

Digital transformation in public auditing:
The case of the European Union's Napoleonic SAIs

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Abstract

Supreme Audit Institutions (SAIs) have a democratic mandate to improve public governance by promoting accountability, transparency, and better management of public resources. The public sector audit practice delivered by SAIs is expected to radically change as they adopt emerging and cognitive technologies throughout the audit process. The turn to digital-enabled public sector audit, a process coined as digital transformation, may affect several organisational dimensions. We analyse the European Union's six Napoleonic SAIs governance reports publicly available to gather initial evidence on how they address the digital transformation dimensions identified in public management and audit literature. The evidence suggests that the SAIs studied are aware of the change resulting from digital advancements. However, there needs to be more information about how SAIs cope with different dimensions in the organisational change process implied in digital transformation. Using content analysis, we uncovered the strategies and processes - or lack of their communication - the SAIs studied have been changing to implement digital transformation. In the end, we expect that the paper's results highlight challenges and possible solutions to increase the quality of democracy through SAIs' digital transformation. Our research adds to the literature by identifying the message SAIs share about digital transformation with the stakeholders.

Keywords: digital transformation, emerging technologies, public sector audit, supreme audit institutions