The assessment of the relationship between performance audits on public accountability in Iran

Mojtaba Chavoshani 1* Mohammad Khalaf Sayadiyan 2 Mahdi Parvizi 3
1. Ghasr-E-Shirin Branch, Department of Accounting, Islamic Azad University, Ghasr-E-Shirin, Kermanshah, Iran.
2. The manager of accounting department, Scientific & Applied University of Eslam–Abad garb
3. Eslam-Abad Branch, Department of Accounting, Islamic Azad University, Eslam-Abad, Iran

* E-mail of the corresponding author: mojtaba_cch@yahoo.com

Abstract
The purpose of this research is the assessment of the relationship between performance audits accountability on the point of view of Supreme Audit Court's auditors. In this research, the statistical society includes 1072 individuals taken from Audit Court Supreme's official technical experts. In the present study, 330 individuals have been chosen as sample through random sampling. T-test and Friedman Correlation test are used for analyzing data. The results show a confirmation of a direct relationship between audit performances on public accountability. Moreover, the use of performance audit leads to an increase in clarity, quality and the qualitative characteristics of information and finally to an upgrade in accountability of the government in its actions' performance.

Keywords: performance audit; accountability; Iran's Supreme Audit Court; clarity.

1. Introduction
In progressed and developing countries, public accountability is accepted as one of the essential duties in the country. Audit and finance experts in these countries believe that Governmental accounting and financial reporting system has an important role as the essential tool in public accountability's application. There have been a great amount of efforts in the specification of an special place for Theoretical concept of accountability in the accounting and financial reporting and the concept of accountability's duty has been noted as the focus of accounting and financial reporting. In this way, it necessitates the government to explain to the public citizens about its actions and subject them to be evaluated by independent judiciary and regulatory institutions and ultimately people (Babajani J. and Poryanasab, A. 2001).

Preserving the public interests through traditional audits (financial bills) has been put through a comprehensive method in this issue (Kasiri, H. 1997).

1-1. Literature review
Performance auditing has been started earlier in the countries as the United States, England, Australia and many others. The United States Audit Court had a significant effort in this issue (Cox, A. (2008). This Court besides general audits submitting to the parliament, prepare and present a specific report in this field. In this country, due to an increase in public auditing, some private standards regarding the programs, activities and public tasks are published in a book called "The Yellow Book". These standards have been reevaluated for many times in order to an increase in the improvement of programs and public actions. England has been one of the pioneer countries in applying Value-for-Money performance auditing in public section organizations. England has been one of the pioneer countries in applying Value-for-Money performance auditing in public section organizations. In Australia, with a reformation in auditing Law in 1972 and through attaching the auditing performance task in public organizations to Audit Court tasks in this country, the activities of Australia's Auditing Court has experienced a new phase. The auditors in Canada Auditing Court have added auditing performance to their own activities since 1977. In Pakistan, Pakistan Audit Court published a performance-auditing guide in 1993 and in Bangladesh performance auditing has been necessary besides financial bills based on public auditing standards since 2001 and this process is continuing in different countries now.

1-2. Statement of the problem
Officials, lawmakers and citizens need the information that confirms whether government funds have been spent correctly and according to regulations. In addition, they want to know if public organizations have achieved their plan (Robert J. Freeman, 2008). Alternatively, do the organizations, plans and services are managed economically or not? This research evaluates the effect of performance auditing on public accountability and answers these questions.

1. Is there a meaningful relationship between auditing performance and public accountability?
2. Does auditing performance lead to a clearance in public accountability to the society?
3. Is auditing performance subject to an increase in the quality of public accountability to the society?
4. Does auditing performance will provide qualitative traits of information as understandability and comparability, more useful for public accountability?
1-3. The Significance of the Study
The Development and the complexity of the relationships and the growth of technology on the one hand and the necessity of the efficient use of the rare resources on the other hand, necessitate the use of auditing. The use of auditing performance is essential for a successful managements in the organizations for a decrease in disagreement from the traditional role of auditing which were following the rule as and regulations. In addition, citizen expectation's increase to public accountability's duty regarding its activities has been an appropriate stimulus to persuade public section to do its best in an increase in auditing performance in its activities (Mosich, A.N. and E. John Larsen, 1996).

2. Research Hypothesis
Hypothesis number one is the main hypothesis and the hypothesis number two, three and four are subsidiary hypotheses:
Hypothesis 1: there is a meaningful relationship between performance auditing and public accountability
Hypothesis 2: performance auditing leads to clarity in public accountability to the society.
Hypothesis 3: performance auditing causes an increase in the quality of public accountability to the society.
Hypothesis 4: performance auditing provides qualitative traits of information as understandability and comparability, more useful for public accountability.

2-1. Research variables
Because in this research we are searching for the effects of performance auditing on public accountability, the variables in this research are formulated as follow:
2-2. Independent variable
According to the main hypothesis of this research, performance auditing has been considered as independent variable.
2-3. Dependent variable
According to the main hypothesis of this research, public accountability has been considered as independent variable.

3. Methodology
The present study has been done in descriptive, survival and correlative methods for a practical purpose. This research is practical because its results will be used for facilitating operational applications or for solving long-term problems and obstacles.
This research is descriptive because it includes methods aiming the description of circumstances or phenomenon related to the present condition of the subject of this research.
This research is survival because it tries to generalize data taken from a small part of the community called sampling group to the whole of statistical society.
This research is correlative because this kind of research tries to identify issues in which do not express all the independent variable changes as the dependent variable and the other variables are influential in their changes.

3-1. The statistical society of sample group and sampling method
In this research the statistical society is about 1072 individuals including official technical experts from auditors to auditor general in Supreme Auditing Court who worked in this field in 2009.
The sample groups in this study are chosen based on the random sampling method. Based on this fact that the numbers of individuals in statistical society are clear and the selection of all members for study is impossible, mathematical method, which is so accurate, is used. Because the range of questions are of Lykert's type, if the statistical confidence level in this research be considered as 95% and the level of accuracy as 6%, the sample size is calculated as follow:

\[ n = \frac{N \times Z_{\alpha}^2 \times \sigma^2}{\varepsilon^2 \times (N - 1) + Z_{\alpha}^2 \times \sigma^2} = \frac{1072 \times (1.96)^2 \times (0.667)^2}{(0.06)^2 \times (1072 - 1) + (1.96)^2 \times (0.667)^2} \approx 330 \]

Society Size \[ N = 1072 \]
Standard deviation \[ \sigma = 0.667 \]
Accuracy Rate \[ \varepsilon = 6\% \]
Normal probably Standards \[ Z_{\alpha} = 1.96 \]
3-2. Analyzing Data Method:
The statistical data in this research are gathered by the use of a questionnaire and the raw data are changed to the meaningful data. The amounts of each variable are calculated by the data taken from its related questions through SPSS software and they have been analyzed base on the statistical branches as descriptive statistic and deductive statistic. Two-dimensional frequency table and diagram are used for data description. For analyzing data in the field of descriptive statistics in the main hypothesis's data and in the field of deductive statistics, T-TEST technique and Freidman Correlation Test are used for confirmation or rejection of all hypotheses.

4. The Test Results
4-1. First Hypothesis
H₁₀: there is a meaningful relationship between auditing performance and public accountability.
H₀₁: there is not a meaningful relationship between auditing performance and public accountability.
Statistical calculating test chart for hypothesis number one, is shown in table 1.
After the comparisons of the test statistics (13.68) with the critical amount of (1.64) it can be clear that, the test statistics is in the area of H₁₀. In this way, in confidence level of 95%, one can say that the observations do not have enough reasons for H₀₁ confirmation. Since the H₀₁ Hypothesis is against research hypothesis, so in the error level of 5%, it can be said that the research hypothesis will be confirmed. It means that this hypothesis: "there is a meaningful relationship between auditing performance and public accountability" will be accepted. It means auditing performance has influences on public accountability.

4-2. Second Hypothesis
H₁₂: performance auditing leads to clarity in public accountability to the society.
H₀₂: performance auditing does not lead to clarity in public accountability to the society.
Statistical calculating test chart for hypothesis number two, is shown in table 2.
After the comparisons of the test statistics (11.89) with the critical amount of (1.64) it can be clear that, the test statistics is in the area of H₁₂. In this way, in confidence level of 95%, one can say that the observations do not have enough reasons for H₀₂ confirmation. Since the H₀₂ hypothesis is against research hypothesis, so in the error level of 5%, it can be said that the research hypothesis will be confirmed. It means that this hypothesis: "performance auditing leads to clarity in public accountability to the society" will be accepted.

4-3. Third Hypothesis
H₁₃: performance auditing causes an increase in the quality of public accountability to the society.
H₀₃: performance auditing does not cause an increase in the quality of public accountability to the society.
Statistical calculating test chart for hypothesis number three, is shown in table 3.
After the comparisons of the test statistics (14.02) with the critical amount of (1.64) it can be clear that, the test statistics is in the area of H₁₃. In this way, in confidence level of 95%, one can say that the observations do not have enough reasons for H₀₃ confirmation. Since the H₀₃ hypothesis is against research hypothesis, so in the error level of 5%, it can be said that the research hypothesis will be confirmed. It means that this hypothesis: "performance auditing causes an increase in the quality of public accountability to the society" will be accepted.

4-4. Forth Hypothesis
H₁₄: performance auditing provides qualitative traits of information as understandability and comparability, more useful for public accountability.
H₀₄: performance auditing does not provide qualitative traits of information as understandability and comparability, more useful for public accountability. Statistical calculating test chart for hypothesis number four, is shown in table 4.
After the comparisons of the test statistics (11.86) with the critical amount of (1.64) it can be clear that, the test statistics is in the area of H₁₄. In this way, in confidence level of 95%, one can say that the observations do not have enough reasons for H₀₄ confirmation. Since the H₀₄ hypothesis is against research hypothesis, so in the error level of 5%, it can be said that the research hypothesis will be confirmed. It means that this hypothesis: "performance auditing provides qualitative traits of information as understandability and comparability, more useful for public accountability" will be accepted.

5. Conclusion
Regulation and truthfulness are considered as essential values in all public activities and auditing performance will reinforce these values using reliable information about the efficiency, effectiveness and economical profit in public programs. Auditing performance through independent assessments can be a potential base for new decisions in the field of future activities and investments.
According to the findings of this research, the use of auditing performance will lead to an increase in clarity, quality and qualitative traits of information and finally developing public answering about the activities.
References
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Morey, Lloyd and Robert Philip Hackett; Fundamentals of Governmental Accounting; 2nd ed., N.Y.: John Wiley and Sons Inc.


Table1- Hypothesis Number One Statistical Calculating Test Chart

<table>
<thead>
<tr>
<th>Number of observations</th>
<th>Average</th>
<th>Standard error Average</th>
<th>The calculated t statistic</th>
<th>Freedom degree</th>
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<td>0.07</td>
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Table2- Hypothesis Number Two Statistical Calculating Test Chart

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Table3- Hypothesis Number Three Statistical Calculating Test Chart

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Table4- Hypothesis Number four Statistical Calculating Test Chart

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