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**THE ORGANIZATION OF THE AUDIT OF LOCAL GOVERNMENT BUDGET  
FINAL ACCOUNTS CONDUCTED BY THE STATE AUDIT OFFICE OF VIETNAM**

**Major: Accounting**

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**SUMMARY OF THE DOCTORAL THESIS**

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## INTRODUCTION

### 1. Rationale of the Study

Local government budgets constitute an essential component of the state budget system, as local authorities are directly responsible for implementing a substantial proportion of revenue collection and public expenditure tasks as well as executing national fiscal policies at the subnational level. Under the current Law on the State Budget of Viet Nam, local government budgets comprise the budgets of administrative units that operate with People's Councils and People's Committees. The management of these budgets is conducted based on the principle of clearly defined fiscal decentralization, whereby revenue sources and expenditure responsibilities are assigned to different levels of government in association with accountability mechanisms to ensure transparency, public oversight, and democratic governance.

Within this framework, the People's Councils of provinces and centrally governed cities play a particularly important role. They determine the allocation of fiscal responsibilities among different levels of local government, taking into account socio-economic characteristics and administrative capacity. In addition, People's Councils at all levels are responsible for approving annual budget estimates and ratifying the final accounts of local government budgets based on the fiscal targets assigned by higher authorities and the actual implementation results within their jurisdictions.

The final accounts of local government budgets represent the final product of the budget cycle and provide a comprehensive reflection of how local governments manage, allocate, and utilize public financial resources in pursuit of socio-economic development objectives. As an important source of information for evaluating public financial governance and fiscal discipline, these reports require robust oversight mechanisms to ensure transparency, accountability, and reliability.

Within the system of public-sector oversight mechanisms, audits conducted by the State audit office of Vietnam play a critical role. In accordance with the principles of public-sector auditing established by the International organization of supreme audit institutions (INTOSAI) and articulated in the INTOSAI Framework of professional pronouncements (IFPP), Supreme audit institutions are responsible for enhancing accountability and improving public financial management. In particular, the International standards of supreme audit institutions (ISSAI 100) establish the fundamental principles of public-sector auditing, while ISSAI 200, ISSAI 300, and ISSAI 400 provide the professional frameworks for financial audit, performance audit, and compliance audit respectively.

Through its audit activities, the State audit office of Viet Nam not only provides assurance regarding the reliability and legality of financial information but also evaluates the compliance of public entities with applicable laws and regulations and assesses the efficiency and effectiveness of public financial management practices. Audit findings and recommendations therefore serve as an important basis for strengthening fiscal discipline, improving governance, and enhancing the quality of public financial management.

Despite the growing importance of auditing local government budget final accounts, both theoretical research and practical implementation still reveal certain limitations. From a

theoretical perspective, existing studies on public-sector auditing and budget auditing have tended to focus on individual aspects of the audit process, such as audit objectives, audit content, organizational arrangements, or technical procedures related to specific budget items including revenue collection, recurrent expenditure, and capital investment. However, there remains a lack of comprehensive and systematic research examining the organization of audit activities for the final accounts of local government budgets from the perspective of the operational practices of the State audit office of Vietnam (SAV).

Key issues relating to the entire audit cycle including the development of annual and medium-term audit plans, the implementation of audit procedures, audit quality management and quality control, the application of information technology in auditing, and the consolidation and public disclosure of annual audit reports have not yet been sufficiently analyzed. In addition, the theoretical framework identifying factors that influence the organization of auditing activities for local government budget final accounts remains underdeveloped and has yet to fully reflect the increasingly complex context of contemporary public financial management.

From a practical perspective, after more than three decades of establishment and development, the SAV has made important contributions to improving the governance and management of local government budgets. Nevertheless, many existing studies on budget auditing were conducted under earlier legal frameworks and therefore no longer fully correspond to the current system of laws, institutional arrangements, and international auditing standards.

Moreover, a significant research gap still exists regarding the organization of audit activities for local government budget final accounts in relation to the evolving structure of local public financial management in Vietnam. This issue has become increasingly urgent in the context of ongoing public financial management reforms, particularly the policy direction to shorten the state budget finalization cycle from eighteen months to twelve months. This institutional reform significantly increases the time pressure and operational intensity of audit activities and therefore requires substantial improvements in audit organization and methodology.

At the same time, the ongoing national digital transformation has fundamentally reshaped public financial management practices through the implementation of modern financial information systems such as the Treasury and budget management information system (Tabmis) and the Tax management system (TMS). These systems have significantly changed the structure of fiscal data, information flows, and methods for storing and processing financial information. However, limited research has examined how these technological developments influence the organization and implementation of public-sector audits.

Furthermore, recent audit practices relating to local government budget final accounts have revealed several operational limitations. These include the largely formalistic nature of annual and medium-term audit planning, the insufficient application of risk-based approaches and advanced data analytics, inconsistencies in audit implementation, and the predominance of administrative procedures in audit quality control mechanisms. In the context of expanding mandates of the SAV and the increasing complexity of public financial governance, the current procedural framework has begun to reveal shortcomings in terms of both its legal foundation

and its operational feasibility within a digital environment.

Against this background, developing a comprehensive framework of solutions to improve the organization of auditing activities for the final accounts of local government budgets conducted by the SAV has become both an objective scientific requirement and an urgent institutional task.

Based on the practical demands and theoretical gaps identified above, the doctoral candidate has selected the research topic entitled “The Organization of auditing activities for the final accounts of local government budgets conducted by the State audit office of Viet Nam” for this doctoral dissertation. The study aims to establish a set of theoretically grounded and practically feasible solutions to improve the organization of audit activities in line with international auditing standards and the evolving context of public financial management in Vietnam.

The expected findings of this research will contribute to strengthening the theoretical foundations of public-sector auditing while providing practical recommendations to enhance the quality, effectiveness, and institutional role of the SAV in overseeing the management of local government budgets.

## **2. Overview of previous studies and identification of research gaps**

The dissertation reviews and analyzes previous studies, both domestic and international, that are relevant to the research topic. These studies are examined across several key aspects related to the organization of auditing activities for the final accounts of local government budgets conducted by the SAV. Specifically, the review focuses on: (i) the organization of annual and medium-term audit planning for the final accounts of local government budgets; (ii) the organization of audit processes for these final accounts; (iii) the organization of audit management and audit quality control; (iv) the organization of information technology applications in auditing activities; and (v) the organization of consolidating audit results, preparing audit reports, and publicly disclosing audit reports on the final accounts of local government budgets.

Based on this review, the dissertation evaluates the main findings of existing studies and identifies several research gaps that require further investigation:

(i) *Firstly*, existing studies on the organization of annual and medium-term audit planning for local government budget final accounts remain incomplete and are not fully aligned with the objectives of financial and compliance audits under the *International Standards of Supreme Audit Institutions (ISSAIs)*. They have also paid limited attention to the specific characteristics of local public financial management and the institutional transition toward a two-tier local government structure.

(ii) *Secondly*, prior research on auditing local government budgets has largely focused on specific technical issues rather than providing a comprehensive analysis of the entire audit process, including planning, implementation, reporting, and follow-up of audit conclusions and recommendations. In particular, little research has examined the implications of the reform shortening the state budget finalization period from eighteen months to twelve months.

(iii) *Thirdly*, the current organization of audit management and audit quality control has not fully adapted to recent changes in public financial management, including the two-tier local government model and the shortened budget finalization timeline.

(iv) *Fourthly*, research on the application of information technology in auditing

local government budget final accounts remains limited, despite the growing importance of digital transformation in improving audit efficiency and effectiveness.

(v) *Fifthly*, studies on the consolidation of audit results and public disclosure of audit reports remain insufficient, particularly regarding their impact on transparency, accountability, and the effectiveness of public financial management.

### **3. Research objectives of the dissertation**

#### **3.1. General research objective**

Based on an examination of the current organization of auditing activities for the final accounts of local government budgets conducted by the SAV, this dissertation aims to identify the achievements and limitations of these activities in relation to the specific characteristics of local government budget management. On that basis, the study proposes a comprehensive set of solutions to improve the organization of auditing activities for the final accounts of local government budgets, thereby enhancing the effectiveness and efficiency of audit operations of the SAV and contributing to the improvement of public financial management and the use of state budget resources at the local level in the coming period.

#### **3.2. Specific research objectives**

(i) To systematize and further develop theoretical foundations related to the organization of auditing activities for the final accounts of local government budgets. The study particularly focuses on analyzing the characteristics of local government budgets and clarifying how these characteristics influence the organization of auditing activities conducted by the SAV in the current context.

(ii) To examine international experiences regarding the organization of auditing activities conducted by Supreme Audit Institutions and to derive relevant lessons that may be applicable to the State audit office of Viet Nam.

(iii) To apply the developed theoretical framework to analyze the current practices in organizing audits of the final accounts of local government budgets conducted by the SAV, thereby evaluating the achievements, identifying existing limitations, and explaining the underlying causes of those limitations.

(iv) Based on the theoretical framework and the findings from the empirical analysis, the dissertation proposes strategic orientations, a system of solutions, and policy recommendations aimed at improving the organization of auditing activities for the final accounts of local government budgets conducted by the State audit office of Viet Nam.

### **4. Research subject and scope of the dissertation**

#### **4.1. Research subject**

The dissertation focuses on examining both theoretical and practical issues related to the organization of auditing activities for the final accounts of local government budgets conducted by the State audit office of Viet Nam.

#### **4.2. Research scope**

(i) Scope in terms of content: The dissertation examines the organization of auditing activities for the final accounts of local government budgets conducted by the SAV through an analysis of the functional relationships among the various units within the audit institution. In order to fulfill its mandate of providing assurance, evaluation, and conclusions regarding the management and use of public finance and public assets at the local level, the organization

of auditing activities for the final accounts of local government budgets is conceptualized as a systematic and integrated audit cycle. This cycle includes: the development of annual and medium-term audit plans; the organization of the audit process; audit management and audit quality control; the application of information technology in auditing; and the consolidation of audit results, preparation, and public disclosure of annual audit reports.

(ii) Scope in terms of space: The dissertation examines the organization of auditing activities for the final accounts of local government budgets conducted by the SAV across its regional audit offices (*Regional State audit offices I-XII*). The study focuses specifically on the organization of comprehensive annual budget cycle audits of local government budget final accounts carried out by these regional audit offices.

(iii) Scope in terms of time: The dissertation analyzes the organization of auditing activities for the final accounts of local government budgets conducted by the SAV during the period from 2020 to 2025.

(iv) Within the scope of this study, the auditing entity is the State audit office of Viet Nam (SAV). Audit activities are carried out through coordinated operations among different management levels and operational units within the institution, including the leadership of the SAV as the decision-making authority; advisory units such as the general affairs department, the department of audit policies and quality control, the legal department, and the information technology department; and the regional State audit offices (I-XII), which are responsible for organizing and managing audit activities. Audit teams serve as the operational units directly conducting audit engagements.

The audited entities include organizations involved in the local government budget finalization cycle, such as agencies responsible for consolidating and preparing the final accounts of local government budgets (Departments of finance and state treasury offices), revenue administration agencies (Tax and customs authorities), and selected budget-using entities at various administrative levels in several representative localities. These localities include Ha Noi, Ho Chi Minh City, Can Tho, Hai Phong, Da Nang, Thai Nguyen, Phu Tho, Lai Chau, Thanh Hoa, Nghe An, Dong Thap, Khanh Hoa, and Dong Nai.

## **5. Research questions**

(i) What are the key components involved in organizing auditing activities for the final accounts of local government budgets conducted by Supreme audit institutions? What factors influence the organization of these auditing activities?

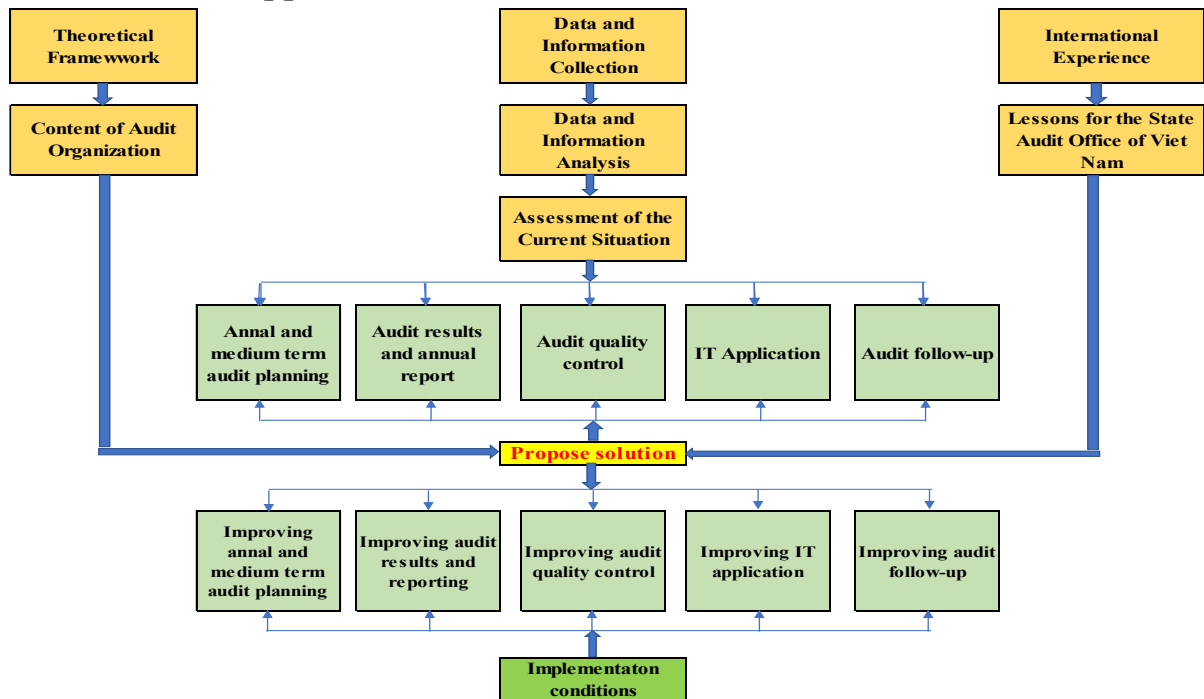
(ii) How have supreme audit institutions in other countries organized auditing activities for the final accounts of local government budgets? What lessons can be drawn from international experience for the State audit office of Viet Nam?

(iii) What is the current status of the organization of auditing activities for the final accounts of local government budgets conducted by the State audit office of Viet Nam in recent years? What limitations exist, and what are the underlying causes of these limitations?

(iv) What solutions should be proposed to improve the organization of auditing activities for the final accounts of local government budgets conducted by the SAV in the coming period? What conditions are necessary to ensure the effective implementation of these solutions?

## 6. Research methodology

### 6.1. Research approach



### 6.2. Research methods

This dissertation is conducted on the methodological foundation of dialectical materialism and historical materialism, which emphasizes the examination of socio-economic phenomena within their interrelated structures and specific historical contexts.

To provide a comprehensive assessment of the organization of auditing activities for the final accounts of local government budgets conducted by the State audit office of Viet Nam, the study employs a combination of qualitative and quantitative research methods.

Qualitative methods are applied through expert interviews, field observations, and document analysis. These approaches facilitate an in depth understanding of institutional practices, operational procedures, and contextual factors affecting the organization of auditing activities.

In parallel, quantitative methods are employed to compare and synthesize data collected from surveys, audit reports, and relevant professional guidelines and procedures. The integration of these methods enables the study to generate systematic evidence for evaluating the current status of audit organization and identifying key issues requiring improvement.

## 7. Scientific and practical significance of the dissertation

(i) Theoretical significance: The dissertation contributes to the development of the theoretical foundation for the organization of auditing activities related to the final accounts of local government budgets conducted by the SAV. It clarifies the concept and characteristics of local government budgets and analyzes how these characteristics influence the organization of auditing activities. In addition, the study reviews and synthesizes the perspectives of previous scholars on the organization of auditing such budgets and develops a theoretical framework for assessing the current organization of auditing activities conducted by the SAV.

(ii) Practical significance: Based on a systematic analysis of the current practices in organizing the audit of the final accounts of local government budgets conducted by the SAV, the dissertation identifies key achievements, existing limitations, and the underlying causes of

these limitations in recent years.

(iii) Practical applicability: The research findings provide a set of solutions aimed at improving the organization of auditing activities for the final accounts of local government budgets conducted by the SAV in alignment with the state budget cycle. These recommendations are designed to ensure consistency with the financial management framework in Vietnam while supporting the strategic development of auditing activities in the new context.

Overall, the findings of the dissertation contribute to enhancing the quality, effectiveness, and efficiency of auditing the final accounts of local government budgets conducted by the SAV. The results may also serve as a valuable reference for academic research, professional training, and capacity-building activities within the SAV.

## 8. Structure of the Dissertation

Besides the Introduction, the review of related literature, the Conclusion, the list of the doctoral candidate's publications related to the dissertation, the References, and the Appendices, the dissertation is organized into three chapters:

Chapter 1: Theoretical foundations for organizing the audit of the final accounts of local government budgets conducted by the State Audit Office of Viet Nam.

Chapter 2: Current practices in organizing the audit of the final accounts of local government budgets conducted by the State Audit Office of Viet Nam.

Chapter 3: Solutions to improve the organization of auditing the final accounts of local government budgets conducted by the State Audit Office of Viet Nam.

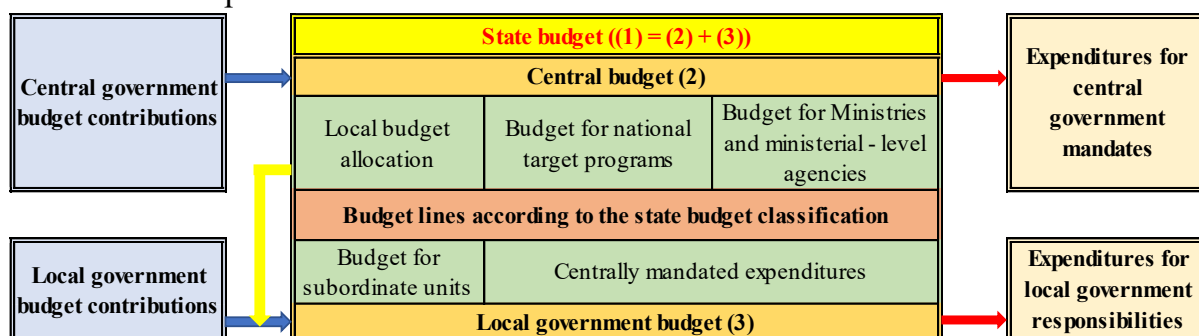
### CHAPTER 1

#### THEORETICAL FOUNDATIONS FOR ORGANIZING THE AUDIT OF THE FINAL ACCOUNTS OF LOCAL GOVERNMENT BUDGETS CONDUCTED BY THE STATE AUDIT

##### 1.1. FUNDAMENTAL ISSUES OF LOCAL GOVERNMENT BUDGETS AND THE AUDIT OF FINAL ACCOUNTS OF LOCAL GOVERNMENT BUDGETS

###### 1.1.1. Concept and nature of local government budgets

From a legal perspective, “the state budget is defined as the totality of government revenues and expenditures that are estimated and implemented within a specified period of time, as decided by competent state authorities, in order to ensure the performance of the functions and responsibilities of the state”.



(Source: Author's compilation based on referenced materials)

Thus, “a local government budget can be understood as a financial plan that presents all revenues and expenditures of a local government. It is formulated, approved, and implemented by competent local authorities in accordance with legal regulations. The local government budget is typically presented in the form of a comprehensive statement of monetary revenues and expenditures of the locality over a specified period, which usually

coincides with the national fiscal year”.

### **1.1.2. Characteristics of local government budgets affecting the organization of the audit of local budget settlement reports**

#### *1.1.2.1. Characteristics of local budget management*

(a) *Principles governing local budget management:* Comprehensiveness and integrity; unity of the budget system; budget balance; thrift and efficiency; and transparency, honesty, and accuracy.

(b) *Organization of the local budget cycle:* The budget cycle consists of three stages (*budget formulation, budget execution, and budget settlement*).

(c) *Organization of revenue, expenditure, and budget balancing:* In addition to managing the budget cycle, local authorities manage budget revenues, budget expenditures, and the balancing of the state budget.

#### *1.1.2.2. Local budget settlement reports*

(a) *Contents of local budget settlement reports*

(b) *Procedures for preparation, appraisal, review, and approval*

#### *1.1.2.3. Implications for the organization of audits of local budget settlement reports*

(i) The development of annual and medium-term audit plans;

(ii) The organization of the audit process, including: (1) the determination of audit materiality in the overall audit plan; (2) the formulation of audit objectives and audit content; (3) the organization of audit teams; (4) time pressure and challenges in addressing settlement errors; (5) the selection of audit methods and procedures; (6) the determination of audit scope and audit limitations; (7) the collection and evaluation of audit evidence; (8) the structure and content of the audit report; and (9) coordination in implementing the audit process.

(iii) Audit management and audit quality control;

(iv) The application of information technology in the audit process;

(v) The synthesis and disclosure of audit results.

### **1.1.3. Fundamental characteristics of the audit of local budget settlement reports**

The audit of local budget settlement reports is a specialized form of public sector audit that shares the nature of financial statement auditing but has several distinctive characteristics, including (i) its role as a specific application of financial auditing in the public sector; (ii) the close integration of financial audit and compliance audit; (iii) differences in the assessment of the internal control system compared with conventional financial statement audits; (iv) the distinctive nature of risk assessment and the determination of audit materiality; (v) particular requirements for the collection and evaluation of audit evidence, which emphasize legal validity and reliability.

### **1.1.4. Overview and role of the audit of local budget settlement reports**

#### *1.1.4.1. Concept of the audit of local budget settlement reports*

The audit of local budget settlement reports is the process by which auditors of the Supreme audit institution collect and objectively evaluate audit evidence regarding the management and use of local budget funds and public assets, in order to confirm the truthfulness and fairness of the local budget settlement report, ensure compliance with laws and financial regulations, enhance the efficiency of budget use, and report on the degree of conformity between the reported information and established criteria.

#### *1.1.4.2. Audit object of local budget settlement reports*

The audit object of local budget settlement reports is the financial information and related data presented in the reports, with the purpose of assessing and confirming their truthfulness

and fairness, as well as evaluating compliance with approved local budget estimates, the state budget classification system, and regulations governing public financial management.

*1.1.4.3. Audit objectives of local budget settlement reports*

The objective of the audit is to assess and confirm the truthfulness and fairness of the local budget settlement report or related financial information of the audited entity, and to evaluate compliance with the legal framework and the resolutions of the People’s council in the management and administration of local budgets.

*1.1.4.4. Audit content of local budget settlement reports*

The audit content combines the assessment and confirmation of the truthfulness and fairness of financial information presented in the reports, including the local budget balance, revenue and borrowing settlement, and expenditure and debt repayment settlement, with the evaluation of compliance with regulations governing budget management and administration, based on the application of the SAI’s auditing standards.

*1.1.4.5. Role of the supreme audit institution in relation to local budget settlement reports*

(i) Providing audit information to authorities involved in the management and administration of local budgets.

(ii) Conducting analysis and evaluation of effectiveness and efficiency in local budget management and administration.

(iii) Recommending competent authorities to improve policies and mechanisms governing the management of public financial resources.

(iv) Contributing to strengthening fiscal discipline, preventing corruption and misconduct, and promoting thrift and anti-waste practices.

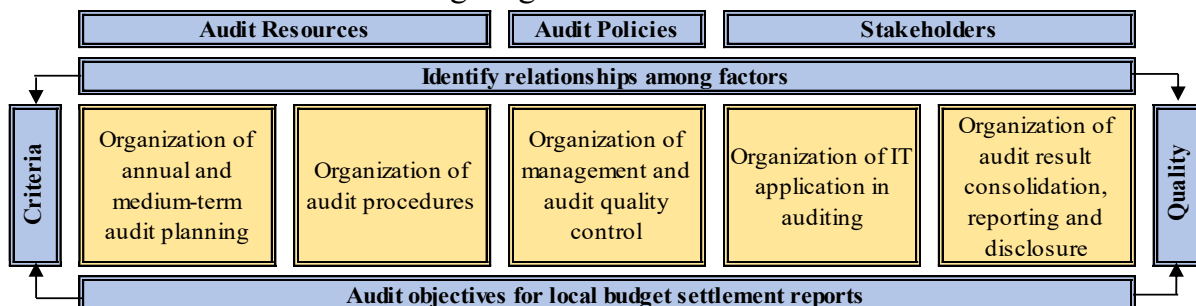
(v) Enhancing transparency and accountability in local budget management through audit activities.

**1.1.5. Concept, significance, and principles of organizing the audit of local budget settlement reports conducted by the supreme audit institution**

*1.1.5.1. Concept of organizing the audit of local budget settlement reports conducted by the supreme audit institution*

The author defines the organization of the audit of local budget settlement reports conducted by the Supreme audit institution (SAI) as the process of identifying necessary audit tasks, allocating these tasks to relevant audit teams based on the relationships between internal and external factors affecting the SAI, and supervising, managing, and coordinating audit activities in order to achieve the audit objectives set for the local budget settlement reports.

The organization of the audit of local budget settlement reports conducted by the SAI is illustrated in the following diagram:



*(Source: Author’s compilation based on referenced materials)*

*1.1.5.2. Significance of organizing the audit of local government budget final accounts by the State audit*

1.1.5.3. Principles for organizing the audit of local government budget final accounts by the State audit

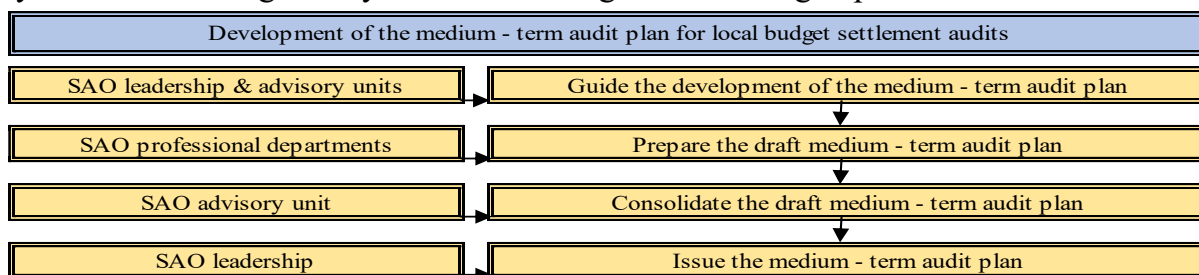
1.1.5.4. Basis for organizing the audit of local government budget final accounts by the State audit

## 1.2. CONTENTS OF ORGANIZING THE AUDIT OF LOCAL GOVERNMENT BUDGET FINAL ACCOUNTS BY THE STATE AUDIT

### 1.2.1. Organization of annual and medium-term audit planning for local government budget final accounts

#### 1.2.1.1. Organization of medium-term audit planning for local government budget final accounts

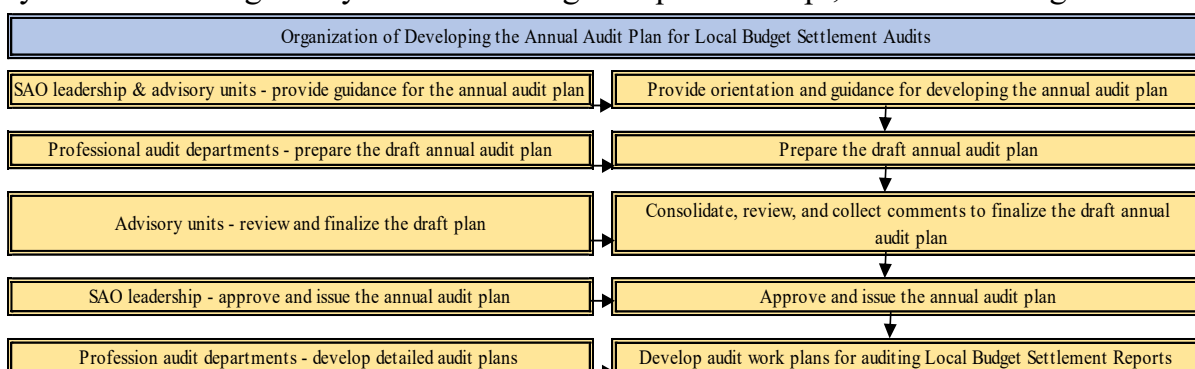
The development of medium-term audit plans for local government budget final accounts by the State audit is generally carried out through the following steps:



(Source: Author's compilation based on referenced materials)

#### 1.2.1.2. Organization of the development of the annual audit plan for local government budget final accounts

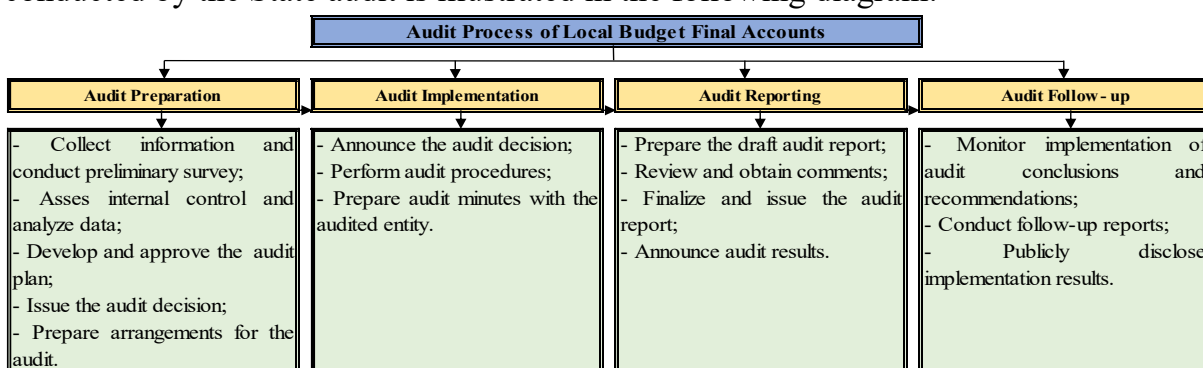
The development of the annual audit plan for local government budget final accounts conducted by the State audit is generally carried out through a sequence of steps, as illustrated in figure 1.6:



(Source: Author's compilation based on referenced materials)

### 1.2.2. Organization of the audit process for local government budget final accounts

The organization of the audit process for local government budget final accounts conducted by the State audit is illustrated in the following diagram:



(Source: Author's compilation based on referenced materials)

1.2.2.1. Organization of audit preparation for local government budget final accounts

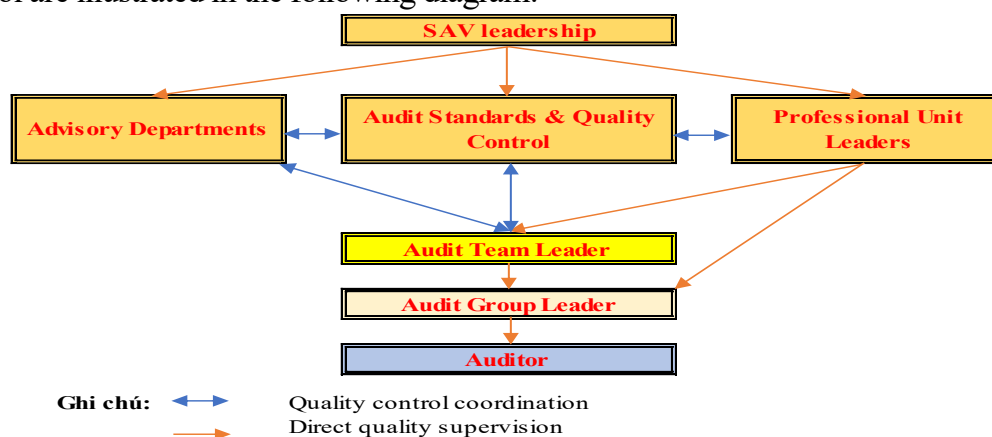
1.2.2.2. Organization of the implementation of the audit of local government budget final accounts

1.2.2.3. Organization of the preparation and submission of the audit report on local government budget final accounts

1.2.2.4. Monitoring and inspection of the implementation of audit conclusions and recommendations

### 1.2.3. Organization of audit management and quality control of the audit of local government budget final accounts

According to the perspective of INTOSAI, audit quality control is a system of policies and procedures designed to ensure that audit reports comply with professional standards and reflect objective realities. This system operates under a decentralized mechanism, including internal control performed by direct actors (*Auditors, Team leaders, and heads of audit missions*) and independent external control exercised by management levels (Heads of professional departments and the leadership of the State audit). The levels of audit quality control are illustrated in the following diagram:



(Source: Author's compilation based on referenced materials)

1.2.3.1. Organization of internal management and audit quality control within the audit mission

1.2.3.2. Organization of external management and audit quality control outside the audit mission

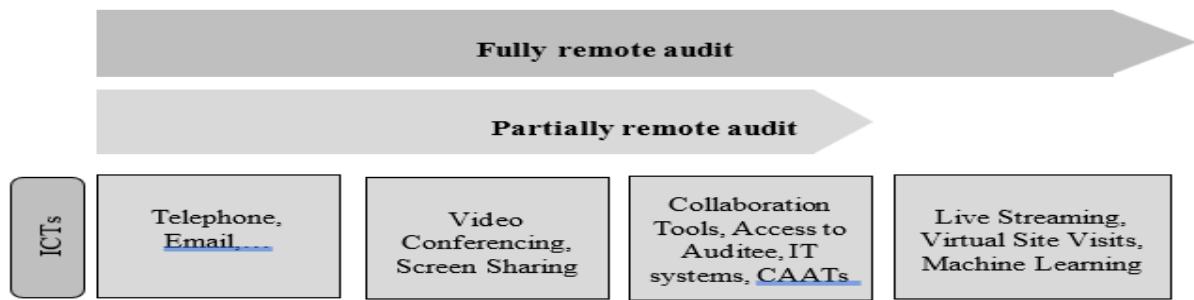
### 1.2.4. Organization of IT application in the audit of local government budget final accounts

1.2.4.1. Organization of building an audit database for local government budget final accounts

The audit database is a system of digitized data systematically compiled from professional software throughout the audit process. It includes: (i) the annual audit planning database; the audit progress and audit log database; the database of consolidated audit results; the database for monitoring the implementation of audit recommendations; the electronic audit file management database; and the information exchange database of the State audit.

1.2.4.2. Organization of remote auditing of local government budget final accounts

Remote auditing of local government budget final accounts refers to the use of information and communication technology to collect electronic audit evidence, enabling auditors to form professional opinions without physical constraints. The organization of remote auditing of local government budget final accounts is illustrated in the following diagram:



(Source: Author's compilation based on referenced materials)

The remote audit process is implemented through four stages: (i) audit preparation; (ii) audit implementation; (iii) preparation and submission of the audit report; (iv) follow-up of audit recommendations.

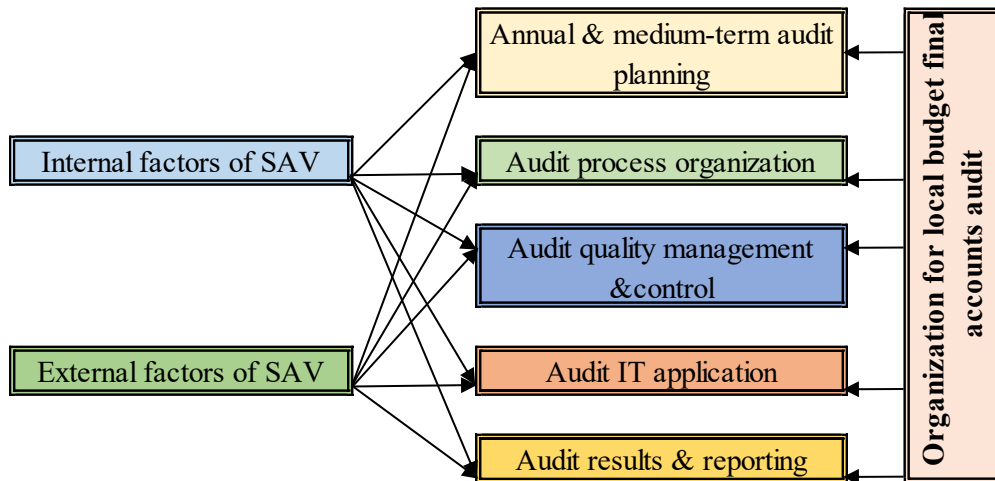
### 1.2.5. Organization of the consolidation of audit results, preparation and disclosure of the annual audit report on local government budget final accounts

1.2.5.1. Organization of the consolidation of audit results of local government budget final accounts

1.2.5.2. Organization of the preparation and disclosure of the annual audit report on local government budget final accounts

## 1.3. FACTORS AFFECTING THE ORGANIZATION OF THE AUDIT OF LOCAL GOVERNMENT BUDGET FINAL ACCOUNTS CONDUCTED BY THE SAV

The factors affecting the organization of the audit are illustrated in the following diagram:



(Source: Author's compilation based on referenced materials)

### 1.3.1. Internal factors affecting the State audit

1.3.1.1. Development strategy of the State audit

1.3.1.2. Organizational structure for conducting the audit of local government budget final accounts

1.3.1.3. Legal and regulatory framework of the State audit

1.3.1.4. Professional competence and experience of leaders and auditors involved in the audit

1.3.1.5. Professional ethics and code of conduct of auditors

1.3.1.6. Material resources for the audit of local government budget final accounts

### 1.3.2. Material resources for the audit of local government budget final accounts

1.3.2.1. Legal status of the State audit

*1.3.2.2. International practices in supreme audit institution activities*

*1.3.2.3. The political system and local budget management*

*1.3.2.4. Roles, functions, and responsibilities of local government budgets*

*1.3.2.5. Urgency and demand for information use*

*1.3.2.6. Coordination between the State audit and relevant agencies and organizations*

## **1.4. INTERNATIONAL EXPERIENCE IN ORGANIZING THE AUDIT OF LOCAL GOVERNMENT BUDGET FINAL ACCOUNTS BY SUPREME AUDIT INSTITUTIONS AND LESSONS FOR THE STATE AUDIT OFFICE OF VIETNAM**

### **1.4.1. International experience in organizing the audit of local government budget final accounts**

#### **1.4.2. Lessons for the State audit office of Vietnam**

(i) Annual and medium-term audit planning should shift from focusing on detecting violations to assessing governance effectiveness and proposing risk-prevention solutions. Developing audit software and databases on audit entities would enhance connectivity and information sharing. Risk analysis based on these data can support the selection of key areas and focal points, thereby improving audit effectiveness and optimizing the management of public resources.

(ii) The organization of audit activities should align with the functions and responsibilities of the SAI, ensure compliance with the law on State audit and the State budget law, and be consistent with the local government structure, the decentralization of public financial management, and international practices.

(iii) Audit effectiveness should be enhanced by linking audit performance with the assessment of auditors' competence through the monitoring and inspection of the implementation of audit recommendations. In addition, follow-up reviews should be integrated into subsequent audits, while information technology should be further applied to improve audit methods and ensure timeliness and accuracy.

(iv) Audit quality control should be strengthened through the establishment of a comprehensive system of internal self-control and independent control policies and procedures. These processes must comply with professional standards and clearly define the content, procedures, and responsibilities at each level of control throughout the audit process.

(v) Greater emphasis should be placed on digitizing audit files and developing databases for audit management, while implementing IT-based auditing throughout the audit process. The composition of audit teams should reflect the level of technological application of audited entities, accompanied by enhanced training for auditors in the use of specialized software.

(vi) Standardized templates for consolidating annual audit results should be developed to ensure consistency across years. In addition, concise reporting templates should be designed to support the public disclosure of annual audit results by the State audit office of Vietnam.

### **1.5. CHAPTER 1 SUMMARY**

Chapter 1 systematizes and supplements the theoretical framework on local government budgets, the audit of local government budget final accounts, and the concept of organizing audit activities by the SAV. The chapter analyzes five core aspects of audit organization and clarifies the influencing factors. Drawing on international experience, it establishes a solid theoretical foundation for analyzing current practices and proposing solutions in the subsequent chapters.

## CHAPTER 2

### CURRENT STATUS OF ORGANIZING THE AUDIT OF LOCAL GOVERNMENT BUDGET FINAL ACCOUNTS CONDUCTED BY THE SAV

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## **2.4. CHAPTER 2 SUMMARY**

Chapter 2 provides an overview of the formation and development of the State audit office of Vietnam and assesses the current organization of the audit of local government budget final accounts across five key aspects: annual and medium-term audit planning, audit process implementation, audit management and quality control, it application, and the consolidation, preparation, and disclosure of annual audit reports. Based on this analysis, the study identifies key achievements, limitations, and their causes, providing a practical basis for proposing improvement solutions in Chapter 3.

## **CHAPTER 3**

### **SOLUTIONS TO IMPROVE THE ORGANIZATION OF AUDITING THE FINAL ACCOUNTS OF LOCAL GOVERNMENT BUDGETS CONDUCTED BY THE SAV**

#### **3.1. DEVELOPMENT STRATEGY OF THE SAV TOWARD 2030 AND ITS IMPACT ON THE AUDIT OF LOCAL GOVERNMENT BUDGET FINAL ACCOUNTS**

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## **3.2. PRINCIPLES AND REQUIREMENTS FOR IMPROVING THE ORGANIZATION OF AUDITS OF LOCAL GOVERNMENT BUDGET FINAL ACCOUNTS**

### **3.2.1. Principles for improving the organization of the audit of local government budget final accounts conducted by the State audit office of Vietnam**

*Firstly*, the organization of the audit of local government budget final accounts must comply with the policies and guidelines of the party and the state regarding the development of the State audit office of Vietnam.

*Secondly*, the organization of the audit of local government budget final accounts must ensure the fundamental principles governing the operations of the State audit office of Vietnam, which are constitutionally and legally established: “independence and compliance only with the law” and “integrity and objectivity.”

*Thirdly*, the organization of the audit of local government budget final accounts must be carried out in accordance with state audit standards, audit procedures, and the regulations and rules of the State audit office of Vietnam.

*Fourthly*, the improvement of the organization of the audit of local government budget final accounts should follow established principles and incorporate the experience of supreme audit institutions, in line with practical conditions and international integration.

*Fifthly*, the improvement of the organization of the audit of local government budget final accounts must be consistent with the characteristics of local budget management, socio-economic conditions of localities, the new provisions of the state budget law No.89/2025/QH15, reforms in the decentralization of local budget management, and financial policies. It must also meet the operational requirements of the current two-tier local government model (*provincial and commune levels*) and address the impacts of digital transformation, which not only change data storage methods but also bring profound changes to the auditing of local government budget final accounts.

### **3.2.2. Requirements for improving the organization of the audit of local government budget final accounts conducted by the State audit office of Vietnam**

(i) The organization of annual and medium-term audit planning for local government budget final accounts should meet the information needs of the party and the state, focusing on key issues of public concern. It must ensure scientific and flexible planning, avoid overlap with inspection and supervisory authorities, and integrate audit contents to optimize resources and minimize disruption to audited entities.

(ii) The organization of the audit process should be improved toward greater professionalism, with a focus on the application of information technology and enhanced coordination among relevant units. This will help optimize implementation time, ensure transparency, and improve the reliability of audit conclusions and recommendations.

(iii) The organization of audit management and quality control should enhance the effectiveness of the audit quality control system at both the system level and the individual audit level, promoting the effectiveness of the five levels of control in line with the development strategy of the State audit office of Vietnam toward 2030.

(iv) The organization of its application should ensure that audit data are accurate, complete, clean, and up-to-date, and consistently managed. Efforts should focus on synchronizing the digitization of different types of audits, effectively exploiting digital resources of the sector and

localities, and applying data analytics tools to support accurate and transparent decision-making.

(v) The organization of consolidating audit results and preparing the annual audit report should ensure the full, timely, accurate, and lawful provision of information on audit results.

### **3.3. SOLUTIONS FOR IMPROVING THE ORGANIZATION OF THE AUDIT OF LOCAL GOVERNMENT BUDGET FINAL ACCOUNTS CONDUCTED BY THE SAV**

#### **3.3.1. Improving the organization of developing annual and medium-term audit plans for local government budget final accounts**

##### *3.3.1.1. Improving the organization of developing medium-term audit plans*

*Firstly*, surveys and information collection should be organized in a timely and comprehensive manner to improve the quality of analysis and forecasting, thereby supporting the effective development of medium-term audit plans.

*Secondly*, medium-term audit plans for local government budget final accounts should be developed with complete content and ensured quality. Priority should be given to identifying key audit themes and audited entities, while ensuring orientation and linkage among audit tasks.

*Thirdly*, greater attention should be given to analyzing the socio-economic characteristics of each locality to enhance forecasting capacity and accurately identify key audit areas, themes, focal points, and audited entities. this approach will support the effective performance of the audit functions of evaluation, confirmation, and issuing conclusions and recommendations in the management of public finance and public assets at the local level. To effectively evaluate and confirm budget final accounts under the two-tier local government model (*provincial and commune levels*), it is necessary to analyze local socio-economic conditions within this structure and select audit areas, themes, and entities based on risk assessment and classification of audit objects. Accordingly, commune-level budget units with large financial scales and key roles should be prioritized for auditing. the coverage of selected communes should be sufficient to ensure that high-risk and important communes are audited within a three-year cycle, while the remaining units should be included in a five-year rolling audit cycle to ensure system-wide coverage. This targeted allocation of audit resources is essential for optimizing limited time and human resources while maintaining effective risk control in key localities.

*Fourthly*, coordination in developing medium-term audit plans for local government budget final accounts should be strengthened between the State audit office of Vietnam and the party's inspection bodies, state inspection agencies, and internal audit units to minimize overlaps and duplication in inspection and audit activities.

##### *3.3.1.2. Improving the organization of developing annual audit plans*

*Firstly*, the quality of surveys and information collection serving the development of annual audit plans for local government budget final accounts should be improved.

*Secondly*, risk analysis and the identification of audit materiality should be strengthened to ensure the accurate selection of audit areas, themes, focal points, audited entities, and units subject to verification and reconciliation within the annual audit plan. the development of annual audit plans should also promote stronger linkage with thematic audits integrated at the local level.

The SAV should refine sampling criteria for commune-level budget audits to adapt to the two-tier local government model. Under this approach, communes with large budgets and key roles should be prioritized within a three-year period, while the remaining units should be audited under a five-year rolling cycle to ensure comprehensive coverage. This risk-based and materiality-based classification of audit entities is a key solution for improving the quality of the confirmation of local government budget final accounts under limited audit resources.

*Thirdly*, audit organization plans should be developed to effectively support the operations

of the State audit office of Vietnam, align with the characteristics of local budget management, and improve the effectiveness of auditing local government budget final accounts.

### **3.3.2. Improving the organization of the audit process for local government budget final accounts**

#### *3.3.2.1. Improving the organization of audit preparation*

*Firstly*, survey templates for information collection used in preparing the overall audit plan should be standardized and incorporated into the audit documentation system of the SAV. The survey design should be aligned with the data systems of audited entities and adapted to the local budget final account formats under the two-tier local government model (*provincial and commune levels*). at the same time, emphasis should be placed on evaluating the internal control system (*ics*) in accordance with the decentralized management of local budgets and the operational characteristics of the new administrative structure. Audit missions should proactively develop feasible survey plans, allocate human resources and time appropriately, and apply information technology for document digitization and streamlined templates to ensure sufficient planning information while reducing survey time pressure.

*Secondly*, the quality of information collection should be improved through the flexible use of multiple survey methods to obtain timely and comprehensive data for preparing the overall audit plan. Information collection should combine direct observation, control testing, and in-depth analysis of the internal control system, including operational procedures, internal review results, and the management mechanisms associated with the two-tier local government structure. These data should be integrated with financial information, state budget estimates discussions, and relevant policy documents issued by the government, ministries, and local authorities. Such multi-dimensional data analysis provides a scientific basis for risk identification, materiality assessment, and the determination of appropriate audit scope and procedures.

*Thirdly*, the assessment of the internal control system should be conducted scientifically and in line with the operational reality of audited entities through a standardized set of evaluation criteria. Given the decentralized management of local budgets and the consolidation of final accounts from multiple subordinate units, the SAV should issue a standard ics evaluation framework for regional audit offices. This framework should cover aspects such as the existence, completeness, effectiveness, and reliability of the internal control system. particular attention should be given to evaluating the integrity and adaptability of commune-level administrations under the new two-tier governance structure. The involvement of experienced auditors in identifying weaknesses within internal control systems is essential for accurate risk assessment and materiality determination.

*Fourthly*, the preparation of the overall audit plan should be enhanced to ensure that audit objectives particularly the evaluation and confirmation of local government budget final accounts are achieved while minimizing audit risks and ensuring efficient and effective audit operations. This includes: (i) defining practical and feasible audit objectives that balance available resources and time constraints; (ii) strengthening risk identification and materiality assessment to verify the reliability and fairness of local budget final accounts, especially in the context of the two-tier local government model; (iii) determining audit contents and priorities in accordance with audit standards, procedures, and guidelines of the SAV, while updating guidance to reflect the new governance structure; (iv) selecting appropriate audit methods and procedures based on a risk-based and materiality-based

approach, allowing flexible combinations of audit techniques to address the increasing number of commune-level budget units within shortened settlement timelines under state budget law No. 89/2025/QH15; (v) organizing audit teams using integrated or parallel audit models with adequate personnel, professional expertise, and time allocation to ensure high-quality audit reports; (vi) arranging appropriate audit timelines, prioritizing high-risk and large-scale local budget units and assigning experienced auditors to complex audit areas to ensure timely and reliable reporting for the national assembly and provincial people's councils; (vii) determining audit scope and limitations in line with audit objectives, prioritizing the review and verification of large-scale budget entities to ensure sufficient coverage and provide reliable information for the approval of local budget final accounts.

*Fifthly*, the quality of the appraisal, review, and approval of the overall audit plan should be enhanced.

*Sixthly*, the dissemination and exchange of key professional matters, as well as the roles and responsibilities of relevant parties involved in audit activities, should be strengthened during the implementation of audit tasks.

#### *3.3.2.2. Improving the organization of audit implementation for local government budget final accounts*

*Firstly*, the preparation and approval of detailed audit plans by audit teams should be organized effectively to improve audit quality.

*Secondly*, information should be collected comprehensively and in a timely manner, and data should be analyzed to identify risks in order to accurately select the local government budget final accounts subject to verification and reconciliation, thereby improving the quality of verification plans.

*Thirdly*, audit methods and procedures for collecting and evaluating audit evidence should be comprehensively innovated to enhance audit effectiveness and quality.

*Fourthly*, the quality of progress reporting, audit results, and operational reporting of audit missions should be improved.

*Fifthly*, the preparation and approval of audit minutes with audited entities should be improved to ensure accuracy and transparency.

#### *3.3.2.3. Improving the organization of preparing and submitting audit reports on local government budget final accounts*

*Firstly*, the consolidation and preparation of audit reports should be improved to ensure the provision of comprehensive and useful information to report users. The State audit office of Vietnam should review and update audit documentation templates, including audit report formats, to align with local budget final account formats under the two-tier local government model (*provincial and commune levels*). Audit missions should assign personnel with strong analytical capacity and effective IT skills to consolidate audit results and prepare draft audit reports to ensure quality and timeliness.

*Secondly*, the review and approval process for audit reports should be strengthened to enhance the quality and usefulness of the information provided to report users.

*Thirdly*, the process of obtaining feedback from audited local authorities on draft audit conclusions and recommendations should be improved.

*Fourthly*, the finalization, issuance, notification of audit results, and public disclosure of audit reports should be enhanced.

#### *3.3.2.4. Improving the organization of monitoring and inspecting the implementation of audit conclusions and recommendations*

*Firstly*, the effectiveness and quality of monitoring and inspection of the implementation of audit conclusions and recommendations should be strengthened.

*Secondly*, the quality of planning for follow-up inspections should be improved to ensure that the implementation of audit conclusions and recommendations is recorded fully, accurately, and in a timely manner, thereby enhancing their effectiveness.

*Thirdly*, the organization of follow-up inspections should be strengthened to improve the enforcement of audit recommendations.

*Fourthly*, the consolidation, preparation, review, and issuance of reports on the implementation of audit conclusions and recommendations should be improved.

*Fifthly*, greater transparency should be promoted through the public disclosure of lists of entities, organizations, and individuals that fail to implement audit conclusions and recommendations.

*Sixthly*, attention should be given to addressing difficulties and responses related to audit conclusions and recommendations in order to resolve outstanding issues effectively.

### **3.3.3. Improving the organization of audit management and quality control for the audit of local government budget final accounts**

#### *3.3.3.1. Improving internal management and audit quality control within the audit mission*

*Firstly*, a consistent and appropriate system of audit quality control policies and procedures should be established as a legal basis for organizing and implementing control activities at different levels.

*Secondly*, the quality of internal management and audit quality control within the audit mission should be strengthened to improve the quality of audit reports and the effectiveness of audit recommendations. To adapt to the two-tier local government model (*provincial and commune levels*) and changes in policy mechanisms, the SAV should enhance internal audit quality control starting from the assessment of the internal control system (*ICS*). Accurate evaluation of the ics allows audit teams to adjust audit approaches flexibly—for example, prioritizing control testing to save resources when the ics is strong, or expanding detailed testing when it is weak.

At the same time, task allocation should be based on auditors' professional competence and their skills to promote self-control within audit teams. In addition, audit mission leaders and team leaders should maintain regular on-site supervision and provide timely operational guidance to ensure that all significant risk areas are properly addressed, thereby improving audit quality from within the audit mission.

#### *3.3.3.2. Improving the organization of audit management and quality control for the audit of local government budget final accounts outside the audit mission*

*Firstly*, the quality of audit quality control performed by regional state audit office chief auditors should be strengthened, as chief auditors are responsible for supervising audit activities within their respective units and directly implementing the policies, directives, and guidance of the State audit office leadership regarding audit operations. To address pressure on human resources and time caused by the rapid increase in the number of commune-level budget units under the two-tier local government model (*provincial and commune levels*), chief auditors of regional state audit offices should shift from traditional control methods to risk-based smart supervision. A key solution is to apply information technology to analyze operational data of audit teams in real time. Instead of conducting broad and dispersed inspections, risk-based sampling should be applied to perform ad hoc quality control reviews, thereby optimizing resources and improving the effectiveness and efficiency of management and supervision.

*Secondly*, the quality of sector-level appraisal councils in reviewing and approving audit

plans and audit reports prepared by advisory departments should be enhanced, while strengthening the audit quality control function of the department of regime and audit quality control. To adapt to the increasing number of commune-level budget units and the shortened budget finalization timeline, the leadership of the State audit office should ensure end-to-end governance, from planning to implementation. Particular emphasis should be placed on monitoring through electronic audit logs to control quality in real time, combined with risk-based ad hoc inspections of individual audit teams. At the final stage, the appraisal of draft audit reports must pay particular attention to the reliability of audit evidence and the feasibility of audit recommendations. This strict control mechanism ensures that audit reports provide reliable and timely information for the national assembly and provincial people's councils in approving budget final accounts.

*Thirdly*, effective coordination should be strengthened between regional state audit offices and advisory departments of the State audit office in the appraisal, review, finalization, and issuance of overall audit plans and audit reports.

*Fourthly*, the state audit office should issue regulations on quality scoring of appraisal opinions for draft audit plans, audit minutes, and audit reports.

*Fifthly*, to modernize audit quality control, the State audit office should develop electronic audit log software integrated with standardized templates, including mandatory data fields for audit content, financial figures, documentation, and evidence collected on a daily basis.

### **3.3.4. Improving the organization of IT application in the audit of local government budget final accounts**

#### *3.3.4.1. Improving the organization of developing an audit database for local government budget final accounts*

*Firstly*, standardized information field templates should be issued in alignment with the information structure used in the audit planning software, enabling flexible and time-efficient updating of data into the audit database.

*Secondly*, aggregated audit results data should be updated fully and promptly to develop a comprehensive database that supports effective management, supervision, and decision-making by leadership at all levels in the audit of local government budget final accounts.

*Thirdly*, data on the electronic audit log system should be updated fully and in a timely manner in order to enhance the quality of management and operational supervision of audit missions.

*Fourthly*, audit files should be established and managed through audit file management software in accordance with regulations, thereby supporting the effective and efficient management and supervision of audit activities.

*Fifthly*, the quality of developing and maintaining the database on the implementation status of audit recommendations should be improved through timely and complete updates of implementation results.

*Sixthly*, regulations should be revised and supplemented to strengthen coordination between local authorities and audited entities in updating information on the state audit office's information exchange portal, thereby enhancing the effectiveness of the system and related software applications.

#### *3.3.4.2. Improving the organization of remote auditing for local government budget final accounts*

*Firstly*, the application of information technology (IT) in the preparation of overall audit plans should be strengthened in order to enhance work quality and operational efficiency.

*Secondly*, comprehensive remote auditing of local government budget final accounts

should be promoted, together with the effective use of it technical tools in audit activities. The implementation of the two-tier local government model (*provincial and commune levels*) has significantly increased the number of commune-level budget units. At the same time, public financial management is currently operated on an integrated it platform within the tabmis system. Therefore, the State audit office of Vietnam needs to intensify the application of it and data analysis tools in audit activities to handle the large volume of audit work while ensuring quality and compatibility with the digital transformation of audited entities. This transformation will gradually shift traditional auditing toward digital auditing, thereby optimizing resources and improving audit efficiency.

*Thirdly*, the effectiveness of preparing and submitting audit reports on local government budget final accounts through remote methods should be enhanced.

*Fourth*, the effectiveness of organizing remote monitoring, supervision, and inspection of the implementation of audit conclusions and recommendations related to local government budget final accounts should be improved

*Fifthly*, training and capacity-building programs on the application of it should be strengthened, combined with communication and promotion activities to encourage the use of it in audit operations, in line with the broader national digital transformation agenda.

### **3.3.5. Improving the organization of aggregating audit results, preparing and disclosing the annual audit report on local government budget final accounts**

*(a) Improving the organization of aggregating annual audit results of local government budget final accounts*

*Firstly*, the organization of aggregating audit results of local government budget final accounts, as well as the preparation and periodic disclosure of the corresponding audit reports, should be innovated and improved.

*Secondly*, effective coordination should be strengthened among units under the State audit office of Vietnam in aggregating the annual audit results of local government budget final accounts.

*(b) Improving the organization of preparing and issuing the annual audit report on local government budget final accounts*

*Firstly*, an annual audit report specifically dedicated to the audit of local government budget final accounts should be developed in order to provide useful information to relevant stakeholders.

*Secondly*, greater attention should be given to the appraisal process of the annual audit report on local government budget final accounts to enhance the quality of report evaluation and review.

*Thirdly*, an impact assessment of the annual audit results related to the audit of local government budget final accounts should be conducted in order to evaluate the effectiveness and value of audit activities.

## **3.4. CONDITIONS FOR IMPLEMENTING THE SOLUTIONS TO IMPROVE THE ORGANIZATION OF THE AUDIT OF LOCAL GOVERNMENT BUDGET FINAL ACCOUNTS CONDUCTED BY THE STATE AUDIT OFFICE OF VIETNAM**

### **3.4.1. From the state's perspective**

*Firstly*, the state should further institutionalize the party's orientations and state policies on the development strategy of the State audit office of Vietnam in line with legal regulations, national socio-economic development strategies, and international practices.

*Secondly*, the legal and institutional framework related to public finance, the state budget, and auditing should be improved in a comprehensive and consistent manner.

*Thirdly*, the state should issue detailed regulations on coordination and information sharing between sav and central and local authorities to enhance public resource

management and improve the feasibility and effectiveness of audit recommendations.

*Fourthly*, the state should ensure adequate financial resources, facilities, and incentive mechanisms to support the organization and operation of sav.

*Fifthly*, coordination between relevant authorities and sav should be strengthened in data sharing and harmonizing inspection, examination, and audit scopes to avoid overlap, reduce the burden on audited entities, and enhance the effectiveness of public financial oversight.

#### **3.4.2. From the State audit office of Vietnam**

*Firstly*, the State audit office of Vietnam should further improve the system of legal and regulatory documents governing audit activities.

*Secondly*, SAV should enhance its organizational structure towards greater professionalism, quality, efficiency, and effectiveness.

*Thirdly*, international cooperation and integration with experienced supreme audit institutions (SAIs) should be strengthened.

*Fourthly*, the application of information technology (IT) in management, administration, and audit activities should be further promoted.

*Fifthly*, effective coordination with central and local authorities should be strengthened.

*Sixthly*, a strong professional working culture should be developed so that each auditor clearly understands their responsibilities, authority, and professional duties.

*Seventhly*, priority should be given to improving management and audit effectiveness, promoting administrative reform and innovation, refining audit methods and procedures in line with the local government model, and strengthening the quality, efficiency, and effectiveness of audit recommendations.

*Eighthly*, establish quantitative criteria for assessing audit report quality as a basis for standardizing audit quality control and improving the audit process.

#### **3.4.3. From the auditors' perspective**

*Firstly*, auditors should clearly understand their roles and responsibilities, actively accumulate professional skills and experience, and engage in training, research, and the application of information technology to improve their professional competence in response to new socio-economic management requirements.

*Secondly*, auditors should uphold professional ethics, including integrity, independence, objectivity, and transparency, while demonstrating responsibility, creativity, scientific working methods, and professional conduct consistent with public service culture and professional codes of conduct.

#### **3.4.4. From the audited entities' perspective**

*Firstly*, audited entities should cooperate effectively with sav during the audit process.

*Secondly*, investing in modern infrastructure and equipment for public officials is essential for establishing a digitalized working environment.

*Thirdly*, audited entities should provide honest assessments and objective feedback on the performance of auditors, audit teams, and audit missions through the official evaluation questionnaires.

### **3.5. Chapter 3 summary**

Based on the theoretical framework, international experience, and the development strategy of the State audit office of Vietnam to 2030, Chapter 3 establishes key principles and proposes a system of solutions to improve the organization of auditing local government budget final accounts. To ensure feasibility, the dissertation also clarifies the necessary conditions required from the state, the State audit office of Vietnam, auditors, and audited

entities, thereby enhancing the quality, efficiency, and effectiveness of audit activities.

## CONCLUSION

Local government budget final accounts represent the final output of the state budget cycle for a given fiscal year. They reflect the process of organizing, implementing, and managing the approved budget estimates by local authorities in mobilizing revenue sources within their jurisdictions and complying with state budget discipline in the use of public resources. These reports also provide important information for evaluating the capacity of local governments in mobilizing and utilizing financial resources to implement local socio-economic development objectives, both annually and within the broader five-year socio-economic development framework. The final revenue and expenditure figures are subject to supervision, appraisal, and approval by the people's councils at different levels, and are subsequently consolidated into the national state budget final accounts. Therefore, verifying the accuracy and reliability of local government budget final accounts is essential. This responsibility is constitutionally assigned to the SAV and clearly stipulated in the law on state audit. Audit results also serve as an important information channel for local authorities in evaluating and improving the management and use of public financial resources on an annual basis.

The dissertation entitled “improving the organization of auditing local government budget final accounts conducted by the State audit office of Vietnam” makes several key theoretical and practical contributions as follows:

(i) It systematizes and further develops the theoretical framework on the organization of auditing local government budget final accounts conducted by sav, identifies factors influencing the organization of such audits, and draws lessons for sav from relevant international experiences.

(ii) It examines and evaluates the current situation of organizing audits of local government budget final accounts conducted by sav, while identifying the main causes of existing limitations.

(iii) It proposes solutions to improve the organization of auditing local government budget final accounts conducted by sav.

(iv) It identifies the necessary conditions for effectively implementing these solutions in order to enhance audit quality, efficiency, and the effectiveness of audit recommendations.

The author hopes that the findings of this dissertation will contribute to improving the organization, quality, and effectiveness of auditing local government budget final accounts conducted by SAV, while strengthening the implementation of audit recommendations. In addition, the dissertation is expected to serve as a useful reference for study and research in auditing, particularly in the field of organizing audits of local government budget final accounts, thereby making a modest contribution to the development of auditing science.

## **PUBLICATIONS RELATED TO THE DISSERTATION**

1. Hoang Anh Van (2025), “International Experience in Organizing the Audit of Local Government Budgets by Supreme Audit Institutions,” *Journal of Finance*, Issue 1-June 2025 (No. 850), pp. 134 -136.
2. Hoang Anh Van (2025), “Solutions to Improve the Organization of Auditing Local Government Budget Final Accounts Conducted by the State Audit Office of Vietnam,” *Journal of Finance*, Issue 2 – June 2025 (No. 851), pp. 38 - 41.
3. Hoang Anh Van (2025), “Organization of Information Technology Application in the Audit of Local Government Budget Final Accounts by the State Audit Office of Vietnam,” *Review of Finance*, Vol. 7, Issue 2, 2025, pp. 170 - 172.