

HO CHI MINH NATIONAL ACADEMY OF POLITICS

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**QUALITY OF STATE AUDIT IN
VIETNAM IN THE CONTEXT OF INTERNATIONAL
INTEGRATION**

ABSTRACT OF DOCTORAL THESIS

SECTOR: POLITICAL ECONOMY

Code: 9 31 01 02

HANOI - 2026

**The project was completed at
Ho Chi Minh National Academy of Politics**



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**The thesis will be defended before the Academy-level Thesis Grading
Council meeting at the Ho Chi Minh National Academy of Politics**

Come on.... hours..., days... month... in 202...

**The thesis can be found at the National Library
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INTRODUCTION

1. The urgency of the topic

In the context of deepening international economic integration, the requirements for public financial transparency, enhancing accountability and modernizing national governance have become urgent. As an agency established by the National Assembly, the State Audit Office holds a key position in inspecting, supervising, managing and using the budget and public assets, ensuring the publicity, transparency and efficiency of public finance. The integration process, especially the implementation of international standards of INTOSAI and ASOSAI, requires the State Audit Office to further improve the quality of audits in line with global practices.

However, the practice of state audit in the period of 2019-2025 shows that the quality of audits still has many limitations such as: the capacity of auditors between fields is uneven; the level of application of technology, big data and risk analysis is still limited; the effectiveness of the implementation of audit recommendations is not high and the system of criteria for assessing audit quality is not in line with the requirements of international integration. These limitations create a significant gap between the requirements of integration and the current capacity of the state audit in Vietnam.

In this context, the systematic and comprehensive study of the quality of state audit in Vietnam in the context of international integration has become an urgent requirement both theoretically and practically. In terms of theory, it is necessary to clarify the concepts, criteria and factors affecting the quality of audit according to international standards, placed in the political and economic approach. In practice, it is necessary to analyze the current situation, identify bottlenecks and propose solutions to improve the quality of audit activities, meet the State Audit Development Strategy to 2030, the vision to 2045 and integration requirements in the new period.

It is from these practical and urgent theoretical requirements that the author chooses the topic "**Quality of state audit in Vietnam in the context of international integration**" to carry out this doctoral thesis, Political Economy in order to contribute scientific arguments for improving the quality of public audit, strengthen public finance transparency, improve the effectiveness of national governance and meet the requirements of international integration in the new period.

2. Research objectives and tasks

2.1. Research objectives

The thesis aims to explain general theoretical issues, analyze and evaluate the current status of the quality of the State Audit Office of Vietnam in the period of 2019 - 2025. From there, proposing a system of solutions to improve

the quality of the SAV in the context of international integration, with an orientation to 2030 and a vision to 2045.

2.2. Research tasks

From the research objectives, the thesis topic performs the following tasks:

- Overview of the research situation to identify gaps to be filled;
- Systematize and clarify the theoretical and practical basis for the quality of the State Audit Office in international integration;
- Analyze and assess the current status of the quality of the State Audit Office of Vietnam in the period of 2019 - 2025, clearly indicating the results, limitations and causes;
- Propose views and solutions to improve the quality of the State Audit Office in the 2030 orientation period and vision to 2045.

3. Object and scope of research

3.1. Research objects

The thesis focuses on theoretical and practical research on the quality of state audit in the context of international integration, considered from the perspective of political economy.

3.2. Scope of research

- *Content*: Focus on the quality of the State Audit Office in the economic relationship between the auditing agency and the audited unit
- *Space*: Focus on the quality of the State Audit Office in the economic relationship between the auditing agency and the audited unit.
- *Regarding time*: The thesis studies the current situation in the period of 2019 - 2025 and proposes solutions for the period to 2030, with a vision to 2045.

4. Theoretical basis, practice and research methods

4.1. Theoretical and practical basis

The thesis is based on the methodology of dialectical materialism and historical materialism, along with the Party's lines and guidelines and the State's legal policies. In practice, the thesis exploits international experience in improving audit quality in the context of integration.

4.2. Research methodology

The author uses a combination of 04 scientific research methods. Specifically:

- *Scientific abstraction method*: It is the main method to isolate random factors, retain the essence and core relationships, thereby forming a theoretical framework and evaluation criteria system.
- *Data collection and processing methods*: Collecting, systematizing, analyzing and evaluating documents from the SAV's report, INTOSAI/ASOSAI documents, legal documents and scientific works to position development trends.

- *Systematization, synthesis, analysis and statistical methods*: Organize logical information according to problem groups (scale, capacity, efficiency), analyze data to clarify influencing factors.

- *Comparison method*: Compare the quality of the State Audit Office of Vietnam with developed countries and international practices to determine the position and gap in the integration process

- *Case study methodology*: In-depth analysis of audit models in China, Malaysia and ASOSAI members to draw practical lessons.

5. New scientific contributions of the thesis

5.1. Theoretical contributions

- The thesis develops a concept, identifies the contents, criteria and factors affecting the quality of state audit from the perspective of political economy science in the context of international integration.

- Clarify the importance of the quality of state audit in recommending the implementation of laws and policies of the National Assembly and the Government.

- Contributing to the increase of research materials on public audit, especially research on the quality of state audit in the conditions of Vietnam's international integration.

5.2. Practical contributions

- Provide an overall picture of the current state of quality of the State Audit Office of Vietnam in the period of 2019 - 2025.

- Provide scientific evidence to help state agencies formulate policies to improve the effectiveness of public financial supervision.

- On the basis of theoretical and practical surveys, the thesis has proposed a system of solutions to improve the quality of state audit in Vietnam in the context of international integration

6. Structure of the thesis

In addition to the Introduction, Conclusions, Recommendations, List of References and Appendices, the content of the thesis is divided into 04 chapters:

Chapter 1: Overview of research works related to the quality of state audit in the context of international integration

Chapter 2: Theoretical and practical basis for the quality of state audit in international integration

Chapter 3: The current situation of the quality of state audit in Vietnam in international integration

Chapter 4: Perspectives and solutions to improve the quality of state audit in Vietnam in international integration

Chapter 1

OVERVIEW OF RESEARCH WORKS RELATED TO THE QUALITY OF STATE AUDIT IN THE CONTEXT OF INTERNATIONAL INTEGRATION

1.1. OVERVIEW OF DOMESTIC AND FOREIGN RESEARCH WORKS RELATED TO THE THESIS TOPIC

1.1.1. Group of research works related to audit and state audit

1.1.2. Group of research works related to state audit in international integration

1.1.3. Group of research works related to the quality of state audit in international integration

1.2. GENERAL ASSESSMENT AND ISSUES THAT NEED FURTHER STUDY

1.2.1. General evaluation of published research results

Studies have unanimously affirmed that the SAV is an inseparable power institution of the rule of law, playing the role of a "counterweight of power" to control public finances. Audit quality has been shaped as a complex economic category, reflecting the capacity to exercise state power. In practice, studies have proven that the State Audit Office of Vietnam is strongly shifting from the role of "post-audit" to constructive, promoting transparency and accountability.

1.2.2. Gaps that need to be further researched in the thesis

Through an overview of research works related to the thesis topic, the author realizes that there has not been a complete, updated and systematic study of the quality of state audit in the context of international integration from the perspective of political economy. Therefore, there are still many issues that need to be clarified, specifically as follows:

Firstly, analyze and clarify the concept, content and criteria for assessing the quality of state audit in the context of international integration.

Secondly, analytics, Assessment of the current situation the quality of state audit in Vietnam in the period 2019-2025.

Thirdly, pointing out the limitations and causes governing the quality of Vietnam's state audit in the context of international integration.

Fourth, proposing a number of solutions to develop human resources in the financial sector in the context of digital transformation in Vietnam in the period to 2030, with a vision to 2045.

Chapter 2

THEORETICAL AND PRACTICAL BASIS FOR THE QUALITY OF STATE AUDIT IN INTERNATIONAL INTEGRATION

2.1. SOME GENERAL ISSUES ON STATE AUDIT AND THE CONCEPT, CHARACTERISTICS AND IMPORTANCE OF STATE AUDIT QUALITY IN INTERNATIONAL INTEGRATION

2.1.1. Some general issues on state audit

2.1.1.1. Related theories on the quality of state audit in international economic integration

The thesis approaches the topic based on four main theoretical pillars: (1) Theory of public governance: Affirming that the SAV is an inseparable institution of modern governance, with the function of ensuring transparency, financial integrity and accountability. The relationship between public governance and the SAV is organic, in which the SAV transforms governance requirements into independent audit practices. (2) Institutional theory: Emphasizing that the quality of the SAV depends on the legal environment and norms (such as INTOSAI, ISSAI) to achieve legitimacy and efficiency in the context of integration. (3) Representative theory: Explain the role of the State Audit Office in solving the problem of "representatives" between the people (resource owners) and the State (authorized persons), helping to minimize the risk of abuse of rights and group interests. (4) Accountability theory: Identify the SAV as a tool to control power, forcing public entities to report and take responsibility for their financial decisions.

2.1.1.2. Some models of state audit in the world

The thesis analyzes three popular SAV models in the world: Westminster Model (under the Parliament, popular in the UK/Commonwealth); Court model (with jurisdictional functions, common in France); and the Mixed/Homogeneous Model (collective leadership, common in Germany/Korea).

2.1.1.3. Applicable auditing standards

INTOSAI's International Auditing Standards Framework (IFPP) plays a fundamental role in standardizing global public audit practices through a strict three-layer structure of principles, standards and practice guidelines. The application of IFPP helps the State Audit Office of Vietnam improve transparency, professionalism and efficiency of public governance, and at the same time create a basis for transitioning to a risk-based audit model in line with international trends. In parallel with international standards, domestic audit activities operate under the Head regime and the principle of democratic centralization, ensuring the unified direction of the State Auditor General on the basis of absolute compliance with the law. Finally, the assignment and decentralization of tasks clearly associated with the requirement of proper compliance with authority, order and procedures is a core factor to help improve the accountability and quality of execution of the auditor team.

2.1.1.4. Significance of international standards for the quality of Vietnam's state audit

Firstly, contributing to completing the legal framework and state audit process in line with global practices.

Secondly, to evaluate the quality of audit activities based on objective, transparent and comparable criteria.

Third, strengthen the position of the State Audit Office of Vietnam in regional organizations such as ASOSAI, ASEANSAI, and INTOSAI

Fourth, improve the confidence of the public and international partners in the transparency and efficiency of the use of public finance in Vietnam.

2.1.2. Definition, characteristics and importance of state audit quality

2.1.2.1. Concept of state audit quality in international integration

On the basis of synthesizing views, the thesis provides a definition of the quality of the State Audit Office in the context of international integration: "*State audit quality is the level of full and effective implementation of the function of inspecting and supervising the management and use of public resources of the State. associated with the achievement of public audit objectives in the relationship between the auditing agency and the audited entity, through the optimization of institutions, human resources, technology and audit processes to improve transparency, accountability and efficiency in the use of public finance in the context of international integration*".

2.1.2.2. Characteristics of the quality of state audit in international integration

The quality of state audits in the context of international integration is shaped by five core characteristics, reflecting the shift from technical compliance to public value creation. Firstly, quality is measured by the level of realization of the goals of transparency, resource management efficiency and accountability, building social trust instead of just stopping at business processes. Secondly, it is reflected in the dialectical relationship between the auditing agency and the audited entity, in which independence and cooperation are the foundation to increase the persuasiveness of the recommendations. Third, quality depends on the ability to synchronously optimize institutional, human resources, technology and process factors to adapt to international standards such as INTOSAI or ISSAI. Fourth, this activity is associated with the mission of ensuring public value, providing transparent information for the National Assembly and the people to supervise, which is completely different from the profit goal of private auditing. Finally, the quality of audits is highly dynamic and adaptive, continuously improving to harmonize with global standards (IFPP) and the changing international governance environment.

2.1.2.3. The importance of state audit quality in international integration

The quality of state audit in the context of international integration is of

great importance in inspecting and strictly controlling the process of financial management and public assets, helping to prevent losses and waste and ensure the efficient use of national resources. This activity is not only an effective tool to prevent corruption through enhancing transparency and accountability of the public apparatus, but also a driving force to promote international cooperation, helping Vietnam comply with global fiscal commitments. approaching modern standards and improving the country's reputation and position in front of partners and investors

2.2. CONTENTS, CRITERIA AND FACTORS AFFECTING THE QUALITY OF STATE AUDIT IN INTERNATIONAL INTEGRATION

2.2.1. Contents of state audit quality in international integration

2.2.1.1. Organizational apparatus and conditions for quality assurance of state audit

The organization of the state audit apparatus and conditions for quality assurance reflect internal capacity through building a lean apparatus, promoting the role of the head and improving the qualifications of auditors. At the same time, the application of information technology and compliance with international standards are key factors to help optimize resources and affirm its position in integration.

2.2.1.2. Detected violations of the State Audit Office and proposed recommendations

The ability to detect errors and the quality of the proposals are a core measure of the effectiveness of public financial power monitoring, indicating a shift from detecting technical errors to identifying systemic problems through the application of international standards and risk approaches. The audit conclusions are increasingly improving in terms of accuracy, objectivity and expanding the scope to sensitive areas, making recommendations not only to recover finance but also to improve institutions and policies, thereby promoting accountability and compliance rate at the audited unit. However, compared to international practices, the State Audit Office of Vietnam needs to continue to promote operational audits, apply data analysis technology and strengthen post-audit sanctions to truly become a tool for creating policies and ensuring national financial transparency in the context of integration.

2.2.1.3. Results of state audit of national public financial management in the context of international integration

The results of the state audit are a key measure reflecting the quality of public financial governance in integration, directly promoting the efficiency of using resources and improving legal institutions according to international standards. Through information transparency and enhanced accountability, the audit results not only strengthen social trust but also enhance national competitiveness and financial credibility. This is an important tool for Vietnam to meet its commitments to integrate, attract investment and build a modern and sustainable public finance.

2.2.2. Criteria for assessing the quality of state audit in the context of international integration

2.2.2.1. Group of criteria on organizational capacity and resources of the State Audit Office of Vietnam: This group evaluates the basic factors of "input" that determine audit quality. The focus includes the criteria of leanness, efficiency and independence of the organizational apparatus to ensure the unified and objective operation; criteria for the quality of human resources according to international standards are measured through the proportion of auditors with international certificates and in-depth professional capacity; and the criteria on the level of infrastructure modernization and digital transformation capacity reflect the ability to apply information technology and big data to audit activities.

2.2.2.2. Group of criteria for detecting violations and audit effectiveness: This group measures the actual "output" of supervision activities. Specifically, the criteria for scale, structure and risk orientation assess the level of focus on key areas instead of spreading out; criteria on the capacity to detect violations and recommendations for financial handling reflecting the quality of the findings and the value of the recommendations for handling; and criteria for the effectiveness of the implementation of recommendations and the level of coverage, measuring the compliance rate of the audited unit as well as the scope of local budget supervision.

2.2.2.3. Group of criteria on the level of integration and impact on public governance: This group assesses the position and "impact" of audit in the context of integration. The content includes criteria for compliance and compatibility with international standards through the application of the ISSAIs/INTOSAI system; the criteria of the position and capacity of international cooperation are reflected in the role at multilateral forums and coordinated audits; the same criteria on the impact of transparency and institutional improvement, assessment, contribution to policy revision and national public finance transparency.

2.2.3. Factors affecting the quality of state audit

The thesis studies the following aspects: (1) Capacity and resources of the auditing agency; (2) The Party's guidelines, the legal framework and national policies on audit and integration; (3) Economic, political and social environment; (4) Economic development and the level of international integration; (5) The development of science and technology.

2.3. EXPERIENCES OF SOME COUNTRIES ON IMPROVING THE QUALITY OF STATE AUDIT IN INTERNATIONAL INTEGRATION AND LESSONS WITH VIETNAM

2.3.1. Experience of some countries around the world

The thesis chose to study Malaysia, Indonesia and China because of its similarities with Vietnam in terms of economic level, institutions and

challenges in public financial management, and has successfully implemented strong reforms and international integration.

2.3.2. Lessons learned for Vietnam to improve the quality of state audit in international integration

From the reform experience of Malaysia, Indonesia and China, Vietnam needs to prioritize the completion of the legal framework to ensure institutional independence, and at the same time develop a team of high-quality auditors associated with international certificates and standards. At the same time, promoting comprehensive digital transformation, innovating risk-based audit methods and actively integrating deeply into multilateral forums (INTOSAI, ASOSAI) are key solutions to improve the effectiveness, efficiency and position of the State Audit Office in the new context.

Chapter 3

CURRENT STATUS OF STATE AUDIT QUALITY IN VIETNAM IN INTERNATIONAL INTEGRATION

3.1. OVERVIEW OF STATE AUDIT IN VIETNAM

3.1.1. History of the formation of the State Audit Office in Vietnam

The State Audit Office of Vietnam (SAV) was born and developed in association with the renovation and transformation to a socialist-oriented market economy. Before 1994, financial inspection was mainly carried out by inspection agencies in a limited scope. On July 11, 1994, the Government issued Decree No. 70-CP establishing the State Audit, marking a historical turning point in the establishment of an independent and professional financial control system.

3.1.2. Apparatus of the State Audit Office in Vietnam

The State Audit apparatus operates under a centralized - decentralized model, headed by the State Auditor General and strategic advisory units. The audit function is carried out by a system of specialized units by sector and a network of regional units that supervise the local budget, in addition to non-business units that support training and communication.

3.2. THE CURRENT SITUATION OF THE QUALITY OF STATE AUDIT IN VIETNAM IN INTERNATIONAL INTEGRATION IN THE PERIOD OF 2019 - 2025

3.2.1. The current situation of the State Audit Office's capacity

3.2.1.1. Organizational capacity and operation mechanism of the State Audit Office of Vietnam

In the period of 2019 - 2025, the SAV maintains a unified management model but has flexible adjustments. In the first stage, the scale of organizational

focal points is kept stable. From 2022, the organizational structure will shift in the direction of streamlining, rearranging functions and tasks to improve efficiency.

Operational capacity is specifically demonstrated by the ability to plan and deploy audit teams:

Table 3.1. Capacity to organize and implement audit tasks of the State Audit Office of Vietnam in the period of 2019 - 2025

Year	Number of audit delegations	Number of planned audits	Number of audits performed	Number of main audit areas/segments	Planned Implementation Rate (%)
2019	204	214	214	7	100%
2020	188	205	205	7	100%
2021	192	229	229	7	100%
2022	241	190	190	7	100%
2023	174	177	135	7	76.27%
2024	167	183	121	8	66,1%
2025	-	179	-	8	-

Source: State Audit

3.2.1.2. Capacity of auditors and efficiency of use of human resources

In the period of 2019 - 2025, the SAV has built a team of auditors according to the motto "artistic, bright mind", with a structure of ranks, qualifications and expertise increasingly approaching international standards. Regarding the civil servant rank, about 87% of civil servants hold the rank of state auditor, exceeding the goal of the State Audit Development Strategy; including senior auditors, principal auditors and reasonably allocated auditors. In terms of qualifications, over 98-99% of civil servants and public employees have a university degree or higher, with dozens of doctorates, nearly 900 masters, many of whom have been trained abroad or have international certificates (ACCA, ACCF, etc.). The structure of training majors is quite diverse: about 58-61% are in the finance – accounting – auditing – banking sector, about 22% are in the technical sector (construction, transportation, irrigation, etc.), the rest are law, management, information technology, etc. meet the requirements of implementing all three types of audits: financial, compliance and operations.

In terms of the use and organization of human resources, the State Audit Office currently has over 2,000 people, with 32 department-level units, of which about 75.5% are civil servants working in auditing, 12% working in

administration and about 12.5% are public employees and contract workers. Specific working environment: auditors often go to delegations, work for a long time (40-60 days per batch, 2-3 audits per year, 6-7 months away from home), creating conditions for practical training, rotation, challenges, thereby forming a team with strong political courage, clear professional ethics, professional working style and ability to integrate internationally.

Training and fostering are considered an important pillar to improve the quality of human resources. From 2019, the SAV has strongly shifted to training according to job positions, closely associated with the requirements of each audit field, focusing on training courses for senior auditors, specialized auditing skills, operational auditing, IT auditing, environment, target programs, etc. The scale of training has increased steadily: every year dozens of classes with thousands of students, in which the proportion of training in IT and big data analysis (IDEA) is quite high. The SAV also builds a network of part-time lecturers and strengthens international cooperation (as with ICAEW).

Table 3.2. Scale of training and retraining of the State Audit Office of Vietnam in the period of 2021 - 2025

Year	Number of training and refresher training classes	Number of turns of civil servants and public employees participating	Number of IT Training Classes/Courses	Number of IT training participation	Number of training programs and materials completed/accumulated
2021	31	2.210	7	214	25
2022	34	2.425	9	263	31
2023	38	2.945	10	287	36
2024	41	3.026	9	238	39
2025*	12 (as of 9/2025)	1.481	8	142	39 (stable)

Source: Compiled from the training report of the State Audit Office of Vietnam for the period of 2021 - 2025.

In addition to the achieved results, the thesis also points out a number of issues: the gap between the training framework, regulations and new requirements of digital transformation still exists; the training in high technology, big data auditing, AI... have not really caught up with the trend; Although the performance evaluation system (KPI) has been developed (Decision 1937/QĐ-KTNN) and is a step forward in quantifying and

standardizing the evaluation of delegations, groups and members of the audit delegation, it is still difficult to fully measure the "substantive quality" of the audit (depth of analysis, policy impacts, prevention values, etc.). Therefore, KPIs are only a supporting tool, which need to continue to be improved, combined with qualitative assessments to properly reflect the quality and efficiency of using audit human resources.

3.2.1.3. Capacity of technical infrastructure, information technology and digital transformation for audit

In the period of 2019 - 2025, IT infrastructure will be upgraded in a cycle of 2-3 years. The State Audit Office has deployed more than 30 software for audit management and support, connecting data with major ministries and sectors (Finance, Banking, Social Insurance). The IT development strategy to 2030 was issued to orient digital transformation. However, the application of advanced technologies such as Big Data and AI is still not really thorough and the effectiveness is still limited due to uneven infrastructure and human skills.

3.2.2. The current state audit quality from the results of detection and handling of violations and the level of compliance

3.2.2.1. Fund tissue and trend of implementation of audit activities The size of the audits in this period has fluctuations reflecting the change in strategy from "breadth" to "depth".

Unit: Quest/Mission

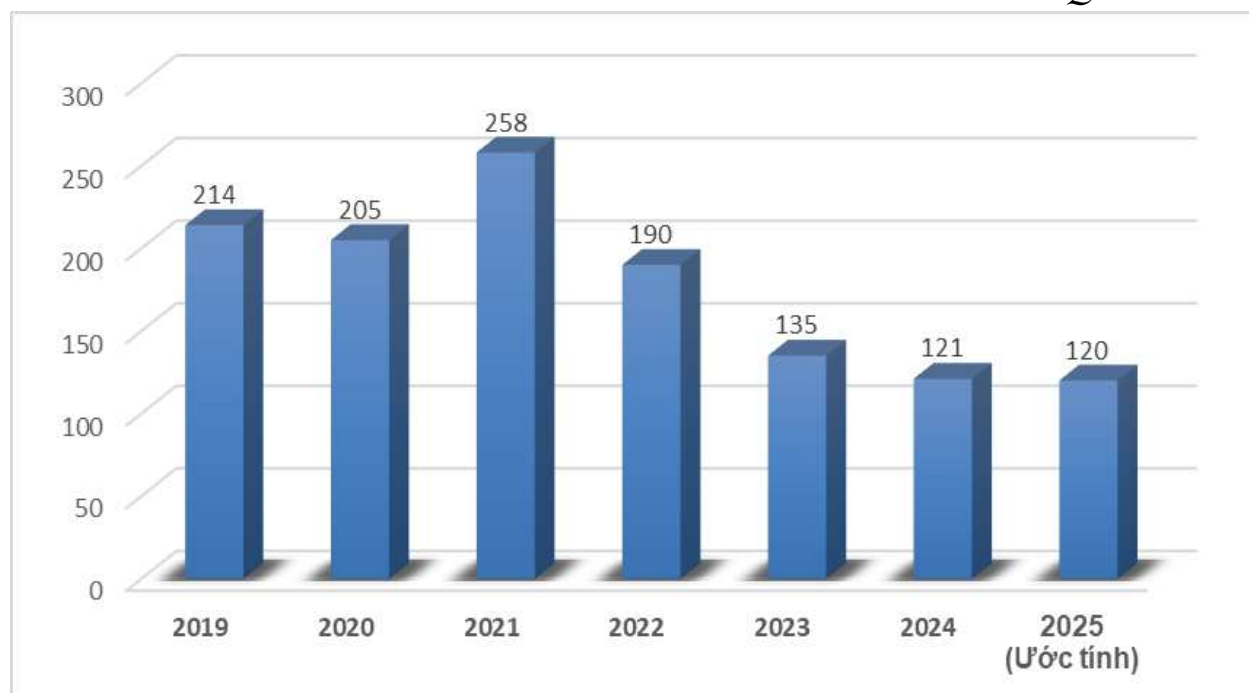


Figure 3.4. Number of audits by auditors state in the period of 2019 - 2025

Source: Compiled from the report of the Ministry of Finance

Figure 3.4 shows that the number of audits of the State Audit Office of Vietnam has fluctuated sharply in the period of 2019 - 2025, clearly reflecting the change in the strategy of audit activities, from expanding the scale in breadth to focusing on improving the quality and focus of each audit.

3.2.2.2. Structure of the type of audit and the level of focus on potential risk areas

The table below presents the structure of types of audits conducted by the State Audit Office in the period of 2019 - 2025, thereby showing the shift in focus and concentration in areas with high risk levels or having a direct impact on governance. to administer the national budget and finance.

Table 3.3: Structure of types of audits reflecting the quality of implementation of state audit activities in the period of 2019 - 2025

Unit: %

Report Year	State budget audit	Operational Audit	Thematic Audit	Audit of investment projects	Financial Audit	Defense Audit	Audit in the field of Security, Party agencies
2019	34,83	2,49	5,97	34,83	14,43	6,97	0,50
2020	37,80	3,83	4,78	32,54	11,48	7,66	1,91
2021	36,26	2,92	15,20	32,75	9,36	1,75	1,75
2022	36,84	5,79	15,79	19,47	9,47	6,32	6,32
2023	28,68	5,15	19,12	22,79	12,50	8,09	3,68
2024	52,46	3,83	13,11	12,02	7,65	5,46	5,46
2025 (estimated)	49,50	6,20	17,40	10,85	7,10	5,95	2,90

Source: Compiled from the Summary Reports of the State Audit Office of Vietnam for the period of 2019 - 2025

The structure of audit types of the State Audit Office of Vietnam in the period 2019-2025 shows the trend of shifting from traditional audits (finance, compliance) to focusing more on the state budget, investment projects, operational audits and thematic audits – areas with potential risk of loss, waste and have a great impact on public finances.

In particular, the state budget audit always accounts for the largest proportion, the audit of high-investment projects at the beginning of the period and then gradually decreases; Operational audits and thematic audits, although the rate is smaller, tend to increase, reflecting the requirements for evaluating management efficiency and effectiveness. Audits in the field of defense, security and Party agencies maintain a low and specific proportion. In general, the structure of the type of audit clearly shows the shift in focus to high-risk

areas, thereby reflecting the capacity to identify risks and the orientation of public financial supervision of the State Audit Office of Vietnam.

Unit: Rate %

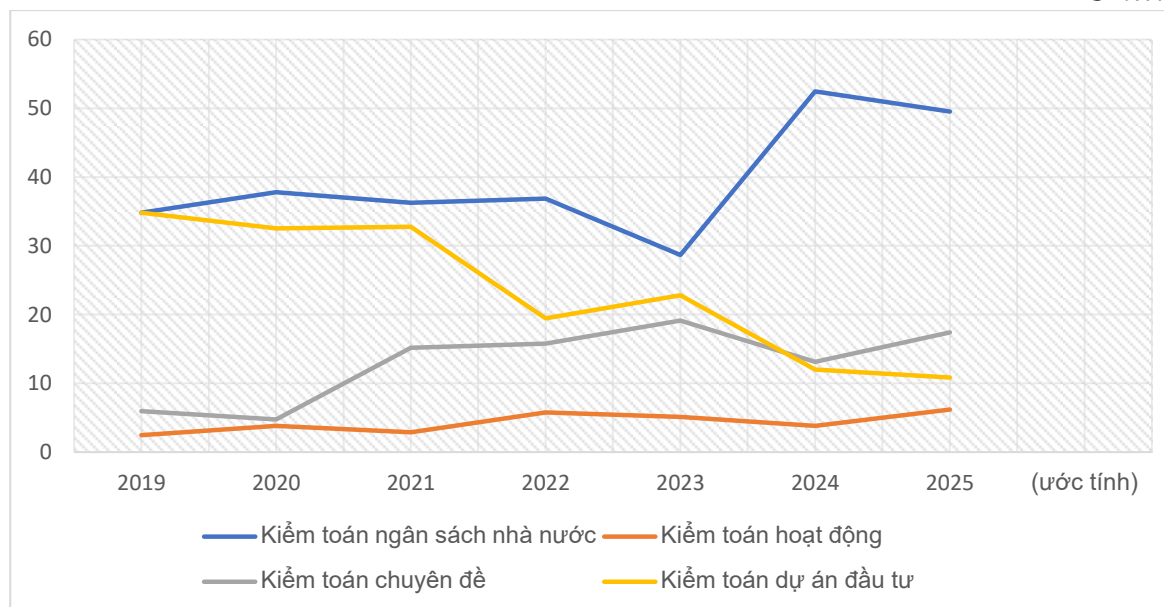


Figure 3.5. Structural trends of some types of basic audits in the period of 2019 - 2025

Source: Compiled from the Summary Reports of the State Audit Office of Vietnam for the period of 2019 - 2025

Through the structure of types of audits, it can be clearly seen that the quality of state audits is not only measured by the number of audits, but also deeply reflected by the determination of the right focus, scope, audit methods and the ability to adapt to standards. international practices, contributing to improving the efficiency and prestige of the State Audit Office of Vietnam in the context of integration.

3.2.2.3. Ability to identify risks and detect material violations

In the period of 2019 - 2025, the State Audit Office of Vietnam's ability to identify risks is increasingly strengthened, as reflected in the proportion of audits focusing on high-risk areas increasing sharply from 7.94% in 2019 to 25.62% in 2024, and maintaining a level of over 24% as estimated in 2025. This is a testament to the shift from spread auditing to focused auditing, prioritizing areas that are prone to loss, waste or have a major impact on public finances.

Areas that are heavily audited include: land management, PPP investment, mineral resources, ODA loans, public assets, national target programs, social policies, environment, climate change and economic recovery programs after COVID-19. This choice reflects the ability to identify key issues, closely follow socio-economic fluctuations and the sensitivity of each sector.

The increase in the proportion of audits in the high-risk group shows that the SAV is gradually approaching risk-based audit methods according to international

standards, contributing to improving the ability to detect material violations, identify systemic risks and make recommendations with high warning value. This confirms the trend of improving audit quality, avoiding spreading, and focusing on areas that have the potential to have a great impact on public financial governance.

3.2.2.4. Audit effect of local budgets and control of public resources

Local budget audits play a particularly important role in the management of public finances due to the large scale of expenditures and the scope of management that spans many levels of government. Therefore, the level of audit coverage for localities is an important indicator reflecting the scope of impact and supervision effectiveness of the SAV.

Table 3.6: Scope of implementation of state budget audit activities in the period of 2019 - 2024

Year	Number of localities audited (Only local budget audits in the year)	Number of localities audited (Only audit of local budget settlement reports)	Number of localities audited (General Audit)	Total number of provinces audited	Total number of provinces and cities	Coverage Rate (%)
2019	41	8	0	49	63	77,78
2020	44	8	0	52	63	82,54
2021	28	10	8	46	63	70,02
2022	22	10	28	60	63	95,24
2023	4	35	20	59	63	93,65
2024	4	35	22	61	63	96,83

Source: State Audit

In the period of 2019 - 2024, the scope of local budget audits has expanded markedly, reflected in the addition of general audits in addition to annual budget audits and audits of settlement reports. The proportion of localities audited increased from 77.78% in 2019 to 96.83% in 2024, showing the trend of expanding coverage and innovating approaches in a more comprehensive and systematic direction.

In 2025, due to the rearrangement of administrative units, the number of provinces will decrease to 61, the SAV plans to audit 58 localities, continue to maintain a coverage of about 95%, and at the same time strengthen general audit.

In general, the scope of local budget audits over the years shows the expansion of scale, improving the comprehensiveness and quality of supervision, contributing to strengthening budget discipline and approaching international auditing practices.

Table 3.7: Results of financial processing through the state audit in the period (2019 - 2024)

Unit: billion VND

Report Year	Audited Budget Year	Summary of recommendations for financial handling (Billion VND)	Proposal to increase state budget revenue	Proposal to reduce state budget expenditure	Proposals for other financial handling
2019	2018	95.865	14.482	20.430	60.953
2020	2019	61.774,60	7.392,80	14.545,70	39.836,10
2021	2020	66.959,90	8.803,30	16.593,10	41.563,50
2022	2021	71.605	4.641,30	29.953,70	37.010
2023	2022	49.941,42	3.841	17.505,33	28.595,09
2024	2023	49.940,10	3.840,95	17.503,73	28.595,42
Total	—	398.086	43.001	116.532	236.553

Source: State Audit

Table 3.7 reflects the current situation of financial processing results through state audit activities in the period of 2019 - 2024, thereby showing that one of the most important aspects of state audit quality is the ability to detect violations and the impact of audit on public financial governance in the context of international integration. The summary of financial handling recommendations in the whole period reached VND 398,086.02 billion, showing that the scale of the value of financial issues detected by the State Audit and recommended for handling continued to remain at a high level. This data reflects the role of the State Audit Office not only as a professional tool but also as a tool to control economic power, contributing to the transparency of public financial management in the process of international integration.

The results of the implementation of financial handling recommendations in the period of 2019 - 2024 not only show the enforcement effect of the audit conclusions but also reflect the capacity of supervision, warning and institutional reform that the State Audit Office is gradually affirming in the process of modernizing public financial management and international integration.

3.2.3. The current situation of the contribution of audit quality to state management activities and international integration

3.2.3.1. Contribution of audit quality in the implementation of commitments on multilateral integration and cooperation

In the period of 2019 - 2025, the improved quality of state audits has made an important contribution to the implementation of Vietnam's international integration commitments. The State Audit Office (SAV) has gradually approached and applied international auditing standards (ISSAIs), with more than 50 standards

applied in operational, environmental, IT and risk assessment audits, helping audit processes and reports to be more standardized, transparent and easy to compare internationally. This supports Viet Nam to better fulfill its reporting, financial transparency and accountability obligations under trade agreements, ODA commitments and a set of global public finance evaluation criteria.

At the same time, the State Audit Office actively participates in supreme audit organizations such as INTOSAI, ASOSAI, ASEANSAI and takes on many important roles, including the Chairman of ASOSAI for the term 2018 - 2021. In the period of 2022 - 2024, the SAV will attend more than 50 international conferences and seminars and host many major events, such as the INTOSAI WGBD Conference in 2024. In addition, bilateral and regional coordinated audits will increase from 2 in 2019 to 5 in 2024, focusing on Mekong River management, plastic waste, climate change, ODA and sustainable development goals.

International cooperation activities continue to expand with the number of international delegations received, the number of participating conferences and the number of training programs increasing sharply after the COVID-19 pandemic. The SAV also raises the level of information transparency through the publication of more and more bilingual audit reports (from 3 reports in 2019 to 8 reports in 2024), while maintaining international knowledge sharing platforms.

3.2.3.2. Manifestation of channels of impact of international integration on the quality of state audit

The current state of international integration of the State Audit Office of Vietnam in the period of 2019 - 2025 shows that the integration process not only expands cooperation and applies international standards, but also forms many channels that directly impact audit quality. These channels include: receiving and applying ISSAI standards; participate in training and knowledge transfer; implement coordinated audits; application of international auditing practices and tools; strengthening the application of technology; expand roles and information transparency.

Integration helps the State Audit Office to innovate its professional thinking, shift from traditional methods to modern audits based on risk and data analysis; improving auditor capacity through training, workshops and international audits; promote the application of technology, e-Audit and international tools such as ClimateScanner; at the same time, increasing the prestige and role of the State Audit Office in regional and global forums. Integration also creates a strong incentive for information transparency and standardization of audit activities.

In general, international integration has become an endogenous driving force to promote the comprehensive transformation of the State Audit Office of Vietnam, contributing to markedly improving the quality, methods and professional standards in state audit activities.

3.2.3.3. Changes in audit quality in the context of international integration

International integration has impacted the quality of the State Audit through the following channels: changing professional thinking, modernizing methods (risk audit, remote audit), improving human resource skills and strengthening technology application. The change in quality is reflected in:

Method: Shift to risk-based audit (application rate in 2024 exceeds 85%).

Scope: Expand to global areas such as SDGs, climate change.

Transparency: Enhance the publication of bilingual and international standard reports.

3.3. ASSESSMENT OF THE QUALITY OF STATE AUDIT IN VIETNAM IN INTERNATIONAL INTEGRATION

3.3.1. Results and causes

3.3.1.1. Results achieved

In the past period, the quality of state audit has achieved many important results.

First, the state audit capacity has been firmly strengthened and gradually shifted from the administrative audit model to the audit model based on modern standards, with focus and results.

Secondly, the quality of state audit has made significant progress, reflected in the ability to detect and propose handling of violations more and more deeply and widely and have an impact on improving public financial management behavior.

Thirdly, the quality of state audit has created a role as both a tool for supervising public finance in the country and an agent to promote international audit integration according to advanced standards and practices.

3.3.1.2. Causes of achieved results: Favorable legal framework (Law on State Audit, Strategy 2030); The capacity of the KTV team has been improved; The political environment is stable and the trend of deep integration.

3.3.2. Limitations and causes

3.3.2.1. Limitations

First, the process of improving audit capacity has not reached national synchronization and standardization. Despite the improvement, audit capacity still develops unevenly between units; the application of ISSAI is not consistent; human resources in new fields are lacking; technology and processes are not connected, limiting the level of professionalization of the whole industry.

Second, the quality of audit conclusions is still unstable and strict. Some audit reports are not in-depth, the conclusions are not convincing; the application of risk assessment is not uniform; the recommendations are still general and difficult to implement. This reduces the accuracy and objectivity and affects the reputation and effectiveness of state audit activities.

Third, the state audit is only at an adaptive level, not yet playing a leading role in public governance innovation. Vietnam mainly receives international

standards rather than creates; its contribution to the innovation of regional audit methods is still limited; it has not formed a role in creating knowledge or leading thematic audits, limiting its position in the international auditing community.

3.3.2.2. Causes of restriction

Firstly, the legal framework and audit policies are still inconsistent, not keeping up with the requirements of innovation and integration. Regulations on new fields are still unclear; the implementation process is inconsistent; the mechanism for coordination and inter-sectoral data sharing is still weak, reducing the effectiveness of supervision.

Secondly, the capacity and level of specialization of auditors are not uniform between fields and regions. A part of auditors has not mastered modern audit methods and data analysis skills, making the quality of audit reports and recommendations inconsistent and convincing.

Thirdly, the audit methods, processes and tools implemented are not consistent. Many delegations still use traditional methods, have not fully applied risk-based audits; technology infrastructure, data and software have not been integrated, leading to process interruptions, duplication of content and reduced audit productivity.

Fourth, international integration in auditing has not gone into depth. The application of ISSAI standards is still limited, lacking detailed guidance in each field; the capacity for internalization and implementation of standards is still weak, causing the State Audit Office to not fully exploit the value of international cooperation and quality standardization according to global practices.

Chapter 4

VIEWS AND SOLUTIONS TO IMPROVE THE QUALITY OF STATE AUDIT IN VIETNAM IN INTERNATIONAL INTEGRATION

4.1. DOMESTIC AND INTERNATIONAL CONTEXT AND REQUIREMENTS FOR IMPROVING THE QUALITY OF STATE AUDIT IN VIETNAM IN INTERNATIONAL INTEGRATION

4.1.1. International context

First, the trend of globalization and international economic integration places increasing demands on transparency, accountability and efficiency in public governance, emphasizing the role of the supreme audit body in ensuring fiscal discipline and implementing the Sustainable Development Goals (SDGs).

Secondly, the Fourth Industrial Revolution and digital transformation with technologies such as AI, big data, blockchain, and cloud computing are fundamentally changing the method, scope and way of organizing public audits.

Third, the trend of expanding the scope of audits to global issues such as climate change, sustainable development, digital financial security, and transboundary water management requires the State Audit Office to participate

more deeply in the fields of non-traditional auditing and regional cooperative auditing.

Fourth, competitive pressure and the requirement to affirm international position force the State Audit Office of Vietnam to standardize audit quality, improve auditor capacity and enhance the transparency of audit results to meet the expectations of the international community.

4.1.2. Domestic context

Firstly, the requirement to strengthen supervision of the management of public finance and public assets in the context of limited budget resources and increasing public debt puts the State Audit Office in a key position in ensuring fiscal discipline and discipline.

Secondly, the policy of national digital transformation to 2025, with a vision to 2030 requires the State Audit Office to promote the application of technology, electronic auditing and big data analysis in the entire audit process.

Thirdly, the pressure of information transparency and the increasing expectations of people, businesses, investors and international organizations require audit activities to be public, standardized according to international practices, timely and valuable for policy orientation.

Fourth, it is required to develop a team of auditors with deep professional qualifications, knowledge of new fields (environment, information technology, digital economy, SDGs), proficiency in foreign languages and technology skills, and capable of participating in international audit activities.

4.1.3. Requirements for improving audit quality in Vietnam in the context of international integration

Firstly, to complete the legal and institutional framework for auditing in accordance with the INTOSAI Auditing Standards Framework (IFPP), internalize ISSAI, and strengthen the independence and access to information of the State Audit Office.

Secondly, develop audit human resources in the direction of professionalization and internationalization, equip them with multidisciplinary knowledge, data analysis skills, technology use capacity, risk assessment and in-depth understanding of international standards, and strengthen professional ethics and political courage.

Third, promote the application of technology and digital transformation in audit activities, using big data analysis tools, artificial intelligence, public financial management information systems and automatic risk assessment tools to improve accuracy, expand the scope and detect systemic violations.

Fourth, strengthen the mechanism for monitoring, monitoring and implementing audit recommendations, considering the level of implementation of recommendations as the main measure of audit effectiveness, and at the same time improve the accountability and coordination mechanism between the State

Audit Office, the National Assembly and the Government.

Fifth, expand the scope and form of auditing, focusing on operational audits, environmental audits, digital transformation audits, results-based budget audits and IFPP compliance audits, thereby enhancing the role of auditing in public finance reform and policy making.

Sixth, strengthen international cooperation, deeply participate in ASOSAI, ASEANSAI, INTOSAI to learn from experiences, standardize methods, enhance national prestige and fully meet commitments on public financial transparency with the international community.

4.2. OBJECTIVES OF VIETNAM'S INTERNATIONAL INTEGRATION AND VIEWPOINTS ON IMPROVING THE QUALITY OF STATE AUDIT IN VIETNAM IN INTERNATIONAL INTEGRATION

4.2.1. Objectives of international integration in the field of audit of Vietnam

Firstly, integration aims to approach and apply international auditing standards (IFPP/INTOSAI), standardize business processes and improve audit quality according to global *practices*. *Secondly*, integration helps to strengthen institutional and human capacity, bringing Vietnam closer to modern auditing methods such as operational audits, environmental audits and risk-based *audits*. *Third*, integration contributes to improving the reputation of public finance, creating trust with investors, international credit institutions and development partners, thereby supporting macroeconomic stability and improving capital costs. *Fourth*, integration helps to expand multilateral cooperation, affirms the role of the State Audit Office of Vietnam in ASOSAI, ASEANSAI and INTOSAI, and actively contributes to joint efforts on fiscal transparency and regional public governance.

4.2.2. Viewpoints on improving the quality of state audit in Vietnam in international integration

Improving the quality of state audit in the context of international integration must be based on long-term and comprehensive strategic orientations. *First*, the State Audit Office must play a central role in protecting financial discipline and promoting transparent and modern public governance, not only stopping at the supervisory function but also actively creating, preventing risks and criticizing policies based on the highest international standards. *Second*, audit quality must be built on a strong institutional foundation, independent and compatible with international practices; the internalization of ISSAIs, the completion of the legal framework and the transition to an audit model based on risk, results and impact are key conditions for improving fiscal supervision and policy coordination. *Third*, people must be considered the center of audit quality; state auditors need to be developed into a team of multi-disciplinary experts, proficient in technology, foreign languages, data analysis and have high public ethics, capable of

participating in international audits and handling complex public finance issues. *Fourth*, the State Audit Office must strongly transform to a digital model, considering data as a strategic asset and technology as the operating platform; the integration of big data, artificial intelligence, risk warning systems and real-time audits is an inevitable trend to improve audit efficiency and modernize the financial supervision apparatus work. *Fifth*, the State Audit Office of Vietnam needs to become an active part of the global public audit network, actively contribute to international standards, expand coordinated auditing, participate in initiating regional initiatives and enhance Vietnam's position in forums such as ASOSAI, ASEANSAI and INTOSAI.

4.3. SOLUTIONS TO IMPROVE THE QUALITY OF STATE AUDIT IN VIETNAM IN INTERNATIONAL INTEGRATION

4.3.1. Completing mechanisms, policies and legal framework for state audit

Completing the legal framework is a fundamental solution to improve the quality of state audit in the context of digital transformation and international integration. It is necessary to prioritize: (1) amending and supplementing the Law on State Audit and documents under the law to institutionalize new types of audits such as environmental audits, IT audits, and digital audits; (2) clearly stipulating accountability, time limit for providing electronic information and sanctions for handling violations in the implementation of audit recommendations; (3) develop a shared data sharing mechanism with inspection, finance, tax, and customs agencies to avoid overlap and improve coordination efficiency; (4) Streamline the apparatus in the direction of professionalism, reduce focal points, and at the same time form units in charge of new fields in accordance with the State Audit Development Strategy to 2030.

4.3.2. Improving the capacity, qualifications and specialization of the state auditor team

Human resources are the determining factor for audit quality. Therefore, it is necessary to implement solutions: (1) build a competency framework according to international standards associated with each job position, including professional auditors, technology, policy analysis; (2) innovating training in the direction of experiential – applied learning, encouraging auditors to take exams for international certificates such as ACCA, CPA, CIA, CISA with financial support mechanisms; (3) develop an "integrated auditor" model with multi-disciplinary capabilities; (4) adopt a quantitative KPI evaluation system and a 360-degree evaluation model to enhance personal accountability; (5) ensure that 100% of auditors are equipped with digital competencies and modern data analysis skills (IDEA, Power BI, Python), along with specialized foreign language competencies for integration.

4.3.3. Modernization of audit processes, methods and tools

In order to adapt to the digital era, the State Audit Office needs to

comprehensively innovate its operating methods. Focus includes: (1) transitioning from traditional compliance audits to risk-based audits and policy impact assessments; (2) standardize the process for each type of audit based on ISSAIs to ensure consistency and transparency; (3) developing an audit technology ecosystem including big data analysis software, centralized data warehouses and AI applications in risk classification; (4) implement remote audit using an integrated electronic platform, combining face-to-face and online audit models; (5) develop a set of quality assessment indicators and feedback mechanisms to ensure continuous improvement.

4.3.4. Strengthen coordination and information sharing with stakeholders

Strengthening coordination is an important solution to improve audit efficiency and avoid duplication and waste of resources. The key contents include: (1) promulgating a regulation on coordination with the audited unit, clearly stipulating the responsibility to provide electronic data; (2) building an inter-API-based data sharing portal with the Ministry of Finance, Treasury, Tax, and Customs to ensure confidentiality and decentralization; (3) closely coordinate with the Government Inspectorate, investigating agencies and report to the National Assembly on the implementation of recommendations to strengthen supervision; (4) promote the publicity of audit results, organize press conferences and open channels to receive feedback from people and businesses; (5) Promote internal coordination between regional audits and specialized teams through data sharing and the implementation of inter-regional audits.

4.3.5. Promoting international integration and auditing according to global standards

International integration is the driving force to improve the quality of state audit. The solutions include: (1) developing a roadmap for the internalization of ISSAIs and issuing a bilingual guidance manual; (2) training in integration capacity, international working skills and sending staff to participate in INTOSAI/ASOSAI training courses; (3) proactively propose and participate in coordinated audits on global topics such as climate change, water security, ODA management; (4) developing external communication infrastructure, building English information pages and publishing bilingual audit reports; (5) participating in proposing initiatives at regional forums, building a network of international audit experts to affirm Vietnam's position.

4.3.6. Development of information technology infrastructure and scientific research

This is a key lever to modernize the state audit. It is necessary to implement: (1) invest in modern IT infrastructure, including international standard data centers and cloud computing platforms, proceed to build a national audit data warehouse interconnected with ministries and branches; (2)

developing an audit management software system (AMS), data analysis tools and AI applications to support risk detection; (3) digitize all audit records, build an electronic library and online learning platform to spread knowledge; (4) establishing a Strategic Research Center and a Scientific Development Fund to promote applied research, creating a theoretical and practical foundation for the innovation of auditing methods and technologies.

CONCLUSION

In the context of strong international economic integration and increasing requirements for public financial transparency, the State Audit Office as the supreme public financial supervisory agency faces the urgent task of improving audit quality to meet international standards and national governance reform requirements. The thesis "The quality of state audit in Vietnam in the context of international integration" is carried out on the basis of Marxist-Leninist political economy theory combined with modern approach to public governance, has clarified some of the following core theses:

Firstly, the State Audit plays a central role in ensuring financial discipline and promoting transparency in state budget management. There can be no modern public finance without an audit mechanism that is of high quality, independent, objective and capable of evidence-based policy criticism.

Secondly, the thesis has systematized and supplemented the theoretical basis for the quality of state audit in international integration, fully identifying the concepts, components, evaluation criteria and influencing factors. This is a meaningful contribution in the context that Vietnam is internalizing international auditing standards (ISSAIs/IFPP) and transforming the auditing model mathematics in the direction of modernity and professionalism.

Thirdly, on the basis of a practical survey in the period of 2019 - 2025, the thesis points out an objective picture of the quality of state audit: remarkable progress in the process, scope and level of technology application; however, there are still inadequacies such as the legal framework is not synchronized, the capacity of auditors is uneven, limited in coordinating data sharing and the level of international integration is not commensurate with the new requirements.

Fourth, international integration not only opens up opportunities to comprehensively renovate state audit activities, but also poses great challenges in terms of professional standardization, digital transformation, human resource development, organizational model restructuring and strengthening institutional capacity. That requires the State Audit Office to drastically change from management to public thinking instruments, methods and operating mechanisms.

LIST OF AUTHOR'S WORKS RELATED TO THE THESIS TOPIC

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3. Cao Minh Xuyen (2025), “Improving the quality of state audit: Experiences of some countries and lessons for Vietnam”, *Journal of Economics and Forecasting*. Online access at: <https://kinhtevadubao.vn/nang-cao-chat-luong-kiem-toan-nha-nuoc-kinh-nghiem-cua-mot-so-quoc-gia-va-bai-hoc-cho-viet-nam-31625.html>