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THE EFFICIENCY MEASUREMENT SYSTEM AS A PART OF THE INTERNAL AUDIT IN A POLISH BUDGETARY UNIT

Abstract: Public finance sector units are constantly looking for ways to improve their efficiency. Therefore, an increasingly important role is played by audits, in particular performance audits. They support management in achieving goals and tasks by systematically evaluating them, especially in terms of efficiency and effectiveness. Measures are an extremely important element in these audits. They provide information on the degree of the achievement of objectives and the expenditures incurred in reaching them. The usefulness of measures depends on the correctness of their selection. The aim of this article is to indicate the importance of measures in conducting audits, both theoretical and practical. It also describes the features which the measures should have, and in particular the measures used in the researched budgetary unit. As a result of this assessment, significant irregularities, primarily of a methodological nature, were found. The main reason of the mistakes made in this area was the staff's insufficient knowledge about the discussed issue, and lack of experience. The identified irregularities have become the premise for the development of a new set of measures which meets the specified requirements and can be applied in practice in all budgetary units carrying out similar activities. The implementation of the objective required a literature review, the application of the general deductive method, analyses of the materials made available by the researched entity, and an interview with the Head of the department dealing with financial and administrative matters in the unit.

Keywords: efficiency, internal audit, measures, budgetary unit, public finance sector.

1. Introduction

Entities operating in today's economies are expected to effectively use the available resources. This involves making rational decisions which contribute to maximising the results achieved (Howes et al. 2014) by determining the available options for action and then choosing the ones which would be the most favourable from the point of view of the adopted criteria (Levin and Milgrom 2004). Recently, this type of activity was expected primarily from private entities, but currently the effective use of resources is also required from units included in the public finance sector (Tanzi and Schuknecht 2000; Heller 2003). They are part of the New Public Management trend (Kuhlmann

2010) which determines the way of thinking about managing public entities by effecting changes to the activities of these entities (Denhardt and Denhardt 2015; Lapsley 2008; Kokko et al. 2018).

The efficiency of undertaken actions should be enhanced by, *inter alia*, internal audits. Their task is to add value and to improve an organisation's operations by a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes (The Institute of Internal Auditors). Internal audits play a key role in the functioning of private entities and public institutions (Berhe et al. 2016), increasing the reliability of internal control, improving risk management (Al-Matari et al. 2014), adding value (Yee et al. 2008), and thus contributing to the success of the organisation (Kiabel 2012). Auditing also affects the results achieved (Hutchinson and Zain 2009), *i.e.* efficiency, but in order to raise their level, this efficiency first needs to be measured by constructing appropriate measures, and then developing rules for assessing the values they can take.

The purpose of this article is to indicate the importance of measures in auditing from both the theoretical and practical points of view. In addition, the features which should be met by the measures are described, and the measures used in the audited budgetary unit are characterised. Based on the evaluation of the functioning system of measures, a new set of these is proposed. It meets the requirements described, and, due to its universal and utilitarian nature, can be used in practice in all budgetary units conducting similar activities. The implementation of this goal required a review of the literature on the subject, the use of a general deductive method, an analysis of the source materials made available by the audited entity, and an interview with the Head of the department dealing with financial and administrative matters in the unit.

2. Literature review

2.1. Efficiency and its importance in the functioning of budgetary units

Efficiency is a certain attribute, a desirable feature of the performed activities and, first of all, should be properly defined. In simple language, the word efficiency means the use of resources (time, energy) in a way which does not create waste (Cambridge Dictionary). The scientific approach, however, requires a more precise description, the more so that in the literature it is understood differently and associated with many synonyms.

Peter Drucker believed that efficiency did not exist without effectiveness, so you need to do the right things in the right way. It makes no sense to do something well if one doesn't need it. Effectiveness is the basis for undertaking an efficiency analysis (Drucker 2007). It can be stated that efficiency is inextricably linked to effectiveness and proficiency. Actions undertaken by economic entities must be aimed at achieving their set goals. However, the same goals can be reached in different ways. Even entities

which achieve their desired results but use too many resources for that purpose cannot be called efficient. A similar situation will also occur if the organisation sets wrong goals. In this scenario, it is difficult to talk about proficient actions regardless of whether their costs are high or low. On this basis, it can be concluded that efficiency should be considered in two dimensions. Doing the right things means achieving one's goals, i.e. effectiveness. Specific action is expected to bring the expected result. The second dimension of efficiency is proficiency, which means fast, agile and skilful actions. In the language of economics, "proficient" simply implies "rational". In economic sciences proficiency should be seen primarily in the context of the principle of rational management. It is therefore important to conduct business sparingly, and to achieve the goals set at the lowest cost (Daujotaitė and Mačerinskienė 2008).

The key issue related to efficiency is its measurement. A descriptive (qualitative) assessment would certainly be sufficient in many cases but would not play an important role in the complex economic reality. Entities interested in the condition of their organisation require measurable information, easy to interpret, which could become the basis for making decisions. That is why efficiency is treated as a quantitative category (Curristine et al. 2007) which characterises the technical and economic aspect of the activities performed. The basic, most general efficiency formula takes the following form (Mihaïu et al. 2010; Afonso et al. 2005):

$$E = \frac{Rs}{Rc}, \quad (1)$$

where: E – efficiency,
Rs – results achieved,
Rc – resources used.

The quotient of results and resources involves two previously described dimensions of efficiency – results obtained due to business operations (effectiveness) and the resources used (proficiency). Quantifying the results and resources, and expressing them in the same units, preferably monetary, is a concrete process (Neely 2005) and facilitates an unequivocal assessment of the researched entity.

The Act on Public Finance in force in Poland repeatedly indicates the principles of efficiency and effectiveness, imposing their application on public sector entities in the fields of functioning and spending of public funds while maintaining the principles of obtaining the best results from the available resources, and the optimal selection of the methods and expenditures to achieve the planned goals (Ustawa z dnia 27 sierpnia 2009 r o finansach publicznych).

There are several definitions regarding the concept of efficiency in the public sector, and the literature on this field of research dates back to the turn of the 20th century (Voghoei and Jamali 2018). Today, a properly functioning authority, regardless of the level at which it is exercised, should ensure the provision of high-quality public

goods, and operate effectively (de Oliveira 2012), promoting efficiency and effectiveness (Voghoui and Jamali 2018). The efficiency of the public sector is also important because its expenditures affect economic growth, although the conclusions on this subject from the studies carried out so far in the literature are ambiguous (Bayraktar 2019; Wang and Alvi 2011).

The efficiency of spending public funds should be considered as a search for savings, i.e. the use of solutions which will optimise results. The use of information on efficiency in the decision-making process improves the allocation of resources while contributing to financial discipline (Curristine et al. 2007). However, savings should not be seen only as reducing expenditure, and consequently failing to perform certain public tasks, but spending funds in a way which brings the best benefits. In some areas it is not possible to reduce expenditures, in others it is difficult to lower them, so it should lead to the type of resource management which gives the most satisfactory results. Efficiency becomes particularly important in financial crises which directly contribute to reductions in budgetary resources, and thus public expenditure (Lehmann et al. 2018).

Therefore, efficiency in the public sector should be treated as maintaining the best possible ratio of costs (expenditures) to results, while effectiveness should be understood as achieving the planned goals, generally without taking into account the value of the resources used (Mandl et al. 2008). However, effectiveness should be associated not only with quantitatively expressed results (e.g. the number of days spent by patients in hospitals), but primarily with the level of satisfying social needs as a result of performing the tasks (e.g. the number of cured patients) (Afonso et al. 2010). Performance management is based on monitoring the relationship between resources and results (European Court of Auditors 2017). The ongoing monitoring and evaluation of efficiency are becoming opportunities to obtain increasingly better results from conducted operations (Talbot 2010). The effectiveness of these activities depends on, among other things, behavioural factors (knowledge, experience, attitudes of employees) and the proper construction of the measures used (Şerban and Herciu 2019).

2.2. Performance audits and their specifics in the Polish public sector

In accordance with the New Public Management, it is necessary to strive to introduce market management principles into public institutions, which is inseparably connected with the measurement and assessment of efficiency (Bleyen et al. 2015). The obligation to perform such activities arises, as mentioned above, directly from the Polish Act on Public Finance. According to its provisions, in the Government sector's planning and spending funds should be based on a performance budget system whose integral element is the measurement of the achievement of objectives. Management control must also be used to ensure the efficiency and effectiveness of the actions taken. Management control means all the actions taken to ensure the implementation of tasks and goals in a lawful, efficient, economical and timely manner. Internal audits are part of this kind of control. Being an independent and objective

activity focused on effectiveness and efficiency, it supports the Minister managing the department, or the Head of the unit, in the implementation of tasks and objectives by a systematic assessment of management control and advisory activities (Ustawa z dnia 27 sierpnia 2009 r o finansach publicznych). There are two basic types of internal audit (European Court of Auditors 2017):

1. Financial and compliance audits – these focus mainly on the issue of compliance with the law, the legality of all transactions, or the correctness of keeping accounts
2. Performance audits – the goal is to assess the effectiveness, efficiency and economy of the entity; they take into account the cause-and-effect analyses which are used to assess the results achieved

There are many different definitions of performance audits but they do not differ on key issues (Adeyemi and Uadiale 2011). Therefore, performance audits are connected with the independent and comprehensive assessment of the organisation in the context of the planned goals, the expectations of stakeholders and compliance with the law (Bawole and Ibrahim 2016), using the criteria of effectiveness, efficiency and economy (Adeyemi and Uadiale 2011). It should lead to taking specific actions to improve the functioning of the audited entity (Torres et al. 2019). Effectiveness can be considered in terms of results and costs. The first is related to the various results achieved, while cost-effectiveness pertains to the planned level of costs. Efficiency is a ratio taking into account the resources used and the results obtained (the outputs generated thanks to these resources, the achieved outcomes or impact), whereas economy should be considered in the context of achieving the adopted goals and minimising the resources (costs) used for this purpose (Audyt efektywnościowy 2008). From the above considerations it follows that an extremely important feature of performance audits is taking into account three types of results: outputs, outcomes and impact. Outputs are direct effects obtained as a result of a specific task (goods and services). Outcomes are results which are achieved in the short or medium term by entities which are beneficiaries of the tasks performed (e.g. people, enterprises or institutions). Therefore, they can be treated as direct benefits generated by these entities. Impact, in turn, is an indirect effect of the implemented activities manifesting themselves in the long term (OECD 2010).

Performance audits can be carried out in two variants as (Audyt efektywnościowy 2008):

1. Audits of task performance – the effects obtained as a result of the implementation of the undertaken activities are the subject of the audit
2. Audits of the internal control system

The first type of audit involves formulating assessments related to the efficiency of the performed tasks. The second type focuses on examining how efficiently the internal control system works: i.e. whether the examined area is being managed in the

right way, whether the procedures for measuring, monitoring and interpreting information on efficiency, effectiveness and economy are correct, and whether current activity is being improved thanks to taking the appropriate corrective actions. Due to the fact that the subject of this study is the basic activity of the researched entity, the focus will be on the first type of audit. As part of this, in addition to the amounts of resources involved and the three-type effects described earlier, the following factors should also be taken into account (Audyt efektywnościowy 2008):

- deviations between planned and implemented values;
- reasons for not achieving the planned results;
- criteria (reference points) used to evaluate the observed phenomena.

2.3. The features of the measures used for performance audits

The generation of benefits resulting from performance audits depends on the proper selection of the measures. They are intended to provide the measurement and evaluation of actions taken (de Oliveira Lobato et al. 2019) and therefore should meet certain conditions. A number of requirements in this respect include the Regulation on the Detailed Methods, Procedures, and Deadlines for the Development of Materials for the Draft Budget Act (Rozporządzenie Ministra Finansów z dnia 28 stycznia 2019 r. w sprawie szczegółowego sposobu, trybu i terminów opracowania materiałów do projektu ustawy budżetowej) in force in Poland.

First of all, the value of the measure should not be influenced by external factors but by entities managing funds which carry out public tasks. It would be difficult to assess a particular person or institution based on the level of a measure over which these entities have no influence, or when the impact is very limited. In practice, of course, it is not always possible to use a measure which depends solely on a given entity but one should strive to do so, i.e. use measures on which the influence of independent factors is as low as possible.

It would also be advisable to use existing or easily available data to calculate the value of the selected measure. For example, if for a developed measure it is necessary to obtain previously unavailable data, the operating costs will increase. The working time of employees will have to be spent, for example, on obtaining specific data, registering it in recording devices, and correctly processing them in accordance with management's requirements. Therefore, the workload of recording activities will increase, and this situation might also mean the need to purchase additional equipment for measuring and archiving purposes.

It is also important that specific data are available in a timely manner, i.e. when the relevant statements or reports are being prepared. Monitoring the size of the calculated measures should be done with the appropriate frequency. Some data might require constant, ongoing monitoring, while others need to be calculated once a week, month,

or even year. However, in practice there should not be a situation in which a particularly important measure, crucial from the point of view of current decisions, cannot be calculated due to the unavailability of data.

Target and baseline values should also be set for the measures used. Target measures, i.e. desirable or planned results, would be the basis for an objective assessment while knowing the base values recorded in previous periods would be a starting point, allowing the determination of whether it is better or worse than, e.g., in previous years.

On the one hand, it is important that the measures satisfy certain conditions; on the other, they should also be free of certain disadvantages. Therefore, descriptive measures should not be used. Description is often subjective because it is prepared by a particular person, and the opinion of another person on the same subject might be different. Also, logical measures should not be used, i.e. those that have only two values – true or false, and those which show the level or change rates of the financing. Quantities of this kind do not apprise about efficiency but only about the states of certain phenomena, or changes in these states.

The literature on the subject contains a catalogue of additional requirements for measures. For example, they are asked to assign criteria called SMART. Therefore, they should be specific, measurable, achievable, relevant and time-bound (Kibira et al. 2015). Other requirements for assessing the performance of objectives and tasks using measures can be formulated as follows (comp. Choosing the Right Fabric):

- focused (on priority objective and areas for improvement);
- appropriate (consistent with the objectives; measures should be ordered in a logical hierarchy and interrelated; the information being collected should be useful to the stakeholders who are likely to use it);
- balanced (measures should give a complete overview of the task performance and at the same time be simple to calculate);
- robust (measures should be constantly being adapted to changing external and internal conditions);
- integrated (clear, comprehensible, useful in the decision-making process);
- cost-effective (the cost of collecting the information should be justified by the benefits that the information brings).

Therefore, goals have a very important role in the development of measures (Boyle 2011). From the point of view of performance audits, it is extremely important that thanks to the measures it is possible to quantify effectiveness as well as efficiency and economy (including outputs, outcomes and impact).

3. The characteristics of the measures currently being used in the examined unit – an empirical study

The main purpose of the empirical research was to assess the system of measures referring to efficiency of a deliberately selected government budgetary unit in Poland conducting a specific type of activity. It is related to the protection of the interests and rights of consumers as well as the economic interests of the State. The tasks it performs include, among others:

- control of selected products placed on the market in terms of their compliance with specific requirements;
- control of some products before placing them on the market;
- managing mediation procedures;
- organizing and conducting consumer arbitration courts;
- providing consumer consulting.

Highly detailed information on the entity's operations was not reported due to management's disagreement. There are a total of 16 units conducting this type of activity in Poland, each of them covering the area of one province. The collected material facilitated a critical analysis and assessment of the solutions being applied. Various methods and research tools are being used to obtain the essential data. An interview was conducted with the Head of the department dealing with financial and administrative matters. It was direct, individual, unstructured, in-depth and focused. An analysis was also made of the research unit's documentation, mainly ledgers, and human-resources documents as well as internal reports, meeting reports and guidelines from superior units related to the issue of measuring efficiency. Descriptive and cause-and-effect analyses were used to develop empirical materials.

Within the next few years the management of the unit is considering implementing a performance audit. It would contribute to a systematic increase in the efficiency of the tasks carried out. Due to the fact that in this entity, for the purposes of management control, there has been a performance measurement system using 21 different types of measure in a long time perspective, they were commissioned to be tested for possible use in auditing activities. Two measures are imposed from above and result from the specificity of the implemented tasks (in accordance with the performance budget). These are:

1. The ratio of the number of inspections in which an infringement was found to the number of all inspections performed
2. The ratio of the number of products questioned to the total number of products checked

The remaining 19 measures were developed for internal needs, and their detailed characteristics are presented in table 1.

Table 1. The measures used for internal purposes within the system of performance measurement in the researched entity

Type of measure	Name of measure	Manner of calculating the measure value
Concerning costs (expenditures)	Direct costs proportion	Proportion of direct costs in total costs (%)
	Investment expenditure proportion in the budget	Proportion of investment expenditures in total expenditures (%)
	Effective working hours I	Ratio of total remuneration to the number of hours worked effectively (PLN/h)
	Effective working hours II	Ratio of material costs to the number of hours worked effectively (PLN/h)
	Cleaning costs	Ratio of cleaning costs to the surface area of the buildings (PLN/m ²)
	Own transport costs	Ratio of own transport costs to the number of kilometres travelled (PLN/km)
	Administration costs	Ratio of monthly administration costs to the surface area of the buildings (PLN/m ²)
	Legal services costs	Ratio of monthly legal services costs to the total number of posts (PLN/post)
	IT services costs	Ratio of monthly IT services costs to the total number of employees (PLN/person)
Concerning human resources	Proportion of the number of residents of the province in administrative posts	Ratio of number of residents of the province to the total number of posts (person/post)
	Human resources fluctuations	Proportion of the number of people who left their jobs to the total number of employees (%)
	Management structure	Ratio of total number of employees to the number of managerial positions
	Professionalisation	Proportion of civil servants in the total number of employees (%)
	Employment structure	Proportion of essential staff in the total number of employees (%)
Concerning assets	Working conditions	Ratio of the surface of buildings to the total number of employees (m ² /person)
	Average age of technical equipment	Ratio of the aggregate age of all devices to the total number of these devices (years/item)
	Assets recovery	Ratio of expenditure on the replacement of assets to the assets value (%)
Concerning format of communication	Digitisation I	Proportion of the number of documents received and sent in an electronic format in the total number of received and sent documents (%)
	Digitisation II	Proportion of cases documented only in an electronic format in the total number of cases (%)

Source: the authors' own development based on the documentation of the researched unit.

The assessment of the usability of the currently used measures will be based on the answers to the following questions:

1. Have the business objectives been defined?

2. Have the results of undertaken actions been identified (in terms of outputs, outcomes and impact)?
3. Do the measures used meet the relevant requirements?
4. Do the measures apply to all performance audit categories?

During the interview with the Head of the financial and administrative department it turned out that the unit did not have any documentation containing clearly defined goals which would be met. The entity's activity is mainly focused on the tasks set out by the relevant legal provisions and the three formulated objectives have a very general nature and result from documents drawn up at the central (Rada Ministrów 2018) or province level. The implementation of performance audits would therefore require the development of specific business objectives.

On the other hand, the results achieved were determined based on the tasks being performed. Among them were the number of inspections carried out, the number of cases examined, the number of mediations and the number of pieces of advice and instructions given. The values indicated by the Head should be treated as outputs of the functioning of the audited entity. Additionally, the impact related to the level of consumer protection was determined (it is calculated on the basis of both measures related to the performance budget). Unfortunately, no outcomes were identified.

Another important issue is whether the measures meet the appropriate requirements. When analysing the structure, it should be stated that it is clear and understandable, and the existing data, coming mainly from the unit itself, are being used to calculate their values. Obtaining information requires access to source materials and their analysis but these materials are still available either in the IT system or in the traditional paper documentation. It is also worth mentioning that the method of the registration of data guarantees the possibility of ongoing access to them. Internal documents also indicate the frequency of preparing reports in which measure values are presented. It should be emphasised that none of the measures is descriptive or logical, nor do the measures provide information about the level or change rate of financing activities. In the vast majority of cases they are not dependent on external factors. Such a statement is true not only in relation to digitisation indicators because the way cases are documented is influenced by external entities.

The main disadvantage of most of the measures used is the lack of their connection with the objectives and tasks. This is due to, *inter alia*, not specifying goals, so the measures cannot reflect the extent of their implementation. In addition, only two measures relate to the tasks identified in the unit. For the indicated reasons, their usefulness from the management point of view is limited. No target values have been defined for any of the measures used for internal purposes, which hinders the interpretation of their values, leaving individual freedom in this respect. The presented set of measures has not been modified for many years. On the one hand, it should be assessed positively because it means the stability of the performance measurement system, thanks to which there are also base quantities which allow the assessment of the ob-

served changes. On the other hand, in the context of the previously mentioned defects in the measures, the lack of improvement is a negative feature.

The system of measures is also not generally adapted to the categories identified in Subsection 2.3., which take into account performance audits. Eight out of the nine measures described in table 1 regarding costs (expenditures) can only be related indirectly to cost-effectiveness (except for the investment expenditure proportion in the budget indicator). The link is indirect, because these measures do not take into account planned costs, but actual costs. The next 7 measures also only indirectly reflect the relationship with results and cost-effectiveness and economy. They determine the potential in terms of efficiency, not the actual efficiency of actions. For example, the management structure indicator can be linked to results effectiveness. Although it does not express the volume of outputs produced, the larger it is, the more cases can be dealt with, the more checks can be carried out and the more advice can be given. On the other hand, the clearly negative feature of the described measures is that 4 of them do not provide information on efficiency at all (these include, for example, digitisation indicators and the professionalisation indicator, the latter of which, contrary to its name, does not refer to the professional preparation of employees). Therefore, it is necessary to develop new measures which will describe the individual categories to be assessed under performance audits.

4. Results – authors’ proposal

The concept of a set of measures developed for the researched entity is consistent with the requirements of performance audits and takes into account all areas of its operations. This concept can also be directly used in other similar units. As part of the concept, three groups of measures have been identified; they relate to effectiveness (results and costs), efficiency and economy. The general characteristics of the proposed measures are given in table 2.

Table 2. The measures used for internal purposes within the system of performance measurement in the researched entity

Type of indicators			Quantity
Effectiveness	results	outputs	4
		outcomes	2
		impact	1
	costs		5
Efficiency		outputs	4
		outcomes	2
		impact	1
Economy			4
Total			23

Source: the authors’ own development based on the documentation of the researched unit.

In regards to effectiveness, measures of results and costs have been proposed. The results measures include three categories of effects – outputs, outcomes and impact. The outputs measures are:

1. The number of products checked
2. The number of mediations carried out
3. The number of cases before consumer arbitration courts
4. The number of pieces of advice given to consumers

Therefore, each of the output measures relates directly to the activities which are performed by the researched entity. The outcomes measures are:

1. The number of reported batches of products which did not meet the requirements
2. The number of disputes between consumers and entrepreneurs which were resolved as a result of mediation or actions of a consumer arbitration court and were not referred to common courts

The outcomes are related to direct and short-term social effects. As a result of the actions taken, the market is “cleansed” of inappropriate elements, and the level of consumer and business satisfaction with the activities of the researched entity is also measured. If the parties to the completed proceedings are satisfied with the way the dispute is resolved, the case is not referred to court. One measure of impact was also developed for the needs of the unit, which was considered to be a quantified (on a scale of 1 to 10) subjective level of consumer satisfaction with the quality of the trading.

Cost-effectiveness is computed as a quotient of actual and planned costs, and relate to:

1. The costs of product inspection
2. The costs of mediation
3. The costs of running a consumer arbitration court
4. The costs of consumer consultancy
5. The total costs incurred in the researched entity

The calculation and analysis of the value of the measures relating to cost-effectiveness are intended to measure the gap between planned and actual costs, and thus to directly contribute to improving the budgeting process.

Efficiency measures, as well as result-effectiveness measures, also relate to outputs, outcomes and impact. The output measures are:

1. The quotient of the costs of product inspection and the number of products inspected (i.e. the cost of a single inspection)
2. The quotient of the costs of mediation carried out and the number of mediations (i.e. the cost of a single mediation)

3. The quotient of the costs of running a consumer-arbitration court and the number of cases considered (i.e. the cost of single case before a consumer arbitration court)
4. The quotient of the costs of consumer counselling and the number of pieces of advice given (i.e. the cost of a single piece of advice)

Therefore, the above-mentioned measures relate to the value of the resources used for the purposes of the organisation.

Outcomes measures reflecting the level of costs incurred for direct social effects achieved have also been developed:

1. The quotient of the costs of checking products and the number of reported batches of products which did not meet the pertinent requirements (i.e. the cost of reporting a single batch of products which should not be marketed, i.e. the cost of detecting irregularities)
2. The quotient of the costs of mediation (conducting a consumer arbitration court procedure as well as consumer counselling) and the number of disputes between consumers and entrepreneurs which ended as a result of mediation or the actions of a consumer arbitration court and were not addressed to the common courts (i.e. the cost of a single completed case)

The quotient of the accumulated total operating costs incurred over a period of 5 years and the number of satisfied consumers (i.e. those whose level of satisfaction with the quality of trading is 7 or more) was considered to be an efficiency-impact measure.

Four measures related to economy were also included in the developed performance measurement system. They are calculated as follows:

1. The quotient of the actual and planned cost of a single product inspection
2. The quotient of the actual and planned cost of a single mediation
3. The quotient of the actual and planned cost of conducting a single case before a consumer arbitration court
4. The quotient of the actual and planned cost of single piece of advice given to consumers

Economy measures make it possible to calculate the relative difference between planned and actual values. If the difference is significant, this suggests there are areas where the cost-planning or goal-setting procedures need improvement.

The preparation of a set of measures to be used in the researched unit is in practice the first step in implementing performance audits. In addition, rules should be developed for determining the individual quantities which will be used in calculating the values of measures, and how to interpret these values, as well as their target levels. This will certainly require a detailed analysis of the structure of the proposed measures and a fairly long time.

5. Conclusions

The implementation of performance audits is a very complicated task because it requires quite far-reaching interference with the audited entity's activities both in the essential sphere, which involves developing the concept of the audits themselves, and the organisational form pertaining to the methods for conducting audits in practice, mainly to coordinate the actions taken.

The range of benefits resulting from the application of performance audits is very wide. Operating activities can be streamlined thanks to information generated as a result of audit tasks. The use of audits makes it possible to identify problems and formulate suitable recommendations. However, one should be aware that the achievement of any positive effects occurs only in the sphere of management as a result of management's making the right decisions.

The conducting of performance audits is not always seamless. It is associated with an increase in costs resulting from the need to employ an auditor or the expansion of functioning information and IT systems so that they provide the right amount of data, which does not have to be large but must be of good quality (Downes et al. 2017). In addition, both management and auditors must adapt to the new system which differs from the one they are already accustomed to (Yaacob and Che-Ahmad 2012). However, the presented restrictions should not obscure the benefits which can be generated by obtaining accurate information on the effectiveness of the tasks being performed.

After the practical implementation of the proposed concept, its strengths and weaknesses will be identified, as well as the benefits and costs associated with it. The conclusions related to the implementation process will be subject to further research and will be published in an article. Most likely they will apply not only to the researched entity, but also to other units conducting the same type of activity in Poland which decide to implement performance audits. It should also be noted that institutions dealing with the protection of consumer interests and rights operate all over the world. Although they act in culturally different countries and are subject to different legal provisions, the described issue is so important from the point of view of efficiency that the proposed model, after any modifications, could also be applied internationally.

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