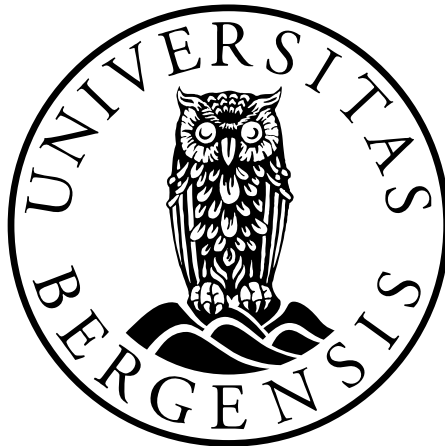# DOES PERFORMANCE AUDITING MATTER?

The government administration's response to the performance auditing of the
Norwegian Office of the Auditor General

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Preface

This thesis is submitted to the Department of Administration and Organization Theory at the University of Bergen where my main supervisor, Per Lægreid, is professor. My co-supervisor, Åge Johnsen, is professor of public policy at Oslo and Akershus University College of Applied Sciences. As a candidate, I have been registered as a PhD student at the Research School of the Faculty of Social Sciences of the University of Bergen. My thesis has been financed through a PhD fellowship from the University of Bergen.

Throughout the period of working on my PhD, I have been associated with a strong academic community at the Department of Administration and Organization Theory as a member of the research group "Political Organization and Multi-Level Governance". Professor Per Lægreid is head of this group. In carrying out my mandatory work duties, I have lectured, corrected examination papers and supervised Bachelor and Master's degree students. I very much enjoyed those tasks, which contributed positively to my work on this thesis.

Before undertaking my doctorate, I was employed at the Work Research Institute in Oslo, the Norwegian Supreme Audit Institution and the Office of the City Auditor of Oslo and also held various positions as a civil servant in the government administration. As a former auditor, I was curious about the influence of performance auditing. In addition, I knew that this issue interests the Norwegian Supreme Audit Institution. Moreover, it is an important question to research, given that Supreme Audit Institutions are of central importance for the governance system of a country. My knowledge of how auditing is conducted helped in both the collection of data and the interpretation of results.

Acknowledgements

Last but not least, I want to thank my family: my parents for patiently listening to lectures about public administration over and over again; my husband, Grim Bjørneklett, for method discussions and for helping me to create a database of performance audit reports; and my children for being there.

Kristin Reichborn-Kjennerud
Bergen, Desember 2013

Summary

The point of departure for this thesis is Michael Power's provocative proposition in his 1997 book *The Audit Society* (Power, 1997). There he states that auditing produces only reassurance. This thesis is an empirical investigation into the influence of the Norwegian Supreme Audit Institution to see if this assertion is true.

The Supreme Audit Institution (SAI) can be described as a tool of the parliament for use in exercising control over the government administration. In this thesis, I concentrate on one particular method of the SAI, namely "performance auditing". Performance auditing is similar to evaluation but is conducted within the context of institutional control. This method has become increasingly important with the advent of new management principles and techniques in the public sector from the 1980s onwards. The new public management (NPM) system was partly inspired by management techniques in the private sector and is focused on the efficient and effective use of resources. Interest in the performance of public entities, however, predates NPM by many decades.

Accountability mechanisms are needed to prevent misuse of power. For this reason, the role of external control institutions is rarely questioned. Some scholars nevertheless accuse such institutions of providing assessments that are too detailed and narrow. At the same time, others describe how SAIs are at risk of becoming political and running into conflicts with the executive.

The goal of this thesis is to investigate how auditees and members of the parliament (MPs) respond to performance auditing. It is their reactions and opinions that are the dependent variable. In this thesis, a mixed-method approach – including a questionnaire for auditees, interviews and document analysis – was adopted.

Contrary to Power's assertions, my study shows that performance auditing does have an impact. A majority of civil servants find performance auditing helpful. Their perception of its usefulness depends on the extent to which their comments were taken into account in the performance auditing process, whether they considered the performance audit report to be of high quality, whether the performance audit contributed to improvements and how they perceived the SAI as an institution.

There are nevertheless differences in how respondents perceive performance audit reports. In general, civil servants at ministries and top executives tend to be more negative. This suggests that the offices that are responsible find it uncomfortable to be held to account.

Civil servants more exposed to performance auditing are more negative too. This may indicate control overload. Alternatively, it may indicate discomfort linked to justified control.

In one-third of cases, the performance audit is used to hold a minister to account. This tendency increases when the media or other actors take an interest in the report. Pressure from political opponents and demands for concrete measures from the parliamentary Standing Committee on Scrutiny and Constitutional Affairs (control committee) strengthen this tendency in equal measure.

Auditees use different strategies when they are subject to performance auditing. Their willingness to make changes depends on pressure from and sanctions imposed by the parliamentary control committee, as well as on their own perception of the report. If they disagree with the report's findings and sanctions are weak, they will resist change. If they agree with the findings and sanctions are tough, they will implement change. At the same time, apparent indifference towards the report does not necessarily mean less impact. When the findings of a report are important, the ministries will use them to make improvements, regardless of whether the report triggers debate.

Performance audit reports have a moderate impact on the public debate. Thus the SAI's direct dialogue with the ministries is important. At the same time, disagreements based on different values and logic can impede the SAI's influence on the audited entities.

The four articles that constitute the main part of this thesis

1. Kristin Reichborn-Kjennerud (2013), "Performance audit and the importance of the debate", forthcoming in *Evaluation*.

2. Kristin Reichborn-Kjennerud (2013), "Political Accountability and Performance Audit: The Case of the Auditor General in Norway", in *Public Administration, 91*(3), 680–695.

3. Kristin Reichborn-Kjennerud (2013), "Auditee strategies - An investigation of auditees' reactions to the Norwegian State Audit Institution's performance audits", under review.

4. Kristin Reichborn-Kjennerud (2013), "Resistance to control – Norwegian ministries' and agencies' reactions to performance audit", in *Public Organizational Review,* DOI: 10.1007/s11115-013-0247-6.

Contents

Part l: Summary

Part ll: The four articles of the thesis

1. Introduction

Michael Power (1997) described the development towards an audit society as continuing institutional pressure for auditability. Auditors' control systems are set up to secure "cost-effectiveness". It is assumed that this checking is effective and has an impact. Power casts doubt on this assumption and argues that these audits and inspections provide only comfort and reassurance. His assertion is a comment on the organization of trust in developed societies and the related institutionalization.

In line with Power's arguments, it has recently been suggested as part of the public debate in Norway that all this control activity increases both administration costs and bureaucracy without contributing to any improvement in the audited entities (Kinander, 2012a). A counterargument is that control does contribute to learning and improvement and enhances accountability (Lonsdale, Wilkins, & Ling, 2011). It is therefore both interesting and important to empirically investigate how, for whom and to what extent these audits may have an impact. This thesis explores the influence of performance audits on civil servants and MPs.

1.1 Research questions

The subject of investigation of this study is whether democratic accountability can be achieved through performance auditing. I pose four sets of research questions to examine this proposition. Each set of questions is tackled in one of the four articles that constitute the main part of this thesis.

1. What is the performance audit's message? How important is this message for public debates and what are the implications of such debates for the influence of the SAI?
2. To what extent are performance audits perceived as helpful by the auditees? To what extent are audits used to hold ministers to account and how can observed patterns be explained?
3. What mechanisms are triggered in the audited entities when the SAI holds them to account and why are these mechanisms triggered?
4. How do audited civil servants at ministries and government agencies view the SAI's performance audit reports and how should we understand their reactions?

Delimitations

Whether the audited entities improve depends not only on the efforts of the audit institutions but also on the audited entities themselves and the overall environment in which they operate. The performance audit can be seen at best as a point of departure for a learning process (Argyris, 1999; De Vries, Van der Meer, & Vissers, 2000). Some organizations may have a culture of learning, while others are more indifferent or more sceptical. This thesis does not explore this aspect in depth as I have not collected enough data to make a judgment on the audited entities' readiness to learn and make changes. My research agenda is to scrutinize the ability of the audit institutions to influence the audited entities without problematizing that entity's culture. To explore the impact of control on learning and innovation is nevertheless an interesting topic for future research.

In Norway, the SAI is mandated by law (Law No. 21 "On the Office of the Auditor General of Norway",2004) to look for irregularities and corruption – a task that might demand police-like investigation methods. This mandate plays an important role in securing public funds. Many audit institutions nevertheless find it difficult to carry out this task because within an

audit context, detecting corruption is quite unique and requires special methods. I will not elaborate on this issue in my thesis.

Performance audits at the national and local level have much in common, but there are also many structural and institutional differences. The political, administrative and organizational conditions vary somewhat between audits at these two levels. Audits at the municipal level may be put up for tender. Local audit institutions do not interact with international peers to the same extent as do SAIs. The audit process is organized differently at the local level and the audit offices are smaller and more decentralized. Moreover, local audit offices' experience of performance auditing, which is a relatively recent activity, varies too. This may have implications for the competence of the audit offices, their choice of strategy and their relations with the audited entities (Meld. St. 12 (2011-2012), 2012). Performance auditing conducted at the local level is therefore not covered in this thesis. The impact of the self-monitoring of and control over the municipalities is an under-researched but important topic.

In this thesis, I investigate how auditors exert influence, but I do not examine the preventive effect of conducting audits in the same policy area one or more times in succession or the effect of follow-up activities. The ever-present threat of being called to account is just as important as the act of bringing officials to account. It is probable that the expectation of follow-up by a SAI or continued monitoring will also have an effect on the auditees. For example, the auditees might anticipate reactions and take precautions to avoid criticism (Mulgan, 2000). This topic is not explored fully in this thesis. Rather, the primary focus is on single reports and their impact. The preventive effect of control should be explored in further research as it could have implications for innovation in the public sector.

2. Key concepts

Three concepts central to this thesis are discussed below.

The first concept is "performance auditing", in other words assessing that which the government administration is held to account for (Bovens, 2007a). What the content of a performance audit is or should be is a complex question that has been widely discussed (Boyne, 2003; Dubnick, 2005; Fukuyama, 2013).

In this thesis, the second concept, "control", is used primarily in relation to the principal-agent perspective of democratic government, where elected politicians in the parliament evaluate the government's use of the taxpayer's money on behalf of the principal (that is, the people) (Strøm, 2000).

The last concept, "accountability", relates to the principal's act of holding agents to account. Ideally, the parliament uses the SAI's performance audit reports to hold the government administration to account for its actions. In addition, there are other accountability relationships involving voters, the media and subordinate entities (Bovens, 2007a).

Figure 1 below illustrates how the government and its administration perform tasks to produce certain societal outcomes. Both are accountable to the parliament for their use of the taxpayer's money. The SAI assesses the government administration's work and reports back to the parliament. As an independent institution, the SAI uses performance audits not only to hold the ministries to account but also to enhance the government administration's ability to work efficiently and effectively.

The SAI's control is diagonal because it is the parliament that sanctions the ministers and the SAI's role is limited to drawing up the reports. The parliament acts on behalf of the voters and controls the use of the taxpayer's money. Ministers answer only to the parliament, while subordinate entities answer to their minister in a principal-agent relationship.

Figure 1: Accountability relationships involving the SAI
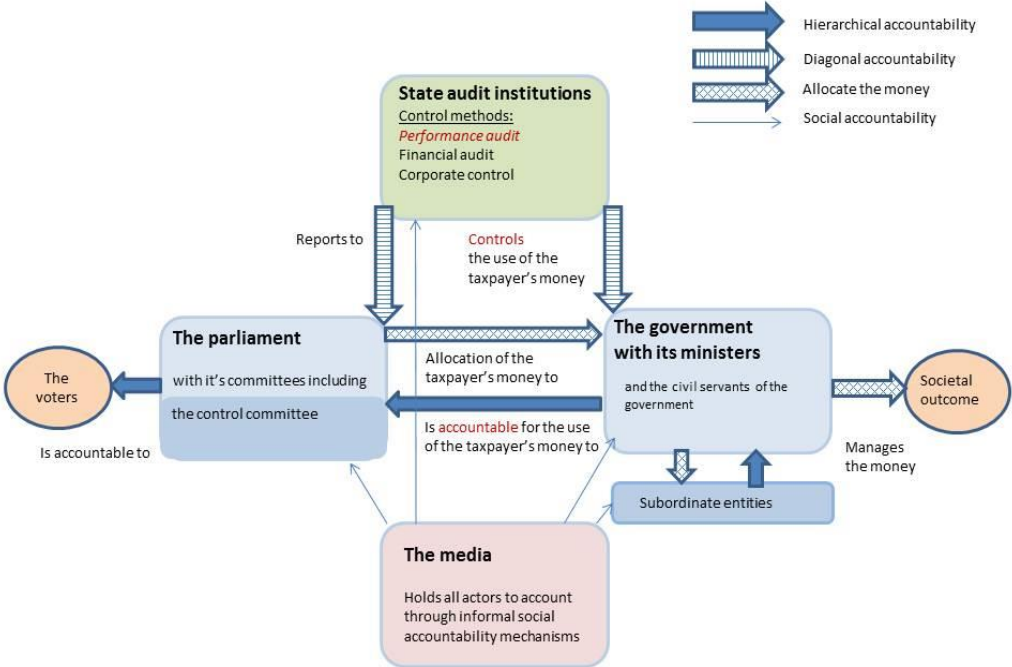
The relationships between the SAI, the parliament and the audited entities are discussed in the four articles that constitute the main part of this thesis. The first article investigates to what extent the reports are publicly debated and what implications this might have for the SAI's influence. It also explores the content of the SAI's performance audit (the first set of research questions). The parliament, the government and the SAI are all subject to media scrutiny and socially accountable to the media. The ministries are held to account diagonally in the performance audit reports and politically in the parliament (hierarchical accountability).

The second article of this thesis investigates when and to what extent the reports are used to hold ministers to account. Both the parliament and the SAI are forums to which the auditees have to explain themselves. The parliament may impose formal and informal sanctions on the government and its ministers that may entail consequences if the government and its minsters do not live up to expectations as regards their performance and compliance (Bovens, 2007a) (the second set of research questions).

In exercising its control, the SAI points to deficiencies in performance and compliance that audited entities are expected to rectify (Pollitt et al., 1999). The intention is that this will lead to improvements. The second and third articles of this thesis investigate how auditees respond to performance audits, whether and when they find them helpful (the second set of research questions) and what strategies they use when exposed to performance auditing (the third set of research questions). The fourth article explains the differences in auditees' perceptions of the quality of performance audit reports (the fourth set of research questions) – a factor that is important for how auditees view the usefulness of performance auditing.

2.1. Performance auditing

The aim of performance auditing is to evaluate a public entity's performance by assessing its disposition and the results it has achieved. Performance auditing is not limited, as is financial auditing, to examining whether a public entity has given an accurate account of its financial transactions. Rather, it is an examination made on a non-recurring basis that controls selected issues at a given point in time. It can therefore be characterized as a "fire alarm" rather than a "police patrol" (McCubbins & Schwartz, 1984). Performance auditing resembles evaluation but is placed in an institutional context of accountability (Hood, 1995; Lægreid, Roness, & Rubecksen, 2006; Nordby, 2004). The subject of the SAI performance audit is selected based on the principle of added value and the risk and materiality of potential problems (INTOSAI, 2013b). Below I elaborate on the content of the performance audit and the differing perceptions of it.

The mandate of the performance audit

Performance auditing is defined by the International Organisation of Supreme Audit Institutions (INTOSAI) as "an independent, objective and reliable examination of whether government undertakings, systems, operations, programmes, activities or organisations are operating in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement" (INTOSAI, 2013a, p 2). The audit may take a result-oriented approach, which assesses whether pre-defined objectives have been achieved as intended; a problem-oriented approach, which verifies and analyses the causes of a particular problem(s); a system-oriented approach, which examines the proper functioning of management systems; or an approach that combines all three approaches (INTOSAI, 2013c).

Not all SAIs are allowed to assess operations. In several countries, there have been disputes over the mandate of the performance audit, specifically whether effectiveness – which implies that the SAI can also assess if the government has succeeded in obtaining its stated goals – should be included in the mandate. This has led to clashes between SAIs and national and local governments (Guthrie & Parker, 1999; Jacobs, 1998; Radcliffe, 1998). When the SAI evaluates effectiveness, it is at risk of being accused of interpreting the will of the parliament in a way that may suit someone or some group politically (Sejersted, 2002).

The Norwegian SAI, like the Dutch SAI, is preoccupied with holding ministers to account for policy practices and evaluating the effectiveness of the public administration. Both the Dutch SAI and the National Audit Office of the United Kingdom (NAO) view goals and outputs as key aspects of their work (Pollitt & Mul, 1999).The NAO does not hold ministers to account for policy practices. Instead, it is the administrative relationship between the minister and the administration and the relationship between the administration and the citizen/customer that is evaluated (Arthur, Rydland, & Amundsen, 2012; Put, 2011). Canada and the United States are reluctant to evaluate the effectiveness of the government administration (US Government Accountability Office, 2011; Morin, 2003; Pollitt & Mul, 1999).

The SAI's audit criteria
Auditing implies that a judgment must be made. Judgments require criteria against which facts can be assessed. Audit institutions often apply government instructions and guidelines as well as other standards to operationalize the will of the parliament (Pollitt & Mul, 1999). Accepted standards, norms and targets can be used; these could include regulations and guidelines, professional standards, performance objectives and targets, recognized management practices and contractual requirements. In Norway, a comprehensive model for performance management was introduced into the Government Financial Regulations of 1996 (Lægreid et al., 2006). In its audit criteria, the SAI often uses these financial regulations to operationalize the Norwegian parliament's decisions and initial legislative, policy and other proposals.

In a report titled "Parliamentary Control over Government and Public Administration" (Stortinget, 2002-2003), the parliament emphasized that there is a distinction between the goals set by the parliament and those set by the government administration. The SAI is not an

auditing body for the government (NOAG, 2011). The aim of a performance audit is to establish whether the decisions and intentions of the parliament have been implemented.

How the achievements of the audited entity are assessed depends on the SAI's criteria and how it measures performance. There are differences in emphasis among SAIs. For example, one SAI may place more importance than others on the procedures in place, the competency of the entity, the measures of output and outcome or the costs relative to output (Dubnick, 2005).

In its audit criteria, the SAI has to operationalize the parliament's decisions and intentions. In doing so, it exercises discretion. Setting criteria for judgment gives the SAI the power of definition and determines what assessments it makes. Questions can therefore be raised as to how this discretion is exercised and how the parliament is to treat the audit report – as a body of indisputable facts or as a basis for political judgment (Sejersted, 2002). In its comments to the reports, the Standing Committee on Scrutiny and Constitutional Affairs will, in any case, signal what it wishes the administration to focus on (Nordby, 2004).

What auditors evaluate

The auditing profession has struggled to reconcile differences in beliefs and interpretations over what constitutes performance auditing (Funkhouser, 2011). There are different types of audit reports focusing on results, processes or compliance, and these reports provide explanations about their findings to varying degrees (Grönlund, Svärdsten, & Öhman, 2011; Put, 2011). Different audit institutions perform different roles: some take on the role of "public accountant" or "judge" and are preoccupied with processes and compliance with the law and regulations; others act primarily as "researchers", whose main concern is to discuss new information, or as "management consultants", focused, above all, on giving advice and contributing to improvement. Which roles they play depends on institutional factors such as the audit institution's culture and the competence of its auditors (Pollitt et al., 1999).

The ideal focus in performance auditing is on performance with the aim of contributing to improvement. However, it is still the case that very few reports focus on efficiency and effectiveness. Rather, they are system-oriented towards matters of good governance. This paradox was identified by Pollitt and his/her colleagues in their book published in 1999 (Pollitt et al., 1999).

Put (2011) claims that there is no direct link between due processes (i.e., certain management practices) and results. Often public policymakers and managers work in a context of ill-defined means-end relationships; thus it seldom suffices to focus solely on compliance with such processes. Rectifying processes does not automatically guarantee that results are achieved.

Nonetheless, as the articles included in this thesis demonstrate, the auditees themselves seem not to attach importance to either the auditor's role or the type of report. What matters is how they judge the quality of the report, their opinion of the audit institution, their experience with making improvements and the extent to which their comments were taken into account in the auditing process.

SAIs conduct very specific types of examination compared with the evaluation community. Evaluators tend to have a broader scope, use more diverse methods and techniques of intervention and put more stress on the importance of dialogue in the evaluation process, whereas in performance auditing there is a certain tension between the auditors providing guidance to the auditees and maintaining their independence. And because they also need to remain independent of pressure from politicians and interest groups, SAIs can apply to a more limited extent only the involvement of stakeholders, which helps to increase usage of the auditors' performance audits reports (Lonsdale, 2011; Reichborn-Kjennerud & Johnsen, 2011).

There are institutional, cultural and political inhibitions for SAIs developing into evaluative institutions. Public auditors are part of an authoritative system of controls that is central to democratic government and must base their work on statutory powers and a mandate that defines the limits of their authority (Summa, 1999). Although some authors argue that performance auditing should be classified as evaluation rather than auditing (Barzelay, 1996), the work of SAIs is bound to be done from the standpoint of guardianship and control, while their fundamental role is to hold public bodies to account for the expenditure of public funds (Summa, 1999). This distinguishes the work of SAIs from most evaluations.

The SAI's assessments

Based on the design of the performance audit (the audit questions, the audit criteria, methodology and so forth) and empirical findings, the role of SAIs is to assess whether the performance and compliance of auditees meet expectations.

According to Majone (1989), the design of evaluations depends on both the measurability of the outcome and the predictability of the production function. Put (2011) customized this assertion for the case of the performance audit (see Table 1 below).

Table 1: Choice of the most appropriate type of performance audit

Knowledge of process			
		Complete	Incomplete
Measurability of outcomes	High	1.Audit of processes, including an estimation of the consequences of dysfunctional processes	3.Audit of results, followed by an analysis to explain shortfalls in results
	Low	2. Audit of processes, including an explanatory analysis to explain dysfunctions	4. Difficult to audit in a meaningful way

Source: Put V. (2011), "Norms used: some strategic considerations from The Netherlands and the UK", in J. Lonsdale, P. Wilkins & T. Ling (eds.), *Performance Auditing. Contributing to Accountability in Democratic Government*, Cheltenham: Edward Elgar Publishing Limited, p. 85.

Table 1 illustrates for which aspects of their conduct – processes or results – auditees should be held to account and under which conditions.

Fukuyama (2013) disagrees with this accountability system. In his view, results are hard to measure and/or separate from procedural and normative measures. He also argues that it is difficult to isolate the efforts of public entities from the overall environment in which they

operate. Measuring results and tracing their causes are both "impossible" tasks and auditors may not have the competence to do either. As an alternative, Fukuyama suggests that capacity, measured by the professionalization of the bureaucracy, and the degree of autonomization are the best indicators of quality of government in developed countries. He thereby expresses distrust in the effectiveness of NPM instruments of control. Moreover, his arguments reclaim trust in a profession that has been under pressure from NPM systems (Ferlie & Geraghty, 2005).

In 1977, a task force studying the Norwegian parliament's control over public administration expressed doubt as to whether auditors had the competence to undertake performance auditing (Stortinget, 1977). Research suggests that the competence of auditors has become an issue in practice. Often the audit institutions assess management systems and compliance rather than results and outcomes. Many auditors act path dependently by strengthening their traditional role as "public accountant" instead of working in new ways (Christensen & Lægreid, 2006; Helgøy & Serigstad, 2004; Pollitt et al., 1999).

There are several reasons why auditors tend to apply the criteria of good management and/or conformity to procedures rather than quantified measures of efficiency and effectiveness. Examining whether an operating system conforms to a particular model or rule is close to the auditor's traditional task of verification. Moreover, it is often the case that audit institutions have limited skills at their disposal. This may reinforce existing cultural dispositions that favour "checking" over "analyzing" modes of audit. Using precise criteria as the basis for assessments could turn the performance audit into a simple "pass or fail" test (Pollitt & Mul, 1999). To bring about improvement, it is important to provide a basis for informed decisions. Thus Put argues that, irrespective of the focus of the performance audit, the auditor should always include explanations of the shortfalls in the observed results (Put, 2011).

The above discussion on the content of the performance audit has highlighted the diverse criticism made of auditors. If preoccupied with auditing policy outcomes, they are accused of being political. If sticking to an assessment of compliance, they are accused of having too narrow a focus and of being incompetent. Therefore, contrary to Power's allegations, this suggests that audit does provoke reactions and may, in fact, produce discomfort (Power, 1997).

2.2. Control

Control refers to the mechanisms and instruments that are used by the controlling party in order to influence the decisions and behaviour of the controlled party with the aim of achieving the objectives of the controlling party. There are three types of control: *ex ante* control – systems of planning and target-setting; *ex nunc* control – systems of monitoring; and *ex post* control – systems of evaluation, rewards, sanctions and feedback (Verhoest, Roness, Verschuere, Rubecksen, & MacCarthaigh, 2010, p 24). In this thesis, the control of SAIs is placed in the last category – namely *ex post* control. Its preventive effect, however, would have to be categorized as *ex ante* control.

Instrumental control

The Anglo-Saxon concept of control has two different meanings in the Norwegian language: steering actions before they take place and monitoring actions after they have occurred. "Control" is broader than accountability and can include both *ex ante* and *ex post* mechanisms of directing behaviour – for example, proactive means of steering conduct through directives, financial incentives or laws and regulations (Bovens, 2007a).

Auditors' understanding of "control" is "being in control", that is, handling risks by securing checks and balances and smooth operations in a system. The Committee of Sponsoring Organizations of the Treadway Commission (COSO), whose mission is provide control frameworks and guidance for auditors, describes control as a system and process of risk management and internal control that integrates those concerns (COSO, 2004, 2005a, 2005b).

Auditors have a distinctly top-down perspective – or, put another way, a funder's perspective. The funder is preoccupied with control to secure the sound management of resources and good results. But this "control" can conflict with the controlled party's autonomy (Rubecksen, 2009). Detailed controls in a system can be experienced as contrary to personal control and organizational learning (Hvid, 2009; Karasek & Theorell, 1994). This is a bottom-up perspective focusing on working conditions and trying to identify optimal conditions for organizational learning, including evaluating and ultimately improving the system (Amble, 2012; Argyris, 1999; Herbst, 1993; Karasek Jr, 1979). In this thesis, I take primarily a top-down perspective.

Control in both NPM and the management by objectives and results (MBOR) systems is more geared towards controlling results than checking compliance with rules. It entails giving local managers a certain amount of leeway over how to solve tasks as long as results are obtained. The system is often assumed to be based on a Tayloristic and instrumental understanding of control that focuses on the system and the technology without regard for its influence on the social system (Taylor, 1967). Politically defined goals are to be operationalized and implemented by civil servants. Civil servants are to report back on the results achieved and are then to be rewarded or punished according to the level of goal attainment (Christensen, Lægreid, Roness, & Røvik, 2007). Potentially, MBOR could also be part of open learning systems that affect agenda-setting, decision-making and the implementation of decisions (Ezzamel, Hyndman, Johnsen, & Lapsley, 2008).

The Norwegian Office of the Auditor General bases its control on the MBOR system as the official state control system in Norway. It thus takes the instrumental perspective of control as its point of departure. In this thesis, I examine how the fundamentals of this theory match the empirical reality.

Accountability mechanisms are important in controlling the conduct of public entities, but control mechanisms are not mechanisms of accountability per se. Accountability implies that actors have to explain and justify their conduct to various forums. Nonetheless, control mechanisms (such as internal control) can be a method to ensure those who hold to account that subordinate entities are well-functioning (Bovens, 2007a).

2.3. Accountability

Democratic accountability is the hallmark of modern democratic governance. Democracy remains a project on paper if those in power cannot be held accountable. Citizens, who are the primary principals in a democracy, transfer their sovereignty to political representatives and civil servants (Bovens, 2005). The SAI is an administrative tool that the parliament uses to hold the government administration accountable for its use of the taxpayer's money.

There are three functions of democratic accountability: first, to hold civil servants constitutionally accountable, which implies an assessment in a court of law based on the Constitution; second to hold civil servants democratically accountable based on the will of the parliament (Bovens, 2005); and third, to improve performance. The first two functions contribute to prevention while the third should foster individual or institutional learning (Aucoin & Heintzman, 2000).

Definition of accountability

The concept of accountability has been much discussed (Schillemans, 2011, 2013) and can be understood in many ways (Mulgan, 2000). In line with Bovens' concept of accountability, I regard the accountability relationship as a social "mechanism". The actor is held accountable by a forum and must provide explanations and justify its conduct (Bovens, 2010; Schillemans, 2011). In this thesis, "holding to account" is understood primarily as the ministries' obligation to answer to the parliament about the execution of their responsibilities (Bemelmans-Videc, Lonsdale, & Perrin, 2007, p. 241); more specifically, they must answer to the parliamentary control committee. Besides being accountable to the parliament, the ministries must explain themselves to the SAI. Entities, not individuals, are held to account in this accountability hierarchy, while the top executive is responsible for his/her entity (Bovens, 2005).

What ministries are held to account for

What a SAI holds ministries to account for varies from administrative system to administrative system. For example, it can hold ministries to account for results, compliance or good management practices (Aucoin et al., 2000; Behn, 2001; Grönlund et al., 2011; Pollitt et al., 1999a) or for products, procedures or use of finances (Bovens, 2007a).

To enhance performance, it is important to improve the learning capacity and effectiveness of public administration. In the NPM/MBOR system, performance auditing is therefore meant to be outcome-oriented. To secure value for money, the principal controls the way public funds are spent (Bovens, 2007b). In the Weberian hierarchical system, importance is attached to checking compliance with the law and regulations as well as processes and procedures and to monitoring the government's conduct for the abuse or misuse of public authority. It is also important to check whether rules have been applied with fairness and equity (Aucoin & Heintzman, 2000; Behn, 2001; Bovens, 2007b). In post-NPM systems of governance, accountability is less clear than in traditional hierarchical government, while cooperation between administrative units at different levels is a success criterion and thus important to control (Reichborn-Kjennerud & Johnsen, 2011).

The obligation to render account

The obligation to render account can be vertical, diagonal or horizontal. "Vertical accountability" refers to a situation where the forum formally wields power over the actor, perhaps owing to the hierarchical relationship between the actor and the forum – as in the case of the minister who is accountable to the parliament. The majority of political accountability arrangements that are based on delegation from principal to agent are forms of vertical accountability. In most cases of legal accountability, too, the forum has the formal authority to compel the actor to render account, although this is based not on a principal–agent relationship but on laws and regulations. The same applies to disciplinary committees in the case of professional accountability.

In "diagonal accountability", the administrative forum – such as the audit institution – stands in no direct hierarchical relationship to the public entities and has few powers to enforce compliance. However, the majority of these administrative forums ultimately report to the minister or to the parliament and in this way derive informal power.

In "horizontal accountability", rendering account to the media and various stakeholders in society occurs on a voluntary basis – that is, with no intervention on the part of the principal (Bovens, 2007a). In the media, the SAI and the government administration are held informally to account in an ongoing debate – that is, in an interplay in which various stakeholders advocate their interests. Such accountability mechanisms are not based on the obligation to render account and do not entail the formal possibility of sanctioning, only the

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informal possibility of "naming and shaming". Instead, stakeholders appeal to moral obligations. However, media interest can prompt politicians to react through hierarchical accountability mechanisms (Bovens, 2007a).

These above-mentioned forms of accountability have been identified as important by other researchers on accountability both before and since Bovens' contribution (Ezzamel et al., 2008; Stone, 1995). However, they have been conceptualized somewhat differently.

The accountability of the government to the parliament is inherently political. It is the parliament that, on behalf of the voters, holds the minister to account for the SAI's findings. The accountability of the ministries to the SAI is diagonal because the latter serves as an administrative agent for the parliament (Bovens, 2005). From this hierarchical relationship the SAI derives informal power (Bovens, 2007b) – informal, because auditors cannot formally sanction auditees (Put, 2011). The implication of this relationship is that the SAI's influence depends on the reactions of the parliamentary control committee.

The various phases of the accountability process
From an analytical perspective, the accountability process can be divided into three phases: the information phase; the debating phase; and the consequences phase (Bovens, 2010; Schillemans, 2011).

The "information phase" is that during which data are collected from the audited entity. Subsequently, when the report has been completed, the ministry is allowed to take issue with the SAI's findings (the "debating phase"). This debate between the SAI and the ministry is included in the report that is sent to the parliamentary control committee. If the committee requests the minister or civil servants to respond to the findings or initiates a hearing, this could be interpreted as a continuation of the debate. However, if the committee displays this much interest in the SAI's findings, it clearly finds them worrisome. Its interest can therefore be interpreted as a sanction in itself (the "consequences phase"). Lesser sanctions could be specific demands or comments made by a majority of committee members in the committee's proposal to the parliament.

The formal sanctions that the parliament can impose against the government administration are impeachment (last used in Norway in 1926-27) and a vote of no confidence (Sejersted,

2000). The fact that these sanctions are seldom used does not mean that the government and its administration are not held to account. Ministers are regularly exposed to criticism, serious or otherwise, that can apply pressure on them, weaken their political position or even force them to resign (Nordby, 2004).

The impact of control cannot be judged from the number of impeachments and votes of no confidence. Rather, the criterion for such a judgment is whether misconduct is uncovered, responsibility is assigned to where it belongs and consequences ensue for the accountable party (Nordby, 2004). In this respect, accountability can be understood as the extent to which an individual or entity is exposed to criticism (Eckhoff & Jacobsen, 1960).

The responsibility of ministers

The dichotomy between politicians, who make policies, and administrators, who are to execute those policies in the technically most efficient way, has long been debated (Svara, 1999). It is hard to know when the decision-making process ceases to be a policy choice and becomes a mere administrative procedure. Discretion is exercised at all administrative levels, even among street bureaucrats. This has implications for accountability. In the Norwegian system, ministries are held accountable both for their own actions and for those of civil servants in subordinate entities (Rose, 1987). This means that ministers have to assume responsibility for events for which they cannot personally be blamed (Nordby, 2004; Sejersted, 2002).

In Norway, since the 1980s there has been a delegation of tasks from ministries to agencies and state-owned companies, followed by a period of increased management through governance and networks (Lægreid, Roness, & Rolland, 2013). This has increasingly complicated the practice of holding to account and exacerbated the problem of assigning responsibility because the system is at risk of becoming fragmented. Contractual relationships change accountability relationships and may reduce the public authorities' ability to be in control; but at the same time it is often the case that the public authorities cannot continue to deliver the same services within their own organizations (Klingner, Nalbandian, & Romzek, 2002).

The principle of objective responsibility is important for the parliament to be able to exercise its control. It resolves the "problem of many eyes" (identifying to whom or to what civil

servants are accountable) because a clear principal-agent hierarchy is established (Bovens, 2005). Furthermore, it simplifies the process and motivates ministers to prevent misconduct (Nordby, 2004). The ministries themselves support this principle, even though in recent years delegation has weakened their powers (Christensen & Lægreid, 2006).

Who is accountable

In real life, accountability is not defined by simple principal-agent relationships. Public services are increasingly organized into networks of public and private providers of services that cooperate in an intricate manner and have to live up to the expectations of different stakeholders. These new organizational forms and implementation structures are a challenge both for the ministries that are held to account and for the auditors. Results achieved in a certain policy area are based on the decisions and activities of many different actors, not merely on the actions of ministries. It thus becomes hard to identify who is responsible for which outcome (Romzek, 2011). The problem of assigning responsibility is called the "problem of many hands" (Bovens, 2005) and is characteristic of complex modern societies (Day & Klein, 1987; Thompson, 1980).

3. State of the art literature

Much scholarly literature has been critical about the way auditors carry out their mandate. It argues that the auditors' scope and methods are too narrow (Aucoin & Heintzman, 2000; Bowerman, Raby, & Humphrey, 2000; Christensen & Lægreid, 2006; Gendron, Cooper, & Townley, 2007; Lapsley & Lonsdale, 2010; Leeuw, 1996; Morin, 2008, 2010, 2011; Power, 1997, 2000; Power, M., 2003; Power, M. K., 2003; Radcliffe, 2011; Reichborn-Kjennerud & Johnsen, 2011; Skærbæk, 2009; Strathern, 2000; Sutherland, 2003). Other scholarly literature is more descriptive, with the aim of clarifying what performance auditing is. Many such commentaries are written by auditors themselves (Ahlenius, 2000; Arthur et al., 2012; Bourn, 2007; Gunvaldsen & Karlsen, 1999; Lonsdale, 2000, 2008; Van der Knaap, 2011) and explain methodologies or strategies. In addition, there are more descriptive contributions by scholars in the fields of public management and administration, accounting, political science and law (Barzelay, 1996, 1997; Bowerman, Humphrey, & Owen, 2003; Christensen, Helgesen, & Lægreid, 2003; Christensen, Laegreid, & Roness, 2002; Grönlund et al., 2011; Justesen & Skærbek, 2010; Lapsley & Pong, 2000; Nordby, 2004; Pollitt, 2003; Pollitt & Summa, 1997;

Roberts & Pollitt, 1994; Sejersted, 2000, 2002; Sterck, 2007). There also exists empirical research on how auditors choose and operationalize the audit criteria that they use as the basis for their judgments (Keen, 1999; Nutley, Levitt, Solesbury, & Martin, 2012; Put, 2011; Put & Bouckaert, 2011).

Recent contributions in the field of performance auditing include publications that investigate the aspects of organization, methodology, quality of audit reports, learning processes and to what extent auditors are able to respond to auditees' concerns (Bemelmans-Videc et al., 2007; Lonsdale et al., 2011; Morin, 2008, 2010; Reichborn-Kjennerud & Johnsen, 2011; Van Der Knaap, 2006, 2011). Some authors have specifically dealt with local government auditing (Batac & Carassus, 2009; Clausen & Madsen, 2009; Johnsen, 2003; Johnsen, Meklin, Oulasvirta, & Vakkuri, 2001; Opedal & Østtveiten, 2000; Reichborn-Kjennerud & Johnsen, 2011; Tillema & Ter Bogt, 2010; Weets, 2011). At this level, the questions of impact and accountability are also relevant.

Important earlier contributions include reference books such as *The Audit Society* (Power, 1997), which is critical of the auditors' systems and methods; and the more descriptive *Performance or Compliance? Performance Audit and Public Management in Five Countries*, which compares performance auditing in several countries (Pollitt et al., 1999). The latter book explores what auditors hold auditees accountable for – performance or compliance. This is linked to the training that auditors receive and the culture in audit institutions. The book's findings confirm that auditors audit mainly control systems rather than efficiency and effectiveness, both of which are central to their mandate.

In Norway, Fredrik Sejersted (2000) defines efficient control as the extent to which a SAI is successful in uncovering misconduct, the extent to which it assigns responsibility and whether the control exercised entails consequences. Tom Christensen and Per Lægreid studied civil servants' perception of the role of the SAI after its reorganization in 1996 and the new emphasis on performance auditing that followed (Christensen & Lægreid, 2006). They also analysed the revitalized role of the SAI in a report on democracy and the distribution of power in Norwegian society (Christensen et al., 2003). Several dissertations submitted to the universities of Bergen and Oslo have dealt with performance auditing too. Topics include the parliamentary control committee and its relation to the SAI (Søreng, 2002), the mandate and

organization of the SAI (Glückstad, 2006), the development of performance auditing (Grahm-Haga, 2006) and the content of the performance audit (Lundell, 2012).

In their study of accountability mechanisms, the Danish researchers Justesen and Skærbek (2010) show how the SAI's repeated insistence that its decisions are implemented and its continued involvement over time in the audited entity lead to the implementation of a control system and furnish the ministries with a new identity – one more concerned with controlling subordinated entities. They thereby demonstrate how the SAI's agenda inevitably involves increased steering and control. Furthermore, they show how this attention over time might be more important for the influence of the SAI than are single reports, which are the primary focus of this thesis. Justesen also explored the content of the audit: what characterizes the performance audit as text and genre and how it is used (Justesen, 2008). Kjær (1996) compared Swedish and Danish reports and found that the Swedish reports investigated broader issues than its Danish counterparts and that Swedish performance audit was closer to the evaluative tradition in performance audit.

The Swedish researcher Ahlbäck (1999) assessed the Swedish SAI's ability to conduct independent audits and questioned its responsiveness to the auditees' needs and close relationship to the ministries. This book was published at a time when the Swedish SAI reported to the government; it has since been reorganized and now reports to the parliament. Recently, Bringselius assessed the performance of the Swedish SAI (Bringselius, 2011).

There is little research to date on the impact of performance auditing (De Vries et al., 2000; Morin, 2001, 2003, 2004, 2008; Wilkins & Boyle, 2011). In a review of existing research on the subject, only 14 studies dealing specifically with the impact of the performance audit were found (Van Loocke & Put, 2011).

A recent contribution to this body of literature has been Alwardat (2010), which focuses on the perception and impact of the performance audit. Alwardat's qualitative research demonstrated that a majority of the auditees interviewed by him doubted the auditors' competence and ability to provide value-added recommendations. There were major concerns about the materiality of their findings as well as the accuracy and fairness of their reports (Alwardat, 2010). Tillema et al. (2010) reached a similar conclusion in their quantitative

survey. They also pointed to the problem of reports having less relevance when auditors failed to take auditees' comments into account.

Danielle Morin (2003) examined the role that performance auditors play in Canada and whether their relations with auditees differ. She found that the response of auditees to performance auditors who have an improvement agenda is not more positive than their response to conservative performance auditors and that conservative performance auditors have a bigger impact. Part of her explanation for this finding was that it takes time to get used to new roles. Another reason could be the more traditional culture in the Canadian SAI and its more limited mandate (Morin, 2003).

By contrast, compliance auditing is seldom the main focus of the Norwegian SAI; instead, it is often coupled with assessments of the MBOR system. Unlike in Canada (as explained in Morin's research), the usefulness of the audit report is not contingent on the auditor's role in Norway but rather on the communication process, on the quality of the report, the legitimacy of the SAI and the contributions it makes to improvement. This demonstrates that the influence of auditors can vary from country to country depending on the culture in the SAI, how it is organized and what its mandate is. Morin (2008) also assessed the impact of auditors on the basis of survey data. Using factor analysis to confirm predefined indicators, she concluded that auditors were influential when the results for an indicator exceeded a score of three on a five-point (Likert) scale.

In this thesis, I, too, seek to contribute to an understanding of the impact of performance auditing. The current study is an empirical investigation of performance auditing as a component of the system of democratic accountability. It also addresses the conceptual influence of auditors through the public debates that their reports engender (Lonsdale et al., 2011).

4. Context

Nearly every state in the world has a SAI. In 2012, the International Organization of Supreme Audit Institutions (INTOSAI) had 191 full members (190 national SAIs and the European Court of Auditors) and four associate members. Founded in 1953, INTOSAI is the umbrella organization of SAIs worldwide (Noussi, 2012).

While all SAIs adopt the International Standards of Supreme Audit Institutions (ISSAIs), they differ sharply in terms of organizational structure, mode of operation and the types of audit on which they traditionally focus. There are three main models of SAI organizational structure: the judicial model (court of audit), the monocratic model (or "Westminster type") and the board model (Noussi, 2012).

The "judicial model", or court of audit, has both judicial and administrative authority and is an integral part of the judiciary. Its staff composed mostly of qualified lawyers. The traditional purpose of this type of SAI is to conduct compliance audits, but today it also conducts financial and performance audits. Courts of audit are prevalent in the Latin countries of Europe as well as in Greece, Turkey and most former French, Spanish and Portuguese colonies.

The "Monocratic model", or "audit office", is an independent body, headed by an auditor general, that reports to the parliament (Arthur et al., 2012). The audit office has no judicial function but, if warranted, its findings may be passed onto legal authorities for further action. This type of SAI is found in many Commonwealth countries (the United Kingdom, Australia, Canada, India and a large number of Anglophone countries in Sub-Saharan Africa, the Caribbean and the Pacific region) as well as in Austria, the Nordic countries, Ireland, the United States and parts of Latin America (for example, Chile).

The third type of SAI, the "board model", resembles the monocratic model in that it does not have a judicial function, is independent of the executive and helps the parliament perform oversight. It is headed by a board rather than a single person (Arthur et al., 2012). This type of audit system is used in Germany and The Netherlands as well as in many Asian countries (Noussi, 2012). The Norwegian SAI is organized along the lines of the monocratic model but has a board (Arthur et al., 2012).

Beginning in the 1990s, public administration in Norway was reorganized in accordance with international reform trends. Labelled new public management (NPM), those trends attached less importance to management by rules than to efficiency to be achieved through tender, management by objectives and results (MBOR) and delegation of administrative tasks. As a result of those reforms, the autonomy of public administration increased as the parliament granted it more freedom in the allocation of the budget. With the increased delegation of tasks to agencies, elected representatives faced an increasingly complex public administration and could not control it to the same extent as previously through laws and funding (Christensen & Lægreid, 2011; Sejersted, 2002).

With the introduction of NPM, executive agencies were turned into performance-based entities that were to be held accountable for results (Behn, 2001). It thus became more and more important for the control apparatus to orient itself towards checking performance. This led to new mandates for the SAI and required changes in the auditor's focus and work methods (Riksrevisjonen, 2005).

4.1 The Norwegian parliament's control function

The Norwegian SAI, as we know it today, was founded in 1918. It functions as the control tool of the parliament (Storting) but has an independent status. The object of its control is the government administration but not ministers – as only the parliament can hold ministers to account (Nordby, 2004; Sejersted, 2002). Control of the executive power is one of the most important tasks of the Norwegian parliament. This was specified in the Norwegian Constitution of 1814 (Stortinget, 2002-2003).

The parliament's supervision can be defined as the investigation, assessment and sanctioning of decisions, actions or omissions on the part of the government and/or the government administration (Stortinget, 2002-2003, p. 15). The purpose of performance auditing by the Office of the Auditor General is to deliver relevant information about the implementation and effectiveness of government measures taken on the basis of the decisions and intentions of the parliament. This supervision is of key constitutional and political significance (Stortinget, 2002-2003).

When debating the "Act and Instructions relating to the Office of the Auditor General", the parliamentary control committee emphasized that the SAI's primary function was to contribute to improvement and learning rather than to hold to account, (see Recommendation to the Storting No. 136 [2003–2004] (Stortinget, 2004)). Performance auditing can be used to identify errors and omissions with the aim of contributing to improvement, which is its primary purpose. It is to be used not for the purposes of political rivalry but to assist civil servants in identifying deficiencies that can be subsequently rectified (Sejersted, 2002). However, Document No. 14 (2002–2003), which deals with the Storting's control over the government and the government administration, also pointed out that assigning responsibility would, in itself, improve the government administration (Stortinget ,2002-2003). Thus holding to account and contributing to improvement are both important tasks of the SAI.

4.2 The development of parliamentary control in Norway

Before the 1990s, control of the executive power had low priority for the Norwegian parliament. Its two other main functions – adopting laws and overseeing funding – were prioritized. During the 1990s many reforms pertaining to the Norwegian parliament's control function changed these priorities.

From 1918 onwards, the Norwegian SAI was subordinated to the parliament. From 1815 to 1972 parliamentary control over the government and its ministries was supervised by a protocol committee in the "Odelsting" (the legislative chamber of the parliament). It quickly became apparent that the decentralized review of ministerial protocols was not sufficiently safeguarding the need for oversight and coordination. A control committee, appointed in 1981, took over most oversight functions. In 1992 all tasks related to control were assigned to a new parliamentary control committee called the Standing Committee for Scrutiny and Constitutional affairs (Nordby, 2004). The creation of this committee resulted in the strengthening of the parliament's supervisory role since the committee had wider powers than its predecessors. Other important reforms include the establishment of open hearings and the Norwegian Parliamentary Intelligence Oversight Committee (EOS Committee), more extensive parliamentary questioning and increased performance auditing. Today a minority of one-third of the members of the control committee can demand hearings and question agencies as well as ministries, even though it will be the ministries that are formally accountable (Christensen et al., 2002; Stortinget, 2002-2003).

Article 75 of the Constitution stipulates that the SAI is politically neutral and independent and that it makes assessments without interference from the parliament. In 1993, for the first time, the parliament instructed the SAI to conduct an investigation. In the years that followed, it increasingly sent informal signals about cases in which it wanted an investigation (Sejersted, 2002). This development notwithstanding, the SAI still initiates most of its own investigations. On average, it produces 10–15 performance audit reports a year.

4.3 The organization of the Office of the Auditor General

The Norwegian SAI is the parliament's most important control body outside of the parliament. It is led by a board of five auditors general, whose chairman is the chief executive officer of the SAI. The auditors general are former politicians elected by a parliamentary committee for a term of four years. The administrative management is led by a secretary general. Auditors general can stand for re-election.

Over the years, SAIs have adapted to modern government. Historically, the Norwegian SAI assessed the finances of the public administration, but from the 1960s onwards it started to control state owned corporations; after the 1970s its mandate was changed to include an assessment of the public administration's performance. From the 1980s it conducted performance audits on a regular basis. These went largely unnoticed until the 1990s, when the parliament's control function was enhanced (Sejersted, 2002) and the SAI underwent internal reorganization. From 1994 onwards the SAI's performance audits were reported separately (in the Document 3 series, (Stortinget, 2002-2003). From 1996 onwards performance auditing was undertaken by a separate department within the SAI, and in 2002 two performance auditing departments were created. In 2004 a new law on the SAI codified current practice, including the right to use performance auditing to scrutinize state-owned companies (Glückstad, 2006; Nordby, 2004).

The organizational changes described above have led to increased control activity (Sejersted, 2002; Søreng, 2002) and enhanced the SAI's relevance as the parliament's control organ. This process began with the Ingvaldsen report of 1977, which expressed concern over the extensive delegation of tasks from ministries to subordinate agencies and demanded increased control (Grahm-Haga, 2006; Stortinget, 1977, 2002-2003). The increase in performance auditing resulted also from the introduction of the MBOR system in Norway in the 1990s

(Nordby, 2004). Under this system, control over the ministries' performance was emphasized more than due process, which plays a central role in the Weberian paradigm of the professional bureaucracy.

The SAI is funded by the parliament and is independent vis-à-vis the government administration. It sends its final reports to the ministries and the focus of those reports is the ministries' control of subordinate entities, which is in addition to the entities' own internal control as well other external supervision, including that of the courts and the media. Counties and municipalities can be subject to control, too, when the purpose is to monitor the use of state funding (Sejersted, 2002; Stortinget, 2002-2003).

4.4 The mandate of the Office of the Auditor General and how it relates to practice

There is tension between the political logic of control and the auditor's aim of contributing to improvements in public administration. Through control, errors and omissions are identified and the accountable party faces criticism and other reactions. This prevents the misuse of power and is a central function of democracy. At the same time, accountability creates conflict and inhibits. Thus there is a limit to how much the parliament can and should control. Even though a central goal of performance auditing is to evaluate, reform and improve, it is difficult to know when a report will be used by the control committee to hold the government administration to account (Sejersted, 2002). In addition, the relationship between central and local government control poses potential problems. The SAI controls the municipalities' use of funding from the state (Helgøy & Serigstad, 2004), but this can conflict with the principle of local autonomy.

In the parliament, performance audit reports can be used in what is intended to be an open arena for debate and deliberation of arguments. However, these reports can be used as an opposition tool, while governing politicians will seek to protect their ministers (Eckhoff & Jacobsen, 1960). A majority government can, for example, oppose justified demands for investigations.

Since the advent of performance auditing, the Norwegian SAI has gradually become a more visible institution. Its reports and assessments feature more prominently in the media than

before. This is mainly because of increased interest in performance audit reports that are more politically relevant than is the traditional financial audit. Since 2004 performance audit reports are withheld from public scrutiny until the parliament has received them; this allows the ministries to be more prepared for the criticism they may have to face (Law No. 21 "On the Office of the Auditor General, 2004). But to accommodate journalists, the performance audit reports are presented at press conferences the same day that the parliament receives them (Østtveiten, 2012). This more active and more open media strategy of the SAI reflects the new priorities of the auditor general in office since 2006, Jørgen Kosmo (Bakli, Sundby, & Botnheim, 2012). After he had taken office, press conferences, an active communications strategy and a dedicated communications team were all introduced. Before becoming auditor general, Kosmo was a politician, a member of the parliamentary control committee, minister of justice, minister of defence and minister of public administration and used the media more actively than his predecessors as auditor general.

The parliament also increasingly uses performance audit reports to hold ministers to account, albeit first and foremost in the most controversial cases. Most of the performance audits trigger a dialogue between the SAI and the ministries that does not involve the parliamentary control committee (Sejersted, 2002).

The ministries regard the SAI and the parliament's control over them as important. Nonetheless, they are critical about the SAI. Performance auditing demands a significant amount of their time and resources (Bakli et al., 2012). Furthermore, the ministries frequently perceive the SAI's assessments as too detail-oriented and not important enough to deserve the MPs' attention. In a study conducted 10 years ago, ministers stated that the SAI was driven by the need for legitimacy and that its investigations were not always helpful. According to the ministries, increased control renders them more reticent and fearful of engaging in new policy initiatives (Christensen & Lægreid, 2006).

In a series of newspaper articles and debates in the autumn of 2012, former ministers expressed dissatisfaction with the SAI's control, accusing it of being political and too detail-oriented. They argued that this leads to civil servants becoming risk-averse, which, in return, results in a more bureaucratic and less innovative public administration (Kinander, 2012b; Reichborn-Kjennerud, 2012).

5. The analytical approach

Performance auditing is only one of many sources of information, including evaluation and statistical analysis, on which policymakers base their decisions (Weiss, 1978). So far there has been a mismatch between the supply and use of such policy-relevant social knowledge. Initial optimism about the potential of knowledge turned to gloom when it became increasingly clear, in the 1970s, that these various efforts were not living up to expectations. Consequently a large number of initiatives in the field of knowledge utilization were undertaken to bridge the gap between research and policy. Moreover, critical voices questioned the instrumental presupposition that politics can be reduced to objectives, alternatives and the costs and probabilities of different courses of action (Wittrock, 1982).

Like knowledge utilization literature, I use a rational-instrumental perspective to understand the use of information. In addition, I use various strands of institutional theory that reflect the fact that knowledge becomes part of a discourse in which (self-)reflecting participants debate norms and alternatives with a view to concrete action (Albaek, 1995). This mix of theories can be described as a multi-paradigm approach aimed at obtaining insights (Roness, 1997).

5.1   *Rational-instrumental theories*

According to the logic of consequentiality, actors are assumed in rational-instrumental theories to be rational and oriented towards attaining goals. They evaluate various alternatives and consequences and choose the right means to succeed (March & Olsen, 1989). This logic also applies to organizations. Certain assumptions of this theory are not always fulfilled, however; and this complicates the means-end relationship.

In a hierarchical organization, there is the assumption of a principal-agent relationship whereby the principal efficiently controls the agent and the agent is accountable to the principal. This principal-agent theory is dominant in accountability studies (Schillemans, 2013). Systems are built to steer and control these rational actors. NPM systems and techniques use various incentives and organizational instruments to lead the actors in the desired direction (Strøm, 2000). However, subunits that have conflicting interests and ambitions can thwart the head of the institution's ability to obtain the desired objectives. Even though each actor is rational, the final result can be a compromise rather than what was initially planned. This is a version of rational-instrumental theory with a main focus on negotiations (Christensen et al., 2007). Successful control by the

principal will be contingent on the actors' bounded rationality. Frequently, actors will opt for a satisfactory, rather than ideal, solution, given that reality is complex and that it is costly and time-consuming to obtain an overview of all possible alternatives (Christensen et al., 2007; Simon, 1997). There is also the risk that agents are not sufficiently competent for the task at hand or that they act against the interests of the principal or have interests that conflict with those of the principal (Strøm, 2000). *Ex post* control mechanisms, such as external auditing, are applied to avert such risks (Strøm, 2000).

For agents to act in accordance with the principal's presuppositions, it is not sufficient that those agents are rational. In rational social action, two major components are needed to effectively influence other agents: rational calculation, including knowledge of the means with which the goals can be maximized; and control over others. Here, control means that the principal can intentionally produce responses from the agent. Various mechanisms exist to make such control efficient; these include social influence mechanisms such as expert power and legitimacy (Dahl & Lindblom, 1953; Jørgensen, 1987; Raven, 1992).

In its ideal-typical form, parliamentary democracy is a chain of delegation and accountability – one that stretches from the voters to the ultimate policymakers (Strøm, 2000). The voters are the ultimate principal (see Figure 1 above).They delegate decision-making powers to the parliament in order to safeguard their interests. In the context of this thesis, I am particularly interested in the parliament's control of the government and its ministries through the SAI's performance audits. The core question is how this control works. I assess whether the system of performance auditing is working according to the assumptions of this framework.

Evaluation (and therefore performance auditing) can be said to upgrade the scientific content of politics and downgrade the importance of value-based components in decision-making (Eliadis, Furubo, & Jacob, 2011). The end use of performance audit reports is inevitably political, but the choice and execution of audits is administrative, based on rational assessments of probabilities and the consequences of undesired events. They are part of a paradigm that deems it possible to distinguish between political goals and the more administrative, scientific measures needed to reach those goals.

5.2   *Institutional theory*

Institutional theories conceptualize actors as oriented more towards established norms than towards rational calculation with the aim of attaining goals. What drives actors is what they regard as appropriate in the situation in which they find themselves and in the environment with which they identify (March & Olsen, 1989). Above all, they try to identify the correct responses to given situations. Actors do this through knowledge of norms and rules and how they apply; at the same time, the actors themselves have discretion in applying those norms and rules. In contrast to the rational-instrumental perspective – where influence is obtained through the choice of the right instruments and measures to attain predetermined goals – it is often the case, in institutional theory, that goals are discovered and chosen in the process. Whereas in rational-instrumental theories change is anticipated to come about without delay or hindrances, institutional theories predict historical inefficiency from the organizations' established ways of working (Christensen et al., 2007). Operations have a value-infused character that transcends mere concerns about efficiency (Selznick, 1984).

The primary goal of this thesis is to establish whether the Norwegian SAI contributes to securing democratic accountability. It sets about achieving this goal by assessing the impact of performance auditing. This study does not go so far as to scrutinize what changes the auditees make after having been the subject of a performance audit (Meyer and Rowan 1977); nor does it consider whether potential changes can be considered improvements (Argyris, 1999). My research is limited to exploring the auditees' opinions about and reactions to the external control of the SAI.

Within the institutional framework, I emphasize discourse and logics and focus on new lines of thinking preoccupied with both the "meaning dimension" and change (Schmidt, 2008; Thornton & Ocasio, 2008). I combine this with theories that are more agency-oriented and strategy-focused. This is because there is a certain strategic element to the auditees' responses. They do not act only in accordance to what is expected in a given situation; they also position themselves to safeguard their interests (Oliver, 1991).

Below three different approaches are discussed: first, the institutional proposition that auditees will oppose change unless the SAI assessments are in harmony with their own opinions; second, the proposition that the arguments put forth in the performance audit reports

have the potential to persuade auditees to make changes; and third, the institutional-strategic proposition that auditees use different change-strategies contingent on the type of pressure they are exposed to.

Institutional proposition of compatibility

The first proposition suggests that in order to have an impact, external proposals must be compatible with the institution's own opinions and perception of what is appropriate (Brunsson & Olsen, 1993). From this perspective, changes will be path dependent (Krasner, 1988) and will occur only if the proposed measures are compatible with the norms and culture in the audited entity (Hay & Wincott, 1998). If they are not compatible, the audited entity could be resistant to change to some extent or other (Brunsson & Olsen, 1993; Røvik, 2007).

Institutional proposition of the importance of the debate

The second proposition attaches importance to the contribution that ideas and the debate can make to change. Habermas' theory of communicative action lies at the core of this approach (Habermas, 1984). From this perspective, the SAI's report is a carrier of ideas that can spur change within public entities. In the debate that follows the release of the report, the stakeholders promote the message and follow the rules of the game of their own particular social world. Change can come about when different social worlds collide and influence the way that individuals and entities reason (Rao, Monin, & Durand, 2003). These social worlds are termed "institutional logics" (March & Olsen, 1989; Thornton & Ocasio, 2008).

Institutional proposition of compatibility combined with a more rational, agency-oriented perspective

The third proposition combines the rational-instrumental and the institutional approaches. Based on Oliver's (1991) theory of strategic responses to institutional pressures, I develop a typology of strategic responses to performance auditing. Rational-instrumental theories on reactions to accountability are used instead of resource dependency theory; the former assume that when individuals or entities are held to account, reactions will ensue. The typology demonstrates how organizational behaviour may range from passive conformity to active resistance in response to performance auditing, depending on the extent of accountability pressures and on compatibility with the auditees' own agendas. The typology incorporates both a logic of consequence when the audited institutions are held to account and a logic of appropriateness when pressures are compatible with their own norms and culture (Egeberg &

Saetren, 1999). The logic of consequence works through manipulated field control. The subordinates respond in accordance with their expectations about rewards and deprivations (Dahl & Lindblom, 1953).

6. Methodology and research design

In the thesis, a mixed-method research design is used. Data obtained from a questionnaire are triangulated with document analysis and data from interviews. Mixed-method designs are required in situations where neither quantitative nor qualitative methods alone would be sufficient to explore the research questions (Bryman, 2006). This thesis combines methods in different sequencing and in different ways (Morgan, 1998).

In mixed-method research, the qualitative data can contribute to an understanding of the mechanisms underlying the quantitative data and explain quantitative results. The quantitative study can be based on preliminary qualitative data collection or the data can be used for triangulation purposes to see if the quantitative and qualitative data converge. Other rationales for choosing mixed-method research can include obtaining a more comprehensive account of the research object and supplementing or explaining data (Bryman, 2006). These were all reasons for using mixed methods in this thesis. Below the methods used in the four articles that constitute the main part of this thesis are described.

6.1 *The questionnaire*

A questionnaire was developed to answer the research question about the influence of the SAI. I started out with the questionnaire drawn up by Professor Danielle Morin of HEC Montréal, who also researches the impact of performance auditing. In addition, I based my questionnaire on the research literature on performance auditing and my own experience as a performance auditor over several years (four-and-a-half years at the Office of the Auditor General and one-and-a-half years at the Office of the City Auditor of Oslo).

When I began trying out my questionnaire on civil servants at ministries and other government agencies, I soon discovered that major adjustments had to be made. Together with my supervisor, I decided to emphasize the feedback from civil servants rather than sticking to the questionnaire with which I had started out. Twice I received comments from

advisors in the methods department of the Office of the Auditor General and once from the director generals in one of the performance audit departments of the Office of the Auditor General. I also received comments in several iterations from civil servants both at ministries and government agencies.

The design of my questionnaire differed from that of Morin's in that it asked questions that pertained to the performance audit(s) that the respondents themselves had experienced. I judged this to enhance the reliability and validity of the questionnaire. While I included most aspects of the Canadian questionnaire, I also covered others such as tasks, policy areas and attitudes towards the SAI.

I chose to study the period 2005–2010. The goal was to identify all civil servants who had experienced performance auditing during that period. Going back further in time would have reduced the probability of finding employees who were still at the same workplace; and even if they had not changed positions, it is most likely they would have found it difficult to remember the performance audit in detail.

To find out which institutions had undergone performance auditing, I went through the methodology chapter of every performance audit report of the Norwegian Office of the Auditor General published in the given period. Eighty institutions were identified. I made a list of their official e-mails and/or the heads of those institutions and sent information on the research project, including information about the laws of privacy, with a request for the e-mail addresses of civil servants that had been involved in the performance audits. The fact that the workplaces themselves identified suitable people to whom to send the questionnaire may be seen as having contributed to the validity of the responses since the respondents were identified based on their involvement in the performance audits.

Based on the responses from the workplaces, I established a list of e-mail addresses for all civil servants in the identified institutions. After sending several reminders and cleaning up the data, I had a total of 470 e-mail addresses. I contacted the civil servants via e-mail informing them about the research project and their rights under the laws of privacy. In the spring of 2011, I sent out the questionnaire to the 470 e-mail addresses. I received 353 responses to my questionnaire, which represents a response rate of 74 per cent.

6.2 Document analysis

To explore both the message and the importance of the performance audit as well as the debate it engenders, I mapped and categorized 76 reports that the Norwegian SAI had followed up on during the period 2000–2011. Only reports that had been the subject of follow-ups were included to avoid using those that would have been too recent to have had any impact. This period does not match the period chosen for the questionnaire. In the document analysis, it was possible to include reports published before 2005 because the respondents' ability to remember the performance audit was not an issue.

I first identified and made a list of all 76 reports. Subsequently I mapped the questions asked, the conclusions reported, the organizational types audited, the administrative levels addressed, the audit methods used, the ministries' responses and the measures taken by them. Categories and their values were identified from prior research on performance auditing and customized for my purpose. The reports' contents were added to a spreadsheet and subsequently imported into an Access database.

6.3 Embedded case studies

Reports were selected as embedded case studies to illustrate, develop and explore theories and concepts that would enhance understanding of accountability mechanisms and how accountability is related to impact (Glaser & Strauss, 1999).

The above-mentioned database was used to select the case studies illustrating accountability mechanisms. One selection criterion was the amount of attention received from the parliamentary control committee and/or in the print media. Another was that some reports were issued when the government had a majority in the parliament and others when it had a minority. A final criterion was that some ministries agreed and others disagreed with the reports.

Case studies were also used to illustrate the arguments of the various stakeholders. The debate that ensues from performance audits extends to discussions between interest groups, politicians/MPs, civil servants, academics and the general public. The deliberations can contribute to the influence of the SAI. Traditionally, deliberative democracy has been defined

as being opposed to self-interest, bargaining and negotiation, voting and the use of power. It is nevertheless possible to argue that limited self-interest and certain forms of negotiation can be part of the deliberative ideal. If the SAI's assessment is positive, it might be persuasive and influence both politicians and the audited entities (Mansbridge et al., 2010).

6.4 Interviews

Interviews were conducted both with individuals and with groups of people and lasted approximately one hour. They were neither taped nor transcribed, but through the use of the touch method, I was able to document the respondents' statements accurately and in full. Later the respondents approved the quotes that were used in the articles included in this thesis. Seven administrative executives, five senior advisors at the ministries and nine heads of the audited entities were interviewed to find out what influence the reports had had on their institutions. The ministries involved were the Ministry of Defence, the Ministry of the Environment and the Ministry of Education and Research. All had been affected by the performance audit reports that I had selected. Four MPs (some in government and others in opposition) who were members of the parliamentary control committee at the time of the processing of the four reports were interviewed too.

The respondents were asked both general and more specific questions about the performance audit in which they had been involved. The interviews were anonymized. Even though the information is not sensitive for the person interviewed, anonymizing the data is considered to promote honesty in the answers and to protect the respondent from any repercussions in the workplace. The fact that the respondents have the possibility to express their opinions to an independent researcher is considered to contribute to both the reliability and the validity of the answers because the respondents are not risking sanctions and may be keen to give their opinions.

My general impression from the answers that the respondents gave and the way they expressed themselves was that they offered their opinions without any ulterior motive and without caution.

6.5. Reflections on methodology

The focus of this study is the auditees' reactions and opinions. It is thus based on research into "beliefs and perceptions". It is important to take into account that its findings are based on perceptions and not on actual behaviour. However, opinions can and do have instrumental effects. Perceptions serve as frameworks for actions, rendering it more likely that certain behaviours are associated with certain patterns of perceptions (Egeberg & Trondal 2011, p. 874). Research confirms that audit results are more likely to be used if the auditees consider them helpful (Lonsdale et al., 2011).

The case study is a research tool that breaks up the dualism of positivist and more interpretive research (Mjøset, 2009). From this perspective, the researcher is not a passive observer of basic laws. The goal is to contextualize structures and contribute to explanations and understanding of real-life phenomena. The purpose is to generate and/or adjust concepts and theory or to make comparisons between the concept and the field (Glaser & Strauss, 1999).

The high response rate of the survey on which this thesis is based strengthens the credibility of the results. There are still limits to the role a survey method can play when it comes to understanding meaning, mechanisms and processes. I therefore used supplementary methods in order to delve deeper into the underlying mechanisms and explore what the findings signify.

7. Revisiting the research questions and findings

The four articles that constitute the main part of this thesis are based on studies of the audit institution, the government administration and politicians at the national level. The research focus of all four articles is the control method of performance auditing.

7.1. Article No. 1: Performance auditing and the importance of the debate

This article deals with the message of the performance audit. It focuses on the discourse included in the Norwegian SAI's performance audit reports and the importance of those reports in the public debate. It analyses the arguments put forward by the SAI, the auditees'

reaction to those arguments and the ensuing public debate. It also uses case studies to illustrate how the arguments of the various stakeholders differ and are based on different values.

The SAI's argumentation is primarily managerial and relates to the MBOR system. It is based on Weberian and NPM values, while the MPs swear allegiance to political convictions and voter values. The SAI argues for more control while the ministry argues for more leeway and autonomy. Both arguments are based on NPM values, but the ministries also argue for more discretion based on professional values. How certain arguments resonate more with MPs and how MPs reactions' can induce changes in the audited entities is also discussed in this article.

What the SAI evaluates is, in fact, an empirical question. The content of the performance audit triggers reactions and measures taken by the audited entities. Evaluation researchers have the same interest vis-à-vis different types of evaluation. The message of the performance audit influences what type of criticism the SAI exposes itself to. If the SAI assumes the role of "public accountant" – that is, one oriented towards, above all, evaluating compliance with systems and processes – it risks being accused of having too narrow a focus (see the chapter titled "Performance audit", which focuses on auditor roles). Several researchers have voiced this concern (Leeuw, 1996; Morin, 2008; Power, 1997; Radcliffe, 2011; Van Thiel & Leeuw, 2002). If the SAI is results-oriented – that is, it assumes the role of "management consultant" or "researcher" – it risks being accused of having a political agenda. Other researchers have discussed this dilemma (Guthrie & Parker, 1999; Jacobs, 1998; Radcliffe, 1998).

Article No. 1 demonstrates that the role played by the SAI can be hard to classify. Even though it appears to play the role of "management consultant" (Pollitt et al., 1999), it may conduct an audit focused on compliance with management standards. At the same time, the roles of "management consultant" and "researcher" may conflict with the auditor's mandate of being independent and concerned with accountability. This means that these auditor roles can be hard to apply in practice. Thus this article argues for the need of a fifth auditor role – namely, of "management accountant" – in order to better describe the content of the performance audit.

7.2. Article No. 2: Political accountability and performance auditing: The case of the Norwegian auditor general

Article No. 2 focuses on civil servants who have been audited by the SAI and aims to establish how performance auditing affects them. It explores both if and when performance audit reports are perceived by the auditees as helpful and when reports are used for accountability purposes.

A majority of respondents finds performance auditing helpful. If auditees agreed with the audit criteria and assessments, had an influence on the process, viewed the reports favourably and believed the SAI contributed to accountability and improvement, they were more likely to regard the report as useful. This contradicts Power's assertion that audit produces only reassurance and has no real effect (Power, 1997). At the same time, it supports recent qualitative research arguing that for the SAI to have an impact, importance must be attached to communication and reaching an understanding with auditees on the audit criteria and assessments (Alwardat, 2010; Put, 2011; Reichborn-Kjennerud & Johnsen, 2011; Vanlandingham, 2011).

Approximately one-third of the respondents said that the performance audit was used to hold the minister to account. The administrative level of the auditees, the use of the report to further interests, the attention received from politicians, the media and the parliament all contribute to the increased likelihood of reports being used to hold to account.

Article No. 2 evaluates the SAI's work based on the opinions of those affected by it. This is a valid research method because one of the main purposes of the performance audit is to contribute to improvement in the audited entities. The auditees' reactions to the reports are therefore important. How they perceive and use the reports will influence whether improvements are made.

7.3. Article No. 3: Auditee strategies: An investigation into the auditees' reactions to the performance audits of the Norwegian Supreme Audit Institution

In Article No. 3, the mechanisms underlying the auditees' responses to performance auditing are explored and classified. Four categories of response are identified based on two dimensions: the extent of sanctions against the auditees and the degree to which the values of the auditors conflict with those of the auditees. The typology is based on Oliver's institutional theory, which uses resource dependency theory to add strategic concerns to institutional theory (Oliver, 1991). According to her theory, institutions are more inclined to make changes if they are dependent on the external organization pressuring them. In the typology of responses to performance auditing, the "dependency dimension" is replaced with the "accountability dimension". The government administration has only an administrative relationship with and is not dependent on the SAI. However, parliament can apply sanctions based on the SAI's assessments. In individual cases, the auditees' reactions will depend not only on complex and situational factors but also on the sanctions that are applied.

The typology is based on both institutional theory, which argues that the external pressure must be compatible with internal values in order to be effective (Brunsson & Olsen, 1993), and rational-instrumental arguments based on the pre-emptive effect of accountability (Furubo, 2011). The four types in the typology are: capitulating, defying, copying and ignoring. When auditees capitulate, there is value conflict but important sanctions are imposed. When they defy the SAI's assessments, there is value conflict but sanctions are absent or less important. When they copy, there is no value conflict but important sanctions are still imposed. The last type signifies a situation in which there is no value conflict and sanctions are absent or less important. Contrary to expectations, the SAI's report had a major influence even when there was no debate. This indicates that there must be a dimension missing in the theory – and that dimension could be the materiality of the findings.

7.4. Article No. 4: Resistance to control: The reactions of Norwegian ministries and government agencies to performance auditing

Article No. 4 explores how various characteristics of civil servants determine how they perceive the quality of the performance audit report.

The analysis shows that civil servants at ministries tend to be less positive about performance auditing than civil servants at government agencies. This can be explained by their respective positions in the structural hierarchy. Ministries and agencies have different interests and tasks. The former are the ones formally held to account in a performance audit. Their main role is to protect and assist the minister in the development and implementation of policies. They will, therefore, be more sensitive to criticism. At the same time, their ability to remedy weaknesses is limited, as the tasks are most often conducted by separate or semi-affiliated public agencies. As regards government agencies, the attention that the performance audit report receives may enhance their chances of receiving more attention and hence more resources for their policy area. This may explain why these entities are less critical. Their responses are rationally bounded by their position within the organization (Selznick, 1984).

Top executives, irrespective of their administrative level, are more negative about the reports than middle managers and other public employees. Nonetheless, they, along with civil servants at the ministries, are the ones who must take the blame on behalf of the audited entity and potentially face the consequences. They are also the ones responsible for establishing priorities. For its part, the SAI increasingly probes the efficiency and effectiveness of operations and eventually closes in on the question of priorities and politics, which makes ministries and top executives uncomfortable.

Furthermore, civil servants more exposed to performance auditing were, in general, more negative towards it. This could be a reaction to control overload, but it could also demonstrate discomfort with legitimate criticism.

8. Implications for democratic accountability

Ideally, performance auditing will ensure democratic accountability by safeguarding the efficient and effective use of public funds. Michael Power, for his part, advanced the provocative hypothesis that auditing contributes only to reassurance. For this reason, he encouraged researchers to examine the real impact of audits (Power, 1997). Contrary to Power's assertion, I found that in in Norway, performance auditing is not only perceived as helpful; it is also considered to be used to hold ministers to account. The Norwegian

SAI therefore plays a role in holding ministers democratically accountable for their use of the taxpayer's money (see Figure 1 above). Below the four sets of research questions posed initially are discussed.

The first set of questions focused on what the auditees were held to account for. The findings of this thesis suggest that auditees are held accountable primarily for their implementation of the state control system (MBOR). In the SAI's assessments, norms from NPM logic were used more extensively than norms based on the Weberian logic of the professional bureaucracy. It is unclear if the SAI played the role of "researcher" and/or "management consultant" or whether the use of managerial norms in its reports indicates that the SAI assesses, above all, compliance with managerial standards (Pollitt et al., 1999).

The first set of research questions also examined the importance of the performance audit in the public debate. Document analysis confirmed that the parliamentary control committee and the media are interested in only a small number of reports. They paid moderate attention only to most performance audits. Accountability pressures are mobilized only when there is a certain interest in the reports. Therefore it is primarily through direct dialogue and through the arguments in its reports that the SAI exercises influence over the public administration.

The first set of research questions also raised the issue of the implications of public debates for the SAI's influence. The debates in the parliamentary control committee and the media as well as the discourse between the SAI and the ministries revealed that the ministries do not necessarily accept the premises for the SAI's criticism. In one example, the ministries' interpretation of the MBOR system differed from that of the SAI. The interviewed civil servants openly admitted that they had disagreed with the SAI's assessments and that they therefore had not made any changes. They had been in favour of increased autonomy, whereas the SAI had maintained that more control was needed. This conflict mirrors the public-management dilemma of confidence in versus control over the professions, which is discussed by several scholars (Ferlie & Geraghty, 2005). Since the 1980s there has been an increasing tendency to delegate tasks from ministries to government agencies and other subordinate entities. In the 1990s several reforms were implemented in Norway to allow both more autonomy and more extensive external control (Lægreid et al., 2006). This system renders accountability relations more ambiguous and paves the way for different emphases on

the need for control and autonomy. Differences in values and opinions pertaining to those questions can restrict the SAI's influence.

The second set of research questions focused on the extent to which performance audits are perceived as helpful by the auditees, the extent to which they are used to hold ministers to account and how the observed patterns can be explained. The analysis demonstrated that a majority of auditees found the SAI's performance audit reports helpful. Their perception of usefulness was contingent on the perceived quality of the report, how the auditees viewed the SAI as an institution, their experience of improvements and the degree to which their comments were taken into account. The perception of usefulness may lead to operational improvements if the performance audit and the report are used for learning purposes (Argyris, 1999; De Vries et al., 2000). Perceptions are key for actions being taken. If the SAI's assessments are persuasive and the process inclusive, it is likely that improvements will be forthcoming both in the short and the long term.

The analysis of the questionnaire revealed that approximately one-third of auditees believed that performance audits are used to hold ministers to account. Both hierarchical and social accountability mechanisms were at play here. Civil servants at ministries were most aware of the accountability dimension. The minister was more likely to be held accountable if media or other external actors were interested in the report, if the minister came under pressure from political opponents or if the parliamentary control committee asked for measures to be taken.

The third set of research questions were aimed at determining which mechanisms are triggered in the audited entities when the SAI holds them to account. The auditees use various strategies to respond to the SAI's performance audits. The influence of the SAI is enhanced when its conclusions and methods of communication are compatible with the auditees' interests and values. If the auditees disagree with the auditor's findings, the SAI must convince both the control committee and the parliament to apply sanctions and force the auditees to comply. If the auditees consider the findings important, extensive improvements may be used even if sanctions are absent. The case studies showed that the SAI can influence auditees when the control committee is mobilized. This demonstrates that persuasion through discourse and deliberation is not the only factor determining the SAI's influence.

The fourth set of research questions examined how audited civil servants, both at ministries and government agencies, view the SAI's performance audit reports. Civil servants in the ministries, who are the primary target audience for the reports, are substantially more sceptical towards the reports than are the civil servants in agencies. This may hamper the SAI's influence. Whether civil servants are top executives, middle managers or bureaucrats without leadership responsibilities also matters for their perception of the quality of the reports. The top executives were the most sceptical towards the reports. This demonstrates that it is the accountable parties who have the most negative attitude in this respect. It is likely that the SAI's influence would be increased if these actors were more positive. Thus, in order to enhance its influence, the SAI would be advised to customize its reports to their liking. The question, however, is whether this would compromise the independent role and legitimacy of the SAI.

The more performance audits the auditees had experienced, the more sceptical they were towards the audit reports. This could suggest control overload or discomfort caused by legitimate criticism of mismanagement. In the case of mismanagement, auditees would disagree with the SAI's assessments. It would therefore be necessary to hold them to account and sanction them in order for changes to be made. Moreover, attention from the parliamentary control committee and the media would contribute to bringing about changes.

The theoretical contributions of this thesis
By linking the action-oriented concept of auditor roles to values and institutional logics that can further or hinder communication, I contribute to the understanding of change in institutional theory. Potential change is mediated, above all, through dialogue and debate.

I also extend the typology of auditor roles to include the "management accountant" role, which better describes the auditor's tendency to check the auditee's compliance with management systems and standards.

In addition, I contribute to institutional theory by adapting Oliver's theory on responses to institutional pressures to performance auditing (Oliver, 1991). By replacing the degree of the institutions' resource dependency with the degree of sanctioning by the parliamentary control committee, I construct a new typology. Based on two explanatory dimensions, the typology describes various strategies adopted by auditees in response to performance audits.

The empirical contributions of this thesis

My research contributes towards closing a gap in the research on the impact of performance auditing. To date there has been little research on establishing the influence of SAIs (Lonsdale, 1999; Lonsdale et al., 2011). In her 2008 article, Morin uses factor analysis and establishes factors of importance for the SAI's influence. Factors with a certain mean score were judged to have impact. Her subsequent work has been based on participant observation at France's Cour des Comptes (Morin, 2010, 2011).

Like Morin, I base my assessments on the opinions of the auditees. But besides identifying factors, I examine how those factors matter for the auditees' tendency to perceive performance auditing as helpful. I also examine what the auditees' perception of the performance audits are contingent upon and demonstrate that it is, above all, the auditees' interests and positions in the structural hierarchy. In addition to assessing the SAI's "soft" influence, through persuasion, I investigate when and why the reports are used to hold ministers to account. I also assess the importance of the reports for the public debate. Thus my research is more explanatory and provides a better understanding of the mechanisms of the SAI's influence than does earlier research. I also have a broader methodological and empirical base for my conclusions as I have both mapped and categorized performance audit reports as well as analysed data from a questionnaire and conducted interviews. This has allowed me to understand the more subtle ways that auditors exercise influence in an approach that takes stock both of strategic considerations and different interpretations mediated through debate.

Power (1997, p. xvii) speculates whether performance auditing encourages individuals to game the system and public managers to make significant efforts to cope with the pressures that auditing brings to bear. Other literature on performance auditing demonstrates that the more such auditing is geared towards measuring outcome, the more the audit institutions are accused of being political and interfering with the ministries' priorities (Christensen & Lægreid, 2006). My research demonstrates that some of the SAI's conclusions can trigger considerable resistance. If the ministries disagree with the assessments of the report, the audit is unlikely to have the expected impact, unless the parliamentary control committee applies tough sanctions to force the ministries to comply.

In addition to contributing to research on the impact of the performance audit, my thesis contributes to the literature on content of the performance audit. It has demonstrated that the Norwegian SAI's assessments and arguments are more concerned with the control system (MBOR) than with compliance and that the SAI harbours ambitions to evaluate results as well. Norwegian performance audit reports are broad-based, containing several different types of both audit question and conclusion. This means it is hard to classify them as belonging to one type of report or the other. Research even more focused on the content of the SAI's argumentation is needed to probe further into what the SAI's message is and how performance auditing can have an impact. Other questions to explore in future research include: how and why is performance auditing useful; whether its use is of a tactical, political or other nature (Weiss, 1979); the extent to which auditees make changes during, rather than after, the performance auditing process ;and what types of change are made. Two more important questions are whether performance auditing leads to concrete changes and improvements and if potential changes can be characterized as single-loop or double-loop learning (Argyris, 1999).

In the literature on performance auditing, there is a general interest in how audit institutions themselves work – in particular, how auditors choose the subjects of their audits and how they make assessments. Another interesting question is what the audit institutions do to prevent corruption. As the subject of my thesis is democratic control and accountability, I have focused on reactions to the SAI's performance audit reports. I have not examined the question of how the audit institution itself works. This might nevertheless be an interesting topic to explore in future research, including the risks and materiality underlying the auditor's choice of subjects to audit and strategies. And it would be equally interesting to scrutinize how the SAI is affected by social accountability mechanisms and external institutional pressure.

The SAI is supposed to monitor the proper use of the tax-payer's money. Its legitimacy rests on its ability to identify and deal with the deficiencies in public administration. In the process of choosing subjects to audit, it uses risk analysis. Those projects that pose the greatest risk are chosen for the ensuing performance audits. Because of the system and the audit institution's need for legitimacy, auditors could be tempted to produce critical reports, while auditees often argue for a more balanced presentation of the findings (Christensen & Lægreid, 2006). An alternative strategy for the SAI could be to assume the role of "researcher" and devote more space in its reports to debating its findings rather than making

judgments. However, such a strategy could expose the SAI to the risk of its role being questioned owing to unclear assessments. This, in turn, could result in calls for outsourcing some of its tasks to research institutes. But the role played by the SAI is, in any case, already being questioned. The following three-pronged strategy could therefore provide a solution to challenges it faces: assuming the role of "researcher" to address questions of societal outcome, the role of "management consultant" to address issues of organizational improvement and the role of "investigator" to address issues of mismanagement and corruption. Research on this subject could address the relationship between the SAI's impact, on the one hand, and its internal organization and the design of its report, on the other.

The effect of the SAI's assessments differs from sector to sector. To understand the full influence exercised by the SAI, the pre-emptive impact of its continued monitoring of auditees should be further explored. Such an investigation could focus on the SAI's follow-up activities and the effect of several investigations conducted at regular intervals over a period of time in various policy areas.

In future research, it would also be of theoretical interest to examine what kind of debates are triggered by performance auditing and explore the mechanisms of the impact of these debates, which is linked to horizontal accountability mechanisms and the conceptual effect.

Audit institutions' practices vary from country to country and from culture to culture as well as in terms of organizational set-up, including mandates, resources and work culture. Both locally and internationally, it would therefore enhance the understanding of the practice of performance auditing to compare across countries, regions, cultures and institutions in further research.

Attachments

Attachment 1: Questionnaire

The influence of performance auditing

_____

The questions pertain to the performance audits conducted by the Office of the Auditor General (OAG). It will take approximately 15 minutes to fill out this survey. You can navigate back and forth with the buttons at the bottom of the page or in your web browser

If you have any questions, you can contact me on e-mail: kristin.reichborn-kjennerud@aorg.uib.no; or on my mobile phone: 92680108.

Use the whole scale (1-5) when you fill out this survey. If there are questions that are too hard to answer, choose the "Don't know" option and move onto the next question.

Your identity will be hidden.

Read about hidden identity (opens in a new window).
_____

Background questions

Guidance for the questions below: By "top executive", we mean the most senior administrative leader at your place of work. By "middle manager", we mean other administrative leaders with HR responsibilities. "Civil servant" refers to the rest of the employees.

    1) **What is your current position?**

- **Top executive**
- **Middle manager**
- **Civil servant**

_____

    2) **At what administrative level are you?**

- **Ministry**

- **Directorate or other type of agency on the same level as directorate**

- **Regional or local office**

- **State -owned corporation**

- **County or municipality**

- **Other, specify:**

3) **What is your academic background?**

- **Law (Law degree/Master's degree)**
- **Economy (Master's degree)**
- **Master of Business Administration**
- **Historical-philosophical subjects (Master's degree)**
- **Civil agronomist examination**
- **Political science (Master's degree)**
- **Other social sciences (Master's degree)**
- **Mathematics and natural sciences, civil engineering, architecture (Master's degree)**
- **Medicine (doctor, dentist, veterinary surgeon) (Master's degree)**
- **Higher military education**
- **Bachelor's degree**
- **PhD**
- **Other education**

_____

5) **How old are you?**

State answer:

_____

6) **Are you male or female?**

- **Male**
- **Female**

_____

7) **Within which policy/ministry area are you working?**

- **General public services**
- **Defence**
- **Public order and safety**
- **Economic affairs**
- **Environmental protection**
- **Housing and community amenities**
- **Health**
- **Recreation, culture and religion**
- **Education**
- **Social protection**

_____

8) What is the main focus of your work?

- **Human relations**

- **Organizational development**

- **Preparing and making changes to laws and regulations**

- **Drawing up agreements and conventions**

- **Budgeting**

- **Other analysis, reporting and planning**

- **Decision-making in case handling pertaining to individuals, businesses, institutions and so forth**

- **Auditing, regulation and supervision**

- **Coordination**

- **Information and public relations**

- **Other, specify:**

_____

9) How many years have you held current position?

State answer:

_____

10) How many performance audits have you experienced?

State answer :

_____

11) To what extent do you agree or disagree with the statements below about the OAG? (1= disagree completely, 5 = agree completely)

	1	2	3	4	5
The performance audits of the OAG contribute to improvements in the audited entities	○	○	○	○	○
The OAG is an important institution that promotes transparency and prevents fraud	○	○	○	○	○
The OAG has an important symbolic function as a tool of control for the parliament but is not so important in practice	○	○	○	○	○
Rather than contributing to improvements, the OAG worsens working conditions in the audited entities	○	○	○	○	○

When you answer the following questions, you can relate them to one of the performance audits that you have experienced. If you have been involved in several performance audits, please choose the last performance audit in which you were involved. You can base your answers on this last (published) performance audit report.

12) Name the performance audit you were involved in (give the full title of the performance audit):

If you cannot find the report in the box above, if you cannot remember the title of the report or if you prefer to base your answer on your experience of several performance audits, answer the following question.

13) Identify subject of the report(s) in the box below

14) In what ways were you involved in this/these performance audit(s)? (several options allowed)

- I was the contact person
- I wrote/contributed to writing the ministry's answer to the performance audit report
- I checked the facts in the report
- I contributed to finding relevant information
- I was interviewed by the auditors
- I read the report
- Other, specify:

15) If there are questions that you cannot answer when you proceed with the questionnaire, please continue to the next page. Answer the questions that you can and return the questionnaire.

_____

Questions about the performance audit(s)

Performance audits focus on compliance with laws, procedures, standards and quality assurance systems (as do inspection reports) or on activities, goal attainment and results (as do research reports). Performance audits provide explanations to varying degrees.

16) In your opinion, was the performance audit primarily oriented towards compliance, activities or results?

- **Compliance**
- **Activities**
- **Results**
- **Don't know**

_____

17) What type of non-compliance with audit criteria did the performance audit primarily report? (1= the most important, 2= the second-most important, 3= the third-most important)

- **1st drop-down list**
- **2nd drop-down list**
- **3rd drop-down list**

_____

18) To what extent did the performance audit report provide explanations about non-compliance with audit criteria? (1= to a very small extent, 5= to a very large extent)

- **1**
- **2**
- **3**
- **4**
- **5**
- **Don't know**

_____

The audited entities have the possibility to comment on the following aspects of the performance audit: the audit questions, the audit criteria, the interviews conducted, the audit evidence and the results. Below we ask if you feel that your feedback was sufficiently taken into account by the OAG

19) In your dialogue with the OAG, to what extent were your comments taken into account? (1= to a very small extent, 5 = to a very large extent)

	1	2	3	4	5	Don't know
Our comments about our risk assessment were sufficiently taken into account	○	○	○	○	○	○
Our comments about the audit questions were sufficiently taken into account	○	○	○	○	○	○
Our comments about the audit criteria were sufficiently taken into account	○	○	○	○	○	○
Our comments about the meeting minutes from interviews were sufficiently taken into account	○	○	○	○	○	○
Our comments made during contact meetings were sufficiently taken into account	○	○	○	○	○	○
Our comments about the audit evidence (factual basis) were sufficiently taken into account	○	○	○	○	○	○
Our comments about the OAG's interpretation of the audit evidence were sufficiently taken into account	○	○	○	○	○	○
Our comments regarding the OAG's assessments were sufficiently taken into account	○	○	○	○	○	○

---

20) How did you, all in all, experience the dialogue with the performance audit teams? (1= not good at all, 5 = very good)

- 1
- 2
- 3
- 4
- 5
- Not applicable

---

21) To what extent did you agree or disagree with the audit criteria and the way they were used? (1= disagree completely, 5= agree completely)

- 1
- 2
- 3
- 4
- 5

_____

22) To what extent do you agree with the statements below about the performance audit reports? (1= to a very small extent, 5= to a very large extent)

	1	2	3	4	5	Don't know
The methods used in the performance audit adopted scientific/good standards	○	○	○	○	○	○
The performance audit report was of a high quality	○	○	○	○	○	○
The performance audit report dealt with some of our more important policy areas	○	○	○	○	○	○
The performance audit report showed that the auditors have zero tolerance for deviance from the objectives that have been set	○	○	○	○	○	○
Most of the conclusions in the performance audit report were sufficiently concrete	○	○	○	○	○	○
The performance audit report took sufficiently into account the fact that we have to meet several conflicting objectives	○	○	○	○	○	○
The performance audit report recommended additional controls without considering whether the increase in costs would pay off in terms of reduced risk	○	○	○	○	○	○
The performance audit report was an important source of information for me in my work	○	○	○	○	○	○
The conclusions in the performance audit report appeared oversimplified in that they failed to distinguish between more and less important audit evidence	○	○	○	○	○	○
The performance audit report proved that the auditors had good sector expertise	○	○	○	○	○	○
Owing to its focus on deviance, the OAG always finds something to criticize	○	○	○	○	○	○
The link between audit criteria, facts and assessments in the performance audit report was clear	○	○	○	○	○	○

Based on its performance audit, the OAG writes a report that is sent to the ministries for comments before it is sent to the parliamentary committees.

23) To what extent did you agree overall with the OAG's conclusions in the performance audit report? (1= disagree completely, 5= agree completely)

- **1**
- **2**
- **3**
- **4**
- **5**
- **Don't know**

24) To what extent did the audited entity make changes as a consequence of the assessments in the performance audit report? (1= to a very small extent, 5= to a very large extent)

- **1**
- **2**
- **3**
- **4**
- **5**
- **Don't know**

_____

25) What changes have there been at your place of work since the performance audit? (You can choose several options.)

- **Changes in laws and regulations**
- **Changes in significant procedures pinpointed by the OAG**
- **Changes in strategies, planning and/or the management by objectives and results system**
- **Changes in internal control and risk management**
- **Higher economic priority in the audited policy area**
- **Changes in procedures of coordination**
- **Changes in management or organization**
- **Changes in the training of staff**
- **Increased documentation and reporting**
- **Changes in personnel**
- **Lay-offs and changes of workplace**
- **Other, specify:**

_____

26) To what extent did you view these changes as improvements? (1= to a very small extent, 5= to a very large extent). Choose only the options that are relevant for you.

- **Changes in laws and regulations**
- **Changes in significant procedures pinpointed by the OAG**
- **Changes in strategies, planning and/or the management by objectives and results system**
- **Changes in internal control and risk management**
- **Higher economic priority in the audited policy area**
- **Changes in procedures for coordination**
- **Changes in management or organization**
- **Changes in the training of staff**
- **Increased documentation and reporting**
- **Changes in personnel**
- **Lay-offs and changes of workplace**
- **Not applicable**

_____

27) To what extent do you think the following might have contributed to changes in the audited entity? (1= to a very small extent, 5= to a very large extent)

	1	2	3	4	5	Not applicable
The employees wished to make changes based on the performance audit report	○	○	○	○	○	○
The media or other external parties showed great interest in the performance audit report	○	○	○	○	○	○
The conclusions in the performance audit report corresponded to the audited entity's own perception; the recommended changes would therefore have been implemented anyway	○	○	○	○	○	○
Management tends to give priority to the performance audits of the OAG	○	○	○	○	○	○
The Standing Committee on Scrutiny and Constitutional Affairs demanded that the government administration introduce new measures to improve the situation in response to the performance audit report	○	○	○	○	○	○
The political leadership signalled measures to deal with the weaknesses addressed in the performance audit report	○	○	○	○	○	○

_____

28) If you didn't make any changes, why not?

- We didn't have the possibility to make all these changes as other levels of public administration were responsible
- We didn't think that the facts in the report were presented accurately
- We didn't agree with the assessments of the OAG
- We weren't responsible for making the changes
- It was too early make changes
- We were already aware of the challenges and had put measures in place to address them

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Consequences of performance auditing

29) To what extent do you agree or disagree that the performance audit has led to the following (intended or unintended) consequences? (1= disagree completely,5= agree completely)

	1	2	3	4	5	Don't know
The performance audit has been used to further various actors' interests	○	○	○	○	○	○
More controls and thereby more work were a consequence of the performance audit	○	○	○	○	○	○
In relations with partners, the media, customers and clients, we notice that the reputation of our workplace has deteriorated	○	○	○	○	○	○
We have seen an increase in costs and the use of resources since the performance audit	○	○	○	○	○	○
The performance audit has increased interest in learning from best practice	○	○	○	○	○	○
Policy areas that did not receive much attention before have been given priority since the performance audit	○	○	○	○	○	○
We have made changes to systems that previously did not work very well	○	○	○	○	○	○
It is harder for management to prioritize as the performance audit has set the agenda	○	○	○	○	○	○
The OAG's use of government financial regulations in the audit criteria led to too tight control	○	○	○	○	○	○
The performance audit did not lead to changes, even though they seemingly launched measures	○	○	○	○	○	○

---

30) If the OAG has followed up the performance audit report, to what extent did it document improvements? (1= to a very small extent, 5 = to a very large extent)

- 1
- 2
- 3
- 4
- 5
- The OAG has not yet followed up the performance audit

Performance auditing and the media

31) To what extent did the media show an interest in the performance audit? (1= to a very small extent, 5 = to a very large extent)

- 1
- 2
- 3
- 4
- 5
- Not applicable

---

32) To what extent did the following happen as a consequence of the media interest? (1= to a very small extent, 5= to a very large extent)

	1	2	3	4	5	Not applicable
The audited entity became overly prudent in their management practices because of the facts reported in the media	○	○	○	○	○	○
The reputation of the audited entity was affected	○	○	○	○	○	○
A political debate was launched	○	○	○	○	○	○
The minister and/or the administration came under pressure from political opponents	○	○	○	○	○	○
The quality of the OAG's work was debated	○	○	○	○	○	○

Concluding questions

The purpose of supervision can be to hold members of the government responsible for errors and deficiencies (accountability monitoring) or it can aim to improve the government administration (management monitoring).

33) To what extent (1= to a very small extent, 5 = to a very large extent) did you find that the performance audit:

	1	2	3	4	5	Don't know
Was used to hold the minister accountable for their actions (accountability monitoring)	○	○	○	○	○	○
Was used to improve the operations of the audited entities (management monitoring)	○	○	○	○	○	○

_____

34) To what extent do you think those responsible have taken corrective actions to improve? (1= to a very small extent, 5= to a very large extent)

- 1
- 2
- 3
- 4
- 5
- Don't know

_____

35) To what extent did you find the performance audit useful? (1= to a very small extent, 5= to a very large extent)

- 1
- 2
- 3
- 4
- 5
- Don't know

_____

Thank you for your participation

Attachment 2: Document analysis

The report	The title and the number of the report
	Publication date
	Period of the follow-up of the report
	Press release
The ministry the report is addressed to (ministries' tasks are often reorganized when a new government enters office, therefore there are overlapping tasks and names)	Ministry of Government Administration and Reform
	Ministry of Labour and Social Affairs
	Ministry of Local Government and Regional Development
	Ministry of Labour and Social Inclusion
	Ministry of the Environment
	Ministry of Finance
	Ministry of Trade and Industry
	Ministry of Petroleum and Energy
	Ministry of Transport and Communications
	Ministry of Defence
	Ministry of Children and Equality
	Ministry of Justice and the Police
	Ministry of Agriculture and Food
	Ministry of Education
	Ministry of Culture and Church Affairs
	Ministry of Agriculture
	Ministry of Justice
	Ministry of Foreign Affairs
	Ministry of Health and Care Services
	Ministry of Education and Research
	Ministry of Fisheries and Coastal Affairs

	Ministry of Fisheries
	Ministry of Reform
	Ministry of Children and the Family
	Ministry of Health and Social Inclusion
	Ministry of Education, Research and Church Affairs
The research subject of the report	Ministry
	Government agency or equivalent
	Local or regional state office
	State corporations or health enterprises
	County or municipality
	Foundation
Type of assessment in the report	Deficiencies in the design of goals and key performance indicators
	Deficiencies in goal attainment and control
	Inefficient use of resources
	Insufficient coordination
	Non-compliance with laws, standards and procedures
	Deficient or irrelevant management information
	Deficient guidance, supervision and monitoring
	Unequal treatment
	Not informing sufficiently well
	Unclear distribution of responsibilities
	Unrealistic planning
	Lack of competence
Type of audit subject	Ongoing project(s)
	Completed project
	Ongoing activity
	Project

Audit questions in the report	On compliance (with laws, rules, standards or quality assurance systems)
	On activities within the audited entity
	On results achieved (according to stated goals)
	On explaining problems
	On the ministry's guidance
Methods used in the report	Interviews
	Questionnaire
	Document analysis
	Statistics
	Vignette survey
	Case studies
	Participant observation
	Analysis of registry data
	Inspection/mapping
	Benchmarking
The ministry's answer to the report	Agree
	Agree with certain reservations
	Disagree with the premise of criticism
	Disagree
The Ministry's stance on implementing measures	Will implement measures
	Measures had already been implemented before the report
	Will not implement measures
Newspapers that referred to the report	Bergens tidende
	Aftenposten

	Dagbladet
	Dagens Næringsliv
	Dagsavisen
	Klassekampen
	Morgenbladet
	Nasjonen
	VG
	Vårt land
Type of newspaper article	Analytical
	Descriptive
	Critical
The review of the report by the parliamentary Standing Committee of Scrutiny and Constitutional Affairs	The name and number of the committee's recommendation
	The number of remarks in the recommendation
	The number of pages with remarks in the recommendation
	Whether the members of the opposition were in the majority in the committee
	Whether a public hearing was called for
The review of the report by the parliament	The number of comments about the report in the parliament
	Whether the opposition had a majority in the parliament

Attachment 3: Interview guides

Interview guide for MPs. The reports and the debates

1. What did you think about the reports?

2. What did you think about the debate in the parliamentary control committee?

3. What did you think about the debate in the media?

4. How did the debate in the media influence the control committee?

5. Or was there no debate and, in which case, why not?

6. Do you perceive performance auditing as important? Why? Can you give examples?

The use of the reports

7. How did you use the performance audit report?

8. Did MPs use the reports? How?

9. How did politicians from other parties use the report?

10. Did other actors, such as interest groups, contact you about topics that the Supreme Audit Institution addressed in its performance audits?

11. With what result?

Positioning

12. Did you experience "blame games" or other such things after the publication of the performance audit reports?

13. How did you respond to that?

14. How did you work to influence the public administration in the control committee and in Parliament?

15. What was the result?

16. The law was changed in 2004–2005 to allow the parliament to question the heads of agencies as well as the heads of ministries. A minority in the control committee can call hearings of representatives? What do you consider the positive and negative aspects of this change?

17. Is it more important that the SAI contributes to improvement or that it holds to account?

18. What was the result when the audited entities were held to account? Give examples.

General questions about the State Audit Institution

19. What kind of information provided by the SAI do you consider most interesting?

20. As a politician, what are you looking for specifically in the reports?

21. For what purpose do you think your opponents are using the reports?

22. Are there differences in how the opposition and the ruling party relate to the SAI's performance audit reports?

23. How is it important for the SAIs influence if/when the SAI issue several reports on the same topic or sector?

24. Is it primarily the one single report or a series of reports on the same sector that trigger changes in the audited entities?

25. What is preferred? Performance audit reports focused on the internal activities of the audited entity, on control systems, on compliance and/or on results and outcomes?

26. Why?

27. What are the challenges presented by the different types of report?

28. Can you mention one positive and one negative aspect of the SAI's role?

29. In what way does the SAI have influence? What mechanisms do the publication of a performance audit report trigger and what is the result?

30. Do you think that performance auditing leads to improvements in the audited entities to those aspects criticized by the SAI?

31. What is your view on the role of the SAI in the past compared with its role today?

32. Do you consider the SAI to have a political agenda?

33. How should the SAI relate to the control committee and the parliament?

34. Do you have good and bad examples of the way it relates to these two entities?

35. What is the SAI's most important task in your opinion?

36. What is the best way to handle these tasks?

37. What should the SAI *not* do?

38. Is it important to hold civil servants to account and why?

39. Who should be held to account and when?

40. To what extent does the SAI succeed in doing that?

41. What happens after the publication of a performance audit report? What is the best strategy for the ministry to use?

42. Do you learn from the SAI's reports? What characterizes this learning process?

43. How is decision-making influenced?

_____

The interview guides used for ministries and for agencies differed slightly, but as most of the questions were similar, they have been merged into one here (see immediately below).

Interview guide for ministries/agencies

I have questions about the X performance audit report by the SAI and changes that followed at X as a consequence of the report.

X is reported to have happened in the report. The SAI has followed up on the report after X years. They report the following: X.

Opinions about the report

1. What does the ministry/agency think about the report? Does the ministry/agency have a positive or negative attitude towards it?

2. How does the ministry/agency feel about the fact that X is held to account for X?

3. Does the ministry/agency feel that it has sufficient instruments and means to deal with the situation?

4. What is the biggest challenge in meeting the SAI's demands?

External pressure

5. What was the ministry/agency's position in the debate ensuing the publication of the report?

6. What did the ministry/agency think about the debate in the parliament and in the media?

7. Did the reactions and the debate in the media influence how the ministry/agency dealt with the situation?

8. Did politicians' initiatives influence how the ministry/agency dealt with the situation?

9. How did the political pressure play out in this case?

10. What did it lead to?

11. Did interest groups or other stakeholders interfere?

12. How did this happen?

The relationship to the agency

13. Except for managing the performance and results system, does the ministry have other informal channels through which it was informed about the agency's operations?

14. How do the ministry and the agency cooperate over responding to the SAI's performance audit report?

15. How does the ministry monitor and evaluate the implemented changes in the agency?

Strategies, learning and perceptions

16. How did the ministry/agency use the report?

17. What did the ministry/agency learn from the report? Did it provide new information, new ideas or new solutions?

18. What conditions should be present for an optimal learning outcome of the performance audit?

19. What persuaded the ministry/agency to respond to the SAI's criticism?

20. When did the ministry/agency simply pretend to respond?

21. What did the ministry/agency choose not to pursue and why?

22. How and to what extent does the ministry/agency have discretion in the follow-up (or not) to the SAI's criticism?

23. Does it help to argue against the SAI? When and how?

24. What can the ministry/agency obtain through different strategies?

25. How did the ministry/agency's perception of the report influence the way the report was handled and what changes did it trigger?

26. The SAI often follows up a performance audit with a financial audit. Does this have real impact?

27. The SAI sometimes publishes several reports on similar topics in the same sector. What is the impact of this cumulative attention?

28. What is more effective in influencing the ministry/agency to enact changes: one report or a series of reports together with the SAI's follow-up?

Consequences of the report

29. What was the primary trigger for the changes that the ministry/agency ended up implementing (the audit report, the entity's own plans, political pressure, media interest)?

30. What results did the ministry/agency expect from the changes?

31. How did the ministry/agency ensure results? How did it follow up on the measures implemented?

32. Did any of the changes have negative effects for operations or results (for example goal displacement, change of priorities, more bureaucracy, less flexibility, reputational damage)?

33. Did any of the changes have positive consequences for operations or results?

34. How did the SAI's follow-up influence the ministry/agency?

35. Did the performance audit report lead to better results in any areas? Why or why not?

36. What does the ministry/agency prefer? Reports focused on internal activities, systems, compliance or societal outcomes?

37. Why?

38. What may be problematic with each of the different types of report?

39. Can the ministry/agency give examples of performance audit results

General questions about the SAI

40. What is the SAI's most important task?

41. How should the SAI handle its tasks?

42. How should the SAI not handle its tasks?

43. Is it important to hold civil servants to account and why?

44. Who in the public administration should be held to account and when?

45. How does the SAI succeed in doing this?

46. What happens after the publication of a performance audit report and what is the best way for the ministry/agency to respond?

47. Did the ministry/agency learn from the SAI's performance audit reports?

48. How does this learning process work?

49. And how does it influence decisions?

50. What importance do the SAI's reports have for the decisions taken by the ministry/agency? How do they influence the decisions taken?

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