



AENSI Journals

## Advances in Environmental Biology

ISSN-1995-0756 EISSN-1998-1066

Journal home page: <http://www.aensiweb.com/aeb.html>

# An Investigation of The Impact of Performance Audit on Improving the Productivity of (Financial and Budget) Public Sector Capital Resources

<sup>1</sup>Sirous Fatahi, <sup>2</sup>Seyed Mohammad Nozari, <sup>3</sup>Mozaffar Jamali Nejad

<sup>1</sup>Persian Gulf International Educational Branch, Islamic Azad University, Khorramshahr, Iran.

<sup>2</sup>Payam Noor University, Asalooye, Iran.

<sup>3</sup>Persian Gulf International Educational Branch, Islamic Azad University, Khorramshahr, Iran.

### ARTICLE INFO

#### Article history:

Received 25 April 2014

Received in revised form

8 May 2014

Accepted 20 May 2014

Available online 10 August 2014

#### Keywords:

Performance Audit, Capital Resources Productivity, IRAN's Supreme Audit Court, Economy, Efficiency, Effectiveness.

### ABSTRACT

In the Present Study, We Investigated the Impact of Performance Audit Implementation on Improving the Productivity of (Financial and Budget) Public Sector Capital Resources. In Terms of Design, This is a Survey Study, and the Survey Tool in This Study Consisted of Two Researcher\_Made Five\_Item Questionnaires (Likert) Which Were Determined to Audit Performance and Efficiency. Both Questionnaires Had High Validity and Reliability. Time Scope of This Study is When Data Collected Between August 2011 and February 2012, and Space Scope of This Study is Supreme Audit Court of Iran and Its Provinces. The Number of Samples Required Was Determined 357 Individuals Using Cochran's Formula, Which Represents the Community as Much as Possible. The Study Hypotheses Consisted of 3 Assumptions. To test the Hypotheses, (t) Student Test Was Used in (SPSS) Software. Given That the Information Obtained By Questionnaires is Quality Data. Thus Nonparametric Tests (Pearson's Correlation Coefficient) Were Also Used. To test the Hypotheses, Multi\_Variable regression and Binominal test Were Used. Accordingly. In Order to Prove the Hypotheses the Options, (Very High), (High), and (Partly) Were Selected as Criteria. Statistics Used in the Study are: (Z) Test, (T),(F) and (r) Statistics, Regression, and Path Analysis Equations. Results Showed that :1=Performance Audit Improves Capital Resources 2\_Capital Resources Improvement Promotes the Productivity of Capital Resources.

© 2014 AENSI Publisher All rights reserved.

**To Cite This Article:** Sirous Fatahi, Seyed Mohammad Nozari, Mozaffar Jamali Nejad, An Investigation of The Impact of Performance Audit on Improving the Productivity of (Financial and Budget) Public Sector Capital Resources. *Adv. Environ. Biol.*, 8(11), 512-521, 2014

## INTRODUCTION

In Today's World, Leading managers Always Try to Insure Careful Monitoring and Objective Evaluation of Their Tasks and Others` So That They Could Remain Strong and Dominant Against the Issues Facing Them and do Their Work Right and Timely. Therefore, They Should Never Doubt to use Experts` Services Outside Their Organization For Specifying the Problems and Offering the Solutions, So That they Could Obtain Increasing Achievements. Performance Audit and the Associated Services are Among Tools That are Formed to Assist Managers in Better Leading and Directing of Economic Units, so as to Help Managers Businesses By Evaluating Effectiveness, Efficiency and Economy in Businesses and Offering.

Practical Suggestions. It Involves Quality Evaluation of Tools Available For the Management [9]. In Our Country (IRAN), the Management of Much of the Economic is Undertaken by the Government and its Administration, and its Administration Quality Has Essential Impacts on the Future of the Nation. Public Sector Managers Should be Accountable to the People and Their Representatives and Prepare the tool for This accountability according to Valid Data. The Nature of Public Sector Requires That in this Sector, in addition to financial audit (Dealing With Financial Statements and Comments Within Accounting Principles and Standards), Performance Audit be Obligatory. Good Auditing of Public Sector is Produced When Using Proper on their Goals. Currently, Theoretical Evidence Suggest that These Professional Services Have Not been Developed Enough in IRAN Compared to leading Countries in This Area and Despite the Involvement of the Supreme Court of Audit in the Concept of Performance Audit For many Years, this kind of Audit in the Concept of Performance Audit For Many Years, this Kind of Audit Services Has Been Faced With Some Impediments to Implementation in action. One of the Ways to Win the People's Trust and Yet Good Management is to Increase the People's Auditing and the Officials` Accountability. Accountability in Public is Established When Policy makers as Well as the Public Ensure That Wether or Not Financial Resources and Revenues are used Efficiently

**Corresponding Author:** Sirous Fatahi, Persian Gulf International Educational Branch, Islamic Azad University, Khorramshahr, Iran.  
E-mail: [sirous\\_fatahi@yahoo.com](mailto:sirous_fatahi@yahoo.com)

and in compliance with economy and Effectiveness [5]. On the Other Band, Though Productivity Auditing is not an Uncommon Issue, only a few audits have led to Content Measures Affecting Productivity. One of these Types of audit can be performance audit. Thus, Good Auditing and Accountability of Public Sector are Created When Executive Bodies With Planning and Performance, are Considered According to Clearly Stated Objective's and the Expected Results. Therefore, Performance Audit is a Clear Statement of Compliance With Economy, Efficiency, and Effectiveness in Performance of all Organizations (Large, Small, ETC). in This Regard, auditors Can Significantly Influence the Governmental decisions By Conducting Performance Audit, and Play an Important and Valuable Role in Improving These Systems as Well as Promoting the Level of Productivity. Thus, Productivity and its Continuous Increase in Organizations Have a Special Status. So, it is Clear That in Order to develop, more Attention Should Be Paid to Productivity and its Continuous Increase in Organizations. Studies Show That Productivity Has Been Considered in Different Ways\_ Including performance audit implementation\_ in Various Organizations. That is Why in This Paper we attempted to Both mention the main Concepts of Capital resource Productivity and deal With Different approaches and Solutions For increasing Such Productivity Through Implementing Performance Audit. Now These Questions are Posed: is the Implementation of Performance Audit is Effective on Productivity Indicators and Improving the productivity of public Sector Capital Resources? To Answer These Questions, and Given the Importance of the Issue and Considering the

Lack of a Comprehensive Research in This regard in Our Country, the Goal of the Present Study is to Examine the Implementation of Performance Audit on Improving the Productivity of Public Sector Capital Resources.

#### *1- Design and Statement of the Problem (ISSUE):*

##### *(1\_1) Concepts and Foundations of Capital Resources (Financial and Budget):*

Nowadays, Range of Government Activities and Operations Has Significantly Extended and in Order For the Governments to Develop Their Societies Economically, in addition to Legislation Duties, Establishing Social order and Security, and administering Judicial affairs, they are Often Required to play an Active Role in Scio\_ economical Dimensions. Extending the Public Spending's. Further, Because of the Extension and Development of Institutions of Freedom in Societies, General Knowledge of the Society and Parliament Representatives Has Increased and the People and Their representatives want the administrators of Resources and Public Properties to be accountable More than Ever. In any Society, there are various needs to allocate and use the Existing Resources. Shortage and limited Resources, makes the need For Rational Decision Makings in Public Spending's Inevitable. Thus it is Necessary to Fully Achieve the Goals By Consuming the Resources. Citizens Want Governments to be More accountable For the Programs implemented through Tax Funds Received From them. They do not Just Want to Know Many Dollars are Consumed and Many People Have Been Served. They Also Would Like More Fundamental Questions to be Answered; Such as Wether any Program is Made to Fulfill Their Goals? Are These Programs Implemented With the most Economical and Efficient Way ? in Addition, Wether or not the Opportunities For improving the Performance of the Programs or Even in Some Cases, Programs or Activities That Can Be Decreased or Even in Some Cases, Programs or activities that Can Be Decreased or Eliminated, Have Been Identified? today's Complicated Societies in Which the People's Expectations of Government Have Become Increasingly Various no doubt Having Large Complicated Government Organizations\_ or in a Sense Bureaucracy\_ is Unavoidable [4]. Also Confidence in Government Organizations and officials is drastically Decreased and a Suspicion Has Arisen in Relations Between Citizens and these bodies. Some Experts Think that the Public trust Decline is Due to Some Corruptions and Misdeeds Committed By managers and Lack of Citizens` Control on Organizations. Another Group of Scholars Associars Associate In confidence With Inability . Appointed and Elected Officials Sector, Especially in Public Sector, Especially in Government, are accountable For Compliance With Rules and Regulations on Financial Achievement and its Proper use in Legal places and Along With Restrictions Governing the Annual Budget. This Accountability Has a Long History and Underlines Achieving and Using Financial Resources Properly. Performance Accordingly, Executive Officials in Governments and Large Public sector Institutions are Required to Comply With Rules and Regulations in Achieving and using Public Financial Resources Properly. They are also Required to Consume Them Efficiently, effectively, and economically and be Accountable for achieving These [6], in This Paper, By Capital Resources (Financial and Budget) We mean all Financial Resources Used For Implementing Public Sector affairs in order to Achieve the Predicted Goals. Especially Annual Budgets Predicted in annual Budget Laws.

##### *(2\_1) Concepts and Foundations of Performance Audit:*

In a World that Unlimited human Desires are Facing Limited Economic Resources, the Rise and Fall of Each phenomenon Has its roots in Actual Reasonable Needs of Human Societies. Survival of Firms and Other Businesses in a Free Market Economic Environment Which is Continually Witnessing the Elimination of Trade Barriers and More Integration of Markets, and Where the Competition Becomes Increasingly Tougher and

more Ruthless, Without Having a good level of Effeteness in Achieving Goals, Efficiency, Economy, and the Optimal Management of Resources are impossible. Restricted resources and facilities on one hand, and the objectives of medium\_ term, long \_term Social and economical programs to achieve growth and development on the other hand, make ensuring the orientation of IRAN`S Public sector programs and activities as the largest and most effective, economical sector towards determined goals and efficient, effective, and economical achievement inevitable and accordingly, it necessitates the establishment of operational audit in this sector. Developments in management science and financial sciences combined with on increase in the expectations of the people`s representatives and other users of audit results have made known financial audit inefficiencies for some particular purposes, and also made the necessity to use performance audit for responding to the requirements of audit reports users, inevitable. Officials, legislators, and citizens want and need the information that confirm the use of governmental funds in a right way and in Compliance with rules and regulations. The public and authorities desire to know Wither governmental organizations, plans, and services are managed economically? It is the duty of the supreme court of audit to respond to these information needs. Previously, the meaning of performance audit management was toensure the Compliance to laws, policies, and regulations, while today it means mainly to improve management and determine wither or not a business unit, a governmental organization or a program has been managed or implemented with efficiency, economical justification or effectiveness. Canadian Specialized Financial Management and audit committee in its Report on performance audit states that a big problem which Prevents proper management in Executive Bodies Results from the Weakness of Accountability System in Executive Bodies Results From the Weakness of Accountability System, so Organizations Unable to be Accountable to right expectations of Citizens Would lose the People`s Trust . therefore, one Way to Win the people`s trust and Yet Proper Management, is to Increase the Scope of the people`s Auditing and Officials` accountability. Accountability is Established in Public Sector When Policymakers Make the Public Aware of the Way they manage Their to the government, Evaluate Performance, Measure the Efficiency of Managers and Officials, and Finally, of Their Payment Results, and Everybody Ensures that Public Resources are used Efficiently, Effectively, and Economically. Despite Professional Advertising By Some Regulatory Bodies in Recent Years, there are Not Enough Demands By the managers and Officials of Public Organizations to Conduct Performance audit, and it Seems that it is Facing Serious Big Difficulties in Action. Performance audit Known as "operational audit," "Management Audit" and "Management Performance Audit" is a Relatively new Discussion in Audit and Increases the Issues to Cover Range of Comments, and Audit Recommendations Significantly. In Audit World and Even among Supreme Audit Courts of Different Countries, it Can be Seen That This Type of Audit Has Increasingly Grown and developed and it Has Been Operated Seriously (IRAN`s Supreme Audit Court, 2009). Operational Audit is the Process of Systematic Evaluation of Economy, Efficiency, and Effectiveness. This Type of Audit is a Technique Whose aim is to Evaluate the Way the Operations are Implemented. This Technique Provides managers and Directors With Essential Information on Determining the Extent to Which the Objectives are Achieved. For Example, the Success Rate of Resource Use. Instead of analyzing financial Transaction, Performance Audit Focuses on How Resources are Allocated and Applied in Addition, Performance.

### *(3\_1) Necessity to Implement Performance Audit to Improve the Productivity of Capital Resources:*

Given the extinction of competition Level, Complexities of Technology, Variety of Tasting, Shortage of Resources, and information Exchange Rate, the Significance of Productivity is Obvious to all, Such that according to Managers, Productivity and Efficiency are the most Valuable of all, and Everybody Seeks More Efficiency and Effectiveness to Ensure Stability in a World Full of Competitions. This Has Turned Productivity and Proper Use of all Factors of Production (Including Goals and and Services) Into a National Priority and Drived all Societies Toward the Belief that Survival of any Society is not Possible Without Considering the Issue of Productivity. Our Country is no Exception to the Rule and Regarding the Concept of productivity, it has a significant role in Developing Productivity. According to the Goals of Iran`s 20\_Year Vision Plan (Iran`s Management and Planning Organization,2003) ((Iran Should Become a developed Country With First Place in Economy, Science, and Technology at the Regional Level, having an Islamic Revolutionary Identity and Inspiring Islam World and Interacting Constructively and Effectively in International Relations)). Therefore, By Improving Productivity, economic Growth Can Be Increased in Our Country 'Iran`s International Standing Can be Promoted and Past Backwardness Can be Compensated So as to Realize the Goals Set in the Islamic republic of Iran`s 20\_Year Vision Plan For 1404 (HAJRI CALENDAR). Thus, we Should Attempt to Value Capital Productivity More and more and make it Applicable and Also Executive Bodies, Business Units, especially regulatory Bodies such as the supreme Court of audit Should attempt to pay special attention to the implementation of performance audit in order to make grounds for accelerating the promotion of productivity, especially the Productivity of Capital Resources, and Finally, the Country`s Prosperity and Development.

(4-1) \_ indicators Studied by Capital resources (Financial and Budget): This Area of Productivity is Concerned With Efficient, Effective, This area of Productivity is Concerned With efficient, Effective, and Economical use of Financial and Budget Resources available to Public sector.

(1-4-1)\_ Minimum use of resources to Obtain the Results: This Index Shows the Extent to Which the perceived Goals Have Used Minimum Facilities, Financial Resources, ETC. in Other Words, the Rote of Economy in Consuming the Credits.

(2-4-1)\_ Achieving Maximum results and the Output From Activities and Affairs: in This Index, the Principle Budget Resource Effectiveness Has Been Taken Into Account so as to Determine the Extent to These Resources are used Effectively and Identify the Way in Which the Goals Were Achieved.

(3-4-1)\_ Planning, Organization, and Directing Resources Effectively: Arriving at efficient Operation requires Planning, Organizing, and Directing Financial resources Properly in Order to achieve results. This Index indicates the Efficiency in Using Credits Considered by the Researcher.

(4\_4\_1)\_ Minimum resources required: in Index, Minimum Maintenance of resources Required: in This Index, minimum maintenance Resources For Doing Activities Has Been Considered, Such that the Maintenance Costs Reduced, and this in Turn Reduces the use of Credits and Causes the Affairs to be Economical.

(5-4-1)\_ the Quality of the Resources Obtained: the Quality of Resources Obtained to Continue Activities is a Major Index in the Economy of Affairs, since it Causes sustainable Activities in Public Sectors and Affects the Future Costs.

(6-4-1)\_ the quality of the Resources used (the Quality of Doing Activities and Affairs): Though at First Glance it May Seem That the Two Indexes Above are the Same. This Index is related to how the affairs are Done Using the Resources Obtained. If Quality Control Standards, ETC are Not Complied With in Doing Affairs the Operation Will Not be Efficient and Economical.

(7-4-1) reducing the Wastes of using Resources in achieving Results : is one Way to Increase productivity and Decrease Wastes. The significance of Wastes and Waste Reduction in National Economy is so That Many National Media Occasionally State Something About National Resource Wastes and Remind the public of its Importance thus, better Production With Less Wastes Improves the living Standards of Workers as well as Flourishing the Economy of the Country. Reducing Wastes Will Decrease Stresses Existing in the Organization and Create an atmosphere of Confidence and Trust among Employees which Encourages them to be more Cooperative. Another Way of Reducing resource Wastes is Reconstruction and Development of Technology. Any technological development requires an Increase in Staff Skills Which should be Implemented Along With Other Required Areas Associated With technological Changes. New, Staff relations, and Accusations (Ahadinia, Bit).

(8-4-1). Minimum resource Acquisition Cost: in Achieving resources, the Principle of Minimum Cost Should be Considered, however the quality Should be Maintained as Well, such be Considered, However the Quality Should be Maintained as well, such that Costs Would not exceed the Predicted level. This Index is Considered as Compliance with economy in Achieving an Efficient Operation.

## 2\_Research History:

(1\_2) Capital resources (Financial ): as for Capital Resource Productivity, no Available research was Observed and the Present Study will Somehow Guide the Future research.

(2\_2) Performance audit : Hirschman (1970) in his Study has Stated that the Supreme audit Court by Conducting Performance audits in Public Organizations, somehow Attracts. The Attention of Citizens to the area of Efforts for Making Changes in those Organizations. Auditors as Protectors of public Funds, reveal waste of public Funds Hoping that Managerial Processes of Public Organizations Will be Improved After Auditing (SAMSAMI, KODADAD, 2010) . in a study by Dehghan\_Naeri(2006) Entitled "Investigating the interaction Between Value Engineering and Management Performance Audit in the Productivity of Development Projects "They Examined the Impact of Implementing Value Engineering on Ease of Performance Audit Implementation and on the Contrary, the Effect of Implementing Performance audit as the Insurer of the Implementation of value Engineering Recommendations. They also set Some Hypotheses in two groups (A and B) and asked the contractors, councilors, and experts of the supreme audit court for their opinions by preparing questionnaires. Then they tested the hypotheses, and finally while confirming the hypotheses,, they offered some solutions for improving value Management and Reducing Costs. Platy Investigated the Operational Auditing Practices in Five Top Audit Institutes in Finland, France, Netherlands, Switzerland, and England. The Purpose of the Study Was to Describe the Major Strategic Choices of Those Five top Institutes. The

Researcher (Palyt) Focused on the Methods used, applied Criteria, Operational Auditor Skills, and Operational Audit Reporting. He Found Out the Role of Operational Auditor is Not Only Beyond Compliance With Internal and External Rules and Regulations, But also it Often Has a Management Consulting Role in Promoting the Affairs.

## 3- Research Hypotheses:

Turning to the History and Exploratory Studies of the Research, the Central Questions of This Survey Can Be Outlined as Follows:

1\_Performance Audit Leads to Economical, Efficient, and Effective Use of Structural Resources Leads to Improving Productivity.

2\_Performance Audit Improves the Productivity of Structural Resources.

3\_Research Methodology: The Subject of This Study is Titled as "Investigating the Impact of Performance Audit on Improving the Productivity of Public Sector Capital Resources". This Study Wants to Partly Present the Theoretical Foundations Associated With Performance Audit and the Productivity of Capital Resources, and Then it States and Investigates the Factors That Can Improve the Productivity of Capital Resources in Public Sectors By Implementing Performance Audit Properly . in the Present Study, in Order to Understand the Views of Experts, Questionnaires Were Used to Collect Data.

*(1\_3) Research Method in Data Collection:*

This is a Descriptive\_ Analytical Study By Inference Method, and it is a Survey in Terms of Research Design .the Survey Tool Used in This Study Consists of Questionnaires Further, This is on Inductive\_ Deductive Study in Terms of Research Method. In Other Worlds, the Study Hypotheses are Based on Deductive Reasoning and data Collection Through Induction . to Reject or Confirm the Study hypotheses, Required Information Was Collected From the Samples Using Hypotheses. Required Information Was Collected the samples using questionnaires and then the hypotheses are tested by analyzing the data obtained. On the other hand, this is a correlation study . this method seeks to Examine the Role of Changes in One or More Factors in one or More other Factors. In This Study, the Researcher\_ Without manipulating Variables\_ Selected Some Predictor Variables and Investigated Their Relation to the Standard Variable. He Tries to Identify the Relationship Between These Predictor Variables and the Standard Variable. Therefore, in This Study in Which the Researcher Has Investigated the Relation Between Performance Audit Components and the Productivity of Capital Resources, the Selected Method is Appropriate. This Study is Applied By Goal and it is Classified as a Case Study in Terms of Type .in Gathering Data For Theoretical Studies and the Research History Method Was Used Through articles Articles, Books, Journals, and Reputable Sites. To Collect Data Associated With accepting or Rejecting Hypothesis Testing, Field Method Was Used Through a researcher Made Five\_ Item (Likert) Questionnaire/ After Distributing a Five \_Item Questionnaires Among Members of the Statistical Population and obtaining Responses From the Participants, the Data Obtained Were Classified, Summarized, and Their validity Was Examined. The Data were Statistically analyzed and results were Discussed Along With Other Previous Studies.

*(2\_3)Realm of the Study:*

1\_ Time Scope of the Study is When the Data Obtained and Collected Between February 2011 and August 2012.

2\_Place Scope of this Study is IRAN`s Supreme Court of Audit In the Capital City (Tehran) and Provinces.

3\_in Terms of Subject, This Study Deals With Investigating the Impact of Performance Audit Implementation on Improving the Productivity of Public Sector Capital Resources.

*4\_the Study`s Statistical Population and Sample:*

*(1\_4)Statistical Population:*

Statistical Population of This Study Consists of all Directors, deputies, Auditors, Experts of IRAN`s Supreme Audit Court in 31 Provinces and Headquarters of the Supreme Audit Court (N=2000). The Desired Number of Samples Were Selected. Statistical Population of the Study Consists of Individuals Whose Professions are Auditing, Inspecting, and Monitoring, and Whose Fields are accounting Economics, Law, Civil Engineering, (IT), Engineering, ETC, and those who are constantly in touch with laws and regulations, public financial reporting, professional standards, ETC also the reason to chose the supreme audit court as statistical Population is outlined as Follows: 1:ARAN`s Supreme Audit Court as the Regulatory arm of the Parliament Deals with Public Sector of the Executive Bodies. 2 \_ Implementing Performance Audit as one New Audit Was First Put into Action by the Supreme audit Court and Now it is Increasingly Becoming More Practical Such that Currently Many Performance Audit Reports Have Been Implemented or They are Under Implementation Thus it Has More Knowledge and Expertise in Public Audit affairs (Repecially in Performance Audit) Than Other Organizations. 3\_Developing Research Topics in the Supreme Audit Court Under the Supervision of the Department of Education and Research is Conducted Easily and in a more Specialized Way and With the Confirmation in the Committee For Developing Standards and Guidelines. Therefore, Technical\_ Specialized Features as Well as Scientific\_ Research Level of Such Studies Have a High Capability. The Vast Majority of Scientific and Research Studies are Performed in the Supreme Audit Court, and the Reason is to Support the Organization at the Marco Level, Publish the Information Required, and Even Present it to the Researcher in Cases. However, this is only Possible for auditors and Other Authorities of the Supreme Audit Court.

(2\_4) Sample:

(1\_2\_4) Sampling Method and Determining the Sample Size:

This Study, Multi\_ Stage Cluster Sampling and Random sampling Were Used and in Order to Collect Data From the Statistical Population, Sampling From the Statistical Population Was Performed Using Cochran Formula (Went ling Tim, 1997). In This Study, Various Subsections were Identified and in each Stage, the sample was Selected Using Kerjcie and Morgan table. Obviously, in each Section the Number of Individuals Were Selected in Proportion to the Number of Employees. Further, to Determine the Sample Size, Given that the Analysis of the Small Sample Groups may Obtain Unsterilized Values and it May Also Lead to Misleading Results, Sample Size Was Considered Relatively Large and With a Regular Random method. Thus, in Order to Calculate the Number of Samples Required Which are the representative of the Population, Cochran Formula\_ Relation (1)

$$N = \frac{nt^2 pq}{d^2(n-1) + t^2 pq} = \text{Sample Size ; } t = 1(96) \text{ at } 95\% \text{ Confidenc Level;}$$

D= 5% Error; n= Statistical population; n= Sample Size ;p=the Lack of Quality Statistics; q= Quality

5- Descriptive Characteristics of the Sample:

Among 357 individuals selected,329 Individuals are auditors,28 individuals are Experts, ETC. of the total Number, 310 Individuals Were males and 47 Individuals Were Females. 2 of Whom With Postgraduate Diplomas, 251 With Bachelor`s Degrees, 91 With postgraduate Diplomas, 251 With Bachelor`s degrees, 91 With Ma Degrees, and 5 With a PHD. They Had an Average Work Experience of 15 Years ranging From 1 to Over 30 Years of Work Experience.

6\_ Data Collection and Measurement Tools; Validity and Credibility of Tools:

Data Collection Tool in This Study Consisted of a Researcher Made Package Questionnaire Prepared By Standard Validated Questionnaires. Given the Hypotheses and Objectives of the Study .Their Questions and Options Were Used. In the Present study, in order to Examine and Analyzed the Variables Associated With the Research Discussed in the literature and Finally to Measure the Components and Indexes of Performance Audit and Productivity of Capital Resources, Two Questionnaires Were prepared one of Which Was Associated With Performance Audit and the Other With the Productivity of public Sector Structural resources, and a total of 357nquestionnaires Were Distributed Among the Supreme Audit Court . the Questionnaire Was Available For the sample after Being Confirmed in Terms of Validity and reliability .to Measure the data, liker t Scale Was Used (GANJI,2001).Thus, Qualitative Features change into quantitative features so That Statistical analysis is Performed Based on Quantitative Features. To Change Qualitative Features into Quantitative Features, First for Each item of the Questionnaire, Numerical Values Were Applied as Shown in Table (1) . after Collecting the Questionnaires, Sectors For Each Questionnaire Were Calculated. Then,the statistical analysis Was Performed and the Results were Obtained.

**Table 1:** Numerical Values of the Item of the Questionnaire.

Questionnaire Name	Question Number	Very Low	low	Fairly (Average)	High	Very High
Impact of Performance audit on micro indicators of Capital Resources(1_b)	11-18	1	2	3	4	5
Impact of capital micro indicators on productivity Resources(2_b)	11-18	1	2	3	4	5

6\_ Data Analysis: After Collecting Data, they Were analyzed

Using (SPSS) Software (V.18).Thus, the Data Were Encoded and Inserted Into the Software. Then, using both Descriptive and Inferential Statistics. The data Were analyzed in Three Parts. First in part. First in Parts (1) and (2), in Order to Describe Sample Comments in Relation to the Questions. Frequency and Percentage Distribution Tables, mean, and Variance were used .this trend was performed at two significance levels of p\_ Value (Sig=0 to Sig =.05). Then in part (3) the hypotheses were Tested on the Results From Investigating the Questions Using Expletory Statistics and Enova Test. Also, Multiple Regression Test and Path Analysis Were Used to Draw the Diagrams, Excel Software Was Used.

(1-6)Descriptive Data Analysis:

To Examine the Questions, Descriptive Statistics were used to develop statistical frequency distribution tables (tables and diagrams for showing frequency distribution in the population) and to estimate central indexes, athematic mean, dispersion indices, standard deviation, ETC .Descriptive Statistics of the Study Which Consist of Mean, Median, Max, min, and Standard Deviation of the Data Were Calculated and Presented in Table (2) the Values Mentioned Only Present on Outline of the Data Distribution Status. Descriptive Indexes Indicate Mean, Variance and Standard Deviation of Age and Work Experience, Frequency and Frequency

Percentage of Males and Females and Their Educational Status, and Also Frequency Percentage of the Items associated With Each Question Answered By the Participants. In this Part, Tables Were Used to Describe Demographic Characteristics. Tables are Main Tools For Measuring the Data of a Social\_ Human Study. Final Goal of Tables is to Make the Studied Fact Quantitative and Measurable and Present a Careful Picture of it as Much as possible.

**Table 2:** Frequency Distribution of Respondants in Terms of Central Indexes.

Central indexes	sex	age	married	literacy	Position	Experience	Employment
N Valid	349	352	342	354	329	347	344
Missing	8	5	15	3	28	10	13
median	1/...	2/...	2/...	3/...	3/...	3/...	4/...
made	1	2	2	3	3	3	4

(2-6) Explanatory Data Analysis:

(1-2-6) Hypothesis Testing:

(1-1-2-6) hypothesis (1):

There is a Significant Relation Between Performance Audit and (Budget, Financial) Capital Resource Development of Public Sectors: independent Variable Level ;on the Other Hand, the Dependent Variable of Improving( financial, Budget) Capital Resources of the Relation Was also measured at a Distance Level. Thus, Pearson Statistical Technique Was Used to Test the hypothesis. Statistical Hypotheses are Written as Follows:  $H_0: p=0$  ;  $H_1: p>0$  . in null Hypothesis, our Assumption is that There is No Association Between Performance Audit and the Rate of (Financial, Budget) Public Sector Capital Resource Improvement, and the Opposing Hypothesis Indicates a Relationship.

**Table 3:** Testing hypothesis (1).

Significance Level	Pearson Coefficient	Standard Deviation	Mean	Variable
...	.667	.655	3/69	Implementing Performance Audit
		.639	3/88	Improving and Developing (Financial, Budget) Capital Resources

**Table (1-3):** Descriptive Statistics.

Variables	Mean	STD. Deviation	N
Performance audit Capital Resources	3/69	.655	357
	3/88	.639	357

**Table (2-3):** Correlations.

Variables	Correlation	Performance audit	Capital Resources
Performance audit	Pearson Correlation Sig. (2-Tailed) N	1 357	.667** /... 357
Capital Resources	Pearson Correlation sig. (Tailed) N	.667** /... 357	1 357

**Table (3-3):** ANOVAB.

Model	R	R Square	Adjusted r Square	STD. Error of the Estimate
1	.845a	.714	.713	.380

**Table (4-3):** ANOVAB.

Model	Sum of Squares	D f	Mean Square	f	Sig.
1 Regression Residual Total	127/856 51/197 179/054	1 355 356	127/856 .144	886/549	... a

**Table (5-3) :Coefficients<sup>a</sup>**

Model	Sum of Squares		Standardized Coefficients	t	Sig.
	B	STD. Error	Beta		
1 (Constant)	.410	.115	.845	3/567	...
Performance Audit	.914	.031		29/775	...

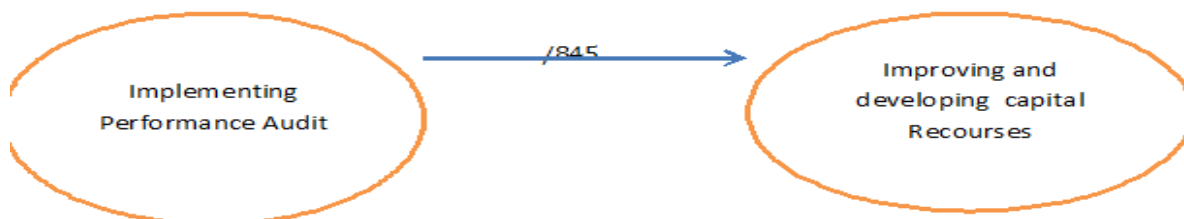
According to the Above Tables, to Test Significance of Relation Between Implementing Performance Audit and the Improvement and Development of (Financial, Budget) Public Sector Capital Resources, Pearson Statistical Technique Was Used. As Shown in Results of the Above Table .the Average Performance Audit Implementation is (369) and the Average Public Sector (Financial, Budget) Capital Resource Improvement of the Relation is (3/88). The Value of Pearson Coefficient is (R=.667) Which Indicates High Correlation

Between the Two Variables. This Coefficient is Positive and It has a Direct Orientation ; in Other Worlds, as Performance Audit Implementation Increases . the Public Sector (Financial, Budget)

Capital Resource Improvement Will Increase as Well . Given That the Significance Level (Sig=/....) Is Smaller Than /.5, the Relation is Confirmed With 99./. Confidence, so null Hypothesis is Rejected. In Addition, Path Equation For Confirming This Hypothesis\_ According to Tables (1-3 to 5) \_ is as Follows:

\*Equation (2) : Testing Hypothesis (1):

$$A_{2v2} (\text{capital Resource Improvement Index}) = /410 + /914 * (\text{Performance Audit}) + /146$$



**Diagram 1:** Path Analysis of Hypothesis (1):

(2-1-2-6) Hypothesis (2):

(Financial, Budget) Capital Resource Improvement and Development is Significantly Associated With Productivity of Public Sectors: Independent Variable of (Financial, Budget) Capital Resource Improvement and Development Was Planned at a Distance Level ;on the Other Hand, Independent Variable of Public Sector Productivity is also Measured at a Distance Level. Accordingly, Pearson Statistical Technique Was Used to Test the hypothesis. Statistical Hypotheses are Written as Follows:  $H_0: p=0$ , and  $H_1: p > .$  In Null Hypotheses, our Assumption is That There is No Relation Between (Financial, Budget) Capital Resource Improvement and the Productivity of Public Sectors, and the Opposing Hypothesis (2):

Sig. Level	Pearson Coefficient	STD. Derivation	Mean	Variables
/....	/.638	/.709	3/78	Capital Resource Improvement and development
		/.567	3/9	Public Sector Productivity

**Descriptive Statistics (Table 1-4):**

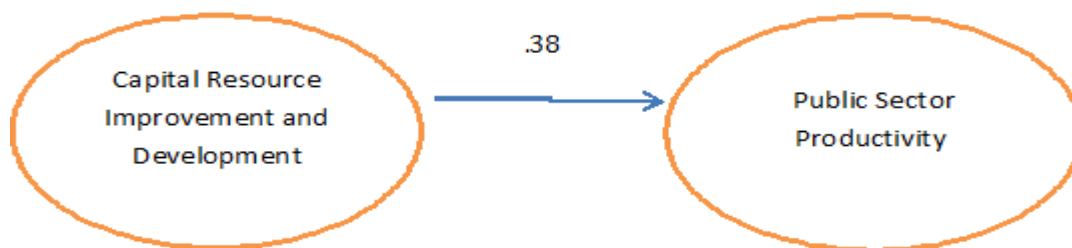
	Mean	STD. Deviation	N
Capital Resources Productivity	3/78	/.709	357
	3/90	/.567	357

**\*Table (2\_4): Correlation**

		Productivity
Capital resources Pearson Correlation	1	/.638
Sig.(2_Tailed)	357	/....
N		357
Productivity Pearson Correlation	638	1
Sig.(2_Tailed)	/....	357
N	357	

According to the Above Tables, in Order to Test the Significance of the Relation Between (Financial, Budget) Capital Resource Improvement and Development and Public Sector Productivity Rate, Pearson Statistical Technique Was Used. As Can be Seen in Results of the Above Table, the Average (Financial, Budget) Capital Resource Improvement and development is (3/78), and the Average Public Sector Productivity is (3/9) . the Value of Pearson Coefficient is (R= /.638) Which Indicates a High Correlation Between the Two Variables. This Coefficient is Positive and Direct ; That is, as (Financial, Budget) Capital Resource Improvement and Development Increases, Public Sector Productivity Goes up as well. Because the Significance Level (Sig= /....) is Smaller Than /.5, this Relation is Confirmed With 99 Percent Confidence. Thus, Null Hypotheses is Rejected.





**Diagram 2:** Testing Path analysis of Hypothesis (2):

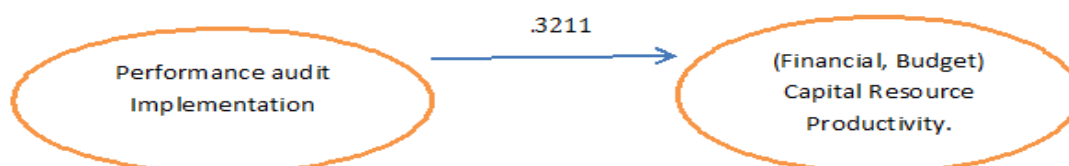
*(3-1-2-6) Hypothesis (3):*

There is a Significant Relation Between Implementing Performance Audit and Improving Public Sector Productivity. Independent Variable of Performance Audit Was Planned at a Distance Level and on the Hand, Dependent Variable of Public Sector Human Resource (HR) Productivity Were Also Measured at a Distance Level . thus Path Analysis Technique is used as described Below:

**Table 5:** Path analysis of Hypothesis (3):

Total effect	Indirect Effect	Direct effect	Variable Name
.3211	.38, .845	-----	Implementing Performance Audit_(Financial, Budget) Capital Resources

Mere Investigation of Variables Affecting the Dependent Variable Will Not Definitely Lead to a Comprehensive Analysis Due to High Abstraction of this type of survey and Knowingly Ignoring Other Factors. Examining the Study hypotheses Alone Presents a General and Ambiguous Presentation of the Effective and Affected, Which is Not Likely to Show the Overlapping and Hierarchical Effects Among Intermediate Variables. Therefore Simultaneous Effect of Various Factors Using Proper Techniques Will Lead to a Full Understanding at a Higher Level( JALILI, 2008: P.84). Path analysis Technique is among Multivariate Techniques Which in Addition to Examine Direct Effects of Independent Variables on Dependent Variable, it Considers Indirect Effects of These Variables and inserts variables in Analysis in Accordance With Current Realities (KALANTARI, 2006:p.223). Significance and Priority of Path analysis Compared to Correlation analysis is that Path Analysis Makes it Possible to Measure Relative Effects of Each antecedent or Explanatory Variable Against Subsequent Or Dependent Through Identifying Assumptions Of Casual Relations and Then By Determining Indirect Effects of Independent of Explanatory Variables (KALANTARI,2006:P.223). According to Marsh," what in Casual Inference Intervenes Between the Researcher and Unbridled Empiricism is this Modeling, Because it Makes the Researcher to Theorize Clearly and Precisely (DOVAS, 1995:p.223). Casual Model Obtained From the Study is Displayed in a Path Diagram. Path Diagram is Applied to Visually Express the Relations Between the variables in Path Analysis (KALANTARI, 2006:p.225). Analysis Diagram of Direct and Indirect casual Effects of Independent Variables on Dependent Variable in the Present Study is as Follows. According to the data of Table (5),after Measuring Direct and Indirect Effects of Independent Variables on Capital Resource Productivity, the Variable of Performance Audit With Respect to all Casual Paths With Direct or Indirect, Had an Increasing Effect on Capital Resource Productivity in public Sectors. In Other Words, Where Performance Audit Implementation Increased, the Productivity of Public Sector Capital Resources Went Up as Well.



**Diagram 3:** Testing Path Analysis of Hypothesis(3).

*7- Conclusion:*

According to the Results of the Hypotheses (1-3) the Following Can Be Produced : 1\_performance Audit Implementation Improves and Develops Capital Resources.

2\_Capital Resource Improvement and Development Improves Public Sector Productivity. 3\_performance audit Implementation Improves Capital Resource Productivity in public Sectors.

*8\_Suggestions:*

According to the Results of this Study, the Following Suggestions are Present: 1\_ We Propose That Monitoring Bodies, Especially the Supreme Audit Court, Make Their Greatest Effort to Offer Management Consulting in Order to Implement Performance Audit in Public Sectors Aiming at (Financial, Budget ) Capital Resource Productivity. 2\_ it is Recommended That the Present Study Be Conducted in Other Populations or Statistical Practices so That the Impact of Performance Audit Implementation is Evaluated From Various Aspects. 3\_ We Suggest that Indexed used in this Study, Especially Capital Resource Productivity Indexes, be Considered in Future Research Using Ranking Techniques.

*9\_Restrictions:*

To Implement This Study \_Given its Nation \_Wide Dimension \_the Following Restrictions Can be Presented:

1\_ Given That Performance Audit as one Type of Audit Has Not a Long History, Especially in IRAN, and Its Implementation Began Only in 2009 By the Supreme Audit Court, the Features of Implementing This type of audit Court, the features of Implementing This Type of Audit Was Unknown. So First of all We Had To Know it Well and Then Seek the Results.

2\_ Since in Implementing the Study Two Significant Issues (Performance Audit and Productivity) Were Considered and Given the Lack of Research in This Area in Iran Or Even Abroad, There Was Not a Favorable Context For Implementing the Study .

*10\_Area of Future Research:*

1\_We Suggest That in Future Research the Subject Br Conducted in a Population Other Than That of the Present Study or in Other Statistical Practices.

2\_ it is Proposed That Because the Implementation of Operational Audit is Considered in Article 218 of the Fifth Development Plan, the Impact of Implementing Such Audit on Stock Indexes of Firms Listed in the Stock Exchange Be Measured.

3\_ We Suggest That in Future Research, the Impact of Implementing Performance Audit on Foundations of Productivity Including Efficiency, Effectiveness, and Economy of Public Sectors Be Taken Into Account.

**REFERENCES**

- [1] Ahadina, NASEREDDIN (BITA) ; " Solutions for Increasing Productivity".
- [2] Monthly Journal of Oil, Gas, and Energy, Year 2, no9, p .p 10\_17.
- [3] Asad, Mohammad Reza, Hamid, Mehrzad and H. Asadi, 2002. Relation Between Total Quality Management (TQM) and the Effectiveness in Iran`s Headquarters of Sports Organizations. Monthly Journal of Physical Training (Haricot Publications), No 14, Winter 2002, P.P 151-166.
- [4] ALVANI, SEYYED Mehdi ; and SHARIFZADEH, FATAH (1999)," Public Policy Making Process". ALLAMEH TABATABAEI Publications.
- [5] ABSALAN, L., 2007. Investing the Barriers to Performance Audit Implementation in Public Governmental Agencies." Master`s Thesis, Islamic Azad University, Arak Branch.
- [6] BABAJANI, J., 2010. Benefits of Implementing Performance Audit in our Country (Iran) and its Role in Accountability" the Supreme Audit Court, Collection of Articles .
- [7] Pouyan, A., Masoumi, M. Establishment of Productivity Cycle in Tehran Regional Electric Company :barriers and solutions". 7<sup>th</sup> Conference on productivity and Quality in Power Industry, Tehran, June 19<sup>th</sup> .
- [8] Jouypa, H., 2009. Pathology of Performance Audit Implementation By the Supreme audit Court and Recommendations For Improving it." Monthly Journal of Audit knowledge, New volume, 10<sup>th</sup> year, no 2, fall 2010,p .p 109\_128.
- [9] Hossin ZADEH,M., 2008. Performane Audit." Tadbir Monthly Journal,19<sup>th</sup> Year, no 194.
- [10] Dehghan Nayeri, A., 2006. Investigating the Interaction of Value Engineering With Management Performance Audit in Produtivity of Development Projects." Monthly Journal of Audit Knowledge, no 20, Summer and Fall, 2006, p .p 40\_51.
- [11] Khalatbari, J., 2008 . Research Statistics and Method."Tehran, Pardazesh Publications. The Supreme Audit Court, Technical Assistance and Auding Affaires of Ministries, and Public institutions, 2009."Performance Audit and its Reporting Framework." P. p 1\_39.