Public auditors at arm’s length or arms twisted? Exploring the independence of municipal auditing institutions in the Netherlands

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Glossary of terms and translations

English	Abbreviation used	Dutch
Supreme Audit Institution	SAI	Nationale Rekenkamer
Municipal Audit Institution	MAI	Gemeentelijke Rekenkamer / Decentrale Rekenkamer / Lokale Rekenkamer
Municipal Audit Institution function	MAI-function	Rekenkamercommissie
Municipal Audit Institution Member	MAI member	Rekenkamerlid / Lid van een gemeentelijke rekenkamer
(Municipal) Council Member		Gemeenteraadslid
(Potential) Conflict of Interest		(Schijn van) Belangenverstrengeling
Dutch Association of Public Audit Institutions and Audit-functions	NVRR	Nederlandse Vereniging van Rekenkamers en Rekenkamercommissies [De Vereniging van Rekenkamers]
The Association of Dutch Municipalities	VNG	Vereniging van Nederlandse Gemeenten
Freedom of Information Request	WOO	Wet Open Overheid
Law on strengthening local auditing institutions	The new legal requirement	Law on strengthening local auditing institutions
Law on municipal dualism		Wet dualisering gemeentebestuur
Municipality law		Gemeentewet
The International Organisation of Supreme Audit Institutions	INTOSAI	The International Organisation of Supreme Audit Institutions

Introduction

‘The local auditing institutions are incredibly important [...] for municipalities, because they are independent organisations with expertise that support elected representatives in their role as scrutinisers’ (Handelingen II, nr. 84, item 12, 2022, p. 11). With these words, the Dutch Minister of the Interior commenced the defence of the ‘Law on strengthening local auditing institutions’ [Dutch: Wet versterking decentrale rekenkamers] in the Dutch House of Representatives. The ‘core of this proposal’ being to ‘withdraw the right [of municipal councils] to shape their public audit institution at their own discretion’ (Kamerstukken II, 35298, nr. 3, 2019, p. 1), thereby settling two decades of debate on the independence of these institutions. With this law coming into effect in January 2023, it is a timely moment to audit the state of municipal auditing institutions (hereafter referred to as MAIs) in the Netherlands on their level of ‘independence’.

In achieving their task, the explanatory memorandum of the Law on municipal dualism [Dutch: Wet dualisering gemeentebestuur] - that first mandated the creation of MAIs in all municipalities - considers ‘independence’ an ‘essential precondition to the proper functioning of local auditing institutions’ (Kamerstukken II, 27751, nr. 3, 2001, p. 67). The memorandum mentions the term independence 34 times and provides a host of measures to secure the independence of MAIs. Yet despite this emphasis on independence, twenty years later the explanatory memorandum of the law on strengthening local auditing institutions informs us that the independence of many MAIs has been lacking (Kamerstukken II, 35298, nr. 3, 2019). With this new law’s explanatory memorandum now mentioning the word independence 57 times, this raises the question whether this time the degree of independence for these institutions will be improved sufficiently and the debates thereon will be settled.

The relevance of this topic for policy makers can be seen in the attention they get in terms of debates. In addition, auditing institutions hold governments to account by inspecting their policies and functioning, making an important contribution to the process of checks and balances in the governance of well functioning democratic states (Bovens et al., 2014). In the Netherlands, MAIs carry out municipal performance audits: an inspection of the legality, effectiveness and efficiency of local government policy (Van Aelst et al., 2024). Such performance audits set standards for policy and give advice on its substance and implementation, and can thus have a relevant and increasing influence on public governance (Cornelissen & Van de Walle, 2014). Making their independence important from a policy point of view.

Yet there is reason to believe this independence is under threat. Internationally, there is an almost decade long declining trend in audit institution independence (INTOSAI Development Initiative, 2023). In prominent democracies, such as the United States, we see independent auditors and watchdogs getting fired en masse (Miller, Tucker, & Weissert, 2025). In the Netherlands too, there are reports of the independence of MAIs potentially being under threat: from the executive power exerting financial and political pressure (Den Boer et al., 2021); from a chronic lack of funding and inadequate staffing for local MAIs (Bekkers, 2023); from lack of adequate norms and guidelines for professionalism and independent in-house expertise (Raad voor het Openbaar Bestuur, 2020). So too, the hiring of expertise and consultants is increasingly identified as a risk for public institutions and independence in the EU (European Court of Auditors, 2022; Centre for Strategy & Evaluation Services, 2022) and has been an increasing cause of concern for public institutions in general (Van den Berg et al., 2019; Sturdy et al., 2022; Mazzucato & Collington, 2023). Specifically for the Netherlands, local governments show a decades long trend of increased external hiring, with it now covering an average of 18,1% of their personnel budget (Bekkers, 2024).

While both the old and the new law on MAIs agree on the importance of independence, neither law defines what is meant exactly by independence and how this can be measured. This is a pattern that is repeated in the academic literature. There is broad academic consensus that public audit institution independence is of great importance for their effective functioning (Pollitt et al., 1999; Posner & Shahan, 2014; Gustavson & Sundström, 2018; Pierre & De Fine Licht, 2019). However, there is also an absence of a uniform structure in studying these institutions and their independence (Bonollo, 2019; Keulen, 2021; Mattei et al., 2021). Showing the relevance of addressing this topic for both the policy and academic spheres.

In addition, and despite these potentially important policy implications, the research on local MAIs in the Netherlands is quite ‘little’ (Peters & Van Zuydam, 2021, p. 6). The few papers that do exist focus mainly on their output and effectiveness in changing policy of municipalities, often in combination with the institutional form they take, and perform this study in a mostly qualitative fashion (Hoekstra, 2013; Castenmiller & Peters, 2014; Lemmens, 2014; Koster & Tollenaar, 2017; Keulen, 2021). In terms of existing research on MAI independence, most attention - though often not the main aim of the study - has been given to politician MAI members, both in academic and policy research focused on the Netherlands (see e.g. Tillema & Ter Bogt, 2010; Van Der Mark, et al., 2011; De Jong, et al., 2013; Castenmiller & Peters, 2014; Van Dam & De Vaan, 2016; Koster & Tollenaar, 2017; Van Den Broek, 2020) and in international academia (Nickell & Roberts, 2014; Thomasson, 2018). Thereby ignoring financial conflicts of interest. And while the number of studies on conflict of interest have been strongly increasing in recent decades (Jafari Nia et al., 2023), the literature on conflicts of interest in the public sector focuses mostly on professionals (see e.g. Villoria-Mendieta, 2006; Slingerland & De Graaf, 2020). Thereby lacking specific research on elected volunteer accountability officeholders and the role of their professional backgrounds such as could be relevant for MAIs in the Netherlands.

It can thus be concluded there is a clear policy and societal relevance of the topic of MAI independence, and a lacuna of structured research into the state of MAI independence that can be filled. Both leading to the central research question: w*hat is the current state of independence of Municipal Audit Institutions in the Netherlands, and how does the recent legal change relate to this?*

To answer this question within a limited earlier body of earlier research an exploratory descriptive research is conducted. First, a framework for assessing independence is built by combining earlier studies, resulting in six dimensions being identified: organisational independence, functional independence, financial independence, ethical and integrity safeguards, expertise, and conflict of interest. The extent to which MAIs in the Netherlands can be said to meet these forms of independence is explored through a mixed-methods primary data collection, document analysis, case descriptions, statistical analysis and interviews. By casting a wide net, this study attempts to gather novel findings and insights on the de jure and de facto way MAIs are organised and staffed in the Netherlands, and the potential implications for the independence of these institutions. Finally, in collecting information on the state of MAI independence, the changes made by the new law are tracked and their potential effect on independence is considered.

Institutional context of Dutch MAI’s

Since municipal audit institutions (MAIs) are a specific and usually not well-known institution, this chapter will first provide some background on their terminology and legal, policy, and governance context in the Netherlands.

Terminology

As stated earlier, this research refers to municipal audit institutions as MAIs. There is, however, no universally used term and meaning for the external public audit institution of a municipal level government. Research (and policy) refers to them in various ways, among which: local or municipal SAI, local or municipal audit institution, decentralised audit institution, local audit bodies, or referencing them based on their governance model such as local court of auditors or as municipal audit committee. To add to the confusion, some authors use the term local and municipal interchangeably, while others use ‘local’ to refer to a provincial/federal/regional level with ‘municipal’ meaning the city administrative level. This is potentially a reflection of a relatively young field of study and the strong heterogeneity in organisational forms and structures between audit institutions of different layers in the regional hierarchy and between different countries.

Furthermore, this study uses many sources in Dutch, whereby one-to-one translations do not always create clear and consistent understanding of the topic. For clarity and consistency, this study will continue using the term ‘MAI’ when referring to the public audit institutions associated with municipalities, even if referenced authors may use different wordings to refer to the same thing. The term ‘local audit institutions’ will be used to denote any sub-national level (municipal, provincial, water board) public auditor. And the term ‘public auditor’ or ‘public auditing institution’ will mostly be used to refer to the general concept of public auditing institutions, although it must be kept in mind that the literature often uses it to refer mainly to the national level public auditor: the supreme audit institution (SAI). Where applicable this study attempts as much as possible to avoid such terminological confusion by providing context.

Legal context

To help contextualise the debate on the independence of MAIs in the Netherlands a brief overview of the legal context and history is in order. This is done to provide relevant context to the following substance of this study.

In the Netherlands, sub-national level public audit institutions (local audit institutions) exist on the level of municipalities, provinces and water boards. Currently, each of these governmental levels formally has to have a local audit institution associated with them. Although much that is written in this study is relevant to the provincial and water board level as well, these will not be included in further discussions since the focus of this research is on the municipal level. The history of most MAIs in the Netherlands starts in 1999, when a state commission on the structure of local democracy concluded that there was an explicit need for a national legal and governance framework for independent MAI institutions (Staatscommissie Dualisme en lokale democratie, 1999). This advice was in many ways followed up in the Law on municipal dualism (Dutch: Wet dualisering gemeentebestuur), that was presented to the parliament on the 31st of May 2001 (Kamerstukken II, 27751, nr. 1, 2001) and implemented the following year.

The Law on municipal dualism originally intended to obligate municipalities to instate an independent MAI. This necessity was substantiated by referring to the benefits for: the strengthening of the city council supervisory function, the strengthening of attention for and control over efficiency and effectiveness, the strengthening of legality and efficiency testing, and the reports of the MAIs would serve as a good basis for rendering account towards citizens (Kamerstukken II, 27751, nr. 3, 2001). Furthermore, it was explicitly mentioned that the MAIs had to be local because it would lead to 'the build-up of knowledge of local circumstances' (Kamerstukken II, 27751, nr. 3, 2001). The above goals and values of independence were deemed important enough to explicitly state that 'the institution of a MAI cannot be allowed to be subject of municipal policy' and that the government 'deems the institution of an independent MAI of such importance that it will revoke the freedom of municipalities to not have one' (Kamerstukken II, 27751, nr. 3, 2001).

However, the Dutch Parliament decided otherwise. They amended the law in order to give municipalities the freedom to determine the specifics of their MAI, in essence introducing the 'MAI-function' (Kamerstukken II, 27751, nr. 56, 2001). The MAI-function permitted municipalities to create a MAI that was not independent of the municipal council, as their members would also be members of the municipal council. In the following years most municipalities chose this form for their MAI (Nijdam & Keulen, 2024). This sparked a twenty-year debate on whether this created the potential for conflict of interest when political MAI members would audit their own and political rivals' policies. With this debate on the independence of MAIs being seen by the government as settled in 2023, by the coming into effect of the 'law on the strengthening of local audit institutions' [Dutch: Wet versterking decentrale rekenkamers], after many years of reports and revisions (Kamerstukken II, 35298, nr. 3, 2019). This Law on the strengthening local auditing institutions will hereafter often simply be referred to as 'the new legal requirement'. The new legal requirement prohibited the MAI-function and thereby mandated that MAIs now had to be independent.

Governance framework

To assist in reading the analysis of MAIs in this study, a brief overview is given of the governance framework of MAIs. As these institutions, their role and workings are likely not well known to many readers, this governance context is provided to help understand further terms, organisations and approaches to the research. This is done in a general sense to assist the reader, but should not be regarded as an analysis by itself.

The MAI is a municipal level institution which scrutinises local policy through auditing it for 'legality, effectiveness and efficiency', to 'strengthen the city council supervisory function' and 'provide the basis to render account to citizens' (Kamerstukken II, 27751, nr. 3, 2001, p. 66). However, in executing this role, 'independence' is seen as 'an essential precondition to the proper functioning of local MAIs' (Kamerstukken II, 27751, nr. 3, 2001, p. 67). Further clarification on the definition and forms of independence follows in the theoretical framework.

The organisational shape of MAIs is generally modelled after either a board or director model (Schaap & Nijdam, 2024). The majority of MAIs have a board model, this includes multiple board members who together run the MAI, this is generally a volunteer position with compensation done ancillary to one's primary profession – unless these members are municipal council member (Schaap & Nijdam, 2024). The directors model includes a single person who oversees the MAI operations (Schaap & Nijdam, 2024), and can also be a fulltime salaried position. This study will refer to the individuals governing the MAI as 'MAI members', irrespective of the specific model. The role of MAI members is to govern the MAI, including such tasks as executing or guiding audits, presenting the finding to and maintaining relations with the municipal council, and other general governing tasks (Van Aelst et al., 2024).

An individual MAI member presides over a single MAI that executes the public auditing duties for a municipality, although these individuals can be a MAI member at multiple different MAIs at the same time. In addition, the standard MAI is connected to and concerned with a single municipality, however, 'shared MAIs' also exist. These shared MAIs exist when multiple municipalities come together to create a single shared MAI which has a single board of MAI members (or director) to perform the auditing responsibilities for each of the associated municipalities (Van Aelst et al., 2024).

Lastly, there is the broader governance framework to consider. MAIs are instituted by their respective municipality (or municipalities in case of a shared MAI), and decisions such as election of members, organisational type, etc. are made by this legislature. However, these local decisions are made within the confines of the options presented in the national legal framework that is mostly consolidated and found within the Dutch Municipality law (Gemeentewet, 2025). The 2023 Law on strengthening local auditing institutions amends this Municipality law to change some of the options municipal councils can choose from. In terms of national policy, MAIs - just as municipalities - are formally under the purview of the Dutch Ministry of the Interior. However, just as with municipalities, the ministry generally takes a more hands off approach.

In addition to the Ministry, there is The Dutch Association of Public Audit Institutions and Audit-functions [Dutch: Nederlandse Vereniging van Rekenkamers en Rekenkamercommissies], which will hereafter be addressed as the ‘NVRR’. This is the professional association for all public audit institutions in the Netherlands, including the different sub-national level audit offices and the national Netherlands Court of Audit (Dutch: Algemene Rekenkamer). Much of the organisation, policy, expertise, etc. surrounding MAIs originates at the NVRR, or has included the participation of this association, and almost all public auditing institutions in the Netherlands are a member (Van Aelst et al., 2024). Thus making them a highly relevant actor in this field. Concluding on a note of clarification: with the introduction of the new legal requirement and the disallowance of the ‘MAI-function’ the term ‘audit-function’ [Dutch: rekenkamercommissie] in the name of the NVRR became irrelevant. In November 2024 they removed this element and changed the name to the Association of Public Audit Institutions [Dutch: De Vereniging van Rekenkamers]. Most relevant sources and discussions related to this organisation are from before the name change, and using two abbreviations to refer to the same organisation may be confusing. Therefore, for the sake of clarity this study will keep referring to this professional association as the NVRR.

Theoretical framework

The goal of this research is to explore the independence of MAIs in the Netherlands and in what ways the new legal requirement ‘Wet versterking decentrale rekenkamers’ may relate to this. To achieve this, the following theoretical framework will define and describe the relevant elements to this question based on the available literature and provide the necessary context for finding and interpreting results. First, MAIs will be situated in the context of the ‘public accountability’ field and the specific subfield of audit institutions. Then, a framework, definition and conceptualisation of independence for audit institutions will be provided. This is followed by a review of the current state of the research relevant to the independence of MAIs. Concluding with specific research questions to be answered and the approach to doing this.

Public accountability and audit institutions

To understand MAIs in the Netherlands, it is first important to place them in the context of public accountability and the broader field of public audit institutions. The concept of accountability is contested; leading to differing definitions and with standards for accountable behaviour that can differ over time, place, personal perspective and role in society (Bovens et al., 2008). However, a widely cited definition perceives it as a “a relationship between an actor and a forum, in which the actor has an obligation to explain and to justify his or her conduct, the forum can pose questions and pass judgement, and the actor may face consequences” (Bovens, 2007, p. 450). Depending on the situation, this relationship between the actor and the forum might be formal or informal whereby the actor being held to account might be anything from an individual official or civil servant to an organisation such as ministry or agency; the forum doing the ‘holding to account’ could range from an individual journalist to a parliament, court or agency (Bovens, 2007, p. 450). Furthermore, this relationship can exist between actors within any number of spheres of society, such as corporations and organisations, but the field of public administration accountability research focuses on governments and public bodies and their accountability relationship in regards to the public (Bovens et al., 2014).

The purpose of such public accountability can, in a general sense, be summed up as follows ‘holding power to account is seen as a central tenet of democratic societies’ (Borowiak, 2011). More precisely, Bovens (2007) identifies three main elements. First, public accountability is a vital element of the democratic process. It allows the people - who are the primary principal in a democracy - a means to monitor and control the conduct of government - which is the agent in a democracy - and gives them information necessary for their role as voters in elections. Second, public accountability plays a role in safeguarding the rule of law and the prevention of abuse of power or corruption. This is achieved through institutional countervailing powers that form checks and balances to the power of the executive.

Third, public accountability can increase the effectiveness of government. By gathering, presenting and judging information on governmental policy success and failure it can instigate a learning process and set norms for good governance.

The form public accountability takes can vary. Accountability forums and their accountability relationships with actors in contemporary Western democratic societies can take many - sometimes overlapping - forms, such as administrative, legal, professional, social, and political accountability (Bovens et al., 2014). Administrative accountability, for example, has an overlap with legal accountability, since many administrative accountability institutions and their functions are legally mandated and cooperation with them can often be legally obligated; yet they differ in that administrative accountability forums do not exclusively focus on legal compliance, but also look at financial and operational efficiency and effectiveness (Wang, 2002). Within administrative accountability, the types of accountability forums one can identify are administrative bodies and regulators such as an ombudsman, a regulatory agency, an inspecting agency, and audit institutions (Bovens et al., 2014).

Audit institutions differentiate themselves from other administrative accountability institutions in their specific way of creating public accountability through inspecting and reporting that "provide[s] an independent assessment of the extent to which public agencies meet acceptable standards of legal, financial, and performance accountability in implementing public programs" (Posner & Shahan, 2014, pp. 489). For most Western developed democracies audit institutions were originally tasked with inspecting and rendering account of the legality of state expenditures, over time this practice evolved to also include auditing of financial control, effectiveness and efficiency, as well as most recently the auditing of policy implementation and effects, known as performance auditing (Dubnick, 2005; Pollitt & Bouckaert, 2011; Posner & Shahan, 2014).

While such an audit can be performed internally, by an in-house department of the actor that is being held to account, the external audit, performed by an independent auditing institution separate from the actor, is generally what is referred to when describing auditing institutions and what is mandated by international treaties (Posner & Shahan, 2014). For public accountability of the national government, such an external audit institution is generally referred to as 'the Supreme Audit Institution' (SAI). The institutional shape of these SAIs varies over place and time, but these institutions are usually run by an elected governing board that presides over a professional organisation conducting the audits, whereby it is possible to identify four main SAI archetypes: 'Government Department, Napoleonic Court of Accounts, Legislative Audit Office, and Collegiate Body' (Posner & Shahan, 2014, pp. 493-502). A more in-depth examination of these types will follow in the chapter on SAI independence below.

With some SAIs tracing their history back hundreds of years, the original purpose of earlier SAIs, as described by Posner & Sahan (2014), was to inspect and render an account of the legality of state expenditures in an annual report. This traditional role had the goal of reducing corruption and increasing compliance with legal authority and creating some regularity. Due to increasing complexity and size of governments after the Second World War, many audit institutions started devolving this task down to local ministries or agencies while primarily keeping oversight of proper financial processes and controls being implemented. This coincided with their own increasing focus on efficiency of public expenditures. From the 1960's onwards, effectiveness increasingly came to be considered by SAIs, thereby adding to the inspection of legality and the financial aspects of national policy by also auditing their implementation and effects (Posner & Shahan, 2014).

This process accelerated with the rise of New Public Management (NPM) and its concerns for accountability and performance management (Pollitt et al., 1999; Dubnick, 2005; Pollitt & Bouckaert, 2011). This combination of inspection tasks - concerning legality, effectiveness, and efficiency - is now known as 'performance auditing' and is seen as the most advanced form of public sector auditing and the standard for SAIs (Pollitt & Bouckaert, 2011). Performance auditing in essence combines the basic financial and compliance audit - which checks legality and procedural correctness of public expenditures - with the second development stage of the audit which inspects mostly financial performance – 'was the money spent effectively and economically' - while adding non-financial performance indicators to the audit - such as did the policy satisfy citizens - (Dubnick, 2005; Pollitt & Bouckaert, 2011), thereby creating public accountability (Suzuki, 2004).

As a note for clarity: public auditing institutions, such as the SAI, are similar to but distinct from auditors of private companies, both in terms of objective, form and activities; most auditors of private companies, for example, do not work on performance audits (Pollitt et al., 1999).

Independence of public audit institutions

Having described the public accountability field that audit institutions belong to, we turn to what makes them effective organisations in holding actors to account. Here, however, we find that there is no consensus in the literature on what makes an audit institution effective, nor how to define and operationalise this (Pollitt & Summa, 1997; Van Loocke & Put, 2011; Gustavson & Sundström, 2018; Johnsen et al., 2019: Caruana & Kowalczyk, 2021). In addition, many argue there is a lack of comparable, unified and structured research into the performance auditing these institutions conduct (Weets, 2008; Van Loocke & Put, 2011; Bonollo, 2019). There is, however, broad consensus that a primary condition for the effective functioning of audit institutions is the overarching concept of 'independence'; both from an academic perspective (Pollitt et al., 1999; Gendron, et al., 2001; Posner & Shahan, 2014; Gustavson & Sundström, 2018; Pierre & De Fine Licht, 2019), as well as in the international policy sphere (Dye & Stapenhurst, 1998; Fiedler, 2004). Making independence a fitting central pillar for exploring the state of MAIs in the Netherlands.

As a practical note: the vast majority of the research on the independence of audit institutions is focused at the national level of supreme audit institutions (SAIs) and these institutions below to the same family of public auditing institutions. Therefore, it will be mostly SAI literature, that informs the basis of the theoretical framework that is applied to municipal audit institutions (MAIs). More on this choice can be found in the subchapter on 'literature on MAIs' below. In addition, the adaptations of the literature from SAI to MAI that are necessary to arrive at a relevant operationalisation are described in the chapter on methodology.

Independence is a multidimensional concept and can have varying definitions, but in essence it can be defined as the auditing institution being free of undue influence from those they are holding to account (Gustavson & Sundström, 2018). There are almost 200 SAIs in the world, with each of them facing different "political, social, cultural, and economic conditions" (Caruana & Kowalczyk, 2021, p. 2) leading to each institution and the precise form of their independence being unique in some way. There have been, however, different attempts to categorize them according to common denominators of independence. A typology of SAI institutional forms by Posner & Shahan, based on the widely used World Bank categorisation (Stapenhurst & Titsworth, 2001), identifies four archetypes - Government Department, Napoleonic Court of Accounts, Legislative Audit Office, and Collegiate Body - and classifies these institutions on a quadrant in regards to the actor they hold to account: from high to low external influence and a high to low degree of professional autonomy (2014, pp. 493-502).

While this is a neat categorisation, different dimensions of independence can however also be seen to interact and not have clear boundaries between them (Pollitt, 1999). To picture the varying dimensions of independence, it may thus be more helpful to think of this as a gradient running through a micro-, meso-, and macro level approaches which can all interact and overlap (Van Loocke and Put, 2011). While there are no sharp boundaries between these, the micro level factors are more focused on factors specific to the individuals conducting the audit, the meso level factors are more focused on characteristics of the audit institution, and macro level factors are concerned more with the "politico-institutional context" (Van Loocke & Put, 2011, p. 193).

On the more meso to macro side of the spectrum, the research is more focused on institutional factors and characteristics of audit institutions, such as the strength of their legal mandate, operational capacity, adequate level of financing, institutional shape, operational autonomy, and standards (Dye & Stapenhurst, 1998; Blume & Voigt, 2011; Posner & Shahan, 2014; Wille & Bovens, 2022; Pierre & De Fine Licht, 2019). These elements of independence can be grouped along the lines of organisational-, functional-, and financial independence (Fiedler, 2004), with this grouping framework, or elements thereof, often being referenced or applied (Grasso, & Sharkansky, 2001; Posner & Shahan, 2014; Isaksson & Bigsten, 2012; Blume & Voigt, 2011; Serowaniec, 2019) or similar but differently worded concepts being used (Maggetti, 2007; Wonka & Rittberger, 2010; Wille & Bovens, 2022), thereby showing its relevance. In addition to these three elements of independence, following the The International Organisation of Supreme Audit Institutions (INTOSAI) standards is seen as “the ultimate proof of the quality and professionalism for SAIs” (Pierre & De Fine Licht, 2019, p. 228). Standards are a vital part of understanding the functioning of institutions in modern society (Brunsson & Jacobsson, 2002) and research on regulating agencies shows they can have some relation to the level of independence (Meghani & Kuzma, 2011; Lexchin & O’Donovan, 2010; Mattera, 2004; Glode, 2002). As such ethical and integrity standards and safeguards also form an element of this more meso to macro independence, and will be included.

A potential drawback to the more meso to macro approach is that its indicators are often based on ‘de jure’ foundations of SAIs, while their ‘de facto’ situation might be different and can lead to different outcomes and to what extent these institutional factors are impactful on SAI outcomes (Blume & Voigt, 2011; Bostan et al., 2021). Research has found differences in the legally mandated independence of SAIs and the real-world execution thereof, it is therefore that legally allocated independence can be seen as a necessary but not a sufficient condition for independence, and attention must also go to the actual implementation (Blume & Voigt, 2011; Torres, Yetano & Pina, 2019). Therefore, ideally both de jure and de facto independence would be studied. However, research into other accountability institutions has used formal independence to study or predict actual independence (Ennser-Jedenastik, 2015; Hanretty & Koop, 2013), albeit others find that such links can be quite weak and circumstantial (Maggetti, 2007). In sum, it may be relevant to attempt to discern the difference between observing formal independence and actual independence.

On the more micro and meso side of the spectrum, we find more relational factors concerned with the individual auditor, their characteristics and relation to the auditee (Weets, 2011). Examples of such research look at the role of the relationship between the auditee and the public auditor, the auditor staff composition, the level and specificity of auditor expertise, and the perception of credibility of the auditors (Langella et al., 2021; Desmedt et al., 2017; Raudla et al., 2016; Reichborn-Kjennerud, 2013; Gendron et al., 2007; Thatcher, 2005; Morin, 2001). While not specific to the public auditing research field, the broader public administration and private sector accountants research that studies potential conflict of interest for individuals within public organisations would also fit this more micro to meso approach (Jafari Nia et al., 2023; Ishaque, 2021; Slingerland & De Graaf, 2020; Spence, 2004). With a potential drawback to this more micro to meso approach being that its findings can be quite specific, contingent, or subjective making quantitative comparisons more difficult (Raudla et al., 2016; Desmedt et al., 2017).

While all forms of independence can be interpreted in different ways and are seen as interrelated, for the purpose of structure, this study will hereafter interpret this micro, meso, macro spectrum as dichotomous: classifying the more institutional factors relevant to MAIs as an organisation as macro, and the more individual factors relevant to the MAI auditors as micro. Following this dichotomy, the macro elements of independence will be approached by taking the audit institution and their characteristics as the analytical level; found below on the under the headings of 'organisational independence', 'functional independence', 'financial independence', and 'ethical and integrity safeguards'. The more micro elements of independence will take the individual auditors and their characteristics as the analytical level; found below under the headings of 'expertise' and 'conflict of interest'. Combining elements of both theoretical approaches fits the exploratory nature of this study and should aid in achieving the overall research objective.

Organisational independence

Organisational independence refers to the SAI as an accountability forum, and the members that govern them, being organisationally external to- and free from undue influence from the actor they are holding to account (Fiedler, 2004, p. 109-110). The most basic element of organisational independence is the independence of the public auditor from different branches of the government that they are auditing, forming in essence a precondition to the other elements of independence: "If there is no separation between the oversight mechanism and the public administration that is subjected to control, the oversight mechanism would instead work primarily as a self-evaluation function" (Gustavson & Sundström, 2018). Such a self-evaluation function can also be called 'internal auditing', which can aid in internal management and control, but negatively affects audit quality and credibility (Clark et al., 2007) and is not viewed as an independent assessment to create public accountability by a SAI (Posner & Shahan, 2014). Thus, it can be said that SAI independence from other branches of the government is a necessary, although not sufficient, condition for organisational independence.

To prevent the executive from influencing the SAI and its operations or simply abolishing this institution, it is widely seen as important that there are strong guarantees and safeguards put in place to protect the existence of the SAI, the unfettered execution of its duties, and the independence of its governing members and their appointment, staff, operational decisions and financing; these elements together form a legal and regulatory framework that is called the 'SAI mandate' (Dye & Stapenhurst, 1998; Fiedler, 2004; Blume & Voigt, 2011). This framework is seen as an important aspect to studying SAIs and their functioning as they "cannot be understood without departing from its formal legal and constitutional framework" (Pierre & De Fine Licht, 2019, p. 232).

To safeguard organisational independence, a SAI should have a strong legal basis and protection of its existence, which is at least written in law, and ideally as part of the constitution so that it cannot easily be changed by the audit subjects (Bovens & Wille, 2021). This legal basis should also include a clear scope of what topics the SAI can audit and the information it is allowed to access or request, both of which ideally have as little limitations as possible (English & Guthrie, 2000; Bovens & Wille, 2021; Blume & Voigt, 2011; Smith et al. 2021). This importance of a strong mandate and powers shows itself, for example in a study of 94 SAIs, where Zuccolotto and Teixeira found lower corruption and more transparency when the SAI has "greater independence and greater constitutionally defined power [because] it can act on the basis of interests that are different from those of the executive, thus reducing conflicts of interest between those who govern and those who are governed" (2014, p. 92). A SAI should have operational autonomy enshrined in the mandate, this includes that it is free to make staffing decisions and have functional and financial independence (the latter two are discussed further below). The right to hire and fire employees is seen as an important element to operational independence as the SAI should be able to control their own organisation and hire or contract out the appropriate expertise, which has become more important due to the increasing diversity of skills needed to execute performance audits (Dye & Stapenhurst, 1998; Lonsdale, 2008; Isaksson & Bigsten, 2012).

In addition to a strong mandate, the SAI should be a professional organisation governed by an elected board that is independent. The appointment procedure of these board members should be rigorous and the government should not be allowed to simply appoint friends of the executive (Blume & Voigt 2011, p. 219), with the board ideally being "appointed by Parliament on the basis of a nomination by an independent committee" (Bovens & Wille, 2021, p. 874). However, it is not uncommon to see more political appointees, even in countries such as The Netherlands, whose SAI is seen as approaching closely to the ideal SAI type (Pollitt, 1999; Posner & Shahan, 2014). A longer elected period of SAI governing members is associated with better outcomes (Bostan et al., 2021), with six-year or life-long terms being seen as preferred (Blume & Voigt 2011; Posner & Shahan, 2014), although Schelker does find that term limits lead to better SAI performance (2012).

Functional independence

Functional independence entails that SAIs should, without interference or influence from others, be able to execute their duties (Fiedler, 2004, p. 111). Studies point to the importance of conditions that can be seen to fall under the concept of functional independence, but often use different wordings such as "autonomy" (Pierre & De Fine Licht, 2019), "agenda setting autonomy" (Bovens & Wille, 2021), or 'discretion to decide on activities' (Wonka & Rittberger, 2010). The primary elements that make up functional independence are the freedom from interference when determining the design and topics of audits, the choice in audit subject and topic, and the content, presentation and timing of audit reports

(Fiedler, 2004, p. 111). Furthermore, SAIs should have sufficient legal protection when the government wants to prevent an audit (Fiedler, 2004, p. 111), have the discretion to investigate anything that falls within its mandate (Wonka & Rittberger, 2010), have the ability to decide what topics to investigate without being limited to external requests (Bovens & Wille, 2021), and should be free from both undue influence from both their auditee - "regulatory capture" - and undue influence by the prevailing thought - "systemic capture" - (Pierre & De Fine Licht, 2019, pp. 228-229). This brings to the fore two discussions surrounding the functional independence of audit institutions, concerning the relation to the executive and concerning the independence in relation to the private sector.

Concerning the relation between the public auditor and the executive, there is a certain internal tension and nuance that has to be taken into account when considering the level of functional independence. While on the one hand, a SAI with too little discretion in the execution of their audit duties can be seen as a political tool of the executive or legislative powers, on the other hand, a SAI whose performance reporting is not seen as relevant and whose recommendations are not implemented is also not effectively holding power to account, therefore SAIs constantly have to strike a balance between independence and impact (Posner & Shahan, 2014; Pierre & De Fine Licht, 2019). For that reason, there has been an increase in SAIs (informally) consulting government departments on issues such as relevance, timing, and appropriateness to ensure relevance and accuracy of their performance reporting (Lonsdale, 2008). Furthermore, a convention has arisen that public audit subjects can comment on draft reports to ensure accuracy, and the auditing institutions can be more and more seen to try to maintain good relations and dialogue with government departments to safeguard cooperation with their audits and implementation of their recommendations (Sharma, 2007; Pierre & De Fine Licht, 2019). However, by venturing too far into the realm of cooperation, SAIs can lose credibility by being seen as 'lap dogs' instead of watch dogs (Kells, 2011), or losing independence by acting too much as 'consultants' assisting management instead of accountability forums holding the executive to account (Gendron, Cooper & Townley, 2001). In sum, the SAI should have formal functional independence without cooperation with the executive being required, however, it is expected to find some form of cooperation to increase effectiveness.

While the functional independence of the SAI is usually described in relation to the executive, the second discussion relates to the finding that public accountability actors should take care to safeguard their independence in relation to the private sector and sectors that are targeted by the government regulation they oversee (Maggetti & Verhoest, 2014). Their functional independence may be affected both through direct dependence on external expertise and indirect systemic capture, both affecting their professional autonomy.

In a direct way, hiring consultants for performance auditing can create a dependency on external expertise. While having external expertise is seen as preferable to a complete lack of expertise, to build up the capacity of the audit institution the SAI should not be remain dependent on external support and expertise (Isaksson & Bigsten, 2012). In that light, government advisory bodies in the Netherlands warn of a trend of loss of competency through external hiring of expertise and absence of internal build-up of knowledge and skills and leading to a loss in effectiveness and credibility (‘t Hart et al., 2023; Raad voor het Openbaar Bestuur, 2022). In addition, externally hiring auditors may create a conflict of interest as “independence is compromised when an auditor hopes to develop job opportunities with the audited firm” (Moore et al., 2006, p. 16). This form of conflict of interest is a well-known and long running phenomenon in the private auditing sector where a firm might offer both auditing and consulting services (Ishaque, 2021; Goldman, & Barlev, 1974). In essence, this conflict of interest presents itself in the possibility that the auditing role is curtailed to not endanger the more financially lucrative consulting operations and future contracts (Spence, 2004). In theory, a consultant will need to find further contracts after, or during, the performance audit they were hired to do for the SAI, giving them an incentive to hold punches or perform more of a ‘management consultancy style’ audit, leading to the SAI ending up as ‘lap dog’ instead of watch dog (Kells, 2011). The extent of influence on policy and outcomes is usually not tracked and so can be hard to estimate (Van den Berg et al., 2019, p. 229), leading to many calls for further research towards the scope and shape of the effect external hiring (Halligan, 1995; Kipping & Clark, 2012; Ylönen & Kuusela, 2019). However, there is reason to believe this is a relevant topic for MAIs and specifically in the Netherlands. One of the findings of a study of MAIs in Scandinavia is the hiring of external expertise and private auditing firms to perform public audits (Johnsen et al., 2001), making this a relevant avenue to further explore in MAI research. Specifically for the Netherlands, the use of external hiring by public organisations is seen as relatively high in general (Van den Berg, et al., 2019), thus increasing the relevance of this functional independence of expertise, specifically for local public institutions in the Netherlands.

In an indirect way, SAIs hiring consultants, in general or on a specific project, might risk their functional independence as they could expose themselves to systemic capture. Systemic capture - as defined by Pierre & De Fine Licht - is when a SAI becomes captured by a “reform agenda in vogue among actors in parliament, government or central agencies, making the SAI an instrument for political interests” (2019, pp. 228-229), thus being less autonomous in the execution of their tasks. Following the logic of Pierre & De Fine Licht, this research proposes an addition to that definition: a SAI could also become an instrument of ‘economic’ interests if they become captured by a reform agenda in vogue among ‘economic actors’. Such a reform agenda could potentially be found in New Public Management (NPM). The prevalence of SAI performance reporting has increased through the spread of NPM, conversely, SAIs are seen to be adopting and promoting NPM based views on public management reforms (Pollitt et al., 1999; Pollitt & Summa, 1997; Azuma, 2003). The degree to which they have adopted these thoughts differs from country to country (Pollitt & Summa, 1997), with the SAI in some countries resisting NPM reforms (Jantz, Reichborn-Kjennerud, & Vrangbaek, 2015). However, since the late 1980's, NPM has found fertile ground in Dutch policy and institutions (Hood, 1995; Pollitt & Bouckaert, 2011). Making this a relevant avenue of functional independence to explore for audit institutions in the Netherlands.

One of the core principles of NPM includes the increase of contracting out of work and the external hiring of expertise and consultants, arguing that it allows governments to become more efficient by hiring specific labour and expertise only when it is required, thus cutting back on their overall spending (Gruening, 2001; Lapsley, 2009; Kipping & Clark, 2012). There is then possibility of such consultants not criticising an excessive use of consultants, or even arguing for the increased hiring of consultants, as these consultants might adhere to the principles of NPM. A similar process has already been identified for independent regulatory agencies being captured by consultants or private interests (Thatcher, 2005; Shapiro, 2012; Maggetti & Verhoest, 2014) and for public administrations in general (Sturdy, et al., 2022; Mazzucato & Collington, 2023). It MAI thus be relevant to explore to what extent MAIs have been captured by private interests or are dependent on the use of consultants.

Specifically for public auditing institutions there is limited research on this topic. However, a study of four Swedish local auditors tangentially found that "reviews of municipal policy are being partly developed from a market perspective" as all of them hired private "professional auditors [...] to do the actual auditing" (Hanberger, 2009, p. 14), showing this to be a topic worth exploring further, while also being a valuable addition to the existing body of research. Such economic systemic capture could then potentially be observed through an increase of external hiring or a relaxing of regulation on external hiring. For example, in the United States, Clark argues that "The government contracts out so much of its work, that it even contacts out the contracting-out function: advising the government on how to deal with other contractors" (2011, p. 967). This process she calls "meta-contracting" (not to be confused with subcontracting) can see contractors decide, as part of the government, on such issues as hiring, managing and evaluating of other contractors (Clark, 2011, pp. 967-968). And concerning standards, the performance audit of SAIs play an increasing role in "wider policy debates, provide policy advice to governments and give guidance about how public administration can improve its work" (Raudla et al., 2016, p. 218), can "lead to changes in [...] public administration" (Reichborn-Kjennerud & Johnsen, 2018, p. 1440), and SAIs play an increasingly influential role as standard setters (Brunsson & Jacobsson, 2002; Cornelissen & van de Walle, 2014). With at the same time there being observed a relatively large and increasing role that consultants play in the production, spread and implementation of these standards (Brunsson & Jacobsson, 2002). Exploring the standards MAIs set surrounding external hiring and the practice of contracting and meta contracting could give insight on the presence of economic systemic capture, while at the same time adding to the literature on functional independence of audit institutions the insights on external hiring by regulatory agencies.

Financial independence

Financial independence refers to SAIs having adequate and stable funding to exercise their duties and discretion in the use of these funds (Fiedler, 2004). Elements that make up this financial independence are that SAIs are “provided with the financial means to enable them to accomplish their tasks” while “specifying the funds earmarked for them in the public budget” for both symbolic independence and so that it can “implement its budget without having to obtain the approval of the executive powers” (Fiedler, 2004, pp. 111-112).

Academic research points to elements of financial independence that are important for administrative accountability institutions in general, or SAIs specifically (Wonka & Rittberger, 2010; Blume & Voigt, 2011; Bovens & Wille, 2021). To safeguard financial independence audit institution budgets should be adequate to execute its mandate, whereby one can for example compare the ratio between the auditor’s budget and that of the executive it is auditing (Bovens & Wille, 2021). Here researchers find large differences in SAI funding, both in absolute terms, country size and per capita (Blume & Voigt, 2011; Cordery & Hay, 2021) that have as of yet not been causally explained (Bostan et al., 2021). Evidence from the private sector auditing sector points to a positive relation between higher funding and larger auditor organisations and the quality of the audit (DeAngelo, 1981).

Another element of financial independence is autonomy in decision making on how and when to spend their financing. A specific threat to SAI financial independence to look out for is the retaliatory budget cut, or threat thereof, by the executive, which can influence the SAI reporting (Isaksson & Bigsten, 2012). However, while it is clear that the SAI budget should not be used to influence their functioning and actions, it should be noted that in a democracy any public organisation is always at least dependent on the legislature to provide them with adequate funding, with the mandate and legal protections ideally preventing undue influence (Grasso, & Sharkansky, 2001; Fiedler, 2004).

Ethical and integrity safeguards

The final element of macro level independence addressed in this theoretical framework is that of ethical and integrity safeguards. Such safeguards can come in the form of standards, regulations and codes of ethics that define and set norms for behaviour that is seen as correct, moral and with integrity (Huberts, 2018; Menzel, 2015), with auditor independence being “increasingly seen as an object that can be regulated (or self regulated) through standards promulgated in codes of ethics” (Gendron et al., 2006, p. 171). The goal of ethical and integrity safeguards of institutions can be summed up as playing a “meaningful role in the development of ethical competence” in the professionals doing the work (Meine & Dunn, 2013, p. 164). While there is much debate on the precise shape and effect of this ethical competence, in essence this entails creating awareness and recognition of ethical dilemmas, knowledge to judge right and wrong behaviour, and motivation and determination to perform the right behaviour in professionals (De Schrijver & Maesschalck, 2013). This is also specifically relevant to the prevention of conflict of interest as a form of ethical and integrity risk, as "conflict of interest is not necessarily manifested in improper motives, but in failing to recognise conflicts or acting in disregard of them" (Davids, 2008, p. 6). Taken together, safeguards can not only help guard against biased decisions, and thus worse outcomes, but also to preserve the credibility of an organisation (Davids, 2008; Boyce & Davids, 2009; Thompson, 1993). The latter is seen as important since credibility is an important variable that influences the likelihood that policymakers will apply the findings of an evaluation (Leviton & Hughes, 1981). It can thus be seen as a relevant factor towards safeguarding audit institution independence and preventing conflict of interest. While the scope of these safeguards can encompass many topics, "Conflict of interest is one of the most common forms of unethical conduct in the public service" (Kernaghan & Langford, 1990, p. 133), and this study is primarily interested in the ethical and integrity safeguards in relation to preventing conflict of interest. Therefore, the focus will be put on safeguards that are related to conflict of interest, as they also stand in relation to the chapter on conflict of interest further below. This will be done by first examining the academic literature thereon, followed by the INTOSAI standards set out by the public auditors themselves.

Looking at the academic work on prevention of conflict of interest in SAIs, the available material is quite limited. A tangential mention being found in a paper on the Botswana SAI which put importance on there being "no conflict of interest" although "to date, there is no evidence to suggest that this has been violated" and no further standards are presented (Lekorwe, 2008, p. 17). Thus, the focus on conflict of interest safeguards can be seen to fill a lacuna in the research on public audit institutions. Turning to research on independent regulatory agencies, more has been written. Studies suggest there to be conflicts of interest for some of these institutions and their staff, for example through a revolving door effect between industry and these regulators (Meghani & Kuzma, 2011; Mattera, 2004), through the use of outside experts (Glode, 2002), or through the attempt to manage instead of prohibit conflict of interest (Lexchin & O'Donovan, 2010). This body of work gives a starting point for finding the specific methods and standards to safeguards in relation to conflict of interest.

Ethical and integrity safeguards can be seen as a relevant topic, as a preventative approach to conflict of interest in the public sector is generally regarded as the most effective (Boyce & Davids, 2009). The prevention of such conflict of interest can be done in a wide array of methods (Demmke, et al., 2008) and for the prevention of conflict of interest the public governance literature points to multiple options, as described by Jafari Nia et al (2023, p. 514), including: training, transparency, and regulatory actions such as a "ban of secondary employment [and] ban of revolving door". Training can reduce an official's likelihood of conflict of interest through recognising such situations, as it is not a given that professionals recognize this (Di Carlo, 2013; Moore et al., 2006). Transparency is seen as a necessary element of the prevention of conflict of interest, and can be achieved through conflict of interest declarations and openness on interests (Bélisle-Pipon et al., 2018). Although it should be noted that private sector auditing research found negative effects of disclosure of conflict of interest which could "further bias advice" (Cain, Loewenstein, & Moore, 2005, p. 119). Regulation of the types and specifics of secondary employment and paid and unpaid activities, as well as regulations on 'post employment' or the revolving door, can reduce conflict of interest (Clark, 2001), although doing this in an adequate way can be complex (Mulgan, 2021). While it is not seen as a panacea, research on the private auditing sector also suggests that regulation, standards, and professional training could reduce conflict of interest (Nelson, 2006; Clements, Neill, & Stovall, 2012), although there are some that are critical of this approach altogether, arguing "merely prescribing more rules in the professional code of ethics will fail to achieve actual and perceived auditor independence" (Windsor & Warming-Rasmussen, 2009, p. 285).

Looking at the framework and standards set by INTOSAI for SAIs, they insist on the use of safeguards to achieve independence, stating that a "SAI should use [...] a code of ethics, based on official documents of INTOSAI, International Federation of Accountants, or other recognized standard-setting bodies" (INTOSAI, 2018, p. 10). This INTOSAI code of ethics (INTOSAI, 2019), the mentions of 'conflict(s) of interest' are "*This includes recognising ethics as a criterion in recruitment, performance appraisal and professional development. It also implies recognising good ethical behaviour and applying safeguards to specific risks, such as those arising from conflicts of interests or confidentiality issues.*" (p. 11), and "[...] *SAI is responsible for implementing independence and objectivity related controls such as* [...] *declarations of interests and conflicts of interest to help identify and mitigate threats to independence* [and] *policies and procedures to address threats, such as removing an individual with a conflict of interest from the audit team, or reviewing any significant judgements made by that individual while on the team*" (p. 17). Furthermore, there is a relevant section on 'personal interests' that indicates that the staff of a SAI, which encompasses the whole SAI organisation including the governing members and employees, might have their independence and objectivity impaired if they are responsible for audits "the outcome of which can have an impact on the financial or other interest of that individual" (INTOSAI, 2019, p. 20). Finally, SAIs are encouraged to maintain "registers to track interests, gifts and hospitality", conduct "self-assessment", and establish "policies on ethical misconduct and whistle-blowing" (INTOSAI, 2019, p. 11). In conclusion, from the above INTOSAI guidelines, combined with the academic literature, we find that ethical and integrity standards, as they relate to conflict of interest, consist of elements such as regulations, standards, enforcement, training, and transparency.

Expertise

Turning to the more micro factors concerning the individual auditors, there is broad academic consensus that expertise of auditors is important for the effective functioning and legitimacy of audit institutions (Boyne et al., 2002; Gendron et al., 2007; Alwardat, 2010; Hudiwinarsih, 2010; Gustavson & Sundström, 2018; Langella et al., 2021). Even the INTOSAI motto - "Experientia Mutua Omnibus Prodest" meaning 'Mutual Experience Benefits All' - references the importance of experience and its Lima Declaration states that SAI staff and governing members should have "above-average knowledge and skills and adequate professional experience" (INTOSAI, 1977, p. 12). Having staff with expertise and professionalism can help SAIs in the independent execution of their duties, and also increases their legitimacy as standard setter, thus giving their reports more weight and increasing effectiveness (Gustavson & Sundström, 2018). Better audit outcomes are for example linked to auditees having a higher perception of expertise of the auditor (Morin, 2008; Raudla et al., 2016). However, government advisory bodies in the Netherlands write of waning authority and competency of all levels of government, due in part to a decline in perceived and actual expertise ('t Hart et al., 2023; Raad voor het Openbaar Bestuur, 2022). Such a lack of expertise might threaten the independence of SAIs, making this a relevant element of independence to give specific attention to the level of expertise of public auditors.

Expertise is a contentious concept without a unified definition and operationalisation (Farrington-Darby & Wilson, 2006), and audit institution expertise can also be studied and conceptualised in many different ways (Bedard, 1989). Many definitions related to auditing, however, include qualities that can be summed up as competence, experience, and professionalism and independence (Gustavson & Sundström, 2018; Kusumawati & Syamsuddin, 2018; Isaksson & Bigsten, 2012; Hudiwinarsih, 2010; Boyne et al., 2002). These concepts will be examined below.

Competence of auditors comes from these individuals having the relevant education, skills and knowledge to perform their duties. Research has pointed to an adequate level of education and training to be a relevant element to auditor functioning (Gustavson 2014; Isaksson and Bigsten 2012). For example, adequate levels of education and years of relevant work experience are linked to lower public debt and expenditures (Schelker, 2012), the appropriate education and qualifications of public auditors is found to have to largest effect on the reduction of corruption in an expert survey of 122 countries (Gustavson & Sundström, 2018). While conversely researchers have found that lack of education and specific training can form constraints on the capacity of SAIs to effectively perform their tasks for poorer countries (Gustavson 2014; Isaksson and Bigsten 2012). But competence is not limited to qualifications and training, as others point to the importance of soft skills and sector specific experience for public auditing. Alwardat (2010) finds that specific intangible 'soft' skills and experience are perceived by public and private auditors in the United Kingdom as required for the complex and diverse task of public sector performance auditing, aside from the tangible 'hard' general auditing competency. This includes an adequate level of understanding of the functioning of public sector organisations that is seen to be most effectively gained from having worked in the public sector (Alwardat, 2010). Others also argue that auditors require a significant understanding of the technical and managerial workings of public sectors they investigate for their recommendations to lead to improvements (Boyne et al., 2002). So too a study shows the importance of supplementing general knowledge of the public audit process and substance with specific or technical knowledge of the sector of their auditee (Langella et al., 2021, p. 473). Thus, it can be said that general education and specific skills are seen as important for competence.

Experience is seen as an important quality for public auditors to have. Bostan et al. (2021) find that more general years of experience increase SAI performance, however, other more specific research would indicate that general years of auditing experience does not automatically translate to better auditing outcomes but that specific sector experience has a greater impact on expertise (Ashton, 1991; Bonner & Lewis, 1990). The specificity of this experience is often reiterated, as public auditors require significant understanding of the technical and managerial workings of public sectors, they investigate for their recommendations to lead to improvements (Langella et al., 2021; Boyne et al., 2002), which is seen to be most effectively gained from having experience working in the public sector (Alwardat, 2010).

Lastly, there is professionalism and independence of auditors. A profession can be seen as a claim to particular knowledge that is structurally controlled through forms of organisation (Abbott, 1988). This control can exist in the form of control over who can enter the profession, for example requiring a certain educational level or the passing of entrance examination, and a form of control over the execution of the profession, this can happen through norms such as standards, and guidelines (Bédard, 1989). Or in another words: "professionalism is signified by common occupational norms, high internal demands for quality, a common educational background, highly specialized work tasks based on objective standards, and extensive autonomy" (Ahlbäck Öberg & Bringselius, 2015, p. 502). Following these professional norms increases the trust in auditor's competency (Gustavson & Rothstein, 2013) and helps safeguard auditor independence and competency (Percy, 2001).

In the above elements, two points of tension to be found between expertise and independence. Firstly, the competency requirements raise a point of tension with the executive, since public auditors have competency requirements that are quite specific to both performance auditing and public service (Pollitt et al., 1999) which are most effectively gained through experience working in the public sector (Alwardat, 2010). It is then often the case for such institutions that "staff are drawn from government departments and sometimes return to departments." (Thatcher, 2005, p. 365). This could cause a revolving door effect between the public sector and public audit institutions, where auditors are too understanding and connected to the actor they should be holding to account (Pierre & De Fine Licht, 2019; Kells, 2011). Thus, to safeguard independence from the executive, staff should ideally not be dependent on the government for their career (Pollitt et al., 1999). Secondly, while experience improves public audit outcomes, private sector auditing research also shows that "auditor independence and the quality of auditing decisions deteriorate over time as the auditor-client relationship lengthens" (Moore et al., 2006, p. 16), which would be in line with findings by Schelker that term limits lead to better SAI performance (Schelker, 2012). While the audit institution as a whole might not be able to switch clients, since it is always auditing the government, it might then be preferable for individual board members or staff to periodically switch the specific government sub entity they are auditing or have term-limits. Concludingly, while more competence and expertise are generally better, it is relevant to observe the origin of this expertise and extent of the experience.

Conflict of Interest

As described above, it is seen as important for audit institutions to be independent from the executive and legislative powers as well as from private actors. While there is a body of work on this independence from an institutional perspective, the specific research on conflict of interest for SAIs and MAIs, is scarce. This is surprising when it has been said about auditors in the private sector that "professionals are often unaware of how morally compromised they have become by conflicts of interest" (Moore et al., 2006, p. 10). But also for the public sector as a whole, of which public auditing institutions are a part, some have stated that "Conflict of interest is one of the most common forms of unethical conduct in the public service" (Kernaghan & Langford, 1990, p. 133). However, even when broadening the search, it can be said that there are only a "small number of conflict of interest studies in Public Administration and [a] dearth of theoretical studies" (Jafari Nia et al., 2023, p. 508). While this lacuna does increase the relevance of this study, unfortunately, a workable definition of conflict of interest and analysis of the current literature will be mostly based on fields related to SAIs, such as public governance, administrative accountability institutions and private sector auditing as well as the healthcare field where a significant part of conflict of interest studies can be found. The following subsections describe the definition of conflict of interest and its relevance to this study, thereby building a framework to study the occurrence of conflict of interest in MAIs.

The definition of conflict of interest has a long history of legal and philosophical debates (see e.g. Luebke, 1987; Davis, 1993; Brody, 2011), is contested, and constantly evolving (Demmke, et al., 2008; Jafari Nia et al., 2023). This evolution in definition can be seen as originally "conflict of interest in the public sector was not conceptually distinguished from corruption" (Davids, 2008, p. 4). So too the change in understanding of this topic becomes clear from historical observation, as “previously acceptable conduct [...] is now deemed unethical, and previously unethical conduct is now deemed criminal” (Johnston, 1997, p. 16). Modern definitions of conflict of interest often include some form of tension between the private interest of a public servant and their public responsibilities (Boyce & Davids, 2009). However, a definition constructed by The Organisation for Economic Co-operation and Development (OECD) is often referenced (e.g. Jafari Nia et al., 2023; Di Carlo, 2013; Boyce & Davids, 2009), and suffices for practical purposes by defining the topic as: “A conflict of interest involves a conflict between the public duty and the private interest of a public official, in which the official’s private-capacity interest could improperly influence the performance of their official duties and responsibilities” (Bertók, 2003, p. 13). The operative word here is ‘could’, implying that there does not actually have to be private gain but simply the possibility thereof. This then also distinguishes conflict of interest from corruption, as the latter can be seen as the actual improper materialisation of personal gain at the cost of the public good (Spence, 2004). In a simplified form the relation of these concepts can be understood as conflict of interest creating the possibility of corruption, without implying a judgement on the actual presence of the latter.

A conflict of interest can express itself in either an ‘actual’, ‘apparent’, or ‘potential’ conflict of interest (Di Carlo, 2013; Bertók, 2003). An ‘actual’ conflict of interest is found when the instance of conflict conforms to the full OECD definition as stated above (Bertók, 2003). An apparent conflict is present when it “appears that a public official’s private interests could improperly influence the performance of their duties but this is not in fact the case” (Bertók, 2003, p. 24). This then puts heavy emphasis on the perception of a conflict of interest. The final category - ‘potential’ - describes a situation where a “public official has private interests which are such that a conflict of interest would arise if the official were to become involved in relevant (i.e. conflicting) official responsibilities in the future” (Bertók, 2003, p. 24).

The OECD states that these conflicts can be identified on the basis of a “reasonable person who is in possession of the relevant facts would be likely to think that the organisation’s integrity was at risk from an unresolved conflict of interest” (Bertók, 2003, p. 32). This leaves room for interpretation in individual cases and shows the difficulty in forming a strict one-size-fits-all definition and application of the concept of conflict of interest. Furthermore, academic studies point out that conflict of interest can take the form of problematic situations, problematic actions, or the perception of either (Boyce & Davids, 2009). This raises the problem that conflict of interest is deemed present based on the eye of the beholder, as by definition “All conflicts of interest involve perceptions or appearances because they are specified from the perspective of people who do not have sufficient information to assess the actual motives of a decision maker and the effects of these motives on the decisions themselves” (Thompson, 2009, p. 138). Simply put, if an individual's motives and personal gain at the cost of the public good are known, this would be a simple legal matter. The difficulty in determining conflict of interest is in that this information is by definition missing, and as such assumptions have to be made based on the information that is available.

Seeing the lack of earlier research and the difficulty in determining conflict of interest, taking a broad approach seems appropriate. Casting a wide net also seems fitting considering the fact that the general debate in the Netherlands on municipal council members being MAI members also revolved around the possibility for conflict of interest (see e.g. Diekman, 2022) without any reporting specifically showing this suspicion materialising or influencing MAI behaviour. Therefore, for the purposes of this study, conflict of interest will be approached as a combination of 'actual', apparent' and 'potential', meaning that the possibility of conflict of interest will be defined as 'a conflict between public duty and the private interest of a public official that could now or in the future improperly influence the performance of their official duties and responsibilities or be perceived to do so'. Thereby making no distinction between conflict of interest that is actually present, only seems to be present, or could be present in the future. To emphasize the explorative nature of this study and the tentativeness of the findings, this broad interpretation will be referred to as 'potential conflict of interest'.

Conflict of interest can arise from both financial and non-financial personal interests (Bertók, 2003) and as stated can take the form of problematic situations, problematic actions, or the perception of either (Boyce & Davids, 2009). This too raises interesting avenues for study but complications in the execution thereof.

Starting with non-financial conflict of interest, this can take many forms such as "influences, loyalties, subjective or ideological biases, personal beliefs and predispositions, membership of civic organizations and associations, partisan affiliations and attachments, predispositions and pre-judgements, moral beliefs and aesthetic judgements, and enmity towards individuals or groups." (Boyce & Davids, 2009, p. 608) and could be directly personal but also through friends, "personal or professional associations, or family relationships" (Bertók, 2003, p. 187). Recent research also points to the prevalence of network-corruption whereby social capital and relations can lead to potential future gain instead of the more tit-for-tat type of direct exchange of favours and benefits that would typify corruption (Slingerland, 2018), being especially relevant to the Netherlands (Slingerland & De Graaf, 2020). It can thus be concluded that compared to financial conflict of interest "non-financial interests are of equivalent concern in terms of their capacity to compromise the performance of official duties" (Boyce & Davids, 2009, p. 606). However, what also becomes clear is that non-financial conflict of interest carries with it a long list of actions, connections and possibilities which can almost include all of regular human behaviour, this also makes this category to be quite wide and diffuse. Therefore, some warn that "not all interests are conflicts of interest" (Bero & Grundy, 2016, p. 4) and that "Like money, non-financial self-interests are double-edged. They have great potential to motivate individuals to do their very best work. But we know that they also have the potential to compromise judgment and undermine objectivity." (Cohen, 2001, p. 210). Beyond this theoretical complexity, the corresponding research methods for non-financial conflict of interest are also costly in terms of time and require in depth research beyond what this study can feasibly achieve. Therefore, the focus of this research will mostly turn to financial conflict of interest, with the exception of including political officeholders. Political affiliation can be a source of non-financial conflict of interest (Demmke, et al., 2008) and since this party affiliation is publicly available information and the conflict of interest for municipal council members being MAI members has for so long been central to the public discussion on MAI conflict of interest, this is also valuable to include.

According to the OECD, "financial or pecuniary interests of officials are generally considered as the principal causes of conflict of interest" (Bertók, 2003, p. 16). The academic field appears to agree with the prominence and prevalence of financial conflict (Di Carlo, 2013; Davids, 2008). Financial conflict of interest involves a direct or indirect monetary interest, which can express itself through many forms such as when an individual or their close relationships "own property, hold shares, have a position in a company bidding for government work, or receive benefits [with monetary value]" (Demmke, et al., 2008, p. 28) which can or could lead to an improper influence on decision making. However, financial conflict of interest can also come from indirect financial gains such as "Involvement in secondary employment that potentially conflicts with an official's public duties" and "Future employment" (Demmke, et al., 2008, p. 30). These latter forms of financial conflict of interest, paired with having a position in a company bidding for government work, might be more readily available for study than office holders' more direct financial interest such as shares, benefits and property ownership. In essence "independence is compromised when an auditor hopes to develop job opportunities with the audited firm" (Moore et al., 2006, p. 16), this is a long running and well-known phenomenon in private auditing sector, often seen when firms offer both auditing and consulting services (Ishaque, 2021; Spence, 2004; Goldman, & Barlev, 1974). Whether a similar phenomenon may be present for public sector auditors may then be relevant to study.

The above also gives reason to believe extra attention must be given to consultants and consultancy firms active in public auditing. Adding to this, it has been found that in the Netherlands "about 50 per cent of external advisers spend more than 70 per cent of their working time on contracted assignments for the government, while a little over 20 per cent spend less than 30 per cent of their working time on government assignments", leading researchers to state that "it seems that working as an external government consultant can be regarded as a profession in and of itself" (Van den Berg, et al., 2019, p. 139). This makes it a relevant question if such a 'government consulting profession' also includes work for MAIs.

But once again the categories of interest present some difficulties due to the eye of the beholder effect, where we do not have enough information on the motivation of individuals. Many people go to work just for the paycheck, this in itself is not a financial conflict of interest. So too if a public official advocates lowering income taxes, and as a result he too pays lower taxes, this generalized interest should not be seen as sufficient grounds for conflict of interest (Boyce & Davids, 2009, p. 606). However, if such an official argues the government should increase its contracts with a certain industry in which he too is active or has some vested interest in, this line becomes more blurred (Di Carlo, 2013; Boyce & Davids, 2009). It can then be said that "The aim is not to eliminate or necessarily to reduce financial gain or other secondary interests [...]. It is rather to prevent these secondary factors from dominating or appearing to dominate the relevant primary interest in the making of professional decisions." (Thompson, 1993, p. 573). Going back to the OECD definition: "A conflict of interest involves a conflict between the public duty and the private interest of a public official, in which the official's private-capacity interest could improperly influence the performance of their official duties and responsibilities" (Bertók, 2003, p. 13), we should pay attention to the element 'improperly influence' in our approach to the research.

To reiterate, it is quite difficult to solve the problem of the eye of the beholder concerning conflict of interest. We often do not know the motivations nor the potential financial or non-financial gain of an individual, nor whether it 'improperly influenced' the decision making of the official. Turning to the appearance of conflict of interest may be easier to determine, for example based on public perception and media outings. However, while both attention for conflict of interest has increased and norms surrounding conflict of interest have become stricter over the decades, trust in the integrity of the public office has been on a decline (Johnston, 1997, p. 16; Davids, 2008). Thus, limiting the effectiveness of this approach. A practical solution, while not a panacea, may be found in assessing signs that might indicate the likelihood of the presence and size of a potential conflict of interest (Thompson, 1993). Thompson suggests certain assumptions can be helpful in assessing the severity of the conflict of interest by determining the probability that there is improper influence on the decision, calling this the "Likelihood of Undue Influence", and the damage that is caused, calling this the "Seriousness of Harm or Wrong" (2009, p. 138).

Thompson (2009) theorizes that the likelihood of undue influence increases with the increase in scale and scope of the conflict and the extent of the discretion. The scale of the conflict is simply the value of the secondary interest, so if the potential private gain is greater it is more likely that this could improperly influence the decision maker. The scope of the conflict "refers to the duration and depth of the relationship that generates the conflict" (Thompson, 2009, p. 139), or simply put: a one-time potential indiscretion is less likely to influence decision making than actions or affiliations that are present over the span of many years. The extent of the discretion represents "how much latitude a professional enjoys in the making of major decisions" (Thompson, 2009, p. 139). Conflict of interest is less likely for an individual that has to follow tight norms and regulations and has close oversight from colleagues or other institutions. This has interesting implications for SAIs since the central tenet of their operation is independence.

The seriousness of harm or wrong is found in the value of the primary interest, the scope of the consequences, and the extent of the accountability (Thompson, 2009, p. 139). The value of the primary interest is that of the public good that can be lost, either in monetary value or in loss of credibility. This is linked to the scope of the consequences, does the loss of value or credibility only impact the individual or does it also affect the institution or broader government as a whole. Lastly, the scope of the consequences is found in the extent of the accountability, if a decision is 'reviewable by colleagues or authorities then there is less cause for concern' (Thompson, 2009, p. 139). This indicator of the extent of the accountability and the earlies mentioned extent of discretion raise the question what the procedures and practices are that have been put into place to prevent conflict of interest in audit institutions.

Literature on MAIs

Lastly, since this study is on municipal audit institutions, we turn away from SAI literature to determine the state of the research on MAIs, with a specific focus on the Netherlands. Starting with the general literature on municipal audit institutions, we see that the body of work is significantly smaller than that focused on national-level audit institutions (Mattei et al., 2021). Some authors argue that there are important differences between local and national public auditors (Loocke en Put, 2011, p. 176). This can be for a variety of reasons - such as a local audit institution being shared between municipalities instead of having one single executive and legislative, them being governed by elected politicians from the legislature, being externally hired for profit operations, or having different types of mandates - leading to this subject being "more complex and ill-defined" than SAIs (Johnsen et al., 2001, p. 587). Yet the unideal situation of leaning on SAI literature for MAI research leads to calls for "more comparative, descriptive studies of performance auditing in local government." (Johnsen et al., 2001, p. 596). Thus, research on MAIs in general could be a valuable addition to the general body of knowledge on public auditing.

Turning to the Netherlands, in general, the research on local MAIs in the Netherlands is typified as 'little' (Peters & Van Zuydam, 2021, p. 6). The academic papers that do exist focus mainly on their output and effectiveness in changing policy of municipalities, often in combination with the institutional form they take, and perform this study in a mostly qualitative fashion. This comes in the form of a study into the effect of having councilmembers in the MAI and their effectiveness (Koster & Tollenaar, 2017) or studies into the effectiveness and implementation of MAI advice in municipal policy (Hoekstra, 2013; Castenmiller & Peters, 2014; Lemmens, 2014; Keulen, 2021). Thus a study on the institutional conditions of local MAIs would fill a lacuna in a field where most attention has gone to output and efficacy.

In terms of existing research on MAI independence and conflict of interest, most attention - though often not as the main aim of the study - has been given to politician MAI members, both in academic and policy research focused on the Netherlands (see e.g. Tillema & Ter Bogt, 2010; Van Der Mark, et al., 2011; De Jong, et al., 2013; Castenmiller & Peters, 2014; Van Dam & De Vaan, 2016; Koster & Tollenaar, 2017; Van Den Broek, 2020) and in international academia (Nickell & Roberts, 2014; Thomasson, 2018). Thereby leaving non-political conflicts of interest understudied. The literature on conflicts of interest in the public sector on the other hand focuses mostly on professionals (see e.g. Villoria-Mendieta, 2006; Slingerland & De Graaf, 2020; Jafari Nia et al., 2023). Thereby lacking specific research on MAI members and the potential for conflict of interest. Thus, studying elements of financial conflict of interest in the public sector and specifically as it relates to MAIs and their independence would address an understudied element in this field.

Most of the studies on local MAIs in the Netherlands can be found on the side of governmental policy reports. These reports are often of a combined qualitative and quantitative nature, producing general overviews and metrics of MAIs concerning, among others; their presence in municipalities, organizational form, budget, output, effectiveness and satisfaction ratings (Van Der Mark, et al., 2011; De Jong, et al., 2013; Dreef, et al., 2019; Van den Broek, 2020). However, while these reports do look at MAI members' backgrounds, it is only in the sense of general characteristics such as age, gender, and council membership, with no specific attention paid to conflict of interest. Thus, making it clear that there are lacunae on this topic both in the policy field and as described above in the academic field.

Although it is contested whether and to what extent politicians and the political executive at local and national levels are interested in and affected by performance information (Julnes & Holzer 2001; Ter Bogt, 2004; Ho, 2005; Askim 2009; Bonollo, 2019), research shows that experienced counsellors use their recommendations less frequently than less experienced counsellors (Askim, 2009) and that performance auditing could entail a shift in power from legislators to the standard setters (Cornelissen & van de Walle, 2014). With increasingly high turnover rates for Dutch council members (Vos, 2023) it then may become increasingly important who does this auditing and whether this is done in an independent manner. This practical relevance, combined with the above-described lacunae in research on MAIs make for a worthwhile endeavour to explore this field.

Research questions

The objective of this research is to explore the independence of MAIs in the Netherlands and how the new legal requirement ‘Wet versterking decentrale rekenkamers’ relates to this. To do this, an analytical framework is necessary that divides this objective up in a structural way among research questions that address parts of this.

As becomes clear from the theoretical framework, there is no uniform structure to build on in terms of MAI research (Bonollo, 2019; Keulen, 2021; Mattei et al., 2021). Nonetheless, we have identified six dimensions of independence in the literature that can be considered relevant to the analysis of independence for MAIs. These concern organisational independence, functional independence, financial independence, ethical and integrity safeguards, independence in terms of expertise, and independence in terms of conflict of interest. By studying how the new legal requirement affects these dimensions of independence for MAIs, we can answer the central research question: w*hat is the current state of independence of Municipal Audit Institutions in the Netherlands, and how does the recent legal change relate to this?*

In the review of the literature on MAIs in the Netherlands we have found no earlier structured studies that assess the level of independence for MAIs. Therefore, to determine how the new legal requirement has affected independence, we must also first assess the conditions regarding independence for these organisations before the introduction of the new law. In doing so there are two groups of research questions to be formed, due to conceptual and practical considerations. By afterwards combining these groups in the discussion and analysis we can attempt to identify patterns within and between the different levels of findings.

Institutional level analysis

The first group concerns the more macro-level dimensions of independence: organisational-, functional-, and financial independence, and ethical and integrity safeguards. Here the theoretical objective is to understand the institutional situation and the relevant legal and policy environment. Thereby taking the national level framework for MAIs as the unit of analysis to paint a picture of these forms of independence. There is also a practical consideration to this approach that will be addressed more in the chapter on operationalisation. In summary: this study is conducted after the implementation of the new legal requirement, but there is little collected, saved and publicly available information concerning individual MAIs. However, overarching national level information on these dimensions of independence is well archived and readily available. These theoretical and practical considerations lead us to analyse these dimensions of independence on the institutional level for all MAIs, and this will hereafter be addressed as the institutional level analysis.

The institutional level analysis can take place based on a structured collection of information on the state of independence. By collecting information for the four dimensions of independence along a structured operationalisation (see methodology chapter and Annex I), an image of the baseline of MAI independence can be provided. This may allow us to analyse to what extent the different elements of institutional level independence conform to the standards found in our theoretical framework and identify potential risks based on our findings presented in the theoretical framework. We can then collect information on the relevant changes the new legal requirement introduces along the same structure. Thereby gathering information that may allow us to analyse how it has affected the state of MAI independence in terms of strengthening or weakening this, or potentially not addressing relevant risks that we have identified.

In sum, the institutional level analysis can take place based on a two-step approach. First, a structured study of the state of independence for the respective dimensions of independence and the potential risks therein based on the situation before introduction of the new legal requirement. Secondly, a collection of information on the changes the new legal requirement introduces to these dimensions of independence, with an analysis of the effect this may have thereon.

To study the organisational independence of MAIs in the Netherlands, the following research questions - that are based on the theoretical framework - will be answered.

RQ1: To what extent are MAIs in the Netherlands organisationally independent? What role might the new legal requirement play in shaping this?

To study the functional independence of MAIs in the Netherlands, the following research question will be answered:

RQ2: To what extent are MAIs in the Netherlands functionally independent? What role might the new legal requirement play in shaping this?

To study the financial independence of MAIs in the Netherlands, the following research question will be answered:

RQ3: To what extent are MAIs in the Netherlands financially independent? What role might the new legal requirement play in shaping this?

To study the ethical and integrity safeguards of MAIs in the Netherlands, the following research question will be answered:

RQ4: To what extent do MAIs in the Netherlands have sufficient ethical and integrity safeguards What role might the new legal requirement play in shaping this?

Individual level analysis

The second group concerns the more micro-level approaches to independence regarding the concepts of expertise and conflict of interest. As we see in the theoretical framework, these are more fittingly approached on the individual level, taking the individual MAI members as the unit of analysis. This will hereafter be addressed as the 'individual level analysis'. Since by definition there is no national policy framework for individuals, information has to be collected on the level of the individuals. This then presents an interesting avenue for analysis, as this will provide us with more information on real world phenomena, in addition to the more formal policy-based analysis of the institutional level analysis.

By collecting information for the two underlying dimensions of independence along a structured operationalisation (see methodology chapter and Annex I) the theoretical objective is to create an image of the state of independence in terms of expertise and conflict of interest for MAIs in the Netherlands. This will be based on the findings on the individual MAI members. This information can then be analysed for emerging risks to independence, based on the potential risks presented in the theoretical framework. By combining these findings on risks and strengths with the findings from the institutional level analysis, we can discuss to what extent the new legal requirement potentially affects the individual level independence and the emerging patterns we have identified. Although the limitations to identifying causal relationships from this approach must also be taken into account.

Here too there is the practical limitation that no information is available from before the implementation of the new legal requirement, so a baseline measurement of conflict of interest and expertise for MAI members cannot be established. Unlike with the institutional level analysis, however, we cannot fall back on archived formal documents to create an image of the baseline situation. Therefore, we can unfortunately only collect information on the current state of this independence for MAI members, after the introduction of the new legal requirement. While not ideal, by excluding MAI members with political conflict of interest, which should in theory be most affected by the new legal requirement, we hope to come to a relatively close approximation of the state of individual level independence for MAI members.

In sum, the individual level analysis of independence of MAIs in the Netherlands can be approached by a structured analysis of the expertise and conflict of interest for MAI members in the Netherlands, based on the relevant factors found in the theoretical framework. This will create a rough image of the state of this independence. By analysing this information prudently, and interpreting the results with reserve, we can identify emerging patterns and risks, which are relevant in our final discussion of the findings.

To study the state of independence in terms of expertise in MAIs in the Netherlands, the following research question will be answered:

RQ5: To what extent is expertise present for MAI members in the Netherlands?

To study the state independence in terms of conflict of interest in MAIs in the Netherlands, the following research question will be answered:

RQ6: To what extent is conflict of interest present for MAI members in the Netherlands?

After conducting the institutional- and individual level analysis, we can combine these findings. Through combining the results of the more formal de jure institutional level analysis and the more practical de facto individual level analysis, we can create a broad picture of the state of independence of MAIs in the Netherlands. This information, combined with the relevant changes the new legal requirement makes as identified in the institutional level analysis, serves as the basis for our final discussion. Herein the emerging patterns - strengths, weaknesses, addressed and unaddressed risks - can be identified and hypothesized based on the theoretical framework. Thereby, under conditions of a relatively young research field, lack of prestructured framework and absence of earlier data, attempting to answer the central research question: w*hat is the current state of independence of Municipal Audit Institutions in the Netherlands, and how does the recent legal change relate to this?*

Methodology

Design

In summary, to determine the state of independence for MAIs in the Netherlands and the potential influences the new legal requirement 'Wet versterking decentrale rekenkamers' may have on this, a mixed methods exploratory research was conducted. The qualitative element took the form of a description of the institutional situation of MAI independence based on documents and supported by context from observation and interviews. Included in this is a descriptive presentation and analysis of the changes the new legal requirement introduces relevant to these dimensions of independence. The more quantitative element took the form of primary data gathering and analysis through SPSS of information on MAI members, in conjunction with qualitative case descriptions and interviews. In the discussion section these elements and relations are brought together with an analysis of the potential effects of the new legal requirement thereon.

In answering the research questions multiple problems present themselves. The first problem is that the field of MAI study in general, and MAI independence in particular, especially in the Netherlands, is relatively young and underdeveloped. This means that in many ways there is little available data, few theories for testing, and a dearth of specific structure and methods to apply. Therefore, an exploratory approach was chosen, as this is seen as the "the preferred methodological approach [...] when a group, process, activity, or situation has received little or no systematic empirical scrutiny" (Stebbins, 2001, p. 9). In addition, an exploratory design fits novel data gathering, categorisation and description, especially with limited resources (Makri & Neely, 2021, p. 2). By adopting a broad exploratory approach, while grounding it in theory from closely related fields, this study seeks to capture previously unidentified phenomena related to MAI independence, while strategically focusing on areas where meaningful insights are most likely to emerge.

The second problem concerns a relative absence of proven methodology, coding schemes and available data means that these had to be constructed based on other fields, or adapted from these. Although some indication could be found, it was unknown which specific data was necessary to arrive at the desired results of understanding the state of MAI independence and the effect of the new legal requirement. Therefore, the choice was made for a mix of qualitative and quantitative methods, as this generates a balance between openness in searching for the patterns while creating some structure to avoid bias or purely descriptive output (Hartwig & Dearing, 1979). A mixed qualitative and quantitative method goes well together with exploratory research (Stebbins, 2001) as it can increase the "breadth and depth of understanding and corroboration" (Johnson, Onwuegbuzie, Turner, 2007, p. 123) while 'minimising weaknesses' of both approaches and achieving 'multiple validities legitimation' (Onwuegbuzie & Johnson, 2006, p. 57). The chosen approach should increase validity through looking at the MAIs and their governing members from different angles and corroborating quantitative findings with qualitative interviews. In addition, this responds to the increased calls for and value placed on mixed methods research in public administration in general (Hendren, Luo & Pandey, 2018), while specifically the quantitative element adds to the body of work on audit institutions since these studies "rarely used quantitative indicators, but rather descriptive indicators or even anecdotes" (Bonollo, 2019, p. 475). Thus, the mixed methods approach both adds to lacuna in quantitative approaches in audit institution research and responds to the calls for mixed methods studies, while simultaneously increasing the validity and reliability of the findings.

The last problem is a lack of available data for testing combined with resource and time constraints. Therefore, research questions of the two analytical levels are approached in generally two ways.

For the institutional level analysis, the focus is put on creating an image of the de jure institutional condition of independence for MAIs. This addresses the research questions on organisational-, functional-, and financial independence, and ethical and integrity safeguards. The new legal requirement 'wet versterking decentrale rekenkamers' is analysed along the same dimensions to provide insight into how these conditions may be changed by it. This analysis is done through descriptive analysis of the findings based on the operationalisation below. In addition, interviews are conducted and some collected data from the individual level analysis is used to give an insight towards the de facto situation for MAIs concerning these dimensions of independence, thereby triangulating some of the descriptive findings. More on this can be found in the methods section below and the operationalisation in Appendix III.

For the individual level analysis, the focus is on creating an image of the de facto situation within MAIs by analysing information on the MAI members that run these institutions to answer the research questions on expertise and conflict of interest. This was done by collecting primary data - according to a structured method and coding scheme - on all MAI members in the Netherlands. As no earlier studies and datasets have attempted this, the process was a combination of a theory informed basis and with adjustments made according to an inductive process of pilot testing. The collected data was explored quantitatively through statistical program SPSS, using non-parametric tests, regression analysis and cross tabulation. In addition, qualitative methods (interviews, observation, case descriptions) were included to triangulate the findings and search for different interpretations of the findings.

In the conclusion, the different quantitative and qualitative results are presented together and the largest patterns are highlighted. The focus is put on exploring the different patterns that emerge from the different data sources and the nuance these findings may offer each other. As this is an exploratory study, this discussion does not prove or disprove causal relations, but it does offer interesting insights and methods for further research and indications that policy adjustments may be warranted.

Methods

The analysis of independence for MAIs in the Netherlands will take place on two analytical levels. First, the independence of MAIs is analysed taking the institution as the basis. By collecting data on the relevant elements of organisational-, functional-, and financial independence, and ethical and integrity safeguards, an image will be created of the MAI independence as it relates to the institution as a whole. Secondly, primary data is collected on the individual MAI members that govern each MAI to inform the analysis of expertise and conflict of interest in MAIs. By combining these different levels of analysis, the state of independence for MAIs is explored on both an overarching institutional level and on the level of individual MAIs.

Institutional level analysis

The institutional level analysis addresses the independence of MAIs in the Netherlands by observing their organisational-, functional-, and financial independence, and ethical and integrity safeguards, taking the MAI as an institution as the unit of analysis.

Case selection

To determine the independence of MAIs in the Netherlands there are both the national institutional framework and those of individual MAIs to consider. Primarily, the national institutional framework for MAIs will be selected as the subject of this study, this is done through observing the policy, regulations and organisation on a national level applicable to all MAIs. Studying the de facto situation for each individual MAI would have created a more detailed and generalisable image and thus would have been the ideal approach. However, the heterogeneity of the information sources and difficulty in collecting this information - or often simply the absence thereof - precluded this approach within the time and resource constraints of this study.

Data collection

Descriptive approach

Data on the institutional framework of MAIs concerning organisational-, functional- and financial-independence and ethical and integrity safeguards are collected through the unobtrusive methods of document analysis. These documents include national laws, national policy documents, national policy reports, NVRR documentation, and minutes of parliamentary debates. The choice for document analysis fits the time and resource constraints of this study as it seen as a being generally an 'efficient' method with a strong 'availability of sources' (Bowen, 2009, p. 31). By also including some findings from news articles, observation, and the interviews context can be provided and interpretation errors avoided through triangulation.

The findings on the current state of independence and the potential changes made by the new legal requirements are qualitatively collected based on the operationalisation (see below, and Appendix I) and qualitatively presented in a descriptive manner. For the current situation, the Municipality law from the end of 2022 will be used, so the changes made by the new legal requirement in 2023 can be identified. Changes introduced by the new legal requirement that are not seen as relevant according to the operationalisation in Appendix I are not included in the results. The choice for a descriptive approach is a good fit for this topic as it is the dominant style of audit institution research (Bonollo, 2019, p. 475). The downsides of 'insufficient detail' and 'biased selectivity' (Bowen, 2009, p. 31-32) are potentially relevant limitations, some of which are addressed (see the subchapter on reliability and validity) with others needing to be addressed through further research that builds on this exploratory study.

Interviews

Interviews were included to contrast the results from the formal analysis (and data analysis) with views from real world practitioners, to explore the difference between the de fact and de jure situation and contextualise the findings. This helps in preventing the misinterpretation of results in an understudied field and to check for and increase the validity of the research outcomes (Jain, 2021). In addition, an early interview helped inform the quantitative operationalisation and data gathering. The interviews took the form of semi-structured interviews, supplemented with findings from informal discussion, conducted with a convenient sample of relevant professionals, similar to the partially exploratory approach of Johnsen et al (2001). The findings of the formal interviews are anonymized and represented in the results section or used to inform the discussion and conclusion. In addition, during the NVRR congress there were a number (7) of unstructured unrecorded conversations that added valuable context and presented unknown unknowns. These findings are used where relevant to provide context and examples.

The choice of semi-structured interviews was made as this to increases validity and decrease potential for bias over an unstructured style (Frankfort-Nachmias & Nachmias, 1992), while fully-structured interviews were deemed impractical as the specific topic is understudied, there is a relatively large amount of heterogeneity (both in institutional form and daily practice of MAIs), and part of the aim was to have unknown-unknowns come up. The prepared questions are translated and documented (see appendix IV), with additional follow-up questions based on the conversation. One interview was conducted before operationalisation and data collection to prevent misinterpretation of the workings of MAIs and potential norms, practices and regulations. This interview had a stronger unstructured component.

The interviewees were all relevant experts and practitioners, chosen in an unstructured manner based on accessibility to the researcher. Therefore, there are limitations considering representativity. All interviews have been conducted on a background basis under Chatham House Rules, as this was both a precondition for participation of most subjects as well as a deliberate choice to increase candidness. This reduced precision and extent of the portrayal of interview findings, as all interview responses that are presented in this study have been worded in such a way that they cannot be traced back to any of the interviewees. For example, when a specific MAI location is mentioned, this is redacted from the quote and formulated in a manner that avoids mentioning the name of the MAI or other identifying characteristics. The findings from the interviews are also integrated in the discussion in terms of interpretation of the other results. The formal interviews were recorded to control for recall bias, were conducted in Dutch, took place in a 1-on-1 setting, and took between an hour and an hour and thirty minutes. Translation was done by the researcher, where relevant the Dutch word is also included in brackets. All interviewees granted permission to include their name in the interviewee register of this study (see appendix V).

Observation

The method of observation was added to get a better understanding of the training and practice of MAI members, for our concept of independence, and to conduct more informal unstructured conversations to explore unknown unknowns regarding conflict of interest and prevention measures. This took the form of joining the NVRR national MAI member congress of june 7 2024 in Ede (duration 7 hours) titled “More confidence in the government: does the audit office have a role?” (NVRR, 2024a), and an online NVRR training webinar on 5 december 2024 (duration 1 hour) on “The values of craftsmanship for MAI members” (NVRR, 2024b). The choice of unstructured observation was made to “record in as much detail as possible” (Bryman, 2012, p. 273). The specific form that was chosen was the “observer as participant”, whereby the role of observer was not kept hidden, and there was “intermittent observation alongside interviewing” (Mulhall, 2003, p. 308). The choice for transparency was made for both ethical and practical reasons and the combination of unstructured interviewing and observation was made for efficiency considerations, attempting to get the most information out of each visit. Interview subjects were chosen based on availability to the researcher, and as such cannot be seen as representative. Limitations to this approach are the possibility of bias, both from potentially selective observation, and from subjects adjusting their behaviour and answers (Bryman, 2012), however, these were deemed acceptable due to the constraints of this study.

Operationalisation

The review of the literature showed there is no broad basis to build on in terms of MAI research and that the broader MAI field can be typified by a general absence of a uniform structure (Bonollo, 2019; Keulen, 2021; Mattei et al., 2021). To address this, the framework for studying MAI independence is built and operationalisations are made that can be found in Appendix I, and more context for the chosen concepts, variables and indicators can be found in the theoretical framework chapter.

The operationalisation in Appendix I is informed by studies that have created frameworks and coding schemes for operationalisation concerning SAIs (English & Guthrie, 2000; Blume & Voigt 2011; Bovens & Wille, 2021; Langella et al., 2021; Bostan et al., 2021) or related administrative accountability forums such as regulatory agencies (Wonka & Rittberger, 2010; Hanretty & Koop, 2013), studies that have operationalised specific subconcepts (Isaksson & Bigsten, 2012; Schelker, 2012; Posner & Shahan, 2014; Pierre & De Fine Licht, 2019), and INTOSAI standards. Some elements on professional autonomy were taken from a combination of private sector auditing and SAI studies that apply or describe certain elements in general (Bédard, 1989; Gendron et al., 2007; Hudiwinarsih, 2010; Isaksson & Bigsten, 2012; Ahlbäck Öberg & Bringselius, 2015), policy studies ('t Hart et al., 2023) and INTOSAI standards. In addition, the operationalisation of ethical and integrity safeguards was based on the INTOSAI code of ethics (INTOSAI, 2019), supplemented by the OECD handbook on managing conflict of interest in the public service (Bertók, 2003) and public administration studies (Moore et al., 2006; Demmke, et al., 2008; Di Carlo, 2013; Bélisle-Pipon et al., 2018). The concepts and variables are based on the above references with the indicators adjusted in a way to fit the subject of this study. An overview of this operationalisation can be found in appendix I, and a more detailed understanding of the interpretation of these elements can be found in the subchapters in the theoretical framework.

While the operationalisations are informed by these earlier and related works, adaptations were necessary and carry with them limitations, these are addressed in the subchapter below on reliability and validity and in the limitations chapter in the discussion.

Individual level analysis

The individual level analysis addresses the independence of individual MAI members in the Netherlands by observing their expertise and conflict of interest, taking the MAI members as the unit of analysis.

Case selection

At time of writing, there are no earlier studies or datasets that have attempted to determine the expertise and conflict of interest for MAI members in the Netherlands. Therefore, this information had to be gathered, taking the MAI members as the unit of analysis. Studying only a sample of the more than thousand MAI members would have been most efficient. However, since no earlier frameworks or datasets existed, this exploratory research had little indication of what would make a representative sample or which factors might be overlooked. Therefore, it was decided that the case selection would include all local MAI members from the (shared) MAIs of the 342 municipalities of in the Netherlands that existed in 2023 (CBS, 2022). While time consuming, the choice for observing the total population instead of a random sample was made as this increases the generalisability, validity and reliability of results (Bryman, 2012).

Data collection

Quantitative approach

Following the operationalisation, MAI member data was collected concerning all MAIs in the Netherlands. This primary data was hand collected from publicly available online sources including LinkedIn pages, personal and company websites, MAI and municipal websites, and municipal documents following a structured data collection process (see appendix II). This qualitatively collected information was used to score the variables through a structured coding scheme (see appendix III) according to Boolean logic (Ragin, 2008), or simply inputted for variables that did not require interpretation such as tenure length, MAI name and location. Data collection has taken place during September and October of 2023, this determines which individuals are recorded as MAI members and is relevant for most variables such as the tenure duration, and current profession of individuals.

The data collection and categorisation process were done according to a coding scheme (see operationalisation below and appendix III). This was time consuming and required multiple adjustments to the coding scheme, which were then applied retroactively to earlier cases to guard reliability. This was primarily due to the heterogeneity of the data and the intransparency and often absence of the sources. For example: in terms of websites, 39 out of 342 municipalities had no information online about their MAI at all, with less than two dozen local MAIs having their own dedicated website. The remainder of the names of MAI members were found on either a subdirectory or single page of various quality on their municipal website in good cases, and through manual analysis of council documentation in the others. At least 88 municipalities provided additional information on their MAI members online, varying from listing only their professional occupation to full CVs, ancillary activities and tenure duration.

In total, 941 MAI members were able to be identified. This number comes relatively close to the 1272 MAI members - of which 311 were council members and 960 independent members - that were tallied in policy research (Van Den Broek, 2020), showing the effectiveness of this method. The difference is most likely explained due to independent MAIs generally having a smaller size of the governing board than MAIs with council members and because publicly available information is often incomplete. Due to a number of individuals having multiple concurrent tenures, the final dataset contained 480 distinct people who are MAI members. Unfortunately, the quality of publicly available information permitted only 347 distinct MAI members to be fully categorised. Meaning that for these all relevant data could be found in a sufficient quality, with the tenure duration of at least one MAI membership known. For 133 distinct MAI members the data was incomplete to various degrees, they were included in the statistical analysis with missing values. As both MAIs and MAI members are free to provide or not provide relevant information online, in essence, the resulting dataset can thus be seen as the minimum baseline of publicly available information. More relevant facts about these MAI members probably exist, but were not found available online.

The gathered data was explored through statistical tests using SPSS. This includes testing for normality, cross tabulations, binary logistic regression and presenting data through frequency tables and graphs. Since there is little earlier studies of the same kind to build on, it was not known beforehand what the data would look like, which specific tests were necessary, and how to best present this. To reflect the more inductive process in exploring this data, the methodological approach and steps are described in more detail in the results chapter.

Case descriptions

The qualitative description of a number of sample cases of MAI members was included to contextualise what some of the quantitative data looked like in the real world. These individuals were selected based on qualitatively observed recurring patterns, so as to portray certain typical findings that illustrate some of the quantitative results. Care was taken to take into account the geographical spread and between larger and smaller municipalities. However, with around 900 observations covering 342 municipalities representing hundreds of distinct individuals, the few selected cases should not be considered representative in a scientific sense and their selection is biased. Furthermore, the descriptions are unstructured and anonymised, to guard against privacy and ethical concerns, but resulting in a less precise and replicable picture. Despite these strong limitations, their inclusion was deemed relevant to aid in interpretation and practically illustrate findings that might otherwise seem overly theoretical or difficult to relate back to their real-world basis.

Interviews

Insights from the interviews where also presented in the individual level analysis to contextualise the findings and help interpret the patterns that are found in the quantitative analysis. For more detail on the interviews see the data collection subchapter for the institutional level analysis above.

Operationalisation

The operationalisation of expertise and potential conflict of interest for MAI members is based on a framework created by combining related fields and approaches (see Appendix I) and approached using a structured data collection method (Appendix II) and coding scheme (Appendix III).

The operationalisation of expertise was based on the theoretical framework and feasibility (Appendix I). As initial pilot testing showed strong barriers to collecting and categorising more detailed information, the operationalisation of expertise was focused on two variables. First, as the literature points to experience in or with the public sector as important for public auditors (Langella et al., 2021; Alwardat, 2010; Boyne et al., 2002), expertise is operationalised as currently having a profession that is either in public service or related to it. The decision for six categories of professional backgrounds - Civil Servant, Semi-Government, Scientist, Private Sector, Consultant, Other - is described below. Through an inductive process, it was decided that at least civil servants and consultants are assumed to have relevant experience in the public sector, as they either work in it or work for it - as appeared to be the case with almost all consultants. This approach is near guaranteed to exclude MAI members with expertise - as it excluded the other professions where for example many scientists were experts on public administration - and is quite imprecise, as we do not know to what extent they have expertise. These limitations are relevant to the interpretation of the findings. However, since earlier relevant operationalisations and methods of determining this expertise for large populations could not be found, this operationalisation was deemed acceptable for an exploratory study.

The second element of the operationalisation of expertise was focused on experience (Appendix I). As studies find that more years of auditing experience increases expertise (Bostan et al., 2021; Ashton, 1991; Bonner & Lewis, 1990), such experience is used as a measure of expertise. This is measured in total number of previous memberships, total current memberships, and in terms of cumulative months of current MAI experience. In addition, other public audit institution memberships were also counted towards these totals. As such it provides an image of the degree to which experience is present among MAI members. Also, it can be used as an extra indicator for the presence or absence of dependency on external hiring, as there are reasons to believe that lack of in-house expertise may be related to increased hiring of expertise (‘t Hart et al., 2023; Isaksson & Bigsten, 2012).

As mentioned above, the exploration of conflict of interest is based on a collection of information on MAI members concerning their professional background, presence of potential financial conflict of interest, degree of involvement, and non-financial (political) conflict of interest.

The mapping of professional backgrounds was used to create an image of the composition of MAI members and create categories that may help understand findings of conflict of interest (and for expertise as described above). This found its background elements that are relevant to the mapping and analysing professional backgrounds in public administration (Selling & Svallfors, 2019; Coen & Vannoni, 2016). The main categories used were originally based on an earlier categorisation of the primary professions of Dutch council members that included: (semi) government, private sector business, self employed, pensioner, unemployed, other (Jansen, Denters & van Zuydam, 2020, p. 16). However, as the theoretical framework describes the main conflict of interest was expected with the consultant and civil servant profession (Ishaque, 2021; Van den Berg, et al., 2019; Alwardat, 2010; Moore et al., 2006), thus these needed their own category. In addition, seeing the specialised nature of MAI membership, they were (correctly) assumed to generally not be unemployed, so this category was removed. After pilot testing, some other slight adjustments (such as putting pensioners in the other category) led to the final categories being used in the coding scheme (see Appendix III): Civil Servant, Semi-Government, Scientist, Private Sector, Consultant, Other. And MAI members were placed in these categories based on their: ‘current primary salaried occupation of a MAI member’. This wording was chosen based on the best practical use after pilot testing and the precise application is found in the coding scheme (Appendix III).

The presence of potential financial conflict of interest was conceptualised to be present based on ‘Involvement in primary or secondary employment that potentially conflicts with an official’s public duties’ and ‘The possibility of future employment that potentially conflicts with an official’s public duties’ (Bertók, 2003; Demmke, et al., 2008; Clark, 2001). No specific and relevant operationalisations thereof were found in the literature, and as described in the theoretical framework many discussions can be had about the definition and identification of financial conflict of interest. Therefore, a practical operationalisation was found by marking the following as potential financial conflict of interest: a MAI member, or the consulting organisation they are part of, does consulting work for municipalities (including MAIs) or directly does consulting work for the municipality (including MAI) they are a MAI member in (Appendix I). The specific coding and nuances in application can be found in appendix III. While not an ideal definition, pilot testing showed its applicability, and the discussion and limitation sections address further nuances in interpretation of the findings thereon.

Since the above operationalisation of financial conflict of interest is relatively vulnerable to critique, the degree of involvement is used to triangulate findings; under the assumption that if someone has something to gain (an actual conflict of interest) they are likely to be more involved. This degree of involvement is based on an adaptation of Thompson's (2009) theorization of the relation between conflict of interest and the scale and scope of involvement. This is operationalised as the amount of simultaneous MAI memberships, amount of previous MAI memberships and the cumulative length of current MAI memberships (Appendix I). Information on membership duration(s) was often unavailable or incomplete, thus making the results from this variable less accurate. In addition, other public audit institution memberships were also counted towards these totals. For the specific coding per variable, see appendix III.

For non-financial conflict of interest only political association was included (Appendix I), based on this being the principal point of discussion about conflict of interest in MAIs in the Netherlands. This political conflict of interest was simply operationalised according to the definition used in the debate around municipal council members being a member of the MAI in their municipality. So, if a MAI member was also a council member of that same municipality, this was categorised as a political association, being seen as a non-financial potential conflict of interest. These MAI members are not included in the analysis.

In sum, this created four main pathways for exploration: professional background, potential financial conflict of interest, degree of involvement, and political conflict of interest. These were the basis of a coding scheme that was used to categorize all MAI members in the Netherlands, as can be found in Appendix III. In this Appendix and dataset also some other collected variables are included that were part of the exploration of this field, but are not used in this study. These include such topics as: membership of the big 3 strategy consultancy firms (McKinsey, BCG, B&C) or one of the big 4 accountants (Deloitte, EY, KPMG, PWC), role within the MAI (chairperson/director/regular member), education level, and general findings that stand out. They are left there for transparency reasons but were left out of the final draft for various reasons relating to data quality and the already extensive length of this study.

As a final note on the operationalisation and coding scheme, it can be said that the collection and categorisation according to the coding scheme of the above data went relatively well. As it is important for such measurement to have the features of the dimensions clearly operationalised and defined (Adcock & Collier, 2001) a specific explanation of all variables and the way they are coded is given in the coding scheme (see appendix III). This coding scheme was developed based on the theoretical framework, but the specific operationalisations were sometimes developed on a more inductive process. As an exploratory design is generally and logically combined with an inductive approach (Jebb, Parrigon & Woo, 2017), this method also fit the design of the study and lack of earlier frameworks and operationalisation. Furthermore, it fits the broader goals of such an inductive approach, those being:

data reduction (analysis), data display (reporting), and drawing conclusions (theory forming) as described by Miles and Huberman (1994, p. 10). In practice, this approach was also necessitated by the heterogeneity of the sources, which necessitated some interpretation of the information, contrasting different sources and decisions on redefining the coding. The main source of the data was LinkedIn profiles and personal, company or municipal websites, where every individual naturally chose their own form and specific wording for presenting their activities in life. To illustrate with a minor example of this heterogeneity: the initial sample included a significant number of consultants who described their consultancy business activity as 'coaching' of MAIs and municipal executives, instead of calling it terms like 'consultancy', 'advising', or 'external hiring'. This led to the inclusion of the term 'coach' as an indicator of consultancy activities. However, coming across a MAI member whose activities included being a football coach naturally led to the specification of this coding. Resultantly, there were such (minor) changes and additions to the coding scheme during the process, to reflect interpretation and coding decisions. All changes have been documented, added to the coding scheme and, where applicable, retroactively applied to earlier observations to address potential concerns over reliability.

Reliability and validity

In this study, reliability concerns arise particularly in the collection and coding of publicly available data, which can vary in availability, format and level of detail across municipalities and MAI members. To mitigate this, institutional data on MAIs was collected according to clearly presented indicators (Appendix I) and individual level data on MAI members was collected according to a structured method (appendix II) and categorised according to a coding scheme (Appendix III). This coding scheme was developed based on adaptations of earlier studies and checked for relevance through a pilot and adjusted based on early testing to guard against subjectivity and increase interrater reliability. Coding decisions were cross-checked throughout the process, when interpretations were ambiguous or required judgment calls, a conservative approach was taken and any specifications to the coding interpretations were recorded in the coding scheme and applied retroactively to earlier instances to increase replicability. In interviews, reliability was supported by using a semi-structured interview with prepared questions (Appendix IV) to ensure consistency across participants and recorded to address recall bias. By including missing data an indication of the information quality and availability is also provided. By observing the total population of MAI members (with available data), instead of a sample, reliability was increased by addressing the potential for sampling error and increasing the reliability of population parameters.

Validity concerns stem in large part from the general limitations of exploratory studies, the conceptualisation and operationalisation of certain key variables. Construct validity was supported by basing key variables (e.g., conflict of interest, expertise, and the dimensions of independence) on existing academic definitions and frameworks. However, since much of the work had to be adapted - from different fields, from theoretical to practical application, or from SAI to MAI - the large degree of interpretation may still limit construct precision. Internal validity was increased by using clear and standardized definitions (see Appendix I & III) for collecting data and testing patterns in the data (e.g., associations between profession and conflict of interest) using statistical methods including chi-square tests and logistic regression to assess the strength of these associations. External validity was increased by including all MAI members with available data. However, the institutional level analysis was based on national level data, meaning that it can not be concluded to what extent these findings are applicable to every individual MAI in the Netherlands, nor to what extent the findings are relevant internationally. In addition, the institutional level analysis was highly descriptive and qualitative, risking bias in interpretation and missing information. This limitation must be acknowledged, however, clear sources for the descriptive results and a structured approach (Appendix I) have been included to partly mitigate this. In addition, interpretive validity has been increased by using a mix of qualitative and quantitative methods and grounding interpretations of results through interviews and the different perspectives they offer.

In sum, while certain limitations remain the measures taken throughout the study support the overall reliability and validity of the findings, especially in light of the exploratory aim to gain novel insights and map under-researched terrain.

Ethical considerations

Considering the ethics of social research, Diener and Crandall (1978) identify four main concerns: harm to participants, lack of informed consent, invasion of privacy, and deception. Considering this study is aimed at exploring the state of MAI independence and potential conflict of interest for MAI members, it is conceivable that the findings of this study could potentially have negative repercussions for individuals, such as legal or professional ramifications. To address this - and the element of informed consent and deception - the researcher always made clear to interviewees what the subject and aims of this study were. Furthermore, their responses are not made publicly available and are represented in the study without identifying characteristics.

Turning to the concern of invasion of privacy and informed consent in regard to the collection of data from LinkedIn, the subjects of this research are neither aware of nor have consented to this collection and classification of their personal data. Adding to this, the interpretation and categorization of their professional backgrounds and potential conflict of interest is both subjective - as they might argue for or against their inclusion in certain categories - and could be considered as normative, as some might argue that a potential for conflict of interest is also a moral indictment. However, contacting the hundreds of subjects individually for consent was not deemed feasible. More importantly, the collected data has either been made publicly available by themselves, in the case of LinkedIn and personal websites, or been made available with their (implicit) consent, in the case of local MAI websites and municipal documents. It can thus be argued that they have freely decided to take on a position in public office, thereby accepting the possibility of public and academic scrutiny. Nevertheless, the amount and type of data collected is minimised to the bare essentials for the purposes of this research, all names are anonymised in the final SPSS dataset, and identifying characteristics have been removed as much as possible in the presentation of the results.

With this in mind, it can be considered ethical to quantitatively collect and analyse their publicly available professional information and publish the results in an aggregated, anonymized manner. The qualitative discussion of specific cases becomes ethical through anonymisation and by keeping in mind the large number of cases. However, the dataset itself will not be made publicly available, other than to the reviewers, since the primary data is impossible to fully anonymise without losing its content.

Results and analysis

Institutional level analysis

The institutional level analysis focused on the first four research questions concerned more with the meso- to macro level institutional framework of MAIs. The results for each of these research questions are presented in two steps.

First, an overview is given of the state of formal independence based on the legal and policy framework, following the operationalisation (see Appendix I for an overview). When the new legal requirement 'Wet versterking decentrale rekenkamers' introduces changes to this sub-elements of independence, these changes and their effect on independence (improvement or reduction of independence) are noted. This overview is presented in a table with a short summarizing text for purposes of legibility. However, for each of these research questions the more detailed table, as well as the underlying analysis and specific sources, can be found in appendix VI.

Secondly, the findings for formal independence will be contrasted with results from the exploration of de facto independence for each of the institutional level dimensions of independence. Thereby showing in what way the formal and de facto independence may or may not appear to align, and what potential effects the new legal requirement may have. This is primarily based on the findings from the interviews, exploration of relevant websites and documents, and relevant findings from the individual level analysis. This is supplemented where necessary with reports and news articles to provide context.

RQ1: Organisational independence

RQ1: To what extent are MAIs in the Netherlands organisationally independent? What role might the new legal requirement play in shaping this?

Formal legal and policy framework

A summary for the formal findings for organisational independence of MAIs in the Netherlands and the changes made by the new legal requirement is presented below in table 1. A more detailed table, as well as the underlying analysis and sources, can be found in appendix VI.

Table 1

Summary of results for analysis of formal organisational independence indicators

Concept	Indicator	Found present yes/no (If applicable: new law improves / reduces this independence)
Independence from government	The MAI is not a government department but organisationally separated	Yes (improved)
Mandate	The MAI mandate is codified in national law	Yes
	The MAI mandate includes a clear scope of audit topics	Yes
	The MAI mandate includes right to access relevant information	Yes (improved)
Governance	MAI members are elected by municipal legislature	Yes
	MAI members have at least 6 year term limits	Yes
	MAI member dismissal is controlled by legislature and beholden to limitations	Yes
	There are limits to the number of reelections of MAI members	No

In sum, organisational independence was found to be formally relatively strong, with almost all indicators of this form of independence being found present, except for limitations on the number of times a MAI member could be re-elected. There was a mandate embedded in national law and this provided a clear and relatively broad demarcation of audit authority. The new legal requirement improved this formal organisational independence by improving the access to information for MAIs and by disallowing council members to be MAI members. The latter formally reducing the potential for political conflict of interest.

Context and practice

Independence from government

Interviews corroborate the finding that the MAI is not a government department, with some adding the nuance that in practice it is not unusual for the municipal clerk that works for the municipal council to also assist the MAI, especially in smaller municipalities. Considering the new legal requirement that disallows the ‘MAI-function’ to be instated and municipal council members from becoming MAI members. This is seen as a major change and the conclusion to a long debate surrounding independence and conflict of interest for MAIs by interviewees. While this is often regarded as positive, there are also criticisms about the process: ‘The [new legal requirement] took far too long to make. For years the community was frozen: “are they going to do it or not”. This created infighting in the MAI community.’ Adding later: ‘It was obvious that [the new legal requirement] was going to get implemented at some point, just get on with it then.’.

The interviewees indicated that the change was already coming for a while. And while one interviewee did not want to turn back this changes, they did mention that: ‘Council members have a good sense of what the problems are in a municipality and what needs to be audited. In my experience this often worked well and it wasn’t like everybody was using the MAI-function for their political goals. With external MAI members generally living in a different city – or even a different province – it can sometimes be more difficult to know what is relevant. This makes you more dependent on the input of the municipal council.’. Thereby indicating that while it may have addressed some conflicts of interest, there is also a potential loss in expertise and skills that may be associated with the new legal requirement. Later, this interviewee also noted that that much of the independence from government comes both from the behaviour of municipal council and executive, but also in large part due to the stance MAI members take, which can take time to develop: ‘As a group of MAI members we have really only existed for 20 years. All of a sudden you have this new profession and these new relations within the city governance. That is not always easy to accept for the ones that are there, and it is not always easy to find your own role in this.’.

Mandate

Interviewees generally regarded topics relating to the mandate as being strong or sufficient. While the formal provisions were considered adequate, some had experienced or had knowledge of, situations where the formal mandate was put under pressure in practice. In one example a MAI member had the right to obtain certain information from the executive, and this was acknowledged to be the case by the alderman. However, while documents were shared, multiple requests had to be submitted and re-submitted to finally receive the relevant documents they had specifically and clearly asked for. This MAI member was under the impression that the requested documents were being held back deliberately and as such his audit was hindered. In another example, a MAI member also asked for a limited and specific set of documents. Instead, they received what they described as ‘a data dump’, containing a large number of uncategorised unrelated documents. While the requested documents where eventually found, it took much effort to find them. They interpreted this as a means of obstructing the execution of their audit.

The 2023 law on the ‘strengthening of local audit institutions’ introduces new clauses that are relevant to the concept of ‘broad access to relevant information and individuals’. Both clauses pertain to article 184 of the municipality law, and lower the threshold for MAIs to be able to demand documents from private companies the municipality has a financial relationship with (Kamerstukken II, 35298, nr. 3, 2019). Thereby increasing the access to information. While interviewees were content with this addition, one interviewee added relevant nuance: ‘We already had relatively good access to information and this makes it a bit better. That is good. However, if the executive does not work with us, this is meaningless. I have had situations where they just said “no” to my information request. Then there is very little you can do. All I can do is tell the municipal council, but the alderman is often supported by the majority of the council.’.

Governance

The results show relatively strong findings for the governance of MAIs. Most interviewees had experienced relatively little trouble in this regard, supporting this finding. Although this was not a universal experience, with one interviewee positing a rather strong violation of the MAI independence in terms of limitations to the firing of MAI members: ‘Generally, it goes well, but it is not perfect. For example, the regulation that instated the MAI in a certain municipality was rescinded. It was then reinstated, so the MAI had to be created again. Well, if you dissolve a MAI, by definition its members cease to be MAI members. With the new MAI, different MAI members could be appointed. That was the only goal. That’s just not allowed. However, the national government did not intervene, nobody feels responsible to safeguard MAI independence.’. Thus, indicating that formal independence may not always align with de facto independence and that enforcement mechanisms may be weaker than it appears.

RQ2: Functional independence

RQ2: To what extent are MAIs in the Netherlands functionally independent? What role might the new legal requirement play in shaping this?

Formal legal and policy framework

A summary for the formal findings for functional independence of MAIs in the Netherlands and the changes made by the new legal requirement is presented below in table 2. A more detailed table, as well as the underlying analysis and sources, can be found in appendix VI.

Table 2

Summary of results for analysis of formal functional independence indicators

Concept	Indicator	Found present yes/no (If applicable: new law improves / reduces this independence)
Audit autonomy	MAIs do not need permission to decide audit topic and subject	Yes
	MAIs can ignore audit requests from legislative and executive	Yes
	MAIs are not restricted in presenting audit outcomes	Yes (negligible reduction)
Professional autonomy	There are guidelines, instruction manuals and training for MAI members	Yes
	External hiring or outsourcing of audits is limited and incidental	No (negligible improvement)
Operational autonomy	MAIs can autonomously decide on their staffing	Yes (mixed)
	There are no contractors hiring other contractors	No

In sum, the findings for formal functional independence are relatively strong, with many of the underlying elements of independence found. MAIs are formally independent in their decisions surrounding audits – such as topic, requests and presentation. There are guidelines and training for MAI members and MAIs are formally free to decide on their staffing. Weaker points of this formal independence were found in the absence of regulation against meta-contracting and in the finding that external hiring is not limited but considered standard practice. The new legal requirement makes two negligible changes to the formal framework, more on this can be found in appendix VI. A larger formal change is allowing civil servants that are employed by the municipal council to perform services for the MAI, with these civil servants being only be accountable to the MAI for these activities. One the one hand this change strengthens independence by providing more staff to MAIs to perform their duties, however, on the other hand this may negatively affect functional independence as these civil servants do not exclusively work for the MAI. Therefore, the formal effect of the new legal requirement in this case can be seen as mixed.

Context and practice

Audit autonomy

Interviews generally corroborated findings that MAIs had a stronger degree of audit autonomy. However, some interviewees pointed out that while they decided on the research topics independently, there was always a balance to be struck between independence and effectiveness. Meaning that they were personally unlikely to audit a subject that they felt the municipal council was not interested in: ‘We [as MAI members] are for the municipal council, but they don’t own us. Interplay helps us both, but we decide in the end. That is important since we exist to audit, not to settle accounts [Dutch: “we zijn een rekenkamer, geen afrekenkamer”]’. They also pointed out that since a MAI member is often not a citizen of their municipality, and frequently they are not even from the same province as the municipality, the interplay with the council is important to understand which audit topics are actually seen as relevant.

In addition, it became clear from the interviews that this balance between independence and effectiveness was often at the forefront of their work. Two examples regarding the wording and the timing of audits illustrate this. Concerning the wording an interviewee mentioned: ‘As a MAI member, you are in a political landscape. Your goal is to improve the situation. So, if you can get more done by giving concessions [to the executive], you should not rule this out on principle. However, you must always avoid creating the impression that you are a party to the affairs. You are neutral, fair, objective, and proper.’, this was followed by the example: ‘I was called by the municipal clerk. He said that the Alderman understood what I meant [with my findings], however, he found it indigestible. So, if I were to leave the writing in my report the way it is, nothing would be done with it. Well, I changed nothing of the substance of my report, but changed the words that offended the Alderman. That’s fine by me.’. This shows there is potentially a fine line between political pressure and coordinating wordings.

Looking at the timing of audits, the formal analyses shows that a slight restriction has been introduced by the new legal requirement. However, from the interviews it becomes clear it is standing practice to send their audit reports to the executive for pre-publication review: ‘I always send my audits to the relevant alderman and civil servants. Of course I don’t let them change my conclusions, but it they can often correct information on a factual basis. I can’t know every small detail, so this is quite helpful. Also it prevents that discussions later get stranded in factual details, while missing the core message of the report’. Later adding: ‘However, sometimes the executive “forgets” that this is only meant to be a factual check. I once had an audit report that received more than a hundred “factual corrections”, and the alderman threatened to step down if this report was published in the current state. […] This shows how political pressure can be put on us.’. This example indicates that even a formal factual check could infringe on independence, the interviewee did not think more rules would necessarily help, it is also down to political culture and individuals.

As a final note, it was also pointed out that for the timing of publication, sometimes the best moment was sought in conjunction with the council clerk. Although these interviewees also pointed out that they were free to publish what and when they choose. With one interviewee having an exception to this:

‘Well, the council clerk was of the opinion that we should not audit certain topics. So while we could make the reports, he simply did not allow them to come onto the council agenda. In essence meaning that we could not present the report.’

Professional autonomy

The results show a present - and according to interviewees increasing - attention for expertise and professionalism of MAIs, through publication of manuals and online information, availability of (online) trainings, and congresses with skill improvement workshops: ‘For many years there was very little in terms of training for MAI members. I know that at the NVRR they are now setting up more trainings for all levels of MAI members. I can see that is becoming better every year. That is important, because it often happens that new MAI members have to sink or swim.’. Some also argue there should be more centralised involvement: ‘The Ministry of Internal Affairs should take more of an active role in the improvement of the MAI landscape.’. While others feel that the local aspect should take a central role: ‘I don’t think the NVRR is meant to create a single framework for MAI members that they have to conform to. I see that they collect and present experience and best practices to equip MAI members with the skills they need, but they know their local situation.’. Without taking a stance on the direction, there are indications that the guidelines and trainings were quite weak and are increasing. Although it should be noted that all of these are available to MAI members on a voluntary basis, so no base level is required. With some pointing out that the degree to which MAI members participate varies, meaning that not all MAI members regularly, or at all, engage with these professional norms.

Considering the external hiring of expertise the interviewees confirmed the results that external hiring is standard practise. When asked about the risk that hiring consultants to perform MAI duties, might lead to punches being withheld, as the consultants might want to get hired a next time, an interviewee responded: ‘That risk does exist. The risk is real, but I can honestly say I have never seen that happen.’. Adding that: ‘Truly independent audits do not exist. There are always other factors at play – and you always have to do concessions. Even if someone is a public or university researcher, this happens. You always want to get a future research assignment or a research grant. However, you have to do your audits in good conscience.’.

Interviewees pointed out the having internal MAI members was much more affordable for municipalities than external hiring: ‘There are a lot of MAIs who perform their own audits. But where a consultancy bureau would get between 150-180 euro per hour, a MAI member may get on average between 50-100 euro per hour. That is a big difference, and makes it much more affordable for the municipality’. This would lead to interesting situations, where it appears that sometimes the lines between external hiring and internal audits get blurred intentionally by the municipal councils themselves. For example, an interviewee remarks: ‘Personally I have experience with a municipality that explicitly chose to hire MAI members that are researchers in their daily life. So, two out of three MAI members there have their own research bureau. But when they perform audits for this municipality they do this as MAI members, under the financial conditions that apply to MAI members. Also, only they name gets put on the audit reports, not the name of their research bureau, as they do the audit as a MAI member.'. A tangential finding in this regard is that it was pointed out that municipalities are moving away from monitoring and regulating external hiring: in 2020, 70% of municipalities had policies in place to help reduce external hiring, a year later, this had dropped down to 56% of all municipalities (A&O fonds, 2022, p. 4).

Operational autonomy

The formal results showed that MAIs should be able to decide on their own staffing and hire as many employees as is necessary. In practice interviewees point out that funding is very limited and most MAIs have to make due with a single staffer, if at all. With generally only the bigger or shared MAIs often having multiple employees: 'the larger MAIs are a different sport altogether. They can have 10-15 employees, a fulltime salaried director and you can really do some serious things. For the other municipalities this really depends on how the municipal council organises it.' This indicates that the carte blanche the law seems to give does not translate into actual access to sufficient staffing. These interview findings appear to align with findings from earlier studies that find that supporting staff is on average less than 0.25 full time equivalent (FTE) per MAI (De Jong, et al., 2013, p. 26) and total supporting staff tallying up to 1.3 FTE per MAI (Van Den Broek, 2020, p. 8) with some staffs consisting of dozens of FTE others then logically being closer to 0.

In addition, in the 2023 law on the 'strengthening of local audit institutions' the possibility to have civil servants that are employed by the municipal council can perform services for the MAI, and in performing these services they would only be accountable to the MAI for these activities (Kamerstukken II, 35298, nr. 3, 2019, p. 14). One the one hand this change strengthens independence by providing more staff to MAIs to perform their duties, however, on the other hand this may negatively affect 'operational autonomy' as these civil servants do not exclusively work for the MAI. However, interviewees respond that in many smaller municipalities it is already common practise to work in close conjunction with the municipal clerk, indicating that this more of a formalisation of current practise than a large change.

When interpreting staffing broader is also has to be noted that finding enough MAI members is seen as one of the challenges for MAIs, often in smaller municipalities: 'Many MAIs have great difficulty in finding members. I know cases where for three vacancies you get two applicants. Then there is not a lot of choice.'. This is seen as due to both needing high expertise requirements and low renumeration. When asked about the expertise an interviewee responded: 'You have to understand how to manoeuvre in the complex power struggle between executive, council and civil servants. Just being a good researcher is not enough. It is hard to find someone like that'. This problem seems to be exacerbated by a renumeration for the MAI work that is often seen as relatively low: 'Well it's not really a volunteer position. You have to do serious work and have to have serious experience. People spend a lot of time, and get on average between 50-100 euro per hour. Although in some outliers you get 1800 per month, that is over the top too. I don't know if things would get better if it became a fully professional position. But in this way, we are missing out on a lot of talent.'. With another interviewee adding: 'There are MAIs where you have to govern the MAI and do the research as there is almost no budget for research. What you get paid then is peanuts.'.

Looking at meta-contracting – contractors hiring other contractors to do the MAI work – the results and interviewees indicate that this is not uncommon, although less widespread than years earlier. This practice does not seem to be regarded positively, with one interviewee repeatedly referring to a certain consultancy bureau that provides these services in a negative way. And with another explicitly mentioning: 'I'm really against municipalities hiring consultancy bureaus to perform the MAI duties. It becomes a really grey area. When you then hire people from your own bureau to perform audits, of course you act as if you are the client and they are the contractor. However, you are both colleagues, so it's always a bit awkward. But you know, if we don't do it, others will. And above all, the municipality knows what they are getting into, it's no secret this works this way.'.

The meta contracting can lead to a number of remarkable arrangements in the MAI landscape, making it a very heterogenous subject. For example, one interviewee mentions: 'There is a MAI member that hires their own research bureau to perform audits for their own MAI. However, this is only so that they are able to contract students to perform the audits, not because they want to provide business to their own bureau'. This research does not find indications that this specific arrangement is in any way representative of practices in the MAI field – it may be a one-off. However, it is emblematic of the many different stories, arrangements and peculiar forms the MAIs and their audits can take.

RQ3: Financial independence

RQ3: To what extent are MAIs in the Netherlands financially independent? What role might the new legal requirement play in shaping this?

Formal legal and policy framework

A summary for the formal findings for financial independence of MAIs in the Netherlands and the changes made by the new legal requirement is presented below in table 3. A more detailed table, as well as the underlying analysis and sources, can be found in appendix VI.

Table 3

Summary of results for analysis of formal financial independence indicators

Concept	Indicator	Found present yes/no (If applicable: new law improves / reduces this independence)
Adequate financing	Adequate financing of MAIs is legally required	Yes
	The funding level for MAIs is legally codified	No
Budget autonomy	Earmarking of funds is legally prohibited	No
	No permission for spending choices is required	Yes

In sum, the findings on formal financial independence for MAIs are mixed. On the one hand it is legally codified that MAIs should receive adequate funding, and there are no rules or policy stating that they should ask for permission on spending choices. On the other hand the funding level for MAIs is not legally codified – although an advised norm amount of 1,3 euro per citizen is given (Berenschot, 2020) – and there are no protections against the earmarking of funds. Thus, there are no formal limits to political reprisals and influence through the level and use of funding. No changes by the new legal requirement relevant to financial independence have been identified.

Context and practice

Adequate financing

As the formal analysis shows article 81j of the Municipality Law states that municipalities should provide MAIs with 'sufficient' funding to execute their duties (art. 81j Gemeentewet, 2022). However, only an advised norm amount is given - 1,3 euro per citizen - while explicating that the national government does not want to infringe on the budget right of local municipalities (Berenschot, 2020). Thus there is a minimum amount that is suggested, but this is not binding and there is no enforcement mechanism to secure this minimum level of funding. In assessing the de facto funding level of MAIs, it could not be ascertained for the individual MAIs what their level of funding is. Public municipal budgets often did not include a separate post for MAI funding, instead including it under various other composite posts such as governance or other. Reporting by MAIs themselves on their budget (and expenditure decisions) also was of mixed quality and availability.

While news sources indicate that a lacking budget is a considerable concern for an unspecified amount of MAIs (Bekkers, 2023; Van Sluis & Slob, 2024) and a poll filled in by 80 MAIS showed that at least 75,4% received funding of less than 1,3 euro per citizen (Den Boer et al., 2021), this research has not been able to accurately determine that information. The interviews, however, support the finding that the level of financing is in practice not sufficient in many MAIs. The low level of funding frequently came up in both the structured and unstructured interviews. Multiple interviewees being familiar personally, or through colleagues, with MAIs that they perceive as underfunded. But some interviewees also mentioned that there are MAIs that are well funded and autonomous, often - but not exclusively - in larger municipalities or shared MAIs. The sentiment may be best summed up by one interviewee stating: 'Originally in 2004 there was sort of an agreement that every municipality would put 1 euro per citizen into their MAI. After indexation that number is now 1 euro and 30 cents. Some MAIs are above that, but there are very many that are lower than that.'.

Budget autonomy

The formal analysis has found no safeguards against political influence on MAIs through the earmarking of funds. The interviews gave the impression that this form of pressure did in fact happen, although it was not perceived to be very widespread or frequent. When asked if they had ever experienced financial pressure, an interviewee responded: 'Yes. We published a critical report, and after that our budget got halved. They said budgets cuts were necessary in many places, but it was clear that this was a political reaction to a critical report.'. When asked if this interviewee has seen this more often, the response was: 'Yes. This was ten years ago. There had just come a new alderman, and we had published some critical reports. Then too our budget was halved. This left us with a choice: have our secretary-researcher do all the audits alone or fire them and have money for externally hired audits, but not both.'. In addition, in a news article the NVRR is quoted as saying 'Sometimes budgets are cut because a MAI has produced reports that the majority of the council does not like' (Den Boer et al., 2021). These findings indicate that political pressure through financing does happen, although the scale and frequency cannot be determined.

The formal analysis tentatively indicated that no permission should be needed for spending choices. Interviews had mixed results. Some stated they were independent in their budgetary decisions. However, an example was also given of a shared MAI that had to ask each of the municipalities it was responsible for for funding and permission every time they undertook an audit. This was seen as quite hindering to their work. The explanatory memorandum of the new legal requirement explicitly states that both the previous and current law find it important not to infringe on the budget rights of municipalities (Kamerstukken II, 35298, nr. 3, 2019). Together with the interviews this indicates that it is unlikely that budget autonomy is strengthened, or strongly protected.

RQ4: Ethical and integrity safeguards

RQ4: To what extent do MAIs in the Netherlands have sufficient ethical and integrity safeguards? What role might the new legal requirement play in shaping this?

Formal legal and policy framework

A summary for the formal findings for ethical and integrity safeguards of MAIs in the Netherlands and the changes made by the new legal requirement is presented below in table 4. A more detailed table, as well as the underlying analysis and sources, can be found in appendix VI.

Table 4

Summary of results for analysis of ethical and integrity safeguards indicators

Concept	**Indicator**	**Found present yes/no (If applicable: new law improves / reduces this independence)**
Active safeguards	MAI (or municipal) website is obligated to disclose information on MAI members (other than name)	No
	There is a register of all MAI members	No
	Conflict of interest prevention training or information leaflets are offered	No
Passive safeguards	There are available code of ethics, guidelines, policies or regulation on conflict of interest	Yes
	There are sanctions for conflict of interest	Yes

In sum, the findings for formal ethical and integrity safeguards were not found to be very strong. There are no obligations to disclose information, no register of MAI members, and no trainings or leaflets for conflict of interest prevention found. While policies and guidelines could be found, they are mostly not mandatory and were only found through very specific searches, interpretation and combination of documents from different sources published over a period of 15 years. Making this not a very strong presence. In terms of sanctions, general sanctions are found that could be applied to conflict of interest. No changes by the new legal requirement relevant to ethical and integrity safeguards have been identified.

Context and practice

Active safeguards

The formal analysis of active safeguards found them missing in an institutional sense. In attempting to determine the presence of such safeguards on the level of the individual MAI, the findings were mixed.

As mentioned this was done by checking MAI and municipal websites to see whether they presented information on their MAI members other than their name alone. To start, 39 out of 342 municipalities had no information online about their MAI at all. For the other municipalities, at least 88 municipalities provided additional information on their MAI members online. This information varied from listing only their professional occupation on one end of the spectrum to full CVs, ancillary activities and tenure duration on the other. In a not insignificant number of cases this information was not presented in a clear manner and required thorough searching of the websites. It is possible then that more municipalities did have this information available somewhere, but could not be found by the researcher. All in all this search did not indicate that there were strong, consistent or widespread active safeguards.

The interviewees generally recognised these findings, although some were surprised by them: 'If this information is really that hard to find, I find that a disgrace.' and found that MAIs should have this information available: 'MAIs audit others, but that means they should have their own information transparency in order. Sometimes I want to contact a MAI and I can't find who their MAI members are or contact information. That is not okay. I think there should be publicly available information.'. On the other hand there was also recognition of the findings, where personal examples were presented which may explain in part this lack of transparency: 'I had to move heaven and earth to get on the municipal website. The communication department and the webmasters have no idea what a MAI is, where we should be positioned, and why this is important. Even in large and experienced municipalities. The weirdest things go wrong.'. This would indicate that it is possible that the lack of transparency is not always a wilful choice, but can also be due to the relationship with the municipality and relative unfamiliarity even civil servants have with the MAI as an institution.

More relevant information came from the interviews that went a little broader than the indicators. For example, it was confirmed that there is no register of MAI members. However, interviewees added that in the selection process of MAI members, there was often room for improvement: 'I think this is a problem in many places in the governance of the Netherlands. But there is this MAI member who left a MAI, she was bad at her job so everybody in the municipality was cheering. But then the next place hired her, and the problems were even worse. Nobody checks their record, no references are checked. I can point out a couple people just like that, whom you'd rather keep away.'. There is apparently a dearth of procedures provided by the national government: 'There are no procedures for the hiring of MAI members'. And the process of selection also does not seem to always be strongly controlled by the legislature, with an interviewee indicating this would often be left in large part to the civil service: 'Most of the hiring of new MAI members is usually done by the council clerk. There is often a commission from the municipal council who kind of looks at it as well, but only if someone really raises their voice the proposal is overturned. That's not usual.'. This too seems to indicate that it is not uncommon for there to be a certain disinterest, or at least unfamiliarity, from municipal councils towards MAIs.

Combined with the earlier mentioned by interviewees lack of involvement from the national government may help us understand the inconsistent patchwork findings regarding ethical and integrity safeguards surrounding MAIs in different municipalities.

Passive safeguards

While the formal analysis did show there is a framework for the prevention of conflict of interest, this finding was only achieved through collecting a patchwork of documents from different organisations and dates. Most interviewees pointed out there are some rules surrounding the prevention of conflict of interest, thereby showing that they knew of the existence thereof. However, interviews also indicated that much of this was based on behaviour and not so much on formal rules, stating: ‘There are rules preventing conflict of interest. But much of this will not come from rules, but has to come from understanding among MAI members.’. With another interviewee arguing: ‘Look, independence is a state of mind. It is not absolute, but must be assessed on a case-by-case basis. So, I think the NVRR could organise intervision-groups to discuss how to do perform you MAI membership in an independent way. And how to maintain your integrity while achieving your goals.’. An interesting note is that many structured and unstructured interviewees referred to the NVRR as their source of policy, with very few mentioning the Ministry of Internal Affairs. This may indicate a preference for self-regulation, or it could simply be the result of many unstructured conversations taking place at the NVRR congress which may then be at the top of mind.

The complexity in applying the formal rules was also often mentioned. Some interviews left the impression that the fine line between practical reality and conflict of interest is not fully captured by formal regulations. For example, when asked if the interviewee knows of conflict of interest prevention policy, they responded: ‘In my experience, many MAIs require that you haven’t done assignments for that municipality in the last two years’ however, adding that ‘in one case audit services were performed for the MAI. The municipality was very happy with the advice and asked to come back the next year to audit what the effects had been of the suggestions. After good communication with the MAI it was determined that this follow-up assignment was okay. As you can see, it is often up to yourself to make judgements on whether something is a conflict or not within a complex governance environment’. This too indicates that potentially the formal rules may not be the most important object of study, but the manner in which MAI members apply these rules may also matter.

Turning to the breaking of rules, the formal analysis found that in principle there were sanctions available to be put on MAI members. However, no instances of examples of sanctioning for conflict of interest came up during the interviews, and no news articles were found of such a thing happening. In addition to the formal sanctioning, two interviewees pointed out that in their experience MAI members do talk about this amongst one another and confront colleagues when they identify a potential conflict of interest. Thus, suggesting that there is an informal enforcement mechanism through norms.

Individual level analysis

The individual level analysis focused on the last two research questions concerned more with the micro- to meso level factors best addressed through studying MAI members. The results for each of these research questions are presented in two steps.

First, the primary data that was collected and categorised according to the coding scheme is explored with statistical tests through SPSS. This is done to illustrate certain patterns that were identified in the data and show any relations that may be relevant for further study. As there were often little empirical studies to base the approach on, and so there were many unknown-unknowns, this data has been explored in a stronger inductive manner. To portray this process and the steps taken, extra emphasis is put on explaining the methodological process in finding the patterns and exploring the data.

Secondly, these statistical findings are supplemented and contextualised with the relevant results from the interviews, to provide a richer understanding and interpretation of the quantitative findings. In addition, case descriptions are provided with the findings of the interviews where relevant, to illustrate with practical examples from the dataset the more abstract analysis resulting from the interviews. The case descriptions are hand-picked to best illustrate the patterns, with attention given to regional spread and between larger and smaller municipalities.

RQ5: Expertise

RQ5: To what extent is expertise present for MAI members in the Netherlands?

Data analysis

Professional expertise of MAI members

Data were collected on MAI members from all 342 municipalities in the Netherlands, using the operationalisation outlined in Appendix I and the coding scheme in Appendix III. Of these municipalities, 39 did not have accessible online information about their MAI. In total, 941 MAI member positions were recorded. Because some individuals held multiple MAI positions, these were condensed to 480 unique MAI members.

Of the 480 members, 347 had sufficient available data, while 133 were included with missing values. Specifically for the steps relevant to expertise, there were only 84 missing values. MAI members with political conflict of interest were excluded. The analyses below are based on the data collected for this sample.

As a first step in examining the expertise of MAI members, their professional backgrounds were categorized. Here 396 out of 480 MAI members had enough available information. A frequency table of all MAI members with valid information (see table 5) shows the distribution of professions across all identified members. The most common professional affiliations were consultants (n = 157) and civil servants (n = 142), together comprising 62.3% of the total sample. Other reported professions included scientists (n = 34), private sector (n = 21), semi-private sector (n = 17), and other (n = 25). This shows that 36% of MAI members currently worked as civil servants and 40% of MAI members currently worked as consultants. From the underlying profiles we know that the vast majority of these consultants are active in consulting for the public sector. Thus, a majority of MAI members have either experience in or with public administration, even when ignoring other professional categories and previous experience in the public sector on resumes.

Table 5

Professional Background of MAI Members

		Number of MAI members in this group	% of all MAI members
Profession	Consultant	157	40%
	Civil Servant	142	36%
	Scientist	34	9%
	Semi-Private	17	4%
	Private Sector	21	5%
	Other	25	6%
	Total	396	100%

Experience

The second step in exploring expertise is an analysis of the amount of simultaneous MAI memberships, amount of previous MAI memberships and the total level of experience in terms of length of MAI tenures.

The amount of current simultaneous MAI memberships per MAI member is shown below (see table 6). 388 out of 380 MAI member had valid data for this step. Out of 388 MAI members with valid data, we can see that 276 MAI members (71%) are members of only one MAI, 76 (20%) have two concurrent tenures at a MAI, 22 (6%) have three concurrent tenures, 9 (2%) have four concurrent tenures, and 5 MAI members (1%) have five concurrent tenures. This data thus shows that 29% of MAI members are currently a public auditor member at more than one local audit institution.

Table 6

Current Simultaneous MAI Memberships

Number of current active MAI Memberships	Number of MAI members with this amount	Valid Percent
1	276	71
2	76	20
3	22	6
4	9	2
5	5	1
Total	388	100

In terms of total MAI memberships every MAI member has held previously, the following are the results (see table 7). For this step 374 out of 480 MAI members had valid data available. Out of 374 MAI members with valid data, we see that 272 MAI members (73%) have not previously been a MAI member, 56 members (15%) have held one earlier position, 21 (6%) have held two earlier positions, 14 (4%) have held three earlier positions, and 11 MAI members held more than three positions previously. This data shows that 27% of MAI members have at least one earlier term of experience as a local audit institution member.

Table 7

Total Number of Previously Held MAI Memberships

Total number of Previous Memberships	Number of MAI members with this amount	Percent of total MAI members
0	272	73%
1	56	15%
2	21	6%
3	14	4%
4	4	1%
5	3	1%
6	2	1%
7	1	0%
10	1	0%
Total	374	100%

The following are the results for experience in terms of the cumulative months of tenure at all current MAI positions per MAI member. To clarify: per MAI member their current active MAI tenure durations in months have been collected and have been added up. This creates a sum total in months of their current experience in MAIs. This does not include previous MAI membership durations as the data was too unreliable.

The descriptive statistics (see table 8) show that out of 363 MAI members without missing information, the average cumulative tenure duration of all current MAI memberships is just over 62 months, almost five years and two months, with the median value being 49 months, just over four years, and the standard deviation being 59,83 months, just under five years. The measure of Skewness (2,93) above a value of 2 suggests the distribution is nonnormal with a stronger presence of lower values. The measure of kurtosis (16,89) above a value of 2 suggests the distribution is nonnormal with a stronger peaked distribution. For a visual indication of the distribution of cumulative current months of tenure a figure has been added below (see figure 1). Herein each bar represents one year of cumulative current tenure duration, a normal distribution curve has been added for reference and one outlier (582 months) has been excluded for clarity.

Here the most clear indication can be seen in the median value of 49 months of current experience. This is 1.6 years lower than the length of a single term. Although this finding makes sense when taking into account that the majority of MAI members have only one tenure, it does give some indication that there may be a stronger distribution towards shorter tenures. This can also become visually clear from the graph showing a number of MAI members with much longer tenures, while most find themselves under sixty months of current cumulative tenure duration.

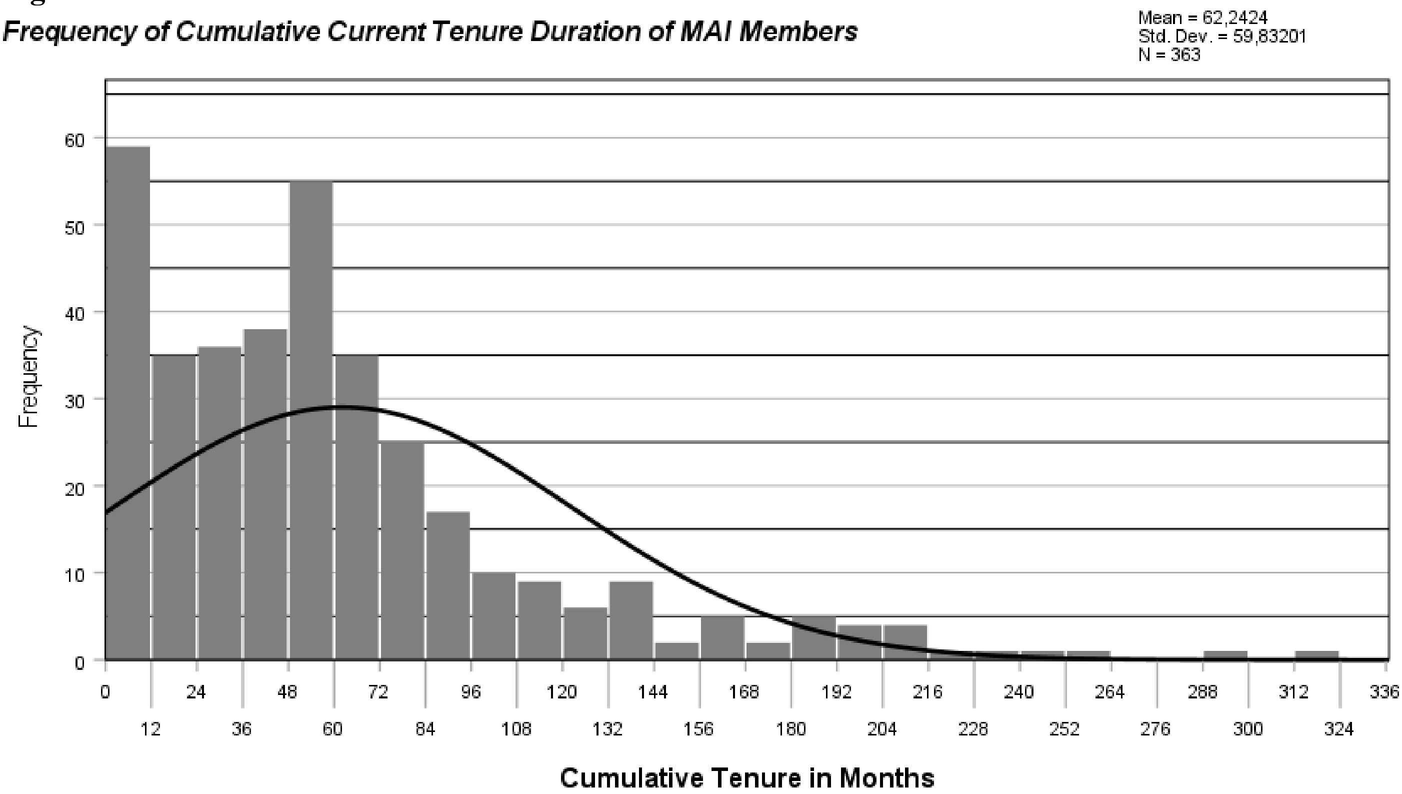
Table 8

Descriptive Statistics of Cumulative Duration of Current Memberships

Sum of Cumulative Duration Current of current Memberships		
N	Valid Values	363
	Missing Values	117
Mean		62,24
Median		49,00
Std. Deviation		59,83
Skewness		2,93
Std. Error of Skewness		,13
Kurtosis		16,89
Std. Error of Kurtosis		,26
Minimum		1
Maximum		582

Figure 1

Frequency of Cumulative Current Tenure Duration of MAI Members



Context and practice

Professional expertise

The findings for expertise in the form of professional background indicated that the majority of MAI members are employed as either consultants or civil servants. Most interviewees were not surprised by this finding and recognised it from their encounters with fellow MAI members, although this sentiment was not ubiquitous: 'I find it quite disturbing that such a large number of MAI members are consultants.'. As mentioned earlier, the interviewees indicated that many competencies are needed for MAI membership, making it a difficult role to fill. Leading some to argue it can best be seen as a hobby which attracts only a certain amount of people: 'You can participate in and be close to governance, without getting caught in all the politics – although that does sometimes happen. That is a beautiful thing if this is your hobby. Some people do sports, or go parachute jumping. I open up a policy report and talk to people to find out what happened. And yes, the renumeration is nothing to write home about. And yes this means there is a small pool of people and a specific sort of person. That can be a bit of a threat.'. Multiple interviewees mentioned that MAI members were often a specific 'type' of person, although their backgrounds differed, with there being a general opinion that most MAI members had sufficient expertise to perform their duties.

Experience

The analysis of the data showed that the average level of current experience of MAI members is 1.6 years lower than the length of a single term. Although many MAI members have at least some experience in public service, this may indicate that there may be a lack of longer term in-house experience with auditing. Although this must be interpreted cautiously as for many we do not know the specific duration of earlier experience. Most of the interviewees focused on explaining the findings of multiple memberships, with some arguing towards more psychological explanations: 'Some people stack up MAI memberships because they want to feel important. They can say "I am the chairman of such and so" or "If I call the mayor, he picks up". You know, that kind of stuff cannot be prevented.'. Others also mentioned that it is up to the municipal council to guard against the stacking of memberships, but that there may be a certain disinterest or overemphasis on the value of 'experience' that may affect decision making: 'The many memberships some MAI members can also be blamed on the municipals councils. They are the employers in essence. And then they see an application coming in of someone who already has four MAI memberships and then they think "O wow that is interesting, they know their stuff". This is shortsighted thinking.'. One interviewee also pointed out the tension between term-length and experience. Their argument coming down to the position that in theory a longer term-length should secure more experience. But in practice this can sometimes scare people away and not everyone manages to makes it through the six years. Thereby making the pool of MAI members smaller.

RQ6: Conflict of interest

RQ6: To what extent is conflict of interest present for MAI members in the Netherlands?

Data analysis

Political conflict of interest

Considering non-financial potential conflict of interest in the form of political association, data collection was performed according to the coding scheme (appendix III). In total, out of 342 observed municipalities, 32 municipalities (9.36%) were found to have one or more council members among their MAI members. Of these, 5 municipalities were found to have exclusively municipal council members as part of their MAI. This shows that not all municipalities have yet implemented the new legal requirement, as this does not permit council members being MAI members. For the rest of the analyses MAI members who are council members have been excluded to prevent skewing the findings.

Financial conflict of interest

Data were collected on all MAI members in the Netherlands, following the operationalisation (Appendix I) and coding scheme (Appendix III). MAIs from all 342 municipalities were included in the data collection. Of these, 119 municipalities were represented through 37 shared MAIs (see Appendix III for a list of the shared MAIs), and 39 municipalities had no available online information about their MAI. In total, 941 MAI member positions were observed. Because some individuals held multiple MAI positions, these were consolidated into 480 distinct MAI members.

Of the 480 members, 347 had sufficient available data, while 133 were included with missing values. Specifically for steps relevant to financial conflict of interest, there were only 95 missing values. Of the 385 cases with enough data to be analysed, 135 (35%) were identified as having a potential financial conflict of interest based on the operationalised criteria and for 250 (65%) MAI members no potential financial conflict of interest was identified (see table 9). This shows that there is a relatively large share of MAI members who potentially have a financial conflict of interest according to the operationalisation, while it also shows that the majority does not seem to have such a conflict.

Table 9

Number of MAI Members with Potential Financial Conflict of Interest

	Number of MAI members	Percentage of total MAI members
No Conflict of Interest	250	65%
Potential Conflict of Interest	135	35%
Total	385	100%

To examine the relationship between profession and the presence of potential conflict of interest, a crosstabulation was conducted (see table 10). The results showed strong variation between professional categories. Notably, consultants were significantly overrepresented among those with a potential conflict of interest: 86.7% of consultants fell into the category with potential conflict of interest, compared to 14.4% without (*standardized residual* = 8.6). In contrast, civil servants were underrepresented in the conflict group (5.9%) and overrepresented in the no-conflict group (52.4%; *standardized residual* = –5.8). Other professional categories (scientists, semi-private, private sector, and “other”) did not deviate significantly from expected frequencies; their residuals ranged between –2.6 and 1.9.

Table 10

Crosstabulation of potential conflict of interest per profession

			Profession						
			Consultant	Civil Servant	Scientist	Semi-Private	Private Sector	Other	Total
Potential financial conflict of interest	No conflict of interest	Number of MAI members	36	131	25	15	20	23	250
		% of total members	9.4%	34.0%	6.5%	3.9%	5.2%	6.0%	64.9%
		Adjusted Residual	-13.8	9.1	1.4	2.9	3.0	3.3	
	Potential conflict of interest	Number of MAI members	117	8	8	0	1	1	135
		% of total members	30.4%	2.1%	2.1%	0.0%	0.3%	0.3%	35.1%
		Adjusted Residual	13.8	-9.1	-1.4	-2.9	-3.0	-3.3	
Total		Number of MAI members per professional group	153	139	33	15	21	24	385
		% total MAI members	39.7%	36.1%	8.6%	3.9%	5.5%	6.2%	100.0%

Note: $N = 385$. Adjusted residuals greater than ±1.96 are considered statistically significant at $p < .05$. Chi-square test of independence: $\chi^2(5, N = 385) = 195.97$, $p < .001$. Bonferroni-adjusted post hoc tests revealed significant overrepresentation of consultants and underrepresentation of civil servants among those with a potential conflict of interest.

A chi-square test of independence confirmed a significant association between professional role and the presence of a potential conflict of interest, $\chi^2(5, N = 385) = 195.97$, $p < .001$. Post hoc analyses with Bonferroni correction showed that consultants were significantly more likely to be flagged for potential conflicts (*adjusted residual* = 13.8, $p < .001$), while civil servants were significantly less likely (*adjusted residual* = –9.1, $p < .001$). No other professional group showed significant deviations after correction.

These findings indicate that the largest share of potential financial conflict of interest can be found amongst the MAI members that have been categorised as consultants; with 87% of the findings of conflict of interest. The conflict of interest findings are thus almost entirely driven by this group, although the limitations section in the conclusion will provide some context to this finding. Additionally, it becomes clear within the consultant group the vast majority (76.5%) have been found to have the potential for financial conflict of interest, leaving a relatively smaller subsection of consultants (23.5%) with no conflict identified. From an inspection of the details in the underlying cases in the dataset it becomes apparent that the vast majority of consultants work for municipalities and MAIs. With a smaller subsection being consultants in seemingly unrelated fields. Thereby potentially explaining the high findings for potential financial conflict of interest in this group.

Degree of involvement

The final step in exploring the potential for conflict of interest was to determine whether MAI members with a potential conflict of interest also exhibited a higher degree of involvement in MAI activities. The independent variable was the presence or absence of a potential financial conflict of interest. Degree of involvement was assessed using three variables per member: the number of concurrent MAI memberships, the number of prior MAI memberships, and the cumulative duration (in months) of current memberships.

Tests of normality were conducted using both the Shapiro–Wilk and Kolmogorov–Smirnov tests. Results from both indicated that the distributions of all three involvement variables significantly deviated from normality ($p < .001$). Given these violations of the normality assumption, non-parametric analyses (Mann–Whitney U tests) were used to compare groups based on conflict of interest status.

A series of Mann–Whitney U tests revealed statistically significant differences between individuals with and without a potential conflict of interest in all three variables: number of current memberships, $U = 19718.50$, $z = 4.42$, $p < .001$; previous memberships, $p < .001$; and total months of current involvement, $p < .001$. These results suggest that individuals with a potential conflict of interest tended to be involved in more MAI positions—both currently and previously—and for longer durations than those without a conflict. However, the total number of current months and the number of current memberships may overlap conceptually and mathematically, potentially affecting interpretation.

To further explore these associations, a binary logistic regression was conducted to examine whether the three involvement variables—current memberships, previous memberships, and cumulative months of involvement—could predict the likelihood of a potential conflict. The overall model was statistically significant, $\chi^2(3) = 37.38$, $p < .001$, and showed good fit, Hosmer–Lemeshow $\chi^2(8) = 3.88$, $p = .868$. The model explained approximately 13.7% of the variance in conflict status (Nagelkerke $R^2 = .137$) and correctly classified 70.4% of cases. Classification was more accurate for cases without a conflict (92.7%) than for those with a conflict (28.2%).

Among the predictors, both the number of previous memberships and the cumulative months of involvement were statistically significant. Each additional previous membership increased the odds of a potential conflict by 45.3%, $B = 0.374$, SE = 0.117, $p = .001$, Exp(B) = 1.453, 95% CI [1.155, 1.828], and each additional month of involvement increased the odds by 0.7%, $B = 0.007$, SE = 0.002, $p = .006$, Exp(B) = 1.007, 95% CI [1.002, 1.012]. The number of current memberships was not a statistically significant predictor ($p = .368$).

A revised model excluding the non-significant predictor (current memberships) was estimated to improve model parsimony (see table 11). The reduced model, which retained previous memberships and cumulative months of involvement, remained statistically significant, $\chi^2(2) = 36.57$, $p < .001$, with good fit (Hosmer–Lemeshow $p = .921$). Model accuracy remained stable (70.4%), with a slight improvement in correctly classifying conflict cases (29.0%). Although predictive performance did not substantially increase, the model was more parsimonious and retained two significant predictors.

These findings indicate that the presence of a potential conflict of interest is more strongly associated with past memberships and cumulative duration of involvement than with concurrent memberships. The findings indicate that the former two may be reliable predictors of potential conflict status within the assumptions of this study. This seems to support the assumption that when there is a conflict of interest a MAI member may have a higher degree of involvement. These findings indicate that there may be merit to the classification of conflict of interest within this study, which can be a quite contentious concept to determine in practical application.

Table 11

Binary Logistic Regression Predicting Conflict of Interest from Prior Involvement Variables[c]

							95% C.I.for EXP(B)	
	B	S.E.	Wald	df	Sig.	Exp(B)	Lower	Upper
Previous memberships	.402	.113	12.625	1	<,001	1.494	1.197	1.865
Current membership duration	.008	.002	12.724	1	<,001	1.008	1.004	1.012
Constant	-1.361	.187	52.934	1	<,001	.256		

c. Note. N = 358. Nagelkerke $R^2 = .134$. The model was statistically significant, $\chi^2(2) = 36.57$, $p < .001$. Hosmer–Lemeshow test: $\chi^2(8) = 3.20$, $p = .921$. Classification accuracy = 70.4%.

Context and practice

Financial conflict of interest

The reactions of the interviewees to the above findings could be described as mixed. Some were somewhat surprised or worried by the findings, with one interviewee stating: 'The large number of consultants as MAI members surprises me. MAI members get very low renumeration, consultants usually earn a lot. Why would you do this?'. However, another interviewee responded: 'Well the findings don't surprise me. However, I believe most do this because they genuinely want to help public governance. Consultants aren't just driven by money. They have a lot of experience from working in public governance - they have the ideal profile for a MAI member - and want to use this experience for the public good. Even despite the low renumeration.'.

With these statements in mind, the structured and unstructured interviews leads to a dichotomy and underlying dynamic to explore for these professional conflicts of interest, which centres on the consultants with potential conflict of interest. These interviews - in combination with the findings from the case descriptions, analysis of websites, and LinkedIn profiles - show a pattern of a fine line in the interpretation of what could be either potential conflict of interest or a potential win-win. To describe this, we can divide the findings of MAI members with conflict of interest up in two subgroups. The professional and the symbiotic MAI members.

Professional MAI members

Although local MAI membership is generally a volunteer position, the first group could be typified as 'professional MAI members'. As illustrated by one interviewee: 'You have to understand and move within the political landscape, be a good researcher, be a good presenter, have the time… and all that for often a very low renumeration. So, it is more of a hobby. Well, I also know people who are MAI members in 4, 5, etc. MAIs at the same time. Then you're getting somewhere [in terms of income]'.

From the dataset one could describe this group to almost exclusively include MAI members with a consultant profession. They typically own or are a part of a small (self-employed) consultancy business specialising in MAI research and performance auditing of municipal policy. In the dataset they often find themselves having multiple concurrent and consecutive MAI memberships while also performing consultancy or research projects for other (and in some cases their own) MAIs. Thereby these 'professional MAI members' seemingly blur (and some potentially cross) the line between public volunteer and private business activities.

Through the following case descriptions we can see it is possible to categorise a more direct and a more indirect 'professional MAI member'. However, for privacy considerations, this information and identifying details have been left out, with the 'ID_[number]' being their identifier in the dataset. In the most direct cases, there are MAI members that appear to be hiring themselves or their firms to fulfil the research commissions their MAI has set out. For example, ID_103, is the owner of a consultancy firm specialising in policy and research in the social domain for municipalities. Personally being a member of 5 MAIs and having 10 previous MAI positions, this individual's firm also lists these same MAIs and their municipalities among their clients, with specific projects and dates being traceable to the period they held MAI tenure at that municipality. Another such example is ID_094, who owns a legal and consulting firm and has been a MAI member in 3 municipalities. They currently sit on the board of two more MAIs, one of which for more than 15 years at the time of writing. MAI documents show this person's firm being hired to perform services for the MAI they are on the board of. While these cases come the closest to a pure definition of conflict of interest, they also required a relatively large amount of online research to find, and can be estimated to represent the fewest cases. In addition there are cases that run through the employer; such as ID_355, who works for a middle-sized consulting firm that lists the municipality as a client where this person is a MAI member. After analysis of their firm's website and municipal documents on this commission, these activities appear unrelated to the MAI, and no documentation is found linking this individual to that specific assignment.

The more indirect examples of 'professional MAI members' are more frequently found. These MAI members (with the consultant background and potential conflict of interest found present) are self-employed. Their field of work concerns municipalities and MAIs in general, but insofar as official documentation is available and indicates they do not seem to do this work for the specific municipality or MAI they are a member of. Typical examples include ID_322, who is a self-employed research and interim management consultant for municipalities and MAIs, while also being a MAI member in multiple locations. Another typical example is ID_057 who is a MAI member in multiple places. Their primary employment is their consulting firm which performs freelance research for MAIs and consulting services for municipalities looking to institute or improve their MAI. An interesting case that stands out is ID_024. This individual with a self-employed consultancy firm performed projects for different municipalities, by own accounts specialising in cutting budgets and (performance) audits. A year after being hired by a municipality to perform an audit, this individual became the chairperson of their local MAI.

Some interviewees recognise the above examples or have pointed them out. One interviewee draws our attention to the potential tension in this phenomenon: 'There is a weird tension between being a MAI member and doing commercial assignments for MAIs. That doesn't sit right. You get the situation where you go to the NVRR congress, and you are talking to people who contracted you [as a consultant], but now you are both in the role of MAI member. That is not good.'. There thus seems to be a blurring of the line between MAI membership and the consultancy profession. Interviewees were clear that the 'direct' examples of 'professional MAI members' were likely conflict of interest and not allowed under the regulations. However, the more 'indirect' examples led to discussions about the extent one could speak of conflict of interest.

Symbiotic MAI members

The above discussion leads to what may be called 'symbiotic MAI members'. Multiple interviewees brought up that consulting activities and MAI membership may aid one-another, thereby having a symbiotic relationship. As one interviewee notes: 'There is a give and take. Being a MAI member, you can get consulting assignments for MAIs more easily, as you can prove that you have expertise in this field - simply by the fact that you are a MAI member. On the other hand, you can use your knowledge and experience from consulting to be a better MAI member. Both sides benefit.’.

Taking this at face value, we can draw out a group in the data that indeed resembles such ‘symbiotic MAI members’. This group consists of consultants, but also appears to apply to most of the MAI members with a scientist and civil servant background that have a potential conflict of interest due to their ancillary consulting activities. On the one hand they have a business interest in activities for MAIs and municipalities, with the services they offer including - or being limited to - performing research and performance audits for these institutions. On the other hand, they often volunteer at only one or two MAIs and there is no indication that they perform services for the municipality or MAI they are currently a member at. In some interviews this ‘Chinese wall’ preventing MAI auditing and consulting services for the same municipality is also explicitly stated.

Looking at the case descriptions to illustrate this group, a central debate can be had about which of the more indirect examples of consultants that can be classified as ‘professional MAI members’ are actually ‘symbiotic MAI members’. We can also look towards other professional backgrounds for illustrations. Within the civil servant group, MAI members with potential conflict of interest are typified by ID_112 and ID_347. Their primary occupation is listed as civil servant, and they have been in senior positions at municipalities or ministries for a long time, but have ancillary activities as a self-employed consultant for municipalities and/or do research projects for MAIs next to their primary occupation as a civil servant. For the scientist category, the findings of potential conflict of interest for this group are typified by ID_198 and ID_287, who are university lecturers with a specialisation in municipal governance. Next to their primary occupation at a university they are also either self-employed or work for consulting firms in the field of municipal and MAI consulting. For both these groups, their primary source of income does not seem to be consulting services, so it seems less likely that there is conflict of interest at play (following the logic described in the theoretical framework).

For none of the above case descriptions of symbiotic or professional MAI members this study determines definitively in which group they fall. Several participants argued that building and maintaining a network was inherent to the consulting profession and did not, in itself, create a conflict. Ongoing business with other municipalities or potential future contracts were not consistently seen as problematic. In their view, only a direct financial relationship between the consultant and the same municipality might qualify as a conflict: ‘The only downside is that you cannot do consulting for the municipality you are a MAI member in. So you’re down 1 municipality, but the other 340 remain. However, you must not overestimate the benefit. Yes, MAI membership helps you with consulting offers. However, if I would have let’s say 20 years of consulting experience for MAIs, I don’t need a MAI position to prove myself in offers.’

From different conversations there come indications that being a consultant (or scientist and civil servant), with broad (research) experience from a diverse array of projects at various MAIs and municipalities, makes you a valuable MAI member: ‘My MAI membership is the most enjoyable way of volunteering for the good of society’. Conversely, they mention that their role as a MAI member grants them a certain perceived gravitas, attested skills and expertise, credibility, and network, which are valuable in procuring commissions from other MAIs and municipalities. Thus, seeing it as a win-win situation and not per se a conflict of interest. Or as one interviewee notes: ‘You know, doing something for the public good [meaning MAI membership] does help your profile and makes you look good. Of course. However, if a civil servant does volunteer work, that also looks good on their CV. So, what is the difference?’.

Likelihood

The findings for likelihood did not lead to a large number of responses from interviewees, other than the above findings regarding potential professional and symbiotic MAI members. Here too the question was often raised to what extent one could take the degree of involvement as an indicator for conflict of interest, and that such findings should be interpreted with reserve. This sentiment is best represented by an interviewee stating: ‘MAI members with multiple MAI memberships are a well-known phenomenon. In the community we call them “the stackers” [Dutch: de stapelaars]. People talk about them with a bit of disdain. But nobody knows if this is a problem. People don’t know, are they doing a good or bad job, or they cashing in? You don’t know, so you shouldn’t automatically assume it’s a problem. That’s just gossip, you need facts.’. Adding: ‘I know someone who more or less accidentally became a MAI member at multiple municipalities, although they didn’t per se want it. They are doing a great job everywhere. I also know a couple examples of people with multiple memberships of whom I think it would be better if this were not the case.’. Another interviewee was also familiar with the ‘stackers’ [stapelaars], noting that: ‘I know of a case where a MAI member had 21 memberships. That was bizarre. Also, there was one who had 11 at the same time. I haven’t heard of this recently, but no one inspects this.’

Conclusion

Research overview

In both policy and academia, we find a strong emphasis on the importance of independence of audit institutions. At the same time, we can see increasing threats to this independence worldwide and a lack of study into the state of independence for municipal audit institutions (MAIs) specifically. Therefore, the introduction of a new law – ‘Wet versterking decentrale rekenkamers’ – which had as its stated goal to improve the independence of MAIs in the Netherlands, presented a timely opportunity to both assess the current state of independence and the possible changes to this independence for MAIs. Thus, this study set out to answer the research question: w*hat is the current state of independence of Municipal Audit Institutions in the Netherlands, and how does the recent legal change relate to this?*

Through a mixed methods exploratory study this question is addressed. Qualitatively, by way of a document analysis and interviews, the institutional framework for MAIs in the Netherlands and the new legal requirement are analysed. Thereby an image is created of the de facto and de jure organisational-, functional-, and financial independence, and ethical and integrity safeguards; as well as the relationship the new legal requirement may have with these. Qualitatively, by way of a primary data gathering and statistical analysis, – supported by interviews and case descriptions – the specific composition of the total MAI member population is analysed. Thereby creating an image of the expertise and conflict of interest for all individual MAI members who govern these MAIs.

This analysis resulted in detailed descriptive findings on both the formal and de facto state of independence of MAIs and the potential role the new legal requirement may play in this. These can be found in the results and analysis section. Through the analysis a number of main patterns emerge, that are relevant additions to this field of study and have implications for policy. These will be addressed below.

Discussion of main findings and implications

Theory and practice gap for MAIs

Starting with the gap between the formal independence and the de facto situation, we see multiple instances where these do not appear to align. There was a strong emphasis on the independence of MAIs in legal texts, their explanatory memoranda and debate minutes. And the results suggest that MAI independence in a formal sense meets many formal standards found in the literature. However, the results from the different dimensions of institutional level independence also show that this theoretical independence is not always realised in practice.

The most obvious examples are found in terms of staffing and financing. The Municipal law explicitly states that that as many civil servants should be contracted by the municipality as the MAI needs to execute their duties (81j sub 2, Gemeentewet, 2022) and they should be provided with sufficient funds for the proper execution of their duties (81j sub 1, Gemeentewet, 2022). However, the findings from interviews indicate that in many cases there is a lack of staff and financing.

Aside from these, the interviews bring forth many examples where MAI independence, which formally should be strong, is violated through political pressure, financial retaliation or uncooperative behaviour that hinders the audit execution. However, it must be noted that many of these findings from interviews are anecdotal, therefore the extent and scope of these breaches of independence cannot be concluded from this study.

Taken together, these findings show the relevance of studying both de jure and de facto independence for audit institutions, thereby supporting studies in this field that argue for such an approach (Torres et al, 2019; Blume & Voigt, 2011; Maggetti, 2007). Simultaneously, many of the examples can potentially compromise the effectiveness MAIs. Thus, the analysis of MAI independence has contributed to the field of MAI research in the Netherlands, by showing that there is relevance to studying the more fundamental aspects of independence of MAIs, as an addition to of focusing primarily on effectiveness and implementation (Hoekstra, 2013; Castenmiller & Peters, 2014; Lemmens, 2014; Keulen, 2021).

New legal requirement formalises standing practice

The analysis of the new legal requirement ‘Wet versterking decentrale rekenkamers’, did not lead to any causal conclusions. However, the findings from the analysis of formal changes, contrasted with the findings from the interviews, gave the impression that many of the changes were in fact formalisations of standing practice.

The first example of this is found in the main aim of the new law: to ban political MAI members. While we still find that 32 municipalities (9.36%) had one or more politician MAI members in the final quarter of 2023. These findings of MAIs with politician MAI members are likely due to the one-year grace period for implementation of the new legal requirement, and are expected to be phased out in the coming time. In that sense the new law is likely a success. However, looking at earlier studies, we find that the number of politician MAI members had already been declining. In 2013, 161 municipalities were found to have politician MAI members (De Jong, et al., 2013, p. 25), and in 2019 this was down to 89 municipalities (Van Den Broek, 2020). The interviews also indicated that it was already becoming standard practise to switch to the more independent model of MAI. While a measurement right before implementation of the new law is missing, thus this cannot be conclusively answered, is appears likely that the new law was more of a formalisation than a strong change in direction.

Secondly we see this trend in other areas. The new law now allows civil servants that are employed by the municipal council to perform services for the MAI. However, interviewees indicate that especially in smaller municipalities, this was already standing practice. Interestingly, it was the NVRR itself that requested this addition to address MAI staffing shortages in smaller municipalities (Kamerstukken II, 35298, nr. 3, 2019, p. 14). As the NVRR also indicates that MAI funding is generally too low (Kamerstukken II, 35298, nr. 3, 2019, p. 14).

Research indicates that the use of civil servants by audit institutions can negatively affect independence because of the risk of revolving doors (Thatcher, 2005) and systemic capture (Pierre & De Fine Licht, 2019). Potentially this is a practical trade-off between independence and effectiveness: giving up some independence to create the possibility for more staff. Whether this trade-off was deliberate NVRR policy cannot be concluded from this study, but this would be in line with earlier research that indicates audit institutions often have to find a balance between their independence and their effectiveness (Pierre & De Fine Licht, 2019; Posner & Shahan, 2014).

With most of this academic debate being focused on the trade-off audit institutions make with the executive and legislative between independence on the one hand and access to information and implementation of recommendations on the other (Pierre & De Fine Licht, 2019; Posner & Shahan, 2014; Lonsdale, 2008; Sharma, 2007). This finding adds to the literature an indication that such a trade-off may also be made between independence on the one hand and availability of staff to perform duties on the other. Further research could study how often such trade-offs happen, or to what extent this affects credibility.

Risks in external hiring and integrity safeguards

Through a structural observation of the ethical and integrity safeguards, supplemented by the findings on external hiring for MAIs, we find indications that there are a structural risks which the new legal requirement does not address.

Starting with the ethical and integrity safeguards, we find that these are mostly weak or absent, both in formal and de facto results. The safeguards could be typified as relatively weak and generally not conforming to the standards set out by INTOSAI (INTOSAI, 2019), the OECD handbook on managing conflict of interest in the public service (Bertók, 2003) and best practices identified by public administration studies (Moore et al., 2006; Demmke, et al., 2008; Di Carlo, 2013; Bélisle-Pipon et al., 2018). Although it cannot be concluded from the results, it is possible that this relative weakness may have reduced the likelihood of preventing many of the instances of conflict of interest that were found in this study.

While interviewees mostly agree that more of such safeguards would be preferable, the new legal requirement makes no mention of this, nor are any such improvements found. This also ties in with the finding in multiple results that the central government seems to take a more hands-off approach to MAIs. Apparently not interjecting when their independence is violated, not wanting to force local municipalities to provide sufficient financing, and not offering much guidance on best practices, guidelines and hiring policy. While it cannot be concluded this hands-off approach is the set policy, it does offer avenues for further research into the role the central government takes and the degree to which (independence of) local audit institutions may or may not benefit from more national government involvement.

The second risk that is seemingly unaddressed is the apparent reliance on external hiring. The findings indicate that the lack of funding and staffing described above may also lead to a reliance on external expertise over internal expertise. Indeed, some interviewees indicate that for many MAI members the reality is that they have little staff and low compensation of their time, so the outsourcing of audits is often seen as unavoidable. Lastly, and potentially most convincingly, policy documents and interviews indicate that the hiring of external expertise is seen as common practice for MAIs performing audits. For some municipalities the entire MAI function is even outsourced to a consultancy bureau, leading to meta contracting where an external consultant contracts other consultants (and in at least two cases this was found to be their own consultancy bureau) to perform public audits.

While these findings cannot be taken as conclusive, they indicate that many MAIs have a dependency on external hiring. In an academic sense, this finding add more direct and structural findings to the very limited studies that have already tangentially identified a MAI dependency on external hiring (Hanberger, 2009; Johnsen et al., 2001). In addition, although this study did not look at the influence of MAI members with a consultant profession, it is possible that the large presence of consultants increases external hiring or reduces limiting influences for external hiring. This shows the relevance of MAIs as a study subject within the research finding independent regulatory agencies being captured by consultants or private interests (Thatcher, 2005; Shapiro, 2012; Maggetti & Verhoest, 2014). And this opens an avenue for further studying systemic capture - which describes the self-reinforcing cycle of increased consultancy and dominance of NPM thought (Pierre & De Fine Licht, 2019, pp. 228-229) - from the point of view of capture by economic interests. The finding of some instances of meta contracting adds MAIs as a sector to be further studied for researchers pointing out the increase of this phenomenon (Clark, 2011).

Relevance of financial conflict of interest discovered

The 20-year political debate on conflict of interest in MAIs in the Netherlands was focused on political conflict, and most academic research is focused on independence from the executive and legislative. However, the findings of this study show the relevance of studying financial conflict of interest and looking at the independence from the private sector.

The results show that 56% of MAIs have at least one MAI member with a potential financial conflict of interest, thus making this form of conflict of interest seemingly more widespread than political conflict of interest. We find that 35% of MAI members potentially have a financial conflict of interest and that this finding is mostly driven by MAI members who are consultants, those accounting for 87% of the conflicts. Although it is important to read the limitations further below, as the emphasis on consultants is also a logical (but unavoidable) result from the operationalisation. In addition, though this study has looked at only one point in time, so no trend can be determined, it fits the literature that describes an increase in the presence of consultants in public governance in the past several decades (Halligan, 1995; Kipping & Clark, 2012; Saint-Martin, 2012; van den Berg et al. 2019; Mazzucato & Collington, 2023).

From the interviews, it becomes clear that the above findings cannot be used to conclude there is actual conflict of interest. We describe how it is not obvious where their MAI membership begins and their role as consultant ends, and one is thereby reminded of the quote by van den Berg et al.: "it seems that working as an external government consultant can be regarded as a profession in and of itself" (Van den Berg, et al., 2019, p. 139).

Through case descriptions and using the degree of involvement in MAI work to explore the relationship MAI members with conflict of interest have with the MAI work, we find indications that there may be a broader potential for financial conflict of interest. As "conflict of interest is not necessarily manifested in improper motives, but in failing to recognise conflicts or acting in disregard of them" (Davids, 2008, p. 6), it might be possible that it is both true that many MAI members with conflict of interest have good intentions but that they also do not actively recognize the potential conflicts or act to reduce them. In that sense, it might still be possible that they 'pull their punches' in audits to safeguard relationships that might lead to later employment as consultants by their or another municipality, without recognising this is happening. While this study has not attempted to identify such pulling of punches, they do indicate there is the possibility that the auditing role can be curtailed to not endanger the more financially lucrative consulting operations and future contracts, just as is a well-known and long running phenomenon in the private sector (Ishaque, 2021; Spence, 2004; Goldman, & Barlev, 1974).

Although no causal conclusions can be drawn, in either case this study adds a new angle for research. With most research in this field focussing mostly or exclusively on independence from the legislative and executive (see e.g. English & Guthrie, 2000; Blume & Voigt 2011; Bovens & Wille, 2021; Langella et al., 2021; Bostan et al., 2021; Wonka & Rittberger, 2010; Hanretty & Koop, 2013; Posner & Shahan, 2014; Pierre & De Fine Licht, 2019), this study shows the relevance of studying independence from the private sector as well. In addition, while most of the attention for conflict of interest in MAIs in academic and policy studies in the Netherlands has gone to political conflict (see e.g. Tillema & Ter Bogt, 2010; Van Der Mark, et al., 2011; De Jong, et al., 2013; Castenmiller & Peters, 2014; Van Dam & De Vaan, 2016; Koster & Tollenaar, 2017; Van Den Broek, 2020), this study shows the relevance of paying attention to financial conflict of interest for MAI members.

In terms of policy implications, these findings indicate that while the new legal requirement may have resolved one discussion on conflict of interest, there may be another to be had. This is an especially relevant finding for policymakers, since "external hiring" is cited as one of the topics local MAIs frequently audit (Brandsen, et al. 2007, p. 25). Individuals who have to judge whether a municipality spends too much on external hiring while their own primary source of income is external hiring, creates the potential for conflict of interest or unintentionally biased decisions. More on this follows in the policy recommendations below.

Empirical approach to conflict of interest and likelihood

These findings of a blurred line between the different forms of potential conflict of interest fit a field of study that describes the difficulty in definitively determining conflict of interest (Jafari Nia et al., 2023; Slingerland, 2018; Bero & Grundy, 2016; Boyce & Davids, 2009). Resulting from this difficulty, relatively few researchers attempt to empirically determine the presence of conflict of interest or focus on interviews. Although there are many limitations, as discussed in other parts of the study; by developing the data collection method and coding scheme, and collecting data on all MAI members in the Netherlands, this study adds empirical data and approaches to the conflict-of-interest field. And it shows the value in studying independence on the level of audit institution members, in addition to the institutional level.

The utilised method also showed itself to be effective by finding information on MAIs representing 303 municipalities – similar to earlier research's 308 municipalities (Peters & Van Zuydam, 2021, p. 7) – and identifying a total of 941 MAI members – similar to an earlier tally of 1272 MAI members (van den Broek, 2020, p. 15). The difference is likely explained by the other research's inclusion of emailing and calling of MAIs without online information.

In addition, the interpretation that there might be potential conflict of interest is strengthened by our approach, using theorised indicators for the likelihood there is a potential conflict of interest (Thompson, 2009). The results showed that individuals with more previous MAI memberships and more cumulative months of current membership were significantly more likely to be identified as having a potential conflict of interest. While this relationship did not serve as a perfect predictor, it revealed a consistent pattern: MAI members with lower levels of involvement were less likely to be identified with potential conflicts. This pattern strengthens the validity of the findings that are subject to a possible debate over definitions and operationalisation of conflict of interest.

Moreover, the study offers an adaptation and practical application of Thompson's (2009) theoretical model, illustrating how the concept of likelihood can be empirically assessed. In this way, the results contribute empirical support to theoretical work and suggest that this approach may be useful in future studies examining conflicts of interest. With the results adding empirical findings to the theoretical basis and indicating that such an approach may be of use in further research into determining conflict of interest. In sum, this approach and findings for conflict of interest offer a new operationalisation and empirical findings for the field of conflict of interest and consultancy study, and thereby building on the calls for further research (Halligan, 1995; Kipping & Clark, 2012; Ylönen & Kuusela, 2019).

Strong presence of civil servant MAI members

The profession that was found most frequently after consultants was that of civil servant, with 142 out of 393 valid observations. This is in line with the theoretical expectations that MAI members need specific expertise that is best gained in the public sector (Langella et al., 2021; Alwardat, 2010) and that there can be a back and forth of staff between auditing institutions and the public sector (Thatcher, 2005). This finding may add empirical data to the theory of systemic capture, with MAIs potentially taking on the logic of the executive through this close connection (Pierre & De Fine Licht, 2019). However, a causal conclusion on the influence of civil servant MAI members on MAI policy can not be drawn from this research.

In addition, civil servants, as well as the other professional categories other than consultant, had much lower frequency of potential conflict of interest and a lower degree of involvement compared to consultants. Indicating that it is less likely that there is the same level of risk of financial conflict of interest for this group compared to consultants. Nevertheless, this finding might still be relevant from a policy perspective, as one can raise the question if this share of MAI members being civil servants is desirable in terms of representativeness and checks on the executive power, despite the higher likelihood that these individuals have sufficient expertise to perform these duties. This would also be relevant to the broader policy discussion ongoing in the Netherlands surrounding the separation of personnel performing audit activities from the executive institutions (Algemene Rekenkamer, 2025).

Concluding remarks

What can be concluded from this study is that the central research question: w*hat is the current state of independence of Municipal Audit Institutions in the Netherlands, and how does the recent legal change relate to this?* does not have an simple answer. However, through this exploratory study, new insights on the state of independence for MAIs and the relevance of new dimensions of independence to be studied have been presented. The relationship the new legal requirements may have to this independence has been discussed and weighed. And new methods and practical applications of theories have been displayed that may assist in further study of this topic.

Due to a lack of earlier studies and operationalisation, as well as lacking data quality and availability, there are limitations to validity of the results. In any case the findings of this exploration should be interpreted with the fitting reserve and it should be kept in mind that the chosen method and following results do not allow for causal connections are confirmed or disproven. More on such limitations can be found in the subchapter below and in the operationalisation.

Despite these reservations, these exploratory findings still add to the public auditing literature lacuna a structured study of MAI independence, specifically to the field of independence the relevance of including financial conflict of interest and external expertise dependency, to the field of conflict of interest study a primary dataset and novel method of collecting and assessing the potential financial conflict of interest. Providing starting points for further study, as will also be discussed below.

In addition to this - as far as is known to the researchers - this study adds the first structured exploration of MAI independence to the field of audit institution study in general. With the findings showing relevant avenues for further study and providing tools to do so. In addition - as far as is known to the researchers - this study has provided the first structured research on the state of independence for MAIs in the Netherlands, and the first analysis of new legal requirement ‘Wet versterking decentrale rekenkamers’ through these dimensions of independence.

In terms of policy implications, the findings indicate that the new legal requirement mainly addresses formal independence and non-financial conflict of interest, while potentially having less impact on de facto independence of MAIs in the Netherlands and leaving financial conflict of interest and structural risks in external hiring and integrity safeguards unaddressed. Further below, clear policy proposals have been provided to address this. Thereby this study offers policymakers actionable information on their stated objectives regarding strong MAI independence.

Limitations

Aside from the limitations addressed in sections above and in the methodology chapter, there are some specific limitations to this study concerning operationalisation and causality to keep in mind when interpreting the results.

Firstly, concerning there are limitations to the conceptualisation and operationalisation of different variables. For example, this study operationalises financial conflict of interest in such a way that it in essence mostly applies to individuals who perform paid consulting services for MAIs and municipalities. This method finds legitimate potential financial conflict of interest based on the theoretical framework and resulting operationalisation, thereby having good measurement validity. However, it does potentially cause an underrepresentation of other professional backgrounds in the findings on financial conflict of interest, potentially affecting external validity. In addition, it may partially affect internal validity as on the one hand finding more financial conflict of interest among other professions would lead to a reduced emphasis on dependency on external hiring as a risk factor. However, on the other hand the implications in terms of lacking ethical and integrity would likely remain relevant. While these limitations are relevant, three arguments support the chosen route. First, this was an exploratory study with little to no earlier work, data and methods to build on in regards to finding financial conflict of interest in this setting. Secondly, the chosen method and operationalisation already led to a labour-intensive process due to limited availability and heterogeneity of information sources, thus precluding a more detailed method for an individual researcher. Lastly, aside from a discussion on what is and is not financial conflict of interest, for which no generally agreed upon position was found in the literature, the main validity risks in this regard come from underestimating the breadth and depth of potential financial conflict of interest. Merely showing the relevance of this topic, without fully capturing the extent of it, - thereby risking a type II error in terms of conclusion validity - was taken as an acceptable risk for an exploratory study. For other operationalisations, such as the groups and categorisation of professions, a similar definitional and validity debate is possible, however, through clearly reported coding choices, concerns on reliability are attempted to be addressed.

The second limitation is in the degree to which causal explanations are offered. As this study was in essence a descriptive analysis, with the quantitative elements supporting the description, any causal explanations for the findings or relations between findings can only be speculated on. While the detailed quantitative information on MAI members was valuable, ideally the dimensions of institutional independence would also have been collected on the level of every individual MAI. This more descriptive approach and lack of rigorous testing risks a type I error affecting conclusion validity, and heightens the change of researcher bias affecting reliability. However, with 342 municipalities in the Netherlands and pilot testing showing that the availability of information was highly unreliable and collection thereof was prohibitively time consuming, the decision for a descriptive approach to this exploratory study was deemed unavoidable within these constraints. Through clear presentations of definitions and measurement of the dimensions of independence and clear referencing of sources for the descriptive results, an attempt is made to safeguard reliability.

Future research

Building on this exploratory study that has shown the existence of this phenomenon, there are two main avenues for future research: exploring the causes and exploring the effects.

Firstly, considering the causes. While this study finds a high prevalence of consultants in combination with a potential for conflict of interest, this relationship can only be presumed. Exploring how the current situation came about and why adds valuable theoretical understanding to these findings and practical insights for policymakers and legislators. A good starting point would be structured interviews, asking consultants why they became MAI members and asking council members why they elected consultants to their MAIs. This could be combined with an analysis of municipal financial statements acquired through freedom of information requests (WOO) to more conclusively test for financial conflict of interest.

A more complex route might be to analyse if municipal culture is in some way a predictor, since there appears to be some variance to the extent to which MAIs are appreciated between municipalities in terms of culture, funding and staffing. This could be done in tandem with a collection and analysis of municipal integrity policies and guidelines. A simpler route might be to look at the effect of the budgets that municipalities actually allocate to their MAIs, unfortunately this information was often not publicly available and therefore had to be omitted from this study as a variable. This information will most likely have to be collected through WOO requests. Furthermore, it might be interesting to look at civil servants, who were also overrepresented as a group but had relatively little potential for conflict of interest using this operationalisation. This puzzle might be solved with in depth interviews to determine motivations or by looking at potential non-financial conflict of interest through network analysis.

Considering the effects that the overrepresentation of consultants (and civil servants), and the systemic potential for conflict of interest have, it is valuable to explore this further as this study offers no answers to such questions. This could be done through an analysis of MAI output based on quality or measure how 'critical' the MAI is of municipal policy, specifically as it relates to external hiring policy and practice. By combining this with findings for potential conflict of interest, and findings of consultancy profession, it may provide a start to answering to what extent there may be systemic capture of MAIs by NPM thought.

Policy recommendations

In terms of policy implications, the findings of the research are relevant to the prevention of conflict of interest and the independence of MAIs. Aside from the policy implications mentioned in the discussion section, three main avenues for policy recommendations present themselves.

First, this study draws attention to the overall lack of information and attention to this topic in Dutch policy research on MAIs, which so far has focused mostly on such indicators as MAI presence in municipalities, organizational form, budget, output, effectiveness and satisfaction ratings (Van Der Mark, et al., 2011; De Jong, et al., 2013; Dreef, et al., 2019; Van den Broek, 2020). A logical first step would be to add formal and de facto independence, as well as financial conflict of interest, to the list of topics for further policy studies to create a better understanding of the situation and gather more data than the resource constraints of this study allowed for.

Secondly, the apparent weakness or absence of conflict of interest prevention measures found by this study suggests relatively easy, quick, and budget friendly improvements can be made through strengthening these safeguards. This could include measures such as a national MAI member registry, a web page with relevant information for each MAI and their members on the municipal website, a conflict of interest identification and prevention information leaflet as required reading for MAI members, and a consolidated mandatory framework for conflict of interest guidelines, regulations, and sanctions.

Lastly, in the research for this study, many policy documents, parliamentary debate minutes, news articles, websites and interviews all pointed to the important role of independent MAIs. However, while formally this independence is in many ways present, the lack of sufficient and stable funding seemingly prohibits many MAIs from hiring enough staff with in-house expertise. A logical step then would be to simply act in accordance with article 81j of the Municipal Law by providing MAIs with ‘sufficient financing for the proper execution of their duties’ (art 81j lid 1 Gemeentewet, 2022).

Conflicts of interest statement

The author declares no conflicts of interest related to this master's thesis. He is employed full-time as economy and public finance policy advisor for the Socialist Party of the Netherlands Parliamentary Group at the Dutch House of Representatives, and is a member of the national board of this party. Neither these, nor any other, organisations took part in or exerted influence on the substance or topic choice of this thesis. No financial conflicts of interests or promises of (financial) gains are present.

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Appendix I: Operationalisation of independence

Organisational independence

Table A-1

Overview of operationalisation of organisational independence

Concept	Variable	Indicator	Reference
Independence from government	MAI is an independent branch/institution	The MAI is not a government department but organisationally separated	Gustavson & Sundström, 2018; Posner & Shahan, 2014
Mandate	Mandate is codified in law and not easily changed by audit subjects	The MAI mandate is codified in national law	English & Guthrie, 2000; Bovens & Wille, 2021
	Clear scope of audit topics	The MAI mandate includes a clear scope of audit topics	English & Guthrie, 2000; Bovens & Wille, 2021
	Broad access to relevant information and individuals	The MAI mandate includes right to access relevant information	English & Guthrie, 2000; Bovens & Wille, 2021
Governance	Governing members are elected by an independent commission from legislature	MAI members are elected by municipal legislature	Bovens & Wille, 2021
	Governing members have long term limits	MAI members have at least 6 year term limits	Blume & Voigt 2011; Posner & Shahan, 2014
	Governing members cannot be fired easily	MAI member dismissal is controlled by legislature and beholden to limitations	Bovens & Wille, 2021
	Term limits	There are limits to the number of reelections of MAI members	Schelker, 2012

Functional independence

Table A-2

Overview of operationalisation of functional independence

Concept	Variable	Indicator	Reference
Audit autonomy	Autonomous and unrestricted choice in topic and subject of audits within mandate	MAIs do not need permission to decide audit topic and subject	Wonka & Rittberger, 2010
	Free to ignore audit requests from legislative & executive	MAIs can ignore audit requests from legislative and executive	Bovens & Wille, 2021
	Autonomous and unrestricted choice in design, content, presentation, and timing of audits	MAIs are not restricted in presenting audit outcomes	Bovens & Wille, 2021
Professional autonomy	Professional norms	There are guidelines, instruction manuals and training for MAI members	Bédard, 1989; Hudiwinarsih, 2010; Ahlbäck Öberg & Bringselius, 2015
	No external expertise dependency	External hiring or outsourcing of audits is limited and incidental	't Hart et al., 2023; Isaksson & Bigsten, 2012; Gendron et al., 2007
Operational autonomy	Autonomous staffing decisions	MAIs can autonomously decide on their staffing	Blume & Voigt, 2011
	Absence of meta contracting	There are no contractors hiring other contractors	Clark, 2011

Financial independence

Table A-3

Overview of operationalisation of financial independence

Concept	Variable	Indicator	Reference
Adequate financing	Sufficient financing to complete task	Adequate financing of MAIs is legally required	Bovens & Wille, 2021; Berenschot, 2020
	Stable and predictable financing	The funding level for MAIs is legally codified	Bovens & Wille, 2021
Budget autonomy	No influence through financing structure or political retaliation through the budget	Earmarking of funds is legally prohibited	Bovens & Wille, 2021; Isaksson & Bigsten, 2012
	No need for approval on budget decisions	No permission for spending choices is required	Bovens & Wille, 2021

Ethical and integrity safeguards

Table A-4

Overview of operationalisation of ethical and integrity safeguards

Concept	Variable	Indicator	Reference
Active safeguards	Self-assessment and disclosure of potential conflict of interest	MAI (or municipal) website is obligated to disclose information on MAI members (other than name)	Bélisle-Pipon et al., 2018
	Registers and tracking of member's occupations, interests and gifts	There is a register of all MAI members	Bertók, 2003; Demmke, et al., 2008; INTOSAI, 2019
	Conflict of interest recognition training	Conflict of interest prevention training or information leaflets are offered	Di Carlo, 2013; Moore et al., 2006
Passive safeguards	Conflict of interest regulatory framework	There are available code of ethics, guidelines, policies or regulation on conflict of interest	Bertók, 2003; Demmke, et al., 2008; INTOSAI code of ethics, 2019
	Sanctions for violation of the Conflict of interest regulatory framework	There are sanctions for conflict of interest	Bertók, 2003; Demmke, et al., 2008; INTOSAI code of ethics, 2019

Expertise

Table A-5

Overview of operationalisation of expertise

Concept	**Variable**	**Indicators**	**Reference**
Expertise	Experience working in or working for the public sector	Primary occupation is civil servant or consultant	Langella et al., 2021; Alwardat, 2010; Boyne et al., 2002
Experience	More years of experience in auditing	Cumulative months of current MAI memberships	Bostan et al., 2021; Ashton, 1991; Bonner & Lewis, 1990
		Total current MAI memberships	
		Total previous MAI memberships	

Conflict of interest

Table A-6

Overview of operationalisation of conflict of interest

Concept	Variable	Indicators	Reference
Potential financial conflict of interest	Conflicting current or future professional activities	A MAI member, or the consulting organisation they are part of, does consulting work for municipalities (including MAIs) or directly does consulting work for the municipality (including MAI) they are a MAI member in	Bertók, 2003; Demmke, et al., 2008; Clark, 2001; Van den Berg, et al., 2019; Jansen, Denters & van Zuydam, 2020
Likelihood of potential conflict of interest	Degree of involvement in MAI work	Cumulative months of current MAI memberships	Thompson, 2009
		Total current MAI memberships	
		Total previous MAI memberships	
Potential non-financial conflict of interest	Political association	MAI member is also a council member of that same municipality	Koster & Tollenaar, 2017

Appendix II: Data collection method

Method for finding MAI:

1. Find their MAI: Google '[city name] + Rekenkamer'
2. If not found: go to city webpage + in search bar "Rekenkamer"
3. If search bar is not functional click on page tabs to find MAI subpage
4. If not found: code "Volledig" = "0"'
5. If found and no shared MAI: look up MAI member names
6. If found and is a shared MAI that is already filled in: give number '# shared MAI'

Method for finding MAI members names:

1. Look at MAI page, find terms like: samenstelling, leden, lid, voorzitter
2. If not found: Google '[city name] + Rekenkamer + samenstelling'
3. If not found: Google '[city name] + Rekenkamer + ibabs'
4. If not found: find most recent 'Jaarverslag' or other official document to find names
5. If not found: code "Volledig" = "0"'
6. If found: fill in MAI member names

Method for finding MAI members information:

1. Click on Linkedin link if available on MAI website
2. If not found: Google: [MAI member name] + 'rekenkamer' + Linkedin
3. If not found: Google: [MAI member name] + [known profession or affiliation from MAI webpage] + Linkedin
4. If not found: Google: [MAI member name] + [MAI city name] + Linkedin
5. If not found: Google: [variation on MAI member name (such as only last name and only first letter of first name)]
6. If not found: code individual "Volledig" = "0"
7. If found: collect information according to coding scheme from LinkedIn and MAI website

Appendix III: Coding scheme

The following shows the coding scheme for the data collection and the logic used to determine primary employment (a main variable in this research. Since this is an inductive exploratory research with little earlier findings to focus the data collection a wide net has been cast. The following coding scheme reflects the full extent of data and categories that were collected. However, not all of this information was later deemed relevant or applied to the analysis, therefore a column with information about a categories' in- or exclusion has been provided.

Variable descriptions

A. Municipality name: municipality where MAI is located

B. Province name: province where MAI municipality is located

C. #: number allocated to every municipality from 1-342 in alphabetical order

D. Shared MAI: if the MAI is shared between municipalities only the first municipality's MAI members get filled in. Other municipalities are assigned a joint number for reference to the first one, since all have the same MAI members working for them. If it is not a shared MAI the space is left blank.

E. Name MAI member: name of MAI member as found on their Linkedin. If the Linkedin name and name on the website do not correspond [but researcher is confident they are the same person] the name on Linkedin is used, for easier searching.

F. Complete profile: Code 1 if all the following columns can be filled in with the information found on Linkedin and/or if some of the information can be easily found with a google search, on social media or in a readily available MAI document. Also code 1 if all values and duration of membership of at least one MAI are present, even though further MAIs might have missing information. Code 0 if there is no Linkedin profile available, Linkedin profile is incomplete or inaccessible, if information veracity cannot be confidently based on online sources, if profile is only partially filled in. Code 2 for all shared MAIs except the first one of a group, for ease of reading.

G. Chairperson: code 1 if Linkedin profile or MAI website shows them as the chairperson of a MAI. Code 0 if not.

H. Director: code 1 if Linkedin profile or MAI website shows them as the director of a MAI. Code 0 if not.

I. Duration: fill in the duration of their consecutive membership of that particular MAI in months. Disregard changes in position within a certain MAI, such as going from member to chairperson, so long as tenure is consecutive. Current research takes oktober 2023 as the measuring moment. So someone who started in august gets coded 1, someone who started in january that year gets coded 8, etc.

J. Multiple MAI memberships: code 1 if this person is currently a MAI member at one MAI. Code 2 or higher is this person is currently a MAI member at two, three, four, etc. MAIs. Include membership of all different MAI forms: municipal, provincial, water authority, national. Shared MAIs (and personnel unions), irregardless of the amount of participating municipalities, are counted as only one.

K. Former MAI memberships: code 1 or higher for all the MAIs this person has been, but is no longer (consecutively), a member of. Include membership of all different MAI forms: municipal, provincial, water authority, national. Shared MAIs (and personnel unions), irregardless of the amount of participating municipalities, are counted as only one. Code 0 if this person has not been a member of a MAI before.

L. Other profession: code 1 if this person's profession or main source of income does not appear to fit in any of the other categories, if they are a pensioner or if they have no other professions than democratically elected positions. Code 0 if not.

M. Private sector: code 1 if this person’s profession is in the for profit sector, e.g. business, commercial, etc. excluding consultancy, advice, and research businesses. Code 0 if not.

N. Semi-government: code 1 if this person’s profession is not in the private sector and not (directly) for the government, but does have a semi-public or publicly funded mission. E.g. hospitals, primary schools, housing corporations. Code 0 if not.

O. Scientist: code 1 if this person’s profession is at a university of applied science (hogeschool), university or public research institution (e.g. WRR). Their specific role within these places are not taken into account, e.g. professor, manager or controller are all coded the same. Code 0 if not.

P. Civil Servant: code 1 if this person is directly employed by the government. Include local, provincial, and national government positions. Exclude MAI membership or secretariat positions and hiring through secondment (detachering), outsourcing, consultancy, external hiring, and those that fall within the categories above (Other, private sector, semi-government, scientist). Code 0 if not. Note that relatively often consultants put the government institution they consult at for a longer period on their Linkedin as their place of employment, if you suspect this look for terms such as ‘ad interim’ or their work history and google if they have or work for a consultancy to determine whether they are civil servants or simply working for the government indirectly on a more long term basis. This category will likely be contaminated by cases that misportray their information on Linkedin.

Q. Consultant: code 1 if this person’s profession is at or the owner of a consultancy bureau, an independent/self employed advisor/consultant, a self employed advisor, has a position in the supervisory board or board of directors (Raad van toezicht / Raad van commissarissen) of a consultancy, an independent researcher, a freelance researcher, is the owner of or employed at an company that provides interim services to public organisations, or is employed at or the (partial) owner of a for profit research organisation. Also carefully include consultant adjacent terms such ‘coach’ if relevant, e.g. include ‘trainer/coach for aldermen/council members’ but exclude ‘football coach/trainer’. Code 0 if not.

R. Was consultant: code 1 if somewhere in this person's work history their profession would qualify for the above ‘consultant’ profession, excluding their current employment. Code 0 if not, if this is their first employment as a consultant, or if they have been in the same consultancy position for their entire career and as such technically do not have a previous position as a consultant.

S. Big Three/Four: code 1 if they work or have worked at one of the big 3 strategy consultancy firms (McKinsey, BCG, B&C) or one of the big 4 accountants (Deloitte, EY, KPMG, PWC). Code 0 if not.

T. Potential conflict of interest: code 1 if there is a potential conflict of interest between their current (consultancy) work or employer and their current position at the MAI. Include consultancy work (as defined under Q) for local government layers and closely adjacent organisations or work for MAIs. Include people whose sole occupation is memberships. Code 0 if not or if definitive evidence of such work cannot be found on Linkedin or online or if unsure.

U. General things that stand out: code 1 if there are general things that stand out. Code 0 if not. This category solely exists for future reference and is not meant for any quantitative analyses.

Coding logic for primary occupation:

Due to the heterogeneity of the data, fuzzyness of the sources and sometimes overlapping professions, judgement calls had to be made in certain cases if primary employment could not be ascertained definitively according to the above coding scheme. For example, in case of multiple professions being presented. While this was a relatively infrequent occurrence, the following logic is followed to categorize such MAI members:

1. If indicated they are a pensioner, this takes precedence over other professions.
2. If two paid professions are listed, full time takes precedence over part time.
3. If both (or neither) paid professions are full time, the earliest start-date profession takes precedence.
4. If a paid profession and a democratically elected position (volunteer or salaried) are both listed, the paid profession takes precedence.

List of shared MAIs and identifier in dataset

Table: A-7

List of shared MAIs and identifier in dataset

Shared MAI Identifier in dataset	Number of participating municipalities	Participating Municipalities
COM1	3	Aalten, Oost Gelre, Winterswijk
COM2	2	Achtkarspelen, Tytsjerksteradiel
COM3	3	Alblasserdam, gemeente Hardinxveld-Giessendam, Sliedrecht
COM4	6	Rotterdam, Albrandswaard, Barendrecht, Capelle aan den IJssel, Krimpen aan den IJssel, Lansingerland
COM5	3	Alphen-Chaam, Baarle-Nassau, Gilze en Rijen
COM6	5	Vlieland, Ameland, Schiermonnikoog, Terschelling en Texel
COM7	2	Amsterdam, Zaanstad
COM8	9	Zeewolde, Woudenberg, Scherpenzeel, Renswoude, Nijkerk, Leusden, Bunschoten, Bunnik, Barneveld
COM9	4	Valkenburg aan de Geul, Meerssen, Beekdaelen, Beek
COM10	4	Bergen, Uitgeest, Castricum en Heiloo
COM11	4	Bergen op Zoom, Drimmelen, Etten-Leur, Roosendaal
COM12	4	Reusel-De Mierden, Oirschot, Eersel, Bladel
COM13	3	Laren, Eemnes, Blaricum
COM14	4	Zuidplas, Waddinxveen, Gouda, Bodegraven-Reeuwijk
COM15	2	Voorst, Brummen

COM16	3	Valkenswaard, Heeze-Leende, Cranendonck
COM17	2	Noardeast-Fryslân, Dantumadiel
COM18	3	Oldenzaal, Losser, Dinkelland
COM19	3	Westervoort, Duiven, Doesburg
COM20	4	Loon op Zand, Hilvarenbeek, Goirle, Dongen
COM21	3	Stede Broec, Enkhuizen, Drechterland
COM22	5	Putten, Oldebroek, Nunspeet, Hattem, Elburg
COM23	2	Harderwijk, Ermelo
COM24	2	Son en Breugel, Geldrop-Mierlo
COM25	2	Laarbeek, Gemert-Bakel
COM26	4	Wierden, Twenterand, Rijssen-Holten, Hellendoorn
COM27	2	Lisse, Hillegom
COM28	2	Terneuzen, Hulst
COM29	3	Vlissingen, Middelburg, Kapelle
COM30	2	Leiderdorp, Leiden
COM31	4	Wassenaar, Voorschoten, Oegstgeest, Leidschendam-Voorburg
COM32	2	Roerdalen, Maasgouw
COM33	2	Opmeer, Medemblik
COM34	4	Westerveld, Steenwijkerland, Staphorst, Meppel
COM35	3	Weststellingwerf, Opsterland, Ooststellingwerf
COM36	2	Woerden, Oudewater
COM37	2	Westerwolde, Pekela
Total represented municipalities	119	

Appendix IV: Interview questions

Below follows an overview the translated interview questions (interviews were conducted in Dutch) for the semi-structured interviews. The order and precise wording of questions could vary depending on the flow of the conversation. If interviewees already provided a response relevant to question that was not yet asked, it could be skipped. For the unstructured interviews during the MAI congress, similar questions were asked where contextually relevant and time permitted.

1. Background and Motivation
    a. Can you tell me why you became a member of a MAI?
    b. What was your personal motivation, and why do you think people in general choose to become MAI members?
2. Expertise and Qualifications
    a. What knowledge or skills are needed to be a MAI member?
    b. What kind of professional background or experience is typically required?
    c. Are there specific quality standards or formal requirements that audit office members must meet? Are these documented anywhere?
    d. What does the NVRR do to promote the expertise and professionalism of MAI members?
3. Recruitment, Staffing, and Trends
    a. There are staff shortages across many sectors — how is staffing in MAIs?
    b. Are there particular sectors or backgrounds that MAI members tend to come from?
    c. Do you see any trends or developments in recruitment or professionalization?
4. Combining Roles and Time Commitment
    a. How do you combine audit office work with your regular job?
    b. Do the two ever overlap or conflict either practically or in terms of content?
    c. Does your regular work ever help you MAI work in terms of knowledge or network? And vice versa?
5. Institutional Structure and Oversight
    a. Do you feel that municipal councils monitor who becomes a MAI member and what the MAI is working on?
    b. Can you describe the relationship between MAI members and the municipal council and executive board?
    c. Do audit offices have enough budget? Can they hire the staff they need?
    d. What could be done to strengthen the position of MAIs, particularly in terms of capacity and financial support?

6. New Legal Requirement
    a. What are your views on the Law on Strengthening local auditing institutions?
    b. What do you think about the rule that municipal councillors can no longer be MAI members?
    c. Do you expect this change to affect capacity, funding, or independence?
7. Integrity and Conflicts of Interest
    a. Integrity is increasingly on the agenda, how do MAIs approach this issue?
    b. Are there types of work or other activities (beyond council membership and certain excluded civil servant roles) that you believe are incompatible with MAI membership?
    c. In 2005, the NVRR noted that many audit office members work for external consultancies that advise governments. What are your thoughts on combining such roles?
    d. The NVG warned in 2011 that consultants may tailor findings to client expectations to secure future assignments. Do you think this is a valid concern?

[After previous topics are fully addressed: presentation of results from individual level analysis]

8. Transparency
    a. Based on our data collection, only 88 out of 342 municipalities provided detailed information about their audit office members. In general, websites and audit office information were difficult to find, including budget and research outputs. What might cause this to be the case?
9. Findings of backgrounds and degree of involvement
    a. Why do you think civil servants and consultants are so relatively frequently represented in MAIs?
    b. How often do you encounter MAI members that have multiple MAI memberships? What could be the reason for combining multiple MAI memberships?
    c. Could factors like funding, compensation, or staffing shortages be contributing?
10. Conflict of interest
    a. How can we interpret the findings of potential conflict of interest?
    b. Have you encountered MAI members who also work in advising municipalities and/or MAIs? What may be the benefits, what may be the risks?

Appendix V: Interview subjects

In total 4 semi-structured interviews were conducted and added valuable context to the quantitative findings and aided in understanding the practical workings of local MAIs, both on a formal and informal level. The interviewees included relevant experts and practitioners. In addition, during the NVRR congress there were 7 unstructured unrecorded conversations with MAI members that added valuable context and presented unknown unknowns.

Names and relevant background

- Etienne Lemmens
    - Interim-chairman NVRR
    - Leading partner Prae Advies & Onderzoek
    - MAI member Brunssum, Landgraaf, and Heerlen

- Lies van Aelst
    - Director NVRR
    - MAI member Vijfherenlanden, and De Bilt
    - Senator for SP
    - Editor of Handbook for MAIs (*De binnen- en buitenkant van rekenkamers: Een handboek*)

- Peter Castenmiller
    - University lecturer public administration at Leiden University
    - Consultant at PBLQ
    - MAI member Delft

- Nils Nijdam
    - Senior employee at Netherlands Court of Audit
    - Lecturer at Haagse Hogeschool
    - MAI member Westland, and Zwijndrecht
    - Editor of Handbook for MAIs (*De binnen- en buitenkant van rekenkamers: Een handboek*)

Appendix VI: Formal institutional level analysis

Organisational independence

The analysis of relevant documents following the operationalisation (Appendix I) resulted in the following findings for organisational independence of MAIs in the Netherlands.

Table A-8

Concept	**Variable**	**Indicator**	**Found present yes/no (If applicable: new law improves / reduces this independence)**
Independence from government	MAI is an independent branch/institution	The MAI is not a government department but organisationally separated	Yes (improved)
Mandate	Mandate is codified in law and not easily changed by audit subjects	The MAI mandate is codified in national law	Yes
	Clear scope of audit topics	The MAI mandate includes a clear scope of audit topics	Yes
	Broad access to relevant information and individuals	The MAI mandate includes right to access relevant information	Yes (improved)
Governance	Governing members are elected by an independent commission from legislature	MAI members are elected by municipal legislature	Yes
	Governing members have long term limits	MAI members have at least 6 year term limits	Yes
	Governing members cannot be fired easily	MAI member dismissal is controlled by legislature and beholden to limitations	Yes
	Term limits	There are limits to the number of reelections of MAI members	No

Independence from government

Considering the variable 'MAI is an independent branch/institution' the MAI is described as an independent institution in the Law on municipal dualism that has originally instated them (Kamerstukken II, 27751, nr. 3, 2001). In addition, the Municipality Law of 2022 (n.b. before the changes by the new legal requirement are implemented) that governs the working of MAIs states that members of the executive in any municipality or anyone, including civil servants, subservient to that municipality cannot be MAI members of a municipality (art. 81 lid 1 Gemeentewet, 2022). Furthermore, it states that civil servants who perform services for the MAI, are only beholden and accountable to the MAI (art. 81j lid 4 Gemeentewet, 2022).

The 2023 law on the 'strengthening of local audit institutions' also emphasizes the independence of MAIs (Kamerstukken II, 35298, nr. 3, 2019). The change this law made that is relevant to the variable 'MAI is an independent branch/institution' is that it retracted the option to instate a MAI-function (Kamerstukken II, 35298, nr. 3, 2019). Instead, municipal councils now only have the option of instating an independent MAI without any council members being MAI members. Thereby decreasing the influence of municipal councils on their MAI.

Mandate

For the concept of mandate, the following are the results. Considering 'Mandate is codified in law and not easily changed by audit subjects', the MAI mandate is indeed codified in national law with article 182 of the Municipality Law stating that MAIs can audit the effectiveness, efficiency and legality of municipal governance except for the inspection of the annual accounts (art. 182 Gemeentewet, 2022), the latter task being reserved for accountants. Since this law cannot be changed by municipal executive or legislative powers, it can be considered not easily changed by audit subjects. Considering 'Clear scope of audit topics', the above codification of audit mandate also results in the finding that there is a clear and broad scope of audit topics. In addition, article 184 of the Municipality Law further clarifies the scope of audit topics by stating the mandate includes under certain conditions such subjects as: all municipal public organisations, private organisations of which the municipality is at least a 50% owner, organisations to which the municipality has given a subsidy, loan or guarantee, and suppliers of goods and services to public services (art. 184 Gemeentewet, 2022). Considering 'Broad access to relevant information and individuals' this was found to be the case, since article 183 of the Municipality Law gives MAIs the right to request all necessary documents from the municipal executive and gives municipalities the obligation to provide all requested documents to MAIs (art. 183 Gemeentewet, 2022). Concerning (semi-) private organisations, article 184 of the Municipality Law also gives MAIs the right to request certain (more limited) information from the aforementioned types of organisations (art. 184 Gemeentewet, 2022).

The 2023 law on the ‘strengthening of local audit institutions’ introduces new clauses that are relevant to the concept of ‘broad access to relevant information and individuals’. Both clauses pertain to article 184 of the municipality law, and lower the threshold for MAIs to be able to demand documents from private companies the municipality has a financial relationship with (Kamerstukken II, 35298, nr. 3, 2019). Thereby increasing the access to information.

Governance

For the concept of governance the following are the results. Considering the variables ‘governing members are elected by an independent commission from legislature’ and ‘governing members have long term limits’, it was found that MAI members are indeed elected by the municipal council for a term of 6 years according to article 81c of the Municipal Law (art. 81c Gemeentewet, 2022). Considering ‘Governing members cannot be fired easily’, article 81c of the Municipal Law also states that MAI members can only be fired by the municipal council and the conditions under which this can be done. While these reasons can be interpreted to include almost anything, including such elements as ‘losing the trust put in them’ and ‘not performing adequately’, the interviews did not give reason to believe this process was used lightly or arbitrarily. Lastly, concerning ‘term limits’, no legal limits to the amount of re-elections of an individual MAI member were found present. In addition to the absence of limits to consecutive re-elections, there are also no limits to the amount of concurrent audit institution memberships an individual can have, with the exception that local audit institution membership is not allowed when an individual is a member of the national SAI, as stated in article 81f of the Municipal Law (art. 81f Gemeentewet, 2022).

In the 2023 law on the ‘strengthening of local audit institutions’ no changes relating to the concept of governance were found.

Functional independence

The analysis of relevant documents and websites following the operationalisation (Appendix I) resulted in the following findings for functional independence for MAIs in the Netherlands.

Table A-9

Concept	**Variable**	**Indicator**	**Found present yes/no (If applicable: new law improves / reduces this independence)**
Audit autonomy	Autonomous and unrestricted choice in topic and subject of audits within mandate	MAIs do not need permission to decide audit topic and subject	Yes
	Free to ignore audit requests from legislative & executive	MAIs can ignore audit requests from legislative and executive	Yes
	Autonomous and unrestricted choice in design, content, presentation, and timing of audits	MAIs are not restricted in presenting audit outcomes	Yes (negligible reduction)
Professional autonomy	Professional norms	There are guidelines, instruction manuals and training for MAI members	Yes
	No external expertise dependency	External hiring or outsourcing of audits is limited and incidental	No (negligible improvement)
Operational autonomy	Autonomous staffing decisions	MAIs can autonomously decide on their staffing	Yes (mixed)
	Absence of meta contracting	There are no contractors hiring other contractors	No

Audit autonomy

For the concept of audit autonomy the findings were as follows. Considering both ‘autonomous and unrestricted choice in topic and subject of audits within mandate’ and ‘free to ignore audit requests from legislative & executive', article 182 of the Municipal Law (art. 182 Gemeentewet, 2022) makes explicit that the legislative can suggest audit topics, but that MAIs are always free and independent in their final decision of audit topic. Considering 'autonomous and unrestricted choice in design, content, presentation, and timing of audits', article 185 of the Municipal law states that MAIs are free to present their findings in so far as they do not contain confidential information (art. 185 Gemeentewet, 2022).

In the 2023 law on the 'strengthening of local audit institutions' a change was made to article 185 of the Municipal law relevant to the variable 'autonomous and unrestricted choice in design, content, presentation, and timing of audits'. A requirement was introduced for MAIs to first report their findings to the audit subject and give them a reasonable amount of time to read and respond to the concept version of the report before publication (Kamerstukken II, 35298, nr. 3, 2019). Thereby formally placing a restriction on the presentation and timing of audit results. However, this change is seen as standard practise for MAIs in the Netherlands and for SAIs in general, therefore it is recorded as a 'negligible' reduction to prevent misinterpretation of this finding from simply reading the table.

Professional autonomy

For the concept of professional autonomy the findings are as follows. Considering 'Professional norms', there are guidelines, instruction manuals and training available to MAI members, although participation is not mandatory. These norms were generally found as presented by the NVRR, such as for example: web pages with information and best practices for MAI member work (NVRR, 2024c), live and online trainings varying from masterclasses to introductory trainings for new MAI members, the twice yearly MAI member congress which has trainings and workshops, and recently a handbook for MAI members was published (Van Aelst et al., 2024). Considering 'no external expertise dependency', the analysis of documents shows that external hiring or outsourcing of audits can be considered standard practice, for example, a handbook for MAIs states "Many decentralised audit institutions outsource their research in whole or in part." (Paulussen & Kok, 2024, p. 164). The Municipal Law makes no mention of external hiring of expertise by MAIs, or limiting this, only stating in article 81j that as many civil servants should be contracted by the municipality as the MAI needs to execute their duties (art. 81j Gemeentewet, 2022).

In the 2023 law on the 'strengthening of local audit institutions' no relevant changes relating to the concept of professional autonomy were found. Although it must be noted that the explanatory memorandum to the law does present the argument that disallowing the MAI-function, and thus homogenising the MAI structure in all municipalities, should make it easier for municipalities to create a shared MAI and thus pool and increase expertise (Kamerstukken II, 35298, nr. 3, 2019, p. 16). In an indirect way, this will technically increase the pool of municipalities to cooperate with, thus potentially lowering the dependence on external hiring of expertise. However, this is a potential practical second order effect that may increase independence, but this change does not formally change anything for MAI independence. Therefore, this is recorded as a negligible change by the new legal requirement.

Operational autonomy

The concept of operational autonomy yielded the following findings. Considering 'Autonomous staffing decisions', the Municipal Law states in article 81j that as many civil servants should be contracted by the municipality as the MAI needs to execute their duties (art. 81j Gemeentewet, 2022). This implies that MAIs are formally autonomous in their staffing decisions. Considering the 'absence of meta contracting' the findings are mixed. On the one hand, the majority of MAIs appear to have their MAI members in control of external hiring. On the other, some municipalities fully contract out the MAI by asking a consultancy bureau to lead the MAI (NVRR, 2007). It is then possible that a contractor contracts out the audits, and there is no regulatory prevention of this phenomenon.

In the 2023 law on the 'strengthening of local audit institutions' the possibility to have civil servants that are employed by the municipal council can perform services for the MAI, and in performing these services they would only be accountable to the MAI for these activities (Kamerstukken II, 35298, nr. 3, 2019, p. 14). One the one hand this change strengthens independence by providing more staff to MAIs to perform their duties, however, on the other hand this may negatively affect 'operational autonomy' as these civil servants do not exclusively work for the MAI. Therefore, the effect of the new legal requirement on autonomous staffing is recorded as 'mixed'.

Financial independence

The analysis of relevant documents and websites following the operationalisation (Appendix I) resulted in the following findings for financial independence of MAIs in the Netherlands.

Table A-10

Concept	Variable	Indicator	Found present yes/no (If applicable: new law improves / reduces this independence)
Adequate financing	Sufficient financing to complete task	Adequate financing of MAIs is legally required	Yes
	Stable and predictable financing	The funding level for MAIs is legally codified	No
Budget autonomy	No influence through financing structure or political retaliation through the budget	Earmarking of funds is legally prohibited	No
	No need for approval on budget decisions	No permission for spending choices is required	Yes

Adequate financing

In terms of adequate financing, the findings are as follows. Considering ‘Sufficient financing to complete task’, it is legally enshrined in article 81j of the Municipality Law that municipalities should provide MAIs with ‘sufficient funding to execute their duties’ (art. 81j Gemeentewet, 2022). Considering ‘stable and predictable financing’ no legally codified levels of funding are found present.

In the 2023 law on the ‘strengthening of local audit institutions’ no changes relating to the concept of adequate financing were found.

Budget autonomy

In terms of budget autonomy, the findings are as follows. Considering ‘No influence through financing structure or political retaliation through the budget’, no legal or policy text could be found that explicitly prohibits steering of the MAIs through financing decisions and earmarking of funds. On the contrary, the explanatory memorandum of the new legal requirement explicitly states that the previous law has not put such measures in place to prevent infringing on the budget rights of municipalities (Kamerstukken II, 35298, nr. 3, 2019). Considering ‘No need for approval on budget decisions’, there is no legal codification found for the MAI not needing approval for spending decisions, however, there is also nothing stating that MAIs should ask for permission on spending decisions. Therefore, this is interpreted as MAIs not needing to ask for permission to spend funds.

In the 2023 law on the ‘strengthening of local audit institutions’ no changes relating to the concept of budget autonomy were found.

Ethical and integrity safeguards

The analysis of relevant documents and websites following the operationalisation (Appendix I) resulted in the following findings for Ethical and integrity safeguards of MAIs in the Netherlands.

Table A-11

Concept	**Variable**	**Indicator**	**Found present yes/no (If applicable: new law improves / reduces this independence)**
Active safeguards	Self-assessment and disclosure of potential conflict of interest	MAI (or municipal) website is obligated to disclose information on MAI members (other than name)	No
	Registers and tracking of member's occupations, interests and gifts	There is a register of all MAI members	No
	Conflict of interest recognition training	Conflict of interest prevention training or information leaflets are offered	No
Passive safeguards	Conflict of interest regulatory framework	There are available code of ethics, guidelines, policies or regulation on conflict of interest	Yes
	Sanctions for violation of the conflict of interest regulatory framework	There are sanctions for conflict of interest	Yes

Active safeguards

Considering 'self-assessment and disclosure of potential COI' no obligation to report information on MAI members in general, nor to specifically disclose information that could be relevant to conflict of interest, was found. However, it must be noted that there is a NVRR guidance document from 2008 that advocates the adoption of rules by the municipality and includes the following rule suggestion: 'a MAI member reports their paid and unpaid ancillary duties. This information is made public' (NVRR, 2008, p. 2). This is a suggestion and not an obligation. Considering 'registers and tracking of member's occupations, interests and gifts' no publicly available register of MAI members was found in general, this includes the absence of a specific register tracking occupations, interests and gifts. Considering

‘Conflict of interest recognition training’ no such training or specific leaflets were found in publicly available information or during the attendance of the congress.

Looking at the active safeguards on the level of the individual MAI, resulted in mixed findings. As mentioned this was done by checking MAI and municipal websites to see whether they presented information on their MAI members other than their name alone. To start, 39 out of 342 municipalities had no information online about their MAI at all. For the other municipalities, at least 88 municipalities provided additional information on their MAI members online. This information varied from listing only their professional occupation on one end of the spectrum to full CVs, ancillary activities and tenure duration on the other. In a not insignificant number of cases this information was not presented in a clear manner and required thorough searching of the websites. It is possible then that more municipalities did have this information available somewhere, but could not be found by the researcher.

In the 2023 law on the ‘strengthening of local audit institutions’ no changes relating to the concept of ‘active safeguards’ were found.

Passive safeguards

The research on passive safeguards yielded the following results. Considering the ‘Conflict of interest regulatory framework’ non-binding guidelines and policy suggestions that contain elements of a conflict of interest prevention framework, as described in the theoretical framework, were found present. However, it should be noted that calling it a ‘framework’, may give much credit to what is in large part very disparate documents that are only found through very specific searches. In addition, implementation of this framework is mostly voluntary and implementation is left to the individual municipalities. The mandatory part of this framework includes article 81f of the Municipality law banning members of the executive from becoming MAI members (art. 81f lid 1 Gemeentewet, 2022) and article 81g which is the oath new MAI members must take, which includes promising they have never directly or indirectly accepted a monetary or non monetary bribe that influenced their decisions (art. 81g lid 1 Gemeentewet, 2022). The voluntary framework can be seen to include, for example, a 2008 NVRR document with suggested guidelines on integrity (NVRR, 2008). These guidelines explicitly suggest the inclusion rules for transparency of MAI members on their business interests and their paid and unpaid ancillary activities. Furthermore, the document suggests the implementation of rules against a MAI member taking part in decision making surrounding assignments commissioned to providers of services that they might personally, through friends, family or otherwise have a relation to. In addition, the NVRR website states that MAI members should ‘regularly discuss topics such as ancillary duties and conflict of interest’ (NVRR, 2024c). The NVRR website also presents guidance information on the outsourcing of research, advising that ‘consulting bureaus that are considered should be asked if they provide services to that MAI’s municipality on the specific topic of the audit to prevent the risk of conflict of interest' (NVRR, 2025). Also noting that 'The pool of consultancy bureaus is not very large. Bureaus that may be appealing to hire for MAI audits are often also employed by the executive or legislative branch of the municipality' (NVRR, 2025). Thereby advising MAIs of the potential ethical and integrity risks.

Considering 'sanctions for violation of conflict of interest regulatory framework' no specific sanctions or the execution thereof for financial conflict of interest as described in this study could be found. However, there is the general possibility of being removed from your MAI position for performing paid duties for the municipality you are a MAI member at (art. 15 Gemeentewet, 2022) and for 'violating the trust the municipal council has placed in them' (art. 81c lid 6 sub e Gemeentewet, 2022). Thus, it can be said there is some general form of sanctioning power that could be applied when finding a violation of a conflict of interest regulatory framework.

In the 2023 law on the 'strengthening of local audit institutions' no changes relating to the concept of passive safeguards' were found.