

In Defence of *The Audit Society*: A Reply to Maltby

Michael Power

In an age where citations seem to count for more than intellectual engagement and where genuine curiosity, at least in the field of management research (Hopwood, 2008), is increasingly rare, it is normally encouraging to come across examples of sustained textual engagement and critique. For that reason, Maltby's paper 'There is no such thing as the audit society' ought to be welcomed as an example of a genre which is fast disappearing. Equally, an author under the microscope approaches such a critical examination with some trepidation, knowing full well that all research efforts are flawed by definition. Yet, the key question is whether the flaws of a body of scholarship are outweighed by its benefits, and it is on this point that I must take issue with both the content and manner of Maltby's critique. Maltby has three arguments which, though distinguished at the beginning of the essay, become progressively intermingled. These arguments are directed mainly, but not exclusively, at *The Audit Society* and I address them in sequence.

First, Maltby argues that my reluctance to define audit is a "tactical stroke" which helps to suggest that "quality, forensic and medical audits all boil down to the same idea". She suggests that it is this identity of all practices called 'audits', and some which are not, which allows my argument "to gain weight and momentum as it rolls on". This is not a new criticism but, as I have argued in several other places, the apparent refusal to define is not some kind of tactical evasion. It has a perfectly coherent methodological basis which I try to transmit to research students, and which has been most recently applied in the case of risk (Power, 2007: 3-4). The methodological orientation is hardly original, taking its lead from Hacking's (1986) work on the dynamic role of ideas within practices – 'dynamic nominalism' as he calls it. From this point of view, definitions and labels are to be approached as contingent features of practices which also have potential to forge institutional similarity from difference. I could agree in part with Maltby that quality assurance, forensic analysis, and medical review may involve different tools, experts and policy expectations. But when these and other practices come to be called 'audits', they are changed and registered in a new policy space and new kinds of expectation are formed around them. They can become, in Anthony Hopwood's terms, what they are not.

From this point of view, the refusal to begin *The Audit Society* with a definition of audit is not, as Maltby seems to suggest, an elaborate trick, but reflects a respect for a complex phenomenon of expansion whereby concepts and practices co-evolve. Rather than offering a definition which somehow sits outside changing social expectations, a more oblique approach to the object of interest is necessary. *The Audit Society* is partly an attempt to understand how rationalized and abstract conceptual elements of audit have enabled its wide diffusion and appeal to different groups, not least policy makers. Audit can be understood as a 'boundary object' for different groups which express their interests in terms of its presumed potential (Bowker and Star, 2000). Nowhere in my work is it stated that all these different things which rapidly came to be called audits are literally 'identical' as Maltby suggests. The conceptualization is more that of 'family resemblance' in Wittgenstein's sense.

Beginning with sharp definitions of the object to be analysed damages any project of understanding how different things can come to be more similar over time. For example, much has been written about how medical 'audit' has shifted from the domain of local professional reflection to become part of the apparatus of something called 'medical governance.' The idea of 'audit' played a non-trivial role in this transformation. Or again, the similarity of financial and environmental audit, at a certain level of abstract representation, comes about as part of a complex dynamic within what Abbott (1988) has called the 'system of professions'. And taking Maltby's apparent counterexample of a "healthy food audit" for schools, I would hope for this to be effective in some fundamental dietary sense as she does. Yet, as such practices became enmeshed in wider policy discourses, as expert 'health auditors' are validated, and as formal systems, processes and health rankings are created, I would also expect these benefits to be at risk because of the very tendencies described in *The Audit Society* and elsewhere.

Defining practices in advance of analysis forecloses methodological sensitivity to the way boundaries between practical fields are often blurred, and how elements of practice travel across these boundaries and are re-assembled in new settings. Audit was, and is, a concept that is invoked and mobilised in the name of many different policy goals (efficiency, transparency, sustainability, teaching quality, risk management etc) but the defence against Maltby offered here is much broader than *The Audit Society*. It is a defence of a certain kind of methodological respect for the trajectory of language and ideas. This ought not to be dismissed as mere evasion.

Maltby's second strand of criticism concerns the empirical base of my work on audit and, in particular, the paucity of historical evidence which she claims to be highly damaging to the overall argument (although curiously Maltby's earlier demand to "define" audit is itself a historical!). To the charge of "perfunctory" history I plead guilty, and were *The Audit Society* intended as contribution to historical studies it would be a serious crime against scholarship. But rather than trying to do history and failing, it is perhaps better understood as a diagnosis of the present. I am entirely persuaded by Maltby's claim, based on her own work, that there is a strong independent tradition of public sector auditing which pre-dated and shaped so-called 'private' sector practices. I also concede that *The Audit Society* is vague on the precise timing and mechanisms of the diffusion of private auditing methods to the public sector. Yet, while we might agree

that the abstract elements of the financial audit 'model' can be derived from an earlier public propriety and stewardship conception, this only reinforces the interest in exploring how the elements of that model have evolved over time, and how the so-called 'new public management' reforms shaped and rationalized them yet further. The point is that ideas which get exported by domains may then be later re-imported in a new form via new carriers and agents.

On the more general "aversion to empirics" of which I stand accused, I would re-pose the question of gains and losses. *The Audit Society* does have an empirical base of sorts, although not one which is formalized methodologically. I did talk to many people in practice and continue to do so, but the enterprise is perhaps closer to a form of theory-building, a synthesis and meta-analysis of other studies which builds incremental insights. I began with a puzzle about how UK and Danish accountants were moving into the field of environmental auditing, and then the question became a much bigger one about the apparent expansion of auditing per se. A more traditional empirical project would never have been able, or even permitted, to ask this question. Was it so wrong to attempt a project at a level of generality where its execution was bound to be flawed and where depth was traded for scope, but where a new field of studies might be created? Or is this, as Maltby ungenerously claims, a simple case of intellectual aversion to doing proper work?

Maltby seems to enjoy Hood's comments that *The Audit Society* is a "text book case of selection on the dependent variable". But my question to Maltby (which I have also posed to Hood on several occasions) is this: how do researchers know which phenomena as 'variables' to focus on and to explore their dependencies? How does a collection of practices become variables worthy of research enquiry? Whatever its weaknesses, *The Audit Society* is not an imperfect and confused study of empirical variation; it was intended to create a new kind of attention to auditing and its effects. Audit practice may not even be the appropriate 'dependent' variable if the most interesting effects are to be found in an 'audit mentality'. The latter is, of course, much harder to code for comparative empirical work.

The Audit Society may well be a case of 'UK exceptionalism' (Moran, 2003) with limited comparative appeal, but the focus on audit as a technology for representing problems and solutions is one that many scholars have found useful and is consistent with work in science and technology studies (STS). The language of 'dependent' and independent variables is provisionally useful for a certain kind of political scientist, but is also epistemologically inadequate; auditing practices broadly understood are transformative, and relations of dependence and independence are emergent rather than fixed and given.

Finally, Maltby complains that in *The Audit Society* and elsewhere, real users of audits, the public at large, are voiceless and forgotten at the expense of an ultimately uncritical focus on auditing as a "technology of representation". Indeed, she suggests that the focus on the technology of audit provides implicit support for those who would wish to remain unaccountable, and renders the "public at large" a rather "drab lot". Even leaving aside concerns about Maltby's somewhat uncritical appeal to something called the 'public', the objection is curious. Surely an understanding of the dynamic by which

practices expand and reshape themselves provides a basis for users and designers of audit practices to avoid illusions of control and comfort? *The Audit Society* also suggests how ‘real users’ are reduced to highly abstract reference points in a self-referential dynamic and makes some comments about democracy and dialogue (pp.127-8) which, while brief, Maltby has chosen to ignore.

Efforts in the social and environmental auditing space to involve the public and to create actionable discomfort are admirable attempts to get beyond a closed world of audit, but hardly provide a knock-out blow to the arguments in *The Audit Society*. Maltby also chooses to read the long quotation from the end of a 2003 paper as a rage against a lost Eden of unaccountability, when it might equally support the kind of accountability which would be effective and targeted, rather than cosmetic and costly. So, I fail to see how *The Audit Society* is only “on the side of the auditee” or, more importantly, that there are two clear sides – the public and auditees.

In the end, it is Maltby’s evident disdain for *The Audit Society* which is the most prominent feature of her essay. The book is flawed, there is no doubt of that, and there may be an excess of polemic in parts but, again, do the gains in terms of an imaginative stimulus for looking at auditing in a new way outweigh these weaknesses? Maltby’s style, as much as her arguments, suggest they do not. It is a style which actually prevents her from directly addressing the proposition in the title of her essay, and results in an extended sneer all the way to its concluding two sentences: “*The Audit Society* and its progeny, Power’s own papers and wails of unhappy academics and doctors and civil servants, are ultimately not a protest about the creation of an iron cage round society. They are a stifled chorus of fury at being made accountable”.

I re-read *The Audit Society* in order to identify the anger which Maltby lays at my door. If anything, the ‘audit society’ thesis is articulated rather moderately as the risk that the tail of audit may wag the dog of accountability. Sustaining an awareness of how that relationship may become unbalanced is hardly very controversial, and speaks much more directly than Maltby herself to the concerns of a general public. In the end, the only “chorus of fury” I can find, not at all stifled, is in the tone and language of Maltby’s essay itself.

references

- Abbott, A. (1988) *The System of Professions*. Chicago: Chicago University Press.
- Bowker, G. and S. Star (2000) *Sorting Things Out: Classification and its Consequences*. Cambridge, MA: MIT Press.
- Hacking, I. (1986) ‘Making up people’, in T. Heller, N. Sosna and D. Wellbery (eds.), *Reconstructing individualism: Autonomy, individuality, and the self in western thought*. Stanford, CA: Stanford University Press: 222-36.
- Hopwood, A. (2008) ‘Changing Pressures on the Research Process: On Trying to Research in an Age when Curiosity is not Enough’, *European Accounting Review*, 17(1): 87-96.
- Moran, M. (2003) *The British Regulatory State: High Modernism and Hyper-innovation*. Oxford: Oxford University Press.

the author

Michael Power is Professor of Accounting, London School of Economics and Political Science.