
Scenarios for Change Management Models of the Audit Process of the State Audit Office of Vietnam

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Abstract: The audit process of the State Audit Office of Vietnam (SAV) is inadequate in several ways. This may have a negative influence on the quality and effectiveness of the performance of the SAV. Changing the SAV audit process is thus a strategy that has the potential to contribute significantly to the SAV development. The purpose of this paper is to develop scenarios for change management models of SAV's audit process in order to identify the most possible scenario which represents the most advantageous and positive features of the change model of SAV audit process. This paper presents literature underpinning the identification of the key driving forces involved in shifting SAV's audit process and document review to be employed during the research. The research has identified and assessed four different but plausible scenarios based on the major drivers of systems and social forces combined with international auditing standards. The Australian public sector auditing model, which may portray to some extent the characteristics of scenario 1 (international auditing standards and technology-driven system), represents the most desirable prospect. It is expected that this research will contribute to the development of an effective audit process for SAV which serves as a mechanism to ensure the transparency, and effectiveness of public sector expenditure.

Keywords: State Audit Office of Vietnam, Australia, Auditor, Audit Process, Auditing Standards and Technology

1. Introduction

The audit process of the State Audit Office of Vietnam (SAV) has inherent limitations and weaknesses that need to be shifted in order to keep pace with SAV's development. The purpose of this paper is to develop future scenarios that illustrate the key uncertainties and possibilities of changing SAV's audit process. This paper will identify the key drivers and trends surrounding the research topic. These drivers include the quality of auditing practices, the reliability of auditing results, macro-economic control, the auditing reporting system, corruption and abuse of power, the role of government, system stability and auditing information security. Based on these drivers, four plausible scenarios are developed. These are:

- 1) International Auditing Standards and Technology-Driven System
- 2) Non-International Auditing Standards and Technology-

Driven System

- 3) Non International Auditing Standards and People-Driven System
- 4) International Auditing Standards and People-Driven System

2. Literature Underpinning the Identification of the Key Driving Forces

The key driving forces involved in shifting the audit process of the State Audit Office of Vietnam (SAV) can be divided into two main groups: driving forces involving international auditing standards and driving forces involving technology and people.

2.1. International Auditing Standards

International auditing standards may be the most important driving force in changing the audit process of the State Audit Office of Vietnam. As the International Organisation of Supreme Audit Institutions [1] notes, generally accepted international auditing standards should be applied by the government audit institutions, and the formation and development of the audit process must work towards the goal of effectively enforcing auditing standards. However, it can be argued that the SAV's current auditing standards remain in an underdeveloped state. As the National Assembly Standing Committee of the Socialist Republic of Vietnam [2] states, the building of SAV's auditing standards compatible with generally accepted international auditing standards is one of the crucial missions and responsibilities of the SAV mentioned in the State Audit Development Strategy for 2020. Thus, if the research is successful, it will significantly contribute to not only to the development of SAV but also to other relevant fields. In fact, the establishment of a strong auditing standard framework may positively contribute to audit quality and ensure the robustness and stability of public sector auditing [3], and considerably reinforce public sector auditing so that it becomes an effective tool for government, economy and society [4]. In regard to the aspect of international auditing standards, four uncertainties are identified: quality of auditing practices, reliability of auditing results, macro-economic control and auditing reporting system.

a) Quality of Auditing Practices

The quality of auditing practices is a key factor in the strengthening the effectiveness of public sector auditing [3]. Even though establishing a strong legislative framework for the SAV creates the major conditions, required to develop and improve SAV audit activities [2], the improvement of auditing standards also requires the application of the best auditing practices. However, the SAV's current auditing practices have potential limitations and weaknesses. For example, Ngo [5] points out that a variety of audit concepts and terms are translated directly from international auditing materials without detailed guidance for adapting them to the specific context of the SAV. These concepts tend to confuse not only staff of organizations audited, but also SAV auditors. The recognition of the significance of the quality of auditing practices, nevertheless, is not certain to occur, and the future improvement of SAV's auditing practices is therefore difficult to predict.

b) Reliability of Auditing Results

The reliability of auditing results plays a major role in minimizing corruption and increasing economic efficiency. It can also have a major impact on financial stability. For example, Batam, a Tunisian mass distribution company, went bankrupt in 2002 without any warning from the auditors about risks and weaknesses disclosed in its financial statements. The collapse of this company caused a crisis of confidence in the Tunisian financial markets [6]. Lombardi, Bloch and Vasarhelyi [7] point out that the reliability of

auditing results depends on meeting the relevant legal requirements, applying correct audit methods in practice, and properly established audit tools. Lombardi, Bloch and Vasarhelyi [7] note that reliability also depends on the quality of the auditors themselves, and that even though the application of accurate audit methods and tools may enhance audit result reliability, audit methods and tools alone are unlikely to assure reliability if auditors cannot effectively utilize them. Factors such as the auditor's knowledge, experience in auditing practices and understanding of the environment and culture of audited entities also appear to affect reliability [8]. Therefore, as the World Bank [9] suggests although the SAV's auditing results play an important part in strengthening the management of the Vietnamese Government's state budget, the potential limitations in the SAV' auditor quality, legislative framework and auditing practices should be considered. In addition, since the SAV is a part of the Vietnamese political system and under supervision of the Vietnam Government [10], the question of whether or not the SAV auditing results may be impacted by political factors tends to be a problematical one. All of the potential factors in the reliability of SAV auditing results are difficult to predict, and so the reliability of future auditing results is uncertain.

c) Macro-economic control

The issue of whether the adoption of international auditing standards can reinforce the effectiveness of macro-economic control is worth considering. The Vietnamese Government is facing high inflation rates and budget deficits [11]. Through monitoring and controlling the management and utilization of the state budget, the SAV may assist the Vietnamese Government in regulating fiscal and monetary policies. For example, the SAV's audit results, which identify imbalances between the expenditure and revenue of the state budget, are the key references for the Vietnamese Government to amend its budget policy [12]. However, while the SAV attempts to improve the competence and professionalism of its auditors, a large proportion of SAV auditors are still not able to adequately meet the requirements of their audit tasks [9]. In addition, the targets of fiscal policy may conflict with and negatively impact on that of monetary policy [13]. Thus, whether the SAV will provide the Vietnamese government with needed public audit services to improve macro-economic control or not is difficult to determine.

d) The Auditing Reporting System

The audit reports compiled by SAV auditors may contain inherent risks of fraud and error that may arise from both personal and systematic causes. As a result of personal character flaws, for example, SAV auditors may be vulnerable to corruption. In one case, four prosecuted SAV auditors disclosed that they made three audit reports: one for themselves, one to negotiate bribes with entities being audited, and one for the SAV [14]. The objective causes may be associated with audited entities and inadequacies in the SAV auditing and financial reporting system. While errors in financial statements may arise from unintentional misstatement, such as mistakes in gathering data, incorrect

accounting, or wrong application of accounting standards and principles [15], fraud in financial statements are a direct result of intentional acts that are detrimental to the financial reporting system of the audited organizations in order to attain an illegal advantage [16]. As well as personal character flaws, the potential for fraud also results from systemic weakness, fraud in financial statements may not be detected by auditors because the entities being audited tend to sophisticatedly disguise it. In detecting and preventing such audit errors and fraud, the auditing standards and auditing reporting system of Australia are regarded as effective [3], whereas these of the SAV, which exhibit limitations and weaknesses in audit methodologies and quality control [5], tend to be of uncertain effectiveness.

2.2. *Systems and Social Forces*

Technology-Driven and People-Driven System may be also the most important driving forces in changing the audit process of the State Audit Office of Vietnam. In regard to the aspect of these driving forces, four uncertainties are identified: corruption and abuse of power, auditing information security, the role of government and system stability.

a) Corruption and abuse of power

Corruption and abuse of power in SAV audit activities are indeterminable factors that should be taken into account in the change process. Although the role of SAV in combating corruption has been regulated in audit law [10], fighting against corruption and the abuse of power are complex, risky and challenging missions for the SAV, and the effectiveness of its anti-corruption performance tends to be difficult to assess. Auditors face potential obstacles in the detection and investigation of corruption cases because the documentary evidence, which need to be fully gathered to provide the basis of audit judgments, tends to be thoroughly hidden by the offenders or may be difficult to access because of negative political interventions [17]. In addition, whether or not the SAV auditors themselves may be subject to the temptation of corruption and abuse of power is increasingly becoming an issue of public concern. That four SAV auditors have recently been prosecuted for taking bribes and abusing entrusted power [14] is a clear example of this issue. Therefore, while finding a way to curtail and eradicate the corruption and abuse of power in the political system in general and in the SAV in particular is a legitimate aspiration of not only the majority of the SAV members but also of the Vietnamese people, it can be admitted that this aspiration may not be achieved.

b) Auditing information security

As the State Audit Office of Vietnam [4] notes, information technology (IT) is regarded as a strong and effective tool in ensuring auditing information security. In addition, Moeller [19] emphasizes that information technology promotes auditing information security through a broad range of IT solutions such as data center, network and application security. Nevertheless, although information technology is a key element in ensuring auditing information

security, its exploitation and utility depend on the knowledge and understanding of auditors. According to Suduc, Bizoi and Filip [20], auditing information security may be threatened because it is ultimately managed and controlled by people. It can be argued that the audit information system may be vulnerable because of people who either lack the necessary capacity and skills or who have high expertise but weak professional ethics exploiting audit information security gap for their own advantage or other negative purposes. For example, in the process of conducting audit engagements at the Enron corporation (a well-known and huge global energy- trading company), the independence and objectivity, ignored a variety of irregular and suspect accounting reports highlighted by the auditing information security system and through their actions were responsible for bringing the corporation to the verge of bankruptcy [21]. Thus, while information technology may effectively support system security, the people involved can compromise this security.

c) The role of government

SAV activities are related directly to Vietnam's economic and political issues and the Vietnamese Government's management and supervision. According to the State Audit Office of Vietnam [4], the SAV is responsible for controlling and monitoring how the state budget and the government's money and assets are managed and used. In this regard, the SAV's audit results may significantly aid the Vietnam Government in managing the revenue and expenditure of the state budget [12]. On the other hand, the Government may intervene in the SAV's affairs through tools such as policies and administrative procedures. For example, the Vietnam Government may examine and make decisions concerning whether or not it should approve the SAV's expenditure schedule, personnel policy and development strategy [10]. However, whether government interventions increase or decline depends on specific situations and is unpredictable.

d) System Stability

Auditing systems face the inherent risk of inappropriate actions; in other words, the stability and security of auditing systems may meet with potential threats arising from the intentional and unintentional acts of the people involved [20]. People's actions, in turn, are affected by cultural factors. It would appear that auditors of different cultures may approach the same auditing standards in dissimilar ways. According to Cowperthwaite [22], while audit engagements are conducted in Great Britain, South Korea and France under the same global standards, the interpretation and practice of these audit engagements appear to be inconsistent due to the impact of cultural differences. Also, as he states, although auditors apply generally accepted international auditing standards for audit engagements, auditors' opinions, skepticism and individual traits may drive how they conduct audit engagements. Thus, human auditors may impact on auditing system stability.

The stability of auditing systems is enhanced by both clear and effective auditing standards and the effective use of IT.

As the Queensland Audit Office [23] notes, auditing standards, which play an important role in setting out the basic principles and crucial procedures using for all audit engagements, are the guideline and lodestar of audit activities. Information technology, as well as improving operating effectiveness and auditing practices, supports the practical application of auditing standards and strengthens the stability of the auditing system [7, 24]. Because technology works based on logical thinking without being impacted by emotional and psychological issues [25], technological advances can be applied to ensure that the auditing system is operated effectively and precisely and is not influenced by external interventions.

However, technology may pose a dilemma when applying auditing standards in practice, as audit judgment requires experience, creative thought and other sophisticated skills,

which cannot be implemented by computers. Likewise, even though the application of automated software tools may save time and significant amounts of money in the implementation of auditing standards and assist in ensuring stable compliance to these, technology alone is unlikely to solve complex problems that are not clearly determined and logical analyzed [26]. What is more, technology may come up against increasing dangers from computer hackers and viruses that threaten auditing system security. For example, as the National State Auditors Association and the United States Government Accountability Office [27] warn, the Federal Bureau of Investigation (FBI) has found that serious computer security breaches, of which government agencies suffered a substantial percentage, had resulted in significant financial damage and had been increasing. Thus, system stability may be an unpredictable factor.

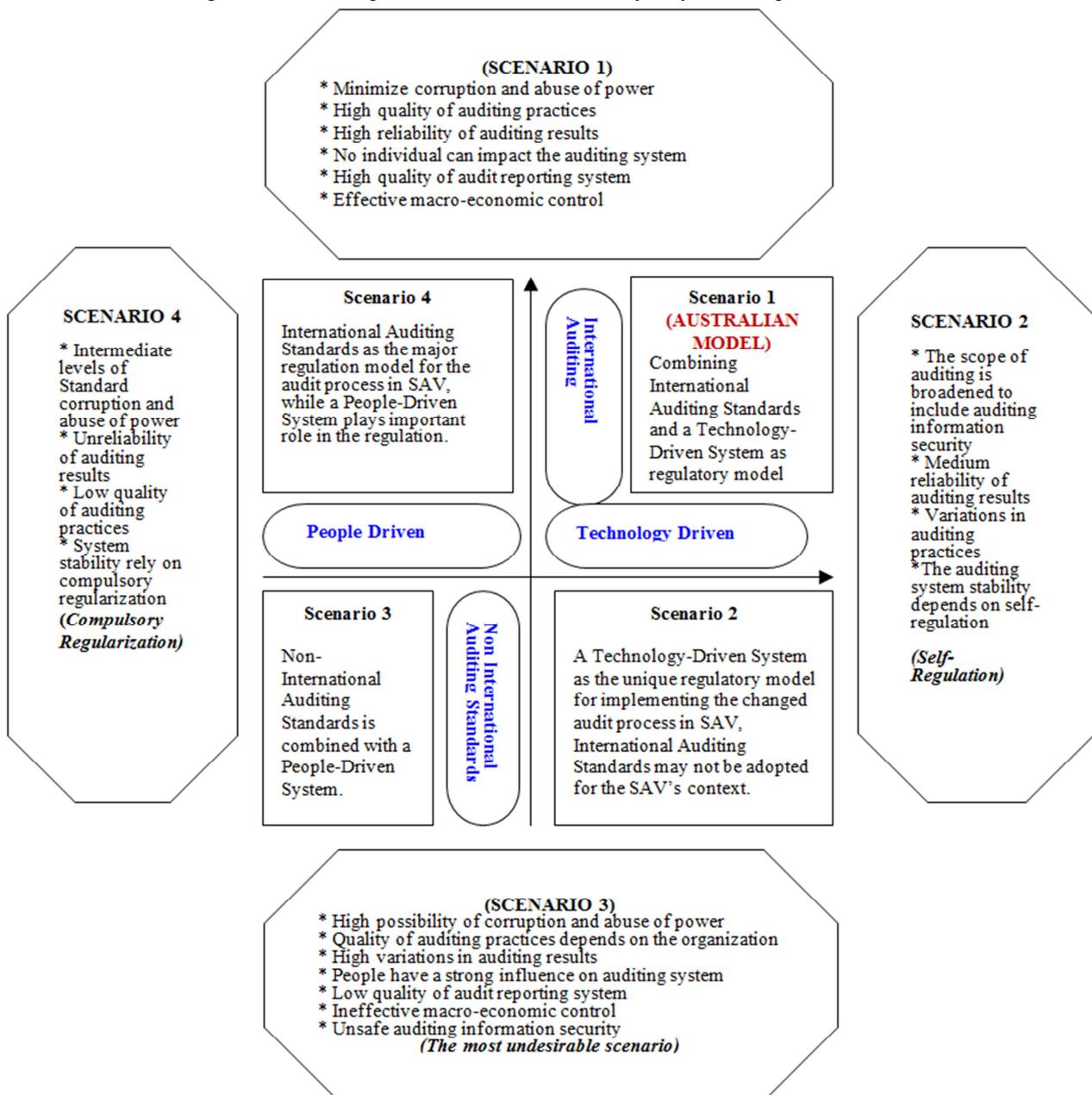


Figure 1. Change management Models of SAV's audit process.

3. Methodology

The choice of research methodology (qualitative or quantitative methodology) is crucial to the research project. Qualitative and quantitative methods conform to different standards of data collection and analysis. While quantitative methods can offer quick and clear results through statistical analysis, qualitative methods, applying techniques such as document review and in-depth interviews, can enable great depth of data collection [28]. The selection of which research methodology to apply is grounded in the specific research problem. Document review adopted can significantly improve the reliability and credibility of the research by providing a considerable amount of detailed, consistent and trustworthy data of the research problem.

The document review will include analysis of relevant auditing processes, methods, standards, procedures and reports, and policies; and review of systems, social forces combined with international auditing standards, scenarios for change management models of SAV's audit process. The goal of the document review is to obtain an overall picture of the research topic. The application of this research method will provide more reliable and up-to-date information and enable the researcher to develop four future scenarios that illustrate the key uncertainties and possibilities of the research topic.

4. Results and Analysis

The key driving forces of Systems and Social Forces combined with International Auditing Standards have been placed on two axes in conformity with Wilkinson's Four Quadrant Scenario Methodology. Scenario 1 analyzes the combination of International Auditing Standards and a Technology-Driven System; Scenario 2 analyzes the intersection of Non-International Auditing Standards and a Technology-Driven System; Scenario 3 analyzes the connection of Non-International Auditing Standards and a People-Driven System; and Scenario 4 analyzes the relationship between International Auditing Standards and a People-Driven System. These four scenarios represent the features of the key drivers discussed in section 2 above (quality of auditing practices, reliability of auditing results, macro-economic control, the auditing reporting system, corruption and abuse of power, the role of government, system stability and auditing information security) within the different elements of the four quadrants. The four scenarios for change management models of SAV's audit process are described in Figure 1.

4.1. Scenario 1: International Auditing Standards and Technology-Driven System

Scenario 1 represents the relationship between strong International Auditing Standards and a Technology-Driven System. Strong International Auditing Standards result in effective macro-economic control and high-quality auditing

practices, auditing results and audit reporting systems, while a Technology-Driven System tends to minimize corruption and abuse of power and enhance information security. These features are embedded in Scenario 1 and have positive influences on the change management of the SAV's audit process.

To begin with, Scenario 1 has positive implications from the political perspective. Australian auditing standards compatible with strong international auditing standards applied in the SAV audit engagements may improve the SAV's role and status in the Vietnamese political system. Although the SAV is responsible for supervising how the state budget, money and assets are managed and used, stronger auditing standards are required to enhance the quality of auditing practices so that the SAV can gain greater credibility within the government [4]. In addition, Scenario 1 may create positive changes for Vietnamese Government policies. High reliability of auditing results, which is one of features of Scenario 1, has significant implications for current government policies such as tax, budget, fiscal and monetary policy. For example, the Vietnamese Government may change its budget policy when it is realized that the high-reliability auditing results of SAV can test the methods of managing and using the state budget, exposing weaknesses and limitations [12]. Finally, strong auditing standards in this scenario may create positive changes in the fight against corruption and abuse of power, and in turn, strengthen effective public expenditure management, which is an important factor contributing to the promotion of the stability of political system [29].

From a social perspective, Scenario 1 may positively contribute to the building of social justice through ensuring crucial values in social relationships. Lee [30, p. 1] states that 'social justice is based on a belief that all people have a right to equitable treatment, support for their human rights and a fair allocation of societal resources'. Scenario 1, which has characteristics such as high quality of auditing practices and highly reliable auditing results, may ensure financial transparency and accountability, significantly facilitating the equal development of the relationship between labor, income and the ownership and distribution of assets among individuals and groups in society [31]. In addition, strong Auditing Standards combined with a Technology-Driven System in Scenario 1 increase the likelihood of aspects of social justice such as minimized corruption and abuse of power and effective macro-economic control. Indeed, Pasipanodya [32] states that anti-corruption and effective macro-economic control might be preconditions for ensuring social justice. Along with those positive affects, this scenario tends to create an ideal environment that may be attractive to foreign direct investment flows, increase employment, enhance economic stability, and promote social security, welfare and prosperity.

From an economic perspective, Scenario 1 appears to represent positive implications for the Vietnamese economy. In fact, Vietnam, as a promising developing country, tends to

be attractive to foreign direct investment flows coming from developed countries such as the United States of America, France and the United Kingdom, and from international organizations [33]. Strengthening financial transparency and accountability in public expenditure management may significantly promote Vietnam's economic development [12, 34]. In addition, minimizing corruption and abuse of power, which appears to be a characteristic of this scenario, may strengthen political stability and public trust, and significantly attract foreign investment capital flows that result in stable and strong economic growth [35]. Finally, the effective public expenditure management attained in Scenario 1, as discussed above, will have similar positive influences on political stability and economic growth [29]. Those positive changes, in turn, promote the development of the Vietnamese economy.

As Manita and Elommal [6] state, the audit system will achieve an optimal effectiveness with a combination of effective strong auditing standards and an auditing system driven by high-quality social forces. In contrast, conflict between international auditing standards and social forces appear likely to create potential weaknesses and limitations in the audit system. It is also worth noting that the Australian public sector auditing model may portray to some extent the characteristics of scenario 1. In fact, a combination of both strong auditing standards and competent harnessing of social forces has brought positive achievements in the quality and effectiveness of Australia Government public sector auditing [3].

It is clear that that scenario 1, which represents the most advantageous and positive features of the change model of SAV audit process, is likely to be regarded as the most desirable scenario. In order to have an insight into Scenario 1, further, broader studies relevant to this scenario in the context of SAV should be undertaken.

4.2. Scenario 2: Non International Auditing Standards and Technology-Driven System

The second scenario shows the combination of non-use of International Auditing Standards and a Technology-Driven System. This scenario describes features such as strong auditing information security and auditing system stability ensured by the government intervention on the one hand, and medium reliability of auditing results and inconsistency in auditing practices on the other. The combination and interaction of these significant drivers create both optimistic and pessimistic results in Scenario 2.

The application of IT auditing may open a hopeful future for the development of SAV's auditing practices. To begin with, through applying technological advances such as data centers, networks and application security into SAV activities, the efficiency of auditing practices can be considerably improved, saving time and resources. In fact, as Lombardi, Bloch, and Vasarhelyi [7] note, formatted audit software may generate audit transcriptions and outcomes automatically, precisely and straightforwardly if it is provided with adequate and appropriate audit data. Secondly, IT solutions can considerably enhance the effectiveness of the SAV's audit

information collection and assessment methodologies as well as the ability to check of historical audit data and update audit information. For example, Dahanayake [36] indicates that the strong audit methodologies applied by the Australian Government audit offices utilize the developed IT audit systems as electronic databases in which audit documents and audit evidence are stored, directly connecting the laptop computers of the field auditors to the data of the client information and the testing documents, and integrating the field audit work with statistical sampling packages of the Computer Assisted Audit Techniques (CAATS). Furthermore, audit independence and objectivity, which require general, consistent and strict auditing standards [10], but which are difficult to achieve for human auditors of all audit organizations, can be facilitated by IT auditing techniques [18]. Thus, the research should conduct further investigations about the role of information technology in developing effective solutions for the current problems of SAV.

From the perspective of government policy, weak auditing standards combined with a Technology-Driven System in Scenario 2 may lead to variations in auditing practices and audit results, which in turn, may obstruct the government's budget and fiscal policies [37]. For example, if the audit results of the SAV identify weaknesses and limitations in the Vietnam Government's fiscal or budget policies, the Government may amend or change these [10]. However, weak auditing standards in Scenario 2 tend to provide uncertain reliability of auditing results, so the government's policy amendments and supplements based on these auditing results may not entirely ensure accuracy and appropriateness, and may negatively impact on the government's budget management [12]. In addition, weak auditing standards appear to cause negative impacts not only for audit activities but also for the government's economic macro-control. For example, in the United States of America, gaps and weaknesses in the American auditing and accounting system led to corporate misconduct and fraud and problems related to the auditors' independence and professional ethics, resulting in huge financial scandals in 2001 [21]. Thus, scenario 2 may have negative implications for the ability of the Vietnam Government to set forth appropriate budget policies and establish economic macro-control.

Although weak auditing standards in Scenario 2 may have disadvantages for economy, these disadvantages may be outweighed by the advantages of IT auditing techniques, which may result in brighter economic prospect. First, as described above, audit independence and objectivity, which can be achieved by IT auditing techniques, may heighten reliability of auditing results and thus the effectiveness of macro-economic control [12], promoting economic development. Second, emphasis on IT audit techniques might save time and financial and human resources for the government, creating benefits for economy [18, 24]. Third, application of IT auditing techniques is appropriate for a world that has increasing dependence on computerized systems by both auditees and auditors [7, 18, 24]. This may enhance audit quality and in turn, improve the efficiency of

public expenditure. Lastly, IT auditing techniques may minimize opportunities for corruption and abuse of power [18]. This may enhance financial transparency, which increases public confidence and foreign investment, and promotes economic growth.

Weak auditing standards, which tend to be a common feature of developing countries [5], may be substituted by the application of information technology auditing [19]. The Comptroller Auditor General of India is an example of a government audit office applying IT auditing techniques to balance the insufficiency in auditing standards. As Sah [18] states, through the application of automatic audit software and self-regulation mechanism, auditors can obtain audit results by inputting required data into the IT auditing system. Such IT auditing systems may enhance social justice thanks to the inherent strengths of IT auditing techniques such as ensuring financial transparency and minimizing corruption and abuse of power. However, instead of expecting external intervention, Scenario 2 requires the self-regulation. While Scenario 2 represents some negative implications for the SAV's auditing system, its overall results tends to be positive, and it is important to note that Scenario 2 may be viable in the context of SAV in Hanoi.

4.3. Scenario 3: Non-international Auditing Standards and People-Driven System

Scenario 3 portrays a combination of Non-International Auditing Standards and a People-Driven System. It is characterized by features such as a high possibility of corruption and abuse of power, the dependence of auditing practice quality on the SAV, high deviations in auditing results, an auditing system impacted by the varying quality of staff members, a low-quality audit reporting system, ineffective macro-economic control and unsafe auditing information security. These features add up to a tremendously negative picture of Scenario 3.

From a political point of view, Non-International Auditing Standards in Scenario 3 may increase the likelihood of levels of corruption and abuse of power. Corrupt practices in the Vietnamese Government occur at an alarming rate and are increasing [35]. The question arises of the extent of the SAV's responsibility, taking into account this situation. As [17] notes, although public sector auditing plays an important role in the fight against corruption, its poor auditing standards may weaken its role. Weak auditing standards may be exploited and taken advantage of for embezzlement and corruption. As Smith [38] and Mutiullah and Adekunle [39] note, the potential for government corruption appears to be present in all public offices. Auditors (even the most talented auditors) may be defeated or lose their integrity and professional ethics under the power and temptation of money and position. Auditors who conduct audit engagements without having proper and effective auditing standards tend to be placed into circumstances that greatly tempt them to abuse their entrusted power for corrupt practices and they may succumb to this temptation. In this situation, it becomes easier for auditors to practice deception to achieve unjust or

illegal benefits. For example, four SAV auditors were recently arrested for requesting for and accepting a bribe from investors and contractors in Quang Ngai Province, Vietnam [14]. Thus, Scenario 3 has negative implications from the political perspective.

From a social perspective, Scenario 3 tends to cast a black shadow on Vietnam's society. Firstly, while pressing social issues such as the low wages and income of the majority of the Vietnamese people have not been resolved [33], high levels of embezzlement and corruption in Scenario 3, as mentioned above, may exacerbate these issues and induce negative reactions from the people. They may cause social instability. In addition, as Ngo [5] notes, weak auditing standards may have negative influences on audit quality and the control and monitoring of state budget management and utilization. In turn, these negative influences may create the conditions for the proliferation of inequitable treatment, such as inequalities in state budget allocation, capacity assessment, appointment and empowerment, which may lead to social disorganization.

The potentially high levels of corruption and abuse of power of Scenario 3 tends to cause negative impacts for Vietnam's economic development prospects. The degree of corruption and abuse of power seems to be in inverse proportion to economic growth and the development of the economy [40]. As Nguyen and Van Dijk [35] state, corruption and abuse of power in Vietnam, which is unlikely to be effectively prevented by the Vietnam Government's anti-corruption attempts, is considerably detrimental to private sector growth and imposes significant harm on the development of the economy. For example, 86,000 billion VND (over 4 billion USD) have been lost from the Vinashin Corporation's abuse of power case (one of the state enterprises of Vietnam) that pushed the corporation to the point of bankruptcy in 2010 [41]. Such abuse of power case causes heavy losses to Vietnam's reputation and economy.

To sum up, Scenario 3 is termed as the most undesirable scenario, with negative implications from political, economic and social points of view.

4.4. Scenario 4: International Auditing Standards and People-Driven System

This scenario portrays a picture combining International Auditing Standards and People-Driven System. It has the features of intermediate levels of corruption and abuse of power, unreliable auditing results, low-quality auditing practices and an unstable system. While the implications and drivers of Scenario 4 have been referred to in scenarios 1, 2 and 3, Scenario 4 is distinct from an economic perspective, compared to these three scenarios.

From an economic perspective, Scenario 4 is seemingly unable to create a breakthrough in economic development in the short term. On the one hand, as analyzed in Scenario 1, strong auditing standards may enhance the quality and effectiveness of SAV audit activities, positively assist in fighting against corruption and abuse of power and enhance financial transparency, in turn creating advantageous

conditions for Vietnamese economic development. On the other hand, in Scenario 4, the People-Driven System, as mentioned in Scenario 3, tends to aggravate corruption and abuse of power that pessimistically affect the prospect of economic development. In addition, strong auditing standards may even cause an unexpectedly negative impact on economic efficiency, because they are inefficient to implement without IT support [18].

In the long run, through implementing required regularization, scenario 4 appears to go in the same direction as scenario 1, promoting the development of Vietnamese economy. In the United States of America, the compulsory regularization required by the Sarbanes-Oxley Act in the audit field has had positive impacts on improving financial transparency and audit quality, promoting financial market stability and development [42]. Thus, scenario 4 appears to reflect the positive contributions of the SAV audit model to Vietnamese economic development in the long term.

That Vietnam is opening the door to and integrating into the world economy may be seen through the signing of the Bilateral Trade Agreement between Vietnam and the United States of America, Vietnam's becoming an official member of the World Trade Organization, the Government's policies towards attracting foreign direct and indirect investment, and improvements in trade between Vietnam and western countries such as the United States of America, France and the United Kingdom [33]. Therefore, it can be argued that the auditing standards of SAV could be changed to become compatible with those of western countries, of which the United Kingdom may be an ideal choice. In fact, as the Institute of Chartered Accountants in England and Wales [43] notes, United Kingdom auditing standards, which are regarded as strong and effective, cover and provide detailed guidance for all aspects of its audit activities and play an important role in ensuring and controlling audit quality, and the effectiveness of the audit activities substantially rely on the strict and compulsory compliance of these standards. In order to achieve social justice, Scenario 4 enforces auditing standards upon the SAV auditors. It thus may be referred as Compulsory Regularization.

5. Conclusion

This paper has identified and assessed four different but plausible scenarios based on the major drivers of the research topic. All in all, Scenario 1 represents the most desirable prospect, and should be considered as the optimal target, and Scenario 3 appears to portray the most disappointing and negative outlook that needs to be eliminated in the change management process. Scenario 2 and 4 reflect a combination of one advantageous and one disadvantage driving force, tending to create both optimistic and pessimistic perspectives. Whether or not the change management model emphasizes social drivers of change (as represented in Scenario 2) or international auditing standards (as described in Scenario 4) is likely to be substantially dependant on SAV infrastructure, vision and development strategy as well as Vietnam

Government support and relevant policies. Consideration of all four scenarios leads to a consistent conclusion that the application of international auditing standards will strengthen social justice and audit quality.

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