Received: 14 June 2022 | Revised: 14 June 2022 | Accepted: 16 June 2022

DOI: 10.1111/faam.12339

RESEARCH ARTICLE

WILEY

The future of public audit

Laurence Ferry[1,2] | **Vaughan S. Radcliffe**[3] | **Ileana Steccolini**[4]

[1]Durham University Business School, Durham University, Durham, UK

[2]Rutgers University, Newark, New Jersey, USA

[3]Ivey Business School at Western University, London, Canada

[4]Essex Business School, University of Essex, Colchester, UK

Correspondence
Laurence Ferry, Durham University Business School, Durham University, Durham, UK.
Email: laurence.ferry@durham.ac.uk

Abstract

Public sector audit is a vital activity within democratic states, which underpins the relationship between the government and the governed, the executive and the legislature, and different parts of the government. While there has been a lot of exceptional work in recent years on public sector audit, the sector faces new challenges. These challenges include regulatory space considerations, digitalization, the impact of service delivery design change, how audit and accountability arrangements address crises such as austerity, Brexit, black lives matter, climate change, disease in the form of COVID-19 and war, and increased skepticism about the role of audit in society more generally. In this special issue, a group of scholars came together to describe this crisis in public audit, how the current literature addresses different facets of it and show how future research can contribute to analyzing it. This introductory article provides a brief summary of the current context of the "what, why, when, how, where and who" of public audit, before considering the contribution of each individual paper in this special issue to assisting in understanding the crisis of public audit, and finally setting out a conclusion and future directions.

KEYWORDS
audit, democracy, future, public accountability, public audit, state

1 | INTRODUCTION

Audit is fundamental to accountability. Private audit underpins accountability of corporations to uphold trust in capitalism (Mueller et al., 2015), while public audit underpins accountability of the state to ensure trust in democracy (Ferry & Midgley, 2022). Audit is therefore more than a mere technical discipline, being at the heart of trust in the institutions that shape our everyday way of life. The future of audit, and the accountability arrangements it helps to underpin, is thus inherent to what society we want to have and will ultimately have in terms of how it will function.

The audit profession has been under an ongoing controversy of not being fit for purpose for several decades, with critical questions asking whether audit is able to meet the expectations of society (e.g., Canning et al., 2018; Jeppesen, 2019).

While much is currently made of the audit crisis enveloping the private sector (see, for example, Brydon, 2019), the same problems are just as manifest in the public sector and challenging to the public interest (Ferry & Ahrens, 2022; Cordery & Hay, 2022; Free et al., 2020). Indeed, this is not a new phenomenon. Over a quarter century ago, Lapsley (1995) reported through a special issue of Financial Accountability and Management (FAM) on the problems and perspectives of audit and accountability in the public sector. Since then, public auditors, their independence, and relevance continue to be persistent and challenging issues in public audit (Johnsen, 2019; Rana et al., 2022) and are pivotal for trust in public finance and expenditure in an accountable and democratic system. Public audit has faced increased criticism for not highlighting the financial sustainability and performance problems in governments and public organizations, and for private sector failures by firms that deliver public services (Murphy et al., 2019). Indeed, there remains an expectation gap around what public audit does and for whom. In terms of improving accountability of public bodies, there needs to be clarity on what powers are available, where money is spent and what citizens got for it (Ferry et al., 2022a). This becomes even more central in a context of steadily decreasing resources, in the face of increasing demand for public interventions, and where a strong refocusing on the attainment of financial performance has sometimes come at the expense of nonfinancial performance (Bracci et al., 2015). Audit's contribution or lack of contribution to the construction of trust is even more important in a political background where trust in democratic society itself appears increasingly vulnerable (Mounk, 2018).

Over the past few decades, there has been a considerable increase in studies of audit regulatory space, the audit profession, and audit practice. Power (1996, 1997, 2004) highlighted the growth of an "audit society" and its relationships with a "risk society," illustrating the potential of audit to become something it was not and how it can encroach upon all facets of everyday life through calculative regimes and practices. Themsen and Skærbæk (2022) consider how this is shifting in Denmark with the termination of state internal auditing and the emergence arguably of a potential "innovation society." Studies have provided insights into professionalization (Cooper & Robson, 2006), what makes a successful professional (Carter & Spence, 2014), and regulatory relationships (Humphrey et al., 2009; Samsonova-Taddei & Siddiqui, 2016). More specifically, in the public sector, studies of audit have covered auditee perceptions (Abu-Hasan et al., 2013), the role of audit in adjudicating political disputes (Funnell, 2015), and how audit helped forge the modern state (Free et al., 2020). In FAM itself, over the past two decades, there have also been special issues on public audit in contemporary society (Johnsen, 2019) and performance auditing and modernization of the public sector (English & Skærbæk, 2007).

The existing studies have extended our insights into audit, with some of the research beginning to critically appraise the broader role of audit and auditors in shaping community, organizations, institutions, and society for the public interest whereby auditors can be considered as agents of change (Hopwood, 1984; Power, 1997; Ferry & Eckersley, 2019).

However, there remains a gap that considers broader conceptualizations of public audit in the current regulatory space context of the 2020s and how that is changing for the future of public audit. It is important that this gets appropriate consideration so research has a platform to build from.

To address the gap, this special issue employs a framing of the "what and why," "when and how," and "where and who" of public audit to explore the present situation, where it came from and may be heading in the future, and what the implications for scholarship, society, and the public interest are.

To do so a workshop was hosted virtually at Durham University in June 2020 and overseen by the special issue guest editors (Professors Ferry, Radcliffe and Steccolini). The workshop highlighted the richness of the public audit field, and of related scholarship, covering a plurality of perspectives.

Some of the papers reflected on the roles of auditors in society and in their relationship with governments (i.e., somewhat referring to the "what and why" of public auditing). In doing so, they pointed to the tensions arising from auditors being responsible to uphold the principles of an "audit society," and to properly address risks, while being also expected to become champions of innovation and change. They also addressed the gap between what public audit delivers and what is expected from stakeholders, and the interconnected issues of independence, confidence, and trust in auditors' work.

Other papers focused more specifically on the regulatory space, the related scope and specific forms of public audit work, and the implications for the profession, and auditors' identity (i.e., the "when and how" of public auditing). Along these lines, the workshop covered regulatory changes around commercialization of public audit, including in comparative perspectives. This allowed highlighting implications for the identity of public auditors, and whether they are being forged as a profession, regulator, friend or foe, and how their work is controlled and why is it done in that way. This also pointed to the need for a renewed reflection on the independence of auditors, in terms of who performs the audit, role of the state, profession and elites such as the Big 4, and the potential role of smaller audit firms. Moreover, new delivery models for audit services were discussed, with attention to supply chains, the growth in PPPs, corporatization, outsourcing, and insourcing.

In addition, workshop participants specifically considered the future of public audit regarding the profession, sustainability of public audit models, role of new audit technologies and how traditional public audit services are being transformed by technology, and especially the value of the digital data ecosystem, which is connected by exponential growth of data, data mining tools, algorithms, data science and data analytics, machine learning and artificial intelligence, and unlimited processing power (i.e., the "where and who" of public auditing).

From the workshop, a number of papers progressed to the special issue that have been pertinent to these themes, along with some additional papers that were submitted and judged to offer important insights.

In section two of this introductory paper to the special issue, we will now set out the core concepts and definitions relating to the "what and why," "when and how," and "where and who" of public audit, as a potential means of classification. Section three will then provide a summary of the contribution of papers that make up the special issue and how they extend our understanding of the core concepts and definitions. Finally, in section four, the paper derives conclusions and sets out some future directions for research into public audit.

2 | PUBLIC AUDIT

Public audit is elusive, multifaceted, and actually refers to a plurality of very different practices, under a multitude of different contexts and regulations; thus, this section aims at offering conceptual lenses, and an overall perspective, into public audit, by defining its "*what and why*," "*when and how*," *and* "*where and who*" as a means to "classify" the papers presented later. First, we will consider what public audit is and why do we need and/or want it, framing public audit in a triptych alongside related concepts of public accountability and the public interest. Second, we will consider when the audit should take place and how that process of policies, procedures and practices should unfold. Third, we will consider where audit should be performed and who should do the performing.

2.1 | The what and why of public audit

The "*what and why*" of public audit needs us to consider definitions, but also the practices. As a general definition, audit refers to the process of account giving and checking. However, Power (1997, p. 4) in his book "The Audit Society" highlights that a simple definition of "audit" is neither easy nor desirable. This is because despite general references, there is no precise agreement on what audit is compared to other evaluative practices, such as inspection or assessment (Ferry et al., 2015; Murphy et al., 2019). Power (1997) states "… definitions are attempts to fix a practice within a particular set of norms or ideals" (p. 5), expressing what auditing could be rather than what it actually is. Nevertheless, he recognizes four basic elements of auditing: independence from the matter being audited; technical work in the form of evidence gathering and the examination of documents; the expression of an opinion based on that evidence; and a clearly delimited audit subject matter. What happens in these settings constitutes auditing. His inference seems to be, "*auditing is what auditors do*."

Public audit is essentially audit work performed in the public sector. The International Federation of Accountants (IFAC, 2010) states the objective of such audits is to strengthen—by means of an opinion—the reliance that intended users can place on financial statements prepared by an entity's senior management. IFAC (2010, p. 3) sees as its mission to act in the public interest, in part by strengthening the accountancy profession. The audit function has the potential to bring society together and thus increase trust and public confidence. Anchoring certain audit tasks in law highlights which aspects of the audit function are thought to be essential to society at a particular point in time. IFAC issues standards chiefly for audits and other assurance engagements that private audit firms carry out in respect of an entity's financial information, but the public sector is exposed to other important audit institutions, other significant audit forms and another international professional organization through the International Organization of Supreme Audit Institutions (INTOSAI). The many Supreme Audit Institutions (SAIs) worldwide act as the external auditors of public organizations and international organizations. They work in accordance with statutory mandates and within the framework of democratic accountability (Cordery & Hay, 2021).

The public audits performed (*the public auditing that auditors do*) are usually classified into three main groups being financial, compliance and performance audits (Cordery & Hay, 2021). Financial audits express an opinion on the reliability of financial statements. Compliance audits provide assurance on compliance with laws and regulation, policies, established codes, and agreed upon terms and conditions. Performance audits examine the economy, efficiency, and effectiveness with which the audited entity carries out its activities. The term "regularity audit" is often used in reference to a "financial audit" supplemented with elements of audits of compliance with financial rules and principles of sound financial management. Performance audits are also known as "value for money audits." Value for money was originally defined as comprising the three Es, economy, efficiency, and effectiveness (Hopwood, 1984), but has since expanded to equity (Johnsen, 2005) with strong connotations around fairness (Ferry, 2019) and ethics (Bringselius, 2018). The examination of efficiency, effectiveness, equity, and ethics all depend on some assessment of performance. This then can lead audit to involve inspection of services as well, which becomes more controversial (Ferry and Ahrens, 2022; Skærbæk, 2009; Power, 1997). Ultimately, what public audit is can mean different things and be subject to change over time, but it does have a number of common elements (Ferry and Ahrens, 2022; Cordery & Hay, 2021; Free et al., 2020; Radcliffe, 1999; Power, 1997).

At the same time as looking at what public audit is, it is important to address the question of why we need and/or want public audit, which makes visible the relationship to public accountability. INTOSAI (1977), in its Lima Declaration that is widely referred to as the "*Magna Carta of government auditing*," places the objective of public audit in the context of stability and development of states in keeping with United Nations goals. In particular, it believes the main purpose of public audit is to uphold and promote public accountability between public entities and democratically elected bodies (INTOSAI, 2019). The association of public sector audit and the constitutional imperative for government to be financially accountable was previously highlighted in the mid-twentieth century by Normanton (1966), who understood an independent auditor-general to function as a fundamental cornerstone of government

accountability. Normanton (1966) specifically highlights his belief, "Without audit, no accountability; without accountability no control; and if there is no control, where is the seat of power?" More recently, Funnell (2007) further elaborated on this argument, suggesting that, fundamental to the distribution of power within government is the location of financial control. Indeed, contests between the executive and the legislature over control of, and accountability for, finances have been the defining feature of the evolution of the English Constitution. The "power of the purse" was parliament's main weapon by which it was able, over many centuries, finally to wrest power from the Crown. Ferry and Midgley (2022) built on this work, showing that it is vital that the auditor is linked to the legislature, so that it functions as an independent institution within Parliament rather than an institution independent of Parliament.

In essence, public audit is inherent in trust building between public entities and the democratically elected bodies to which they are accountable, or—in the case of internal audit—the departments and the senior management tiers to which they are accountable. Auditing thus improves the operation of a democratic state and its public organizations. Public audit performs a mediating and adjudicating role for Parliaments, assemblies, and the wider public. Assurance on information enables them to use that information. Auditors also adjudicate and individualize government performance, enabling others to use their conclusions to hold government to account and they territorialize the activities of government into auditable units which can then be adjudicated on (Miller & Power, 2013; Heald, 2018; Ferry et al., 2022b).

2.2 | The when and how of public audit

The traditional "*when and how*" of public audit is under significant pressures for change in terms of not being fit for purpose regarding time, quality, and cost (Cordery & Hay, 2021; Murphy et al., 2019). Traditionally, when external auditing took place involved an annual cycle of financial reporting through annual accounts and financial audit of those accounts employing an audit plan, schedule, activities, and reporting. Increasingly from the 1980s, the financial audit became supplemented with performance auditing that may cover key themes over a cycle of say 3–5 years interspersed with a range of priority/ad hoc studies (Hopwood, 1984). Value for money as a discipline owed much to the ways in which the evaluative power of accounting was sold transnationally by Auditors General to politicians (Free et al., 2020). This might in some countries be viewed as another advance of the project to colonize additional regulatory spaces by accounting elites, creating new corpuses of knowledge, which auditors can then claim access to (Gendron et al., 2007; Andon et al., 2015). Auditors, pursuing value for money, take on different roles which match the political rhetoric described above and the evaluative rhetoric of value for money. These different roles are themselves anchored in wider patterns of discourse, both local, national and global, which justify the extension of audit into new territory (Radcliffe, 1998). The "*how*" of financial audit involved an audit team consisting of a range of manager and staff grades who would perform the audit tests on financial transactions and collect a range of evidence for the audit file both manually and inside/outside the black box of the PC to support their ultimate opinions. The how of performance audit involved close relationships between a team of auditors and stakeholders within the client, the media and Parliament who were brought together in an "uneasy" partnership around the report (Parker et al., 2021).

Digitalization affords a significant opportunity for change to the when and how of public audit (Agostino et al., 2022a, 2022b). Indeed, digitalization is challenging the traditional model of audit in terms of that it can be continuous and immediate rather than an annual process, and performing audit tests can be automated with algorithms and coding. Rozario and Varsarhelyi (2018) argue that the technology could, if regulatory barriers are overcome, change the nature of audit. If digitalization does threaten to be "the equivalent of the audit society on steroids," then it may change both the knowledge claimed by auditors and of their role within wider society (Carter et al., 2015), plus the nature of when audits can take place through continuous auditing. For example, there is a developing literature on the ways that governments have used social media during disasters to communicate, instruct, and organize the response

(Ahrens & Ferry, 2021a, 2021b; Leoni et al., 2021). The use of and publication of data during the COVID-19 pandemic has been important in building trust (Ferry et al., 2021; Leoni et al., 2021, 2022).

2.3 | The where and who of public audit

The "*where and who*" of public audit raises issues of place and space with identity. Traditionally, audit was undertaken onsite at a physical place being say client premises and/or taking files back to the audit office. Over the past few decades, more work could be undertaken electronically in space anywhere as Enterprise-wide Resource Planning Systems (ERPS) could be interrogated remotely for example. The identity of those undertaking the public audit were professional auditors, but in terms of profession, they could be generalist civil servants, qualified accountants, and/or lawyers depending on the mandate, scope, and practices of the respective jurisdictions (Normanton, 1966; Cordery & Hay, 2021). Overtime the professions have become more dominant and audit is most associated with the accounting profession, especially in the Westminster model jurisdictions (Cordery & Hay, 2021).

With digitalization, it is increasingly likely that more audit including public audit would become virtual and hybridized rather than specifically needing to take place onsite. The COVID-19 pandemic will undoubtedly drive further change in such work practices as staff have had to adapt at speed and learn new technological skills of remote working. Essentially, the where is already at "*digital world*" that affords various threats and opportunities to the traditional nature of public audit (Agostino et al., 2022a, 2022b).

In addition, the "where" of public audit refers to "context" that has much relevance in shaping expectations around the problematization and solutions of audit that embrace professional identities, audit technologies, what is made visible through calculative practices and the bodies of knowledge that constitute the profession in different locales.

The who of professional auditors for public audit is being challenged. Currently, it remains the domain of the professions, especially accounting and to some extent law, with many being public employees. The private sector is, however, encroaching on more work, and some jurisdictions already have a hybrid of public and private professional audit expertise (Jeppesen et al., 2017), and the dominance of the accounting and legal professions is being challenged. Digitalization means that data scientists and other experts may replace accountants and lawyers for certain roles, if such skills are not built into existing profession skill sets (Agostino et al., 2022a, 2022b). Also, there have been pushes to reduce accountability and replace it with transparency as professional auditors are arguably replaced by an army of citizen armchair auditors (Ferry & Eckersley, 2015; Ferry et al., 2015) or online ranking systems such as in TripAdvisor we trust (Jeacle & Carter, 2011).

In particular, the where and who challenges associated with public audit speak to the recent debates of the (in)compatibility between accountability and transparency arrangements. Ferry et al. (2015) suggest accountability constitutes audit and assurance, performance management and regulation and transparency is open data sources that can be/are understood by those using them including citizens. However, they also specifically state that "… the role of public audit is vital to effective transparency, both to validate financial reporting (as per private sector audit) and in its wider remit of regularity (expenditure accords with authorization), propriety (absence of fraud and corruption) and performance (the achievement of value for money)" (Ferry et al., 2015, p. 350). Ferry and Eckersley (2015) also illustrate that accountability and/or transparency may perform/be performed differently depending on jurisdictional contexts and how much trust can be placed in professional audit arrangements. The power of data analytics, AI, and digitization could make the opportunities for both accountability and transparency even more powerful. However, sunlight is no good as a disinfectant if no one understands what is made visible, especially depending on expert audit skills plus the capability, capacity, and confidence of people to harness the computing power. Transparency extends openness to people being able to understand what is being made open so they can do something about it, if they so wish.

The papers in this SI aim to address some of these issues and are now summarized, before we make a conclusion and set out future directions.

3 | PERSPECTIVES ON PUBLIC AUDIT: THE PAPERS IN THE SPECIAL ISSUE

The papers of the special issue provide a state-of-the-art consideration of the current public audit space, from a plurality of perspectives, illustrating emerging critical issues in the "what, why, when, how, where and who" of public audit. It is appreciated that the following papers may overlap between these criteria, and so this is merely our interpretation of where they primarily fall.

In their review of performance auditing literature, Rana et al. (2022) illustrate how for performance audit the "what and why" issues of public audit still remain far from settled and decided upon, opening up new challenges for scholars and practitioners alike. Their review reveals the continuous evolution and wide variety of performance auditing scope over time and in different contexts, which illustrate its malleable nature. Their review also illustrates the tensions and contradictions of performance auditing, between independence and relevance, emphasis on performance improvements and/or stronger accountability, as well as its unintended consequences. The review suggests that the scope and underlying rationale of performance auditing, as well as its underlying tensions may deserve further future attention. At the same time, they point to the importance of exploring the implications of digitalization and emerging technologies for performance audit, the potential offered by widening and emancipatory forms of accountability, the ways in which performance auditing connects with media, and its relevance in a risk management perspective.

Focusing on internal auditing, Themsen and Skærbæk (2022) provide a further contribution to show the importance of looking jointly at the context where audit takes place, the underlying, contextual expectations, and culture, and the meaning in terms of the "what and why" attached to the roles and work of auditors. In their longitudinal analysis of the case of internal auditing in the Danish central government, they offer an interesting interpretation on the reasons for its disappearance from the Danish public scene. In their study, the authors suggest that the concrete termination of internal auditing, far from brought about by politicians, was rather the result of top civil servants being able to remove what was seen as an obstacle to innovation in the public sector. This happened in a context where policymaking shifted from an emphasis on audit to a new focus on innovation, bringing about a move away from an "audit society" and a shift towards a model of "innovation society."

Ferry and Ahrens (2022)'s study further illustrates the importance of jointly considering the broader "what, why, when, how, where and who" of auditing. Responding to the need to explore the new regulatory spaces emerging around audit in the public sector, they compare audit regulations for local governments across the UK four countries (England, Northern Ireland, Scotland, and Wales), in terms of arrangements and practices, historical background, and underlying rationales. In comparing the ways of organizing the public audit work, its scope, inspection, degree of fragmentation, independence, and competition, the authors highlight that the four countries present different political priorities and embrace different notions of regulatory space. They particularly point to the contrast between the increasing fragmentation and marketization of public auditing brought about by the abolition of the Audit Commission in England, and the stronger centralization, and public-sector focus in Scotland, Wales, and Northern Ireland. They also document the evolution of the audit role towards an extension into "inspection," including assessing and ranking activities.

Widening the view from the UK to the European continent, De Widt et al. (2022) compare the development of local government audit markets in England and the Netherlands with a strong emphasis on the "where and who" concerning public auditing. They show both countries have witnessed liberalization processes for local government audit, but with different outcomes: a more concentrated market in England and a free market with mid-tier and small firms in the Netherlands. Drawing on the Porter's (2008) five forces framework, and institutional theories, the authors identify the possible reasons for such different outcomes. More specifically, higher entry barrier and buyer power, and lower threat of substitution in England explain the presence of bigger firms, whereas medium or small firms in the Netherlands can still easily compete for single contracts with individual local governments. However, in addition to the "five forces," regulation also contributes to explain why, in particular, the Big 4 firms withdrew from the Dutch market. More

generally, this study points to the relevance of looking at institutional forces and logics, and historical contingencies for a richer explanation of the features of public audit.

The importance of institutional forces and contexts in making sense of audit arrangements, but also in trying to anticipate future challenges, is further illustrated by Cordery and Hay (2022), who provide a rich view of a unique and often less investigated area of public auditing, that is, SAIs that in many ways addresses the "what and why" of public auditing. First, they show how the traditional models of SAIs (Westminster, Board/Collegial and Court/Judicial) are translated into multifaceted national experiences, with isomorphic pressures having driven the growth of audit globally, but public audit having remained structured and organized in a plurality of ways. Second, they discuss the current challenges facing SAIs, and in particular scarcity of resources and high public debt in the public sector, and the increasing emphasis placed on United Nation's Sustainable Development Goals, and their potential impact on the (uncertain) future of public audit. Their contribution highlights how SAIs variety is shaped by national and local constraints, with INTOSAI fostering SAIs' independence and capacities to face current global challenges. It also predicts these challenges, exacerbated by current crises and the pandemic, may bring about greater isomorphism in the future.

Finally, but importantly for the future of public audit, the paper by Aquino, Lino, and Azevedo (2022) considers digitalization, especially the "when and how" of public audit. Through their study of Courts of Accounts in Brazil, they show how as organizations undergo digital transformation the public auditing becomes increasingly reliant on the technology to collect and analyze large amounts of data. In addition, they illustrate that computer-assisted audit tools, scripts and algorithms assist auditors in their practices, but that the auditors are not fully aware of how their skepticism and autonomy are affected as the digital infrastructure becomes the dominant frame of remote compliance audit practice.

All in all, the papers in the special issue provide a timely picture of public audit. Through considering the "what, why, when, how, where and who" of public audit they point to the (still) contested and malleable nature of public auditors' work, to its being strongly institutionally bound, and being faced by multiple future challenges related to their very identity, the mode of work, the scope of intervention, and the changing regulatory and institutional context where it operates.

4 | CONCLUSION AND FUTURE DIRECTIONS

The special issue employed a framing of the "what and why," "when and how," and "where and who" of public audit to explore the present situation, where it came from and may be heading in the future. The papers in the special issue are found to address different and combined facets of the "what, why, when, how, where and who" of the future of public audit.

From this broad theorization, the papers do not show disrupting messages, but rather a confirmation that the challenges for auditors tend to be the same, and in spite of globalization and digitalization, very much is context-bounded and culturally shaped. For example, this is illustrated through the "what and why" issues of public audit that reviewed literature on performance audit (Rana et al., 2022) and through an international comparison of SAIs (Cordery and Hay, 2022). This was also the case for the study by Themsen and Skærbæk (2022) who highlight the importance of looking at the context where audit takes place and the meaning in terms of the "what and why" attached to the roles and work of auditors, despite importantly highlighting a move away from an "audit society" and shift towards an "innovation society." Also, context and culture remain important in considering the "when and how" of the future of public audit in terms of digitalization and the relationships between autonomy and control (Aquino, Lino and, Azevedo, 2022). In addition, in emphasizing the "where and who" concerning public auditing, context and culture again become apparent in comparing the development of local government markets between countries (De Widt et al., 2022). Furthermore, in exploring the new regulatory spaces emerging around audit in the public sector, context and culture are again deemed important across the broader "what, why, when, how, where and who" of public auditing in the context of a comparison of UK local government (Ferry and Ahrens, 2022).

More generally, taken together these papers indicate that the state of governmental research is strong and diverse. This is a testimony to the development of an international community of researchers with interests in this field and a buoyant state of the literature. In that sense there is reason for optimism as we look ahead.

Yet we must be wary also, as the dominant streams of literature in international academic accounting bodies concern financial accounting and reporting in private sector bodies, and research interest in government accounting and especially public audit runs at some distance behind this juggernaut.

Yet whenever we might be disheartened by these empirics, we should remember that for most people government makes a fundamental and grounding contribution to their quality of everyday life, and so it follows that government accounting and auditing and its contributions to decision making and accountability is equally as fundamental and grounding in modern society. We are charged with forging better understandings of these practices and in so doing helping to improve their operation. If we believe in the productive power of research and in its social value, then it is of particular use in the arena of government accounting and auditing as it stands to have substantial social impact.

Even more so at present, we live in extraordinary times, in times of great crisis, which require significant government responses. In many countries, the COVID 19 pandemic has brought about the greatest and most rapid expansion in government programs since the Second World War, and an unprecedented level of social regulation and control. These programs will all lead to accounts and audit reports on programs and their implementation (Anessi et al., 2020).

Just as government auditors have an obligation to report on programs, public sector accounting researchers have an obligation to study these outputs and make sense of them. We can learn about the implementation of these programs and how they were conceived and managed in times of crisis. We can seek to better understand their efficacy and usefulness now that we are at some remove from the circumstances that occasioned them. We can study the auditors and their work and here there are important questions. How do you audit government programs that are instituted with massive scale and speed? How do you make sense of them? Do normal standards and procedures apply, or were variations made? These are questions for research. There is much that has not been made clear, much that may have been disclosed through open records and laws but has not yet been examined. In short, there are many things we simply do not know about what we have been through and about how governments were administered during these extraordinary times.

There are also questions of whether government responses to crises such as COVID 19 were universally shared experiences or whether there were important international differences in outlook and organization. It is not clear, for example, that the governments of say the United States of America, Canada, the UK, France, and Germany all followed the same path and made the same choices in how to manage programs, assess them, release funds, and report on their progress. These are questions for research and for researchers. In important respects, they are historical questions and a matter to be recorded. There is a need to gather evidence while the evidence is available. Comparative international studies are another potential area of study.

Besides the exigencies of the present, we would hark back to the past and to the period when current value for money auditing practices were being formed. Free et al. (2020) provide a survey of historical movement through a Canadian lens and report the work of a Canadian parliamentary committee travelling to and studying other jurisdictions, their work forming a report that was the basis of the Auditor General Act, 1977. There is a need for local histories and details to understand the formation of ideas and practices and the way in which new practices took hold and were accepted, and so practice expanded to give government auditors the audit mandates we see today (Ferry & Midgley, 2022). This could be in the contemporary period of the past 50 years or so, or at other important junctures. The mechanics of professional change can be seen within these histories. These issues are worth further investigation. In addition, the enduring notion of an audit society (Power, 1997) is worth further consideration, as is exploration of the potential notion of an "innovation society" replacing the "audit society" as both an ongoing phenomenon and possible new trend (Themsen and Skærbæk, 2022).

So, we see opportunities both in the "hyper" present of crises such as the world post COVID 19 and all of the contemporary changes that represents such as for quicker digitalization, and a role for governmental researchers in explicating the present. Also, we see a role for further excavating the past through examining mechanisms of

professional change at various times, and the formation of new practices. The methods to study each would be archival and evidentiary based, potentially with interviews for current issues. In addition, there is a need to gather evidence and to speak to practice. Furthermore, above all, we need to examine the practice of government accounting and auditing and seek to understand it more deeply. This is a trust that we each carry with us.

ORCID

Laurence Ferry https://orcid.org/0000-0002-6686-4528
Ileana Steccolini https://orcid.org/0000-0003-4346-2742

REFERENCES

Abu-Hasan, H., Frecknall-Hughes, J., Heald, D., & Hodges, R. (2013). Auditee perceptions of external evaluations of the use of resources by local authorities. *Financial Accountability and Management*, *29*(3), 291–326.

Agostino, D., Saliterer, I., & Steccolini, I. (2022a). Digitalization, accounting and accountability. A literature review and reflections on future research in public services. *Financial Accountability and Management*, *38*(2), 152–176.

Agostino, D., Bracci, E., & Steccolini. (2022b). Accounting and accountability for the digital transformation of public services. *Financial Accountability and Management*, *38*(2), 145–151.

Ahrens, T., & Ferry, L. (2021a). Accounting and accountability practices in times of crisis: A Foucauldian perspective on the UK government's response to COVID-19 for England. *Accounting, Auditing and Accountability Journal*, *34*(6), 1332–1344.

Ahrens, T., & Ferry, L. (2021b). What support should local government expect from accounting during a sudden crisis such as COVID-19?. *Public Money and Management*, *41*(1), 12–14.

Andon, P., Free, C., & O'Dwyer, B. (2015). Annexing new audit spaces: Challenges and adaptations. *Accounting, Auditing and Accountability Journal*, *28*(8), 1400–1430.

Anessi-Pessina, E., Barbera, C., Langella, C., Manes-Rossi, F., Sancino, A., Sicilia, M., & Steccolini, I. (2020). Reconsidering public budgeting after the COVID-19 outbreak: key lessons and future challenges. *Journal of Public Budgeting, Accounting & Financial Management*, *32*(5), 957–965.

Aquino, L., & Azevedo. (2022). Digital affordances and remote public audit practice. *Financial Accountability & Management*.

Bracci, E., Humphrey, C., Moll, J., & Steccolini, I. (2015). Public sector accounting, accountability and austerity: more than balancing the books? *Accounting, Auditing and Accountability Journal*, *28*(6), 878–908.

Bringselius, L. (2018). Efficiency, economy and effectiveness—but what about ethics? Supreme audit institutions at a critical juncture. *Public Money and Management*, *38*(2), 105–110.

Brydon, D. (2019). *Assess, Assure and Inform: Improving Audit Quality and Effectiveness*. London: Report of the independent review into the quality and effectiveness of audit.

Canning, M., Gendron, Y., & O'Dwyer, B. (2018). Auditing in a changing environment and the constitution of cross-paradigmatic communication channels. *Auditing: A Journal of Practice and Theory*, *37*(2), 165–174.

Carter, C., & Spence, C. (2014). Being a successful professional: An exploration of who makes partner in the Big Four. *Contemporary Accounting Research*, *31*(4), 949–981.

Carter, C., Muzio, D., & Spence, C. (2015). Scoping an agenda for future research into the professions. *Accounting, Auditing and Accountability Journal*, *28*(8), 1198–1216.

Cooper, D. J., & Robson, K. (2006). Accounting, professions and regulation: Locating the sites of professionalization. *Accounting, Organizations and Society*, *31*(4-5), 415–444.

Cordery, C., & Hay, D. (2021). *Public Sector Audit*. Routledge.

Cordery, C., & Hay, D. (2022). Public sector audit in uncertain times. *Financial Accountability and Management*, *38*(3), 426–446. https://doi.org/10.1111/faam.12299

De Widt, D., Llewelyn, I., & Thorogood, T. (2022). Liberalising audit markets for local government: The five forces at work in England and the Netherlands. *Financial Accountability and Management*, *38*(3), 394–425. https://doi.org/10.1111/faam.12302

English, L., & Skærbæk, P. (2007). Performance auditing and the modernisation of the public sector. *Financial Accountability and Management*, *23*(3), 239–241. https://doi.org/10.1111/j.1468-0408.2007.00427.x

Ferry, L., Eckersley, P., & Zakaria, Z. (2015). Accountability and transparency in English local government: Moving from 'matching parts' to 'awkward couple'? *Financial Accountability and Management*, *31*(3), 345–361.

Ferry, L., & Eckersley, P. (2019). Budgeting and governing for deficit reduction in the UK public sector: Act four 'risk management'. *Public Money and Management*, *35*(3), 203–210.

Ferry, L. (2019). *Audit and Inspection of Local Authorities in England: Five years after the Local Audit and Accountability Act 2014*. Retrieved from: https://www.parliament.uk/globalassets/documents/commons-committees/communities-and-local-government/Correspondence/Ferry-local-authorities-audit-report.pdf

Ferry, L., & Ahrens, T. (2022). The future of the regulatory space in local government audit: A comparative study of the four countries of the United Kingdom. *Financial Accountability and Management*, *38*(3), 376–393. https://doi.org/10.1111/faam.12291

Ferry, L., Ruggiero, P., & Midgley, H. (2022a). The why, who and what of public sector auditing. In Ferry, L., & Ruggiero, P. (Eds.), *Auditing Practices in Local Governments: An International Comparison*, Bingley: Emerald Publishing.

Ferry, L., Midgley, H., Murphie, A., & Sandford, M. (2022b). Auditing governable space – A study of place-based accountability in England. *Financial Accountability and Management*, https://doi.org/10.1111/faam.12321

Ferry, L., Hardy, C., & Midgley, H. (2021). Data, trust, democracy and Covid-19: the first parliamentary assessment of the UK government's approach to data during the pandemic. *Public Money and Management*, *41*(8), 676–678.

Ferry, L., & Eckersley, P. (2015). Accountability and transparency: A nuanced response to Etzioni. *Public Administration Review*, *75*(1), 11–12.

Ferry, L., & Midgley, H. (2022). Democracy, accountability and audit: the creation of the UK NAO as a defence of liberty. *Accounting, Auditing and Accountability Journal*, *35*(2), 413–438.

Free, C., Radcliffe, V., Spence, C., & Stein, M. (2020). Auditing and the development of the modern state. *Contemporary Accounting Research*, *37*(1), 485–513.

Funnell, W. (2007). The reason why: The English constitution and the latent promise of liberty in the history of accounting. *Accounting, Business and Financial History*, *17*(2), 265–283.

Funnell, W. (2015). Performance auditing and adjudicating political disputes. *Financial Accountability and Management*, *31*(1), 92–111.

Gendron, Y., Cooper, D. J., & Townley, B. (2007). The construction of auditing expertise in measuring government performance. *Accounting, Organizations and Society*, *32*(1–2), 101–129.

Heald, D. (2018). Transparency generated trust: the problematic theorization of public audit. *Financial Accountability and Management*, *34*(4), 317–335.

Hopwood, A. G. (1984). Accounting for efficiency in the public sector. In A.G. Hopwood & C. Tomkins (Eds.), *Issues in Public Sector Accounting*. Philip Allan.

Humphrey, C., Loft, A., & Woods, M. (2009). The global audit profession and the international financial architecture: Understanding regulatory relationships at a time of financial crisis. *Accounting, Organizations and Society*, *34*(6-7), 810–825.

IFAC. (2010). *Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements, Part I*. New York, IFAC.

INTOSAI. (1977). ISSAI 1: The Lima Declaration (With the establishment of the Intosai Framework of Professional Pronouncements (IFPP), relabeled as INTOSAI-P 1 with editorial changes in 2019).

INTOSAI. (2019). ISSAI 100 Fundamental Principles of Public-Sector Auditing, INTOSAI Framework of Professional Pronouncements (IFPP). Available at: https://www.issai.org/pronouncements/issai-100-fundamental-principles-of-public-sector-auditing/

Jeacle, I., & Carter, C. (2011). In TripAdvisor we trust: Rankings, calculative regimes and systems trust. *Accounting, Organizations and Society*, *36*(4-5), 293–309.

Jeppesen, K. K., Carrington, T., Catasús, B., Johnsen, Å., Reichborn-Kjennerud, K., & Vakkuri, J. (2017). The strategic options of supreme audit institutions: The case of four Nordic countries. *Financial Accountability & Management*, *32*(2), 146–170. https://doi.org/10.1111/faam.12118

Jeppesen, K. K. (2019). The role of auditing in the fight against corruption. *The British Accounting Review*, *51*(5), 1–11. https://doi.org/10.1016/j.bar.2018.06.001

Johnsen, Å. (2005). What does 25 years of experience tell us about the state of performance measurement in public management and policy? *Public Money and Management*, *25*(1), 9–17. https://doi.org/10.1111/j.1467-9302.2005.00445.x

Johnsen, Å. (2019). Public sector audit in contemporary society: A short review and introduction. *Financial Accountability and Management*, *35*(2), 121–127.

Lapsley, I. (1995). Audit and Accountability in the Public Sector: Problems and Perspectives. *Financial Accountability and Management*, *11*(2), 107–110.

Leoni, G., Lai, A., Stacchezzini, R., Steccolini, I., Brammer, S., Linnenluecke, M., & Demirag, I. (2021). Accounting, management and accountability in times of crisis: lessons from the COVID-19 pandemic. *Accounting, Auditing & Accountability Journal*, *34*(6), 1305–1319.

Leoni, G., Lai, A., Stacchezzini, R., Steccolini, I., Brammer, S., Linnenluecke, M., & Demirag, I. (2022). The pervasive role of accounting and accountability during the COVID-19 emergency. *Accounting, Auditing & Accountability Journal*, *35*(1), 1–19.

Miller, P., & Power, M. (2013). Accounting, organizing and economizing: connecting accounting research and organization theory. *Academy of Management Annals*, *7*(1), 557–605.

Mounk, Y. (2018). *The People vs. Democracy: Why Our Freedom Is in Danger and How to Save It*. Cambridge, Massachusetts: Harvard University Press.

Mueller, F., Carter, C., & Whittle, A. (2015). Can audit (still) be trusted? *Organization Studies*, *36*(9), 1171–1203.

Murphy, P., Ferry, L., Glennon, R., & Greenhalgh, K. (2019). *Public Service Accountability: Rekindling a Debate*. London: Palgrave Macmillan.

Normanton, E. L. (1966). *The Accountability and Audit of Government*. Manchester: Manchester University Press.

Parker, L. D., Schmitz, J., & Jacobs, K. (2021). Auditor and auditee engagement with public sector performance audit: An institutional logics perspective. *Financial Accountability and Management*, *37*(2), 142–162.

Porter, M. (2008). The five competitive forces that shape strategy. *Harvard Business Review*, *86*(1), 78–93.

Power, M. (1996). Making things auditable. *Accounting, Organizations and Society*, *21*(2/3), 289–315.

Power, M. (1997). *The Audit Society: Rituals of Verification*. Oxford: Oxford University Press.

Power, M. (2004). *The Risk Management of Everything*. London: Demos.

Radcliffe, V. S. (1998). Efficiency audit: An assembly of rationalities and programmes. *Accounting, Organizations and Society*, *23*(4), 377–410.

Radcliffe, V. S. (1999). Knowing efficiency: the enactment of efficiency in efficiency auditing. *Accounting, Organizations and Society*, *24*(4), 333–362.

Rana, T., Steccolini, I., Bracci, E., & Mihret, D. (2022). Performance auditing in the public sector: A systematic literature review and future research avenues. *Financial Accountability and Management*, *38*(3), 337–359. https://doi.org/10.1111/faam.12312

Rozario, A. M., & Vasarhelyi, M. A. (2018). Auditing with smart contracts. *International Journal of Digital Accounting Research*, *18*, 1–27.

Samsonova-Taddei, A., & Siddiqui, J. (2016). Regulation and the promotion of audit ethics: Analysis of the content of the EU's policy. *Journal of Business Ethics*, *139*(1), 183–195.

Skærbæk, P. (2009). Public sector auditor identities in making efficiency auditable: The National Audit Office of Denmark as independent auditor and modernizer. *Accounting, Organizations and Society*, *34*(8), 971–987.

Themsen, T. N., & Skærbæk, P. (2022). The termination of central government internal auditing and the emergence of the innovation society. *Financial Accountability and Management*, *38*(3), 360–375. https://doi.org/10.1111/faam.12316

How to cite this article: Ferry, L., Radcliffe, V. S., & Steccolini, I. (2022). The future of public audit. *Financial Accountability & Management*, *38*, 325–336. https://doi.org/10.1111/faam.12339