This is the author's accepted, refereed and final manuscript of the article:

Performance audit and the importance of the public debate

Performance audit and the importance of the debate

Abstract

The purpose of this article is to explore the impact of performance audit on public policy. The article investigates performance audit reports and the debates they initiate in the public realm. The case of Norway is analysed using mixed methods including a questionnaire, mapping and categorizing of reports, document studies and interviews. The results show that the Norwegian Supreme Audit Institution (SAI) is primarily preoccupied with managerial issues. It is nevertheless open to interpretation whether the preoccupation with managerial issues primarily implies an efficiency and effectiveness focus or an assessment of compliance to managerial standards. Most reports get moderate attention in the media and in the parliamentary control committee. Therefore the direct dialogue with the ministries becomes important for the performance audits' influence. In the public debate the SAI, the ministries and the members of parliament base their argumentation in different institutional logics. These logics can lead to different interpretations of the control system, laws and regulations and hamper the State Audit Institution's influence.

Key words:

Institutional logic, discourse, performance audit, Supreme Audit Institution, control, accountability

Introduction

New Public Management (NPM) has in the last 20–30 years modernized the public sector in many countries. This development has resulted in an increasingly fragmented and network-based organization of society (Denhardt and Denhardt, 2000). In this system evaluation has become a prominent feature. Supreme Audit Institutions (SAIs) are central in this system. They use several methods such as financial audits and performance audits that together are important for overseeing the use of public money in order to secure democratic accountability. In contrast to evaluation, which often serves client interests, performance audit is normative and is used to hold the public administration to account. (Arthur et al., 2012). Many scholars have nevertheless questioned whether audit actually helps to improve the public sector or if it just represents rituals of verification (Power, 1997).

An accountability-relation starts with giving information, continues with a debate and ends with consequences from sanctions (Bovens, 2007). In this article the debate and potential consequences are in focus. The article attempts to identify what SAIs holds the ministries to account for in their performance audits and to assess the reports' importance for the public debate and its possible implications for the public administration and democracy. The public discourse apparent in parliamentary institutions, for example in the remarks from the Standing Committee on Scrutiny and Constitutional Affairs in the Norwegian Parliament (the control committee), in newspaper articles and in the performance audit reports themselves, will be at the centre of attention.

Evaluation researchers are preoccupied with the question of impact and the utilization of evaluation results, including performance audit (van der Meer, 1999). There are calls for more evidence on the subject (Lonsdale et al., 2011). The impact of SAIs is nevertheless not limited to their ability to make civil servants comply with their demands. There are other types of influence also, not restricted to the use of evaluation results (Kirkhart, 2000). This is relevant both for evaluation and audit. Accountability can improve performance through debates that lead to shifts in paradigms (Funkhouser, 2011), for example related to how people perceive of problems as well as solutions..

In a review of existing research on state audit Lonsdale et al. (2011) found only 14 studies. In these studies, impact was primarily defined as instrumental. Instrumental impact is more short-term and easier to measure than conceptual and interactive impact, which is deemed harder to grasp since it entails more long-term consequences that might be hard to single out (Lonsdale et al. 2011).

This article analyzes the conceptual impact by assessing the message and the importance of the performance audits. Conflicting stakeholder values and arguments in the debate are also identified. This is important because decisions made are not necessarily evidence driven, but the result of persuasive argument (Sullivan, 2011; Hood and Jackson, 1991).

Conceptual impact is addressed by marrying the more structural concept of institutional logics with agency-oriented concepts of discourse and argument.

The research questions in this article are thus: *What is the performance audit's message? How important is this message for public debates? What implications can these debates have for the Supreme Audit Institutions' influence?*

The article uses Norway as a case and analyse three different public debates: First, the debate between the SAI and the ministries that is available in public reports. The ministries' reply is always included in the final SAI report that is sent to the control committee. Second, the members of parliaments' (MPs) debate in the control committee in Parliament, which is available to the public, but less accessible. Third, the media debate, which is the most accessible to the public.

The article contributes to theory on policy evaluation and performance audit by illustrating how rhetoric is conditioned by and draw on institutional logics. It also contributes to the theory on "auditor roles" (Pollitt et al., 1999)

Background

The SAIs have increased their influence with the prevalence of NPM systems in Western European governments the last 20-30 years. Trust in bureaucracy has lessened and there has been an increased emphasis on external control (Power, 1997). An institutional form of evaluation, called performance audit, has developed in the same period (Lonsdale et al., 2011) and is part of this public management accountability apparatus.

Audit institutions conduct performance audits on different governmental levels; as SAIs at the national level and local audit institutions at the regional and municipal levels. The mandate in

performance audit is to establish whether public policies, programmes, projects or organizations have operated with due regard to economy, efficiency, effectiveness and good management practice (Pollitt et al., 1999; Nutley et al., 2012). The Norwegian SAI is committed to the performance audit goal of obtaining information about results and policy outcomes, but the accountability for fairness and equity still remains important (Arthur et al., 2012).

The parliamentary control committee is the main recipient of the SAI reports. The committee, represented by MP's according to party-strength in Parliament, debates the SAIs reports and makes a proposition for Parliament.

Since 2004 the SAI delays the publication of the reports until the control committee has received them. The SAI has initiated a more active media strategy and strengthened its communication- and information staff as a consequence.

In research there has been interest in learning processes from and success factors for performance audit and evaluation stressing the importance of the compatibility of the opinions of the auditor and the auditee (Van der Knaap, 2011; Van Der Meer and Edelenbos, 2006; Reichborn- Kjennerud, 2013; Reichborn-Kjennerud and Johnsen, 2011). Armytage (2011) nevertheless questioned whether evaluations for accountability purposes can contribute to improvement and learning. This article focuses on how performance audits, as a type of evaluation with a purpose of holding to account, potentially can contribute to change and improvements through the debates they trigger (Schmidt, 2008).

Theory

There has been an increasing interest in communicative rationality, deliberative and discursive aspects of politics to understand political and administrative institutions (Christensen and Lægreid, 2004). Many researchers underline how discursive institutionalism is successful in explaining change in contrast to rational, historical and sociological institutionalism (Schmidt, 2010; Mansbridge et al., 2010). The communicative action of Habermas (1984) lies at the core of this idea. The SAIs reports might be a carrier of ideas that can spur changes within organizations. But in contrast to an "ideal dialogue situation" ideas and discourse are, in this case, also influenced by power relations, where rational actors further their own interests.

In this article the ambition is to disentangle the public discourse to see what implications the reports might have. An institutional perspective, focusing on institutional logics, is applied in addition to a more agency-oriented theory on "auditor-roles". Both theories are presented below.

Institutional logics

Institutional logics focus on the effects of differentiated institutional logics on individuals and organizations. Four different institutional logics are presented here; a state law logic, a managerial logic, a professional logic and a democratic logic. *An institutional logic* is the way a particular social world works, the rules of the game. Institutions provide social actors with a contingent set of social norms where behavior is not driven by a logic of consequence, but by a logic of appropriateness. Logics interpenetrate multiple levels of analysis, and are thus not limited to organizations (Thornton and Ocasio, 2008; March and Olsen, 1989).

"Institutional logic" resembles Bourdieus' concept of "field" (Emirbayer and Johnson, 2008), but differs from it in that it is limited to games and rules in institutions, while the concept of "field" in Bourdieu's sense comprises agents' social positions more broadly (Bourdieu, 1979). An institutional logic can comprise several values that together contribute in the construction and organizing of an institutional logic. In addition to values, socially constructed, historical patterns and practices that individuals organize their life after define an institutional logic (Thornton and Ocasio, 1999: p 804).

According to *the state law logic* the SAI would base its judgments on values of the professional bureaucracy, including impartiality and the accountability for fairness and equity (Bovens 2007). It represents values of the classic bureaucracy, such as transparency, equality and compliance with rules and the law (Weber, 1968). These values were particularly salient in the public service from the 1960s and up to the 1980s (Horton, 2006).

The SAI could also bases its judgment on *a managerial logic* and the NPM ideology that has taken the form of the system of management by objectives and results (MBOR) in the Norwegian public administration. This includes annual activity plans, letters of allocation, government financial regulations and steering dialogues (Lægreid et al., 2006). Managerial values became more salient after the 1980s in Norway with the advent of New Public Management (Lægreid et al., 2006). These values stress efficiency and effectiveness, performance and responsiveness to the public (Hood, 1991) and are embedded in the Norwegian control system (MBOR) (Lægreid et al., 2006).

Managerial values have been infused in public management. There is a tendency that the professionals hybridize and incorporate governing principles linked to these values (Kurunmäki, 2004). This is a consequence of a development where civil servants are exposed to more diverse accountabilities than before for their managerial and administrative actions (Horton, 2006).

The public administration ideally holds a *professional logic* of serving the citizens as civil servants. In the execution of their tasks they are guided by their professional judgement (Meyer and Hammerschmid, 2006) as well as by the rule of law and loyalty to their minister (Jacobsen, 2008). NPM reforms challenge this professionalism as a governing principle. Public service reforms in a number of countries have sought to dilute the traditional power of professionals and increase managerial power (Horton, 2006). This has allegedly led to traditional high levels of trust being replaced by mistrust, rigorous control and audit devices, a practice now being questioned by leading political scientists (Fukuyama, 2013). More explicit contracts and stronger incentives are often used to bring professionals in concordance with policy objectives. At the same time experts defend professional discretion and try to protect themselves from these processes (Ferlie and Geraghty, 2005; Power, 1997).

Politicians are assumed to be devoted to a *democratic logic* and emphasize the supreme value of peoples' needs in their daily lives. They represent ordinary citizens and supersede bureaucratic rules and law as well as marked rights (Alford and Friedland, 1985). Their mandate is to fight for their voters' interests. The politicians are being valued for their experience with local council problems, their views about issues, how well known they are and their ability to make an impact in Parliament. A politician must show continuing respect for the concerns of constituents to be re-elected (Rose, 1987). In contrast to the SAI it is

legitimate for the politicians to use political arguments to bring other people around to their'
positions.

In many respects the logic of the media can be considered part of the democratic logic as it
often overstates political agendas and scandals. But in this article the media is primarily
understood as an arena for news and debate that mediates different ideologies (Alford and
Friedland, 1985). This arena is important to politicians seeking to advance their own career in
government (Rose, 1987). If it gains their cause politicians will make use of the media to
score political points.

Auditor roles

The SAI has an important role in the governmental accountability apparatus. The auditors' job
is to provide arguments to a free debate. To retain their legitimacy, they refrain from political
agendas and produce evidence (Majone, 1989). The auditors produce this evidence in
different manners, described by Pollitt (1999) through four auditor roles that are present in
performance audit today. These are: "the judge", with prime focus on compliance of the
public bodies with the law; "the public accountant", focused on transparency of information;
the "researcher", with a focus on generating knowledge according to scientific standards, and
"the management consultant", focused on contributing to the improvement of the auditee. The
different roles will all be represented in audit entities, but the prominence of some over others
will differ (Pollitt et al., 1999; Morin, 2011). The choice of roles will be contingent on the
individual institution's historical path dependency and its institutional logic (Hay and
Wincott, 1998). The arguments the auditors' use in the debate with stakeholders expose what
roles they have chosen to play.

The four institutional logics described above, and their associated auditor roles, are summarized in table 1 below.

Table 1 Institutional logics and their associated auditor roles

Institutional logic Auditor role	State law logic	Managerial (NPM) logic	Professional logic	Democratic logic
The judge	X			
The public accountant	X			
The researcher			X	
The management consultant		X		

As can be seen from the table, the democratic logic is not accompanied by an auditor role because the SAI is not supposed to make political statements. The roles of "judge" and "public accountant" are placed under "state law logic" because they are preoccupied with compliance and transparency. The "researcher" is positioned under "the professional logic" as she provides new information important for the civil servants. The "management consultant" is placed under the "managerial logic" preoccupied with efficiency and effectiveness.

Based on the theoretical perspectives the auditors are hypothesized to base their arguments on the state law logic and on the managerial logic. The auditors will thus primarily play the roles of the public accountant or the management consultant in their assessments.

The SAI has an important role in the governmental accountability apparatus and produce evidence for decision-makers. It is therefore hypothesized that performance audit plays an

important role in the debates in the media and the control committee and that the evidence from performance audit convinces the auditees into making changes and improvements.

Methods

This article is designed as an embedded case study to investigate governmental performance audit (Yin, 1992). Norway, that has a recognized performance audit practice in line with international standards, is used as a case (ECA, 2010). The study used mixed methods (Bryman, 2006). First quantitative assessments of the reports, the MPs' and the media's interest in them were made. Second, a theoretical selection of two specific performance audits was conducted to enable a more in depth explanation of the quantitative assessments (Edmondson and McManus, 2007).

A database mapping performance audit reports published and followed up by the SAI during 2000–2011 was established, resulting in 76 reports in total. The database was both used to get an overview of issues and concerns in the SAIs reports and to assess their importance in the public debate. The occurrence of different types of questions in the performance audit reports as well as different types of conclusions was counted. Most reports had several conclusions and audit questions. As a consequence the percentages in the tables displayed do not add to 100 percent. Subsequently the number of remarks in the control committee and the number of newspaper articles mentioning performance audits in their title were mapped and counted.

The questionnaire was used to tap into the importance of the reports in the public debate. Only the questions pertaining to the media interest were used. The questionnaire was designed based on previous research (Pollitt et al., 1999; Power, 1997; Tillema and ter Bogt, 2010;

11

Morin, 2001). Research colleagues, ministry and agency employees as well as one director general and two methodology experts from the Norwegian SAI gave second opinions on the questionnaire. Inquiries were sent to the public bodies that had experienced performance audit between 2005 and 2010. The inquiries did not go further back in time as respondents might have problems recollecting the performance audit or could have changed their place of work. These risks increase the further back in time you go. The institutions that received inquiries were asked to provide the e-mail addresses of employees who had experienced performance audit. Inquiries were then sent to the employees explaining the purpose of the study and informing them of their rights. Subsequently, a web-based questionnaire was sent to the employees. Reminders were sent out to respondents who had not answered by a certain deadline. The questionnaire was designed in such a way that the respondents were asked to answer questions pertaining to the particular performance audit(s) they themselves had experienced. The number of responses was 353, corresponding to a response rate of 74%.

A theoretical selection of two performance audits was made to illustrate debates that performance audits can trigger. The debate in the media is more salient in the first report, and the debate in the control committee is most explicit for the second report. The third debate, between the SAI and the ministries is present in both reports (Eisenhardt and Graebner, 2007). The reports were chosen from the 76 performance audit reports mapped. The stakeholder's arguments in the debate indicate what institutional logics they use, what roles they play and how the reports have influenced them.

In the period the reports were published (2001 - 2005) the Norwegian government was headed by a minority coalition including the Christian Democratic Party, the Conservative Party and

the Norwegian Liberal Party.The selected reports were addressed to the Ministry of Education and Research and the Ministry of Defence respectively.

Relevant documents in the two cases were examined. Senior managers and -civil servants in the ministries and agencies involved in these performance audits were interviewed, as well as MPs that were in the control committee at the time of the processing of the reports. See table 2.

Table 2 The reports chosen

Ministry	Performance Audit Report	Number of committee remarks	Number of articles in newspapers
Ministry of Education and Research	1. Weaknesses in universities' management systems - Doc. No. 3:3 (2004–2005)	1	18
Ministry of Defence	2. The disposal of real estate, buildings and fixed assets in the Armed Forces - Doc. No. 3:9 (2004–2005)	14	2

Case studies were used because the research question investigates "how" performance audit can contribute in debates and have influence (Yin, 1992).

Results: The message in performance audits and their importance to the debate

As can be seen from tables 3 and 4 (based on queries to the database) and 5 (based on data from the questionnaire) the SAIs reports get moderate attention. More than half of the reports were commented only in 1–2 newspaper articles and over 60 percent of the reports only received 1–2 remarks in the control committee. More than 40 percent answered that the media

13

was interested in the reports to a little or very little extent. Few reports were mentioned in newspaper articles and only 7 percent of the reports received great interest from the control committee.

Table 3 Percentage of performance audit reports (N=76) mentioned in the newspapers by number of articles

Number of articles	Percentage of reports
0–2	50
3–9	42
10 articles or more	8
Total	100

Table 4 Percentage of performance audit reports (N=76) mentioned in the committee proposal by number of remarks in the proposal

Number of remarks	Percentage of reports
1–2	62
3–9	31
10 remarks or more	7
Total	100

Table 5. Media interest. Percent. (N=353)

	To what extent did the media show an interest
To a large or very large extent	34
Neither large nor little	24
To a little or very little extent	42
Total	100

As illustrated in table 5 one third of the reports got a lot of attention, but the large majority got moderate to little attention in the media and therefore did not set the agenda in public debates. The SAI's direct contact with the ministries therefore becomes important for their impact. In tables 6 and 7 below there is an overview of the main issues and concerns raised in these reports.

Table 6. Audit questions in the report (N=76)

Audit questions in the report concerning:	Percent
Operations/processes	80%
Whether results were obtained	62%
Whether the ministry followed up the subordinate entities well enough	25%
Regarding explanations	24%
Whether laws, instructions, standards and quality assurance systems were complied with	17%

As can be seen from table 6 the most important questions asked in the 76 performance audit reports concerned operations/processes (80 percent) and whether results were obtained (62 percent). Most of the reports asking whether results were obtained also included audit questions concerning operations/processes (70 percent). This indicates that most of the reports were goal-oriented, focusing on managerial issues, asking questions both about substance and systems at the same time (Pollitt et al., 1999; Grahm-Haga, 2006). Questions on compliance more linked to values of the classic bureaucracy were less common (17 percent).

Table 7. Conclusions in the report (N=76)

Conclusions in the report	Percent
The goal-attainment, management and control were unsatisfactory	75%
There was incomplete or not relevant management information	50%
There was non-compliance to laws, standards and procedures	40%
There were deficiencies in the design of objectives, performance requirements and performance indicators	38%
There were deficiencies in the ministries guidance and following up of subordinate entities	29%
There was lack of coordination	24%
There was lack of equal treatment	21%

More than half of the reports presented 2–4 different conclusions in the same report. A majority of the reports concluded on managerial issues. As can be seen from table 7 three quarters of the reports concluded that the goal attainment, management and control were unsatisfactory. In half of the reports the SAI concluded that there was incomplete or not relevant management information.

40 percent of the reports concluded with non-compliance to laws, standards and procedures that refer to typical values of the classic bureaucracy. These compliance oriented reports did not exclusively focus on compliance (Grönlund et al., 2011; Pollitt et al., 1999). Almost all of them also concerned deficiencies in the design of objectives, performance requirements and performance indicators. Two thirds of these reports additionally concluded that the goal attainment, management and control were unsatisfactory and that there was incomplete or not relevant management information. The compliance oriented reports therefore also focused on managerial issues.

Approximately 20–30 percent of the 76 reports concluded on lack of coordination, lack of equal treatment and deficiencies in the ministries' guidance and following up of subordinate entities. Less common conclusions, not included in table 7, dealt with insufficient information, unrealistic planning, lack of competence and insufficient allocation of responsibilities.

The case examples: The debates and their potential implications for the SAIs influence

Below, the two selected reports are presented. The case-data is structured according to the debates; first there is the debate between the SAI and the ministries, second there is the political debate and third the media debate is presented.

The SAI's and the ministries' debate

The description of this debate is based on a review of central documents and interviews with civil servants.

The first report on the universities' management systems raises questions about operations/processes, like 80 percent of the SAIs reports do, and concludes with deficiencies, as 75 percent of the reports do, cf. tables 6 and 7. This report is system-oriented. Summa (1999) makes a distinction between system-oriented and substantive audits. System-oriented audits refer to auditing the control or steering system instead of directly investigating the activity itself. The system-oriented approach will typically be more focused on compliance as

the auditor checks an organization's documentation or practice with certain standards (Pollitt and Mul, 1999).

The second report on disposal of real estate, buildings and fixed assets in the Armed Forces raises questions about compliance to laws and instructions, like 17 percent of the SAIs reports do, and conclude with deficiencies, as in 40 percent of the reports, cf. tables 6 and 7.

Weaknesses in universities' management

In the report on the universities' management systems the SAI investigated how the universities in Norway used the measurement by objectives and results system (MBOR). The auditors did this primarily by going through documents and interviewing staff. The SAI found the leader's goals and responsibilities to be poorly specified. Management and control in the universities was informal rather than formalized and documented. The SAI concluded that the planning, implementation and control of the MBOR system was not good enough.

During the audit the university sector was in the middle of a reorganization of their administrative and academic systems. In its answer to the SAI, the ministry wrote that it should have taken this reform into account in its assessment. Also, it wanted the SAI to be explicit about its interpretation of MBOR in the university sector, especially pertaining to the role of the university boards. The ministry contested the SAI's critique of informal management and control and claimed that dialogue was supportive of the formal management system. The ministry was critical towards the methods and the scope of the SAI. Still the ministry wrote that it would consider the information in the report and use it in the ongoing implementation of the reform.

The universities did not experience the report as relevant. As expressed by one of the directors:

> The report was too simplistic and it came at the wrong point in time. Other things had to be sorted out first and we were more preoccupied with the quality of our work than documenting it.

> We have implemented a quality assurance system (…) but it did not come as a consequence of this report.

Even though the ministry claimed that the report did not lead to changes it acknowledged that the attention from the SAI might have made them speed up the work in implementing the new financial regulations in the sector.

The disposal of real estate, buildings and fixed assets in the Armed Forces

In a government white paper the Armed Forces had been instructed to dispose of property in order to save money on operations. This was to be done to the economically most advantageous price. A directive was given that presupposed a comprehensive plan for the job of selling the properties. In its report the SAI claimed only to identify regional, but no national plans for the sales. In some cases regional plans or approval for existing plans were also lacking. The SAI did not identify any signals from the ministry to the agency on how to safeguard property of special or general interest to the public as presupposed by the Parliamentary Standing Committee of Energy and the Environment. Neither had the agency identified properties, prior to the sales, that might have been interesting for the public. For some of the sales the properties lacked valuation prices.

The ministry objected that the planning system had worked as presupposed, even though it acknowledged that there was room for improvements. It claimed that the Armed Forces had

taken public interest into account in protection plans and in cooperation with counties and municipalities. The ministry also claimed that an estimated property price from a broker was sufficient and that a valuation price from an appraiser was not mandatory for the sales. The ministry still acknowledged that some operations in the sales process could preferably be improved.

Even though initially disagreeing to the SAIs assessments, the ministry was positive to the report in the aftermath of events. It considered the report as an aid in controlling subordinate agencies and implemented all the required changes. The leader explained:

> *The SAI influenced the design of our letters of allocation. It was not problematic. We rather considered it an aid. Previously the agency had been selling of the objects with the best income potential. Now we could focus on the objects that were harder to sell.*

The Armed Forces was at first traumatized, vulnerable and defensive because of the report, but decided at a certain point in time to acknowledge the critique and make the required changes. The consequences of the report were serious for the agency. In the aftermath of the publication of the report leaders lost their jobs and the agency lost its authority to sell property without consulting the government first. In retrospect the agency considered the loss of leaders an advantage as this made it easier for the agency to make the required changes in the organization, not having to defend prior decisions. Making the required changes reduced the negative focus on the organization and improved their work situation.

The political debate

In order to identify the political debate in the two selected cases interviews with four MPs were conducted and the remarks in the control committee and in Parliament were analyzed.

As demonstrated in table 4, and exemplified by the report on the disposal of real property in the Armed Forces, the MPs were especially interested in a few reports and relatively disinterested in the rest.

Weaknesses in universities' management systems

A unison control committee and the Parliament only made one remark each to the report. It was emphasized that the report considered procedures and not effects of the new system, and that the sector was in a reorganizing process that would take time. The committee expected continuing formalizations of routines and responsibilities. It also expected the ministry to keep the control committee informed on the effects of the reform.

According to the interviewed MPs the SAIs reports were, at times, more critical than justified by the Parliament's decisions and assumptions**.** In this case the control committee deemed information about results of the reform to be more important than the processes that the report actually concluded on.

The disposal of real estate, buildings and fixed assets in the Armed Forces

This performance audit was conducted on demand from the Parliament. Fourteen remarks were made by different political constellations in the control committee and twelve were made in Parliament. Representatives from the parties in Government supported, in six of the remarks, the ministry's interpretation of the instruction and claimed it had taken sufficient account of the publics' need for recreational areas. The majority of the committee, on the other hand, contended that this was not the case; that instructions had not been respected and that the consideration for public recreational areas had not been adequately safeguarded. The

debate continued in Parliament. Ten remarks were made in the Parliament and the minister had to explain herself twice. She warned that presenting each sale of Armed Forces property for the King in council, prior to making a decision, would slow down the pace of the sale process that was a politically prioritized task in order to cut operating expenses in the Armed Forces.

As exemplified in this case the SAI reports can be used as political tools, especially by the opposition. The MPs agreed or disagreed with the SAI conclusions depending on their own political standpoints, the right-wing being more in favor of privatization and local self-government while the political left was more in favor of regulation, public ownership, protecting the environment and public access to recreational areas. According to the MPs both politicians and bureaucrats use the reports to back their own arguments in this way (Bovens, 2007).

The media debate

As table 5 illustrated, the media was moderately interested in the performance audit reports of the SAI. The pattern shown in table 3 demonstrates that they are especially interested in a few reports, but disinterested in the large bulk of them. The case on the universities' management systems exemplifies a debate that got relatively much attention in the newspapers.

Weaknesses in the universities' management

The debate in the newspapers, ensuing the publication of the report, centered around the MBOR system. In the report the SAI had criticized the ministry for lack of management and control. It claimed that the control was informal, that short term objectives were absent and that leaders lacked clear instructions. Researchers and critics of the SAI objected to this

perspective and underlined the importance of academic freedom including freedom for research teams to define their own research agenda. They pinpointed that there is a risk for control systems to twist behavior and trigger less efficiency and effectiveness as well as more rigid and bureaucratic practice. The role of the SAI was questioned for being political. It was argued that the SAI did not provide undisputable facts. Other articles demanded more control from the SAI because museums and universities in Norway have been organized under boards or as foundations. The argument was that better control is needed to secure sufficient control with the use of the taxpayers' money.

In interviews with civil servants in the ministry it became clear that there is an ongoing dispute between the SAI and the ministry's civil servants. The ministry claimed that it is the board's responsibility how the universities are controlled, whereas the SAI placed the responsibility upon the ministry.

The disposal of real estate, buildings and fixed assets in the Armed Forces

The debate in the newspapers centered around the rules of the disposal of public property. There were allegations of several properties that had been sold without a valuation price and without being advertised in the marketplace. In interviews the respondents explained that the whole process of the agency's sale of Armed Forces property became politicized. The debate started even before the performance audit report was initiated, with the sale of a unique island (Østre Bolærne) to a private religious organization (Smiths venner). The property had been sold to the highest bidder according to the rules. Protesters still raised their voices and objected to the privatization of the island. This soon became a political issue with the left-wing politicians advocating and environmental organizations acting against the sale.

Discussion

First the message of performance audit is discussed. Then its importance to the public debate and possible implications for the SAIs influence are assessed.

The message of performance audit

The analysis demonstrates that a large majority of the 76 reports analyzed contained questions typical to the managerial logic such as operations/processes and results. About one fifth concerned compatibility to laws, instructions etc., which are values important in the state law logic. The SAI's conclusions demonstrated the same pattern of supremacy of the managerial logic. Three quarters of the reports concerned unsatisfactory goal-attainment, management and control. Half of the reports concluded on incomplete or not relevant management information and quite many concluded on deficiencies in the design of objectives, performance requirements and indicators. The predominance of managerial argumentation in the reports indicates that the SAI predominantly aspires for the auditor role as management consultant in performance audit. In addition, one quarter of the audit questions explicitly concerned explanations indicating that the researcher role of providing new information characterizes the way the auditors work. Only one fifth of the questions and less than half of the conclusions concerned questions of compliance to standards and procedures. It therefore seems that the auditors aspire less for the role as public accountant than hypothesized initially. It mostly plays the role of management consultant. The first hypothesis is therefore only partly corroborated.

The importance of performance audit in the public debate and possible implications

As data both from the questionnaire and the database demonstrated the SAI's performance audits get moderate attention in the media and in the control committee. The hypothesis that

performance audit plays an important role in Parliament and media debates therefore has to be refuted. One implication from this is that the direct dialogue between the SAI and the ministries becomes important.

In an "ideal" dialogue situation the "best argument" can potentially persuade stakeholders to make changes (Habermas, 1984). As the cases demonstrated the proponents argue according to different institutional logics. As exemplified in the first case on the management of the universities this can hinder good communication and reduce the SAI's impact (Reichborn-Kjennerud, 2013). On the other hand the control committees' reaction can become important and may be effective in making the ministries implement changes, despite disagreements. This was illustrated in the second case were the ministry was forced to make changes (Mansbridge et al., 2010).The second hypothesis that the evidence from performance audit convinces the auditees into making changes and improvements can therefore only partly be confirmed because the influence will be contingent on the argument and the support it gets in the ministry and in the control committee.

In the first case the auditors checked whether the universities' practice complied with their own understanding of the MBOR system. In this report auditors did not find and discuss new knowledge as the researcher would do. Neither were they primarily preoccupied with transparency like the public accountant would be or with providing management advice, like the management consultant would do. Instead the auditors checked auditee compliance with management systems and standards. The case is hard to classify, but may represent a fifth role of "management accountant" that can complement Pollitt's et al (1999) four audit roles . The predominance of managerial argumentation in the majority of the reports (table 6 and 7) is thus not sufficient evidence that the SAIs play the role as management consultant. If the

auditors' preoccupation with the workings of the control system, processes and results primarily means that they check how certain managerial standards are complied with the reports do not necessarily contribute to increased efficiency and effectiveness. Compliance to systems are not necessarily equivalent with improvements in results (Put, 2011).

In the media debate, after the publication of the performance audit reports on the universities, critics of the SAI used the professional logic and advocated that researchers in the university system should not be subject to detailed control, the argument being that researchers must have freedom and leeway in their work claiming that professional discretion is more effective than managerial control. Others used the managerial logic and claimed that universities should be controlled more as they enjoy more organizational autonomy than have previously been the case. The debate in the newspapers thus concerned the control system per se and how it should be practiced (Bovens et al., 2008).

The control committee used the managerial logic in its assessment of the report. The debate indicates that the MP's were personally more preoccupied with information on results than on compliance with system requirements. A meta-debate on the role of the SAI was thus present denouncing the SAI's preoccupation with procedures. In its answer to the SAI the ministry tried to debate the interpretation and the practicing of the MBOR system rather than responding to the allegations of inadequate management and control of the managerial logic. These arguments, as well as the university director's statement that no changes were made after the performance audit, indicate that the SAIs influence was low in this case. It did not succeed in persuading its audience.

Even though both the ministries and the SAI adhere to the managerial logic there are differences in how the practicing of the MBOR system is interpreted. The SAI typically demands more detailed control and the ministry, in accordance with the professional logic, demands more leeway for managers to choose how to perform their tasks (Hood, 1991). The ministry's arguments seemed to resonate most with the MPs that did not pressure the ministry to obtain changes.

This was different in the case on the Armed Forces where the pressure from the control committee was strong. According to the state law logic and the auditor role as judge, the Armed Forces report mainly focused on compliance with the law and instructions. The opposition was critical, while the Conservative and Liberal party representatives defended the agency's interpretation. Beneath lay nevertheless the democratic logic. Left-wing politicians and activists were concerned with the peoples' access to public recreational areas. They preferred to keep the agency public and committed to public rules and regulations. The conservative and liberal politicians, on the other hand, were preoccupied with applying "business" or public interest principles to obtain a good price and would prefer to privatize the agency, as a long term strategy. This was a clash of interests and ideologies and mirror political values. The democratic logic staged a discussion between the safeguarding of public recreational areas versus economy and efficiency arguments. A concern was also the autonomy of the agency.

In the debates, the state law logic dominated in the SAIs argumentation whereas the ministries argued according to the professional logic. Both used argumentation pertaining to managerial values, the ministries emphasizing the importance of letting local managers exercise their professional discretion and the SAI arguing for the need for control (Hood, 1991). In the

newspaper articles and in the control committee the democratic logic came to the forefront of the attention. When political values were at stake the opposition forced the ministry and the agency to comply even though they initially disagreed.

These debates are important in assessing the SAIs influence. The university case demonstrates how an evaluation or audit may be refuted if it is not able to make effective connections with the way in which the ministries make sense of the world. The Armed forces case illustrates how policy makers may draw on SAI reports when they serve a particular policy circumstance (Hood and Jackson, 1991: , p506; Sullivan, 2011).

Conclusions

The SAIs performance audits are primarily concerned with operations and results. This may imply an efficiency and effectiveness focus, but could also mean that it primarily assesses compliance to managerial standards.

The message in the reports relates to administrative and organizational questions, but may, even if this seldom is the case, trigger political and ideological debates. When performance audit triggers debates its influence will be contingent on whether the arguments resonate or conflict with stakeholders' values and ideas (Hood and Jackson, 1991).

In the debates, both in the media and in the control committee, value questions come to the forefront of the attention. The control committee can both reinforce and diminish the critique of the SAI and when the government is in minority it can be pressured to comply with majority interests.

Research that investigates the influence of audit is important (Reichborn- Kjennerud, 2013). Analyzing performance audit as a debate contributes in understanding how and when the SAI influences its auditees. The findings in this study demonstrate that both the issues, how they are presented and how they are interpreted, matter for the potential acceptance of the SAIs assessments and thus its influence.

The article contributes to research on the conceptual and interactive impact of performance audit. It is also relevant for accountability oriented evaluations as it explores political and discursive aspects in the perception and use of evaluations for accountability (Armytage, 2011). The article illustrates how institutional logics influence what role auditors decide to play and what arguments they use. It demonstrates how the force of the better argument is the link to action and change. This is interesting to institutional theorists that struggle to explain institutional change (Fagerberg, 2005).

Literature

Alford RR and Friedland R. (1985) *Powers of theory: Capitalism, the state, and democracy*: Cambridge University Press.

Armytage L. (2011) Evaluating aid: An adolescent domain of practice. *Evaluation* 17 (3): 261-276.

Arthur A, Rydland LT and Amundsen K. (2012) The User Perspective in Performance Auditing—A Case Study of Norway. *American Journal of Evaluation* 33 (1): 44-59.

Bourdieu P. (1979) La distinction. Critique social du jugement. *Paris: Minuit*.

Bovens M. (2007) Analysing and Assessing Accountability: A Conceptual Framework. *European Law Journal* 13 (4): 447-468.

Bovens M, Schillemans T and Hart Pt. (2008) Does public accountability work? An assessment tool. *Public Administration* 86 (1): 225-242.

Bryman A. (2006) Paradigm peace and the implications for quality. *International Journal of Social Research Methodology* 9 (2): 111-126.

Christensen T and Lægreid P. (2004) Public administration research in Norway: Organization theory, institutionalism and empirical studies in a democratic context. *Public Administration* 82 (3): 679-690.

Denhardt RB and Denhardt JV. (2000) The new public service: Serving rather than steering. *Public Administration Review* 60 (6): 549-559.

ECA. (2010) *Peer Review of the Office of the Auditor General of Norway*. Available at: http://www.riksrevisjonen.no/OmRiksrevisjonen/Publikasjoner/Documents/Peer%20review%202011.pdf.

Edmondson AC and McManus SE. (2007) Methodological fit in management field research. *Academy of management review* 32 (4): 1246-1264.

Eisenhardt KM and Graebner ME. (2007) Theory building from cases: opportunities and challenges. *Academy of Management Journal* 50 (1): 25-32.

Emirbayer M and Johnson V. (2008) Bourdieu and organizational analysis. *Theory and society* 37 (1): 1-44.

Fagerberg J. (2005) Innovation. A guide to the litterature. In: Fagerberg J, Mowery DC and Nelson RR (eds) *The Oxford handbook of innovation.* New York: Oxford University Press.

Ferlie E and Geraghty KJ. (2005) Professionals in public services organizations. Implications for public sector'reforming'. *The Oxford handbook of public management*: 422-445.

Fukuyama F. (2013) What Is Governance? *Governance* doi:10.1111.

Funkhouser M. (2011) Accountability, performance and performance auditing: reconciling the views of scholars and auditors. In: Lonsdale J, Wilkins P and Ling T (eds) *Performance Auditing: Contributing to Accountability in Democratic Government.* Cheltenham: Edward Elgar Publishing Limited, 209-230.

Grahm-Haga KCI. (2006) Institusjonalisering av forvaltningsrevisjon. *Rapport 3 2006.* Bergen: Rokkansenteret.

Grönlund A, Svärdsten F and Öhman P. (2011) Value for money and the rule of law: the (new) performance audit in Sweden. *International Journal of Public Sector Management* 24 (2): 107-121.

Habermas J. (1984) *The theory of communicative action,* London: Heinemann.

Hay C and Wincott D. (1998) Structure, agency and historical institutionalism. *Political Studies* 46 (5): 951-957.

Hood C. (1991) A public management for all seasons? *Public Administration* 69 (1): 3-19.

Hood C and Jackson MW. (1991) *Administrative argument*: Wiley Online Library.

Horton S. (2006) The Public Service Ethos in the British Civil Service: An Historical Institutional Analysis. *Public Policy and Administration* 21 (1): 32-48.

Jacobsen KD. (2008) Lojalitet, nøytralitet og faglig uavhengighet i sentraladministrasjonen. Oslo: Feltprestkorpset, S.19-34.

Kirkhart KE. (2000) Reconceptualizing evaluation use: An integrated theory of influence. *New directions for evaluation* 2000 (88): 5-23.

Kurunmäki L. (2004) A hybrid profession—the acquisition of management accounting expertise by medical professionals. *Accounting, organizations and society* 29 (3): 327-347.

Lonsdale J, Wilkins P and Ling T. (2011) *Performance Auditing: Contributing to Accountability in Democratic Government,* Cheltenham: Edward Elgar Publishing.

Lægreid P, Roness PG and Rubecksen K. (2006) Performance management in practice - the Norwegian way. *Financial Accountability & Management* 22 (3): 251-270.

Majone G. (1989) *Evidence, argument, and persuasion in the policy process,* New Haven, Conneticut: Yale University Press.

Mansbridge J, Bohman J, Chambers S, et al. (2010) The Place of Self Interest and the Role of Power in Deliberative Democracy. *Journal of Political Philosophy* 18 (1): 64-100.

March JG and Olsen JP. (1989) *Rediscovering institutions: the organizational basis of politics,* New York: Free Press.

Meyer RE and Hammerschmid G. (2006) Changing institutional logics and executive identities. *American Behavioral Scientist* 49 (7): 1000-1014.

Morin D. (2001) Influence of value for money audit on public administrations: Looking beyond appearances. *Financial Accountability and Management* 17 (2): 99-117.

Morin D. (2011) Serving as magistrate at the French Cour des comptes: navigating between tradition and modernity. *Accounting, Auditing & Accountability Journal* 24 (6): 718-750.

Nutley S, Levitt R, Solesbury W, et al. (2012) Scrutinizing performance: how assessors reach judgements about public services. *Public Administration* 90 (4): 869-885.

Pollitt C and Mul R. (1999) Criteria. *Performance or Compliance?* Oxford: Oxford University Press, 11–29.

Pollitt C, X.Girre, Lonsdale J, et al. (1999) *Performance or compliance?: performance audit and public management in five countries,* Oxford: Oxford University Press.

Power M. (1997) *The audit society: rituals of verification,* Oxford: Oxford University Press.

Put V. (2011) Norms used: some strategic considerations from The Netherlands and the UK. In: Lonsdale J, Wilkins P and Ling T (eds) *Performance Auditing. Contributing to Accountability in Democratic Government.* Cheltenham: Edward Elgar Publishing Limited, 75-94.

Reichborn- Kjennerud K. (2013) Political Accountability and Performance audit: The case of the Auditor General in Norway. *Public Administration*.

Reichborn-Kjennerud K and Johnsen Å. (2011) Auditors' understanding of evidence: A performance audit of an urban development programme. *Evaluation* 17 (3): 217-231.

Rose R. (1987) *Ministers and ministries: a functional analysis*: Clarendon Press Oxford.

Schmidt VA. (2008) Discursive institutionalism: the explanatory power of ideas and discourse. *Annual Review of Political Science* 11 (2008): 303-326.

Schmidt VA. (2010) Taking ideas and discourse seriously: Explaining change through discursive institutionalism as the fourth "new institutionalism". *European Political Science Review* 2 (1): 1-25.

Sullivan H. (2011) 'Truth'junkies: using evaluation in UK public policy. *Policy & Politics* 39 (4): 499-512.

Thornton PH and Ocasio W. (1999) Institutional Logics and the Historical Contingency of Power in Organizations: Executive Succession in the Higher Education Publishing Industry, 1958-1990 1. *American journal of sociology* 105 (3): 801-843.

Thornton PH and Ocasio W. (2008) Institutional logics. In: Greenwood R, Oliver C, Sahlin K, et al. (eds) *The Sage handbook of organizational institutionalism.* London: Sage Publications.

Tillema S and ter Bogt HJ. (2010) Performance auditing: Improving the quality of political and democratic processes? *Critical Perspectives on Accounting* 21 (8): 754-769.

Van der Knaap P. (2011) Sense and complexity: Initiatives in responsive performance audits. *Evaluation* 17 (4): 351-363.

van der Meer F-B. (1999) Evaluation and the Social Construction of Impacts. *Evaluation* 5 (4): 387-406.

Van Der Meer FB and Edelenbos J. (2006) Evaluation in multi-actor policy processes: Accountability, learning and co-operation. *Evaluation* 12 (2): 201.

Weber M. (1968) *Economy and society, edited by Guenther Roth and Claus Wittich*.

Yin RK. (1992) The case study method as a tool for doing evaluation. *Current Sociology* 40 (1): 121.