

Consulting or Holding to Account?

Riksrevisionen as an Agent of Change in Swedish Public Administration

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Abstract

This paper explores the impact of the performance audits of a national audit office, Sweden's Riksrevisionen, on the public administration it audits. It does so by investigating how the auditee perceives their relationship with the auditor in terms of accountability and consulting with the aim to explore the role of the national audit office as an agent of change in the entities of the public administration. Riksrevisionen is found to take a consulting approach in their performance audits and the stronger the relationship is perceived as consulting, the higher the propensity to change. The same relationship is found with regard to the accountability relationship when the accountability pressure is perceived internally in the organization. When the accountability pressure is external no relationship with change can be corroborated.

Introduction

Public sector auditing provides both comfort (Power, 1999) and discomfort (Justesen & Skærbæk 2005; 2010). It provides comfort by allowing people to know that those responsible for public funds are monitored and that improvements, presumably, are suggested when necessary. Discomfort it provides by revealing ineffective and inefficient use of public funds, revelations which enable elected officials to hold those responsible to account. Whereas the production of comfort is, perhaps, best described as a ritual (Pentland 1993; Power 1999), the impact of the production of discomfort is more visible. The impact of an audit in the audited entities is in many cases even measurable (De Lancer Julnes 2006; Morin 2001; 2014; Raudla et al. 2015; Reichborn-Kjennerud 2013; Reichborn-Kjennerud & Johnsen forthcoming; Van Looke & Put 2011).

Change can however come about in different ways. Change can be forced upon the auditee by principals holding it to account (Jensen & Meckling 1976). The auditee can also choose to change by holding itself accountable (Bovens

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1998). These changes are less visible from the outside but still a result of the discomfort of the processes of accountability (Bovens 1998; Messner 2009). All change does however not have to be a result of the production of discomfort, as the production of comfort is not merely a ritual (Carrington & Catasús 2007). Auditors are not only agents of accountability; they can also act as consultants (Jacobs 1998; Johnsen et al. 2001). As a consultant, the auditor's job is to advise the auditee and propose changes before, and thus often instead of, reporting shortcomings in the performance audit report.

How and to what degree performance auditors focus on improvements vary considerably. In financial auditing the choice span between the improvements made in the course of the audit (cf. Wallace's 1980) to an outright and complementary (or integrated – cf. Jeppesen 1998) consultancy operation (Zeff 2003a; 2003b). In performance auditing the range of choices is between bringing about change through direct involvement (consulting), at the one end, to reporting findings in such a way that the audited entity feels compelled to change by its own accord (accountability), at the other (Jacobs 1998). The type of impact to expect from the performance audit of a national audit office should thus depend on the strategic choice it makes between a "financial audit" and a "performance audit" approach (or a portfolio of, or hybrid between these approaches) (Jeppesen et al. forthcoming) and the degree to which it see its role as providers of accountability and/or consulting.

This paper investigates how change can be understood as a matter of how auditees perceive their relationship with the auditor in terms of accountability and consulting, with the aim of exploring the role of the national audit office as an agent of change in the entities of the public administration. This aim is explored by an analysis of data from a survey of 116 civil servants in government agencies who have experienced performance audits by the Swedish National Audit Office, Riksrevisionen. It does so by posing the research question: How do the audited entities perceive Riksrevisionen and to what extent does this perception affect the auditees' propensity to make changes as a result of the performance audit?

This question is particularly topical in the Swedish setting as performance auditing in Swedish public administration has undergone a change, from a situation where Riksrevisionen were accountability-focused (Bringselius 2015) and produced compliance-oriented performance audits (Grönlund et al. 2011) to a situation where it is mandated to focus on traditional "3E" performance auditing (Act 2002:1022 on state audit) and requested to focus on support rather than accountability (Bringselius 2015).

The remainder of the paper is organized as follows. The next, and second, section of the paper presents the previous research on the impact of performance audits and the theoretical framework and hypotheses of this paper. The third section provides a background of the Swedish National Audit Office,

Riksrevisionen, and its performance audits. The fourth section describes the method and data of the study. The fifth section presents the results of the survey and the sixth a discussion of these results. Section seven concludes the paper by highlighting the main conclusions and contributions of the paper.

The impact of performance auditing

Almost all countries have a supreme audit institution¹ (SAI) charged with undertaking performance audits of the country's public administration. The target of these audits are typically the administrative level as the political level is beyond the mandate of appointed Auditors General. Parliament, not auditors, holds government to account (Boven 2005). The national audit office (NAO) holds the administration accountable. Still, the research on how SAIs hold public sector organizations accountable is limited. Van Loocke & Put's (2011) review on the subject found only fourteen such studies. In these studies, impact was typically defined as instrumental and short term (*ibid.*). Studies of actual changes reported by those being audited are even more rare. Two recent studies however report on the recall of perceptions and accounts of actual changes made as a consequence of the performance audits of the respective national audit offices of Norway and Estonia.

Reichborn-Kjennerud & Johnsen (forthcoming) – studying the impact of performance auditing in Norway – explores two perspectives on what makes auditees make changes as a result of a performance audit: The cultural-institutional perspective and the rational-instrumental perspective.

The cultural-institutional perspective (Meyer & Rowan 1977; March & Olsen 1989; Brunsson & Olsen 1993; Scott 2008) focuses on the likelihood that institutionalization and socialization may make auditees more likely to accept changes that conform to and are compatible with the cultural norms and institutional identities present in the organization. Suggested changes that do not fit with already planned changes and assessments made by the auditor which the audited civil servants do not agree with may therefore be resisted. Reichborn-Kjennerud & Johnsen (forthcoming) are able to corroborate this hypothesis – that the more the audited entities had already planned to make the recommended changes, the more changes they will make – but not a second – that the more the audited civil servants agree with the SAIs' assessments, the more changes they will make.

The cultural-institutional perspective is best understood as a reaction to the rational-instrumental perspective. In this perspective “the purpose of the audit is to facilitate administrative accountability and improvement” (*ibid.*: 7). Government agencies are hypothesized to make changes based on the SAIs' audit reports, a hypothesis which they are able to corroborate. This because: “The

1 These tend to be organized either as national audit offices, as in Sweden, or as courts of audit, as in, e.g., Spain.

auditees are expected to obediently make changes adhering to the conclusions in the SAIs' audit reports because the SAIs are performing independently and legitimate control of the public administration on behalf of the Parliaments" (ibid: 7). But they are also expected to make changes because it is rational from an agency theory perspective (if the agent does not follow the recommendation of the auditor it may be punished by the principal) (Jensen & Meckling 1976), as well as from a perspective of improvement and organizational learning (Reichborn-Kjennerud & Johnsen forthcoming).

Reichborn-Kjennerud & Johnsen (forthcoming) acknowledges the notion that there may be a conflict between accountability and learning oriented audits (cf. e.g. Behn 2001; Dubnick 2005; Lonsdale & Bechberger 2011; van der Meer & Edelenbos 2006) but leave it at that with a note that "The audit reports may be used for holding someone to account and for recommending changes" (p. 7). Raudla et al. (2015) – studying the impact of performance auditing in Estonia – however address this claimed incongruity head on by testing the hypothesis that "There is a trade-off between the two functions of performance audit: if the performance audit is perceived to be about accountability, it is less likely to be perceived as being used for improving operations in the audited organizations." (Raudla et al. 2015: 220). They are not able to corroborate the hypothesis.

Raudla et al. (2015) however find that whereas only the perceived expertise of the members of the audit team and the perceived quality of the audit report had a statistically significant effect on reported actual change as a consequence of the audit, the degree of change was related to six different measures of perceived usefulness. This is an interesting result as it prompts us to question both how to, on the one hand, measure improvement and accountability, and, on the other, to explore the relationship between reported actual change as a consequence of the audit and perceived usefulness of the performance audit.

Theory and hypotheses

As detailed above, previous research has discussed and tested (Raudla et al. 2015) whether the two main intended outcomes of performance auditing – improvement and accountability – are congruous with each other or whether there is a trade-off between the two. Yet, improvement is a subjective concept and what is perceived as improvements to parliament or society may not be perceived so by the audited public sector agency; and vice versa. Hence, changes made as the result of the auditee being held to account because of the performance audit may lead to improvements. Similarly, a performance audit focusing on finding and suggesting improvements can lead to changes that some actors perceive as deteriorations. Better then, this paper suggests, is to oppose accountability with consulting and focus on these concepts as relationships between the auditee (the audited public sector agency) and the auditor (the national audit office).

ACCOUNTABILITY

Focusing on the relationship between the auditee and the auditor also crystallizes what – in this study – is meant by accountability. It is not uncommon in the literature on performance auditing to equate accountability with the process of holding the agency to account by the parliament or by the parliament via the government. It is also used to mean the holding of ministries to account. Raudla et al. (2015) does for instance investigate whether performance audit was used to hold the ministries and agencies accountable for their actions and Reichborn-Kjennerud & Johnsen (forthcoming) hypothesize that the more the reports are used to hold ministers accountable, the more the auditees will make changes. There is nothing wrong with these perspectives but given the particular data of survey studies, in this case self-reported data on the perceptions of different aspect pertaining to accountability, the focus ought to be on situations where the accountability is more of an active (more akin to “responsibility”) than a passive (and often coercive) kind (Bovens 1998).

The accountability investigated in this paper is what Sinclair (1995) calls personal, as opposed to structural, accountability: “Accountability in the structural discourse is spoken of as the technical property of a role or contract, structure or system. Territories are clear and demarcated, accountabilities uncontested [...]. In contrast, the personal discourse is confidential and anecdotal. In this discourse, accountability is ambiguous, with the potential to be something that is feared or uplifting” (Sinclair 1995: 224). Messner (2009) in similar terms talks about the accountable self in his search for the limits of accountability. Drawing on Butler (2001; 2004; 2005), Messner investigates the ethical aspects of accountability and – although not directly pertinent for this paper – it highlights that an accountability relationship entails choices that has to be made. The auditee must act in a way that they perceive to be in line with what is expected of them.

Sweden is a particularly suitable setting to explore this kind of accountability relationship in as it has a form of government that does not allow the responsible minister to make decisions in individual cases. The minister (government) sets the rules and (typically yearly) gives general directives for the agencies but beyond that the agencies experience a rather strong independence. Thus a performance audit report by Riksrevisionen has to be interpreted by the audited agencies to a stronger extent than in other countries. Any new or changed rule or guideline by the government as a result of a performance audit also has to be dealt with by the agencies themselves. (For an in depth account of the challenges that results from this autonomy, see Svärdesten 2012.)

Nevertheless, if the agency comes under pressure from external actors to change this is perceived as an accountability pressure (Sinclair 1995; Messner 2009). In these situations, we expect the auditee to be more likely to make changes as a result of the performance audit report.

Hypothesis 1 (H1): If auditees experience an external accountability pressure, it will increase their tendency to make changes.

Accountability pressures can, however, also manifest themselves within the agency. If the auditee experiences that they have to do more work as a result of the performance audit or that costs and resources become more strained this may make the auditee more inclined to make changes. Changes to the management's agenda as a result of the performance audit may make prioritizing and risk management more difficult, which likewise may make the auditee more inclined to change. This can be the result of the civil servants' perceiving the auditor to take an overly detailed approach to adherence to laws and regulations. These pressures are the result of the auditees direct or indirect reactions to the performance audit and thus a different manifestation of the same personal accountability discussed above.

Hypothesis 2 (H2): If auditees experience an internal accountability pressure, it will increase their tendency to make changes.

Common to both hypothesis H1 and H2 is the proposition that any eventual changes are made for the sake of someone else. This entails an accountability relationship with the auditor.

CONSULTING

A consultant has a very different relationship with their client than an auditor has with their auditee. Hence the evergreen debate about auditors' independence (Briloff 1966; Simunic 1984; Hope & Langli 2010). Proponents for an independent auditor claim that an auditor that is not independent will not be as effective in finding errors or wrongdoing as an independent auditor (Carrington 2014). Moreover, an auditor that is not independent may be less likely to report findings that may have negative consequences for the auditee (*ibid.*). On the other side of the debate are the arguments that it is wasteful to not let the auditor, who already know a lot about the auditee, also suggest improvements (this argument can be found both for financial [*ibid.*] and performance [Justesen & Skaerbek 2010; Funkhouser 2011; Lonsdale & Bechberger 2011] auditing) and (particular to public sector auditing) the argument that performance audit should concern itself more with learning and improving performance than with compliance, which are seen as problematic to reconcile (Behn 2001; Dubnick 2005; Lonsdale & Bechberger 2011; van der Meer & Edelenbos 2006). As mentioned above, Raudla et al. (2015) could however not find support for the hypothesis that there is a trade-off between accountability and improvement.

Raudla et al. (2015) did however explore the relationship between reported actual change as a consequence of the audit and perceived usefulness of the performance audit as two dependent variables. Perceived usefulness is presented as an alternative impact-measure of change. It could however be argued

that perceived usefulness is an antecedent of change. If the civil servants of the audited agencies find the audit to be contributing to improvements in the organization, if they want to make changes based on the audit report and if they find the report useful in general, these are all indicators of a consulting relationship with the auditor. If the auditee finds the performance audit useful, improvements are more likely to follow.

Hypothesis 3 (H₃): The stronger the auditees perceive a consulting relationship with the auditor the more likely they are to make changes.

Performance auditing in Swedish public administration

The Swedish national audit office, Riksrevisionen, is a young organization. It was established in 2003, after an – at times – heated debate, as the result of a merger between Riksrevisionsverket (RRV), an agency under the government, and The Parliamentary Audit, the latter with an origin that can be traced back to 1809 (Isberg & Mattson 2014). Riksrevisionen is part of the parliamentary control of government. This is a role it shares with formalized questions to ministers, the Parliamentary Ombudsmen, the Committee on the Constitution, and the no-confidence vote, which – if an absolute majority is reached – can bring down the government. One aspect of this parliamentary control role is to hold the public administration to account. Another is to evaluate the efficiency, effectiveness and economy, i.e., the traditional “3E” performance of these organizations (Bringselius 2015). Fulfilling this role Riksrevisionen produces around 25–30 performance reports per year (Riksrevisionen 2015; Jeppesen et al. forthcoming).

Riksrevisionen may be a young organization but that does not mean that it, or rather its predecessors, was late to performance auditing. Riksrevisionen/RRV/The Parliamentary Audit was on the contrary on the forefront of the development of performance auditing (Angleryd 2014; Furubo 2014) probably because RRV and the Parliamentary Audit did not undertake traditional financial audit (ibid.). This largely internally developed, and internationally influential approach to performance audit (ibid.) was however largely abandoned at the birth of the new organization Riksrevisionen for a more compliance- and accountability-seeking approach (ibid.).

When Riksrevisionen was created, the new audit institution conformed closer to the INTOSAI ideal than its predecessors. Most importantly it was fully autonomous. Sweden did however diverge from the standard SAI model by not introducing a public accounts committee (PAC) (Bringselius 2015). Instead a board for the audit office was first introduced and later replaced by a standing parliamentary committees (ibid.). The choice to not include a PAC as way to disseminate

performance reports to parliament is noteworthy as it has been argued that a PAC model works better for a style of performance audit that is confrontational in its meeting with the auditee (Bringselius 2015). Riksrevisionen's approach to performance auditing entails a much more collaborative relationship with those audited.

This approach is however a rather recent development. When RRV merged with the Parliamentary Audit into Riksrevisionen the previous improvement leaning model was then replaced with performance audits that had as its goal finding a person or organization that could be identified and held responsible for the performance or lack thereof (Bringselius 2015). This however lead to criticism. Particularly, Riksrevisionen was accused of being too political (*ibid.*). Another criticism was that the reports were much too compliance focused (Grönlund et al. 2011). The board model also meant that the performance audit reports had a low impact in parliament and that Riksrevisionen therefore had to go through the media to get attention for their reports, prompting some to interpret Riksrevisionen's statements as hyperbolized (Gullers 2007).

This lead to a reformation of Riksrevisionen's relations with Parliament and its audit approach. The board model was replaced with a standing parliamentary committees solution to which Riksrevisionen now communicates its findings. Nowadays, Riksrevisionen is expected to focus on support rather than accountability. It is even written into law (Act 2002:1022 on state audit) that Riksrevisionen should focus their performance audits on the traditional "3E" performance audit.

Method and data

The data for this study comes from answers to a survey distributed during the autumn of 2014. The questionnaire for this study was designed as part of a Nordic study, which surveyed five Nordic countries (cf. Reichborn-Kjennerud & Johnsen forthcoming). The questionnaire was originally designed, tested and deployed in Norway. A Swedish translation of this questionnaire was made from the Norwegian original and an English translation of the Norwegian questionnaire. Some adjustments were made with regard to the Swedish legal and institutional setting but otherwise it was conceived to be identical with the Norwegian original (*ibid.*). The respondents were asked to answer questions about performance audit(s) that they themselves had been exposed to. The respondents were asked to provide their answers on a five point Likert scale.

Sample and data collection

The questionnaire was distributed via email and the responses were collected by means of a commercial web-based service (SurveyMonkey). The questionnaire

was first delivered to the respondents on October 20, 2014 and the last usable response was received on November 19 the same year. The questionnaire was distributed with the help of Riksrevisionen. Riksrevisionen annually make their own survey, which they distribute to their contact persons at the entities that they have previously audited. In this survey we did however want to come in contact with as many people as possible who, on the receiving side, had worked with Riksrevisionen's performance audits. This typically included the contact person but was not limited to her or him. Moreover, in most cases Riksrevisionen did not send its questionnaire directly to the contact person but to the official email address of the entity, which, if the entity is a governmental agency, is required by law to register and deal with the email. For this survey we therefor sent an email to the contact persons using the email addresses provided by Riksrevisionen in which we, in general terms, described the survey and asked them for their email address and if they would consider answering our survey together with a request to inform us of other potential respondents and their email addresses.

We received 245 names (contact persons) from Riksrevisionen. Some of these persons were no longer working for the organization in which they had been audited by Riksrevisionen and where in most cases not possible to come into contact with. In some cases, the organization as such did no longer exist. Nevertheless 83 of the 245 names (34%) that were contacted responded to our initial email. These 83 contacts resulted in email addresses to 178 persons who had in some capacity worked with Riksrevisionen's performance audits at an audited entity. Out of the 178 questionnaires that were distributed we received 116 responses, corresponding to a response rate of 65%, eight of these we received after a reminder email was sent to the people who had not yet responded. Of the 116 responses 30 answers were missing to the question of change, bringing the usable responses down to 86 and the response rate to 48%.

Variables and measures

The dependent variable in this study is the auditee's tendency to make changes as a consequence of the performance audit. This variable is measured by the survey question "To what extent was change made as a consequence of performance audit?"

Six questions were asked as measures for the independent variable of accountability. These six questions were divided and merged into two composite measures. The first accountability construct consists of two questions: "To what extent did the audited entity become overly prudent in their management practices in light of the facts reported in the media?" and "To what extent was the reputation of the audited entity affected as a consequence of the media interest?". (Cronbach's alpha: .689.) This construct is intended to capture the perception of an agency relationship.

The second accountability variable is made of four questions: “To what extent have more controls and thereby more work come as a consequence of the performance audit?”, “To what extent have you seen an increase in cost and use of resources after the performance audit?”, “To what extent has the performance audit contributed to a shift of objectives, which complicate management priorities, and risk assessment?”, and “To what extent did Riksrevisionen’s use of government regulations in the audit criteria led to a too detailed control”. (Cronbach’s alpha: .806.) This construct is designed to measure direct negative consequences of the audit for the audited entity, i.e., capturing aspects of the relationship between the auditor and the auditee that indicates an accountability role for the auditor.

A third independent variable, that seeks to capture the experience of a consulting relationship, is a composite measure made up of five questions: “To what extent did the employees wish to make changes based on the performance audit report?”, “To what extent was the performance audit report an important source of information for you in your work?”, “To what extent did the performance audits of Riksrevisionen contribute to improvements in the audited entities?”, “To what extent were your comments regarding Riksrevisionen’s interpretation of the audit evidence sufficiently taken into account?”, and “To what extent did you find the performance audit useful?”. (Cronbach’s alpha: .874.)

Results

Descriptive statistics of the variables used in this study and their bivariate correlations are documented in Table 1 and Table 2 shows the frequencies for the dependent and independent variables used in the regression model.

Table 1. Descriptive statistics and correlation analysis

	1	2	3	4
1. The extent to which the audited entity made changes as a consequence of the assessments in the performance audit				
2. External accountability pressures	.23* (N = 78)			
3. Internal consequences of accountability pressures	.52** (N = 81)	.44** (N = 80)		
4. Consulting	.51** (N = 86)	.05 (N = 80)	.32** (N = 84)	
M	2.93	1.53	1.9	3.4
SD	1.18	0.73	0.89	0.97
n	86	80	84	112

Note. Spearman’s rank order correlation coefficients. *Significant at the .05 level. **Significant at the .01 level.

Table 2. Dependent and independent variables

	<i>n</i>	To a very small extent (%)	To a small extent (%)	To some extent (%)	To a large extent (%)	To a very large extent (%)
1. The extent of changes	86	15	19	33	26	8
2. External accountability pressures (quantized means)	80	54	25	14	2	0
3. Internal consequences of accountability pressures (quantized means)	84	40	32	21	4	2
4. Consulting (quantized means)	112	4	23	38	51	18

The second row in Table 2 shows to what extent the responding civil servants replied that the audited entities made changes as a consequence of the performance audit they experienced. About a third of the respondents reported that changes were made to a large (26%) or very large (8%) extent as a consequence of the performance audit reports. This should be compared to responses to an identical survey question posed to civil servant in Norway (Reichborn-Kjennerud & Johnsen, forthcoming) where almost half of the surveyed civil servants reported that changes were made to a large (36%) or very large (12%) extent and Estonia (Raudla et al. 2015), where changes to a large (18%) and a very large (3%) extent were less common. Adding the medium range changes (33%) brings the number of respondents that report changes more substantial than “small” to 67%. This should be compared with 78% in Norway (Reichborn-Kjennerud & Johnsen forthcoming) and 59% in Estonia (Raudla et al. 2015). This leaves as many as 34% of the respondents reporting changes made as a consequence of the audit only to a small or very small extent (21% in Norway [Reichborn-Kjennerud & Johnsen forthcoming] and 35% in Estonia [Raudla et al. 2015]).

It can also be observed (row three, Table 2) that the responding civil servants do not experience external accountability pressures from the media. None report external accountability pressures to a very large extent and only 2% to a large extent. Thirty-nine percent of the respondents did however report having experienced external accountability pressures to some (14%) or a small extent (25%). Nevertheless, when adding the 54% representing those who only to a very small extent (or at all – this was the “lowest” value they could report) to the 25% who felt external accountability pressures to a small extent, as many as 79% of the respondents reported that they did not feel any substantial external pressure from the media, such as negative reputation or becoming overly cautious.

For the respondents' experience of accountability pressures that are manifested internally in the organization – such as having to put up with an overly detailed and rules-oriented audit, increased costs and more work as a result of the audit – the image is similar, albeit not as extreme. Still, as many as 72% reported not having experienced any substantial internal accountability pressures as a consequence of the performance audit (i.e., reported the consequences to be only to a small or very small extent) and as few as 6% reported the extent to which they experienced negative internal accountability pressures to be large or very large.

Instead, the responding civil servants, to a larger extent, reported having experienced the performance audit as having been useful in a different way, indicating a more consulting oriented approach to the audit. As many as 69% experienced the audit in consulting terms to a large (51%) or a very large (18%) extent. Only 4% answered to a very low extent and the share reporting “to a low extent” was 23%.

The independent variables described above were used in a multiple regression analysis of changes made as a consequence of the performance audit report (see Table 3). No problems with multicollinearity were implied as all the independent variables correlated less than .50 (see Table 1) and all variance inflation factors (VIFs) were below the commonly accepted threshold of 5. The number of usable responses for the regression analysis is 78, due to missing data on some variables.

Table 3. The auditees' propensity to make changes as a consequence of performance audit (n = 78)

	Standardized coefficients		
	β	t	Significance
Constant	-	0.184	0.854
2. External accountability pressures	0.81	0.816	0.417
3. Internal consequences of accountability pressures	0.37	3.516	0.001**
4. Consulting	0.38	3.967	0.000**

Note. Adjusted $R^2 = .38$. F statistic = 16.930. Significance of $F = .000$. $VIF \leq 1.38$. VIF = variance inflation factor. **Significant at the .01 level.

Table 3 demonstrates that although β indicates a strong relationship between external accountability pressures and their inclination to make changes as consequence of the audit, this relationship is not statistically significant. There are however statistically significant relationships (at the .01 level) between, on the one hand, internal consequences of accountability pressures and the auditees willingness to make changes as a consequence of the performance audit and,

on the other hand, auditees experience of the performance audit as consulting and the propensity to make changes as consequence of the audit. In other words, the more the auditee experiences consequences of internal accountability pressures or perceives the performance audit in terms of consulting, the more likely the auditee is to make changes.

Table 4 shows the hypotheses and the results of the regression analysis in terms of corroboration. In this analysis, the hypothesis that auditees experiencing external accountability pressures will have an increased tendency to make changes (H1) was not corroborated. This indicates that increased accountability pressures from external parties (in this case the media) does not lead to a higher propensity to make changes as a consequence of the performance audit.

Table 4. Hypotheses and Empirical Corroboration

	Hypothesis	Corroboration
Accountability relationship	H1: If auditees experience an external accountability pressure, it will increase their tendency to make changes.	No
	H2: If auditees experience an internal accountability pressure, it will increase their tendency to make changes.	Yes
Consulting relationship	H3: The stronger the auditees perceive a consulting relationship with the auditor the more likely they are to make changes.	Yes

The hypothesis that auditees experiencing internal accountability pressures will have an increased tendency to make changes (H2) was however corroborated. This means that the more civil servants experience negative internal consequences as a result of the performance audit the more they are willing to make changes. This indicates that accountability relationships (and the auditor as an agent of this relationship) do matter for civil servants’ willingness to make changes. For this to happen the accountability relationship must however first manifest itself in tangible internal consequences. H3 – the stronger the auditees perceive a consulting relationship with the auditor the more likely they are to make changes – was also corroborated, indicating that the more a civil servant experiences the performance audit as a consulting relationship the more willing they are to make changes as a consequence of the audit.

Discussion of the role of Riksrevisionen and auditee change

This analysis adds to our understanding of what explains change as a consequence of a performance audit in the auditee by indicating both the perception of an accountability relationship and a consulting relationship as explanations.

This corroborates the previous research that stress the importance of a consulting style approach to the performance audit for bringing about change in the audited organizations (Lonsdale & Bechberger 2011; Morin 2003; Van Loocke & Put 2011). Furthermore, it also lends support to the research that point out the importance of an accountability relationship with the audited organization to inducing change (Skærbæk 2009). This support is however not unqualified as support was only found for internal accountability pressures, not external. These findings complicate rather than solve the question of whether there is a trade-off between a performance audit with an accountability approach and a performance audit with an improvement approach. The solution that the design of this study suggests – i.e. to bracket the notion of improvement and instead focus on change and whether this can be explained by an accountability and/or consulting approach – has provided promising results but needs to be further analysed and tested.

A further observation worth discussing is that Swedish public administration agencies do not make as many changes as a consequence of Riksrevisionen's performance audits as one might expect from previous research in Norway, which found a higher level of change (Reichborn-Kjennerud & Johnsen forthcoming) – a level that the Norwegian study found low (ibid.)! The lower level of change in Sweden could however be explained by the different national cultural-institutional settings (Bringselius 2015). Swedish government agencies have a higher degree of freedom and autonomy than their Norwegian counterparts and may thus not feel equally compelled to follow the changes suggested or implied in the performance audit reports. Another possible explanation of the low rate of change is that Riksrevisionen is a young institution and that its recommendations, therefore, do not carry the same weight as in other countries. In other countries, such as Estonia, which also lacks a long tradition of Anglo-Saxon style audit institutions, the rate of changes made as a consequence of the performance audit can be even lower (Raudla et al. 2015).

This could also be part of the explanation for why auditors in Sweden to a very low degree experience external accountability pressures. Sweden does not have a public accounts committee and therefore rely on other means to communicate results to Parliament. Bringselius (2015) argues that this is in part due to “the wish to preserve a political culture focused on collaboration and pragmatic improvement, rather than confrontation and accountability debates” (p. 1). Bringselius argues that Sweden has been successful in this regard. In the questionnaire sent to the civil servants several questions were included to capture the accountability pressures from parliament on ministers and (more apropos for this study) from parliament and government on the auditees. None of these measures did however produce any statistical significant data and were thus not included in the analysis. The means for these variables were however lower even than for that of the construct for external accountability pressures,

which was included in this study; i.e. accountability pressures from the media. This further supports Bringselius' reasoning.

It is perhaps not surprising, then, that the hypothesis that auditees experiencing an external accountability pressure will increase their tendency to make changes cannot be corroborated. The tested composite measure has a slightly low Cronbach's alpha of .689 and the included questions are by themselves either not statistically significantly correlated with the dependent variable or have a correlation that is statistically significant only at the 0.5 level. The failure to corroborate a hypothesis about a relationship between the degree of perceived external accountability pressures and the extent that auditors are willing to make changes as a consequence of the performance audit report is nevertheless noteworthy. The Norwegian study (Reichborn-Kjennerud & Johnsen forthcoming) referred to above, tests hypothesis very similar to the external accountability thesis put forward in this paper and they are able to corroborate such a relationship. Again, the explanation can be the differences in legal and institutional framework. Whereas Sweden was a latecomer to the currently accepted best practice of how to structure an independent Supreme Audit Institutions and has abstained from introducing a public accounts committee, Norway, in comparison, resembles an INTOSAI poster child.

The other construct for accountability however also indicates that these kinds of accountability pressures are low and yet the hypothesis that experiences of internal accountability pressures will increase auditees' tendencies to make changes can be corroborated. The auditees do however report slightly higher internal manifestations of accountability pressures than external, which may be part of the explanation. A more theoretically appealing explanation may however be that the internal manifestations of accountability pressures better capture the accountability relationship than do self-reported views of perceived pressures from the media (or ministers or parliament). Yet another explanation could be that this construct rather than merely capturing internal accountability pressures also captures more rational-instrumental explanations (cf. Reichborn-Kjennerud & Johnsen forthcoming).

In light of the institutional and regulatory changes affecting performance auditing in Sweden it is however not surprising to note that not only do most auditees experience the audit in terms of a consulting relationship but that the hypothesis that the stronger the auditees perceive a consulting relationship with the auditor the more likely they are to make changes can also be corroborated. Although this paper does not claim to test whether there is a trade-off between accountability and consulting (improvement) it is evident that both relationships can exist together. Hence, although operationalized differently, this paper lends support to the results by Raudla et al. (2015) that there does not seem to be a trade-off between accountability and improvement in practice. Improvements can however be the result of an accountability relationship

(Skærbæk 2009) why any statements about Raudla et al.'s hypothesis must be restated as discussing the congruity between accountability and consulting relationships.

Conclusions

This study shows that civil servants in government agencies in Sweden see their relationship with the Swedish national audit office, Riksrevisionen, primarily as a consulting relationship. This corroborates previously reported preliminary findings that the requirements that Riksrevisionen take a more supportive approach in their audits have been headed by Riksrevisionen (Gullers 2011; Bringselius 2015). Without longitudinal data, a change cannot be confirmed but the very low scores for negative experience due to accountability pressures reported by the civil servants indicates an absence of the compliance (Grönlund et al. 2011) and accountability focused audits (Bringselius 2015) reported before the changes in the law on state auditing that changed the performance audit approach (Bringselius 2015).

The study also demonstrates that Riksrevisionen's performance audits lead to changes in Swedish public administration. Arguments have been made in the previous research that if the SAI is to bring about improvements in the audited organizations it needs to take on a more consultative role (Lonsdale & Bechberger 2011; Morin 2003; Van Loocke & Put 2011). This study supports these arguments by showing a clear relationship between auditees perceiving a consulting relationship with the auditor and the readiness to make changes as a consequence of the audit. Qualitative research has however also found that auditors embracing their accountability role can be an effective way of bringing about change in the audited agencies. In this paper, we find support for this but only when the accountability pressures manifest themselves internally in the audited organization, not when the accountability pressures take an external form, such as perceiving that the performance audit, via the media, gives the agency a bad reputation.

Some limitations of the range and reliability of these conclusions must be acknowledged. Firstly, this study only report on and analyse data from Sweden. Political, legal and cultural-institutional differences between countries will affect how the national audit office is perceived. Changes in the mandate of (laws governing) the audit office can change the audits produced significantly (Bringselius 2015). This also extends to the number of changes made as a consequence of the performance audit. A comparison with Norway, where more changes are made, and Estonia, where fewer changes are made, are good illustrations of this. Secondly, the study of direct effects of performance audits on changes made in the audited organizations is only in its infancy. How to understand what drives or influence change is still not fully understood. Neither is how to measure it.

Future research therefore primarily ought to engage in comparative research. This could isolate the effect of national cultures and institutions making it easier to corroborate or otherwise identify more generalizable effects. Furthermore, this study only addresses the impact of the performance audit on change in government agencies as a consequence of how civil servants experience the performance audit and in particular how this experience can be categorized in terms of accountability and consulting relationships. Future studies would do well to also address other kinds of impact, such as that on parliamentary debates and agendas, government policy, media attention or public perception. A stronger consulting approach may, for instance, lead to less discomfort in public administration and to more change. But this may also lead to a parliamentary and/or public perception that the national audit office has become too cosy with its auditees², whereas a stronger accountability approach may lead to more discomfort in the public administration and less³ change but a more comfortable parliament and public.

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2 During 2016 all three auditor generals in Sweden resigned. In at least one of the cases, the media uproar preceding the resignation was sparked by a perceived lack of independence of the kind discussed here.

3 Or maybe more change! (See Skaerbaek 2009.)

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