Social sector auditing
–From soft to sharp auditing

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Abstract

This paper is about technological change in audit. Change in audit technologies has been much debated in the name of efficiency, highlighting problems and possible improvements. The aim in this paper is to explore the relations between how auditability is achieved in social services and what things in social services becomes auditable. The field study that informs the paper is concerned with performance audit in the social services in Sweden. Building on longitudinal data the case illustrates a programmatic change within the social audit. The findings of this paper contribute to the existing literature in three aspects. First, the paper highlights the process of transforming auditability, a theme not explored enough empirically in previous research. Second, we contribute by linking the changes in what is regarded as legitimate evidence to the transformation of audit technologies. We observe how the new sharp audit is reflected in prioritizing, focusing, standardizing and distancing. Third, the paper contributes to the existing literature on the transforming role of the auditor not only as professionals expanding their jurisdiction but as professionals whose maneuverability gets circumscribed as the public attention to audit process and audit report is accentuated.
Introduction

“But we also have a much more powerful audit. However, I will also, in person, follow it up very carefully”
(Maria Larsson, Minister of public health, HN 11/8).

This paper is about technological change in audit. Audit technologies are methods and tools used by auditors in practice. Change in audit technologies has been much debated in the name of efficiency, highlighting problems and possible improvements. However, it has not been theorized as much as it has been evaluated, one exception being Robson et al (2007). Robson et al (2007) set out to develop a conceptual framework of technological change in audit that includes both actions at a micro-level and changes within the audit field. According to Robson et al (2007) transformations of audit technologies are critical cases where claims to knowledge and legitimacy are exposed as they make visible the links between e.g. traditions, status, education, auditor performance and assessment. Following this, they argue that “the emergence and dissemination of new audit techniques and methodologies have not received the attention in academic research that their significance merits” (p 430).

From a constructivist perspective, audit and auditability are two sides of the same coin. According to Power (1996) audit is an active process of making things auditable which includes two main components. Firstly, negotiating acceptable audit knowledge, making certain procedures and techniques legitimate. Secondly, creating auditable environments receptive to this knowledge base, which means making organizations deliver the “things” used as evidence within the system e.g. through the installment of accounting institutions and measurement systems. Following this, auditability is not a condition or a necessary prerequisite, but “an achievement that presupposes actions” (Skærbæk 2009, p 972). Such achievements have been illustrated by several researchers as “new things” are made auditable; efficiency (Radcliffe 1998; 1999; Skærbæk 2009), government performance (Gendron et al 2007), quality (Power 1996), management (Arnaboldi and Lapsley 2008), rankings (Free et.al. 2009) environment (Asdal 2011) etc. These studies have emphasized the spread of audit knowledge and the expansion of auditors’ jurisdiction. Gendron et al (2007) and Skærbæk (2009) have also shed light on how auditability is accomplished underlining the network of allies that stabilize the system of audit knowledge making certain ‘things’ facts, and certain technologies legitimate (see also Pentland 1993).

Despite these significant contributions, little is still known of how auditability is achieved and especially how things made auditable may change as the system of audit knowledge is challenged. In this article we contribute to the existing literature using a case which is not about making new things or domains auditable but about transformations of audit technologies in a particular setting.

The field study that informs the paper is concerned with performance audit in the social services in Sweden. Building on longitudinal data from early 2000s the case illustrates a programmatic change (Miller and Rose 1990; 2008) within the social audit. One characteristic in this process of change is the accentuation of sharp audit tools and a detached auditing style. Tools and methods that have traditionally been used by social auditors are in official documents described as problematic since they are too soft and not powerful enough. This is contrasted to what is demanded - a more distinct and rigorous performance audit where auditors have strong tools in their hands. In analyzing this process of change, in particular focusing on how auditors go about making audit work, the article explores the relations between how auditability is achieved in social services and what things in social services become auditable.

Power (1996) emphasizes that the system of audit knowledge depends on legitimacy. He also points out that a non-auditable thing might become auditable “by virtue of a shift in network of trust” (p. 309). When focusing on transformations of audit technologies, hence transformations of auditability, it becomes evident that the process also might be the reverse; auditable things become non-auditable. This is interesting since the construction of the non-auditable may tell us important things about how the
system of audit knowledge works. Also, the case offers an opportunity to analyze the role of auditors from another angle than has previously been done. As our case illustrates, a change towards a sharp and more rigorous audit challenged auditors’ knowledge base as well as their techniques used. In fact, auditors were circumscribed since less things counted as evidence within the audit system.

The findings of this paper contribute to the existing literature in three respects. Firstly, the paper highlights the process of transforming auditability, a theme not explored enough empirically in previous research. This is not about making new things auditable, but making “old things” auditable in a new way by challenging what counts as evidence within the system of audit knowledge. Secondly, we contribute by linking the changes in what is regarded as legitimate evidence to the transformation of audit technologies. We observe how the new sharp audit is reflected in prioritizing, focusing, standardizing and distancing. Thirdly, the paper contributes to the existing literature on the transforming role of the auditor (Gendron et al 2007; Skærbæk 2009) not only as a professional expanding his or her jurisdiction but as a professional whose maneuverability gets circumscribed as the public attention to audit process and audit report are accentuated.

The paper is organized as follows. First, the construction of auditability and the system of audit knowledge is discussed and the paper is positioned in relation to previous research on how auditability is achieved. Also, the concepts of visualization and purification are introduced, as these concepts are used in analyzing how auditability is transformed. In the next section the research design and research method is described. Then, the paper illustrates how the program for performance audit in social services in Sweden has changed during the last years, moving towards a sharp audit. The paper then describes how auditors respond to this change by reducing the things being audited. Finally, the major findings of the paper are summarized and the conclusions are presented and discussed.

The construction of auditability

Audit has been described as a process of making things auditable (Power 1996). Clearly, audit demands auditable statements or arrangements and as audit has spread to new domains, new things are made auditable (Power 1994; 1997; 2003b). Auditable statements and arrangements create the object being audited. This object is a necessary part of audit - there has to be something for the auditors to assess and verify. However, the audit object is not “out there” waiting to be collected. It has to be constructed.

During the last decade, several researchers have shed light on the process of how this is done (e.g. Radcliffe 1999; Gendron et.al. 2007; Skærbæk 2009). These studies indicate that making things auditable requires a network of allies promoting, designing and realizing audit, making it appear knowledge-based and important (Kastberg 2008). As Skærbæk (2009) points out, auditability is an achievement that presupposes actions.

In focusing on the achievement, these authors have emphasized the knowledge system that underpins audit. Building on social studies of science and technology, they have highlighted the various actors involved in expanding auditors’ jurisdiction, making audit possible in new domains. One important theme underlined by Gendron et al (2007) and Skærbæk (2009) is that auditors are important actors in implementing performance measurement systems, systems that produce output used as evidence in audit. In doing so, they criticize the picture of auditors “going into action when the measurement systems are already installed and ready to provide data for the auditing process” (Skærbæk 2009, p. 972). In his study of the Danish Defense Forces, Skærbæk (2009) demonstrates how state auditors went about making military activities auditable through the use of certain audit devices and through the purification of statements and arrangements in audit reports. Building on longitudinal field material, Skærbæk concludes that auditors acted as both “modernizers” (reforming auditee, putting the right
measures in place) and “independent auditors” (assessing and verifying these measures). As modernizers auditors have a decisive role in creating and stabilizing auditable environments in practice.

Similarly, Gendron et. al. (2007) underline the impact of auditors on public management reforms in the Canadian province of Alberta. According to them, auditors succeeded in expanding their jurisdiction, by claiming expertise in measuring government performance (at the expense of program evaluators). This was made possible by a network of support surrounding auditors’ claims. At the same time the involvement and recognized expertise in performance measurement threatened auditors’ claims to be objective. This is especially interesting for the purpose of this article, since it underlines the close connection between auditability and the legitimacy of audit.

Reading audit as a system of audit knowledge implies questions about how audit is perceived to work, how certain techniques get accepted and how these arrangements become knowledge based and stabilized. Power (1996) argues that auditability has two components: negotiating audit knowledge and creating auditable environments. These two components are intertwined since audit knowledge frames which things count as evidence i.e. what is auditable. According to Power, creating auditable environments is about transforming the auditee organization. Several researchers have pointed out that these transformations ought to be explored by focusing on auditees rather than auditors (Pentland 2000; Power 2003b; Gendron et al 2007). Negotiating audit knowledge is about how certain audit techniques get accepted as they “conform to official bodies of knowledge produced by auditing standard setters and to accepted standards of evidence” (Power 1996, p 295). For the analysis in this paper this is important. It refers to the information being audited and what counts as evidence. The information that counts as evidence is what constitutes the object being audited. When we say that auditors in our case reduced the things being audited, we conceptualize this, following Latour (1993), as a more far-reaching process of purification.

These studies highlight that auditability is an achievement of not only auditors but of several actors enrolled (Mouritsen 2011) into the network of allies (Callon 1986). As with all actor networks, it may be threatened. This means that audit techniques - more specifically the agreement of what counts as evidence in the audit process - may also be threatened. What counts as audit evidence is a function of what happens to it in other hands, later on, in a similar manner as Latour (1987) discusses hard or soft facts. As our case shows, things become auditable but auditable things might also become non-auditable, which draws attention to the network of allies supporting or objecting to “evidence”. In line with the argument of Robson et al (2007) we argue this becomes much more obvious when studying transformations of audit techniques rather than the installment of audit in new domains.

Purification and visualization

To analyze transformations of auditability the paper draws on the notions of visualization and purification. The concepts of visualization and purification help us highlight and reflect on the relations between the audit object the audit process and the “result” in the form of a report (Mouritsen and Justesen 2011). Visualization, Latour (1986) argues, draws things together that cannot be seen with the naked eye. The characteristics of visualization enable separated entities to be seen together and to be combined. Thus, visualization unites different entities in one picture or one expression (Mouritsen, 2011, p. 230). According to Latour (1986), who uses the notion of visualization to shed light on the scientific revolution, this is not a minor aspect. Prints, images - and the practice of inscribing - cannot be overestimated, he claims. This is not because visualization in itself is powerful or particularly interesting, but because some visualizations achieve more attention than others. According to Latour, the most powerful visualization is the one with “the largest number of well aligned and faithful allies” (1986, p. 5). Thus, importance and credibility is not a property of the visualization but a result of a successful network of allies.
Visualization requires purification. Purification is the work where the mess of reality or practice is erased. According to Latour (1993), purification involves not only the work of humans trying to delimit and categorize entities, but also non-humans such as instruments and devices. Consequently, purification is an activity performed in hybrid networks creating the conditions required for visualization (Mouritsen 2011).

In audit research, it has been claimed that audit purifies financial statements (Pentland 1993) as well as broader organizational arrangements (Skærbæk 2009). Purification is necessary to be able to provide an assessment in an audit report on which statements or arrangements are “right or wrong”. According to Skærbæk (2009, p 984) audit reports are important “devices of purification”. Drawing on this, the character of audit reports is in this paper treated as an important condition for auditors’ work of purification in practice. In fact, the paper shows that as the character of audit report changes, the work of purification changes as well, in order to uphold a successful network of allies.

Paying attention to how audit is reported is in line with Latour’s (1986) argument that explanations taking writing and imaging into account are the most powerful, given that these explanations are “both material and mundane, since they are so practical, so modest, so pervasive, so close to the hands and the eyes that they escape attention” (p. 3). This is why the practice of writing, according to Latour (1986) cannot be overestimated. As regards audit, this is also pointed out by van Maanen and Pentland (1994) who argue that the distinction between doing an audit and writing an audit is far from clear.

Empirical approach

The theoretical reasoning helps us specify the aim of the study further, but it has also implications for the carrying out of the empirical study. In line with the arguments provided, the aim of this study is to generate knowledge about how the three-dimensional world being audited through the process of purification is visualized and made two-dimensional. Taking into account that the audit process must be understood as a multilevel activity, the focus is on actions and measures that turn the three-dimensional world into legitimate two-dimensional purified inscriptions. At the centre of the analysis is also the connection between the process of purification and how this process is connected to the demands of the end product, the audit report.

The ambition with the empirical study was to investigate the transformation of audit practice. As indicated in the introduction, the case studied is an example of how audit changed from being a decentralized, professional matter with a close dialogue-based interaction between the auditor and the auditee to a distanced, sharper and sanction-oriented audit. A single case-study approach is of course less suitable if the aim is to decide on causal relations and provide generalization. However, in line with the theoretical approach, this is not the ambition with an actor-network (ANT) inspired approach. Instead, the aim is to give a detailed account that allows us to identify new relations and dimensions of auditing and remain open to surprises (Mouritsen et al 2010).

The empirical study stretches over several years and from before the changes were made to after the introduction of new principles for auditing and a new organization. The main source is interviews. All in all, the study is based on 24 interviews. Four interviews were conducted prior to the changes during 2008 and 20 interviews were made during 2010 and 2011. 20 of the interviews were with auditors and the rest with superiors and coordinators. Besides the interview material the study also rests on a study of documents. There is an extensive documentation covering the events before the change; evaluations, suggestions for change, preparatory documents and formal legislative decisions. In line with the argument that different sources provide different angles, sometimes corroborating each other and sometimes contradicting each other, we could see that the carrying out of an interview study and a document study gave a fuller picture.
Different interview guides were used during the interviews since they were adjusted to the specific circumstances. The questions were broad and open ended. The first question was for example: “could you describe and reflect on the development of the audit function the last years”. The interviews were transcribed and then analyzed with the assistance of a software program. First overall readings of the interviews resulted in thematic broad categories and tentative relations. The material was then divided into subcategories. The empirical description was also presented to representatives from the studied organization.

The new sharp audit in action – an empirical study

Social services is a generic term for public support to those in need. It includes measures directed towards elderly, disabled, children and adults in need of support. Terms of eligibility for social services are regulated nationally, although in Sweden the municipalities bear the primary responsibility for the provision of social services. Swedish municipalities are governed by the principle of municipal autonomy, meaning that municipal undertakings, including social services, are financed though local taxation. It follows from the principle of municipal autonomy that the local authorities enjoy a far-reaching freedom of discretion regarding policies, priorities and organizational choices within their communes. This constitutes an elemental consideration with regards to auditing within the social services, where much of the public debate has focused on the equal right to welfare services between various municipalities.

The social services are audited in various respects. Within the scope of this article, we will focus on performance-oriented auditing, which is governed by national regulations within the legislative area. Two legislative acts are of particular importance; the Social Security Act (Sol.), which regulates citizens’ rights to social benefits of general character, and the Act on Support and Services for Disabled Persons (LSS) which specifically governs certain categories of disabled persons’ eligibility for social support. Until 2010, auditing within these policy areas was carried out by the Regional Boards (länsstyrelserna). However, in 2010, a national authority, the National Board of Health and Welfare (NBHW) (Socialstyrelsen) assumed this responsibility. This organizational change was put in place, inter alia, for the purpose of advancing a uniform, effective and priority-oriented audit of the municipal undertakings within this policy area. The organizational reform involved several additional measures, some of which were of immense practical importance. The purpose of the first section is to describe this change of auditing within the welfare sector. In the following sections, we will assess the practical consequences for the auditing activities following from this change.

Governing paradigms

The changes that will be described in this section can, on a general level, be regarded as a progression from a soft audit style (dialogue-based and development-oriented) to a sharp audit style (control-oriented). In order to better understand the reform of social auditing, the relatively intense public debate that has taken place in Sweden within the auditing area has to be considered.

Programs and technologies are according to Miller and Rose (1990) two dimensions of the same phenomenon. Thus, technological change requires problems and solutions and programmatic ambitions to act upon. During the 90’s several agencies reported on the problems associated with state auditors and state audit as such (1994/95:RR9; SOU 1997:57; Prop. 1997/98:136; RRV 1996:140; Statskontorets rapport 1998:8). The problems described were of three kinds. Firstly, there were problems of conceptual character. It was submitted that the content of the notion of auditing was unclear. Discrepancies were observed regarding how the term was used in various legislative acts and the delimitations of similar instruments (particularly evaluation) were ambiguous according to the reports. Secondly, concerns were raised regarding the prevalence of conflicting roles and mandates of various agencies; especially
authorities with supplementary, advisory tasks. It was submitted that the auditors' independence was put at peril by their simultaneous capacity of auditors, advisors and educators. Thirdly, problems of implementation were reported. Auditing was not prioritized, thus weakening and dissipating the auditing activities.

It was in the light of these considerations that an investigation was initiated for the purpose of exploring methods and prospects for advancing the precision and efficiency of auditing as a management policy instrument. The findings of the investigative Commission were presented in an interim report (SOU 2002:14) and in a final report (SOU 2004:100). Both of these reports received much attention in the public debate, and they also served as important points of departure for sector-specific discussions about auditing (for example, in SOU 2007:82). On a general level, it can be observed that auditing was linked more closely to control and regulation, whilst the importance of for example advisory functions, education and exchanging experiences was reduced. It was contended that governmental auditing should, in order to promote efficiency and precision, be limited to its controlling functions.

This discourse has since governed auditing within social services. In order to resolve the problems that had been outlined in the prior reports, the following guidelines for auditing were proposed in 2007 (SOU 2007:82). Auditing must be:

- Powerful (provided with sufficient resources and sanctions)
- Clear and precise (founded upon a solid and distinct regulatory ground in order to avoid conflicting roles)
- Less vulnerable (provided with adequate means)
- Coordinated (organizational change where supervision in social services and health care be combined)
- Structured (uniform and equitable enforcement, "the same techniques, methodologies and evaluation criteria")
- Effective (clear priorities and professionalism)

Subsequently to the findings presented by the investigative Commission, several organizational and legislative changes were carried out in the field of social auditing.

**Organizational Change**

Uniformity was a key word in the within these reform processes. That auditing was carried out to the same extent and by similar methods across the country was considered imperative. In an evaluation of the auditing of services under the Act on Support and Services for Disabled Persons, the Swedish National Audit Office (Riksrevisionen) stated that:

> "The Swedish National Audit Office’s overall assessment is that the current organization and design of the auditing of LSS does not meet the demands that ought to be placed on welfare legislation. It is the view of the Swedish National Audit Office that the organization of the auditing activities holds back the realization of an even-handed auditing". (RiR 2007:1)

The problems of coordination between the Regional Boards had been addressed in other contexts (e.g. SOU 2007:82). In response to these criticisms, social auditing was, in the end of 2009, transferred to a national agency, the National Board of Health and Welfare. The overall purpose of the transfer was to achieve uniformity within the auditing services and ensure that auditing was carried out in the view of obtaining the same goals throughout the country. Moreover, the aim was to create stronger links between social auditing and healthcare auditing, which, in turn, also previously was undertaken by the
National Board of Health and Welfare. About three-quarters of the social auditors who had formerly worked at the Regional Board were transferred to the National Board in order to work under a new employer, for new colleagues and with new goals.

The change was dramatic for the social auditors. Many of them expressed criticisms of the reform, including concerns that it would lead to a de-prioritization of social auditing vis-à-vis healthcare auditing. One social auditor concluded in 2008 - before the organizational reform was adopted - that they have to organize “countermeasures” against the proposed reform, and added that “no matter what Hell looks like, uniformity must still be promoted.” The Hell that the auditor was referring to related to the various organizational proposals that were circulating at the time, according to which the transfer of social auditing to the National Board of Health and Welfare constituted a worst-case scenario.

Interviews that were subsequently conducted confirmed that organizational reform had indeed brought about dramatic changes; at least according to the perceptions of the social auditors. Many of the respondents particularly linked the transfer to the National Board of Health and Welfare to a general development towards increased control. “Everything is managed from Stockholm”, one social auditor stated in an interview carried out a few years after the re-organization.

**Increased central control**

At the National Board of Health and Welfare a clear ambition of increased mechanisms of central control was observed. Several respondents reported on initiatives taken at the initial stage to control the auditing activities. The control was exercised in various ways. In the context of organizational reform, the requirements on auditing had been made more rigorous; for example, a key policy decision was launched regarding “High-frequency-auditing”. This policy entailed a legal obligation to audit each and every home for disabled children twice a year. Moreover, one of these auditing visits was to be pre-registered whilst the other was to be carried out unannounced. In practice, this meant that more than 800 sites were to be examined twice a year. According to the social auditors, this brought with it an decreased flexibility regarding the possibility to initiate auditing visits when deemed necessary, and furthermore, it demanded an increased productivity, in view of the fact that 1 600 visits had to be carried out each year.

The interviews revealed that the social auditors perceived that the priorities within their field of auditing were increasingly centralized. The reform entailed increased elements of “top-down” management; a so-called “Stockholm perspective” that, in practice, limited the social auditors’ room for maneuver. Previously, they had a greater influence over the choice of audit object. One of them explained that:

“...We knew that our commune was referred to the commune where there were a lot of complaints against various undertakings. Previously, we could redress such complaints by auditing the undertaking in question; this time rigorously so. But we no longer have that possibility”.

Departing from “auditing frequency” as an illustrative example, the social auditors described a situation in which the matters of what was to be audited, how often auditing was to take place (twice per year) and how the auditing was to be carried out (announced or unannounced) were determined centrally. One respondent described the situation as one in which auditing orders were placed centrally, and then executed locally by social auditors. Another social auditor described his and his colleagues’ professional tasks as equivalent to the task of “runners”.

Frequency auditing was controversial, and its impact on priority choices within social auditing was addressed at an early stage by the National Board of Health and Welfare as well as by other stakeholders. A few years after the reform, a leading daily newspaper reported that only 1 100 of the 1 600 visits had been conducted at the turn of November. The manager for the social auditing at the National Board of Social Health and Welfare confessed, when asked in the article to comment on the situation, that there was a problem in this regard, but stated that the priority areas meant that:
"We are forced to limit our ambitions within other auditing areas such as healthcare, where we do not have any demands on us to carry out auditing a certain number of times per year. This is, of course, not good in any way. We will be addressing the Government about our concerns regarding the problems resulting from the auditing frequencies".

The same problems were discussed by the respondents, who felt that their knowledge and experience within the relevant areas of auditing no longer were considered useful resources or put to good use. Within the legislative area of welfare services for the disabled (LSS), several respondents raised concerns about the prioritization of homes for disabled children over homes for disabled adults. Whilst homes for disabled children were audited regularly, homes for disabled adults were systematically discounted for. The respondents explained that the organization of the auditing activities did not allow the time or the resources to sufficiently cover both areas, despite the fact that homes for disabled adults outnumbered the homes for disabled children manyfold. One respondent stated that providers of welfare services for adults could count on not being audited. Moreover, other undertakings such as daily care and assistance were not audited at all, according to the respondents.

**Streamlining**

Another change that was discussed both in policy documents and by the respondents was the streamlining of social auditing. In several studies, regulatory imprecision had been reported as a contributing factor to the inefficiency of social auditing. In fact, this was presented as an implementation difficulty on a more general level (Skr 2009/10: 79; SOU 2002: 14). Auditing had conceptually come to be defined in terms of its controlling elements, which, in practice, meant that functions, which had previously been filled by social auditors, no longer conceptually belonged to social auditing. According to the investigations in question, nothing in principle prevented that the authorities continue to perform in their advisory capacity. However, it was important that such capacities were not named “auditing“. It was specifically pointed out that the various capacities and functions were streamlined in order to make them more effective (Skr 2009/10: 79).

With regards to the National Board of Health and Welfare, this entailed streamlining the auditing activities as well as a more precise functional specialization. This took the expression that some tasks, for example certification and licensing, were removed and placed under a central unit. Respondents also perceived that the execution of auditing had gone from being dialogue-based and development-oriented to more control-oriented. According to the respondents, this constituted an unequivocal paradigm in the sense that it was consistently enforced by the National Board of Health and Welfare. “We are no longer allowed to give advice”, a social auditor explained. Although several of the respondents (albeit not all of them) were critical of the new arrangements, they were recognized as de lege lata.

Criticisms expressed by the respondents referred to how compliance and adaptation was to be achieved. For the social auditors, advice and dialogue were perceived as essential instruments. However, under the new regime such methods were unwelcome; instead, auditing was to rely on a set of newly instituted sanctions. Counseling was frequently provided by the auditors, and the respondents underscored its importance for obtaining de facto compliance. It was submitted that if the auditees do not understand why they are being criticized, then there is no point in reviewing and criticizing them.

**Sanctions and legal backing**

The above-described reform brought with it an increasing emphasis on legal dimensions of auditing. The focus of auditing was to be placed on control, which also meant that social audit – assessments and final decisions – was given a clearly defined legal character. Sanctions also constituted a new element of audit. Although there had previously been possibilities of imposing sanctions, formal opportunities for auditors to demand that specific measures be taken by the auditees were extended through the reform. Moreover, increased informal pressure to make use of the new legal instruments was exercised. The
sanction mechanisms were emphasized by many of the respondents as an important element in the new auditing model in force. The legal backing from the National Board of Health and Welfare was also stressed. As a result of the reform, legal expertise was always available. That the legal dimensions of auditing were amplified gave rise to increased demands on uniformity and central management. Procedures became increasingly important, and legal elements were given a more significant status in the assessments made by the social auditors.

The content of the changes thus far outlined displayed a high degree of consistency, both between various documents and between interviewees. However, there were disparities regarding whether the changes were described in positive or negative terms. Several of the respondents perceived that the strong central management and the control-oriented approach constituted a deviation from the dialogue-oriented methods that had previously been predominant and allegedly successful in social auditing. Nonetheless, some respondents stressed that the introduction of sharp auditing methods, as well as the promotion of sanction instruments, gave credence to the auditing processes. On a general level, the National Board of Health and Welfare was held to lie behind many of the underlying ideas of the proposed changes, but also behind parts of the criticisms directed towards the soft audit style that had previously been predominant. Moreover, other stakeholders were identified as responsible for the formulation of the new auditing discourse. For example, several respondents stated that politicians had a general interest of the development of auditing methods towards sharper auditing. Politicians were also perceived to lie behind the “auditing frequencies”. Moreover, the media was perceived as an important actor, exercising influence both in its choice to report and not to report on various cases that may have deserved public attention. Several respondents stated that the organizational reform had provided a new place in the media for auditing. One respondent submitted, not without pride, that “there is not one day” when the National Board of Health and Welfare does not figure in the media.

A review of the empirical material shows how the new sharp audit had more stakeholders than the previous one. Our interpretation is that this had far reaching consequences for the auditing process, which we will account for in the following.

A fuzzy object

In line with previous research in this area, the respondents in our study emphasized the difficulties in conducting auditing when the legislation is open-ended and sufficient guidance for specific auditing contexts is not provided therein. In several areas, regulations and guidelines were provided for the purpose of supporting implementation; however, experienced auditors called for a clearer regulatory framework. As regards institutions, for example, the wording in the guideline was that they were to be “home-like”. What does that mean? According to the respondents, it is difficult to precisely define this concept:

“... for example the aspect of ‘adequate housing’ and how many persons that can be placed in the same unit; it has been virtually impossible to find guidance in the regulatory framework. Indeed, it exists. The Swedish National Board for Housing, Building and Planning (Boverket) stating that this is a matter of interpretation and that we have colleagues that we can turn to for advice. And then it is up to them to make an assessment, and after a long wait you finally get an answer, but not an answer that feels entirely adequate”.

“ It is about apartments of sufficient standard, about target groups linked to institutional environments and when they get renovated. And it is very much about technical building regulations, we are not meant to interpret structural engineering, local architecture or the likes. But we still end up there, because we have to base our decision on something, with this point of departure, regarding the standards of an individual apartment”.

It was not only the regulatory framework that was unclear. The respondents perceived it to be difficult to delimit the audited entity. One respondent said that auditing visits at homes often departed from a gut feeling. This feeling may be difficult to pin down:
“And maybe you just have to somehow make observations instead, and try to sense what things are like here. How does the staff seem and, well, how does the communication work between them? In that way, it’s more of a feeling. Then it has been said that we have to talk to any of the children that wishes to talk to us. But some use images, some use special communication which requires that you are very familiar with the child. And that we will never be able to achieve”.

Imprecise regulations had indeed been discussed in social auditing for a long period of time. The same applied to difficulties in getting a clear picture of the audited providers on-site. The above-discussed challenges were, in other words, nothing new for the recently introduced auditing model. However, the problems were perceived as all the more serious, given the existence of new stakeholders and the way in which auditing had been linked to various sanctions. Standards of “evidence” in the auditing had increased. The link between the legislative framework and the audit objects had to be made more accurate.

**Conducting sharp audit**

One method of providing a closer link between the regulatory framework and the audit object was to limit the auditing activities to particular branches of the providers’ organizations. Internal systems (of quality and control) as well as documentation became increasingly critical elements of the audit object. There were tangible aspects of the complex social services:

> “It is not thereby implied that, well… the director and the staff often do a very good job. They know how to carry out their work; indeed, they know what they are supposed to do. But higher up in the organization you don’t know. There’s no system for figuring this out. But there are frequent demands to try to establish such kinds of control systems”.

The focus was a method of directing auditing towards what could be “counted as evidence” (Power 1996). This was, at the same time, necessary in order to meet existing demands and requirements on auditory productivity. The implementation was rapid and was described as a component in the overarching process of making auditing uniform throughout the country. It was therefore perceived as essential in order to achieve efficiency in auditing.

At the same time, a process of standardization was taking place with regards to how the auditing was to be carried out. For example, auditing frequency directives provided that one out of two auditing visits were to be unannounced. Previously, such choice of method was left at the discretion of the auditors. Templates and other standardized method instruments were also prepared centrally and increasingly put to use. The templates indicated not only which areas were to be audited, but moreover which indicators should be observed in specific auditing contexts. The use of templates were considered imperative in order to address problems of lacking uniformity. In practice, the same techniques, methodologies and criteria as previously used were explicitly advocated in the new auditing models (SOU 2007:82). The auditing visits were adapted to the templates. Moreover, the templates guided the audit reports, including evaluations and decisions.

> “And then you write the decision based on what you have been told, yes, they normalize and then they submit the report centrally. So it is very central, yes very; well, the auditing is of course national and has to be carried out the same way all over the country”.

A decision was supposed to be limited to a maximum of 2-3 pages, one social auditor explained. To reach their quantitative goals, a decision had to be produced in no more than 4 hours. Compared to the way in which social auditors had previously worked, this constituted a fundamental change. Several of the respondents commented on the structural effects of the auditing. There was an inherent risk, it was submitted, that the auditing was too closely controlled and that reality (i.e. the audited activities) was reduced to theoretical models:
“So I should think that there has been a greater focus on what the templates should look like than on what we have actually observed... Templates are good. But the templates cannot be governing; we cannot change what we have seen in order to adapt it to the templates. I think that this is a clear example of the fact that a lot is being managed from above. A lot of jurists think and act in terms of above management. But it is not entirely rooted in what we see in our auditing activities. Things have to match. It is, indeed, useful to have people who know the legislation and can interpret it. But it must be coherent.”

One auditor explained that a long time ago social workers used to open the linen closet in homes where vulnerable children were placed. This was how the social workers at that time scrutinized if families were suitable. The social auditor who told this story thought that social audit of today was as shallow as this. According to her they ‘open linen closets’ and then decide, based on what they see, if the entire operation is ok.

In all, the empirical observations illustrate the various techniques applied in concrete audit situations. For the social auditors, the new regulatory model – sharp audit – brought with it several specific changes in their practical work as compared to how they had previously carried out auditing. Templates and other standardized methodological support had become a recurrent feature, auditing proceeded more rapidly and the function of legal expertise had become prominent. Clarity and productivity had become crucial, which, in turn, was in coherence with the national guidelines that had been put in place. At the same time, several of the respondents had addressed the prevalence of various practical difficulties, including the fact that many important functions fell outside the scope of auditing and that demands for “crystal clear” evidence had increased. The point is that even though several of the respondents thought the new procedures made social audit more uniform and productive, the question of what counted as evidence was controversial. On the one hand focusing and standardizing instruments were used for strengthening the evidence in social audit. On the other hand the demands on the evidence used increased and this had far-reaching consequences on the assessments and decisions made in the report. According to the respondents one had to be careful in criticizing. As one respondent put it, any claim needed to be founded on solid ground. Another respondent stated that the sharp auditing model and the sanction instruments placed particular demands on auditing:

“I feel that the management both on the regional and on the central level have been clear on the point that we are to use the available sanction mechanisms. That the auditing is to be rigorous. And that it must be based on solid ground and depart from an unambiguous situation. In other words, the legislation must be precise. It must be crystal clear, it can’t be that the legislation is unclear and then we just impose sanctions.”

**Transformation of the audit role**

The empirical material shows that the transformation of the audit process also meant a change for the auditors. Our interpretation is that this change formed a part of the detachment of the audit process and helped the purification process.

One central change that is evident in the empirical material is the routinization of the auditors work. Earlier the auditors themselves to a greater extent decided on where, when and how audits should take place. The new way of conducting audits however rested upon the idea of standardization and the narrowing down of the room for maneuver of the individual auditor. Or as one auditor put it, “they order audits and we execute them”.

Another significant change was the relations with the auditee. The dialogue-based relation was exchanged for a more distant relation. Traditionally social audit were much based on compliance through a dialogue. This was perceived by the auditors themselves as an efficient strategy. According to them auditee have to understand why they are criticized. Giving advice was also an important part of their work. Local managers and social workers turned to them in order to prevent operations to be run in an insufficient way. In the sharp audit situation this dialogue-based relation was problematized since this threatened auditors independence and made social audit as such more vague. Social auditors should as
social auditors execute audits, produce reports and if necessary criticize, not guide in advance or in connection to the audits. As already mentioned this was a development not appreciated very much by auditors themselves.

Another dimension of the more distanced relation was the new juridical tools provided, which meant that the auditors now could “back up” the result of the audits if necessary. As indicated in the empirical descriptions, this development was also something that was problematized by the auditors since they felt that compliance was most efficiently obtained though a dialogue. Even more important was that the juridical expertise available and the higher juridical status of the audit report made auditors more careful when criticizing. In fact they often chose not to criticize, because they felt that the evidence were not strong enough. Only when the situations were “crystal clear” they could criticize. Earlier when the focus was more on dialogue, the evidence were not that central since different aspects could be handled through a dialogue. However, as described in the empirical section, many important parts of the operations could not be described easily in 2-3 pages and hence were left out. The stronger connections to the legal system gave audit reports a higher juridical status which in turn put new demands on the evidence.

Discussion

In this section we address the question of the relations between visualization and the processes of purification. We start the discussion by describing the new position of the audit and the new demands on legitimacy. Then we discuss different activities in the auditing process, which allows us to see how reductions are made in practice in order to gain legitimacy. The discussions are centered on four themes that the empirical material indicated as central in the conduct of audit: prioritizing, focusing, standardizing and distancing. These four themes were central parts of the formation of a sharper audit. Finally, we discuss how the demands by different actors were reflected in the process of purification. What we observe is how the new position of audit in the social services studied led to new demands on what counted as evidence. In the concluding section we argue that the new sharp audit in fact led to less auditing because of the new position of the audit; when less counts as evidence, less aspects of the three-dimensional world lends itself to be purified.

Sharp audit – new demands on legitimacy

The respondents described the audit situation before the transformation as a situation including two core actors: auditors and auditees. The relation was based on dialogue and the central coordination and involvement was minimal. The empirical description shows that the new sharp audit had more stakeholders and gained a new position with new allies in the network (Latour 1986). Several indicators of this can be identified. The first is the strengthened ties to the juridical system. This was accomplished through a new law that was supposed to make it easier to place harder demands on the audited operations that did not comply. The organizational change also meant that it was easier for the auditors to get juridical help (there was juridical expertise at hand) and they were supposed to use the new juridical facilities. A second indicator is the closer ties to the political systems, which the quote in the introduction from the minister responsible also indicates. This was also evident in the politically “flavored” decisions regarding what operations the audit should focus on. A third indicator of the new position of the audit was the strengthened centralized governance. Locally, the auditors at the different geographical offices had less autonomy and more and more questions were decided centrally.

These new demands were mirrored in new audit technologies, i.e. a transformation of the conduct of audit. In order to uphold legitimacy, audit procedures had to be reflected in an evidence-based report, which required a more far-reaching process of purification. In fact, the demand for sharp audit was to a large degree a demand for purification.
Purification through prioritizing, focusing, standardizing and distancing

In practice, purification was accomplished through prioritizing, focusing, standardizing and distancing. Prioritizing, regarding what operations to focus, meant a centralization regarding what should be audited. At the National Board of Health and Welfare, the agenda of what should be audited was set centrally. This was motivated by the respondents and in documents with the aim of creating a national, strong and uniform audit responding to political aims. For example, the strong focus on homes for disabled children was, according to the respondents, chosen because this was a political important and sensitive question. This priority had far-reaching consequences for the possibilities to audit other areas. Audit on areas where the demands for productivity were less obvious, was cut back. However, this was not an intended outcome from a political point of view. For social auditors, the priorities made were problematic in several ways. Firstly, they had to handle the paradox of conducting a lot of unnecessary visits knowing that a lot of operations that needed to be audited were not audited at all. Secondly, their maneuverability was circumscribed and as a profession, their jurisdiction (Abbott 1998) was restricted. In fact, several decisions on how to perform audit in practice and gain compliance were transferred from auditors on a local level. However, some auditors maintained that the new agenda strengthened their status and solved some of the problems associated with a contestable knowledge base.

Another observable measure taken was the singling out of specific themes to audit. The audit therefore became more focused with a narrower scope. Much attention was, for example, directed towards produced representations of the audit object, or the lack of produced representations. This is in line with Powers’ (1996) observations of the creation of quality systems and measurements as auditable sub-organizations. However, in our case this reflected the knowledge base that underpinned audit – suddenly things that used to count as evidence, i.e. more intangible aspects of the operations, were left out. The respondents motivated this arguing that these things were hard to grasp and transform into written statements. As indicated in the empirical material, this was something that the auditors struggled with and problematized. However, the focus on some core aspects was also considered a way of making the audits more efficient.

Furthermore, the purification through a narrow focus was operationalized through standardized working procedures. The empirical material indicated an extensive use of ready-made formulas and routines. Standardization was apparent in several parts of the process. In the planning stage; standards stating what documents to ask for, whom to speak with and so forth, during the site visits; what questions to ask and readymade formulas to register directly in a laptop, and finally in writing the report. The standardization aimed at securing a unified handling of each audit and was to a large degree a response to the critique of the Regional Boards’ lack of uniformity.

Another significant change was the change of relations between the auditor and the auditee. The previous dialogue-based relation was exchanged for a more distant relation and other strategies to gain compliance. Auditors’ roles were restricted to executing audits and producing reports. One other dimension of this more distanced relation was the new juridical tools provided, which meant that the auditors now could “back up” the result, if necessary. As indicated in the empirical descriptions, this development was something that was problematized by the auditors since they felt that compliance was most efficiently obtained though a dialogue.

All in all, the audit process described shows how the introduced sharp audit led to standardization and routinization both regarding the scope of audit and the conduct of audit, that is what is being audited and how the audit is performed. While this observation supports what has been observed in other studies, we have also described how the auditors’ function was transformed, which has not been addressed or observed in previous studies.
The quest for legitimacy as a driving force

Robson et al (2007) object a picture of audit change as a response to “demands”, arguing that technologies and contexts are co-produced. In line with this reasoning, one might be careful in concluding that the strive for sharp audit was contextual and the effects technological in character. Instead, one might speak about different dimensions of sharp audit, where programs and interventions are constructed so as to fit one another (Miller and Rose 1990; 2008). In previous research, following the thesis of an audit society (Power 1997), the question of how new things or domains are made auditable has been focused (e.g. Skærbæk 2009; Gendron et al 2007; Power 1996). In these studies, auditors’ legitimacy is conquered through successful claims of expertise in new areas. As indicated in these studies, the expansion of auditors’ jurisdiction requires several actors to be enrolled into the network. But who are the actors enrolled into the network restricting the maneuverability of social auditors? Obviously, social auditors themselves were not allies, at least not the majority of them. In this study, this question has more or less been set aside, instead focusing on the character and consequences of sharp audit in social services.

What we observe are several changes, reflected in policy documents, newspaper articles and interviews, pointing in the same direction: towards a politically emphasized audit, which underlines its juridical status and tools. Legitimacy, in such a context, rests heavily on the reports produced, as these stakeholders act from a distance. Thus, in our case, stakeholder demands had to be reflected in the purification process, and in the products: the audit reports. For example, the prioritizing reflected the will of the politicians. The focus was on what the politicians felt was important, which was not the same as priorities made by auditors. Another observation regards how the stronger connections to the legal system affected the audit process. Since the audit reports now had a higher juridical status, new demands were placed on the evidence. The empirical material shows how this created a situation in which auditors more often chose not to criticize, because they felt that the evidence was not strong enough. Only when the situations were “crystal clear” could they criticize. Earlier, when the focus was more on dialogue, the evidence was not that central since different aspects could be handled through a dialogue. However, as described in the empirical section, many important parts of the operations could not be described easily and hence were left out. This observation is important since it shows the boundaries of sharp audit. When Skærbæk (2009) underlines that auditability is an achievement, one might add that this also goes for non-auditability.

A third observation is how the centralization and the demands for a uniform audit were reflected in the heavy usage of standardization techniques. The creation of a uniform audit were one strong argument for the changes initiated resulting in the sharp audit. The ambitions were reflected in the audit process, where less and less decisions were made by the auditors who took on the role of executors of standardized audit processes. Even if they found other areas more important to audit, they did not have the space to audit it, which might be contrasted with the previous order where they had a greater mandate for prioritizing.

Our conclusion is that when matching the purification process against the new situation with new stakeholders entering the arena, the different dimensions of the purification process become comprehensible. The audit process was subjected to new criteria for evaluation; “evidence” was evaluated in a new manner, which led to new procedures.
Conclusions

We stated in the introduction that the aim of the study was to explore the relations between how auditability is achieved in social services and what things become auditable. Here, we concretize the contribution of the study.

In line with Powers’ (1997) reasoning concerning an audit society, several researchers have pointed out that new things have been made auditable – efficiency, government performance, quality, environment, rankings etc. It has been argued that audit ideas and practices have spread and that auditors, as a profession, have expanded their jurisdiction to new domains. Firstly, this expansion includes making new things auditable. Power (1996) suggests that this is accomplished through negotiation of auditors’ knowledge base and through the creation of environments mirroring this knowledge base (i.e. making the auditee deliver the output needed). Secondly, the expansion reflects auditors’ increased engagement in auditees. According to Skærbæk (2009), auditors act as both independent auditors and modernizers. In line with this reasoning, putting the right systems in place is one characteristic of how auditability is achieved (see also Gendron et al 2007). Reviewing these significant contributions, we set out to explore the relation between auditability and technological change in audit. As Robson et al (2007) point out, technological change in audit has not received so much attention theoretically as it deserves. Analyzing how auditability is achieved (Skærbæk 2009) through the glasses of technological change, our aim was to highlight how things made auditable in one specific domain might change. In order to make this analysis possible, the focus has been on a case where audit technologies have changed, thus making things auditable differently. This somewhat contrasts the majority of empirical studies discussing the construction of auditability, which to a large degree have taken the expansion of audit or auditors jurisdiction as a point of departure.

As the empirical description indicates, our case illustrates a process where the technologies used made fewer things auditable than before. We argue that what we observe is an audit that is transformed from a “matter of concern” to a “matter of fact” (Latour 2005). The fuzziness of the more dialogue-based audit approach was not suitable in a situation with a larger amount of stakeholders: especially not when a case also should hold for a juridical test. During the ten-year period of time, the programs from which audit practices were evaluated changed a lot. New technologies used – e.g. high-frequency auditing, the use of standardized checklists, juridical tools - was a response to the new situation and important devices in making both audit practices and results legitimate (Power 2003). This link between audit technologies and legitimacy is in line with previous research. We know from Gendron et al (2007) that auditors may import legitimacy, in our case most obviously from a juridical discourse. But what we also have observed is that the character of this new audit system (Power 1996) had consequences not only for the auditing activities, but also for what was auditable. What counted as evidence changed as the knowledge base underpinning the assessments transformed. In fact, the things that counted as evidence were restricted, as audit practice - and in particular audit results and reports - received much more attention publicly. The effect was that a lot of things in this new situation became non-auditable. This observation is paradoxical in light of the thesis on how new things are made auditable (e.g. Power 1996; 1997; Pentland 2000).

It is also paradoxical in light of the political aims of a more solid social audit. Thus, a second contribution is a reflection on the role and functioning of “sharp audit” in the political system. While the politician quoted in the beginning of the paper felt safe because of the new sharp audit, we feel a bit more uncomfortable. Why? Because what she is referring to is one of many parts of the operations that were not audited at all. It was one of the operations that were not prioritized and as a consequence, fell out of the audit scheme. From the reasoning above, one might assume that this observation is not a coincidence or something exceptional. Instead one might argue that this is an expected consequence of the purifications that have to be made in order to produce sharp audits.
A third, more descriptive, contribution is our categorization of the purification process. Our observation of prioritizing, focusing and standardizing shows how the program for sharp social audit is translated in practice. This observation is at the same time an observation of a reduction in auditors’ maneuverability. Social auditors, in our case, had less autonomy and less room for using their professional knowledge.

Of course, it is important to consider that what we have studied is the transformation of “soft auditing” into what we label “sharp auditing” in the social sector. What we stress is therefore the importance of differentiating between different audit styles when discussing the effects of auditing. Several interesting questions arise, however, that are connected to the limitations of the study. One is how the sharp audit affects the auditees? Another is if there is a difference between transformations of audit in the social sector and other “harder” sectors. A third question regards what happens when the transformation goes in other directions, from sharper to softer audit. Still, almost two decades after the audit explosion, there remain research questions that need an answer.
References


RiR 2007:1 Statlig tillsyn av bostad med särskild service enligt LSS.


