5 (20%)	8 of 14 (57.1%)	16.3%
Theme 133: Risks of new areas	5 of 5 (100%)	2 of 4 (50%)	1 of 5 (20%)	8 of 14 (57.1%)	12.4%

Systems' problems. When asked about the justification of performance audits and their advantages, 13 participants (92.8%) specifically shared their views about problems in public administration, such as issues in public financial management, including budget deficits and ineffective budget spending, regional problems, and sectoral development lags.

During the interviews, all auditors mentioned that they conducted performance audits in response to a specific problem. Often, auditors pointed to ineffective budget spending and poor performance of government entities.

I agree that we have to do it today, have to, because in the case of dealing with budget deficits, we often 'close' the republican budget with a deficit, we must conduct performance audits to know about how efficiently very limited budget money is used... (AC01, personal communication, January 8, 2020)

Three auditors shared their opinions about the importance of conduction of performance audits in quasi-public companies since their activities are not effective, and they do not achieve the expected results. AL03 shared in detail experience on a selection of auditees to conduct performance audits of their activities.

To select organizations that should be audited, we assess their risks. I mean, for example, if we see that departments did not spend, did not use transfers, received from the republican budget, then, we have to visit them with our performance audits. These departments as administrators of local budget programs are ineffective, and they labeled as auditees with high risks. (AL03, personal communication, January 9, 2020)

Four auditors focused on gaps in regions, including the weak control over the budget process and lack of qualified specialists, that increase the risks of ineffective budget spending.

Theme 132 was the most highlighted in parliamentarians' experiences. All four parliamentarians talked about systems problems, sharing their views about the importance of performance audits.

It is... due to fluctuations of demand for oil... tense moments arise on budget execution, ... money invested to development of non-oil sectors do not lead to dynamic and sufficient increases of budget revenues, that's why we are very concerned about how budget funds, that were allocated to government, are being used. (PL08, personal communication, January 20, 2020)

Well, the main thing is that performance audit ... [*thinking*] ... it provides us with a wide vision of whether our government ready to use budget funds... Often, they throw money away. In that direction, on that problem performance audits give us causes for discussions and making decisions within the Parliament. (PC06, personal communication, January 16, 2020)

Like auditors, parliamentarians shared their views on the importance of responding to regional issues. PL09 claimed that auditors took into account social problems such as lack of housing, lack of hospitals and schools, and other problems caused by the rapid development of the capital.

Unlike auditors and parliamentarians, managers of auditees shared their experiences associated with problems in public administration more carefully. Most of the managers confirmed the perceptions of auditors and parliamentarians about the gaps in regional development.

We could probably request performance audits on some problems because we cannot manage them ourselves. We are the local executive body, and our activities are strictly regulated, from one hand, and we face the lack of qualified specialists, from another hand. We are in such a position that we give explanations and explanations... (ML13, personal communication, February 15, 2020)

Two managers briefly shared their experiences on being deal with problems of quasi-public companies.

State planning. The state planning system in Kazakhstan implies the application of a strategic approach to select long-term development goals connected to funding budget programs of central ministries, agencies, and local departments that play the role of administrators of central or local budget programs (ISLARK, 2017a, 2017b). Ten participants (71.4%) shared their perceptions about problems in the state planning, such as gaps in policy papers, ineffective implementation of state programs, programs on development of regions, development plans of national companies, and budget programs.

According to auditors' perceptions, the gaps in budget programs, ineffective implementation of state programs, and programs on the development of regions are significant reasons for performance auditing. All five auditors, when answering on my question about justification of performance audits, shared examples of poor budget planning. For instance, AC01 shared two examples of ministries' approaches to planning the budget programs that did not lead to the expected results and caused forgone benefits.

If, for example, we see that they planned budgets incorrectly, I mean, without proper justification, then, we study the related budget programs. It might be the budget programs aimed at implementing the state programs or using the transfers from central ministries. Then, we conduct related performance audits because we saw problems in budget planning. (AL03, personal communication, January 9, 2020)

One more example of a performance audit in healthcare... We focused on programs on healthy lifestyle programs... Annually, we spend a significant amount of budget funds to implement the state program, there is a specific budget

program on promoting a healthy lifestyle, but, unfortunately, the morbidity indicators do not tend to be improved. (AC/L05, personal communication, January 15, 2020)

Three parliamentarians emphasized problems in the state planning that request performance audits.

More audits should be conducted in terms of planning. Let's take the Strategic plan on the development of our republic till 2025. According to that strategic document, 5.4% of economic growth is planned per year, but when our government drafts the republican budget, they plan the economic growth at 3.1% per year. I don't see any sense in it, except setting goals that are easy to achieve. (PC07, personal communication, January 17, 2020)

Two parliamentarians reiterated their opinions about the ineffective implementation of state programs. In particular, they criticized the quality of construction of clinics and schools within the implementation of state programs on healthcare and education.

If we build a hospital with departments divided by street or if we build a new school next to the functioning schools, instead of building that school on the other side of the river where there are no schools, ... *[thinking]*... it means that we have pressing problems with our state planning. (PL08, personal communication, January 20, 2020)

Two parliamentarians shared their views about problems with the approval of the development plans of national companies that lead to the inefficient implementation of their investment programs.

Managers were less critical about problems in state planning. Two of the five managers were challenged with problems in developing their budget programs; one manager was dealing with problems in preparing budget reports; and three managers faced problems in implementing the state programs, programs of development of regions, and budget programs. All these problem areas were shared by managers of auditees as examples of performance auditors' findings. "We had problems with performance indicators established by the state program and the program of development of our city. Auditors showed us these problems, and, of course, we tried to improve our program" (ML13, personal communication, February 15, 2020).

Needs in evaluating the effectiveness. In describing the experience of planning performance audits, AL04 noted, "... mostly, we are transferring to the conduction of more performance audits to evaluate the effectiveness of our auditees' performance and provide them with recommendations on how to increase their effectiveness" (AL04, personal communication, January 10, 2020). Seven participants (50%) expressed similar perceptions. According to their experiences, it is existed needs in evaluating the effectiveness of government entities, quasi-public companies, and policies in some specific areas of public administration.

Four of the five auditors specifically noted that decisions on conducting of performance audit were made due to contradictory information on the performance of government entities or government, in general.

Or, reports of government. Usually, reports consist of data on positive things, their great achievements... however, if we listen to the users of public services, they criticize the government and they have reasons for criticism... No access to water, no access to centralized gas supply... So, while we have such conflicting data, we need to make our evaluations. (AC/L05, personal communication, January 15, 2020)

In discussing the importance of performance auditors' work, three of the four parliamentarians shared their concerns related to the lack of objective evaluation of the effectiveness. "Everyone wants to know how efficiently budget funds are spent" (PL08, personal communication, January 20, 2020). PC07 more specifically admitted the needs to evaluate the effectiveness of all state programs, government's measures on support for entrepreneurship, investment projects of free economic zones, and budget planning.

We should be provided with a reliable, objective, and competent evaluation of the Government's funding needs... What about the effect of state programs? We spent more than 6 trillion tenges to implement these programs... What about desired investments that should be attracted by our free zones? (PC07, personal communication, January 17, 2020)

"Well, why are we dealing with ineffective budget spending? Did we make a wrong decision on the allocation of budget funds? Maybe, other ministers would do

better? And, here, performance auditors have to say their words” (PC06, personal communication, January 16, 2020).

Risks of new areas. Like the previous theme, Theme 133 was less highlighted in the participants’ experience compared to the other two themes on Pattern 3. According to eight participants (57.1%), the demand for performance audit is explained by the risks of new areas, including new projects and unaudited areas of public administration. The following new areas were identified as the scope of performance auditors’ work by participants: (a) financial funds and institutions, (b) subsoil use, (c) environmental issues, (d) public debt, (e) social support for vulnerable groups, (f) public-private partnership projects, and (g) large national companies’ activities.

AC01 shared experiences on the conduction of performance audits of the National Fund of the Republic of Kazakhstan and the Unified Accumulative Pension Fund.

We conducted performance audits of these two funds for the first time, that is to say, it was unaudited areas... I have to say that we started other performance audits in areas or in organizations that were unaudited before as well. (AC01, personal communication, January 8, 2020)

According to AC/L05, new areas in public financial administrations should be audited because annual performance audits on tax revenues already contributed to solving old problems, and auditors have to find new gaps.

Relating to revenues of the republican budget... It is better here and now to evaluate the effectiveness of tax administration... So, the idea came up to assess the tax gap to evaluate and understand the situation with a real performance of tax

bodies, and this work was the first of its kind. (AC/L05, personal communication, January 15, 2020)

Two parliamentarians briefly shared their views on the conduction of performance audits in new areas, focusing mainly on investment and innovation projects, and national companies. One manager added the experience of being deal with risks in new areas explained by a lack of qualified specialists.

Perceived Impact of Performance Audits

Based on the participants' verbalized experiences, I concluded that performance audits in Kazakhstan impact on participants of a performance auditing process (Pattern 1), audit organizations and auditees (Pattern 2). Additionally, performance audits have specific impacts at the macrolevel (Pattern 3).

Pattern 1: Impact on participants of performance audits. I generated three themes on Pattern 1. Figure 19 illustrates how I identified that performance audits impact on managers of auditees to a greater extent compared with auditors and parliamentarians.

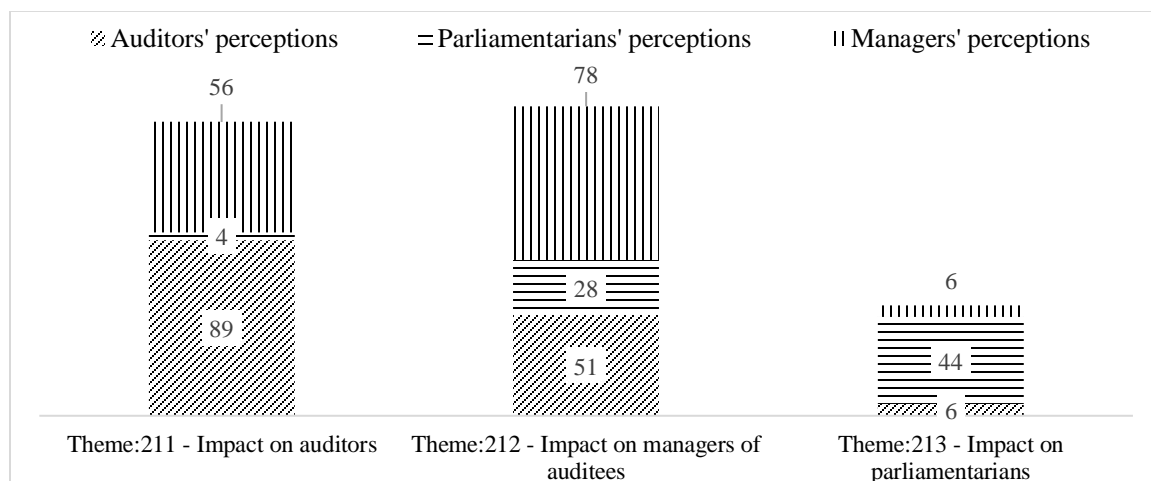


Figure 19. Visualization of themes on Pattern 1 by the frequency of categories

As demonstrated in Table 16, three themes on Pattern 1 emerged with different frequencies in three groups of participants.

Table 16

Pattern 1: Matrix of Themes and Frequency of Associated Categories

Theme	Frequency of themes by participants				Weighted percentage: Frequency of categories
	Group 1: Auditors	Group 2: Parliamentarians	Group 3: Managers	Total	
Theme 212: Impact on managers of auditees	5 of 5 (100%)	4 of 4 (100%)	5 of 5 (100%)	14 of 14 (100%)	43.4%
Theme 211: Impact on auditors	5 of 5 (100%)	3 of 4 (75%)	5 of 5 (100%)	13 of 14 (92.3%)	41.2%
Theme 213: Impact on parliamentarians	2 of 5 (40%)	4 of 4 (100%)	2 of 5 (40%)	8 of 14 (57.1%)	11.3%

Impact on managers of auditees. According to auditors' opinions, performance audits have both negative and positive impact on managers of auditees. I grouped the associated categories in the following way:

- 1) perceived positive impact of performance audits on managers of auditees associated with better understanding the performance audits objectives, receiving new and useful information, learning, and positive reaction on auditors' work;
- 2) perceived negative impact of performance audits on managers of auditees associated with misunderstanding the performance audits objectives, a negative reaction on performance audits, and objections to performance audit results.

I identified that the perceived impact of performance audits on managers was negative in 28 cases, i.e., the frequency of associated categories, and positive in 23 cases. Figure 20 illustrates the distribution of the perceived impacts that performance audits have on managers of auditees by related categories.

According to four of the five auditors, managers in most cases do not understand the objectives of performance audits and, as a result, they negatively respond to audits and resist performance audits' results.

I think that they do not see differences, they don't care that we conduct performance or compliance audits. I mean, they perceive us as before, no changes. Now, an audit has come, that is, the inspection. End of the story! Now, they will find violations. (AC02, personal communication, January 8, 2020)

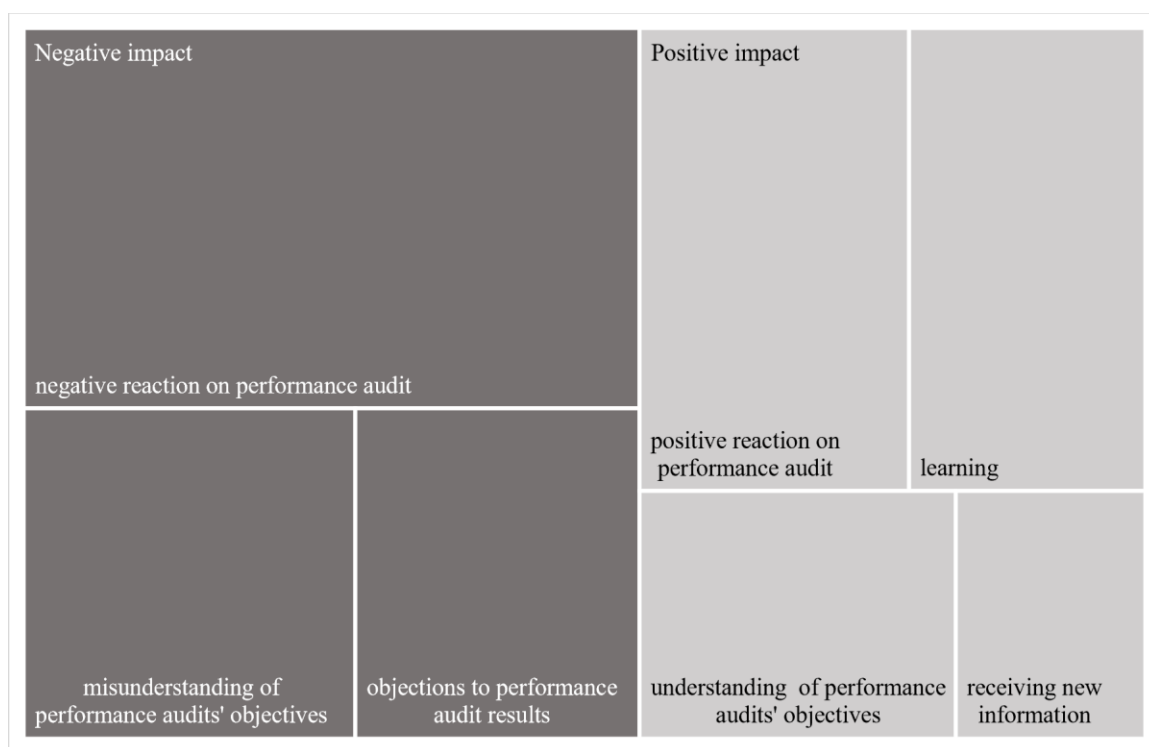


Figure 20. Auditors' perception on impact of performance audits on managers

“They give requested documents with a delay. Honestly, they delayed deliberately. But the active resistance begins at the stage of discussion of audit reports. In 10 out of 10 cases, we receive their objections to our reports” (AC/L05, personal communication, January 15, 2020). At the same time, all five auditors admitted that performance audits have a positive impact on managers of auditees, allowing them to learn and receive new information. For instance, in describing the experience of participating in meetings of audit organizations on considering performance audits’ results, AC01 argued that managers became aware of shortcomings in their organizations because of auditors’ work.

In principle, the vice-minister positively responded to our audit’s results because we allowed them to hear about shortcomings in their local organizations. There was even such a phrase, “New. I learned a lot of new things at today’s meeting”. It was the vice-minister’s words. (AC01, personal communication, January 8, 2020)

Four auditors noted that when they interacted with managers of organizations that were audited before, they observed desired changes in managers’ reactions.

As in the case with auditors, I grouped the perceived impact of performance audits on managers (according to their views) by the following associated categories:

- 1) perceived positive impact of performance audits on managers of auditees associated with better understanding the performance audits objectives, receiving new and useful information, learning, and promotion;

- 2) perceived negative impact of performance audits on managers of auditees associated with complicating their work, stress, increased distrust of audits, the uselessness of audits results (caused by the absence of new information in performance audit reports).

Unlike auditors, managers of auditee shared positive perceptions in 18 cases and negative perceptions in 60 cases. Figure 21 illustrates the distribution of these perceptions by related categories.

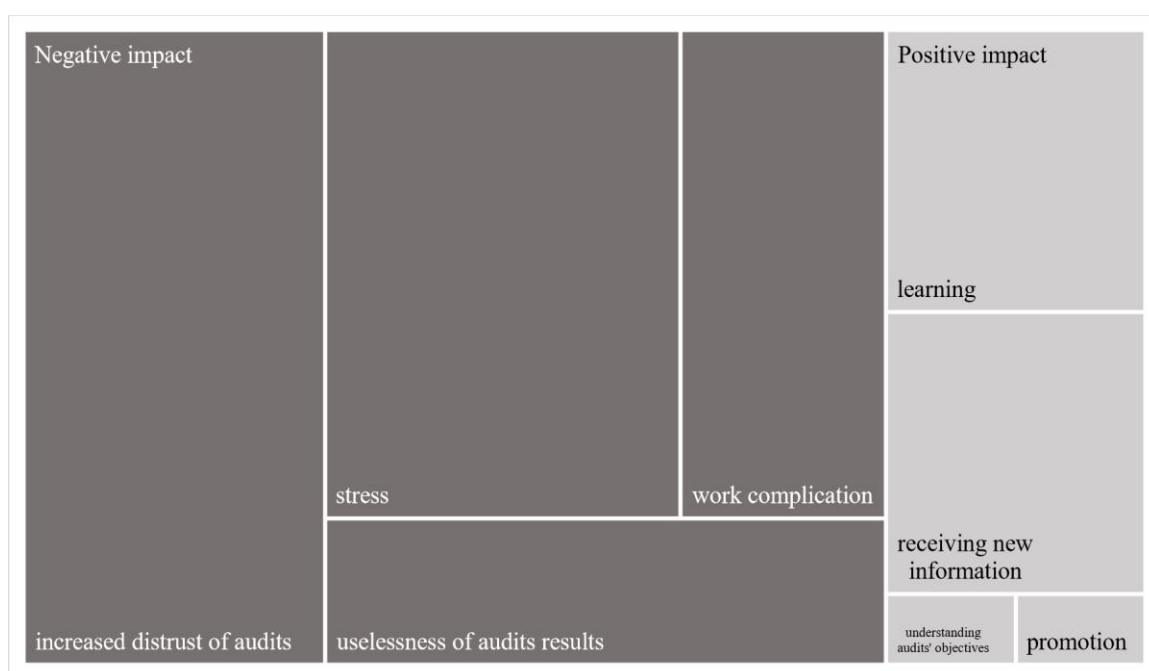


Figure 21. Managers' perception on impact of performance audits on them

One of the five managers noted that the previous experience of being audited contributed to a better understanding of objectives of audits. Four managers discussed the positive impact of performance audits, such as learning and receiving the new information used in their practice. As ML13 stated, "We receive some comments from

auditors with pleasure, because in 2016, due to the change of the head of our department, the continuity in transferring of functions was disappeared. Auditors indicated that fact very clearly” (ML13, personal communication, February 15, 2020). One manager expressed the view about promotion perspectives. “In case of the absence of violations or serious deficiencies in the list of auditors’ findings, you might be promoted. Sure. It demonstrates that you are good at your job” (ML/C14, personal communication, February 28, 2020). In all cases of sharing the positive perceptions, managers repeated that it was rare cases.

Three managers noted that, in most cases, performance auditors do not provide them with new or useful information. In describing the experience of interactions with auditors, four of the five managers stated that, because of audits, they are dealing with work complications, distractions from their main duties to prepare documents for auditors. Most of the managers expressed distrust in performance audits and auditors’ contributions.

In addition to violations, now, auditors identify, as they call it, systematic issues. So, now, we are dealing with more problems with the discussion of auditors’ opinions. Fewer discussions are needed to object auditors’ opinions related to violations, because we follow specific laws, rules, or sectorial regulations. But in case of... [*laying stress*] ... systematic issues, it is impossible to make competent judgments about our effectiveness without special knowledge and a deeper understanding of our business processes. (MC10, personal communication, February 11, 2020)

I can give you a real example. They said that our public sector is too big, there are unprofitable organizations in the quasi-public sector, and they concluded that we have to liquidate some quasi-public companies. They are wrong. There are other benchmarks for state-owned companies. (MC11, personal communication, February 14, 2020)

Two managers noted that they stressed because of audits, and all five managers noted that their subordinates stressed as well.

I honestly tell you, when auditors come, the first association is about the stress, stress for me, stress for all members of our department. Stress... As in Gogol's play 'The Inspector-General', we are scared when we know that auditors will visit us... [*laughing*]. I don't know, maybe, it will change someday, but now everywhere and everyone has the same reaction. (ML13, personal communication, February 15, 2020)

In 14 cases parliamentarians shared perceptions on positive impact of performance audits on managers, and in 14 cases their perceptions were negative. Three parliamentarians, detailing their experiences on interactions with managers of auditees within discussions of annual reports of audit organizations, noted that, as a rule, managers do not understand the objectives of performance auditors' work; two parliamentarians linked that facts with managers' incompetence.

That's why from the side of both government entities and quasi-public companies, often, we face giving the runaround (unsubscribe) or resentment of auditors' work. They have such rhetoric: The auditors came to us and wrote in their report

about things, that is not true, the auditors are wrong. (PL08, personal communication, January 20, 2020)

Two parliamentarians shared their observations associated with changes in managers' reaction. "I see that ministers react actively to auditors' critiques if the critiques are based on conceptual and important things" (PC06, personal communication, January 16, 2020).

Impact on auditors. According to auditors, performance audits have both negative and positive impact on them. I grouped the associated categories in the following way:

- 1) perceived positive impact of performance audits on auditors associated with mastering new skills, professional development, promotion, and being deal with more interesting works;
- 2) perceived negative impact of performance audits on auditors associated with the increased number of requirements, workload, demotivation, and staff turnover.

I identified that the perceived impact of performance audits on auditors was positive in 40 cases and negative in 49 cases. Figure 22 illustrates the distribution of the

perceived impacts of performance audits by related family categories.

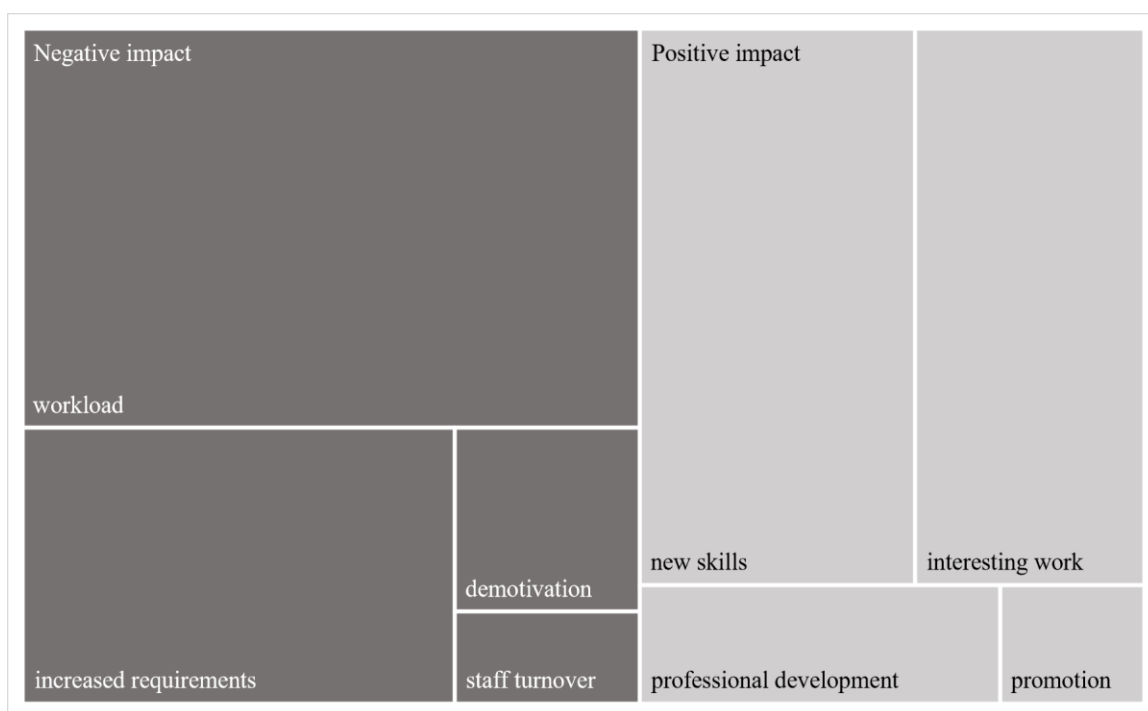


Figure 22. Auditors' perception on impact of performance audits on them

The positive perceptions of auditors are associated with mastering new skills (five of the five auditors) and the fact that their work becomes more interesting (four of the five auditors). Three auditors, explaining the advantages of performance audits, admitted that auditors have opportunities for professional development since they conduct performance audits in different areas. “You better understand how everything works in healthcare, education, construction...” (AL03, personal communication, January 9, 2020). Two auditors shared their experiences on being promoted due to the participation in performance audits. Promotion in their cases was associated with a demonstration of the abilities of performance auditors to cope with complicated tasks.

We can develop our analytical skills. We look deeply and identify the causes of violations or shortcomings. Next, we consider and evaluate achieving the desired results, and how these results impact the auditee's performance, specific sector, and our economy as a whole. (AC02, personal communication, January 8, 2020)

What I like now is that our work becomes more interesting. The results of our old audits... [*smiling*]... were of the same type. They violated here; they didn't fulfill their plans here; they didn't pay here; and so forth. And repeat in a circle. Now, our audit reports, not all, some audit reports are very interesting to read. (AC/L05, personal communication, January 15, 2020)

In describing the changes that occurred in audit organizations, all five auditors noted that the workload and number of requirements to auditors' work increased significantly. The workload increase was explained as the consequence of lacking qualified auditors and the scale of performance audits to be conducted.

Lack of auditors still exists, but today we feel it stronger. The front of our work is constantly increasing. Performance audits require more resources. There are some mechanisms for attracting experts, but we cannot use them often, because of a lack of resources. (AC/L05, personal communication, January 15, 2020)

Three of the five auditors more specifically shared their views on increasing the number of non-audit functions and tasks and, so, they linked the workload with these changes as well.

For four of the five auditors, the increased number of requirements to auditors included keeping financial control mechanisms in place, or more precisely, focusing on

finding the violations and sanctioning. According to AC02 and AC/L05, requirements on using financial controls coupled with the unfair evaluation of performance auditors' work leads to demotivation.

Today, to be honest, we are not removed from the requirement of identifying violations..., and you spent your time on performance auditing, but you didn't find violations, violations expressed in monetary terms, then you will get a low rating. And, vice versa, if others spent their time on finding the violations, then they will get a high rating. (AC02, personal communication, January 8, 2020)

Two auditors shared examples of staff turnover in their organizations. In both cases, they linked staff turnover with increased workloads and, to a greater extent, with the unfair evaluation of performance auditors' work. "Sometimes we did too many things to come to the endpoint, while we can drive faster instead of walking through a windbreak. Walking through a windbreak, we lose qualified auditors" (AC01, personal communication, January 8, 2020).

I revealed that the perceived impact of performance audits on auditors was positive in 12 cases and negative in 44 cases; Figure 23 illustrates categories on the related perceptions of managers of auditees.

One of the five managers stated that auditors changed their methods of auditing and became more objective in their judgments.

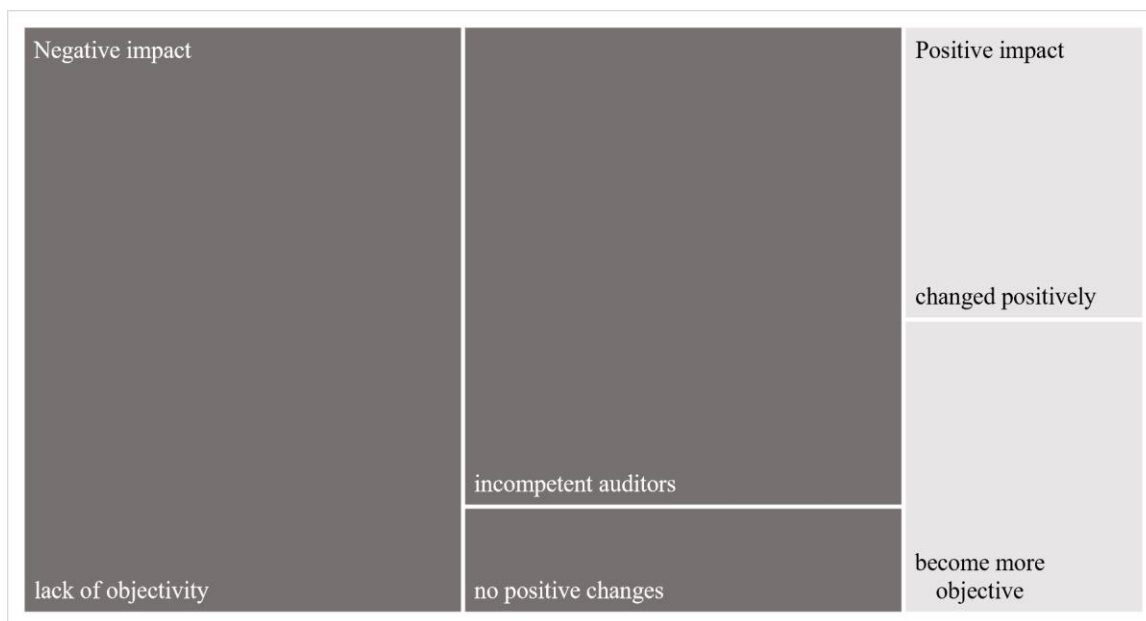


Figure 23. Managers' perception on impact of performance audits on auditors

Auditors changed. I think that some auditors do their work without punitive purposes, they want to help... My first reaction was scary. I was afraid that they find violations. But, day after day, I observed..., and they were fair. They identified some deficiencies in our work, made recommendations, discussed all things, and they were very open. (ML13, personal communication, February 15, 2020)

Two managers shared similar experiences; however, they noted multiple times that these changes in auditing approaches were rare cases. "I was surprised during the last audit because auditors ask such questions as: Can you fulfill our recommendations? How long will it take? The pleasant novelty in the work of auditors..." (ML12, personal communication, February 15, 2020).

Four managers (80%) stated that, in most cases, there were no positive changes in auditors' work, and, as before the introduction of performance auditing, they are dealing with incompetent auditors. According to managers' experience, auditors do not listen to auditees and make subjective conclusions about auditees' performance.

There are so many specific things in our work, and I know that an auditor cannot understand these things without professional training, or if before he worked only with accounting papers. So, we face auditors, who made incompetent conclusions; they do not take into account or don't understand the numerous explanations on our part. (MC 10, personal communication, February 11, 2020)

“Auditors vigorously criticized us for the state program; it was the State program of development of healthcare ‘Healthy Kazakhstan’. But for that program, we were highly praised by World Bank experts, experts in the field of health” (MC 11, personal communication, February 14, 2020). ML12 argued that there are significant differences between declared objectives of performance audits and real work of auditors.

Even auditors tell you, that they want to find deficiencies or problems, we know that, when they find violations or facts for transferring to law enforcement bodies, it makes them happy. They believe that they did a good job. (ML12, personal communication, February 15, 2020)

Three of the four parliamentarians shared their perceptions of the positive impact of performance audits on auditors. The positive impact included mastering new (analytical) skills by auditors and conduction of interesting performance audits.

Generally, Theme 211 was less highlighted in the group of parliamentarians; the frequency of associated categories is 7 (2.6%).

Impact on parliamentarians. Unlike the previous two themes, Theme 213 is less highlighted; the frequency of associated categories is equal to 15.6% of the frequency of categories within all three themes on Pattern 1. This theme emerged in the lived experiences of eight participants (57.1%). Two auditors and two managers of auditees shared experiences when performance audits allowed the parliamentarian to implement their functions, or more precisely, facilitate their task on parliamentary oversight. The other two auditors and managers noted that parliamentarians use performance audits in their political interests. “I think that deputies use our reports to scold government. No, not even government as a whole, but some ministers. Lets’ say, sometimes deputies worked on cameras. Probably, they also have PR goals” (AC02, personal communication, January 8, 2020).

Four of the four parliamentarians shared perceptions about the impact of performance audits on their perspectives; the frequency of associated categories is equal to 78.6% out of the frequency of all categories on Theme 213. Three parliamentarians positively perceived the impact of performance audits on their perspectives, while one parliamentarian noted that the impact of performance audits is limited. According to the lived experience of parliamentarians, performance audits facilitate implementing their duties on parliamentary oversight (four of the four interviewees), on ensuring the accountability of the government, central and local ministries (four of the four

interviewees), approval of the budget (three of the four interviewees), and making legislative proposal (three of the four interviewees).

We, using our deputy powers and based on audit reports, ask our questions to the heads of local departments. Why did they bring the situation to such a state? Why was the inefficient use of budget funds allowed? Sure, it helps us. (PC09, personal communication, January 23, 2020)

“We, of course, use the results of performance audits. We need performance audits. It helps us to consider the draft budget, as I said. It helps us to make decisions, to accomplish our parliamentary functions” (PC06, personal communication, January 16, 2020).

I need in more performance audits since, by using the results of these audits, I will be aware of macroeconomic issues; I will study regional issues and relations between central and local governments. All these conceptual things are about our duties and responsibilities. (PL08, personal communication, January 20, 2020)

Pattern 2: Impact on audit organizations and auditees. According to the lived experience of most of the participants, performance audits impact on audit organizations and auditees, as demonstrated in Figure 24 and Table 17; two themes on Pattern 2 emerged with different frequencies in all groups of participants.

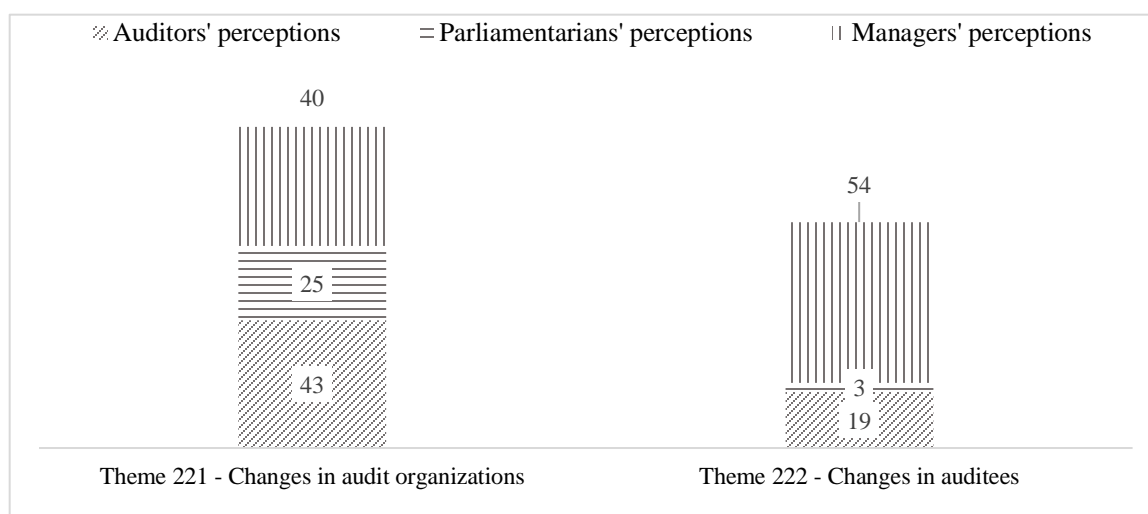


Figure 24. Visualization of themes on Pattern 2 by the frequency of categories

Table 17

Pattern 2: Matrix of Themes and Frequency of Associated Categories

Theme	Frequency of themes by participants			Total	Weighted percentage: Frequency of categories
	Group 1: Auditors	Group 2: Parliamentarians	Group 3: Managers		
Theme 221: Changes in audit organizations	5 of 5 (100%)	4 of 4 (100%)	5 of 5 (100%)	14 of 14 (100%)	58.7%
Theme 222: Changes in auditees	5 of 5 (100%)	2 of 4 (50%)	5 of 5 (100%)	12 of 14 (85.7%)	41.3%

Changes in audit organizations. Unlike personal impacts (Themes 211, 212, and 213), it is impossible to clearly distinguish positive and negative perceptions on organizational impacts, since participants shared mixed perceptions related to a specific change (e.g., changing the methodology), or participants shared their experiences without expression of their attitude to a specific change (e.g., changes in organizational structures).

Thus, as illustrated in Figure 25, I divided the participants' perceptions in the following way: (a) organizational changes include changes in organizational structure and methodology; (b) perceived negative impact includes keeping financial control and deterioration of the reputation of audit organizations; (c) perceived positive impact includes excepting financial control and improved reputation of audit organizations.

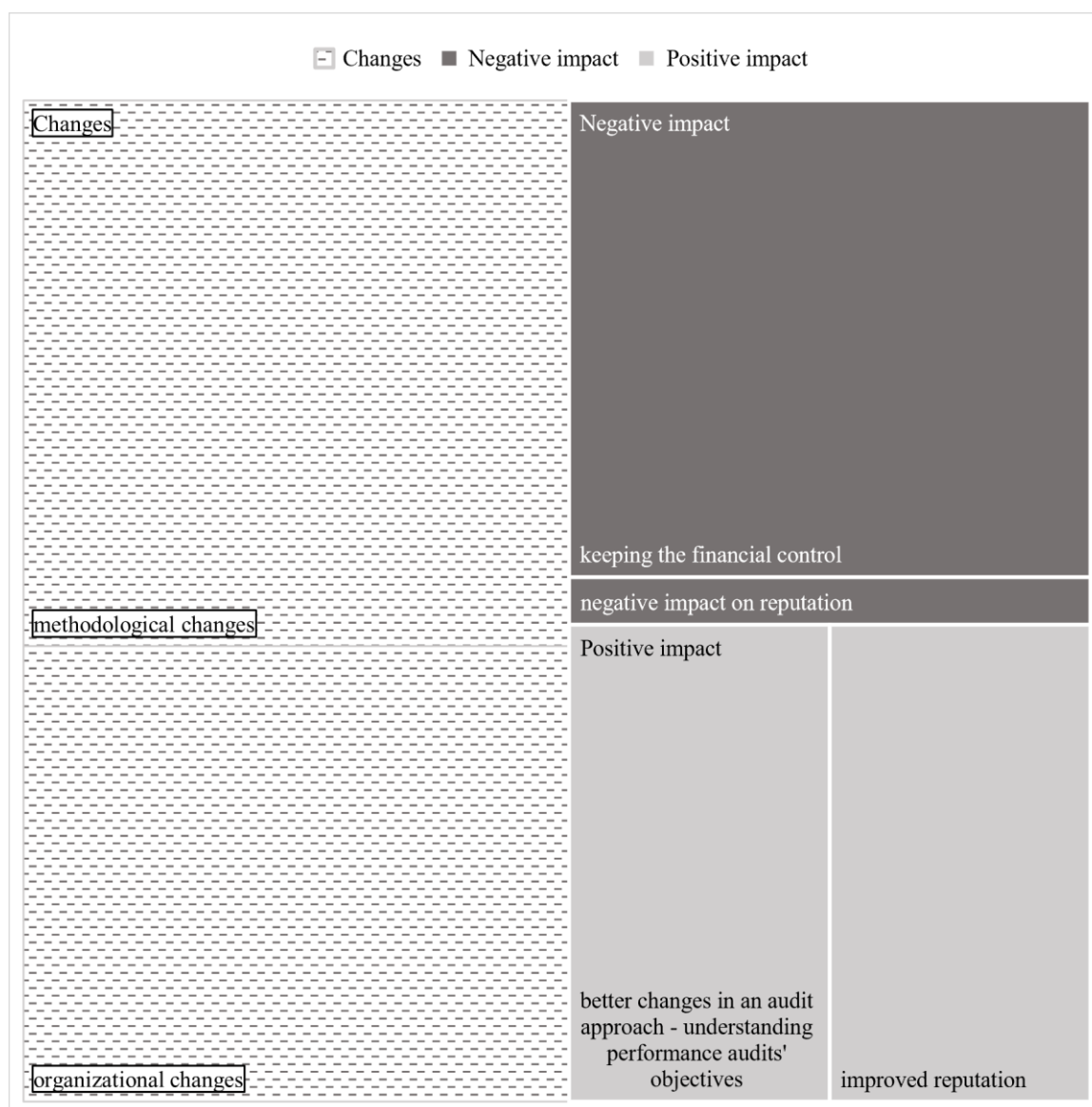


Figure 25. Auditors' perception on impacting audit organizations

Five auditors (100%) shared their experiences on how introducing the performance audits impacted their organizations. According to their perceptions, changing the methodology is the most influential impact of performance audits on audit organizations.

In our organization... [*thinking*]... I would not say that I observed obvious progress. The number of methodological recommendations, internal rules, and regulations increased. Often, the internal rules are changed. Of course, the requirements on the application of methodological papers are changed as well. (AC02, personal communication, January 8, 2020)

The other four auditors shared the same view; they more specifically noted that the number of methodological papers increased due to performance audits. For instance, AL04 argued that many different methodological papers were developed because of performance audit introductions and “it is the first time when auditors have methodological papers for all occasions” (AL04, personal communication, January 10, 2020). According to AC/L05, despite the development and approval of methodological guidelines on performance auditing, not all auditors in both central and local audit organizations apply these guidelines. All five auditors shared their views on complications the methods of their organizations on the conduction of performance audits.

In most cases, auditors referred to an increased number of job functions including non-audit functions, such as preparing the information for external users, quality control, and legal expertise.

Unfortunately, our possibilities on changing our organizational structure are extremely limited, our structure has not been changed from 2011, while we are transferring to performance audits. We were required to introduce many different functions, we have quality control functions, we have functions on legal expertise, and so on. (AL04, personal communication, January 10, 2020)

Two auditors directly linked these changes with the increased number of performance audits, while others stated that there are also other reasons for these changes. In describing the changes that occurred in their organizations' structure, four of the five auditors admitted that there are no desired changes associated with performance audits since their organizations did not create separate performance audit departments.

Four auditors (80%) negatively perceived keeping financial control functions with its strengthened requirements for finding financial violations during performance audits. Three auditors more specifically noted that tasks on finding violations lead to complications of interactions with auditees and, therefore, audit organizations are perceived as "controllers from the Soviet Union who are pursuing the goal of punishing" (AC02, personal communication, January 8, 2020). Two of the five auditors shared their views on the negative impact of performance audits on their organizations' reputations. In both cases, auditors noted that negative reactions on their performance audits took place when they received substantiated objections to audit result findings.

According to all five auditors, there are also some positive changes in audit organizations associated with performance audits. In all cases, auditors emphasized that these changes are changes from recent days. AC01 noted that both the central and local

audit organizations' approach to performance auditing is changed "little by little... and people now understand what does performance auditing mean" (AC01, personal communication, January 8, 2020). Two of the five auditors noted that performance audits lead to the improved reputation of their organizations. "I think... our commission became recognizable, and it is thanks to our performance audits" (AL03, personal communication, January 9, 2020).

In describing the experience of interaction with auditors, five managers of auditees listed changes in auditors' methods.

There are some other changes. Before auditors interact with our accountants and financiers, they didn't go to our department or other departments. Now they interact with all departments. Like our accountants and financiers, we closely interact with auditors. I see that their tasks are changed and increased. (ML/C14, personal communication, February 28, 2020)

"Now, we may pay tribute to the auditors, they started to write about our good practices in their audit reports. I support it... [smiling]" (ML12, personal communication, February 15, 2020).

Four of the five managers noted that performance audits positively impact on audit organizations' reputation. In three cases, managers commented upon the positive impacts with audit organizations' practice on attracting qualified experts.

But there were a couple of good points. I do believe that they do a good job because it was a strong team of auditors with external experts. Then, and this, perhaps, was a one-time case, the audit report was different, it was the better

report compared with all previous reports. (MC10, personal communication, February 11, 2020)

Like auditors, managers of auditees shared negative perceptions associated with keeping financial control mechanisms. “For us, there are no significant differences between old and performance audits. Why? Because the results of all audits are the same. All is about violations, and, anyway, violations are important performance indicators for audit organizations” (ML/C14, personal communications, February 28, 2020). Three managers more specifically noted that, like compliance audit reports, performance audit reports consist of facts of financial violations, transferring auditors’ findings to law enforcement bodies, and administrative violation protocols.

In the group of parliamentarians, changes in audit organizations are associated with using new methods of audits (two of the four parliamentarians) and keeping financial controls (three of the four parliamentarians). As PL09 stated, “I don’t perceive our local audit commission as a body of financial control because their reports focused on recommendations. Yes, of course, they include identified violations in their reports, but they put more effort into recommendations” (PL09, personal communication, January 23, 2020). Two parliamentarians shared their positive perceptions about audit organizations achievements. “I know that today local revision commissions actively conduct performance audits. They have good results” (PC06, personal communication, January 16, 2020).

Two parliamentarians noted that there are no significant changes in audit organizations since, as before, they primary focus is on violations.

Each time they report on violations, report on billions of tenges of violations. But if you look carefully, you see that these billions of tenges are accounting errors. Then, they start their explanations that they classified violations by financial violations and procedural violations... Anyway, these kinds of results are results of financial or compliance audits. (PC07, personal communication, January 17, 2020)

Changes in auditees. The changes in auditees effected by introduction of performance audits are more highlighted in the experience of managers and auditors, and less highlighted in the experience of parliamentarians. Five auditors (100%) positively perceived changes in auditees, whereas managers of auditees shared both positive and negative perceptions. In describing their experience in performance audits conducted in 2016–2019, auditors noted that implementation of their recommendations by auditees led to improved performance, better discipline, enhancing the control over the execution of budget programs, and changes in organizational structures. In two cases, auditors stated that their work contributed to the improved reputation of auditees as well. Figure 26 illustrates the distribution of the perceived impacts of performance audits by related family categories.

As AC03 shared, performance indicators of local departments that are responsible for managing the landscaping projects improved as a result of the implementation of auditors' recommendations.

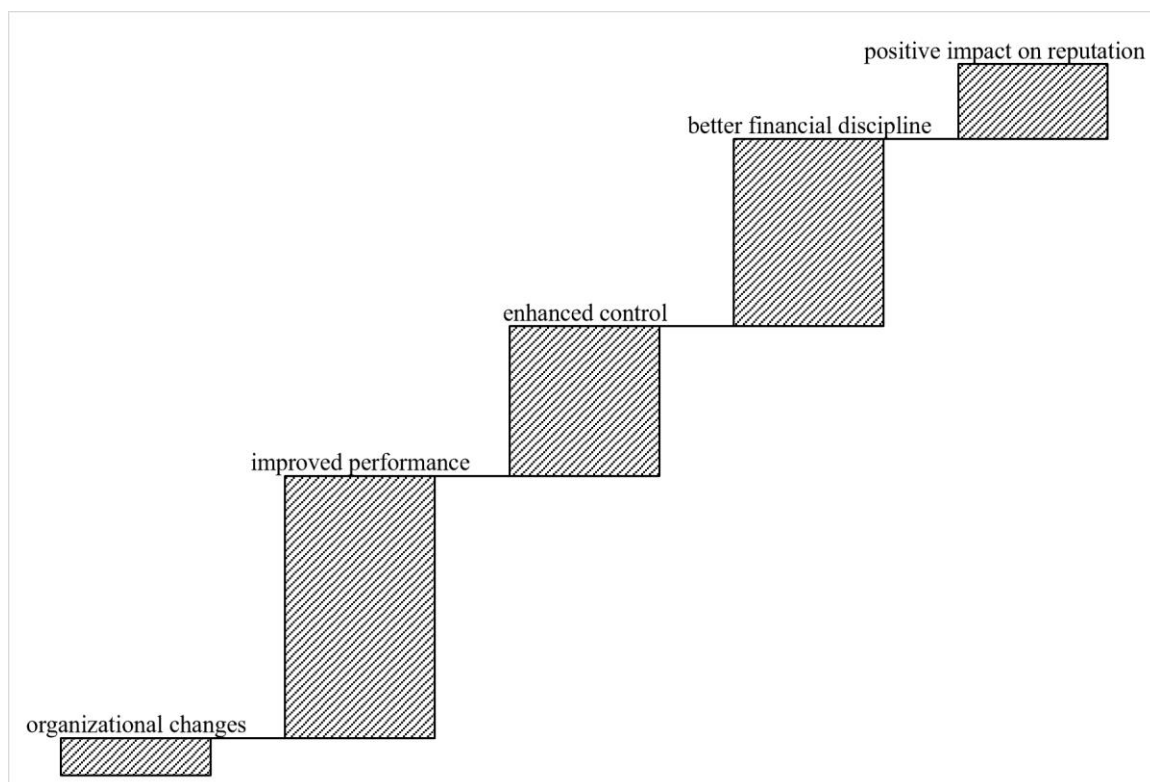


Figure 26. Auditors' perception on impacting auditees

The chief accountant and public service inspector reported on streamlining internal business processes in their organization after our audit. The chief accountant said, “Now, we can establish more real deadlines and justified requirements for our contractors, and they don’t stamp their feet anymore.” It was a good feedback. (AL03, personal communication, January 9, 2020)

AL04, more specifically, shared the experience of changing the organizational structures of auditees. All five auditors stated that auditees’ discipline including financial discipline, i.e., compliance with the regulations on the execution of budget programs, is significantly improved. Four auditors shared their experience of enhancing controls over

budget program execution by audited departments. “Auditees develop. I see that audit by audit, they become better. Today, I have to say... violate to reap the fruits of their mediocrity or illiteracy... [*thinking*]... there is no such thing today” (AC01, personal communication, January 8, 2020).

Managers shared their positive perceptions associated with the impact of performance audits on their organizations in 33 cases and negative perceptions in 21 cases. Figure 27 illustrates the distribution of the perceived impacts of performance audits by related categories.

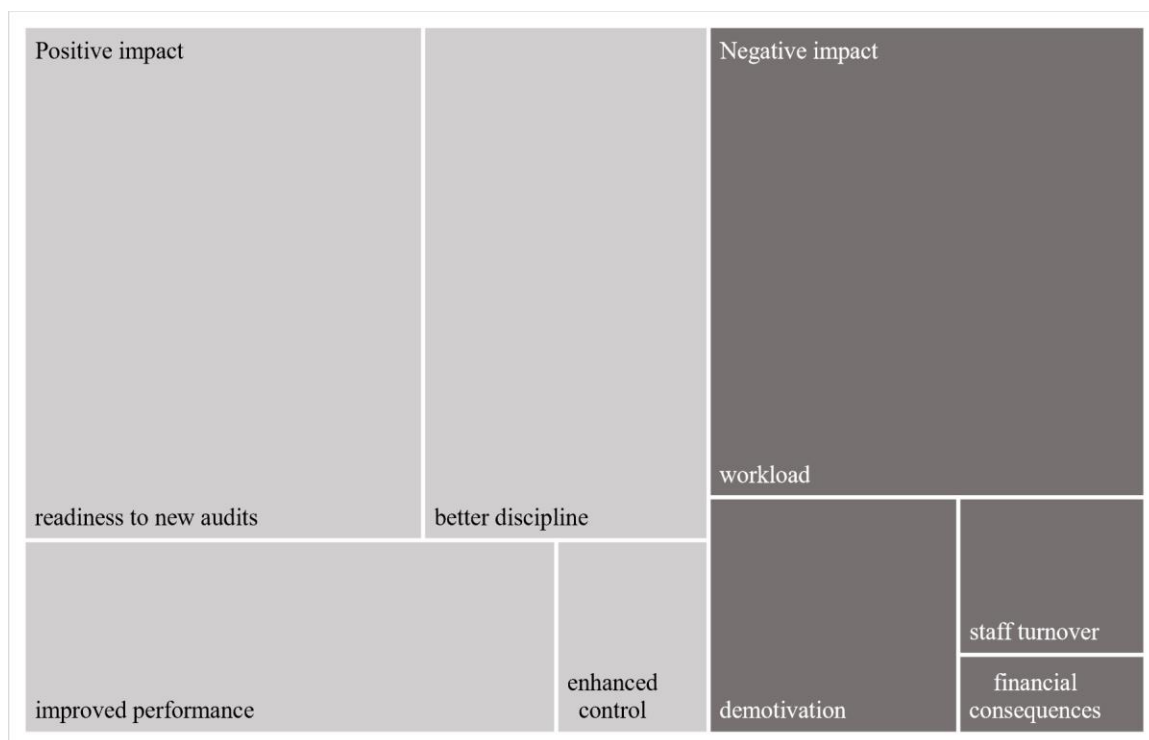


Figure 27. Managers' perception on impacting auditees

As demonstrated in Figure 27, for most managers, changes in auditees included improved performance, better discipline, and enhanced control. Additionally, five

managers of auditees (100%) noted that performance audits contributed to the readiness of their organizations to new audits.

I believe that year to year we complicate the task of auditors because we are improving... If we will see violations, they will be eliminated. It will be monitored. And if somebody commits the same violation repeatedly, then more severe measures will be applied to him. (ML12, personal communication, February 15, 2020)

“If auditors’ comments were addressed to other administrators of budget programs, even to other administrators, we ‘have our finger on the pulse’ to receive less or no comments from auditors in the future” (MC10, personal communication, February 11, 2020). “I’m sure that we will have audits again and again... [*smiling*]... for example, they may decide to audit our obligatory health insurance system. Well, we will be ready” (MC11, personal communication, February 14, 2020).

Answering my question about changes that occurred in auditees as a result of performance audits, managers shared negative perceptions associated with workloads, demotivation, staff turnover, and financial consequences, such as budget cuts and penalties. Managers of auditees admitted that workloads are a direct result of performance audits since, unlike compliance auditors, performance auditors request more information and have more questions. For instance, MC10 stated that during the performance audits “all our organization work for auditors preparing the requested documents, a huge amount of information, a huge amount of analytical data, and we

provide them with multiple explanations” (MC10, personal communication, February 11, 2020). Similar views were shared by other managers as well.

In turn, managers connected staff demotivation and turnover, and financial consequences with financial control measures undertaken within performance audits. ML12 shared in detail experiences of auditors applying financial control mechanisms. “It is critical and sensitive things for us, for any others who under audits because if our staff received the administrative violation protocol, auditors’ decisions on penalties, it leads to negative consequences. It demotivates our staff” (ML12, personal communication, February 15, 2020). Two managers shared stories about the dismissals of qualified specialists following the results of audits. “It was a case when that qualified specialists did not agree with the measures taken to them, and there are other organizations in regions which are in similar ‘deplorable’ situations” (ML/C14, personal communication, January 28, 2020).

In sharing the views related to changes in auditees, parliamentarians referred to improved financial discipline. However, three of the four parliamentarians mentioned that there are no significant changes in audit organizations that could be defined as “a net result of audit organizations” (PL08, personal communication, January 20, 2020).

Pattern 3: Macrolevel impact. For most of the participants, the macrolevel impact of performance audits included improved budget process (Theme 231) and changes in laws and regulations (Theme 232). After completion of data analyses, I also identified that improved budget processes and changes in laws and regulations, viewed by the majority of participants, are not attributed solely to the impact of performance

audits (Sub-theme 233). Fourteen participants (100%) shared their views relating to changes in auditors' work needing to facilitate a more positive impact of performance audits on public administration in Kazakhstan (Sub-theme 234), as it is demonstrated in Figure 28.

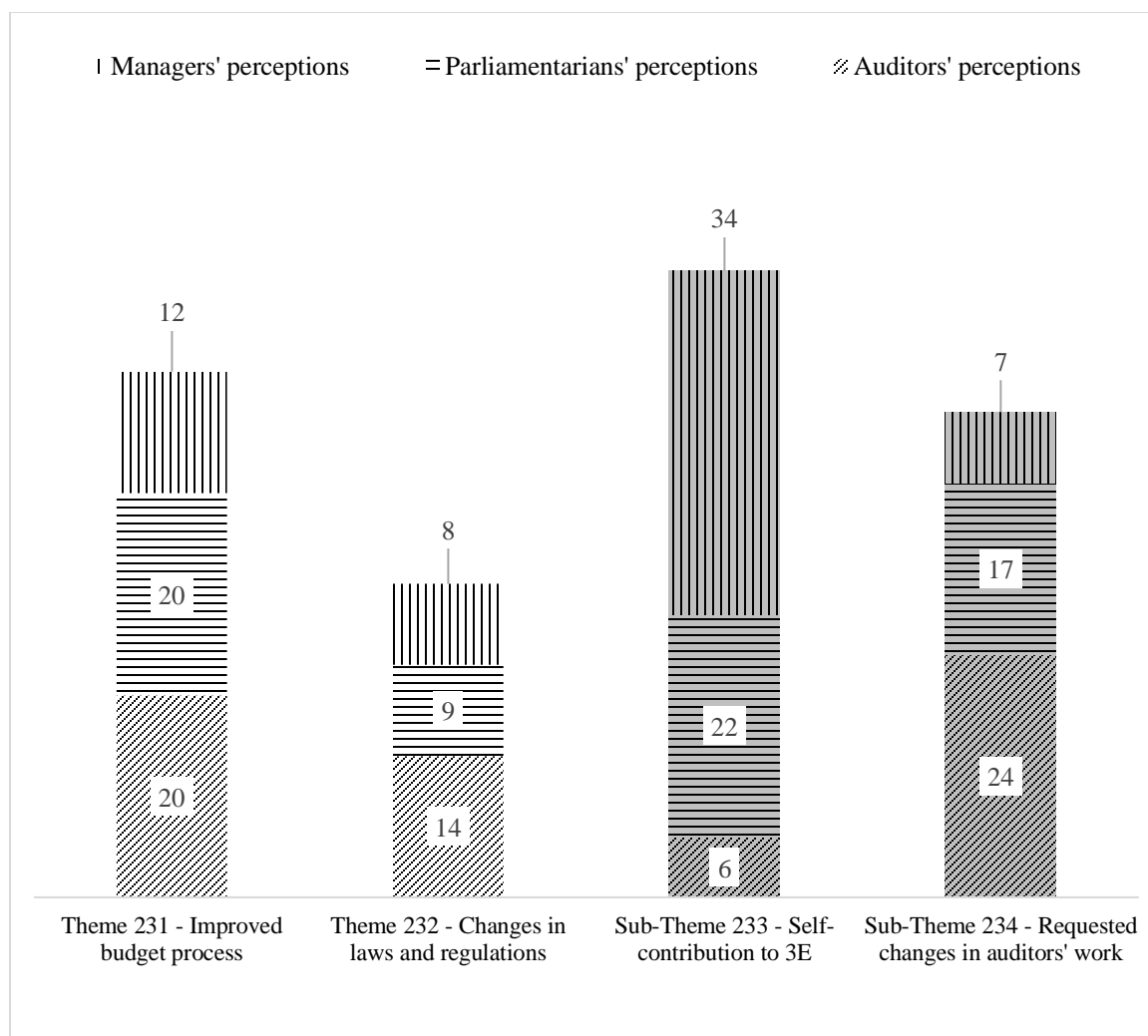


Figure 28. Visualization of themes on Pattern 3 by the frequency of categories

Table 18 illustrates the themes and sub-themes on Pattern 3 emerging with different levels of frequency in three groups of participants.

Table 18

Pattern 3: Matrix of Themes and Frequency of Associated Categories

Theme/ Sub-theme	Frequency of themes by participants				Weighted percentage: Frequency of categories
	Group 1: Auditors	Group 2: Parliamentarians	Group 3: Managers	Total	
Theme 231: Improved budget process	5 of 5 (100%)	4 of 4 (100%)	4 of 5 (80%)	13 of 14 (92.9%)	62.7%
Theme 232: Changes in laws and regulations	5 of 5 (100%)	4 of 4 (100%)	4 of 5 (80%)	13 of 14 (92.9%)	37.3%
Sub-theme 233: Self-contribution to 3E	4 of 5 (80%)	4 of 4 (100%)	5 of 5 (100%)	13 of 14 (92.9%)	56.4%
Sub-theme 234: Requested changes in performance auditors' work	5 of 5 (100%)	3 of 4 (75%)	3 of 5 (60%)	11 of 14 (78.3%)	43.6%

Improved budget process. Thirteen participants (92.9%) shared their experiences of improved budget processes as a result of performance auditing. That perceived effect included changes for better planning and execution of budgets, preparing reports by administrators of budget programs, and enhancing controls over execution of the central and local governments' budgets.

Four parliamentarians (100%) emphasized that using the performance audits by legislative bodies significantly contributed to enhancing controls over government entities, more precisely over the spending of budget funds by the central ministries and local executive departments. Three parliamentarians argued that auditors' work facilitated the Parliament and Maslikhats in ensuring accountability within the public and quasi-public sectors.

All deputies, all ministers and other top-managers from central ministries, heads of akimats, and even chairs of big national companies, all take part these meetings, all become more aware of the performance audits results, on the one hand, and about the effectiveness in using the budget funds, on the other hand. (PC06, personal communication, January 16, 2020)

“It contributes to discipline not only in audited ministries or agencies, in all other organizations as well” (PL09, personal communication, January 23, 2020).

Three of the four parliamentarians noted that performance audits contributed to changes in budget planning by facilitating correct redistribution of funds between administrators of budget programs. PC06 and PL09 shared their experiences on making decisions on reallocations of budget funds between ministries and departments that used budget funds ineffectively or were unprepared for implementation of investment projects.

There were such situations when we used the facts of violations and ineffective budget spending as a rationale to make decisions on cutting the allocated budget funds of related administrators. We redistribute these funds between other ministries, we allocate them to other priority sectors of the economy, to the social needs of the state. (PC06, personal communication, January 16, 2020)

We use the performance audit as a tool to understand and to find the right ways on how we can prevent ineffective spending. By using the results of audits, we can prevent ineffective spending; we can do it when we consider and approve budget programs, proposals on investment projects, and so on. I think, that there were

many examples when ...[*thinking*]..., we saved budget funds by making our decisions on budget approval. (PL08, personal communication, January 20, 2020)

Like parliamentarians, auditors positively perceived the impact of their performance audits on budgeting processes. However, they mainly referred to improved quality within budget program execution. Five auditors (100%) noted that their efforts contributed to prevention or minimizing the risks of negative consequences of ineffective spending.

For example, after our audits the budgets are replenished with unpaid taxes, service providers carry out restoration work. They did something poorly, we pointed them out, they fixed it. Of course, let's say so, we are not the only ones to do it. Anyway, our audit is very beneficial for our state. (AC02, personal communication, January 8, 2020)

Four of the five auditors mentioned the improved quality of budget programs as a result of their performance audits.

There are many, too many, situations when ministries plan to spend huge budget funds that could lead to ineffective spending or even to negative results. We indicated this problem, they corrected their documents, and the others learn. Then, all can prepare good budget programs and budget applications. (AC01, personal communication, January 8, 2020)

AL03 shared, in detail, examples of saving budget funds as a result of performance audits and using central budget transfers by local departments. In describing their experiences on monitoring implementation of auditors' recommendations, all five

auditors argued that these results contributed to better budget planning when recommendations were implemented.

Two auditors shared their experiences on contribution to addressing systems' issues, such as lack of financing or inefficient financial management. In two cases, auditors emphasized that their work is beneficial as governments and parliaments use these audit results to promote reforms in areas of public financial administration. "Thanks to our audit reports, they have new opportunities to address big problems or find new ways – increase funding, reduce funding, or apply a public-private partnership. I have to say that they do it" (AL04, personal communication, January 10, 2020).

On my question about the changes that occurred in areas of public administration supervised by their organizations (i.e., public finances and healthcare) after the implementation of performance audits, managers of auditees often described these measures as positively impacting budget reimbursement of unused or misappropriated funds or elimination of work defects by service providers. Three managers noted, after auditors' work, their organizations strengthened control over all administrators of local budget programs. Two managers shared their experience of changing performance and budget reports. "We prepare and submit our performance and budget reports to the Ministry of Healthcare. After audits, we improved our reports" (ML13, personal communication, February 15, 2020). ML/C14 shared an example of improved interdepartmental cooperation in using state loan funds at the local level.

Changes in laws and regulations. In relation to perceived changes in laws and regulations, I interpreted participants' perceptions on providing auditees and authorized

bodies with recommendations on changing the laws and regulations as (a) agreed by auditees and authorized bodies or (b) implemented by auditees and authorized bodies, as well as (c) perceptions of participants on using performance audit results by parliamentarians or governments in making their legislative proposals.

According to five auditors (100%), performance audits are useful since they contributed to improved laws and regulations. Three auditors shared their experience of making recommendations related to changes in the Budget Code, the Tax Code, and the Environmental Code. “We recommended changes in rules, regulations, laws, and codes... Our recommendations were related to the budget process, related to public procurement... Some recommendations were supported and agreed by the Ministry of Justice and the Prime Minister’s Office” (AC01, personal communication, January 8, 2020). AC/L05 more specifically shared examples of making the amendments to the Budget Code, the strategic plan of the Ministry of Finance, and regulations of the Ministry of National Economy.

Our recommendations on using the tax gap as the performance indicator by tax body and related changes to the Budget code were agreed by the auditee. Of course, at the first stage of our discussions, they objected, but then they understand and agreed with us. Moreover, our recommendations were supported by parliamentarians. (AC/L05, personal communication, January 15, 2020)

Two auditors shared their experiences in making recommendations in the following areas: (a) state programs on healthcare, (b) programs concerning regional development, and (c) programs for waste management.

In sharing their experiences in using auditors' work, four parliamentarians (100%) referred to changes in laws and regulations. In particular, they listed the Budget Code, laws on public procurements and republican budgets, and local legislative body's decisions on approval of local budgets. PC06 shared experiences of making amendments to the Law of the Republic of Kazakhstan about the Republican Budget; parliamentarians in detail shared their views on changes within budget parameters and costs of ministries and agencies. PL08 referred to similar experience and noted that "performance audit results should continue to motivate us to change laws or write new laws, we need to do it to eliminate all risks of violations, deficiencies, and mainly – ineffective spending of taxpayers' money" (PL08, personal communication, January 20, 2020).

Three parliamentarians described how they make legislative proposals based on auditors' work; two parliamentarians, however, mentioned that it was a rare case. "As part of the promotion of legislative initiatives, I can also rely on their materials. But to be honest, I don't do it often. I work with the government directly. Why? Because we receive audit materials after the fact" (PC07, personal communication, January 17, 2020).

Four managers (80%) shared their experiences on implementation activities of auditors' recommendations. Their perceptions are mainly associated with changing of rules and regulations. "There were internal local documents of our ministry, which were aligned and improved... Yes, we work on the bugs" (MC10, personal communication, February 11, 2020). MC11 mentioned that some regulations, including rules for purchasing of medical equipment, were changed because of auditors' recommendations.

Generally, themes associated with changes in laws and regulations were less highlighted in parliamentarians and managers experiences, which was opposite to auditors' experiences. I concluded these differences to be associated with parliamentarians and managers often referring to their contributions to improvements whereas auditors were focused on direct observations and compliance experiences. Therefore, two trends emerged as subthemes on Pattern 3, including sub-theme 233 "Self-contribution to 3E" and sub-theme 234 "Requested changes in performance auditors' work".

Self-contribution to 3E. I entitled sub-theme 233 as self-contribution to 3E since perceptions of all parliamentarians and managers about their contributions might be interpreted as contributions to the implementation of principles of 3E (i.e., economy, effectiveness, and efficiency). Four auditors (80%) referred to contributions of the parliament and government.

All parliamentarians explicitly described their activities on changing the laws and regulations without references to auditors' work. "In some cases, we, the deputy corps, reveal shortcomings in our legislation... We make recommendations on improving the legislation" (PC06, personal communication, January 16, 2020). PL09 shared examples of helping veteran policymakers to put forth legislative proposals. The following statement encapsulated the parliamentarians' perceptions: "If the parliamentary institute is not oriented on real improvements focusing on the electorate, then discussions of the audit results become a small-scale game. To avoid playing to the gallery, we have not to rely only on performance auditors" (PL08, personal communication, January 20, 2020).

Like parliamentarians, all managers shared their views on their organization's achievements. "We introduced the result-oriented budget, strategic planning, and we improved the budget reports, the transparency of our performance results is significantly increased" (ML12, personal communication, February 15, 2020). "We were the first who introduced many innovations... We open departments for premature babies... We transferred our new practices to other regions" (ML13, personal communications, February 15, 2020). Four managers shared examples of changing regulations by their organizations. Managers of auditees did not connect all these cases with the performance audits.

Requested changes in performance auditors' work. Eleven participants (78.6%), based on their experiences in performance auditing, reasoned that changes are needed in performance auditors' work. Five auditors (100%) admitted that changing their approach to performance auditing will contribute to the usefulness of their audits. Four auditors emphasized the need for changing audit methodology, making it more flexible. Most of the auditors suggested changes in using financial control mechanisms since "it is impossible to undertake an ideal performance audit with keeping the financial control measures inherited from the Soviet Union" (AC02, personal communication, January 8, 2020). All auditors highlighted that the amount of identified violations should not be used as auditors' performance indicators.

Three parliamentarians (75%) also called for changes. Like auditors, parliamentarians discussed needed changes in financial control mechanisms.

"Performance audit should not be carried out to identify violations of 20 billion tenges...

But it often happens to us” (PL08, personal communication, January 20, 2020).

Parliamentarians suggested changes in submitting the performance audit reports to legislative bodies.

I would like to bring the process of reviewing audit results by the deputies’ corps closer to the completion of audits. Today, we need to wait for annual reports, we consider the results of all audits completed a year or several months ago. We have to change it. (PC06, personal communication, January 16, 2020)

Three managers of auditees (60%) discussed needed changes in audit methods and reports, and they called for competent recommendations and objective audit opinions. “We face auditors who evaluate us solely based on identified violations, they don’t pay attention to our achievements. Making the audit conclusions based on negative points is unfair” (MC11, personal communication, February 14, 2020).

Summary

Chapter 4 consists of detailed descriptions of implementing the field stage of my study, beginning from participant recruiting through synthesizing research findings to address my posed research problem and research question. I generated 18 themes associated with my research question through data analyses of 14 phenomenological interviews and examination of secondary data. As highlighted in the lived experiences of participants, the demand for performance audits in Kazakhstan is explained through preferences, interests, and needs of performance audit users, as well as through legitimization of performance audits and adoption of international audit best practices.

The most influential factors on demanding performance audits were found to be directly associated with problems in public administration in Kazakhstan.

According to participants' perceptions, performance audits have personal, organizational, and macrolevel impacts. In describing changes resulting from performance audits, participants shared both positive and negative perceptions. Nonetheless, there were no significant discrepancies found between analyzed data. Overall, mixed perceptions are explained by features found through transitioning from old financial control systems to new public auditing systems in Kazakhstan. Generally, auditors and parliamentarians shared positive perceptions associated with performance audits' influence, while managers of auditees often noted negative aspects associated with performance auditors' work. More specifically, all parliamentarians and managers shared their views about their organizations' contribution to changes without references to performance auditors' work (the first sub-theme). The majority of participants were unanimous in requesting changes on the application of financial control mechanisms by performance auditors (the second sub-theme). Further interpretation of these research findings, considerations about positive social change impact, future research, suggested public policy changes, and other political implications will be described in Chapter 5.

Chapter 5: Discussion, Conclusions, and Recommendations

Introduction

To explore factors that might explain the demand for performance auditing in Kazakhstan and the perceived effects of performance audits on Kazakhstani public administration, I studied the lived experiences of 14 participants of a performance auditing process. Additionally, I reviewed and analyzed more than 200 official documents related to the studied phenomena, including audit reports issued by the Accounts Committee and local public audit organizations in 2016–2020, as well as audit reports issued by SAIs of Australia, Canada, the United States, and United Kingdom within the same timeframe. Guided by a combination of NPM and PAM theoretical frameworks, I addressed a gap in understanding the reasons for demanded performance audits and perceived impacts that these audits have on public administration in Kazakhstan.

I determined problems in public administration, needs and interests of parliamentarians, public auditors, the President, citizens, and media as the most influential factors of highly requested performance audits in Kazakhstan. To a lesser extent, increasing the number of performance audits is explained by interests of managers of auditees and features of Kazakhstani public auditing system, such as legitimization of performance auditing practice and adaptation of international experience.

Despite their novelty, performance audits already had instrumental, conceptual, tactical, and strategic impacts; these impacts manifested at micro-, meso-, and macrolevels. Conclusively, I found that performance audits led to changes in public

administration, impacting positively and negatively (a) those involved in these audits, (b) audit organizations and auditees, and (c) contributing to improved budget process and changes in laws and regulations.

Comparing my research findings with the reviewed literature results, I concluded that they [findings] are consistent, partially consistent, or inconsistent with previous studies' findings and conclusions. There are a few relatively new findings that actualize further theoretical and practical considerations. Chapter 5 consists of a detailed interpretation of my research findings, descriptions of limitations of the study, recommendations, and study implications.

Interpretation of the Findings

Empirical Context and Evidence

Factors of highly demanded performance audits. Like many developed and developing countries, Kazakhstan is within a megatrend on expanding their performance audits (see Alwardat & Basheikh, 2017; Bunn, Pilcher, & Gilchrist, 2018; Flesher & Zarzeski, 2002; Funnell, 2004a; Glynn, 1985; Levy, 1996; Loke et al., 2016; Pollitt, 2018; Reichborn-Kjennerud & Johnsen, 2018; Torres et al., 2019; Yamamoto & Waranabe, 1989, for more). According to the perceptions of the 14 (100%) participants, more performance audits are being conducted in various areas of public administration by both the central and local public sector audit organizations. In the last 18 years, audit organizations increased their share of performance audits starting from 0 to more than 60% of their audit portfolios, as it is illustrated in see Table 10, and, thus, performance auditing practice flourished in Kazakhstan as well (see Pollitt, 2018, p. 167, for more).

Answering questions regarding the reasons behind performance audit requests, I identified that these audits are in high demand in Kazakhstan due to the needs and interests of parliamentarians, auditors, the President, citizens, and media. Previously, participants or users of performance audits within public administrations were not defined as influential factors of demand for performance audits and at such a ranking. However, these findings are consistent or partially consistent with previous studies' results.

Parliamentarians need and use performance audits to implement their duties, such as ensuring the accountability of governments, making budgetary decisions, and promoting legislative proposals. This finding is consistent with results of studies on using performance audit results (Arthur, Rydland, & Amundsen, 2012; Funnell, 2004a, 2011, 2015; Funnell & Wade, 2012; Funnell et al., 2016; Guthrie & Parker, 1999; Morin, 2001, 2008, 2016; Pollitt & Summa, 1997; Reichborn-Kjennerud, 2013a, 2013b, 2014a, 2014b; Reichborn-Kjennerud & Johnsen, 2011; Reichborn-Kjennerud & Vabo, 2017). For instance, one parliamentarian stated that reports of audit organizations are the only sources about the quality of implementing the budget process and ministries' effectiveness that allow a deputy corps of parliamentarians to make informed decisions about budgets and laws (PL06, personal communication, January 16, 2020). This perception is in line with considerations of Reichborn-Kjennerud (2014a, 2014b) related to providing elected officials with information about using public money through auditing the performance of executives. Arthur et al. (2012) similarly opined that performance audit results are necessary to making parliamentary decisions. Funnell

(2015) argued that parliamentarians use performance audits to legitimize their decisions, and that argument was confirmed by the experience of study participants, who shared views on pursuing political interests by members of the Parliament of Kazakhstan via performance audit results (PL08, personal communication, January 20, 2020; AC02, personal communication, January 8, 2020; AC/L05, personal communication, January 15, 2020).

In Australia, increasing the number of performance audits was motivated by representatives of parliamentary committees for public accounts who “complement and enhance the role of performance auditors primarily by providing the public forum for further investigations into government practice and performance” (Hoque and Sharma as cited by Parker, Jacobs, & Schmitz, 2019, p. 284). In Kazakhstan, parliamentarians praise the work of auditors as well. However, they use different tactics to shape the demand for performance audits depending on levels of public administration. Members of the central legislative body request information about performance audits results, while local parliamentarians, like legislators in western public administrations, directly request conduction of performance audits and actively participate in meetings considering performance audits results. Despite these differences, my conclusion on the demand for performance audits due to parliamentarians’ needs is consistent with definitions of parliamentarians as motivators of performance audits in Australia (Parker et al., 2019) and as external initiators of performance audit ideas in New Zealand (Nath, Radiah, & Laswad, 2019).

Further, both the central and local public audit organizations, in most cases (i.e., except requesting audits by parliamentarians and the President), select themes, areas, and auditees for conducted audits at their sole discretion. Of those interviewed, all auditors opted for performance audits, shared their experience in proposing performance audits, and predominantly supported proposals to conduct more performance audits by their colleagues. These findings were consistent with recent considerations of Nath et al. (2019), who defined audit organizations and audit teams as the main internal initiators of performance audit ideas. Then, auditors' preferences as the influential factor of demand for performance audits are due to their active positions (see Norton & Smith, 2008, for more). Performance auditors are ready to initiate important audits and issue audit reports even when these audits are not requested by governmental or any other organizations (Wheat as cited by Norton & Smith, 2008).

In turn, an active position of Kazakhstani performance auditors might be defined as a manifestation of a responsive approach to performance auditing (see Arthur et al., 2012; Knaap, 2011; Rosa et al., 2014a; Rosa, Morote, & Prowle, 2014, for more). Applying that approach means that performance audits are initiated and conducted in the interests of users, e.g., crime victims, employers, and disabled people (Arthur et al., 2012). In the lived experience of auditors, the needs of citizens were highlighted as reasons for increasing performance audits, opposite to the lived experience of parliamentarians or managers of auditees. Particularly, auditors claimed that performance audits are needed because of citizen complaints and the existence of social problems, including the unaddressed needs of people who are most in need of governments'

support, such as pensioners, large families, and disabled people (AC01, personal communication, January 8, 2020; AL03, personal communication, January 9, 2020; AL04, personal communication, January 10, 2020; ACL05, personal communication, January 15, 2020). According to the lived experience of 7 (50%) participants, the media, to a certain degree, shape the demand for performance audits as well.

The generated theme “Citizens and media shape the demand for performance audits” is consistent with defining the public (the public complaints) and media as external initiators or motivators of performance audits (see Nath et al., 2019; Parker et al., 2019, for more). At the same time, cases from Australia and New Zealand studied by Parker et al. (2019) and Nath et al. (2019), respectively, differ from the case of Kazakhstan. For instance, auditors in Kazakhstan consider citizens’ complaints posted in i-komek, i.e., the information system of local authorities in planning performance audits (AL03, personal communication, January 9, 2020), while auditors in New Zealand respond to citizens’ complaints submitted directly to their organizations by conduction of performance audits (Nath et al., 2019). Regarding the media, auditors in Australia do not use the media to disseminate performance audit reports, while audit organizations in Kazakhstan invite the media to share the results of performance audit results (AC02, personal communication, January 8, 2020). In the end, the media shape the demand for performance audits in Kazakhstan, like in other countries (see Justesen & Skaerbaek, 2010; Morin, 2008; Nath et al., 2019; Parker et al., 2019; Tillema & Bogt, 2010, for more).

Nath et al. (2019) analyzed situations when themes of performance audits in healthcare were defined by SAI of New Zealand, taking into account views of representatives of the Ministry of Health and the District Health Boards. The authors concluded that it was a useful experience. My study participants, i.e., managers of auditees and auditors, shared opposite positions regarding the agreements or joint initiations of performance audits in Kazakhstan. All managers and all auditors stated that they did not experience any performance audit initiations or took part in planning performance audits by auditees' managers. It was explained by (a) frequent visits of auditors caused by increasing number of audits or annually repeated performance audits (MC10, personal communication, February 11, 2020; MC11, personal communication, February 14, 2020; ML12, personal communication, February 15, 2020; ML13, personal communication, February 15, 2020; ML/C14, personal communication, February 28, 2020); (b) requesting audits by newly appointed ministries to check financial violations, in rare cases (AC02, personal communication, January 8, 2020; ACL05, personal communication, January 15, 2020). Therefore, Kazakhstani practice on performance auditing differs and are a far contrast from the experiences of western countries where performance audits are requested not only by parliamentarians, but also by auditees or governments (see Funnell 2015; Knaap, 2011; Nath et al., 2019; Parker et al., 2019, for more). A few managers shared their experience on interactions with external public auditors when they execute the President Administration's order (MC10, personal communication, February 11, 2020; ML12, personal communication, February 15, 2020). Participants did not perceive that experience as a voluntary action, but, in their opinion, it

was a positive experience. Thus, the statements about conduction of useful performance audits through agreed actions between governments, auditees, and auditors made by Nath et al. (2019) and almost 20 years ago by Morin (2001) are to some extent, relevant to the Kazakhstani case.

Finally, I defined the President's policy on prioritizing performance audits as one of the more influential demand factors for these audits in Kazakhstan. This finding is relatively new since as my literature review offered no studies that explored the influence of presidents (head of the states) on performance auditing, and presidents were not defined as initiators or motivators of performance audits before. This strong presidential power, which implies using mandates of both legislative and executive bodies (Nazarbayev, 2017; OECD, 2017a), explains why, in the lived experience of 11 (78.6%) participants, the President's order emerged as high priority demand factor for performance audits in Kazakhstan. Additionally, based on my literature and documentary review results, I concluded that heads of states request performance audits in other post-Soviet republics including Russia (The Accounts Chamber of the Russian Federation (ACRF), 2020), but their influences on demand for performance audits were not studied.

There are other influential factors that explain the phenomenon of highly requested performance audits in Kazakhstan. As described in Chapter 2, based on linkages between the emergence and developments of new public management and performance auditing, I defined NPM as a classical trigger for performance audits. Due to changes in principles of the public sector functioning (Hood, 1991; Hood, 1995), public auditors started to focus on evaluations and results in order to assess achievements

(Guthrie & Parker, 1999; Levy, 1996; Pollitt & Summa, 1997), and by pursuing objectives related to promotion of improvements and enhanced accountability in audited areas (Alwardat et al., 2015; Alwardat & Basheikh, 2017; Barrett, 2012; Flesher & Zarzeski, 2002; Funnell et al., 2016; Funnell & Wade, 2012; Funnell, 2015; Morin & Hazgui, 2016; Morin, 2016; Reichborn-Kjennerud & Johnsen, 2018; Reichborn-Kjennerud & Vabo, 2017). Similar to other countries, highly demanded performance audits in Kazakhstan are due to NPM (see Linn, 2014; Nazarbayev, 2017; Vakulchuk, 2016, for more).

Firstly, in response to reforms in public management, audit organizations extended their mandates and added performance audits into their audit portfolios (English, 2003; Free, Radcliffe, & White, 2013; Funnell, 2015; Glynn, 1985; Hossain, 2010; Morin, 2003; Morin & Hazgui, 2016; Torres et al., 2019; Yamamoto & Waranabe, 1989). Different countries empowered their audit organizations with mandates to undertake performance audits differently. In Canada, performance audits evolved steadily (Free et al., 2013), whereas, in Australia, mandates on performance auditing of SAI were expanded, reduced, and expanded again (Hossain, 2010). Governments resisted expanding public auditors' mandates (Aucoin as cited by Morin & Hazgui, 2016) and, therefore, public auditors undertook performance audits *de facto*, i.e., they exceeded their *de jure* mandates (Hossain, 2010; Parker et al., 2019). Despite these differences, increasing the number of performance audits, as a rule, was preceded by empowering audit organizations with mandates to conduct performance audits. According to the lived experiences and perceptions of all parliamentarians, all auditors, and three managers in

my participant group, the number of performance audits increased in Kazakhstan due to empowering audit organizations with a mandate to conduct that type of audit.

For all countries, except for pioneers in performance auditing, like Canada, the United States, and United Kingdom, performance auditing is an adapted practice (Alwardat & Basheikh, 2017; Flesher et al., 2003; Glynn, 1985; Grönlund et al., 2011; Levy, 1996; Loke et al., 2016; Reichborn-Kjennerud, 2013a; Weihrich, 2018). Many countries increased the number of performance audits as a result of using the practice of pioneers or leaders in performance auditing. Three auditors in the participant group shared examples of using an international practice in their planning and conducting of performance audits; three parliamentarians also referred to international practice, including two parliamentarians who argued that adapting an international practice on performance audits should be continued (PC06, personal communication, January 16, 2020; PC07, personal communication, January 17, 2020).

Trends on adapting international practice are still topical. As described in Chapter 2, INTOSAI contributes to sharing experiences among country-members. Pierre and Licht (2019) argued that proving the professionalism of SAI's staff and quality of auditors' work "urged SAIs to conform to the INTOSAI's norms and rulings" (p. 228), that includes recommended standards and guidelines on performance auditing (INTOSAI, 2019). Thus, my research findings related to Pattern 2 "Features of public auditing system" includes themes on the legitimization of performance audits and adapting an international practice being consistent with previous research findings.

Secondly, problems in public administration also shape the demand for performance audits. Moreover, unlike the needs and interests of participants and users of performance audits (themes on Pattern 1) and legitimization of performance audits and adapting the international practice (themes on Pattern 2), problems in public administration are the most influential factors of highly demanded performance audits in Kazakhstan (themes on Pattern 3). Systems problems, shortcomings in state planning, needs in evaluating the effectiveness, and risks of new areas are the main explanations of demand for performance audits in Kazakhstan. Comparing these findings with the reviewed literature, I concluded that they are related to both classical and specific triggers, described in Chapter 2, including global financial crises, governments' initiatives on addressing lack of financial resources, structural problems, and environmental issues.

The factors of demanded performance audits associated with a classical trigger include systems problems and shortcomings in state planning. Conceptually, these findings are consistent with Jacobs' (1998) argument that performance auditing emerged and developed to solve problems. When justifying the conduction of more performance audits, auditors and parliamentarians indicated deficits of the republican budget and tax revenue reduction caused by global financial crises as reasons that support their positions (AC01, personal communication, January 8, 2020; PL08, personal communication, January 20, 2020). Worsening financial conditions and fiscal stress caused by global financial crises were identified as reasons to conduct performance audits earlier (Athmay, 2008; Free et al., 2013; Guthrie & Parker, 1999; Jacobs, 1998; Rosa et al., 2014b;

Yamamoto & Waranabe, 1989). Particularly, analyzing correlations between sizes of public sectors, tax revenues, and expenses, Yamamoto and Waranabe (1989) concluded that performance auditing widely spread when public administrators were challenged by lack of financial resources.

In my research, I found that performance auditing in Kazakhstan supported the relevance of Yamamoto and Waranabe's previous findings despite their research being conducted over 30 years ago. For Kazakhstan, triggering performance audits due to financial stresses is consistent with the most recent considerations made by Torres et al. (2019) and Parker et al. (2019). As Parker et al. (2019) stated, "the growth of PA [performance auditing] has been the product of a ritualistic response to a broader social demand for financial assurance driven by cycles of financial crisis and associated governmental budgetary constraints" (p. 281).

For my study participants, systems problems also included ineffective budget spending, poor performance of government organizations, social problems, and lags in regional development. The same explanations for emerging and faster performance audit developments were provided by scholars in the 1990s and in more recent studies. For instance, Jacobs (1998) argued that, in the public administration of New Zealand, performance auditing emerged in response to problems in government financial management. Free et al. (2013), based on cases from Canada, shared the same view. The inferior performance of public sector organizations of both developed and developing countries was also defined as reasons for performance audits (Common and Minogue, as cited by Athmay, 2008). In continuation of these views, Alwardat et al. (2015), based on

the case of United Kingdom, concluded that the development of performance auditing was stimulated by intentions to maximize outcomes in terms of reducing governments' spending.

Shortcomings in state planning, identified as an influential factor of demand for performance audits, are also related to NPM, or, more precisely, to post-NPM, since Kazakhstani state planning system was established within NPM's initiatives and it implies using the strategic planning approaches (ISLARK, 2017a, 2017b). These findings are consistent with Knaap's (2011) view about undertaking performance audits due to disappointing agency or program performance. As shared by my study participants, documents of state planning (i.e., strategies, state programs, programs on regional development, development plans of national state-owned companies, and budget programs) and the quality of their implementation are reasons to conduct more performance audits. In turn, responding to problems on state programs implementation by performance audits are in line with the well-established practice of SAI of the United States on performance auditing of state programs (USGAO, 2019).

Nine (64.3%) participants shared their views and perceptions about needs in evaluating the effectiveness of government entities, quasi-public companies, and programs' implementation. All five auditors justified their organizations' practice on planning and conducting more performance audits by the necessity to provide users with reliable evaluations, especially in terms of existing controversial information (ACL/05, personal communication, January 15, 2020). In most cases, the perceptions of my participants were related to ensuring the government' accountability for budget planning

and program implementation, and auditees for using budget funds as well. For instance, one parliamentarian listed a few programs of the central government, including programs on providing benefits to small and medium-sized businesses, that should be objectively and independently evaluated by performance auditors (PC07, personal communication, January 17, 2020). Thus, the generated theme “Needs in evaluating the effectiveness” is directly related to realizing the accountability principle and, therefore, consistent with some associated studies (Barrett, 2012; Funnell, 2004a, 2004b, 2015; Kells, 2011; Morin 2014, 2016; Reichborn-Kjennerud, 2011b, 2014b).

Theme “Risks of new areas” was generated based on two family categories. The first family categories included unaudited organizations (e.g., the National Fund and the Pension Fund) or unaudited areas of public administration (e.g., regional waste management programs) in Kazakhstan. This finding is in line with Lapsley and Pong’s study (2000) that resulted in a conclusion about expanding performance auditing coverage within the public sector. Auditors’ views and experiences on the conduction of performance audits in organizations that do not receive budget funds (AC01, personal communication, January 8, 2020) are matched with Bini’s (2019) considerations related to managing the scope of performance audits to avoid limitations, such as controlling budget money. The second family categories included new areas in public administration, defined in Chapter 2 as specific triggers. Particularly, public-private partnership projects, national companies, and financial institutions were listed as subjects for performance audits by my participants. According to auditors and parliamentarians’ perceptions, these areas should be audited due to risks of negative consequences or even losses in budget

funds. These findings are consistent with Reichborn-Kjennerud and Johnsen's (2011) conclusions about selecting performance auditing themes by auditors depending on the risks for public funds. In sum, regarding the identified factors that explain the highly demanded performance audits in Kazakhstan, I concluded that some research findings are consistent or partially consistent with views and conclusions of authors of the reviewed studies, while others are relatively new, as it is demonstrated in Table 19.

Impacts of performance audits. Despite the novelty, performance audits already had made impacts on public administration in Kazakhstan in line with Lonsdale's et al. (2011) classifications, as described in Chapter 2. Performance audits had *instrumental* impact; e.g., all auditors discussed their tasks within performance audits, such as evaluation of achieving the expected outcomes in implementing budget programs, and, in turn, managers shared their experiences on changing reports on budget program implementation in their organizations as effects of auditors' work (see Lonsdale et al., 2011, for more). *Tactical* (e.g., managers shared their experience on implementation of auditors' instructions on restoration works) and *strategic* (e.g., both auditors and managers shared examples of changing budget programs and programs on regional development as results of an implementation of auditor's recommendations) impacts also emerged in the lived experience of study participants (see Desmedt et al., 2017; Lonsdale et al., 2011, for more). Most of the participants shared their views about auditors' methods, demonstrating an understanding of performance audit objectives and changes in requirements to auditees' performance, i.e., examples of *conceptual* impact (see Lonsdale et al., 2011, for more).

Table 19

Aggregated Data on Empirical Context and Evidence: Demand for Performance Audits

Patterns and themes	Authors of previous studies	Conclusions related to consistency the research findings
Who creates demand for audits		
Auditors prefer performance audits	Nath et al., 2019; Norton & Smith, 2008	<i>consistent</i>
Parliamentarians need in performance audits	Arthur et al., 2012; Funnell, 2004a, 2011, 2015; Funnell & Wade, 2012; Funnell et al., 2016; Guthrie & Parker, 1999; Morin, 2001, 2008, 2016; Pollitt & Summa, 1997; Reichborn-Kjennerud, 2011, 2013a, 2013b; 2014a, 2014b; Reichborn-Kjennerud & Vabo, 2017 Parker et al., 2019; Nath et al., 2019	<i>partially consistent</i>
President prioritize performance audits	<i>There are no studies related to presidents' influence on demand for performance audits.</i>	
Managers of auditees use performance audits' results	Funnell 2015; Knaap, 2011; Morin (2001); Nath et al., 2019; Parker et al., 2019	<i>partially consistent</i>
Citizens and media shape the demand for performance audits	Arthur et al., 2012; Knaap, 2011; Nath et al., 2019; Parker et al., 2019; Rosa et al., 2014a; Rosa et al., 2014b	<i>partially consistent</i>
	Justesen & Skaerbaek, 2010; Morin, 2008; Tillema & Bogt, 2010	<i>consistent</i>
Features of the system of public auditing		
Legitimization of performance audits	English, 2003; Free et al., 2013; Funnell, 2015; Glynn, 1985; Hossain, 2010; Morin, 2003; Morin & Hazgui, 2016; Torres et al., 2019; Yamamoto & Waranabe, 1989	<i>consistent</i>
Adaptation of international experience	Alwardat & Basheikh, 2017; Flesher et al., 2003; Glynn, 1985; Grönlund et al., 2011; Levy, 1996; Loke et al., 2016; Pierre & Licht, 2019; Reichborn-Kjennerud, 2013a; Wehrich, 2018	<i>consistent</i>
Problems of the system of public administration		
State planning	Knaap, 2011; USGAO, 2019	<i>consistent</i>
Systems' problems	Alwardat et al., 2015; Free et al., 2013; Guthrie & Parker, 1999; Jacobs, 1998; Parker et al., 2019; Rosa et al., 2014b; Athmay, 2008; Torres et al., 2019; Yamamoto & Waranabe, 1989	<i>consistent</i>
Risks of new areas	Lapsley & Pong, 2000; Bini, 2019; Reichborn-Kjennerud, 2011	<i>consistent</i>
Needs in evaluating the effectiveness	Barrett, 2012; Funnell, 2004a, 2004b, 2015; Kells, 2011; Morin 2014, 2016; Reichborn-Kjennerud, 2011b, 2014b	<i>consistent</i>

Political-legitimizing impact was also manifested in the lived experience of participants; they did not refer to exact examples of using the performance audits to legitimize adopted policies or previous political decisions (see Funnell, 2015; Lonsdale et al., 2011, for more). However, some managers shared examples including points about good practices of their organizations in performance audit reports, supporting that approach; parliamentarians shared their experience of using the performance audits for making legislative proposals.

Performance audits impacted at micro-, meso-, and macrolevels (see Lonsdale et al., 2011, for more). I defined generated Themes 211, 212, and 213 as examples of impact at microlevel, Themes 221 and 222 as examples of impact at mesolevel, and Themes 231 and 232 as examples of impact at macrolevel (see Desmedt et al., 2017; Lonsdale et al., 2011, for more).

According to participants' perceptions, performance audits impacted auditors (100% participants), managers of auditees (92.9%), and parliamentarians (57.1%), and the impact on managers of auditees was more highlighted compared to impacts on auditors and parliamentarians. Based on evidence-based findings from my literature review, I concluded that this specific research finding is relatively new given that previous studies did not show evidence related to identifying personal impacts of performance audits based on simultaneously exploring the perceptions of auditors, managers of auditees, and parliamentarians. Particularly, influences of performance audits on managers were explored based on perceptions of managers (Desmedt et al., 2017; Morin, 2008, 2014), and partially by Alwardat and Basheikh (2017) and Justesen

and Skaerbaek (2010). Some aspects of personal impact on managers were fragmentarily analyzed by scholars who studied reactions of auditees on performance audits (Funnell & Wade, 2012; Reichborn-Kjennerud, 2013b, 2014a) and perceptions of auditors and managers about usefulness of performance audits at meso- and macrolevels (Alwardat et al., 2015; Funnell et al., 2016; Morin 2016; Reichborn-Kjennerud, 2013a, 2014b, Reichborn-Kjennerud & Johnsen, 2018; Reichborn-Kjennerud & Vabo, 2017).

One of my key findings related to microlevel impacts is that participant's perceptions about the impact of performance audits on managers of auditees vary. All three groups of participants shared examples of both negative and positive impacts.

Firstly, according to the lived experience and perceptions of managers of auditees, in most cases, performance audits negatively impact on their perspectives. Wherein, negative perceptions were related to work complication and negative emotions, such as stress, increased distrust of auditors' work, and perceived performance audit results as uselessness. Other scholars (see Pollitt as cited by Morin, 2008, for more) discussed work complications as a result of auditor visits. Justesen and Skaerbaek (2010) identified stress and discomfort as negative emotional consequences of performance audits for both managers and employees of audited organizations. Distrust to auditors' work due to their technical competencies (Alwardat et al., 2015; Funnell et al., 2016; Morin 2001; Pendlebury and Shreim as cited by Loke et al., 2016), usefulness and problematic nature of performance audits (Bawole & Ibrahim, 2016; Kells, 2011; Lapsley & Pong, 2000) are inherent aspects of interactions between managers and auditors and serve as examples of negative impacts. For instance, Alwardat et al. (2015) stated, "auditors' competence,

skills, experience and knowledge of the public bodies' activities... had negative effects on the ability of the external VFM [value-for-money] auditors to influence the audited bodies" (p. 213). All five managers' stories about situations when they may experience fear, non-acceptance, recognition, and gratitude are consistent with observations made by Funnell and Wade (2012), who concluded that fear and animosity are emotional perceptions of performance audits by auditees, while some auditees may experience understanding and appreciation as well.

Positive perceptions of managers regarding the impact of performance audits were related to learning, receiving new information, and, in fewer cases, promotion and understanding performance audits' objectives. These findings are also consistent with previous studies. For instance, Reichborn-Kjennerud and Johnsen (2018), by testing their hypotheses related to positive impacts of performance audits in Norway, concluded, "An audit might reveal new facts that trigger debates and lead to a shift in paradigms. It might also provide new information that will lead auditees to see solutions in a new light" (p. 1430). Alwardat and Basheikh (2017), Desmedt et al. (2017), and Morin (2008, 2014) also identified some positive personal impacts on managers and employees of audited organizations, including career development opportunities. However, analyzing components of positive personal impacts in detail, I concluded that my findings are only partially consistent with these author's results. Particularly, unlike the Belgian case studied by Desmedt et al. (2017) and the Canadian case studied by Morin (2008, 2014), negative perceptions of managers prevailed in the Kazakhstani.

Like managers of auditees, auditors perceived the impact of performance audits on managers as mainly negative; wherein, negative perceptions were related to objections concerning performance audits results, a negative reaction on conducting a performance audit itself, and misunderstanding performance audits' objectives. Auditors' perceptions about personal impacts that performance audits have on managers of auditees were not studied previously. However, there are few consistencies and inconsistencies between my findings and results from Funnell and Wade (2012) and Morin and Hazgui (2016). For example, Funnell and Wade (2012) discussed auditors' perceptions about auditees reactions, which may include personal attacks, to their performance audits. In contrast to Funnell and Wade (2012), I concluded that auditors faced less aggressive reactions of managers, especially if the latter [managers] gained more experience in performance audits. For instance, some auditors shared their experience when managers of auditees positively reacted to their audits and demonstrated an understanding of performance audits objectives (AC01, personal communication, January 8, 2020; AL03, personal communication, January 9, 2020; AL04, personal communication, January 10, 2020). Morin and Hazgui (2016) explained confrontations between auditors and auditees through an expectation gap, i.e., auditors and auditees do not gain desired results from each other in the course of their interactions (e.g., managers doubt auditors' contribution, while auditors want to be perceived as assistants). These considerations are relevant to the Kazakhstani.

Secondly, in auditors' opinions concerning performance audits' impact on their perspectives, negative perceptions outweigh positive perceptions. The negative impacts

include increased requirements, workload, and, in fewer cases, demotivation, and staff turnover. Auditors directly related increased requirements and workload with the introduction of performance audits in their organizations, while demotivation and staff turnover were mainly associated with requirements on financial control and applied (unfair) methods of evaluation of performance auditors' work. The positive impacts include mastering new skills, finding interesting work, and, to a lesser degree, professional development, and promotion. This finding is relatively new. Alwardat et al. (2015), Funnell and Wade (2012), and Loke et al. (2016) explored auditors' perceptions about usefulness of their work, Morin (2001, 2003) and Morin and Hazgui (2016) analyzed roles that they [performance auditors] play in public administration. These studies resulted in predominantly positive rhetoric about performance auditors' contributions.

Managers of auditees, in most cases, expressed negative perceptions about how performance audits impact on auditors. Particularly, managers claimed that auditors did not change their methods of auditing, preferred to find financial violations; they [auditors] are still perceived as controllers or auditors who, as before, make unfair and subjective conclusions. These findings are consistent with related discussions and explanations provided in previous studies (Funnell & Wade, 2012; Funnell et al., 2016; Morin 2003, 2008, 2014, 2016; Reichborn-Kjennerud, 2013b, 2014a). Stereotypical perceptions are manifested in relation to performance auditors who operate in western public administrations (Funnell & Wade, 2012; Pollitt, 2003) and in Kazakhstan as well. But, in the first case, performance auditors were perceived as "characterless men in grey

suits” (Pollitt, 2003, p. 168), while, in the second case, they perceived as inspectors who return from the Soviet Union (ML/C14, personal communication, February 28, 2020).

Thirdly, unlike auditors and managers of auditees, parliamentarians were less active in sharing their experience and perceptions about the personal impacts of performance audits. In their lived experience, negative and positive influence on managers highlighted equally, whereas impacts on auditors were perceived as positive mainly. These findings are generally consistent with some previous studies. For instance, Morin (2016), and most recently Parker et al. (2019), argued that legislatives praise the work of auditors. Both positive and negative perceptions of parliamentarians associated with personal impacts on managers are partially consistent with discussions shared by Funnell (2015), Morin (2016), and Reichborn-Kjennerud (2013a, 2014b). Impacts of performance audits on perspectives of parliamentarians from their viewpoints were not studied before.

Next, according to the lived experiences of study participants, performance audits impacted audit organizations (100% of participants) and auditees (85.7% of participants). Wherein, audit organizations were impacted more significantly compared with auditees. In turn, organizational impacts on legislative bodies did not emerged as major themes in the lived experience of my participants, actualizing the need for further studies in order to explore mesolevel impacts of performance audits.

In auditors’ opinions, the most influential impacts of performance audits on their organizations are associated with changes in audit methodology and organizational consequences. While changes in audit methodology were solely related to the

introduction of performance audits, organizational consequences were due to other factors. Some managers of auditee and parliamentarians also referred to changes in methods of auditors' work, e.g., auditors' focus expanded from accounting departments' performance to other core departments in ministries (ML13, personal communication, February 15, 2020; ML/C14, personal communication, February 28, 2020; PL09, personal communication, January 23, 2020). Changes in methods and organizational structures of SAIs and local audit organizations as results of performance audits were discussed by Barrett (2010, 2011a), English (2003), Grönlund et al., (2011), Hossain (2010), Jacobs (1998), Keen (1999), Kells and Hodge (2011), Lonsdale (2000), Pollitt and Summa (1997), Pollitt (2003), Rosa et al. (2014a), and Tillema and Bogt (2010). However, these authors' conclusions are results of reviewing practices of audit organizations, i.e., they [conclusions] were not derived through studying perceptions of participants of performance audits.

Further, auditors shared (a) positive perceptions associated with the introduction of performance audits, such as the improved reputation of their organizations and changes in approach to auditing in general, and (b) negative perceptions, including the keeping of financial control that leads to deterioration of their organizations' reputation. The negative attitude toward using mechanisms of financial control in performance audits was shared by managers of auditees and parliamentarians; it is almost the only case of consensus in study participants' opinions, i.e., when everyone expressed a unanimous opinion.

On one hand, my research findings are partially in line with Lonsdale's (2000, 2008), who argued that performance audits influence audit organizations' reputation. However, the negative impact of performance audit on audit organizations were related to using financial control in Kazakhstan, while in United Kingdom it was due to political risks associated with close links between audit organizations, governments, and parliaments (Lonsdale, 2000, 2008).

On the other hand, my research findings are also partially consistent with considerations of dual roles of audit organizations, i.e., watchdogs or controllers and modernizers or catalysts for change and improvement (Morin 2003, 2008, 2010, 2016; Morin & Hazgui, 2016). Like Lonsdale (2000, 2008), these authors also did not consider audit organizations' roles in the context of financial control, i.e., sanctioning for violations and deficiencies; they analyzed the roles of auditors as controllers, i.e., compliance auditors, and change agents, i.e., advisers who help by providing auditees with recommendations (Morin 2003, 2008, 2010, 2016; Morin & Hazgui, 2016). Despite these different aspects in exploring performance audits' impacts, my research findings about auditors' desire to be welcomed and perceived as advisors (AC02, personal communication, January 8, 2020; AL03, personal communication, January 9, 2020) and managers' distrust to auditors' new roles and perceptions of interactions with compliance auditors as easier opposite to interactions with performance auditors (MC10, personal communication, February 11, 2020; ML12, personal communication, February 15, 2020) are consistent with research findings of Morin (2003) and Morin and Hazgui (2016). Both managers and parliamentarians wait for audit organizations' recommendations before

addressing problems, rather than acting on facts of identified violations (PC07, personal communication, January 17, 2020; PL08, personal communication, January 20, 2020; ML13, personal communication, February 15, 2020; ML/C14, personal communication, February 28, 2020).

All auditors claimed that performance audits positively impacted auditees, and positive impacts included improvements in performance and financial discipline, enhanced internal control, and, in fewer cases, improved reputation and organizational changes. Auditors emphasized that virtually every audit event led to improved prospects for audited organizations. These positive auditors' perceptions are consistent with the results of studies by Alwardat et al (2015), Funnell and Wade (2012), Loke et al. (2016), Morin and Hazgui (2016), and most recent publications of Jeppesen et al. (2017) and Johnsen et al. (2019).

Unlike auditors, managers of auditees shared both positive (readiness to new audits, better discipline, improved performance, and enhanced control) and negative (workload, demotivation, staff turnover, and financial consequences) perceptions associated with impacts that performance audits had on their organizations. Managers' perceptions related to impacting financial discipline within their organizations are in line with Pollitt and Summa's (1997) conclusions and are related to changes in internal business processes in concert with Lapsley and Pong's (2000) arguments. Workload and demotivation are also earlier identified as consequences of performance audits; "the presence of auditors added considerably to auditees usual workload" and lead to "a drop in motivation" (Pollitt et al. as cited by Morin, 2008, p. 703).

Morin (2004, 2008, 2014) argued that performance audits contribute to changes in audited public administrations. To a greater extent, performance auditors impacted administrations through making attention to problems, preparing useful audit reports, providing relevant recommendations, and, to a lesser extent, through preventive effects, changing in management practices, taking actions, contributing to better relations with stakeholders, organizational and personal consequences (Morin, 2014). In the lived experience of managers of auditees, ‘controversial’ pictures emerged aligned with Morin’s (2014) categories. For instance, in managers’ opinions, the positive impact of performance audits, in most cases, manifested as preventive effects (i.e., the improved financial discipline and readiness to future audits) and, in fewer cases, by useful reports or relevant recommendations being offered as a useful audit outcome. However, some managers shared examples of only rarely receiving quality reports with applicable recommendations (ML13, personal communication, February 15, 2020; ML13, personal communication, February 15, 2020).

Further, Morin (2008, 2014) and Desmedt et al. (2017) argued that performance audits do not lead to deteriorations in public administrations. In contrast to these conclusions, managers of auditees frequently listed negative consequences of performance audits, such as workload, demotivation, staff turnover, and financial consequences. That consideration is based on comparing research results achieved by applying different research designs, i.e., qualitative and quantitative, and, therefore, drawing any conclusion should be cautiously done. Further research is needed. Morin’s (2008) found that “the visits of auditors are not guaranteed to produce the desired

changes in the management of government organizations” but generally performance audits “seem to have done more good than harm to audited organizations” (p. 712), similar to Desmedt et al. (2017), and are relevant to Kazakhstani.

Based on the Saudi Arabia SAI’s case and though application of Morin’s (2014) research instrument, Alwardat and Basheikh (2017) concluded that public administrators make more efforts to comply with laws, enhance control, establish acceptable indicators, improve the quality of performance reports, change strategic and operational plans, and maintain effective relations with their superiors and subordinates, as a result of performance audits. Similar examples of the positive impact of performance audits on audited organizations were shared by managers of auditees and auditors; however, unlike public administrators in Saudi Arabia, managers emphasized that these positive examples were rare cases in Kazakhstan.

Reichborn-Kjennerud and Vabo (2017) stated that, in Norway, the positive impacts of performance audits, in managers’ opinions, include increased documentation and reporting, changes in approaches to internal control and risk management, improved strategies, and planning. These findings are partially relevant to Kazakhstan, with similarities including changes in reporting, internal control, strategies, and budget planning.

My findings related to impacting auditees are also partially consistent with considerations of scholars who argued that the positive (or negative) impact of performance audits on auditees is achievable subject to specific conditions. In particular, all managers emphasized that if they agree with the recommendations of the auditors and

find them useful, they are interested in their implementation, i.e., it is consistent with the results of testing related hypotheses of Reichborn-Kjennerud (2013a) and Reichborn-Kjennerud and Johnsen (2018).

Finally, at macrolevel, performance audits impacted budget processes at both central and local levels of public administration in Kazakhstan and contributed to changes in laws and regulations. Unlike impacts that performance audits had at micro- or meso-levels, macro-impacts were not associated with negative perceptions of my study participants. Auditors and parliamentarians mainly shared examples on positive impacts, while managers of auditees shared their opinions on impacting performance audits on public administration neutrally. Most of the participants emphasized that judging about performance audits' impact is difficult, and that point was discussed by Funnell and Wade (2012), Morin (2008), and Pollitt (2003). At the same time, nine (64.3%) participants, when asked my question related to impacts of performance audits on public administration in general, stated that these audits are useful.

Specifically, according to the perceptions and opinions of most participants, performance audits impacted budget planning, administration of budget programs, and budget reports. Focusing participants' perceptions on budget affairs is explained by features of the accountability system and practices on using performance audits. Audit organizations use their performance audits to prepare annual reports, i.e., conclusions about the execution of central and local budgets by governments; their reports are considered and approved by parliamentarians. Wide use of performance audits begins from discussions of audit organizations' annual reports in parliaments with both

governments and media participation. That approach is in line with western systems on accountability when “the presentation of reports is merely one stage in a cycle of accountability that begins with the budget process and ends with the presentation of reports to parliament” (English, 2003, p. 56). My research findings are also consistent with views about performance audits’ impacts through stimulating public hearings (Morin 2001, Reichborn-Kjennerud, 2013a). As Reichborn-Kjennerud (2013a) argued, performance audits might effectively impact public administration, enhancing the accountability subject to the involvement of parliament, media, and other users of audit reports.

As my literature review offered, the identified impact of performance audits on budget processes was not explored or explained before as a self-sufficient impact. However, impacts that performance audits have on public financial management and specific chains of a budget process, e.g., making budgetary decisions, were discussed by Johnsen et al. (2001), Lonsdale (2000), and most recently by Olaoye and Adedeji (2019). In contrast to Olaoye and Adedeji (2019), who noted that performance audits lead to budget efficiency, I concluded that impacts of performance audits on budget processes are more procedural rather than result-oriented. In turn, Lonsdale’s (2000) considerations about the adaptation of budget bills as a result of using performance auditors’ work are in line with the experiences of the Kazakhstani parliamentarians (PC06, personal communication, January 16, 2020; PL09, personal communication, January 23, 2020). Alwardat and Basheikh (2017), Thompson and John (2019), and Torres et al. (2019) explored impact of performance audits on public sector organizations’ financial

behaviors, which inherently linked with a budget process. Their results are also consistent with my research findings.

All participants discussed changes in laws and regulations as positive consequences of performance audits. This research finding is consentient with the research of Morin (2008, 2014), Alwardat and Basheikh (2017), and Desmedt et al. (2017). These authors interpreted changes in laws and regulations as mesolevel impacts, i.e., as a variable of concrete actions undertaken by auditees after performance audits. However, their findings are not conflicting with my findings since the impacts of performance audits at different levels are interrelated, e.g., impacts at mesolevel lead to or imply changes at macrolevel (see Desmedt et al., 2017, for more). My research-based findings related to impacting improvements of laws and regulations as a result of auditors' interventions are also consistent with well-tested multiyear practices of some SAIs. For instance, GAO uses data on changes in laws and regulations made based on their recommendations as non-financial benefits, i.e., as a performance indicator of its audits (Bawole & Ibrahim, 2016; USGAO, 2019).

Reviewing the literature on impacts of performance audits in different countries and at different stages of development of performance auditing practice, I concluded that most recent studies are focused on or revealed impacts on accountability, political and democratic processes, whereas impacts on policies and programs were explored within more pioneering studies (Glynn, 1995; Johnsen et al., 2019; Levy, 1996; Morin, 2016; Pollitt & Summa, 1997; Torres et al., 2019). A few ideas associated with the accountability and political developments were shared by my study participants, but the

frequency of associated categories was not enough to generate relevant themes. These differences in comparable research findings are due to the novelty of performance auditing in Kazakhstan, and identified impacts on budget processes, laws, and regulations are predominantly related to changes in policies and programs. Thus, impacting political and democratic processes and accountability by performance auditors' interventions might be proposed as perceptive areas for future studies.

Further, the novelty of performance audits or, more precisely, beginning performance auditing practice is the main explanation of why a sub-theme on needs in changes in performance auditors' work emerged in the lived experience of the 14 (100%) participants. One example is that parliamentarians expressed their opinions on expanding the scope of performance audits and focusing on making recommendations, supporting Barrett's (2011) statement that, "A major issue for performance auditing is the maintenance of parliamentary and public confidence in the coverage, timeliness and outcomes of such audits, as well as effective action to ensure proper implementation of any recommendations and conclusions" (p. 130). Another example is that all auditors called for changes in audit methodology, pointing to overregulated methods on doing performance audits today. Auditors' concerns are consistent with a generally accepted views that, "Streamlined procedures, methods and standards may in fact hamper the functioning and the progress of performance audit... standards – as well as quality assurance systems – that are too detailed should be avoided. Progress and practices must be built on learning from experience" (INTOSAI as cited by Knaap, 2011, p. 355). In

turn, views about changes in the use of financial control within a performance audit shared by all participants required responses from policymakers.

Finally, the generated sub-theme regarding contributions to public sector performance by parliamentarians and managers of auditees without using the performance audits, i.e., their self-contributions to the economy, effectiveness, and efficiency, are consistent with previous studies' results about using performance auditing as one of the NPM's tools on improving the public sector performance (Alwardat et al., 2015; Azuma 2003, 2005; English, 2003; Flesher & Zarzeski, 2002; Funnell, 2015; Funnell et al., 2016; Funnell & Wade, 2012; Lapsley, 1999; Lonsdale et al., 2011; Morin, 2016; Morin & Hazgui, 2016; Power, 1996; Reichborn-Kjennerud & Johnsen, 2018).

Thus, as demonstrated in Table 20, findings on the impact of performance audits on Kazakhstani public administration are consistent or partially consistent with conclusions of authors of some previous studies, while others are relatively new.

Theoretical Context and Alignment

As outlined in Chapter 1 and particularly described in Chapter 2, I used a combination of Hood's NPM and Waterman and Meier's PAM as theoretical frameworks to explore the phenomena of demanded performance audits in Kazakhstan and their impact on national public administration system (see Hood, 1991; Waterman & Meier, 1998, for more).

Table 20

Aggregated Data on Empirical Context and Evidence: Impact of Performance Audits

Patterns and themes	Authors of previous studies	Conclusions on consistency
Impact on participants of audits		
Impact on auditors	<i>There are no studies related personal impacts of performance audits on performance auditors.</i>	
Impact on managers of auditees	Alwardat & Basheikh, 2017; Alwardat et al., 2015; Desmedt et al., 2017; Funnell et al., 2016; Funnell & Wade, 2012; Justesen & Skaerbaek, 2010; Loke et al., 2016; Morin, 2001, 2008, 2014; Morin & Hazgui, 2016; Reichborn-Kjennerud & Johnsen, 2018	<i>partially consistent</i>
Impact on parliamentarians	<i>There are no studies related personal impacts of performance audits on parliamentarians.</i>	
Impact on audit organizations and auditees		
Changes in audit organizations	English, 2003; Grönlund et al., 2011; Hossain, 2010; Jacobs, 1998; Keen, 1999; Lonsdale, 2000, 2008; Morin 2003, 2008, 2010, 2016; Morin & Hazgui, 2016; Pollitt & Summa, 1997; Pollitt, 2003; Rosa et al., 2014a	<i>partially consistent</i>
Changes in auditees	Alwardat et al., 2015; Alwardat & Basheikh, 2017; Bawole & Ibrahim, 2016; Desmedt et al., 2017; Funnell & Wade, 2012; Jeppesen et al., 2017; Johnsen et al., 2019; Kells, 2011; Lapsley & Pong, 2000; Loke et al., 2016; Morin, 2004, 2008, 2014; Morin & Hazgui, 2016; Pollitt & Summa, 1997; Reichborn-Kjennerud, 2013a; Reichborn-Kjennerud & Vabo, 2017; Reichborn-Kjennerud & Johnsen, 2018	<i>consistent and partially consistent</i>
Macrolevel impact		
Improved budget process	Alwardat & Basheikh, 2017; Johnsen et al., 2011; Lonsdale, 2000; Olaoye & Adedeji, 2019; Thompson et al., 2019; Torres et al., 2019	<i>partially consistent</i>
Changes in laws and regulations	Alwardat & Basheikh, 2017; Bawole & Ibrahim, 2016; Desmedt et al., 2017; Morin, 2008, 2014; USGAO, 2019	<i>consistent</i>
Self-contribution to 3E	Alwardat et al., 2015; Azuma 2003, 2005; English, 2003; Flesher & Zarzeski, 2002; Funnell, 2015; Funnell et al., 2016; Funnell & Wade, 2012; Lapsley, 1999; Lonsdale et al., 2011; Morin, 2016; Funnell, 2015; Morin & Hazgui, 2016; Morin, 2016; Power, 1996; Reichborn-Kjennerud & Johnsen, 2018	<i>consistent</i>
Requested changes in performance auditors' work	Barrett, 2011; Knaap, 2011	<i>consistent</i>

To address problems on ineffective public management, public administrators apply approaches and means encapsulated by Hood in his seven doctrines, and it explains why NPM becomes a widely using public management reform: “From Denmark to New Zealand, from education to health care, from central to local government and quangos, from rich North to poor South...” (Hood, 1991, p. 8). In turn, performance auditing is one of the tools used to address problems in ineffective public management (Barrett, 2012; English, 2003; Funnell, 2015). Thus, identified factors of highly demanded performance audit in Kazakhstan, including problems in public administration, confirm the reasonableness of Hood’s idea on labeling NPM as ‘public management for all seasons’ since local and other variations do not change the essence of NPM and NPM is an ‘apolitical’ framework (Hood, 1991, p. 8).

Auditors and parliamentarians, when justifying increased number of performance audits, referred to shortcomings in state planning, systems’ problems, and risks in new areas of public administration at both central and local governments levels in Kazakhstan (Themes 131, 132, and 133). In particular, the study participants explained the needs in performance audits by ineffective budget spending and weak control over the execution of budget programs. These views are in line with Hood’s doctrines including *explicit standards and measures of performance and greater emphasis on output controls* (Hood, 1991, 1995). Needs in evaluating the effectiveness (Theme 134) are important in making decisions related to effective and efficient allocation and using the budget funds, or, in “cutting costs and doing more for less as a result of better-quality management” (Hood, 1991, p. 15).

The arguments of study participants associated with budget deficits (AC01, personal communication, January 8, 2020), reduction in tax revenues caused by fall in oil prices (PL08, personal communication, January 20, 2020), and complaining of a drop in investment (PC07, personal communication, January 17, 2020) are in line with Hood's consideration about the development of NPM and its tools in response to fiscal stress and poor macroeconomic performance (Hood, 1995). According to most of the participants, enhanced financial discipline and better implementation of budget programs are examples of positive impact of performance audits. These views are consistent with the seventh doctrine of Hood – "stress on greater discipline and parsimony in resource use" (Hood, 1991, p. 5). Like Hood's (1991, 1995) study of cases of OECD countries in the 1990s, and more recently studied cases of OECD countries, including countries of Eastern Europe experienced in building national systems of public administration following the fall of the Soviet Union, China, and Vietnam (Bao et al., 2012; Esposito et al., 2018; Hammerschmid et al., 2018; Reiter & Klenk, 2019; Verbeeten & Spekle, 2015), using performance audits in Kazakhstan offered legitimization (Theme 121) and importing international experiences in the course of NPM adaptation (Theme 122; see Barrett, 2012; English, 2003; Funnell, 2015, for more).

The needs and interests of auditor, parliamentarians, and managers of auditees (Themes 111, 112, and 114), who play the roles of principals and agents within a performance auditing process, also explain the demand for performance audits (see Waterman & Meier, 1998, for more). When sharing the experience of interactions with managers, auditors demonstrated specific features of roles of principals to managers, e.g.,

setting accountability requirements, such as preparing and providing information about performance results, or requirements on implementing auditors' instructions, such as carrying out restoration works. Then, unlike parliamentarians or managers of auditees, auditors play both principal and agent's roles, and it explains their perceptions about using the performance audits results and alignment their explanations with Waterman and Meier's (1998) considerations.

As Waterman and Meier (1998) argued, in some cases, legislators as principals through oversight processes may have more access to information opposite to agents. Or, managers as agents may have more access to information opposite to principals, and, therefore, "they will almost always have a better understanding of how their agencies operate than will outside principals" (Waterman & Meier, 1998, p. 184). Thus, PAM was a good framework for understanding parliamentarians' references to using their mandates on request of information from different sources, and their positions on being not limited to performance audits result in implementing their duties as elected officials.

Analogically, auditors shared their experience of using auditees' data as well as media publications, citizens' complaint tracking information systems, and other sources to make decisions related to performance audits. In turn, all managers argued that they are better aware of the functioning of their ministries or departments, criticizing auditors for their biased or unfair conclusions or explaining parliamentarians' critics as a way of using auditors' work in their political objectives.

The lived experiences of 13 (92.9%) participants, including four parliamentarians, five auditors, and four managers, demonstrated how information asymmetry works within

conflicting interests of principals and agents (see Waterman & Meier, 1998, for more). For instance, different level of access to information and conflicting goals explains variations in the reaction of principals and agents toward performance audits (see Maggetti & Papadopoulos, 2018; Waterman & Meier, 1998, for more). Four managers of auditees perceived interactions with auditors as a functional, but not voluntary, duty, while auditors shared experiences on managers' resistance to performance audits and their experiences were confirmed by both managers and parliamentarians.

Further, like participants of performance audits, President (Theme 113), citizens, and media (Theme 115) influence the demand for performance audits in Kazakhstan. Or, in the language of PAM, there are multiple principals and agents in a chain of interactions within the performance auditing process (see Waterman & Meier, 1998, for more).

Like other interaction processes (e.g., interactions between elected politicians and public officials with the involvement of other parties such as state legislatures, governors, regulated interest groups or regulated independent agencies, consumers, and citizens), President, citizens, and media are influential participants in PAM, as demonstrated in Figure 29 (see Gerber & Teske, 2000; Maggetti & Papadopoulos, 2018, for more). Thus, according to my research findings, performance auditing in particular and public auditing system, in general, are suitable political domains for the implication of dynamic and multilevel PAM (see Gerber & Teske, 2000; Maggetti & Papadopoulos, 2018; Waterman & Meier, 1998, for more).

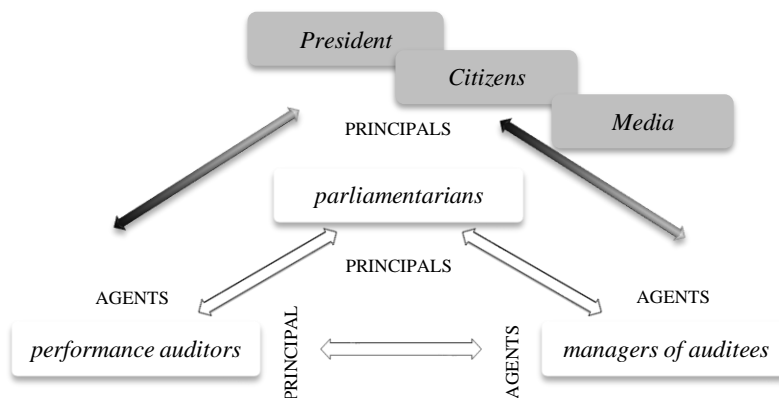


Figure 29. Updates on PAM based on the research findings

Note: Developed based on Barzelay (2001), Reichborn-Kjennerud (2013a), and Waterman and Meier (1998).

Coupled with information asymmetry, conflicting goals, and involvement of multiple principals and agents, *dynamics* (i.e., changes in access to information) and *accountability* are other aspects of PAM (Gerber & Teske, 2000; Maggetti & Papadopoulos, 2018; Waterman & Meier, 1998). It explains the experience of managers on their constructive cooperation with public auditors in implementing the President's order (MC10, personal communication, February 11, 2020; ML12, personal communication, February 15, 2020) because the same level of access to information leads to constructive cooperation even within conflicting goals and interests. Accountability principles incorporated into PAM emerged in stories of all participants, and most of the cases were associated with the experience of parliamentarians who argued that governments should be accountable for results in implementing programs and auditors should be accountable for results of their performance audits.

A central point of interactions between principals and agents in the context of NPM is the agreed objective on improving public sector performance that is both achievable and provable and subject to accountability (Barzelay, 2001; Hood, 1991, 1995; Kapucu, 2006). My research findings are also in line with these considerations. The lived experiences of all participants demonstrated that there are no significant differences in perceptions related to achieving better (desired) results in terms of implementing budget processes and policy programs through performance audits. Therefore, the combination of NPM and PAM provided deep insights on perceptions of participants related to performance audits' impacts depending on their [participants] roles, mandates, and responsibilities of their organizations (Themes 211, 212, 213, 221, and 222). Last but not least, features of interactions between participants of the performance auditing process and other users of performance audits, e.g., variations in levels of their influence, explain macrolevel impacts of performance audits in Kazakhstan (Themes 231 and 232).

Limitations of the Study

My research findings on the causes of highly demanded performance audits and perceived impacts of these audits on public administration in Kazakhstan are results of analyzing the data of 14 phenomenological interviews and documentary reviews. Thence, there are some limitations on using the results of my study to other target groups (e.g., internal auditors of government entities or managers of quasi-public companies) or general populations (e.g., users of public services or leaders of non-governmental organizations) due to sample size.

Exploring the perceptions of managers was limited to two areas of public administration, i.e., public finance and healthcare, whereas perceptions of managers from other areas (e.g., agriculture, education, transport, and information technology) may differ from perceptions of managers who work in ministries and departments for finance and healthcare. I interviewed auditors, parliamentarians, and managers of auditees, as the key participants of performance audits conducted at both central and local government levels. However, the lived experience and perceptions of other those involved in auditing from other government and public sectors were not studied. Despite recruiting participants who are highly experienced in performance auditing and who openly and impartially expressed their position, it would be interesting and useful to study the lived experience of other participants of performance auditing who do not represent rich-cases. As it was revealed, besides the key participants of performance audits, the President's policy, needs of citizens, and interests of media create the demand for performance audits in Kazakhstan. Since the roles of the President, citizens, and media significantly differ from the roles of auditors, managers, and parliamentarians, exploring their lived experience and perceptions may add insights to the studied phenomena.

Localization is a limitation of the study as well. The local level perspectives were studied based on the case of Nur-Sultan city. Despite functioning within similar political domains, there are some regional features and traditions in public administration and performance auditing, in particular, that may influence the perceptions and lived experiences of auditors, parliamentarians, and managers who live and work in the other 16 regions of Kazakhstan.

As described in Chapters 1 and 2, in my research, I focused on performance audits conducted in 2016–2019; for documentary review purposes, I extended that timeframe. So, like sample size, scope, and localization, the timeframe presents one more limitation of the study, since (a) despite to changes in audit approaches, performance auditing practice started in Kazakhstan in 2002, and (b) performance auditing practice continued during and after interviews affected by the normal course of business and unforeseen circumstances.

I used group characteristic and single sufficient case sampling methods and other strategies, as it was assumed at the initial stage of my study and described in Chapter 3, to minimize risks associated with the listed limitations, i.e., gathering incorrect and biased information. I managed all listed limitations and risks of both researcher and participants' biases, and they did not impact the research findings' reliability. Limitations associated with small sample size, scope, location, and timeframe are manageable through recommendations provided in the next section of this chapter.

Recommendations and Implications

Theoretical Implications

My study is the first research attempt on exploring factors of demanding performance audits in Kazakhstan and the impacts of these audits on public administration. Further research is still needed to obtain a more comprehensive understanding of phenomena under study addressing the described study limitations in hopes to further expand upon the findings of my research. More specifically, the research findings related to involvement of the President, citizens, and media into a performance

auditing process, who were identified as principals in PAM, actualize exploring their lived experiences and perceptions about performance auditing because they shape demand for performance audits in Kazakhstan. It is also advisable to expand the target population by adding other principals and agents. Studying the lived experience of auditors, managers of auditees, and parliamentarians from other regions in Kazakhstan may add a deeper understanding of factors of demand for and impact of performance audits, taking into account regional specifics. Studying the lived experience and perceptions of managers from other areas of public administration, i.e., other than public finance and healthcare that were covered by my research, may obtain additional information, taking into account sectoral specifics.

As described in Chapter 2, in addition to external auditors, internal auditors are also empowered to undertake performance audits in the public and quasi-public sectors in Kazakhstan (ISLARK, 2015). Including internal auditors as participants of future studies may shed additional light on my research findings from a relatively passive position of managers of auditees in terms of requesting or initiating performance audits. In particular, explaining their opinions about no real need for a request for external performance audits, managers of auditees referred to mandates of internal auditors of ministries and local executives on conduction of performance audits.

In the lived experience of parliamentarians, i.e., elected public officials, and managers of auditees, i.e., implementers of public officials' policy, the needs and interests of citizens emerged as factors of demanded performance audits in fewer cases opposite to the lived experience of auditors. To a certain degree, it is a contradictory

(resonant) fact, given that the NPM approach on achieving results associated with citizens' satisfaction on the quality of public services, is actively declared and implemented in Kazakhstan. Therefore, exploring the perceptions of both parliamentarians and managers of auditees about a responsive approach to performance audits (i.e., initiating and undertaking performance audits in the interests of citizens) will provide additional information in relation to research and practice gaps between perceptions of parliamentarians and managers of auditees and perceptions of auditors.

My research findings also may be used to identify to what extent demand for performance audits and their impacts on public administration are interrelated. The generated themes and family categories related to factors of demand for and impacts of performance audits may be used as variables to test hypotheses within future quantitative studies, e.g., to what extent increased demand for performance audits contribute to positive (or negative) impacts on public administration. Or, vice versa, to what extent positive (or negative) impacts of performance audits on public administration lead to changes in demand for performance audits.

Further, based on my literature review results, I concluded that personal impacts of performance audits are understudied, especially impacts on auditors and parliamentarians. My study resulted in conclusions with both negative and positive impacts that performance audits have on auditors' perspectives, according to perceptions of auditors, as well as managers of auditees and parliamentarians. It is unknown how performance audits in both developed and other developing countries impact auditors and parliamentarians from the perceptions of all participants of performance audits. Thus,

new studies on exploring perceptions of users of performance audits about personal influences of performance audits will provide additional information and learning opportunities related to microlevel impacts of these audits.

As described in the previous section, I also identified perspective areas for scholarly works on exploring meso- and macro-impacts of performance audits. While negative perceptions of my study participants about performance audits' impact on auditees were related to using financial controls and sanctions by audit organizations in the course of their performance audits, it will be useful to explore to what extent these controls and measures contribute to changes in audited organizations and whether these changes are positive in terms of achieving better organizational performance.

Additionally, it will be beneficial to explore impacts that performance audits have on legislative bodies and their organizational performance. At macrolevel, it will be useful to explore whether performance audits contribute to the political and democratic processes in Kazakhstan, using my research instrumentations and findings (e.g., exploring the perceptions of influential users of performance audits).

Finally, both quantitative and mixed methods may be used to measure the impact of performance audits on public administration in Kazakhstan. Specifically, it is possible to quantitatively measure the impact of performance audits that they have at micro-, meso-, and macrolevels in Kazakhstan, applying research instrumentation of Morin (2008, 2014) tested in the cases of developed (Desmedt et al., 2017) and developing (Alwardat & Basheikh, 2017) countries, or by a modification of that instrumentation

though incorporating my research findings. Mixed method research approaches provide added insights through data triangulation as a foundation for increasing study validity.

Public Policy Implication

Performance auditing is one of the prioritized directions of public policy in Kazakhstan (ISLARK, 2013); it was confirmed by studying the lived experience and perceptions of my study participants. However, further considerations and responses from the side of policymakers are needed specifically in identified areas for further improvements.

Firstly, the current practice of considering and using the results of performance audits by parliamentarians as integrated parts of annual reports of audit organizations (i.e., once a year) reduces opportunities for receiving more benefits from performance audits. Views of three parliamentarians (75% of interviewed representatives of a deputy corps) on considering the performance audits results right after audits completion are consistent with previous empirical evidence on parliamentarians' contribution to making performance audits more useful (Funnell, 2004a; Morin 2001, 2003, 2004, 2008, 2016; Morin & Hazgui, 2016, Reichborn-Kjennerud & Johnsen, 2018; Reichborn-Kjennerud & Vado, 2017).

Secondly, I revealed situational discrepancies on responding to performance audits by auditees through exploring perceptions of auditors, managers, and parliamentarians. All auditors and most of the parliamentarians believed that managers of auditees resist performance auditors' work mainly due to misunderstanding of performance audits objectives. Whereas, all interviewed managers of auditees

demonstrated right understanding of performance audits objectives; their reactions, such as resistance or objections to auditors' work, were due to the facts that auditors did not change their approaches regardless of introduction of performance audits. A key observation brought to light in my research is a legacy stereotypical attitude, predominantly kept, and more precisely translated to performance audits (i.e., from revisions of controllers from the Soviet Union to newly adapted practice of performance auditors) due to auditors defaulting their auditing practices to financial control measures. This is evidence of ineffective or unconstructive communications in reality because the 14 (100%) participants unanimously expressed doubts regarding the reasonableness of applying financial control mechanisms in performance audits. Therefore, I recommend to the key policymakers in public auditing system to make agreed political decisions on changes in approaches to performance auditing in terms of applying sanctions as measures on addressing deficiencies in audited areas and organizations.

Thirdly, this Kazakhstani case is at the beginning stage of the transformation of auditors' classical role that implies focusing on problems into an advocate role that contributes to changes in political reforms and developments (see Morin & Hazgui, 2016; Pierre & Licht, 2019, for more). There are research-based pieces of evidence sources that agreed on actions of auditors (audit organizations), managers of auditees (governments and their executive entities) in terms of identifying priorities in performance audits and evaluation criteria ultimately lead to useful performance audits (Morin, 2003; Nath et al., 2019). In this regard, and based on my research findings, I recommend to concerned public administrators and, in particular, to leaderships of audit organizations to start these

tested actions, maintaining adherence to the principles of independence and excluding any possible corruption-related risks. I believe that it will allow moving to a new level performance audit impact – from solving local or specific problems to the desired political transformations and further democracy developments in Kazakhstan.

Fourthly, predominantly negative views of my study participants related to measuring the audit organizations performance by facts of identified violations or measures on sanctioning may be used as further justifications to change performance indicators of audit organizations. Audit organizations' performance should be measured by their real contributions to positive changes in public administration; generated themes “Improved budget process” and “Changes in laws and regulations” indicated the manifestation of such positive effects of performance audits in Kazakhstan.

In sum, all mentioned public policy implications are doable through making amendments or updating the concept on the introduction of public auditing in Kazakhstan adopted in 2013 (ISLARK, 2013) and not changed regardless of the results of its implementation.

Methodological and Practical Recommendations

According to my study participants' perceptions, introduction of performance audits in their organizations was associated with methodological changes and increased regulations (requirements) on audit methods. From a theoretical perspective, it is a not new or unique finding (see Knaap, 2011; Lonsdale, 2000, for more); however, it requires both methodological and practical changes. I recommend to the key decision-makers in the public auditing system in Kazakhstan, including methodologists, to change

approaches to methodological support of performance audits, based on my study findings. Methodological problems emerged in the lived experience of all auditors and the frequency of associated categories was 14. Whereas performance audits are perceived as an opportunity for professional development by three auditors and the frequency of associated categories was only five. So, I propose to be guided by the following consideration – opposite to strictly regulated methods (in all interviewed auditors' opinion, it takes place), professional development of performance auditors will facilitate the initiation and conduction of better and more useful performance audits. Performance audits should not be perceived as a daunting methodological task. It should be perceived as an opportunity to develop professionally to provide users with competent and reliable conclusions regarding the economy, efficiency, and effectiveness of an auditee or audited area of public administration.

Next, perceptions on negative impacts of performance audits, such as demotivation and staff-turnover caused by unfair evaluation of performance auditors' works, are also required changes in methods and practices. Evaluation of auditors' performance should be incorporated into practical objectives of performance audits. A main objective should be that performance evaluations motivate auditors to achieve results that are valuable in the context of an ideology of performance audits, for example, facilitating public hearings on important social issues instead of writing more administrative violation protocols.

Despite to empirical evidence about auditors' capacities to conduct useful performance audits (Loke et al., 2016; Morin & Hazgui, 2016), performance auditing

implies attraction of highly qualified experts (Loke et al., 2016; Mathur, 2018), for example, public debt management experts or health experts. This objective need is due to the fact that it is highly improbable to have auditors with sufficient level of qualifications in dissimilar areas of public administration that are subject to performance audits. However, only one auditor referred to attracting experts as a necessary addition to auditing processes, but emphasized that frequent involvement of experts is not possible due to resource constraints. At the same time, positive perceptions of managers of auditees of performance audits were explained by cases of conduction of performance audits by audit teams consisted of experts.

Positive Social Implications

As evidenced by my research, the introduction and expanding performance audits in the public sector of Kazakhstan is mainly due to intentions on achieving positive changes. More specifically, it was the intention to solve problems, minimize risks of ineffective actions and budget spending, as well as ensuring accountability in terms of using public funds, and implementing government programs that drove performance audit adoption. Performance audits are highly demanded not only due to auditors' preferences, needs of parliamentarians, and auditees' behaviors, but also due to the needs of public administration with and through the interests of the President, citizens, and media. These key findings of my research work are perceptive from positive social change implications.

The positive social change implications include raising awareness about who and what demand performance audits, and how. Public politicians may use my research-based

data to assess reasoning for highly requested performance audits in Kazakhstan in making decisions in the area of public auditing (e.g., legitimize responsive approach to performance audits), as well as in general public administration (e.g., enhance parliamentary oversight powers through integrated performance audits).

Shared deep insights about the key motivators and initiators of performance audits in Kazakhstan and identified differences by compared countries (see Nath et al., 2019; Parker et al., 2019, for more) may help in planning needed performance audits; identified problems that triggered performance audits may help in planning and undertaking useful performance audits. Newly added knowledge about performance audits' macro-impacts will contribute to the development of more effective strategies and tactics on public budgeting, modernizing laws and regulations. I also hope that the results of my study will inform public policy leaders about existing reserves for expanding a spectrum for performance audits' positive influences at the macrolevel through using these audits as a tool for improvements in the interests of citizens and improving their well-being.

My research findings also might be applied by public administrations to ensure and enhance the positive impacts of performance audits at organizational and personal levels. The leadership of audit organizations and auditees, as well as executives and legislatures, may use the study findings related to impacting performance audits on public sector organizations' performance to identify future effective and efficient strategies on organizational developments. In particular, through learning the perceptions of auditors and managers, I identified that performance audits lead to challenges in human resource management in both audit organizations and auditees (i.e., staff-turnover and

demotivation). Therefore, the results of my study might be used to improve policies on human resource management through better understanding the personal impacts of performance audits and maintaining a proper level of employee motivation.

A contribution to the development of a new profession in Kazakhstan, i.e., the profession of performance auditor, is one more positive social implication of my study. Identified aspects of performance auditing, including interactions between all participants in the course of audits, may help to identify future training tactics of both audit and educational organizations. In turn, parliamentarians and managers of auditees may use my research findings to effectively manage their perspectives associated with their future experiences in performance auditing.

Conclusions

The central findings of my research work are explanations for highly demanded performance audits in Kazakhstan and the perceived impacts that these audits have on auditors, managers of auditees, and parliamentarians, on audit and audited organizations, and on budget process, laws, and regulations. The significance of my study was related to the investigation of unknown reasons for demanded performance audits in Kazakhstan and the impacts that these audits have on national public administration. That information gap increased risks of missed opportunities for better public sector governance through using performance audits and understanding their impacts.

The study results illustrated that highly requested performance audits in Kazakhstan were not due to isomorphism phenomena, however, an adaptation of popular and widely used practice, to a certain degree, explained why performance audits are in

demand in Kazakhstan. The main explanation and reason for increasing the number and expanding the scope of performance audits are problems in public administration. It was also revealed that performance audits had both positive and negative impacts at micro- and mesolevel, and positive impact at macrolevel in Kazakhstan. These findings are consistent, partially consistent, or inconsistent with previous studies' findings associated with the case of developed and developing countries. The inconsistencies or, more precisely, differences in reasons for and impacts of performance audits explained by public administration styles, i.e., western and emerged after the breakup of the Soviet Union, and maturity of performance auditing practice, i.e., active use during more than 50 years in western countries and less than 10 years in Kazakhstan.

Triggers, initiators, and motivators of performance audits were found to be very similar regardless of public administration styles, but ways and levels of their influence differed. There are also significant differences in the perceived usefulness of performance audits depending on the roles that participants play in performance auditing. Overall my research illustrated theoretical interpretations, useful public policy change opportunities, and positive social change implications for improved government.

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Appendix A: Invitation Letter

[The letter in Kazakh Language]

ШАҚЫРУ ХАТ

Күні: _____

Зерттеу қатысушысының байланыс деректері: _____

Құрметті (зерттеу қатысушысының аты-жөні),

Сізді менің зерттеуіме қатысуға шақыруға рұқсат етіңіз, зерттеуімнің мақсаты Қазақстандағы тиімділік аудитке деген сұраныс факторларын және мемлекеттік әкімшілендірудің қазақстандық жүйесіне тиімділік аудиттердің қабылданатын әсерлерін зерделеу болып табылады. Тиімділік аудиттегі Сіздің тәжірибеңіз туралы ақпаратты беру менің зерттеуім үшін пайдалы болады.

Менің зерттеуіме қатысу сұхбат беруді талап етеді. Сұхбаттың ұзақтығы – 40-60 минут. Сіз сұхбат беруге келіскен жағдайда мен сұхбатты Сіз үшін неғұрлым қолайлы жерде және уақытта өткіземін. Сұхбаттасудың алдында мен Сізге сұхбат сұрақтарының тізімін жіберемін.

Менің зерттеуіме қатысу ерікті болып табылады. Бұл зерттеудің кез-келген кезеңінде қатысудан бас тартуға болатындығын білдіреді. Егер Сіз зерттеуге қатысудан бас тартсаңыз, ешқандай ықпалшаралар қолданбайтынын есте сақтаңыз.

Менің зерттеуіме қатысу құпия болып табылады. Бұл Сіздің дербес деректеріңіз және кез-келген сәйкестендіру ақпараты жария етілмейтінін білдіреді. Мен сұхбат деректерін сұхбат алынатын адамдардың дербес деректеріне сілтеме жасамай тек біріктірілген түрде және тек зерттеу мақсаттары үшін пайдаланамын.

Егер менің зерттеуім немесе сұхбаттасуға қатысты кез-келген сұрақтарыңыз болса, Сіз маған телефон (телефон нөмірі) немесе электронды пошта арқылы (электрондық пошта мекенжайы) хабарласа аласыз.

Жауап бергеніңіз үшін алдын ала алғысымды білдіріп, Сіздің менің шақыруыма деген жауабыңызды төрт жұмыс күні ішінде күте алатымдығын туралы хабарландыруды рұқсат етіңіз.

Құрметпен,
Алмагүл Мұхамедиева
PhD Студенті
Walden Университеті

[The letter in Russian Language]

ПИСЬМО-ПРИГЛАШЕНИЕ

Дата: _____

Контактные данные участника исследования: _____

Уважаемый (имя и отчество участника исследования),

Позвольте пригласить Вас принять участие в моем исследовании, целью которого является изучение факторов востребованности аудита эффективности в Казахстане и воспринимаемые эффекты аудитов эффективности на казахстанскую систему государственного администрирования. Предоставление информации о Вашем опыте в аудите эффективности будет полезным для моего исследования.

Участие в моем исследовании предполагает участие в интервью. Длительность интервью – 40-60 минут. При согласии с Вашей стороны, я проведу с Вами интервью в наиболее удобных для Вас месте и время. До интервью я вышлю Вам перечень вопросов интервью.

Участие в моем исследовании является добровольным. Это означает, что Вы можете отказаться от участия на любом этапе исследования. Пожалуйста, имейте в виду, что никакие санкции не будут предприняты в случае Вашего решения отказаться от участия в исследовании.

Участие в моем исследовании является конфиденциальным. Это означает, что Ваши персональные данные и любая идентификационная информация не являются предметом разглашения. Я буду использовать данные интервью в агрегированном виде без ссылок на персональные данные интервьюируемых и исключительно для исследовательских целей.

При возникновении любых вопросов касательно моего исследования или интервью, Вы можете обратиться ко мне по телефону (номер телефона) или по электронной почте (адрес электронной почты).

Я буду крайне признательна за Ваш отклик на мое приглашение, и получение Вашего ответа в течение четырех рабочих дней.

С уважением,
Алмагуль Мухамедиева
Студент PhD
Университет Walden

[Translated version]

INVITATION LETTER

Date: _____

Research Participant Contact Information: _____

Dear (Research Participant Name),

I would like to invite you to participate in my research aimed at exploring factors that might explain the demand for performance auditing in Kazakhstan and the perceived effects of performance audits on Kazakhstani public administration. Sharing information about your experience in performance auditing will be helpful and useful for my research.

Participation in my research means taking part in an interview. The interview duration is 40-60 minutes. In case of your acceptance, I will interview you at place and time that most convenient to you. Before interviewing, I will send you the list of interview questions.

Participation in my research is voluntary. It means that you may withdraw from participation at any stage of my research. Please kindly note that no sanctions will follow because of your decision to withdraw.

Participation in my research is confidential. It means that your data and any identifiers are not subject to disclosure. I will use the interview information in an aggregate form without referring to personal data of interviewees and only for research purposes.

Should you have any questions related to my research or interviewing, I can be reached at (phone number) or via email (email address).

Your feedback on my invitation is highly appreciated, and I will be grateful to receive your reply in four business days.

Sincerely yours,
Almagul Mukhamediyeva
PhD Student
Walden University

Appendix B: Interview Guide

Research theme: Demand for and impact of performance audits on public administration
in Kazakhstan
Walden University

The following questions will be asked to the research participants to identify and interpret patterns and themes associated with the studied phenomena.

Demographics

Questions for Group 1: Auditors

1. How many years have you been working in your organization?
2. When did you get the public auditor certificate?
3. Are you empowered to take part in performance audits (according to your official duties)?
4. Did you take part in the performance audits conducted by your organization in 2016-2019?

Questions for Group 2: Managers of Auditees

1. How many years have you been working in your organization?
2. Are you empowered to interact with external auditors and make a decision related to requesting the performance audits (according to your official duties)?
3. Are you experienced in performance audits conducted by the public sector audits organizations, such as the Accounts Committee or Revision Commissions, in 2016-2019?

Questions for Group 3: Parliamentarians

1. How many years have you been working as a member of your committee?
2. Have you experienced in performance audits conducted by the public sector audits organizations, such as the Accounts Committee or Revision Commissions, in 2016-2019?

Semistructured Questions

RQ: What are the lived experiences and perceptions of performance auditors, managers of auditees, and parliamentarians, the key participants and users of performance audits, regarding the demand for and impacts of these audits on Kazakhstan's public administration?

Sub-Question 1: *Which factors (both external and internal conditions or reasons) contributed to the audit organizations' decisions to conduct more performance audits?*

A. Questions for Group 1: Auditors

A1. How are decisions about the conduction of performance audits made in your organization? What is your role in this decision-making process?

- Tell me please about the most memorable example of deciding the conduction of a performance audit.

A2. Based on your experience, how were decisions on the conduction of performance audits (instead of traditional audits) justified?

A3. To what extent and how decisions on the conduction of performance audit influenced by auditees and parliamentarians?

- Tell me please about the examples of receiving the requests to conduct performance audits from auditees and parliamentarians (if any). How did your organization respond to those requests?

A4. Would you like to add something else?

Sub-Question 2: Which factors or causes (if any) contributed to the decisions of your organization to request more performance audits?

B. Questions for Group 2 and Group 3: Managers of Auditees and Parliamentarians

B1. What is your role in your organization?

- Tell me please about your duties and whether you are empowered to initiate or request on the conduction of performance audits by the Accounts Committee or Revision Commissions.

B2. As experienced in the performance auditing, what reasons do you use to justify your requests on the conduction of more performance audits?

- Tell me please about the most memorable example of initiating a request on the conduction of the performance audit.

B3. Would you like to add something else?

Sub-Question 3: What are the perceptions, experiences, opinions, and beliefs of performance auditors related to the impact of performance audits on public administration in Kazakhstan?

C. Questions for Group 1: Auditors

C1. How and in what extent the performance audits influence your organization?

- Tell me please about changes (if any) occurred in your organizations because of the introduction of performance auditing (from 2016).

C2. What are the advantages and disadvantages of performance audits (compared to traditional audits)?

C3. How and in what extent performance audits influence auditees?

- Tell me please about the most memorable reactions of auditees on performance audits conducted by your organization in 2016-2019.

C4. How and in what extent performance audits influence your perspectives?

- Tell me please about the most memorable example of your experience in performance auditing. How do you use your experience?

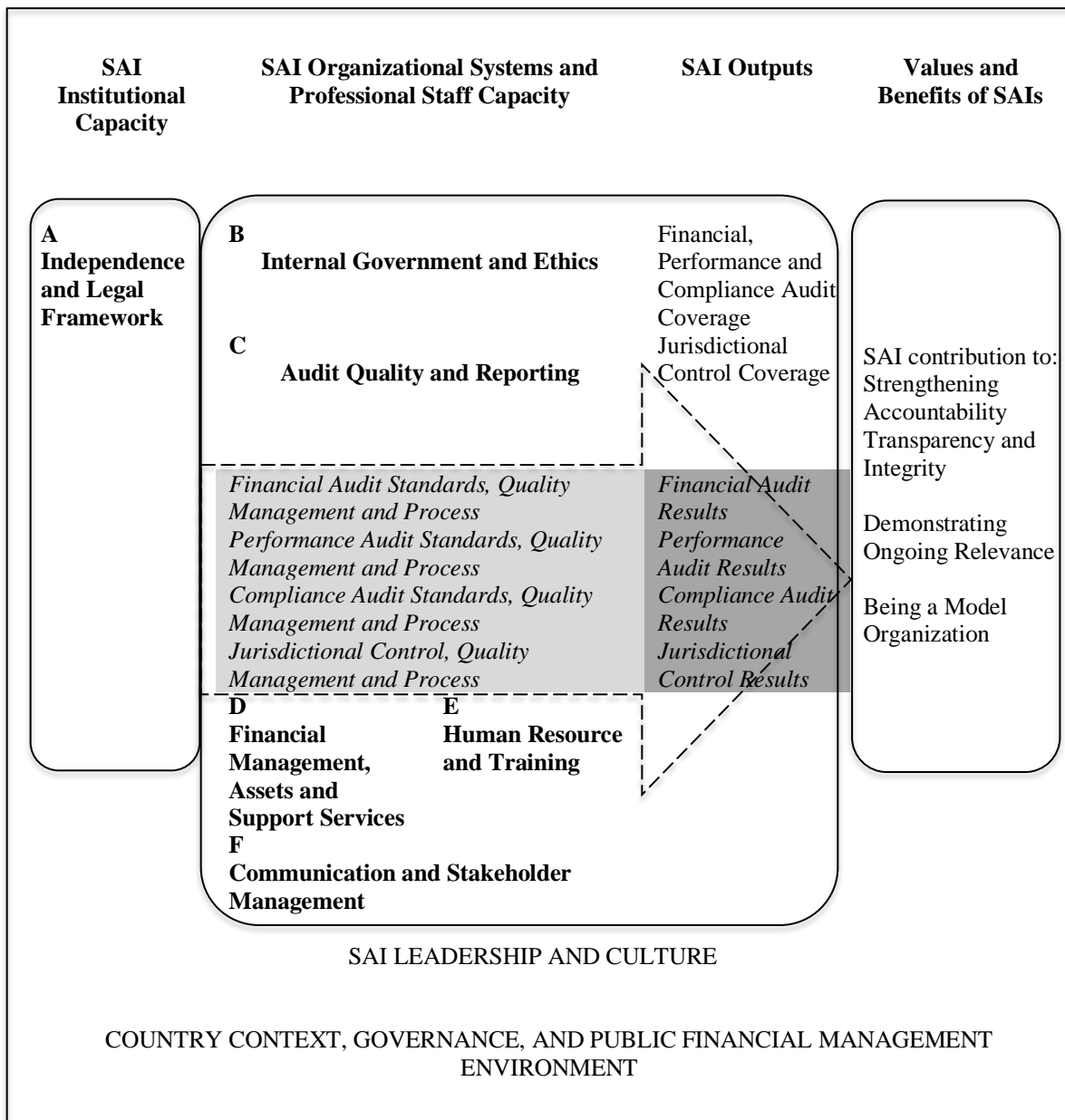
C5. Would you like to add something else?

Sub-Question 4: What are the perceptions, experiences, opinions, and beliefs of managers of auditees and parliamentarians related to the impact of performance audits on public administration in Kazakhstan?

- D. Questions for Group 2: Managers of Auditees
- D1. How do your organization use the performance audits?
- D2. How and in what extent the performance audits influence your organization?
- Tell me please about changes (if any) occurred in your organizations because of conduction of performance audits by the Accounts Committee or Revision Commissions (from 2016).
- D3. What were your expectations from performance audits? Based on your experience, whether performance audits are more useful compared to traditional audits?
- D4. How and in what extent performance audits influence your perspectives?
- Tell me please about the most memorable example of your experience in performance auditing. How do you use your experience?
- D5. Would you like to add something else?

- E. Questions for Group 3: Parliamentarians
- E1. How do your organization use the performance audits?
- E2. How and in what extent the performance audits influence your organization?
- Tell me please about changes (if any) occurred in your organization because of empowering the Accounts Committee or Revision Commissions with mandates to conduct performance audits (from 2016).
- E3. What were your expectations from performance audits? Based on your experience, whether performance audits are more useful compared to traditional audits?
- E4. How and in what extent the performance audits contribute to changes in laws and regulations? How do performance audits change the public sector audits organizations and auditees?
- E5. How and in what extent performance audits influence your perspectives?
- Tell me please about the most memorable example of your experience in performance auditing. How do you use your experience?
- E6. Would you like to add something else?
-

Appendix C: SAI Performance Measurement Framework



Appendix D: Research Findings in the Context of SAI Performance Measurement

Framework

SAI Institutional Capacity	SAI Organizational Systems and Professional Staff Capacity	SAI Outputs	Value and Benefits of SAI
<i>Legal Framework</i>	<i>Internal Business Processes</i>	<i>Performance Audits Results</i>	<i>Performance Audits Value and Benefits</i>
Theme 121: Legitimization of performance audits	Theme 122: Adaptation of international experience	<i>Micro-Impacts</i>	<i>Macro-Impacts</i>
Theme 111: Auditors prefer performance audits Theme 112: Parliamentarians need in performance audits Theme 113: President prioritize performance audits Theme 114: Managers of auditees use performance audits' results Theme 115: Citizens and media shape the demand for performance audits	Sub-theme 234: Requested changes in performance auditors' work	Theme 211: Impact on auditors Theme 212: Impact on managers of auditees Theme 213: Impact on parliamentarians * Themes 211, 212, and 231 may shape meso-impacts (see Desmedth et al., 2017; Lonsdale et al., 2011, for more).	Theme 231: Improved budget process Theme 232: Changes in laws and regulations
Theme 131: State planning Theme 132: Systems' problems Theme 133: Risks of new areas Theme 134: Needs in evaluating the effectiveness		<i>Meso-Impacts</i> Theme 221: Changes in audit organizations Theme: 222 Changes in auditees * Themes 221 and 222 may shape macro-impacts (see Desmedth et al., 2017; Lonsdale et al., 2011, for more).	

Sub-theme 233: Self-contribution to 3E – out of SAI PMF

Appendix E: Interview Protocol

Research theme: Demand for and impact of performance audits on public administration
in Kazakhstan
Walden University

Date:		
Location:		
Time (started at):		
Duration (planned):	40-60 minutes	
Interviewee (code):		
For the 1 st group	<i>code for participant 1</i>	AC01
	<i>code for participant 2</i>	AC02 __
	<i>code for participant 3</i>	AL03 __
	<i>code for participant 4</i>	AL04
	<i>code for participant 5</i>	AC/L05
For the 2 nd group		
	<i>code for participant 6</i>	PC06
	<i>code for participant 7</i>	PC07 __
	<i>code for participant 8</i>	PL08 __
	<i>code for participant 9</i>	PL09 __
For the 3 rd group		
	<i>code for participant 10</i>	MC10 __
	<i>code for participant 11</i>	MC11
	<i>code for participant 12</i>	ML12 __
	<i>code for participant 13</i>	ML13 __
	<i>code for participant 14</i>	ML/C14
Interviewer:	Almagul Mukhamediyeva	

- I. Introduction (5 minutes)
 - Purpose of the Study
 - Objectives of the Interview
 - Clarifications related to:
 - participants selection
 - voluntary participation
 - confidentiality
 - using the interview data
 - Signing the Informed Consent Form
- II. Technical Preparations (2 minutes)
 - Testing Equipment
 - Preparing Interview Journal, Paper, Pen, and Water

(Start Audio Recording)

- III. Interviewing (30-50 minutes)
 - Demographics
 - Interview Questions (see the Interview Guide)
- IV. Conclusion Statement (3 minutes)
 - Comments, Questions, and Suggestions
 - Thanks for Participating

(End Audio Recording)

Time (finished at):	Duration (actual):
Interviewer Signature:	
<i>Interviewee provided with the Interview Protocol Copy:</i> Yes: ____ No: ____	

Appendix F: Interview Journal

Research theme: Demand for and impact of performance audits on public administration
in Kazakhstan

Walden University

Interview Number:	Int# [1, 2, ..., 12]	
Date:		
Location:		
Interviewee (code):		
For the 1 st group	<i>code for participant 1</i>	AC01
	<i>code for participant 2</i>	AC02
	<i>code for participant 3</i>	AL03
	<i>code for participant 4</i>	AL04
	<i>code for participant 5</i>	AC/L05
For the 2 nd group	<i>code for participant 6</i>	PC06
	<i>code for participant 7</i>	PC07_
	<i>code for participant 8</i>	PL08
	<i>code for participant 9</i>	PL09
For the 3 rd group	<i>code for participant 10</i>	MC10
	<i>code for participant 11</i>	MC11
	<i>code for participant 12</i>	ML12
	<i>code for participant 13</i>	ML13
	<i>code for participant 14</i>	ML/C14
Interviewer:	Almagul Mukhamediyeva	
Interview Protocol Compliance	Completed [+]	
I. Introduction		
II. Technical Preparations		
III. Interviewing		
IV. Conclusion Statements		
Interviewing	Notes	
Demographics -		
Interview Questions -		
IQ#1:		
IQ#2:		
...		