

# Standardizing Control and Controlling Government: The Introduction of Internal Auditing in the French Government's Central Administration

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## Introduction

Over the past thirty years, internal auditing has emerged as a dominant standard of managerial control for all kinds of organizations and in every area of activity (Power, 1994, 2010). Rather than being discredited by financial scandals and crises for its inability to prevent them, internal auditing has been strengthened by each turmoil (Power, 2009). The success of internal auditing has relied on a combination of elements and actors. Professional associations have become progressively structured since the 1940s, when the American Institute of Internal Auditors was created; today, it is the best-known professional association for internal auditors and oversees its subsidiaries all over the world. These associations have encouraged the expansion of internal auditing, which they have promoted as a profession, and have lobbied governments and regulation agencies for internal audits to become part and parcel of good governance

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requirements. Decision-makers were eager to listen to their requests, as internal audit could provide a response to calls for increased regulation, all the while allowing companies to implement their own internal control devices. Lastly, the recent rise of internal audit in financial institutions has been an important element in its expansion, in a context of financialized capitalism where innovations easily spread from the financial sector to other areas of activity (Chiapello, 2014).

The plasticity of internal audit is another element that has significantly contributed to its success (Power, 1994; Mennicken, 2010). Internal auditing has come to encompass a wide range of managerial control activities. Most recently, it has leveraged on the success of internal control and risk management, with which it became articulated (Célérier, 2016). Internal audits may take very different forms depending on organizational configurations, local traditions of control and how those involved in developing internal auditing understand it. This plasticity of internal auditing is thus both a key factor in its success and what makes the implementation of internal auditing so difficult to predict: there is no certainty around the form an internal audit will take in a given organization. Hence, organizational isomorphism is both caused and limited by the polysemy and ductility of internal auditing. In public administrations, there is a specific tension between, on the one hand, the intrinsic ambiguity of reforms so that the introduction of any managerial device can lead to diverse interpretations and scenarios (Arnaboldi & Lapsley, 2009; Arnaboldi & Palermo, 2011); and on the other hand, the convergence of public sector administrations in a New Public Management (NPM) context, where standards are being implemented and 'good practices' for the uses of these standards are being established (Pal & Clark, 2013).

In this chapter, we focus on this tension in the introduction of internal auditing into the public sector: we explore how the standardizing effects of internal auditing are articulated with local idiosyncrasies. Our research is based on an investigation conducted from 2012 to 2015 into the French central administration.<sup>1</sup> In this administration, a reform was launched in 2011 introducing an internal audit function covering the whole range of ministerial activities. This reform created new bodies, including internal audit committees and teams, directly attached to their respective ministers. We conducted semi-structured interviews with 100

people, most of whom were high-ranking civil servants who prepared the reform, as well as controllers who endorsed the reform and introduced internal auditing in their own ministries.

The setting of this investigation has several research interests. First, the different reasons for the development of internal audit in European central administrations have been given little attention so far. An investigation of the conditions for the possibility of the French reform thus enables us to grasp the diverse determiners of the success of this international standard of control in European administrations, especially since in the French scenario, no single element triggered the reform. Second, because the French reform was not accompanied by a change in controllers' recruitment, it is possible to apprehend the effects of internal audits on control practices. Most government controllers involved in the implementation of the reform were in place long before the reform. They were working in ministerial control services, in the eleven ministerial ensembles of the French central administration; in these control services, they were performing diverse control activities and reporting to their ministers on the functioning of administrative services and the implementation of public policies. Third, the reform was still very recent when we began our investigation. Consequently, it was possible to explore the motivations that presided over its development as well as the early debates around its implementation.

This chapter begins by presenting the rise of internal audit in government administrations, with a focus on European countries and France. We show how the introduction of internal auditing in the public sector, which appears to be inevitable, can transform control activities. Then, we discuss the context of the French central administration, in which a diversity of audits and internal audits existed prior to the 2011 reform; we demonstrate that beyond audit diversity, a common pattern of change affected controllers. Lastly, we investigate the preparation and implementation of the 2011 reform and show that there existed a dialectical movement between convergence and distinction: both the French government and a subgroup of government controllers saw internal audit simultaneously as a constraint and as a leverage to increase their influence—at the European level for the government and within the administration for controllers.

## The Irresistible Rise of Internal Auditing in Public Administrations

Internal audit is seen as a dominant standard of control for government administrations. In this section, we first trace the rise of internal audit in public sector organizations and then show how it became inescapable in Europe and France.

### The Internal Audit at the Core of the Most Recent NPM Developments

Audits have played a nodal role in the implementation of NPM reforms (Barzelay, 2000; Pollitt, 1999; Pollitt & Bouckaert, 2011). They monitor the implementation of new managerial tools and devices, with the purpose of rendering public administration more efficient and public servants more accountable. They have been analysed as vehicles of new mindsets through the implementation of new chains of control, the diffusion of accounting-based decisions and the rise of standardized managerial techniques in all areas of activity (Power, 1999). Their spread across the globe has been made possible by a convergence of factors. First, international organizations such as the Organization for Economic Cooperation and Development (OECD), the World Bank and the International Monetary Fund (IMF) have encouraged the development of audits: they have provided audit methods and training for civil servants from various countries, imposed the development of audits in reporting operations in public administrations in exchange for loans and created arenas for leaders in public organizations to share their audit practices (Sahlin-Andersson, 2002; Célérier, 2016).

The evolutions of audits are a symptom of the transformations of NPM. Different ends have indeed been assigned to public sector audits, depending on the context and the broader agenda of public sector reform including decreasing expenditures when the aim is to downsize public sector organizations or reporting the results of newly created independent agencies when reforms are reshaping the state. These consecutive stages of NPM reform—and the associated objectives of audits—have

been thoroughly analysed in the existing literature (Bezès, 2005; Pollitt & Bouckaert, 2011).

Since the 1990s, internal audits have become increasingly important for public sector organizations. They are now a core component of a new architecture of financial control based on the development of internal control, and they are oriented towards risk management (Célérier, 2016). In their reports, the OECD, the World Bank and the IMF promote internal auditing, associating it with good governance and the fight against fraud and corruption, and public administrations are increasingly required to implement it to obtain funds (1996, 2011, 2013a, 2013b; IMF, 1998, 2007; World Bank, 2000). Moreover, several countries considered to be at the vanguard of NPM reforms, such as Canada, the United States and Denmark, have strengthened internal auditing in their public administrations. These countries refer to internal audit norms defined by the Institute for Internal Audit (IIA) (Chadler, 2003; OECD, 2011; US GAO, 2007, 2011). In the 2000s, internal auditing has become a dominant standard of control for public sector organizations.

## **The French Government's Central Administration and the Grip of Internal Auditing**

In European Union (EU) countries, a conjunction of factors has favoured the spread of internal audits. First, since the 1990s, the European Commission imposed the implementation of audit methods on countries receiving structural funds in order to assess the management of these funds. If these audit methods are not, *per se*, internal audit methods relying on the IIA framework, they nonetheless encourage new control practices based on the development of internal control and are associated with good governance and fraud detection (Célérier, 2016). Second, after the media disclosure of wrongdoings that resulted in the *en masse* resignation of the Santer Commission in 1999, the new European Commission deeply transformed its control organizations. Newly created internal audit services and internal auditors replaced the so-called inspections and their controllers: very few controllers from the former control services were retained (Célérier, 2016; Commission

Européenne, 2001, 2004; Georgakakis, 2000). The implementation of internal auditing was thus part of a set of reforms designed to deter fraud and avoid new scandals. Third, the Commission imposed financial control reform, with the introduction of internal audit at its core, on countries applying to the EU and those under close budgetary surveillance, such as Portugal and Greece: the Public Internal Financial Control Framework was issued by the European Commission in 2006 (de Koning, 2007; European Commission, 2006). A joint programme of the OECD and the EU, called the SIGMA group, was launched in 1992 with the ambition of helping neighbouring EU countries reform their administrations through, among other things, the introduction of auditing and, later, internal auditing (1998; SIGMA–OECD, 1992). Finally, in the 2000s, the Directorate-General for Budget in the European Commission set up a club to bring together those in charge of coordinating control and internal audit activities in the public administrations of EU countries. This club served as an arena where civil servants could compare their practices. A compendium was published by the club in 2012 that outlines the diverse internal auditing experiences of its members (European Commission, 2012).

The French public administration has not remained untouched by the success of internal auditing in the world. First, the public sector elite, who play a central role in shaping government reforms, have often also held leading positions in public and private sector organizations, including in international organizations and the banking industry, over the course of their careers. The Inspectorate General of Finance (Inspection Générale des Finances) and the Court of Auditors (Cour des Comptes) are two of the most prestigious institutions in the French public administration and have played historical roles in shaping government reforms; a number of high-ranking civil servants from these two institutions have been involved in the development of internal auditing in France and in international organizations. Finance inspectors Daniel Bouton and Marc Viénot authored three reports in favour of the development of internal audit and control for private sector organizations (Bouton, 2002; Viénot, 1995, 1999); these reports have had a long-term influence on control activities as they led

to regulations imposing internal controls and audits that have affected an increasing number of companies. Jean-Pierre Jouyet, another finance inspector, was head of the French Financial Markets Authority (AMF) when this body issued a framework for internal control (AMF, 2010). Daniel Pannier of the Court of Auditors was in charge of the OECD internal audit service from 2009 to 2013. High-ranking civil servants can also join short-term missions that advocate reforms of the financial control of public sector entities. These missions are either conducted for these international organizations—such as the IMF and World Bank—or under bilateral agreements between French control services and their foreign counterparts. Thus, before the 2011 reform, controllers from different ministries—Finance, Justice, etc.—were involved in programmes to train foreign controllers on internal auditing (IGA, 2011; IGSJ, 2008). In several control services, training French controllers on internal auditing was also seen as a way to modernize and professionalize control activities. This training was even compulsory for those who participated in the audit of European funds. Two commissions were created in the 1990s to audit them; these commissions gathered controllers from the ministries that benefitted from European subsidies (Social Affairs, Agriculture, Interior and Finance) and were presided over by a finance inspector (Arrêté du 27 avril, 1981; Décret n° 2002-633; Décret n° 2008-548; Décret n° 93-985, 1993; Décret n° 96-389, 1996).

The implementation of internal audit in the public administration of the French government appears as the logical consequence of the irresistible rise of internal auditing. In neo-institutional terms (DiMaggio & Powell, 1983), one can say that through normative, coercive and mimetic isomorphism, internal audit has become the dominant standard of control for public sector organizations all over the world. In the EU in particular, the implementation of internal auditing seems to be inevitable, as it is expected at diverse levels of European institutions. These external changes have an influence over French government controllers. Yet, this trend towards organizational isomorphism is both facilitated and favoured by internal audit polysemy, so that the standardizing effects of internal audit are indeterminate.

## **Audits and Internal Audits in the French Government Administration: Unbridgeable Differences?**

The 2011 reform is not just the result of external changes: within the French government, the first decade of the 2000s saw the proliferation of audits and the introduction of internal auditing, first outlined below. Beyond their differences, these audits were together a symptom of significant changes in control activities and government accountability, as then discussed.

### **A Plurality of Audits at the Core of French Government Reforms**

During the 2000s, two government reforms were implemented that involved the whole administration and had long-lasting effects on civil servants and their work: the Organic Law on Finance Laws (*Loi Organique Relative aux Lois de Finances*, or LOLF), which was voted in 2001 and implemented in 2006, and the General Review of Public Policies (*Révision Générale des Politiques Publiques*, or RGPP), which was launched in 2007 and ended in 2011. These reforms differed in several aspects. The first difference concerns their development and steering: the LOLF was a consensual reform, supported by a wide alliance of members of Parliament from competing political parties, high-ranking civil servants from the Court of Auditors and the Ministry of Finance and members of the cabinet (or the Conseil des Ministres). On the other hand, the RGPP was a polarizing reform, driven by President Sarkozy with the support of civil servants from the Ministry of Finance, and it was vividly criticized by the political opposition and several members of the majority. These reforms also differ in their materialities: while the LOLF consisted of a long text with major juridical impacts (LOLF, 2001)—an organic law is above ordinary laws and just below a modification of the Constitution—there was no text to the RGPP at all. Lastly, the two reforms diverged in terms of their content and purposes: the LOLF was a multi-dimensional complex reform, containing the introduction of private sector account-



ing in the government's central administration, the implementation of management by objectives and a reform of budgetary procedures. In contrast, the RGPP mostly targeted a reduction of public expenditures (Bezès, 2008, 2011; Eyraud, 2012).

Central to both the LOLF and the RGPP, audit and internal audit experienced an unprecedented upsurge in the central administration (Bezès, 2005; Célérier, 2016). The introduction of private sector accounting in the central administration led to a certification of the accounts by the French Court of Auditors, which encouraged the development of financial internal auditing in the central administration to prepare the certification; these internal audits were carried out by government controllers, who were often backed by auditors from the Ministry of Finance (*i.e.* a different service from that of the Inspectorate General of Finance). Then, new managerial devices and tools, including performance auditing, supported the implementation of management by objectives. New, mainly quantitative information on the central administration was produced and provided elements for the development of audits. For example, performance reports and projects were issued every year; these announced objectives for the year to come and assessed the achievements of goals defined the previous year. Performance auditing focused on these achievements, on the definition of the objectives and the relevance of the indicators. It was carried out by inter-ministerial teams of government controllers under the supervision of a finance inspector; performance audit reports were delivered to Parliament. Moreover, the production of new quantitative data on the central administration favoured the implementation of efficiency audits that were strongly supported by the conservative government and had not initially been provided for in the LOLF. These so-called 'modernization audits', which aimed at reducing operational costs in the central administration, were performed from 2005 to 2007. They were strongly supported by the Minister of Finance and were carried out by government controllers, very often under the supervision of finance inspectors and with the help of private sector consultants and auditors. The RGPP took over from these modernization audits from 2007 to 2011: the RGPP audits were carried out in the whole administration, with the explicit purpose of reducing public expenditure. The Ministry of Finance had privileged access to both the modernization audit and the

RGPP audit reports. In 2000, audit became well installed in the French administration. At the same time, audit dynamics in the French administration are largely divergent: audit reports are delivered to Parliament, the Court or the Ministry of Finance. They are oriented towards different goals—efficiency, performance, certification, etc. No single methodology is being adopted: each type of audits follows a given pattern.

## **Making Control More Traceable and French Government More Respectable?**

By 2010, divergent dynamics of internal audit had emerged: in addition to the development of financial internal auditing under the supervision of the Court of Auditors, non-coordinated initiatives blossomed in the central administration at all hierarchical levels. Some of these initiatives were undertaken by isolated controllers, drawing on their audit experiences to develop internal auditing for different types of objects and sponsors as diverse as the Court, their minister or public sector managers, among others. Moreover, entire internal audit services were set up at every level of the central administration. In the Ministry of Ecology, an internal audit cell was thus created, inside the ministerial control service, with the purpose of delivering financial audits to the Court that would go beyond a mere preparation of the certification. Lastly, in three ministries, ministerial audit functions were set up; they integrated different levels of control into one internal audit device associated with a new governance of control focused on risk management. Each of these three internal audit functions was different. In the Ministry of Defense, the internal audit function focused on financial audits only and was driven by the ministerial control service, which devoted controllers to these audits. Internal audit reports were delivered to the Defence Minister. In the Ministry of Social Affairs, an internal audit function was also implemented by an *ad hoc* service in direct competition with the existing ministerial control service. It delivered financial audits to the Court. Finally, in the Ministry of Finance, the Inspectorate General of Finance structured an internal audit function, in which controllers from the whole ministry performed financial internal audits, and only a small minority of audits was performed by

finance inspectors. If internal audit is to be understood as a standard of control, there was little standardization of internal audit before the reform!

Beyond their differences, internal audits and audits performed in the French government's central administration at the end of the first decade of the 2000s are together the symptoms of underlying changes, not only for control services but also for the government. We have identified three main changes affecting controllers: internal audits imply a methodological change, a movement of 'accountingization' (Power & Laughlin, 1992) and a change in accountability. Internal audit imposes the use of a pre-defined methodology, while government controllers typically had been very independent in their approaches and employed methods that were very rarely formalized. Next, internal audits imply that controllers rely on accounting data to an unprecedented extent to appreciate the efficiency and performance of the administration, while controls in the public administration had been traditionally juridical. Lastly, these audits require a new level of accountability on the part of government controllers toward different services and institutions, including the Parliament, the Court of Auditors, the Ministry of Finance or the minister to which controllers are directly attached. In this regard, the Inspectorate General of Finance is in a very specific position: while its controllers very rarely participate in internal audits, it supervises audit activities performed throughout the whole central administration. This new accountability of controllers reflects the government's own new accountability. The importance of meeting the perceived expectations of different stakeholders—such as citizens, the EU and rating agencies—is a leitmotiv in controllers' discourse around the *raison d'être* of these audits.

The introduction of internal auditing in the central administration of France appears both obvious and uncertain prior to the 2011 reform. Its introduction is consistent with evolutions outside the administration, is a continuation of previous reforms and participates in a movement of renewal for control services and for the government. At the same time, there is a plurality of possibilities for internal auditing, which can serve different institutions and be used in diverse ways by control services. These different possibilities were debated by controllers involved in the preparation and implementation of the 2011 reform.

## The 2011 Reform: Between Standardizing Control and Preserving the Autonomy of the Government and its Controllers

The 2011 reform was characterized by a dialectical movement of imitation and distinction in the implementation of internal auditing. In this section, we first show how the 2011 reform is directly associated with the double purpose of unifying audit in the administration and meeting the requirements of international organizations, while serving to increase the prominence of reformers and their auditing service in the central administration and of France on the international scene. Then, we demonstrate that controllers' search to preserve their own autonomy is a delicate exercise.

### The 2011 Reform and the Control of Government Control

The 2011 reform provided the opportunity to unify audit activities in the French government's central administration. The Inspectorate General of Finance prepared the reform with two reports, which were published in 2008 and 2009 (Guillaume & Colin, 2008; Guillaume et al., 2009). The first report consisted of a benchmark of internal auditing in five OECD countries and in the services of the European Commission. From this benchmark, finance inspectors concluded that internal auditing was well established in the governments of a number of countries and that France could no longer remain on the sidelines of this worldwide trend. The second report provided a picture of the development of internal auditing in all French ministries and was accompanied by a proposal for a decree to implement an internal audit function in the central administration covering the whole range of ministerial activities. This decree mostly brought organizational changes: in each ministry, an internal audit committee and an internal audit team were created, the former supervising the activities of the latter. Those at the head of the internal audit teams were also *de facto* members of the inter-ministerial committee coordinating the implementation of the reform (Comité d'Harmonisation

de l'Audit Interne or CHAI). In the proposal of the decree, the Ministry of Finance would play a leading role, as this Ministry holds key positions in the CHAI: the minister in charge of the budget chairs the committee, and two representatives of the Budget and Tax Directorates have a permanent seat in the CHAI. No external auditor is supposed to use the internal audits carried out by controllers since these internal audits are intended for ministers and central administration managers—except for the financial internal audits that were started with the LOLF and were integrated in the new architecture of internal audit. Members of the central administration attribute several merits to the reform. First, finance inspectors have made it explicit that they feel that internal auditing would make the impetus for control services more virtuous through a 'professionalization' of their work—*i.e.* the use of a pre-defined methodology, the increase in continuous training, etc.—and the recruitment of younger controllers. Control services mostly shelter high-ranking civil servants at the end of their careers. Then, it is also believed that the introduction of management by objectives in the administration would remain only partial without the introduction of internal auditing. Third, for many controllers, the reform is both made relevant and justified by the high public debt and deficit in France. Many high-ranking civil servants feel that France risked having to bend to requirements from the EU or the IMF that would, in the future, impose such a reform; these civil servants preferred that France take this initiative on its own, rather than it being imposed on the country later.

On another level, the reform is seen as a way to preserve some autonomy for both controllers and the government. The reform was precipitated by the Inspectorate General of Finance to limit the influence of the Court of Auditors over control services: by taking the initiative on the reform, the Inspectorate General of Finance has claimed control over the organization of government control *vis-à-vis* the Court. Further, it has affirmed the legitimacy of controllers, over that of the Court, in conducting internal audits for their own ministries. Thus, with the implementation of internal auditing, the Inspectorate General of Finance pulled the rug out from under the Court, which had been encouraging the development of internal auditing. At the governmental level, the finance inspector Henri Guillaume, who supervised the two reports issued by the

Inspectorate General of Finance, insisted that France could take the lead in the elaboration of a European internal audit framework for public administrations—until now, the IIA framework has been the same for all kinds of organizations. There seems to exist a dialectical movement between, on the one hand, controllers' and government's search for recognition, and on the other, the affirmation of their autonomy and the drive to take a leading position. Navigating this dialectic through the implementation of the reform has involved delicate work for the government and its controllers.

### **Internal Auditing and the Delicate Work of Preserving Controllers' Autonomy**

The preservation of the autonomy of control services was a condition for controllers' enrolment in the reform. Of course, many controllers resigned themselves to a reform project driven by the Inspectorate General of Finance with the idea that such a reform would have been imposed by the EU or international organizations, sooner or later, in the context of high debt and deficit. At the same time, resistance was high. The preparation and implementation of the 2011 reform was characterized by vivid discussions and debates inside the public sphere. Among the minority of controllers who showed an interest in internal auditing and believed it could improve their work—the majority of controllers were either indifferent or hostile to internal auditing—most raised their concerns that internal audit would be too closely driven by the Ministry of Finance. The Ministry of Finance chose to take this concern into consideration, so as to rally a large number of controllers behind the reform. Compared to the initial text of reform that was integrated in the second Guillaume report, a number of changes were introduced in the two texts that were published in June 2011; these changes reduced the influence of the Ministry of Finance and asserted that internal auditing should be adapted to the specificities of each ministry. Moreover, finance inspectors attached a lot of importance to creating a spirit of collegiality in the CHAI. In this context, for many controllers, participating in the reform had a number of advantages: it provided the opportunity to share good practices with

internal auditors from other ministries—thus breaking the isolation in their own ministries—and to influence the outcomes of the interministerial discussions to make them better conform to the perspectives in their own ministries.

The early stages of the implementation of the reform were characterized by tensions between the reformers' search for recognition outside of the central administration and the ambition to preserve controllers' autonomy. Controllers from the Ministry of Finance were in favour of adopting an internal audit framework largely based on the existing framework from the IIA. This framework would be close enough to the IIA norms to be recognized by this body, with some degree of specificity. It could set an example for other government administrations and would also give legitimacy to the newly created CHAI inside and outside the French administration. Most controllers originally opposed this view and called for the creation of an internal audit framework from scratch that would affirm France's independence from the IIA. After a year of discussions in the CHAI, controllers agreed on adopting a framework derived from the IIA norms, with the hope that it would send a positive signal to the EU in these times of budgetary surveillance. The framework, which was adopted in June 2013 and issued in September the same year, was sent to the IIA, which officially congratulated France for this action (IIA, 2014). At the same time, the CHAI affirmed its autonomy shortly thereafter by issuing two statements: the first affirmed that ministerial internal audit reports should not be sent to the Court of Auditors; the second reacted to a document issued by the IFACI (the French subsidiary of the IIA) and insisted that the French institute had no legitimacy in commenting on the organization of internal audit in France's central administration (CHAI, 2015; Jochum & Charrié, 2014). The CHAI thus set itself up as the only legitimate body to evaluate the implementation of internal auditing in the French government administration, while at the same time endorsing internal audit norms defined by the IIA. However, divergences between controllers threaten the autonomy of internal audit in the administration: in a few control services, controllers continued sending their internal audit reports to the Court, which welcomed these initiatives and asked for more such reports. Moreover, some controllers from the public administration organized meetings at the IFACI that

compete with the CHAI's meetings and increase the influence of the IIA in the administration. In both cases, these controllers increase their legitimacy and break their isolation in their services and the administration, as internal audit is not always thought very highly of and not all internal auditors have equal opportunities to participate in CHAI meetings.

A search for both imitation and distinction at the level of both controllers and government was at the core of the 2011 reform. The reform was invested with the ambitions of making France conform to dominant control practices that would improve the quality of control and make the administration more efficient and performance oriented. At the same time, reformers from the Inspectorate General of Finance were hoping to reduce the Court's influence on administrative control and for France to take a leading position in Europe through the elaboration of a French internal audit framework. In the process of implementing the reform, there was a tension between the preservation of controllers' autonomy and the search for recognition. First, controllers were brought together at the cost of several concessions that increased the variability in controllers' interpretations of the reform and in their practices of internal auditing. Then, controllers from the Ministry of Finance managed to impose an internal audit framework in the CHAI; this framework was derived from internal audit norms and aimed to emancipate controllers *vis-à-vis* the Court and the IIA, after obtaining their recognition. Controllers' autonomy appears to be a delicate thing to preserve, in a context of oscillation between the search for recognition and strategies of emancipation, and with divergent allegiances within the administration.

## Conclusion

In this chapter, we have explored the articulation between the standardizing effects of internal auditing and local idiosyncrasies in its implementation. This research has focused on the context, preparation and elaboration of a 2011 reform that introduced internal auditing into the French central administration. This reform can be seen as the logical outcome of the international success of internal auditing, a success that some of the French public sector elite played a role in. The reform is also a



continuation of previous changes in the French central administration that renewed control activities. Lastly, the 2011 reform was dictated by a preoccupation with providing foreign institutions with pledges of goodwill and good administration. At the same time, internal audit was believed to contribute to reinforcing the autonomy of France as well as the autonomy of some controllers. With internal audit, reformers were hoping to place France at the vanguard of European governments in terms of internal auditing. For controllers, involvement in the establishment of internal auditing was seen as an opportunity to make the reform comply better with their own aspirations.

Our research offers three main contributions. At first, beyond their polysemy and their conceptual instability, audit and internal audit do change controllers' work, yet in a circumscribed way. There is neither decoupling, in which internal audit would be adopted without changing controllers' daily practices (Broadbent & Laughlin, 1998), nor colonization, whereby the audit mentality would spread throughout all dimensions of the organization (Power, 1994). There is instead a common pattern of change. We have found that the introduction of internal auditing has led to a greater accountability for controllers, an important use of accounting information and the deployment of management methods; the extent to which this last is applied depends on controllers' desire for the reform and their room to manoeuvre in implementing it. Second, we show a dialectical movement, involving an imitation through the implementation of internal audit and the search for distinction through the affirmation of the specificities of French public sector auditing. New Public Management reforms can thus simultaneously—even consistently—involve a convergence of administrations and the affirmation of local specificities. We also demonstrate that the equilibrium is hard to find, as controllers are divided and the search for recognition can approach alienation and may limit controllers' autonomy. While this investigation was conducted in the early stages of implementation of the reform, further research should help us apprehend the outcomes of this tension between allegiance and autonomy and of these disputes among controllers. Lastly, the exploration of the introduction of audit and internal auditing in the French central administration interlocks three dimensions: making the central administration more performance oriented,

controlling controllers and providing pledges to foreign institutions. It is our hope that this research inspires further work on the meta-signification of the audit explosion in the public sphere and governments' heteronormization through their use of a standard of control.

## Notes

1. The *administration centrale*, or the central administration, is composed of the ministers, their offices as well as the services attached to them (roughly equivalent to American government departments, as in the Department of Justice, the Department of Education, etc.).

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