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**NEW PUBLIC MANAGEMENT AND THE RISE OF PUBLIC SECTOR
PERFORMANCE AUDIT:
EVIDENCE FROM THE AUSTRALIAN CASE**

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New Public Management and the Rise of Public Sector Performance Audit: Evidence from the Australian Case

Abstract

Purpose

In the context of global New Public Management reform trends and the associated phenomenon of performance auditing, this paper explores the rise of performance audit in Australia and examines its focus across audit jurisdictions and the role key stakeholders play in driving its practice.

Design/Methodology/Approach

The study adopts a multi-jurisdictional analysis of performance auditing in Australia to explore its scale and focus, drawing on the theoretical tools of Goffman. Documentary analysis and interview methods are employed.

Findings

Performance audit growth has continued but not always consistently over time and across audit jurisdictions. Despite auditor discourse concerning backstage performance audit intentions being strongly focused on evaluating program outcomes, published front stage reports retain a strong control focus. While this appears to reflect Auditors-General reluctance to critique government policy, nonetheless there are signs of direct and indirectly recursive relationships emerging between Auditors-General and parliamentarians, the media and the public.

Research Implications

Performance auditing merits renewed researcher attention as it is now an established process but with ongoing variability in focus and stakeholder influence.

Social Implications

As an audit technology now well-embedded in the public accountability setting, it offers potential insights into matters of local, state and national importance for parliament and the public, but exhibits variable underlying drivers, agendas and styles of presentation that have the capacity to enhance or detract from the public interest.

Originality/Value

This study reveals performance audit as a complex practice deployed as a mask by auditors in managing their relationship with key stakeholders.

Keywords: Performance Audit, Auditors-General, Stakeholders, New Public Management, Audit Society, Australia.

New Public Management and the Rise of Public Sector Performance Audit: Evidence from the Australian Case

Introduction

Despite a body of work which has argued that New Public Management (NPM) is now dead and that we have reached the middle age of New Public Governance (Dunleavy et al. 2006), Hyndman and Lapsley (2016) mobilise a convincing argument that NPM is far from dead: rather, it has just become normal business. From this perspective, private sector contracting, competition and performance measurement has become taken for granted despite the persistent failure to deliver promised costs reductions and performance enhancements (Hood and Dixon, 2016). Pollitt (2016) phrases this debate about NPM (particularly forms of managerialism) in an interesting way by suggesting that rather than the NPM discourse and practice disappearing, it now represents a more complicated form of incrementalism and path dependency characterised as layering and marbling. As such the NPM paradoxes, contradictions and local differences (Hood and Peters, 2004) require further investigation.

One of the interesting paradoxes of NPM has been the associated yet parallel rise of public sector audit, particularly public sector performance auditing (PA) (also appearing under nomenclature such as ‘value-for-money’ and ‘efficiency’ auditing). Despite having been practised in various countries since the 1970s, it has often been treated as part of the NPM reform agenda and associated with evaluation, performance measurement and outcome related accountability in many Western Democracies. It is argued that PA reflects a greater parliamentary and community concern with accountability for the management of public funds and resources, and their associated programs and impacts (Bowerman et al., 2003; Guthrie and Parker, 1999).

While prior research has identified struggles over the definition of PA and changes in PA’s identity, focus and practice over time, PA has been described as a significant contributor to the exercise of accountability and control, extending the audit gaze beyond financial compliance and probity to include a purview of economy, efficiency and effectiveness. Leeuw (1996) argues that under the influence of NPM the focus of stakeholders has moved towards concerns with the management of public resources, and the efficiency and effectiveness of public sector management performance. It is also argued that PA has emerged under the outcomes focus that NPM has produced, and that this has spawned a performance management focus and culture that has increasingly involved public sector auditors in the control and evaluation of performance. Strategy, performance management and performance measurement have all become increasingly intertwined and salient for public sector governance and accountability (Fryer et al., 2009; Pollitt, 2003). Therefore, as Auditors-General (AGs) face a redefinition of their roles and the scope of their audit into the performance space (Adams, 1986; Pollitt, 2003) they are exposed to a risk of being seen as political actors if they comment directly on government policy (Pollitt, 2003; Hepworth, 1995).

Given the challenges to or normalisation of key aspects of the NPM agenda it would be reasonable to expect that PA would have experienced an initial boom and that it might now be facing a relative decline. Yet that does not seem to be the case. From relatively minor beginnings, the practice has expanded to many countries, has become a high-profile part of the normal business of public sector audit and a key element of the mandate of many Supreme Audit Institutions (SAIs) (Power, 2003). What is possible is that the rise of PA is not simply driven by the NPM drivers such as the commercialisation, corporatisation and

privatisation of many parts of the public sector but might also be related to a wider rise in rituals of verification and associated audit practices (Power, 1997). From this perspective, the growth of PA has been the product of a ritualistic response to a broader social demand for financial assurance driven by cycles of financial crisis and associated governmental budgetary constraints.

The notion of the malleable nature of PA was articulated and developed by Guthrie and Parker (1999). Based on their study of PA in the Australian Commonwealth Audit Office, the Australian National Audit Office (ANAO), they argued that PA should not be understood as an invariable technical practice but rather as a malleable social construct as PA concepts and applications change over time. Hence, they contend that it reflects a range of stakeholder perspectives and social/political conditions, thereby capturing the notion of PA as part of a dramatic play combining actors, scripts and social settings. This notion of malleability was also captured by Jacobs (1998) in his analysis of PA in New Zealand. However, Jacobs (1998) argued that while an evaluation orientated PA was displaced by NPM reforms, enhancing accountability through an advisory role to parliament flourished. Jacobs (1998) concluded that this indicates that the rise of the logic of audit is not inevitable and that there might be a tension between the respective place of PA within NPM and audit society.

Despite a strong body of prior work documenting the growth of PA, much of the work has remained focused on single jurisdictional studies, such as, for instance, Guthrie and Parker's (1999) historical case study on the development of ANAO PA, Radcliffe's (1998) investigation into the historical development and implementation of efficiency auditing in a Canadian province, and Funnell's (1998) examination of the Australian government executive's limiting influence on the Australian AG's then termed efficiency auditing, and Funnell et al.'s (2016) case study of perceptions of audit credibility in an ANAO PA. What comparative analysis there is, lies in the past, and only focuses on the mandate and legislative capacity of the national or state audit body (Pollitt et al., 1999). Taking into account the limited perspectives provided by prior PA studies, we argue that there is a need for an analytical case approach grounded within a particular national setting that will provide the basis for an evaluation of the nature and practice of contemporary PA. As such, differences in terminology, practice, focus and audience cannot be attributed to the historical and legislative differences of a particular national context. This is a crucial for laying the foundations for appraisals of the focal concepts that make up the definition and practice of PA. Our understanding of both present practice and potential trajectory also requires an identification of the internal and external influences that conditioned PA. While clear evidence has been provided that individual AGs introduced significant modifications to PA mandates and foci through the deliberate enactment of their own philosophies and interpretations of PA, and have therefore had crucial shaping force on PA in general (Guthrie and Parker, 1999; Radcliffe, 1998), previous PA studies have, for the most part, overlooked the potential of other key stakeholder groups to influence PA practice. The relevance of other key stakeholders, however, has gained significant attention from Skaerbaek and Justesen (2010) who argue that the effects of PA are influenced by how stakeholder groups such as the media, parliament and auditees translate PA reports. It is therefore crucial to examine whether other stakeholders influence the PA foci. Accordingly, the study aims to address the question of whether the current foci of PA reflect NPM characteristics across the audit jurisdictions within one national setting and what role key stakeholders play in driving convergence or divergence in the nature of PA practice.

Our study involves a comparative analysis of the PA focus across the Australian federal and state audit jurisdictions. Since the mid-1980s, successive Australian federal governments have developed and refined a performance management framework for public sector reporting and accountability. Hoque (2008) contends, such has been the importance placed upon managing for outcomes, that those who were formerly known as public sector administrators are now designated public sector managers and are expected to be outcome and performance focussed. One of the key institutional players in monitoring and reporting on performance management in the federal public sector has been the ANAO which has developed and enhanced its PA capacity during this period. However, PA practices have also emerged in state government jurisdictions in response to very similar (and sometimes directly related) public sector legislative and administrative reviews (Adams, 1986; Guthrie, 1989).

That PA can exhibit different foci has been demonstrated by comparative studies by Glynn (1985) and Pollitt (2003). Öhman (2015) and Grönlund et al. (2011) claim that the practical application of PA can even adopt diverse foci within countries. In Australia, AG Offices at the state level and national level comply to their own legislative frameworks when conducting PA. Relevant legislative frameworks that set the boundaries for the PA practice employed by relevant state AG Offices and the national AG Office, are outlined in Appendix 1. An examination of the legal and regulatory differences in the PA mandates between state Audit Offices and the national Audit Office must remain subject for further research as it lies beyond the scope of this study.

This paper commences with a brief review of prior research relevant to this study and positioning of our study in relation to that literature. The paper then moves on to outline its theoretical perspective founded in both Guthrie and Parker's (1999) analogy of PA as a masque in 16th – 17th century courtly entertainment, and in Goffman's (1959) characterisation of social life in terms of enacting a drama. This is followed by an explanation of the study's research design and then an exposition of its empirical findings. The paper's discussion and conclusions are then presented together with suggestions for further research on PA.

Prior Research on Audit Focus and Influences

PA has been generally seen as a growth industry in public sector audit that has had major impetus in the past from NPM and from the global financial crisis. Hossain (2010) has portrayed it as a story of continuous growth, while Free et al. (2013) have attributed its ongoing development in Canada to NPM and the financial crisis. One of the key aspects of prior work on PA has been an attempt to define the nature and scope of the technical practice; particularly the question of what public sector PAs should focus upon. However, this has proved a challenge from the beginning, for example as Hamburger (1989) suggested that 15 years of PA in the ANAO showed that the issue of what should be audited and by whom was far from resolved. What emerged was a shift away from a focus on auditing expenditure control and legality to a greater interest in budgetary management and outcomes (Skene, 1985; Jacobs, 1998). Internationally the scope of PA work is summarised as reporting on economy, efficiency and effectiveness (Grönlund et al., 2011). In the 1980s many audit jurisdictions (including most of those in Australia) only had a legislative mandate to examine economy and efficiency (Glynn, 1985). However, despite these restrictions many AG Offices exceeded their scope limitations and included references to matters of substantive actual effectiveness in their PA reports (Hatherly and Parker, 1988; Parker and Guthrie, 1991). Hatherly and Parker (1988) found that the national Australian (ANAO) and Victorian state AGs went beyond their publicly declared limits of PA scope, including matters of substantive efficiency and effectiveness in their audit reports. Guthrie and Parker (1999) concluded that

despite the *de jure* limitation of PA scope in AG Office declarations, *de facto* the ANAO was indeed including effectiveness within its PA scope and by the time the Auditor-General Act was revised in 1997 the capacity to review effectiveness (the extent to which intended outcomes were achieved) was included along with the mandate to review economy (minimising cost), efficiency (maximising the ratio of outputs to inputs), legislative and policy compliance.

Both practitioner and academic literature highlight the progressive expansion of the audit mandate in many jurisdictions to include effectiveness within the scope of PA. The then AG of the State of Victoria (Australia), Des Pearson (2014), expressed this transition as a shift from the auditor being required by parliament to report to them not just on how much was spent but how well was government doing its job and how well money was spent. One important aspect of the extension of PA mandates to include a review of effectiveness (and indeed the general outcome focus) was that it raised the issue of whether the audit should be focussed on controlling public sector performance or on improving it (Morin, 2003). Funnell (2011) argued that there was a shift beyond issues of compliance and the traditional financial audit focus on upon accounting control to consider whether best use has been made of public resources. This shift made executive government actions visible and raised the risk of AGs reporting unfavourably on government supported objectives, programs, and policy delivery.

Executive government and public sector managers have not been slow to embark on public defences of their actions that have been subject to PA scrutiny and reporting (Funnell, 1998; Bowerman et al., 2003). At times, there has been open conflict between executive governments and the AG, as has for example happened in the past in the Australian federal government and the Victorian state government jurisdictions (Funnell, 2003; Jacobs, 2009). Therefore, while the expansion of the audit mandate can be seen as a reflection of a NPM output focus and as promoting a culture of holding public sector organisations accountable (Guthrie and Parker, 1999; Free et al., 2013), there has been a countervailing reputational risk response (Power, 2007). Radcliffe (2008) for example argued that in his Canadian case study, the AG could be seen in its reports to engage in a pragmatic managerialist discourse that effectively concealed some 'public secrets' by conservatively conditioning report content and language to preserve their organisational and role acceptability and standing. Some executive governments have attempted to undermine the AG's ability to address policy related areas, employing tactics that have included challenging the auditor's mandate, limiting resources available for its PA function to reduce the extent to which agencies are inspected, and publicly criticising the quality of PA reports (Funnell, 1996, 1998, 2011; Funnell and Wade, 2012; Funnell et al. 2016; Radcliffe, 1998). From this perspective, the stakeholder relationship between the AG and the government could both enhance and retard the performance of PA.

It is widely argued that one of the most critical stakeholders in the rise of PA has been oftentimes a Public Accounts Committee (PAC) (or similar body) (Jacobs, 1998; Sharma, 2007; Jones and Jacobs, 2009). In Australia, PACs commonly hold a formal accountability relationship with AGs and channel the relationship between parliament and the AG Office. In fact, scholars argue that PACs are an important adjunct to AG Offices' audit functions as they complement and enhance the role of performance auditors primarily by providing public forum for further investigations into government practice and performance (Hoque, 2015; Sharma, 2007). Activated by their concern for the public interest, PACs are regarded as powerful forum through which government is held to account (Mulgan, 1997, 2000).

PA reports provide specific analytical and investigatory resources to PACs (Jacobs, 1998; Jones and Jacobs, 2009). Parliamentary attention can improve the likelihood of auditees

undertaking corrective actions as suggested by performance auditors in the PA recommendations listed in the reports (Morin, 2008; Justesen and Skaerbaek, 2010). In this regard, Barrett (2011) and Morin and Hazgui (2016) add that parliamentary interest into PA potentially lead to greater and more timely PA impact than if performance auditors acted alone. Parliamentarians, in particular opposition members, often confine their attention to items that provide ammunition for political attacks on the government executive or for securing personal media profile (Skene, 1985; Guthrie and Parker, 1999; Skaerbaek, 2009; Hossain, 2010; Radcliffe, 1998).

While the interaction between performance auditors and audited agencies in the PA process is considered as backstage performance (Guthrie and Parker, 1999), Sharma (2007) refers to the interaction between the auditors and PAC as front stage performance played out, amongst others, at public hearings, where also the media is sometimes present. PA findings become alive in parliamentary hearings, where accountability is exerted and justifications are sought. Hence, it is the front stage at which agencies are held to account and the effects of PA are reinforced (Sharma, 2007). Sharma (2007) and Lonsdale (2008) conclude that the performance of PA often depends on the political support from PACs.

Parliament's political interest in PA is likely to provoke media attention (Justesen and Skaerbaek, 2010). By disseminating PA findings and transmitting them to the public the media plays a relevant role in highlighting AG Offices' PA work (Sutherland, 2003; Kells, 2011; Morin, 2008; Tillema and ter Bogt, 2010). In his study on changes in the PA practice in SAIs in Western Europe, Pollitt (2003) found that SAIs of Finland, France, Netherlands, Sweden and UK have increased their efforts to communicate with the media.

– insert Table 1 here –

In many jurisdictions, the office of the AG itself appears to have exercised an influence on the focus, scope and shape of PA. This relates to the balance between compliance, economy, efficiency and effectiveness, the focus on auditing controls as opposed to evaluating actual outcomes and the balance struck between an accountability and an advisory focus (Jacobs, 1998; Guthrie and Parker, 1999). Perhaps the most obvious elements of local influence relate to the choices of what (and when) a particular AG will audit (Barrett, 2011), how PA reports are presented in the public domain and which stakeholders are the primary focus (Radcliffe, 1998; Gendron et al., 2001; Pollitt, 2003). Some researchers have examined how media and parliamentary interest impact on public opinion and implementation of PA recommendations (Lonsdale, 2000; Morin, 2008; Justesen and Skaerbaek, 2010) but relatively little attention has been paid to how AGs prioritise stakeholders, such as parliament, government, auditees, media, and the public, and whether these shareholder priorities have changed. Indeed there has been a tendency for prior studies such as Tillema and ter Bogt (2010) to privilege the parliament, the executive and the auditee organisation as the stakeholders of focal concern. The identity of key stakeholders and the nature of the relationship with them is important because it can undermine or enhance the impact of PA on the political and democratic process (Tillema and ter Bogt, 2010). This has been underlined by several previous PA studies that revealed that PA is not a standardised process (Pollitt et al., 1999), but rather constitutes a heterogeneous (Pollitt, 2003), mutable (English and Guthrie, 1991), social (Jacobs, 1998), and constantly evolving (Power, 1997) mechanism that is influenced by various stakeholders (Justesen and Skaerbaek, 2010).

This study investigates PA in the Australian public sector, including all federal, state and territory AG offices and their jurisdictions.¹ Based on NPM and Audit Society literature we might expect a growth in PA, particularly a consistent shift away from a compliance and control focus towards a greater emphasis on outcome focused effectiveness analysis. However, we also recognise the possibility that there might be a post-NPM drop in PA output. At a practical level, it is important to explore both perceptions as practice, since we recognise that claims to NPM or post-NPM logics are not necessarily translated into PA practice and reflects a response to Skaerbaek's (2009) call for more studies of public sector auditing in practice. Hence in moving beyond the prior published literature, this study applies Goffman's impression management lens in this uniquely multi-jurisdictional comparative study of the PA practice and intentions of Australian AG Offices. In doing so, it sets out to elaborate on the front and backstage activities exerted by AGs and investigates whether discrepancies exist between those two stages. Through the assessment of AGs' perceptions of other key stakeholder groups (i.e. parliament, public and the media) the researchers intend to offer insights into the roles those stakeholders play in PA. Whether and to what extent those key stakeholder groups potentially influence PA foci has not gained much attention from researchers to date even though it has been recognised that the relationships between the AG and external stakeholders impact on the PA practice (e.g. Tillema and ter Bogt, 2010; Morin 2008; Lonsdale 2008).

A Theoretical Perspective

We build upon Guthrie and Parker's (1999) 16th and 17th century Italian and later Tudor English courtly theatre analogy of PA as a malleable masque and extend it by drawing on Goffman's (1959) metaphor of social life as a drama. As Guthrie and Parker (1999) explain, the masque was a form of spectacle enacted in royal courts where masked performers acted and danced while mingling among the audience. It was an entertainment made notable by its employment of spectacular scenery moved on and off stage by complex machinery, lavish costumes and complex allegorical speech. Guthrie and Parker (1999) employed this analogy to provide insights into what they saw to be the malleability of PA's concepts and presentation. As such they identified various stakeholders such as the AG, the parliament, and the executive of government as taking the roles of masque sponsors, actors and audience who interacted and continually created and revised the dramatic performance of PA. Both actors and audience could influence the shape and content of the masque, at times merging or infusing dramatic performance with perceptions of real life. Thus, as in the masque, PA concepts and intentions can be created, revised, and rewritten through the dialogue and interactions of its stakeholders as a socio-political plot. In the course of this, scenery can be constructed and moved on and off stage in the forms of parliamentary reviews, working parties, legislative changes and more. Allegorical speech can appear in the varying and changing forms of discourse relating to economy, efficiency, effectiveness and related

¹ Australia operates under a federal system of government. Under the federal system, powers are divided between the federal government and the state governments. There are six states in Australia, namely New South Wales (NSW), Queensland (QLD), South Australia (SA), Tasmania (TAS), Victoria (VIC) and Western Australia (WA), of which each state has its own constitution. Like federal government, state government is divided into legislature, executive, and judiciary. Two mainland territories, the Australian Capital Territory (ACT) and the Northern Territory (NT) have been granted a limited right of self-government by the federal government. Due to their significant population sizes, the ACT and NT are often treated like states (Australian Government, 2018). PAs are undertaken by the Australian National Audit Office (ANAO) at the federal government level, by the AG Offices of NSW, QLD, WA, TAS, and VIC at the state government level and by AG Offices of the ACT and NT at the territory government level. The AG Office of South Australia (SA) has to date not produced stand-alone PA reports.

controls. From this perspective, PA can appear not as a universal or intransigent technology but rather as a malleable masque which allows actors to respond to key audiences in the front of stage while relegating more technical questions about the nature and elements of the PA practice to the back to stage. Thus, PA reports, particularly those highlighted in the AG's Annual Report or considered by a PAC, might be considered a central element of the performance and indeed an aspect of the front of stage. We would understand PA as a front or masque deployed by actors so that key elements of NPM would form part of the idealization or maintenance of expressive control required to maintain legitimacy and remain in character. Therefore, compliance with and adoption of key notions and phrases associated with NPM is an important aspect of negotiating the credibility of PA in the sense described by Funnell and Wade (2012).

Also informing this study, Goffman's (1959) notions of impression management relate to how people manage the impressions they transmit to others, via symbols they employ, their language, and behaviours, as if staging a performance for an audience (Tomkins and Groves, 1983; Jeacle, 2008; Solomon et al., 2013). Thus, individuals and groups may present and stage manage social system activities and their accompanying transmitted impressions. Such deliberate stage craft and performance design is referred to as 'dramaturgical circumspection'. This involves preplanning how to present the best 'front' or appearance (Goffman, 1959). This also requires the adaptation of performance design to fit the audience's social customs and expectations. It produces a social 'front' transmitted to the audience, and gradually becomes institutionalised, both reflecting and conditioning social expectations (Goffman, 1959).

In the context of PA, its reports are completely transparent to the various audience members, from auditee organisations to parliament, to executive of government and the media. This is front stage performance. However backstage, the processes and intentions and focus of PA may be less visible to audience members. Goffman's backstage PA intentions and processes may be represented and transformed when brought to the front stage performance area, such as via formal published reports. In this way, PA may be sanitised as an idealised version of social and organisational life (Goffman, 1959; Jeacle, 2008) that sets out to:

1. Apparently comply with government sensitivities about AG incursion into its policy prerogatives.
2. Actually respond to audience (e.g. parliamentarian and public) concerns with efficiency and effectiveness of actual public sector outcomes.

Reminiscent of Guthrie and Parker's (1999) malleable masque, this front stage PA performance may thereby bind actors and audience together in their various perceptions and agendas for what they seek from the PA process and its reports and recommendations (Goffman, 1959; Jeacle, 2014).

Research Design

This study employed both documentary analysis and interview data collection methods covering AGs in all federal, state and territory jurisdictions of Australia. This broad spectrum of constituencies included AGs for all states and territories of the Commonwealth of Australia plus the ANAO. These have been intentionally selected because (a) they constitute all the major locales of public sector PA in Australia, (b) they cover a complete cross-section of federal, state and territory PA operations and (c) they reveal a variety of reporting philosophies and approaches. The project employed qualitative data collection and analysis methodologies to provide more nuanced understandings and insights into the PA orientation and conditioning influences by addressing underlying deep level change, to penetrate the

complexities of the political, economic, social and professional context, and to elicit key stakeholders' detailed perceptions and explanations.

Documentary data that was collected and analysed included AG annual reports to parliament and AGs' published PA reports. The period subject to report analysis was 2001 to 2012, thereby providing a contemporary and longitudinal perspective on the issues, including rationales for and focus of PAs, target audiences, practice trends and audit resourcing. Across the federal, state and territory jurisdictions between 2001 and 2012, more than one thousand PA reports were published, over 500 of these being produced by the ANAO. The profile of these reports between 2001 and 2012 is presented in Table 2.

– Insert Table 2 here –

All AG annual reports to respective parliament published between 2001-02 and 2011-12 by AG Offices of the ACT and NT, NSW, WA, TAS, QLD, VIC and the ANAO were examined². Table 2 shows the number of PA reports examined for these jurisdictions between 2001-02 and 2011-12 inclusive. Due to the very large number of PA reports produced, we selected PA reports for examination that were specifically referred to in the AG's annual report to parliament. This sampling decision was based on the view that these reports signalled to parliament by the AG were considered the most significant and deserving attention. Across the study period for all jurisdictions, any follow-up PAs were excluded from the analysis.

In addition to the above documentary analysis, we conducted an investigation of auditors' PA attitudes and strategies through interviews with AGs and their senior officers in each jurisdiction. To access senior AG office auditors responsible for leadership and oversight of PA, sixteen semi-structured open-ended interviews were conducted with past and present AGs, Deputy and Assistant AGs, executive directors and senior managers within the AG offices. Between 1 and 3 AG office personnel were interviewed in each jurisdiction with each interview lasting approximately one hour on average as illustrated by Table 3.

– Insert Table 3 here –

These interviews were conducted as semi-structured open-ended forms of interactive guided dialogue in accordance with research interview protocols. Our semi-structured interviews (King and Horrocks, 2010) provided in-depth insights into audit office philosophies, attitudes, and strategies and the PA construction, focus and targeting decisions made by the senior personnel within these offices and AGs' perspectives on relevant stakeholder groups and how those stakeholder groups' impact on the focus of PA (Hennink et al., 2011). This approach facilitated penetrative insights and unpacking of PA concepts, foci and influences from the 'inside' (Parker, 2012).

Interview questions predominantly employed open ended questions, ranging from semi-structured to unstructured questions, and included flexible exchanges between researcher and interviewee in a structured/guided conversational format (Fontana and Frey, 1994). The interview questions were oriented towards collecting evidence that would assist in addressing this project's central concerns. The questions posed to interviewees fell into four groups covering their view of the nature and purpose of PA, the focal concerns of PA, the primary audiences for PA reporting, and the focus of PA work. With respect to PA's nature and purpose, they were asked for their view of the definitional nature of PA and what purposes it aims to serve. This provided first level insights into the intended focus of PA. However, in

² SA was not included in the sample, since SA is the only jurisdiction in Australia that to date has not regularly produced separately published PA reports.

the second group, further questions concerning PA focus were applied, particularly aiming to elicit the interviewees' view of their PA's relative emphasis on economy, efficiency and effectiveness and/or controls designed to assure these. Furthermore they were questioned regarding their reasons for the emphasis and balance they declared. The third group of questions aimed to elicit their perspectives on the audiences their PA audits and reports aimed to address. These questions also inquired about their perceptions of their target audience concerns, attitudes, and reactions. Finally questions were posed concerning the topics selected for PA and their overall focus, aiming to further examine their PA focus via types of topic areas selected and perceived changes in these. This combination of questions were deliberately designed to overlap and address common issues from various perspectives as a means of triangulating responses and eliciting further detail through multiple forms of question design, continuously followed up through the use of probe questions. Probe questions were liberally employed to elicit clarifications, additional explanations and examples, detailed descriptions, and interviewee evaluations (Glesne, 2006). In this way, we accessed interviewees' and their offices' experiences, attitudes, concepts and practices (Hennink et al., 2011; King, 2004). This reflected the interview design that targets organisational and professional practice 'experts' who have a controlling interest in and major role in implementation of the phenomenon and associated practices under investigation (Meuser and Nagel, 2009). Interviews were electronically recorded and subsequently transcribed. All interview transcripts were thematically analysed according to the major topics around which questions had been grouped, and related to the study's central objectives. Themes were induced and coded, drawing on interviewee descriptions and reflections: including context, concepts, practices, perceptions, and strategies (Scapens, 1990; Pettigrew, 1997; Ahrens and Dent, 1998). Themes were explored in terms of articulating their contexts, characteristics and meanings (Glaser and Strauss, 1967; Fox-Wolfgramm, 1997; Silverman 2000). Apparent interrelationships between themes were also considered (Denzin, 1978; Strauss and Corbin, 1990; Parker and Roffey, 1997; Ryan and Bernard, 2000) and core themes were then developed through a process of comparing similarities and differences between themes and aggregating some into larger scale overarching themes (Strauss and Corbin, 1990; Huberman and Miles, 1994; Silverman, 2000).

In addressing the issues of research validity and reliability, this study follows in the qualitative tradition of focussing on producing a credible account through its central research questions, its collected data, the research methods employed and the rendering of the paper's analytical account. With reference to Parker (2012), the ultimate test lies in the hands of the reader in terms of the account rendered in this paper being authentic, plausible, and convincing. Its authenticity has been reinforced by the research team's detailed analysis of extensive published PA reports and supplementary documentation, interviews conducted right across the country by the researchers, and transcripts subject to the critical analysis of all research team members. Its plausibility has been sought through the paper's presentation of logical and theoretically informed findings and related arguments. That approach to rendering plausible accounts and explanations has been supported by the strategy of offering contextualised understandings and presenting plausible theoretically informed explanations. Authenticity and plausibility have also been sought through Lukka and Modell's (2010) strategies of providing thick explanations drawn from the elicited perceptions and experiences of the interviewees, as well as through abduction – offering theoretically informed explanations that have drawn from our theoretical concepts and empirical data. From a strategic perspective, as recommended by McKinnon (1988), a degree of longitudinality in data was sought through the length of periods covered by report and document analysis and the period of time across which interviews were conducted. As already mentioned above and again recommended by McKinnon (1988), a further important

contributing strategy lay in the multiple data sources, collection and analysis methods employed. In terms of sources, it is important to note that document analysis and interviews covered all the public sector auditing jurisdictions in Australia, thereby providing comprehensive data triangulation and comparability. Interviews, document analysis and interview analysis also involved all members of the research team. Finally, this study aims to convince the reader through its laying foundations for further reflections on knowledge and policy with respect to the ongoing PA phenomenon, and in Baxter and Chua's (2008) terms, carries a 'ring of truth'.

Performance Audits in Australia

Our analysis of the number of PA reports produced across the Australian public sector audit jurisdictions suggest that the story is considerably more complex than one of simple growth or decline. First, it is important to note that the pattern across the different jurisdictions did not reflect a common starting point and did not reflect a consistent pattern. The detail of the number of PA reports published between 2001 and 2012 are shown in Table 2. The ANAO had a particularly developed PA program while the other states (except for SA and QLD) all had ongoing PA work. In terms of analytical comparison, 2001-2002 was somewhat difficult as NT had an unusually high number of reports (20). Therefore, we compared increase or decrease based on a comparison of the two periods at the beginning and end of the study. From this perspective ANAO has a slight increase (13%) in the number of reports, TAS a moderate increase (50%), and VIC reflecting a large increase (222%). While the QLD AG did not produce any PA reports in 2001-02, a total of seven PAs were conducted in 2011-12. In contrast, there was a notable drop in the number of reports from ACT (-40%) and NT (-85%). What emerges is that by 2011-12, all jurisdictions (except SA) have developed the capacity to regularly perform PAs (as now also evidenced by QLD). While there has been some reduction in the number of PAs in the smaller jurisdictions – particularly ACT and NT (reflecting perhaps capacity and resource issues), there is a large commitment at VAGO (29 reports) and ANAO (52 reports) and a substantive commitment in WA (19 reports across the 2 categories). Therefore, the simple claim that NPM or broader Audit Society have driven a consistent growth in PA across these jurisdictions is not supported by this evidence. However, it is also wrong to claim a significant decline of PA as has been suggested by the post-NPM argument. Across the Australian jurisdictions, while front stage performance frequencies vary, they are nonetheless still maintaining a high although variable profile. Their durability over recent years, suggests AGs' exercise of dramaturgical circumspection as they present an increasingly institutionalised form of audit reporting that appears to be responding in some way to the various agendas of different sectors of the audience.

However, we recognise that a simple count of the number of reports is not sufficient to address our central question. We would expect that there would be a shift in this work from a focus on compliance and controls and towards evaluation of effectiveness to sustain legitimacy, as a greater emphasis becomes placed on outcomes and NPM logic becomes more fully embedded in the field. Therefore, it is necessary to conduct a deeper exploration of both the front and back stage elements of the PA process and to engage with AGs as key actors in the field.

What was particularly interesting in the interviews with the AGs and the key officers in each jurisdiction was the general message that there had been a substantial shift in the focus of PA, firstly from a simple assessment of compliance with government guidelines but latterly from efficiency to effectiveness, with the focus on efficiency being secondary and the focus on economy being relegated to a distant third place. One AG suggested that *"I would estimate about one third of performance audit work is related to effectiveness: that is, what is being*

achieved with the resources used” (Interviewee 2) but more commonly they suggested that *“the majority of performance audits focus on effectiveness”* (Interviewees 1, 4, 5, 7) or that *“performance audits are strongly focussed on effectiveness and less on efficiency and economy”* and that, in fact, *“the efficiency and the economy has never been, (...) at the forefront of consideration”* with regards to PA (Interviewee 8).

The back of house language of the key actors reflected an outcome and program evaluation perspective on PA. What was interesting was that some interviewees suggested that there was a lack of measurable data on efficiency available from auditees. One AG (Interviewee 7) described efficiency as *“holy grail”* arguing that the examination of efficiency requires *“the agency to be measuring the resources put into delivering particular output [but] they don't do it”*. In this regard, interviewed AGs contended that the emphasis on effectiveness and outcomes had reached such an extent that it was easier to find staff with skills in evaluating effectiveness and outcomes than it was with those with the skills to evaluate efficiency or economy.

“The people who find themselves in performance audit are pretty good at evaluating effectiveness and outcomes, but do not have the background, the skills, the discipline to actually evaluate efficiency or economy.” (Interviewee 8)

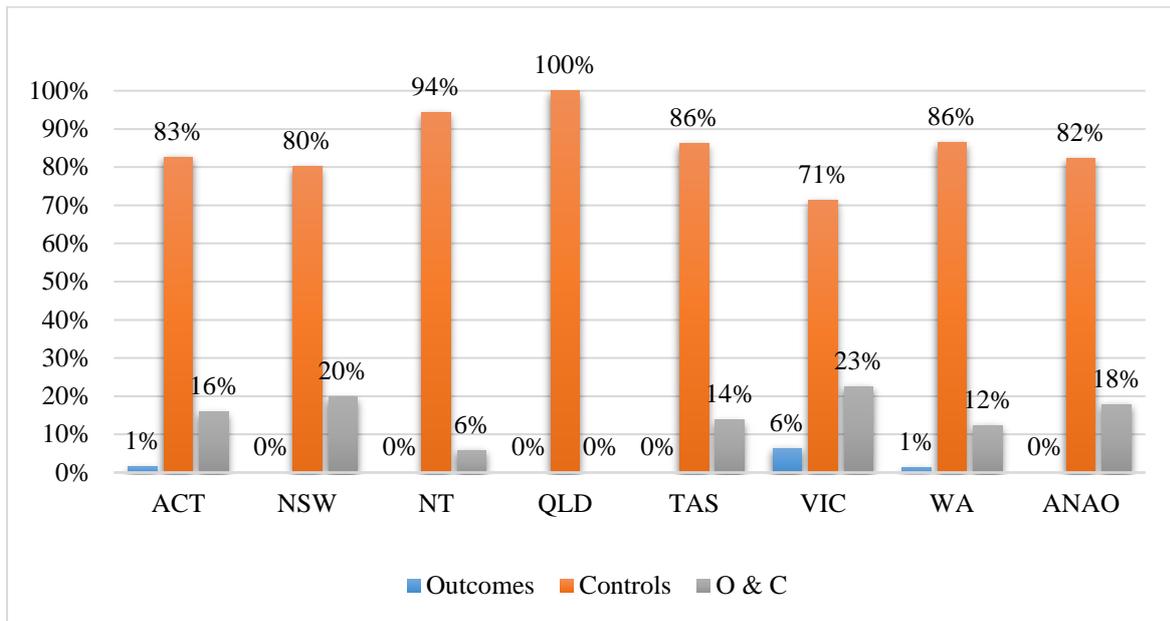
While there was a clear belief that there had been a transition in focus of PAs towards effectiveness reviews focused on outcomes, it was not always clearly distinguished whether this was a focus on the actual effectiveness and outcomes of policy and initiatives or an audit of controls designed to foster effectiveness. The allegorical back of house language often tended towards an effectiveness focus that may have sometimes represented a shorthand representation of a controls-for-effectiveness orientation. However, two of the AGs did report that their focus was moving towards outcomes and away from an audit of controls (Interviewees 4, 7). Interviewee 4 further supported this position with the personal observation that:

“My own view is that the outcome is more important, or what they are delivering with the money that they are spending, rather than how do they control the way that the money is spent.”

The question is whether the same outcome and effectiveness emphasis and the shift away from a control focus was also evident from the front of house space reflected by the (allegorical) terminology and concepts employed in formal AG reports to parliament and in published PA reports³. Based on an analysis of the reports to parliament and published PA reports between 2001 and 2012, the primary and substantive focus of the PA work is and has remained a focus on audit of controls rather than an analysis of outcomes as suggested by the AGs. This is shown in Figure 1 and suggests that the predominant emphasis in published work remains the focus on controls with a direct focus on program outcomes being secondary.

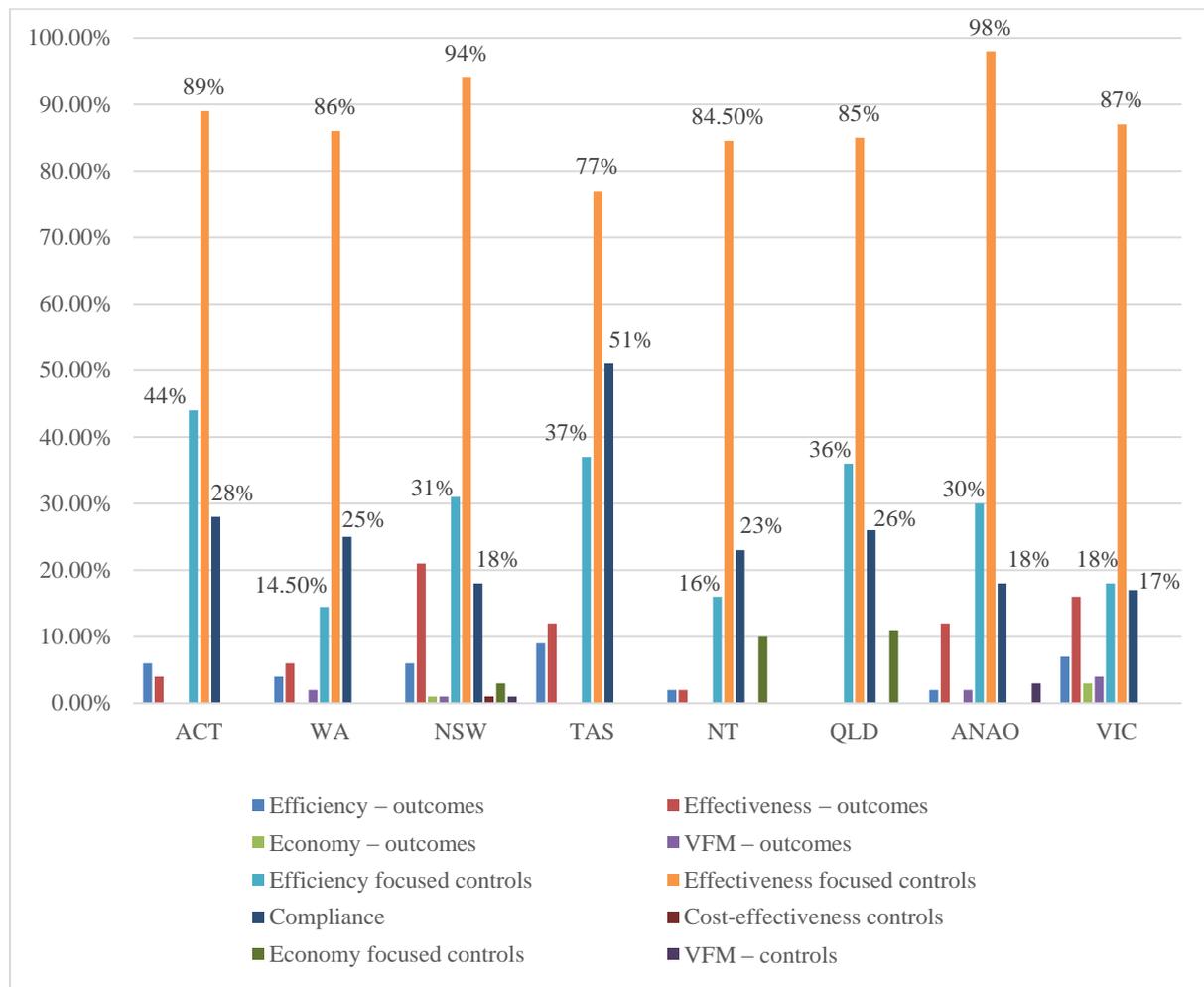
³ Actual PA reports sampled were those mentioned in AGs’ annual reports to parliament.

Figure 1: PA that focus on controls, outcomes, or both controls and outcomes



In analysing the nature of the published PA reports in more detail (Figure 2) it was clear that there had not been a substantial change in terminology. While references were made to ‘accountability’, ‘compliance’, and ‘value for money’, the predominant focus of PA lay in economy, efficiency and effectiveness: most particularly the concepts of ‘efficiency and effectiveness’. In general, this was consistent with the back of house insights provided by the AG although the evidence for a shift towards the outcome focus they advocated appeared to be rephrased in language that still emphasised an audit of the controls necessary to deliver effectiveness rather than the effectiveness of program outcomes directly. Thus, it appears possible that backstage auditor focus and intentions were being sanitised and represented to the external audience in terms of formal PA reporting concepts and language that maintained compliance with and acceptability to government policy prerogatives and sensitivities.

Figure 2: PA reports that focus on efficiency, effectiveness, economy controls/outcomes



As a form of dramatic performance, the nature of PA is significantly shaped by the perceived audience and while NPM type changes have placed an emphasis on the managerial role of government, the notion of reputational risk makes them wary of audit. Based on our analysis it became clear that while the back of house discussions emphasised PA as a tool to evaluate outcomes, much of the published front of house work retained a strong emphasis on the audit of controls. In discussion with the researchers, the auditors suggested that the nature of the practice was significantly influenced by their key stakeholder audience. Thus, a shift in emphasis from auditing efficiency to a concentration on effectiveness was attributed to the importance attached by various stakeholders to effective outcomes. For example, parliament was highlighted by Interviewee 3 as a priority stakeholder who is more interested in outcomes than controls as “*Parliamentarians want to know if things work*”.

Parliament was seen as a significant and influential stakeholder in the performance of PA. Table 4 suggests government and parliamentary requests were the most significant motivation for PA projects from sources outside of the AG Offices’ internally initiated projects. However, there was a slight decrease in the influence of government and parliament (falling from 34% to 14%) and an increase (from 6% to 14%) in the influence of other groups such as auditees, the media or the public. Nonetheless, some AGs appeared to be aware of parliamentarians’ interest in actual outcomes, particularly effectiveness of government programs, and thereby tailored their PA focus and planning and some presentations directly to parliamentarians, to meet that audience sector interest. This meant they were translating

some elements of backstage PA focus to front stage, at chosen times and for selected audiences. This also suggests the malleability of the PA masque being presented, as PA actors interacted directly and indirectly with different segments of the audience.

– Insert Table 4 here –

All those interviewed (with only one exception) named parliament and then the public as the two priority stakeholders they considered when selecting PA topics. Interviewee 10, for instance, emphasised that

“[t]he primary audience is clearly the Parliament, followed by the general public and then the other stakeholders involved, such as the agency itself and those associated with it. The press can perform a useful role by bringing attention to the report.”

In many ways, both priority stakeholders, parliament and the public, were linked in AGs’ perception, so in effect reporting to parliament was also seen as discharging accountability to the public. Interviewee 11 described the role of parliament as proxy for the interests of the public as follows:

“it really is about providing assurance to the parliament and to the taxpayers so that they actually know what’s going on. So that they know whether services are being delivered effectively and efficiently. I mean, it really is a bit of a secret for most of them. They just can’t get inside and see or know, so it’s a bit of a window into the system as well as a measuring stick that tells them how well, and tells them what’s being done and how well it’s being done.”

Therefore, interviewee 11 suggested that the influence of the parliament went beyond the PA reports directly requested by parliament as the notion that “a good performance audit is one that tells the parliament and the public something that they didn’t already know” and PA reports needing to “address a matter of public importance” meant that the concerns of the public and the parliament influence all PAs undertaken. The key difference is that the AG through the PA program has both ability and access. However, it was also recognised that while parliamentarians were much more interested in PA than financial audit (as PA was seen as an insight into how well a particular program was working – Interviewee 9), it was also recognised that PA reports provided a partisan political benefit, particularly for opposition members wishing to challenge the actions of government. Thus, audience members were capable of adapting aspects of the drama for their own agendas and performances. In this way, the PA phenomenon binds the actors and audience together as they each develop and pursue their various plots, and produce multiple front stage performances at different venues.

“Parliamentarians have become more aware that performance audits and triggering them can be useful politically for them. So, we now get an awful lot more requests to look at things, particularly in the run up to the election, from members of the Opposition, than we ever did before. And sometimes I think politicians use it as an avenue to get information that they can’t otherwise get.” (Interviewee 3)

Therefore, one form of AG response was not to rely on parliaments as a proxy for the public but to engage more directly with the public in implementing the PA program. One AG suggested that they made their PA reports “*sharper and more focussed*” (Interviewee 1) so as to be accessible to the public on matters of public interest. Some AGs used their website to directly ask the public for input to the areas and issues that required PA attention, as outlined

by interviewee 1: *“On a few occasions, not a lot, we will go to the website to ask the public what audits we should do”*. Interviewee 10 suggested there has been a wider shift as PAs have shown signs of increasingly addressing issues that are of priority concern to the public, even if not of priority concern to auditees. In that sense, the shift in the legitimacy of PA is from an outcome and effectiveness perspective to an increasingly public value focus. Thus, our backstage interviews suggested that at least some actors had definite agendas for refining and refocussing the dramatic plot and gradually introducing it from backstage dramaturgical circumspection to front stage performance.

Another strategy to engage stakeholders more broadly is to focus the PA more directly on the media. By arguing that *“the media has a role to play in informing the community”* (Interviewee 4) and that *“media interest (...) represents the public”* (Interviewee 7), which has commonly been identified as a priority stakeholder by interviewed AGs, interviewees justify the increasing focus on the media. To this, interviewee 5 adds that media attention towards PA is *“important in a sense that it gives the reports the profile they need”*. For some of the AGs, media engagement was primarily a way of *“encouraging politicians to read (...) our reports and to give due consideration to them”*. Interviewee 11 made a similar point with the following observation:

“In some ways, if you’ve got the media highlighting an issue, then it’s drawn to the attention of the parliament and if parliament’s got an interest then it’s drawn to the attention of governments and ministers, and if ministers have an interest in it, then directors general and of course secretaries in the public sector have.”

In this regard, Interviewee 11 further outlines that press coverage of findings from PA reports does not only attract parliament’s and ministers’ attention but *“certainly provide a catalyst for action following, you know audit recommendations”*. For other AGs it was a more significant engagement involving reviewing the media to identify issues or problems that could justify a PA and a more progressive perception of the media as another proxy for the general public. So, although there was some reluctance to engage directly with the media as a stakeholder, this was seen as an important front of house strategy to enhance the credibility of PA work with other stakeholders as illustrated by Interviewee 7’s observation that *“I’d also be disappointed if we don’t get some media coverage of what we’re doing, and the public are certainly an indirect client of ours”*.

One of the drivers away from a compliance and control focus and towards a greater emphasis on outcomes appeared to be an expectation that PA reports should increasingly provide criticism and firm recommendations for agencies. Interviewee 2 argued that the expectations were more often *“about criticism and expressions of shortcomings and failures than they were about success stories such as programs that are largely meeting their objectives and are demonstrating efficient and effective administration”*. This also resulted in a degree of expectation gap where AGs were expected to do a lot more PA work than for which they had resources and capacity (Interviewee 6). One explanation provided for this preference for criticism and stories of failure was that parliamentarians were more disposed to focus on a PA report or issues that served their own political agenda. As already mentioned, it was noted by some interviewees that opposition parliamentarians could be prone to request the AG’s office to investigate more government related issues during election periods, as that might be a pathway to their securing sensitive and politically useful information. From the perspective of a dramaturgical performance, the nature of the audience has a significant influence on the enactment of PA. PA provides a powerful masque for the legitimacy not only of the auditors but key sectors of the public generally, such as politicians and media. In that sense, it has become more approachable and more accessible over time.

Discussion and Conclusions

The 'middle age' of NPM seems complex and paradoxical, characterised by layers and blends of policy and initiatives rather than clearly defined trends and programs. However, PA has grown to become well established in many jurisdictions in Australia (Barrett, 2011; Guthrie and Parker, 1999). While authors have generally attributed this growth of PA to the output focus and managerialist aspects of performance measurement associated with PA (Glynn, 1985; Free et al., 2013), there have been few examples of analysis of the practice over a significant period of time and across multiple (yet similar) jurisdictions (Pollitt et al., 1999; Pollitt, 2003; Bowerman et al., 2003). This study has involved a comparative analysis of the PA practices across all the Australian federal, state and territory audit jurisdictions.

With respect to the broad question of the growth and significance of PA, our analysis of the number of PA reports produced across the Australian public sector audit jurisdictions suggests that the story is more complex than one of simple overall growth or decline. What emerges is that by 2011-12 all Australian jurisdictions (except SA) have developed the capacity to regularly perform PAs and while there has been some reduction in the number of PAs in the smaller jurisdictions – particularly ACT and NT, there are major PA programs at VAGO, ANAO, and a large commitment in WA. Therefore, the simple claim that NPM (Pollitt et al., 1999; Free et al, 2013) or broader Audit Society (Power, 1997, 2003) have driven a consistent growth in PA across these jurisdictions is not supported by this evidence. Nor do we find the growth in PA being as consistent across audit jurisdictions or over time as might be implied by prior researchers such as Hossain (2010). On the other hand, the evidence also does not suggest a significant post-NPM decline of PA.

However as already indicated, PA report numbers in themselves do not sufficiently address this study's central question. It is also important to explore the focus of contemporary PA. Based on NPM and Audit Society literature we might expect a growth in PA, particularly a consistent shift away from a compliance and control focus towards a greater emphasis on outcome focused effectiveness analysis. The AGs interviewed suggested that there has been a shift firstly from a simple assessment of compliance with government guidelines but latterly from efficiency to effectiveness, with the focus on efficiency being secondary and the focus on economy occupying a distant third place. This suggests from a Goffman impression management perspective, that there is clearly a backstage agenda being pursued by at least some AGs. They did note that it was particularly difficult to measure effectiveness because of a lack of measurable data available from auditees and that it was now easier to find staff with the skills to evaluate effectiveness and outcomes rather than efficiency and economy. In terms of the shift to effectiveness, there was some ambiguity as to whether this was a focus on the actual outcomes of programs or whether it was an analysis of the controls an auditee had to have in place to promote outcomes achievement. This may reflect the ambiguities of allegorical speech, both in interviewees' language and with respect to the language they formally adopt for public consumption. Such conservative framing of PA report language has been suggested by Radcliffe (2008) as an AG strategy for managing audience perceptions of their office and audit. However, a number of the AGs strongly suggested that their focus was moving away from a focus on controls and towards outcomes more directly. These views would seem to be consistent with a NPM associated outcome focus, and suggest that the momentum towards this phenomenon of expanding audit scope has been maintained well beyond the late 1980s and early 1990s when Hatherly and Parker (1988) and Parker and Guthrie (1991) first suggested it. It suggests a clear Goffmanesque backstage agenda being pursued by at least some AGs.

Despite the suggestion from AGs that there has been a strong shift to a focus on outcomes in PA reporting, this shift was not evident in an analysis of the PA reports produced over the

period of the study. There remained a consistent and dominant focus on controls and the issue of outcomes was secondary. More detailed analysis showed that there has been a shift away from economy and efficiency focus but that the focus on effectiveness is still indirect and strongly control orientated. This provides significant empirical evidence of Radcliffe's (2008) earlier claim for AG sanitising of PA reports whereby they are couched in terms that match government expectations, thereby securing legitimacy and government's continued resourcing of the AG to allow continued PA implementation. From comparison between AG senior leader interviews and analysis of AG PA reports, the evidence for AGs exercising Goffman's concept of dramaturgical circumspection in preplanning report content and language to offer the best performance front likely to be acceptable to the varied audience members, would appear to be persuasive. In this way, while there may be an effectiveness-focused plot developing backstage, the front stage performance maintains an image of unchanged commitments to controls-focused PA. From a Goffmanesque impression management perspective this illustrates a gap between front and backstage and how the AG attempts to manage it.

In terms of motivation for PA reports, the primary instigation prerogative remained within the respective audit offices. However, the significant and secondary driver was parliament through its institutional linkage with the AG (Sharma, 2007). From the perspective of NPM one might expect that a rising emphasis on managerialism and managing for outcomes would enhance the significance of government and parliament in the initiation and motivation of PA projects. However, this was not the case. There was a reduction in the apparent relative influence of parliament and government and a rise in the relative influence of other external groups. Here, we see the changing composition and influence of the masque audience, different segments of which intermingle with each other and the actors. This appears to be producing a dual focus for the AG: taking account of and responding to government priorities and preferences at the backstage versus the growing concerns with actual outcomes and assessments of effectiveness being exhibited by other groups in the masque audience at the front stage. In other words, discrepancies between front and back stages emerge since the processes and situations AGs find themselves in at the front stage do not necessarily represent their backstage activities (Goffman, 1959; Solomon et al., 2013). Front stage interaction with PACs and opposition members appear to be part of an interaction ritual, which does not bear much relevance with respect to PA foci. Yet, for all of the PA projects initiated, the place of the parliament and the PAC remained significant, often as a proxy for a broader interest in public value.

Against the contentions made by authors of previous studies (e.g. English, 2007), that PA as a politically sensitive evaluation tool often question government policy, findings of this study correspond to conclusions drawn by Pollitt et al. (1999) and Barzelay (1997) that PA does not ostensibly constitute an evaluation of government policy and that the examination of government policy is, in fact, beyond the PA mandate of AGs. More precisely, this study confirmed AGs' reluctance to transgress government's policy prerogatives, and therefore to avoid evaluating or critiquing government policy. Hence, we see interviewed AG leaders expressing increasing interest in examining issues of actual effectiveness or controls for effectiveness as also attracting the interest of parliamentarians, public and media, yet couching their PA reports at best in terms of controls. This again reflects Goffman's argument that actors may manage impressions they transmit to others via the language and symbols they employ. In this way, the AG may perform a successful balancing act, appearing to meet what may be inconsistent expectations of government executive and other stakeholder groups: restricting formal reporting language to the evaluation of controls, while nonetheless communicating aspects of information that relate to effectiveness.

As also has been evidenced in prior studies by Guthrie and Parker (1999), Morin (2008), Gendron et al. (2001) and Funnell and Wade (2012), AGs exerted very direct and considerable influence over the focus and execution of PAs through their deliberate re-interpretation of the PA mandate. However, in this study, they appear to be increasingly watching and interacting with two key stakeholder groups: parliamentarians and the public. This was pursued not only directly, but indirectly through the media, which has been identified in earlier studies as conduit to and from these stakeholders (Bringselius, 2014; Pollitt and Summa, 1997; Kells, 2011). In contrast to conclusions made by Radcliffe (1998) and Bringselius (2014) who recognised that maximising press coverage is one way for AG Offices to promote themselves as well as their PA work, AGs interviewed for the purposes of this study indicated that they do not make deliberate use of the media in order to disseminate PA findings. Nevertheless, it was stated by AGs that media coverage provides PA reports with the profile they need in order to gain parliamentarians' attention and to be noticed by the public. This suggests an auditor who is actively managing their front stage performance and dialogue, while exploring changing agendas backstage. It is further noteworthy that interviewed AGs did not only consider the media as significant because it spreads performance auditors' findings but also because the media informs their planning and topic selection. As has been concluded by Bringselius (2014), a strong focus on issues and problems revealed by the media may, in fact, influence AGs' decisions on the foci of PA. In conclusion, this study suggests that the practice of PA in Australia remains surprising and paradoxical, thereby corroborating findings made by Guthrie and Parker (1999) about the malleable nature of PA in Australia.

Other than Guthrie and Parker (1999) who associate the malleability of PA with the individual AGs and how they affect the PA focus/mandate, this study found that the PA foci is influenced by other stakeholders who play different roles in PA. In this regard the study discovered that it is not only the actors on stage (the AGs) who potentially influence PA in its shape and nature of the practice, but also the audience. In fact, as the analysis has shown, the shift in the concentration of efficiency to the focus on effectiveness is the result of the significance that relevant stakeholders ascribe to effectiveness outcomes. On the one side, these findings, confirm Goffman's views of the actors on stage (the AGs) as managers of impressions, who are seeking to reflect an image that they believe is desired by the audience (other stakeholders). On the other side, however, this study found that AGs observe parliamentarians and the public, thereby taking on the role as a "friendly audience" (Solomon et al., 2013) eager to watch and interact with stakeholders, while dispensing proactive front stage performance in terms of media exposure. What is significantly new in this study's findings is that in contrast to an AG focus predominantly on executive, parliament and auditees previously assumed by researchers (e.g. Tillema and ter Bogt, 2010), this study reveals an expanded AG focus on external groups such as the general public and media in addition to the former group. This is not necessarily what researchers have in the past expected from their assumed primary NPM driver of PA development (Guthrie and Parker, 1999; Hossain, 2010). Instead this study reveals AGs increasingly monitoring and interacting more directly with parliamentarians and the public as well as indirectly via the media. The media interaction takes a recursive form whereby public interest issues discussed in the media can influence AG PA targeting, while at the same time media reports on issues raised in PA reports appear to attract the attention of parliamentarians who might not otherwise have scrutinised full length PA reports. Again the Goffman perspective would portray this as the lead actor (the AG) stage managing the performance not merely with fellow actors but with the conscious and unconscious co-operation and interaction of the audience seated both in the front stalls and in the gallery.

As already discussed above, there has been growth in the number of reports produced overall but there have also been decreases in some jurisdictions, as illustrated by Table 2. NPM did not lead to an unlimited expansion of PA as claimed by, for instance, Power (2003) and Hossain (2010), and there has also not been a clear post-NPM decline in PA. What was paradoxical was the degree to which the shift towards managing for outcomes has impacted the perspective offered by AGs while this same focus was not evident in the focus and content of the reports produced and highlighted in the reports to parliament. There has been shift towards a stronger outcome focus but not the measurement and management of outcomes expected. In formal PA reports, there remains a strong focus on outcome related controls. As already observed above in the form of a Goffmanesque view of AG impression management through the language of control, this persistent emphasis on controls in PA reports represents a sanitising of PA findings and recommendations via a control focus which can be less likely to be seen as a direct critique of government policy (rather more the implementation of policy) than an evaluation of actual outcomes (English 2007). In preserving the lead actor's (AG) reputation and influence over the audience, a critique of outcomes raises the issue of reputational risk, both for government and for the AG, if the reports are deployed in an openly partisan way. Thus, again we see PA maintaining a social front that is showing signs of attempting to reflect and balance different audience expectations that do not coincide as well as gradually moving towards conditioning those expectations. In this evolving public sector environment, the PA remains a highly malleable masque and the notion that the reviewing performance is as important as reviewing the controls over performance appears to be gathering support amongst some AGs and segments of their audience.

Findings from this study suggest a number of avenues for further research. Highlighting the importance of other stakeholders as identified in this study, the relationships between AGs and key stakeholders of PA and the impact of those relationships on the PA practice deserves attention in the literature. Goffmanesque insights may provide more in-depth views into the repertoire of masques of performance auditors, which they activate in front of different audiences in PA practice. In general, through interviews with other stakeholders a more comprehensive picture of the PA front and backstage could be created that would then allow scholars and practitioners to elaborate in more detail on the contemporary PA practice.

Another relevant PA research area that deserves scholarly attention is “managerialism” associated with the NPM framework, which triggers the extensive dissemination of information and facilitates media exposure (Bringselius, 2014; Hepworth, 1995). Although findings of this study have shown that AGs do not make deliberate use of the media in order to demonstrate the public value of their PA work, it might be worthwhile to investigate how and to what extent media attention affects PA practice in Australia, where PA attracts much interest from the media (Kells, 2011). In this regard, further studies may examine how AGs manage their front stage performance with the media, and whether they actively respond to media coverage in form of the conduct of more PAs, and whether this bears any consequences for the backstage performance of PA.

Provided that PA increasingly adopts a public value focus, it might further be interesting to investigate how the AGs self-presentation is perceived by one of the primary stakeholders, the public, and whether the public's perception of the AG is reflected by the public's concerns expressed via the AGs websites. This examination may be particularly relevant because, as interviews have shown, that AGs directly ask the public via their websites to provide input to the areas and issues that required PA attention.

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