AUDIT FINDINGS COMMUNICATION BARRIERS IN PUBLIC SECTOR

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Abstract. This study examines communication barriers in conveying and following up on public sector audit findings by positioning the psychological and sociological dimensions of bureaucracy as primary factors influencing audit effectiveness. The study stems from the phenomenon where public sector audit recommendations are frequently not optimally implemented on a substantive level. Existing public audit literature has predominantly focused on technical, compliance, and governance aspects. This study aims to develop a conceptual synthesis demonstrating how communication barriers generate information equivocality within the auditor-auditee relationship and subsequently impact the effectiveness of audit follow-ups. Adopting a qualitative approach, this study employs an integrative literature review method by analyzing reputable Scopus-indexed scientific articles, academic books, and relevant supporting literature encompassing organizational communication, public sector audit, resistance to change, power distance, defensive silence, and information equivocality. A thematic analysis was performed through concept classification, variable relationship synthesis, and theoretical integration to elucidate the underlying mechanisms through which audit communication barriers form within public sector organizational environments. The findings reveal that audit communication barriers represent a multidimensional phenomenon shaped by the interplay between organizational psychological and sociological factors. On the psychological dimension, audit anxiety, organizational pressures, defensive silence, and defensive routines such as cover-ups and pretense prompt auditees to restrict information disclosure, resist findings, and hinder the follow-up of audit recommendations. On the sociological dimension, a hierarchical culture characterized by high power distance and the practice of "bad news sugarcoating" amplifies information distortion before it reaches strategic decision-makers. The interaction of these dimensions generates information equivocality, a condition wherein auditors and auditees interpret audit findings dissimilarly. Consequently, audit recommendations are perceived not as instruments for organizational learning, but rather as threats to bureaucratic stability and legitimacy. This condition ultimately impairs the quality of audit follow-ups, delays corrective decision-making, and diminishes the overall effectiveness of bureaucratic reform. This study offers a theoretical contribution by developing an integrative framework that bridges organizational communication theory, organizational psychology, and public administration to explain communication failures in public sector auditing. Practically, the study recommends a paradigm shift for internal auditors from a compliance-centric approach toward a consultative role driven by engaging communication. This approach underscores interactive communication, clarification of meaning, relationship management, and cross-actor collaboration to foster organizational learning and enhance public governance effectiveness.

Keywords: Audit Communication, Public Sector Audit, Information Equivocality, Resistance to Change, Power Distance, Defensive Silence, Engaging Communication

INTRODUCTION

Background. Public sector auditing is inherently more than a mere financial verification or technical compliance mechanism; it serves as a fundamental instrument in upholding the democratic principles of transparency and accountability (Almulla & Bradbury, 2018). In the era of modern governance, internal auditors hold a vital role as "gatekeepers" who ensure budget effectiveness for the public interest (Presidential Instruction of the Republic of Indonesia No. 1/2025). However, audit effectiveness frequently stalls at the downstream process, specifically when audit findings must be communicated and acted upon by the respective operational units (Pradana et al., 2024; INTOSAI, 2023).

In a bureaucratic context, the communication of audit findings often encounters significant relational barriers, where the quality of interaction between auditors and auditees determines whether the information flows openly or remains restricted. This systemic distrust leads auditees to view audit reports not as improvement instruments, but as threats to be avoided. Furqan et al. (2020) argue that these relational and systemic barriers frequently lead to failures in downstream processes, where the follow-up on audit recommendations is not carried out effectively, and hindering improvements in the quality of reports and public services. Consequently, Audit Result Reports (Laporan Hasil Audit / LHA), which ought to serve as roadmaps for organizational improvement, often end up as mere administrative piles of documents without driving substantive change. This condition indicates that the primary bottleneck in auditing often lies not in technical accounting aspects, but in the human interaction and organizational behavior dimensions embedded within it.

The Phenomenon of Resistance to Change in Bureaucracy. In bureaucratic environments, the tendency to preserve the stable condition (status quo) frequently manifests as institutional inertia, which obstructs change agendas (Rahman et al., 2023). This resistance does not always manifest as an overt rejection; it can emerge through defensive mechanisms, delayed implementation, or administrative compliance that is merely a formality. On the other hand, resistance to audit findings must also be understood as a driver of stress within the workplace environment. Furthermore, organizational changes can trigger negative affective reactions among civil servants, which reduces adaptive capacity and heightens the risk of work errors within public sector organizations (Pircher Verdorfer & van Ginkel, 2024). In the context of communicating audit findings, resistance can be seen when auditors convey critical findings and recommendations for improvement, but the auditee responds to this as a threat to operational stability or personal reputation, so that transformative recommendations are not followed up substantively. (Heo & Wirsching, 2026).

Psychological Barriers: From Audit Anxiety to Sectoral Ego. Psychologically, interactions between auditors and auditees often fall trap to complex socio-anthro-psychological barriers. Auditees exhibit a tendency to conceal data, withhold crucial clarifications, or provide minimal information when the audit process is perceived as a risky, threatening situation (Guénin-Paracini et al., 2014). This correlates closely with stress, defined as:

"*The physical, mental, or emotional pain that results from interpretation of an event as a threat to an individual's personal agenda*."

In public organizations, defensive responses emerge not only through explicit opposition, but also through "defensive silence," particularly when organizations endure repeated reform pressures (Wynen et al., 2020). Beyond anxiety, the sectoral egos of unit heads pose massive hurdles, as audit findings are often misconstrued as direct assaults on their leadership competence. This condition encourages protective behavior that hardens into defensive routines, such as information cover-ups and symbolic compliance (Yang et al., 2025).

Sociological Barriers: Hierarchy and the "ABS" (Asal Bapak Senang / Pleasing the Boss) Culture. From a sociological perspective, deeply multi-layered bureaucratic hierarchies generate wide power distances, which induce information distortion. Under wide power distance, upward communication weakens due to fear of authority, preventing critical information from reaching decision-making tiers (Dai et al., 2022). This fear relates directly to the stress stemming from interpretations or misinterpretations of critical disclosures. Consequently, messages conveyed to superiors are rendered indirect and heavily mitigated, which delays corrective actions (Koç, 2013).

This dynamic condition is exacerbated by the "Asal Bapak Senang" (ABS) culture, where negative information or material audit findings are concealed or distorted to maintain a favorable image in front of top leadership. In fact, hiding or distorting critical information in order to maintain a positive image can have very serious effects. Such distortions is align with findings about negative information distortion (sugarcoating) that can heavily disrupt organizational learning and decision quality (Fang et al., 2014). Audit communication thus degrades into empty formalistic rituals. As a result, audit communication is trapped in mere formal rituals that kill the substance of systemic improvement. Furthermore, work culture becomes stagnant, creativity stagnates, and honest people are pushed aside by those who are skilled at verbal manipulation. In the long-term, organizations become fragile, it appears orderly on the surface, but harboring unaddressed systemic flaws beneath.

Problem Statement and Research Objectives. Despite robust regulatory frameworks, public information transparency across public bodies faces severe implementation challenges. Central Information Commission (KIP) data reveals that non-informative public bodies rose from 147 in 2023 to 160 in 2024. This indicates that the information transparency principle remains uninternalized within bureaucratic culture.

Thus, a disconnection exists in public sector audit communication. The primary issue lies not in the technical aspects of findings, but in how findings are communicated amidst psychological and sociological barriers. This disconnection drives information equivocality—a severe discrepancy between auditors and auditees regarding the interpretation of findings and recommendations (Aben et al., 2021). The disconnection that triggers the equivocality of information does not only originate from structural aspects, but it is more influenced by cultural factors in the form of strong bureaucratic traditions that are relatively closed, hierarchical, and less responsive to information needed by the public.

Audit communication acts as the core mechanism determining whether auditing effectively sparks the performance of public service improvement; policy/audit implementation failures are predominantly driven by resistance and conflicting interpretations rather than regulatory shortages (Van der Heijden, 2020). At the downstream level, implementation of audit recommendations is often hampered by organizational, political, and attitudinal factors (e.g., negative perceptions of audit recommendations), resulting in slow or insubstantial follow-up. (Afadzinu et al., 2024). Internal fears over negative outcomes provoke stress among decision-makers, obscuring the primary operational benefits of auditing (Umor et al., 2020). In such environment, the process of communicating audit findings can become increasingly complex because the organization faces uncertainty and equivocality of information. The differences in interpretation of the same message requires a mechanism for clarification and alignment of interpretations so that corrective decisions can be taken appropriately. (Aben et al., 2021).

Communication serves as a key tool to manage organizational stress; communication behavior clearly influences the level of stress that arises within the organization. Therefore, this integrative review analyzes public sector audit communication barriers, focusing on how psychological and sociological phenomena drive information equivocality while mapping out future research directions for internal audit in the public sector (Nerantzidis et al., 2022).

Research Significance

1. Theoretical Contribution: Enriches literature on organizational communication in public auditing, highlighting how audits act not only as control mechanisms but as channels for organizational learning and legitimacy production (Power, 2003).
2. Practical Contribution: Offers strategic recommendations for oversight bodies and internal auditors to adopt interactive, learning-oriented communication paradigms, transitioning toward consultative, value-adding partners without compromising independence (Kovács, 2022). This helps mitigate auditee resistance and enhances recommendation follow-up effectiveness through relationship management, message clarification, and distortion reduction.

By mitigating relational barriers and equivocality, this research contributes to optimizing the implementation of audit recommendations, strengthening democratic accountability and budget effectiveness in the public sector, in line with the global governance agenda.

LITERATURE REVIEW

Resistance, Institutional Inertia, and Delayed Improvements. Public sector reforms routinely encounter institutional inertia, where organizations preserve legacy practices despite growing pressures to adapt. Organizational changes may induce adverse effects that increase role overload and operational errors. Modern literature highlights that bureaucratic resistance is not always passive; it can function as an active political strategy leading to organizational inefficiency.

Psychological Dimension: Anxiety, Defensive Silence, and Defensive Routines. When auditing is viewed as a domain of risk and fear, auditees exhibit defensive postures that compromise information openness. Fears surrounding adverse audit results create organizational stress, particularly among executive leadership. Repeated reform cycles drive staff into defensive silence, preventing critical feedback from rising to upper management. Over time, reactions to external evaluation solidify into defensive routines like cover-ups and symbolic compliance (pretense), obstructing learning and corrective action.

Sociological Dimension: Power Distance and Information Distortion. In high power distance cultures, upward communication is muted by authority-induced fear, preventing crucial insights from reaching executive levels. Messages are softened through mitigation, leading to late identification of critical issues. The phenomenon of "bad news sugarcoating" distorts negative data prior to executive review, resulting in flawed or delayed decision-making.

Information Equivocality in the Audit Process. Beset by psychological and sociological barriers, organizations experience information equivocality—multiple conflicting interpretations of identical messages. To navigate equivocality, organizations require rich communication channels that encourage clarification, information exchange, and shared sensemaking. The quality of audit finding communication is thus the primary mechanism conditioning the impact of audits on organizational change.

Engaging Communication for Optimal Team Performance. High-performing teams require dedicated, long-term commitment and resilience. The concept of engaging communication guides organizational teams toward operational resilience and unified goal attainment. Deep comprehension of shared organizational purpose (purification), interpersonal connection (personal connection), and cross-unit collaboration (team collaboration) are crucial for absorbing stress during audit findings, cultivating positive reception, and establishing shared optimism for executing recommendations.

METHOD

This study utilizes a qualitative approach through an integrative literature review. This methodology was selected to gain a deep conceptual understanding of public sector audit communication barriers—specifically psychological and sociological factors—and how they induce information equivocality within bureaucratic auditing.

Integrative literature reviews enable researchers to synthesize findings across diverse domains, construct robust conceptual frameworks, and propose novel theoretical perspectives (Snyder, 2019). This methodology is widely applied in public governance, public auditing, and administrative science to map concepts, model variable relationships, and identify research gaps.

Data Types and Sources. The secondary data analyzed were retrieved from Scopus-indexed journals (Q1–Q3), academic books, and scientific reports covering audit communication, organizational psychology, public administration, and organizational information processing theory.

Data Collection Technique. Literature was gathered via systematic searches utilizing targeted keywords: audit communication, organizational communication, public sector audit, stress and conflict management, resistance to change, audit anxiety, power distance, defensive behavior, and information equivocality. Strict inclusion and exclusion criteria were enforced to ensure data completeness, thematic coverage, and internal validity (Paul & Criado, 2020).

Data Analysis Technique. Qualitative thematic analysis was conducted through three structured steps:
1. Concept Classification: Grouping themes according to psychological barriers, sociological barriers, and audit communication outcomes.
2. Synthesis of Relationships: Identifying structural patterns between variables across studies.
3. Theoretical Integration: Blending interdisciplinary literature to explain the mechanisms driving information equivocality in public auditing.

This research is expected to be able to produce a comprehensive conceptual understanding as well as theoretical and practical implications for strengthening the audit function in the bureaucratic environment.

RESULTS AND DISCUSSION

Barrier Interplay and the Reinforcement of Information Equivocality. Integrative analysis demonstrates that public audit communication failures are downstream outcomes reinforced by the interplay between psychological and sociological dimensions. Psychological barriers (e.g., audit anxiety, defensive silence) prompt auditees to withhold or filter key operational data (Guénin-Paracini et al., 2014; Wynen et al., 2020). When these defensive behaviors intersect with hierarchical, high power distance sociological structures, information distortion is amplified via sugarcoating and message mitigation before reaching strategic leaders (Dai et al., 2022; Fang et al., 2014; Koç, 2013).

This interaction generates information equivocality—a state where the audit report is interpreted as a constructive improvement tool by auditors, but as a reputational threat by auditees. Equivocality cripples corrective efforts, delaying or derailing implementation (Aben et al., 2021). Follow-up failure (Afadzinu et al., 2024) is thus not merely non-compliance, but a failure of interpretive alignment caused by relational and systemic barriers.

Weick (1995) defines equivocality as a state where information is loaded with ambiguity, hindering shared understanding. Unmanaged, equivocality disrupts organizational sensemaking and erodes public trust.

Shifting Auditor Roles: From Compliance Inspector to Consultative Partner. Mitigating equivocality requires a fundamental paradigm shift in internal auditing. Audit effectiveness in driving performance improvement is mediated by communication quality (Setyaningrum & Zakaria, 2026). Internal auditors must transition from strict compliance inspectors to value-adding consultative partners while maintaining professional objectivity (Kovács, 2022).

This consultative stance addresses institutional inertia and resistance to change (Rahman et al., 2023) by shifting communication from punitive blaming to joint learning and reflection. When auditees view auditors as allies against inertia rather than threats provoking defensive routines (Yang et al., 2025), audit processes serve as platforms for learning and legitimacy production (Power, 2003).

Under engaging communication, this transition begins with heart purification—aligning communication around shared public goals (common goals) with deep sensitivity toward auditee operational constraints. Auditors must eliminate hostility or adversarial postures during engagements.

Aligning Interpretations and Mitigating Resistance. According to organizational information processing theory, equivocal situations require rich face-to-face communication to clarify meaning and foster mutual understanding (Aben et al., 2021).

In face-to-face communication, it's important to understand what's meant by speaking with positive vibes in engaging communication. Speaking with positive vibes, when present during face-to-face communication, can create a sense of calm and serenity, which is essential in emotionally draining and stressful situations. Key elements include:
1. Focusing on positive possibilities.
2. Asking strength- and solution-oriented questions.
3. Formulating a shared future vision.
4. Appreciating past achievements and contributions.
5. Promoting collective ownership across teams.
6. Structuring environmental steps supporting growth and learning.

From an audit perspective, speaking with positive vibes above needs to be aligned with what was previously referred to as message clarification and the formation of shared understanding (interpretation).

Three core approaches to align interpretation include:
1. Interactive Communication: Expanding rich dialogue (rather than monologue) during exit conferences and follow-up sessions.
2. Solution-Focused Framing: Re-framing discussions from historical fault-finding toward co-designing future solutions, mitigating negative affective reactions (Pircher Verdorfer & van Ginkel, 2024).
3. Relational Governance: Building systemic and interpersonal trust across governance networks

(Umor et al., 2020).

To mitigate auditee resistance to audit results for optimal implementation of audit recommendations, the final stage of engaging communication is team collaboration. It is the process of building collaboration that mutually strengthens, grows and improves the parties within the institution. In engaging communication, the focus of attention in collaboration is not the technical matters, but rather the way of building communication. When communication can be built well, teams can work and achieve common goals.

Actions or activities carried out have a greater purpose or positive impact that can be felt by individuals or groups. It is called meaningful purpose and can be achieved by co-formulating three elements:

1. Goals (Why & What): Establishing clear, realistic, and relevant goals.
2. Values (3P Model): Pemahaman (Understanding), Pemaknaan (Meaning-making), and Penerapan (Application) to prevent transactional self-interest.
3. Quick Wins (3K Framework): Komunikasi (Communicating ideas), Kompromi (Compromising differences), and Komitmen (Commitment to action and resource allocation).

CONCLUSION

Public sector audit communication barriers are not merely technical shortcomings, but complex human interaction issues rooted in psychological and sociological dimensions. Bureaucratic resistance, audit anxiety, defensive silence, and defensive routines (cover-ups, pretense), exacerbated by high power distance and information sugarcoating, collectively generate information equivocality. This interpretive divide serves as the primary root cause of downstream follow-up failures.

Theoretical Contributions

1. Integrative Framework: Synthesizes public administration (resistance to change), organizational psychology (defensive silence), and communication studies (power distance, information equivocality) to explain audit communication breakdowns.
2. Equivocality as a Key Mediator: Positions information equivocality as a central mediating variable connecting psychological/sociological barriers to follow-up effectiveness.
3. Audit as Learning: Reaffirms that audits deliver value when driving organizational learning and legitimacy rather than superficial procedural compliance (Power, 2003).

Practical Implications

1. Redesigning Follow-Up Communication: Implementing rich, interactive dialogue channels (e.g., heart purification) during audit wrap-up meetings to eliminate ambiguity.
2. Strengthening Consultative Roles: Training auditors in consultative, value-adding approaches and positive communication (speak with positive vibes).
3. Relational Management Training: Equipping auditors with emotional intelligence and

Future Research Agenda

1. Empirical Testing of Equivocality: Conducting quantitative or qualitative studies measuring the degree of equivocality and testing its mediating influence on follow-up success.
2. Institutional & Cultural Contexts: Examining how centralization and collectivist cultures influence power distance dynamics during audits (Nerantzidis et al., 2022).
3. Cross-Actor Communication Strategies: Exploring governance network perspectives (Umor et al., 2020) involving multi-agency actors beyond traditional auditor-auditee dyads.

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