

Review the existing lack of requirement for performance auditing and its impact on improvement in organizational knowledge

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Abstract: Today in economic environment that has several systems with different dimensions management of organization growingly focuses on evaluation of cost- effectiveness, efficiency and effectiveness of organizational operation; operational auditing is used as a tool for such assessment. It necessitates in competitive environments that managers to lead the affairs properly in the path of work progress and toward the strategic goals which considered consciously by the given organization by adopting of performance evaluation process. Performance auditing is a useful tool to adjust these systems and leading the organization toward its objectives. In our country, government is responsible for administration of the majority portion of economic sources and quality of managing them essentially influences in nation's fate. Performance auditing reflects a modern attitude toward auditing, which comprises of common auditing and management consultation. Performance auditing is focused on way of utilization from organization's sources and it deals with information and intra-organizational systems and instructions and mainly acts as an advisor for management. On the other hand, performance auditing may play crucial role in improvement of knowledge management by transferring the possibility for optimal decision making. Given that knowledge management denotes knowledge management for empowerment of personnel and organization to do their activities efficiently so in the present research, 5 dimensions of knowledge management (Knowledge acquisition, knowledge record, knowledge transfer, knowledge creation, and knowledge application) have been investigated. The given study is of descriptive survey type and it is considered as applied research in terms of objective where library and field study method has been adopted for review and gathering information. Furthermore, a questionnaire was prepare and distributed among respondents and the results were obtained after collection data and conducting the statistical computations via SPSS software. 12 hypotheses have been taken into consideration to examine the aforesaid subject and findings from hypotheses were separately mentioned. Statistical population of the present study has been divided into 4 groups as follows:

1- Auditors from Iranian Audit Organization, 2- Auditors of Supreme Audit Court, 3- Experts and professors, and 4- Managers and experts from Governmental Institutions (Public Sector).

Finally, according to regulations of groups, the results of the investigation into the existing deficiencies in requirement of performance auditing are based on this fact that lack of intellectual and behavioral independence in performance auditors is considered as most trivial challenge while lack of an appropriate budgeting system as well as absence of adequate rules and regulations and commitment of governmental managers to traditional techniques are deemed as the paramount challenges. At last, some practical and relevant suggestions have been also presented to continue and follow up the similar researches in the future. And with respect to the results obtained from review of binding nature of any hypothesis in different dimensions of knowledge management suggests that performance auditing may play crucial role in optimization of organizational knowledge.

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Introduction and subject interpretation

The economic system remarkably depends on decisions made by management in economic units in a country and it is obvious that such decisions will essentially affect on income- earning, profitability and optimal use of sources (Nokhbeh Fallah, 2005:24). According to legal structures in Iran, State Economic System makes up three sectors: Public Sector, Cooperative Sector, and Private Sector.

Although, during recent years many efforts have been made by the government for privatization of economy, nevertheless all these measures, the major part of national sources are also at government's disposal and under its control. More than 70% of Iranian economy is controlled by Public Sector and as public authorities, governmental directors are responsible for maintenance and exploitation from these huge sources and the quality of their performance plays essential role in fate of country and all people. Public Sector Managers should be accountable against people and their representatives. Have managers properly fulfilled their responsibility in decisions- making? Did they use optimally and efficiently the facilities at their disposal? Did managers take step within the framework of five- year development plans and goals as well as objective of Outlook Document? Have they pay due attention to cost effectiveness in operation and events under their control and management? (Bozorgasl & Saffar, 2002, 2006).

Due to special characteristics of Governmental Organizations and their difference from institutions in Public and Corporative Sectors, performance audit may be employed as a criterion to measure productivity and efficiency in governmental managers' performance. Since, the major portion of governmental organizations consist of non- trade and non- commercial activities and many goals of governmental activities and their subordinates relate to subject of supervision and control and public interests- related issues and due to lack of relationship among revenues that earned by the government and the costs which spent by them or those services that are given by Public Sector, measurement of performance may be considered as a alternative criterion for profit in process of exploration into the quality of performance of Public Sector managers. Similarly, it could be also adopted as a criterion along with determining of management merit (competence) and promotion (Dittenhoffer, 2001: 438).

On the other hand, people expect the managers in the aforesaid organizations to respond to them against taxes which they pay and or national sources at governmental disposal and proprietorship at different levels that belong to all the people in the society (Raaum & Cmmbe 11, 2006:5).

As an effective tool in fulfillment of accountability task, creation of transparency and acquiring public trust as well as guarding the public properties against mal-managements and kinds of rents, performance auditing may be used.

With respect to quantization issues and selection of Supreme Audit Court, it requires moving from compliance audit toward performance (operational)

audit in order to be able to provide appropriate information in the course of making logical and duly decisions (Imani and Jahangiri, 2010:1).

Performance audit, which also called as operational, managerial auditing and performance of management, is one of the relatively new subjects in auditing affairs that its domain exceeds from financial auditing domain and it increase the addressing aspect of auditing and its revisions and recommendations remarkably while focusing on three elements; namely, effectiveness, efficiency and cost- effectiveness (Deputy of technical and auditing affairs for public ministries, institutions and organizations, Supreme Audit Court, April 2009, 3). Knowledge management is to organize knowledge for empowerment of personnel and organization in doing activities efficiently (Taghizadeh et al, 2010:34). Knowledge management includes 5 following steps: Knowledge acquisition, knowledge record, knowledge transfer, knowledge creation, and application of knowledge (Watson, 2004: 31);

Four main effective factors that play role in emergence of knowledge management:

- 1- Transition from dominance age of material capitals to dominance of intellectual capitals;
- 2- Extraordinary increase in size of information, electronic storage and enhancement of access to information;
- 3- Change in age pyramid of population and risk of losing organizational knowledge due to retirement of personnel;
- 4- Becoming activities more specialized (Piri and Asefzadeh, 2006: 124).

From Watson's view, Human civilization possesses 4 steps: Age of agriculture, age of industry, age of information, and age of knowledge (Watson, 2004: 32). Knowledge management contributes organizations to manage to employ theory knowledge more rational and promptly and to acquire more capital (Rita and Hamilton, 2006: 201).

Knowledge management is acquisition of proper knowledge for appropriate persons at proper time and in appropriate place so that they could use it optimally to achieve organizational goals (Soori, 2007: 135).

Knowledge management includes providing the knowledge, wisdom and experiences with inter-organizational added values so that to facilitate knowledge retrieval and use and secure it as organizational property (Mr. Perez, 1999: 75).

By means of systems outlook at macro level, performance audit examines organizational systems and procedures and it should contribute to the organization by creation of appropriate information that caused by evaluation of money value (Khan, 2005: 105).

In this study, we first identify the challenges against requirement for operational (performance) audit and also examine this issue that how operational audit can contribute to improve knowledge management in organizations.

Interpretation of necessity and importance of subject

With respect to benefits of operational audit and moving of the country toward economic development and

change and creation of competition for attraction of sources, requirement for operational audit is seemed as a necessity. Naturally, these barriers may serve as effective step in the path for their optimal execution. On the other hand, improvement in knowledge management may serve as solution for this purpose and along with requirement for operational audit it can play a collaborative role.

Goals of research

The present study is mainly intended to identify challenges against requirement for operational audit in Iranian Governmental Organizations and to play role by operational audit in improvement of knowledge management in organizations.

Study hypotheses and questions

Main question of research:

What deficiency exists against requirement for operational audit in Iranian public sector organizations and what is its impact on improvement of knowledge management?

Hypotheses

- 1- Lack of criterion and standard for operational audit is one of challenges against requirement for operational audit in Iranian public sector organizations.
- 2- Absence of adequate expert and efficient personnel is one of the challenges against requirement for operational audit in Iranian public sector organizations.
- 3- Lack of adequate managers' acquaintance from governmental organizations with advantages and profitability of operational audit is one of challenges against requirement for operational audit in Iranian public sector organizations.
- 4- Lack of employing accrual basis in public sector accounting is one of challenges against requirement for operational audit in Iranian public sector organizations.
- 5- Absence of appropriate budgeting system (operational budgeting) is one of challenges against requirement for operational audit in Iranian public sector organizations.
- 6- Conflict of priorities and value among law- makers and affairs executives is one of challenges against requirement for operational audit in Iranian public sector organizations.
- 7- Lack of public asking for response that is better to say absence of appropriate platform for public response-seeking is one of challenges against requirement for operational audit in Iranian public sector organizations.
- 8- Commitment of governmental managers to traditional and bureaucratic techniques is one of challenges against requirement for operational audit in Iranian public sector organizations.
- 9- Lack of necessity and tendency for public accountability is one of challenges against requirement for operational audit in Iranian public sector organizations.
- 10- Absence of intellectual and behavioral independence among operational auditors is one of challenges against requirement for operational audit in Iranian public sector organizations.

11- Outweighing of costs for execution of operational audit over its profits is one of challenges against requirement for operational audit in Iranian public sector organizations.

12- Lack of the strong and effective professional private circles in the field of operational audit is one of challenges against requirement for operational audit in Iranian public sector organizations.

Research domain

Thematic domain:

Recognition of challenge against requirement for operational audit in Iranian public sector organizations

Temporal domain:

Years 2010-11

Spatial domain:

Supreme Audit Court, Audit Organization, auditing institutions, professional associations, governmental organizations and bodies locating in Tehran and Alborz Provinces

Conceptual and operational definitions of variables

Operational audit is focused on three elements i.e. effectiveness, efficiency and cost- effectiveness. UK Exchequer interprets these three components as follows.

Effectiveness: Comparison among the given and real results from projects, plans and activities (smart spending)

Efficiency: The maximum output with input fixed rate or the output fixed rate with minimum input rate as possible (appropriate spending)

Cost- effectiveness: Minimization of final cost for the needed or consumed sources with respect to the necessary quality (spending with economic justification) (Nokhbeh Fallah, 2005: 24)

The Iranian governmental organizations in this study include all ministries, enterprises, bodies and organizations etc, which are controlled by the government and they provide their sources from public budget.

Knowledge management denotes a process that tries to develop organizational capabilities for acquisition of competitive achievements.

Methodology

Information collection techniques

To gather information, questionnaire is used in surveying method and in documentary technique, fiches and printed materials and copies have been employed; therefore, two methods of library surveying and field study are utilized to collect information and data in this investigation.

Library method

This method was adopted for data collection, revision of records and writing theory and theoretical literature of study where in addition to application of Persian books and resources, researcher has enjoyed the books and sources that published in scientific and specialized E-journals rather than benefitting from updated scientific experiences.

Field study method

Field study method was utilized for data collection and or in fact to take community's view regarding studied

variable after using library method and purposing the given theoretical model.

Sampling

Statistical population

Statistical population or community is a group of those units that are common in one or more characteristics. In this study, statistical population is divided into four groups:

Group I: Auditors from Iranian Audit Organizations

Group II: Auditors from Supreme Audit Court

Group III: Experts and academic professors

Group IV: Managers and experts from Governmental Organizations

Sampling Method

In this method, simple randomized sampling technique has been utilized. At this type of sampling, each member of this population has the same independent chance for participation in this sample. Independence means that selection of each member has no affect anyway in choosing other members from this population. In this technique, we initially prepare a list of all members' names and then allocate a score to them and by using tables of random numbers we select the needed quantity of them.

Determination of sample space

To demonstrate sample size of statistical population, Kukran Formula has been utilized as follows:

$$n = \frac{N \cdot t^2 \cdot pq}{N \cdot d^2 + t^2 \cdot pq}$$

T = 1/96 d = 0/05 p = 0/5
q = 0/5

P: Percent of participants who possess the studied attribute

q: percent of participants who lack the studied attribute

d: The rate of accuracy and amount of difference that are accepted concerning to community's parameter

t: Quoted from the table, t is obtained based on confidence percentage

N: Statistical sample space

In this study, quantity of statistical population from all groups is as follows:

N (Audit Organization auditors group) = 120

N (Supreme Audit Court auditors group) = 71

N (Experts and academic professors group) = 88

N (Governmental Organizations managers and experts group) = 107

Therefore, with respect to Kukran Formula, number of samples from the given group is obtained as following:

N (Audit Organization auditors group) = 90

N (Supreme Audit Court auditors group) = 60

N (Experts and academic professors group) = 72

N (Governmental Organizations managers and experts group) = 84

Reliability of questionnaire

Reliability is a measurement tool that mainly refers to accuracy of the resultant outcomes from that evaluation.

In reliability confidence, stability of the resultant outcomes from measurement tool is discussed; in other words, if we evaluate measurement tool again with the same or similar device which is comparable with them under similar conditions, to what extent the resultant outcome may be similar, accurate and reliable. Confidence ability is called reliability in measurement.

Measurement of reliability

Since the values of Cronbach Alpha Coefficient are greater than 0.7 so this questionnaire is reliable and consistent.

Row	Challenge	Cronbach Alpha
1	Lack of operational audit criteria and standards	$\alpha = 0.86$
2	Absence of expert (specialist) manpower	$\alpha = 0.75$
3	Lack the adequate acquaintance of governmental organizations managers with advantages of operational audit	$\alpha = 0.82$
4	Lack of application of accrual basis in public accounting	$\alpha = 0.91$
5	Absence of appropriate budgeting system	$\alpha = 0.95$
6	Conflict between priorities and values among law- makers & executives	$\alpha = 0.85$
7	Lack of public response- seeking	$\alpha = 0.74$
8	Governmental managers' commitment to traditional techniques	$\alpha = 0.85$
9	Lack of necessity and tendency to public accountability	$\alpha = 0.93$
10	Absence of intellectual and behavioral independences in operational auditors	$\alpha = 0.81$
11	Lack of adequate rules and regulations in this field	$\alpha = 0.78$
12	Absence of strong and effective private technical circles	$\alpha = 0.93$

Measurement of validity

Row	Challenge	Bartlett's Test (KMO)
1	Lack of operational audit criteria and standards	0.83
2	Absence of expert (specialist) manpower	0.95
3	Lack the adequate acquaintance of governmental organizations managers with advantages of operational audit	0.76
4	Lack of application of accrual basis in public accounting	0.84
5	Absence of appropriate budgeting system	0.82
6	Conflict between priorities and values among law- makers & executives	0.91
7	Lack of public response- seeking	0.75
8	Governmental managers' commitment to traditional techniques	0.86
9	Lack of necessity and tendency to public accountability	0.90
10	Absence of intellectual and behavioral independences in operational auditors	0.73
11	Lack of adequate rules and regulations in this field	0.80
12	Absence of strong and effective private technical circles	0.91

In Bartlett's Test of Sphericity (KMO), like Cronbach Alpha Coefficient Test, it is interpreted that if its value is higher than 0.7 then the given variable is valid. Since according to Bartlett's Test (KMO), studied variables are greater than 0.7 so this questionnaire is valid.

To examine reliability for each dimension of knowledge management process, values of Cronbach Alpha Coefficient are calculated as follows:

Variable	Calculated Alpha
Knowledge acquisition	0.842
Knowledge record	0.705
Knowledge creation	0.812
Knowledge transfer	0.796
Knowledge application	0.748

In order to examine validity of questionnaire, Bartlett's Test (KMO) has been utilized in order to study each of dimensions knowledge management. The following data

display results of each of knowledge management dimensions in Bartlett's Test.

Variable	Calculated Alpha
Knowledge acquisition	0.86
Knowledge record	0.73
Knowledge creation	0.81
Knowledge transfer	0.78
Knowledge application	0.84

Hypothesis I

First dimension has been interpreted in this study as follows:

Lack of criterion and standard for operational audit is one of challenges against requirement for operational audit in Iranian public sector organizations.

With respect to probability value or significance level that is (0.000) and since this value is lower than significance level (0.05) so Null Hypothesis is rejected at 95% level of confidence. In other words, "Lack of criterion and standard for operational audit is one of challenges against requirement for operational audit in Iranian public sector organizations." Similarly, in test of comparison among comments from four groups (Audit

Organization auditors, Supreme Audit Court auditors, experts and academic professors, and auditors from Governmental Organizations), since significance level is (0.000) and this value is lower than significance level ($P < 0.05$) so Null Hypothesis is rejected at 95% level of confidence. Namely, there is difference of opinion from four groups about importance of challenge where by means of Tokey Test we concluded that there is difference of opinion among group of Audit Organization and other groups. With respect to diagram of mean comments we came to the result that Audit Organization group **to some extent** but other groups **totally agree** in this opinion that "Lack of criterion and standard for operational audit is one of challenges

against requirement for operational audit in Iranian public sector organizations.”

Hypothesis II

In the current research, second dimension has been stated as follows:

“Absence of adequate expert and efficient personnel is one of the challenges against requirement for operational audit in Iranian public sector organizations.”

With respect to probability value or significance level that is (0.000) and since this value is lower than significance level (0.05) so Null Hypothesis is rejected at 95% level of confidence. In other words, “Absence of adequate expert and efficient personnel is one of the challenges against requirement for operational audit in Iranian public sector organizations.” Similarly, in test of comparison among comments from four groups (Audit Organization auditors, Supreme Audit Court auditors, experts and academic professors, and auditors from Governmental Organizations), since significance level is (0.000) and this value is lower than significance level ($P < 0.05$) so Null Hypothesis is rejected at 95% level of confidence. Namely, there is difference of opinion about importance of challenge where by means of Tokey Test we concluded that there is difference of opinion among group of Audit Organization and other groups. With respect to diagram of mean comments we came to the result that Audit Organization group **to some extent** but other groups **totally agree** in this opinion that “Absence of adequate expert and efficient personnel is one of the challenges against requirement for operational audit in Iranian public sector organizations.”

Hypothesis III

In the present study, third dimension is expressed as following:

“Lack of adequate managers’ acquaintance from governmental organizations with advantages and profitability of operational audit is one of challenges against requirement for operational audit in Iranian public sector organizations.”

With respect to probability value or significance level that is (0.000) and since this value is lower than significance level (0.05) so Null Hypothesis is rejected at 95% level of confidence. In other words, “Lack of adequate managers’ acquaintance from governmental organizations with advantages and profitability of operational audit is one of challenges against requirement for operational audit in Iranian public sector organizations.” Similarly, in test of comparison among comments from four groups (Audit Organization auditors, Supreme Audit Court auditors, experts and academic professors, and auditors from Governmental Organizations), since significance level is 0.052 and it is close to (0.05) so it is possible to exist significant difference among two groups. Namely, there is difference in opinions among four groups concerning to importance of challenge. By means of Tokey Test we concluded that there is difference of opinion among two groups of managers and auditors of governmental organizations and experts and academic professors. With respect to diagram of mean comments we came to

the result that Audit Organization group **to some extent** but other groups **totally agree** in this opinion that “Lack of adequate managers’ acquaintance from governmental organizations with advantages and profitability of operational audit is one of challenges against requirement for operational audit in Iranian public sector organizations.”

Hypothesis IV

In this study, fourth dimension is implied as follows:

“Lack of employing accrual basis in public sector accounting is one of challenges against requirement for operational audit in Iranian public sector organizations.”

With respect to probability value or significance level that is (0.000) and since this value is lower than significance level (0.05) so Null Hypothesis is rejected at 95% level of confidence. In other words, “Lack of employing accrual basis in public sector accounting is one of challenges against requirement for operational audit in Iranian public sector organizations.” Similarly, in test of comparison among comments from four groups (Audit Organization auditors, Supreme Audit Court auditors, experts and academic professors, and auditors from Governmental Organizations), since significance level is 0.015 and it is lesser than (0.05) so Null Hypothesis is rejected at 95% level of confidence. Namely, there is difference in opinions among four groups concerning to importance of challenge. By means of Tokey Test we concluded that there is difference of opinion among group of Audit Organization and experts and academic professors group. With respect to diagram of mean comments we came to the result that Audit Organization group **to some extent** but other groups **totally agree** in this opinion that “Lack of employing accrual basis in public sector accounting is one of challenges against requirement for operational audit in Iranian public sector organizations.”

Hypothesis V

In the present research, fifth dimension has been mentioned as following:

“Absence of appropriate budgeting system (operational budgeting) is one of challenges against requirement for operational audit in Iranian public sector organizations.”

With respect to probability rate or significance level that is (0.000) and since this value is lower than significance level 0.05 so Null Hypothesis is rejected at 95% level of confidence; namely, “Absence of appropriate budgeting system (operational budgeting) is one of challenges against requirement for operational audit in Iranian public sector organizations”. At the same time in comparison test of opinions from four groups of (Audit Organization auditors, Supreme Audit Court auditors, experts and academic professors, and auditors from Governmental Organizations), since significance level is 0.015 and it is lesser than (0.05) so Null Hypothesis is rejected at 95% level of confidence. Namely, there is difference in opinions among four groups concerning to importance of challenge. By means of Tokey Test we concluded that there is difference of opinion among

group of Audit Organization and experts and academic professors group. With respect to diagram of mean comments we came to the result that Audit Organization group **to some extent** but other groups **totally agree** in this opinion that "Absence of appropriate budgeting system (operational budgeting) is one of challenges against requirement for operational audit in Iranian public sector organizations."

Hypothesis VI

Sixth dimension in this study is interpreted as follows:

"Conflict of priorities and values among law- makers and affairs executives is one of challenges against requirement for operational audit in Iranian public sector organizations."

Given that rate of probability or significance level is (0.000) and because of this fact that this quantity is lesser than significance level (0.05); thus Null Hypothesis is rejected at 95% level of confidence; in other words, "Conflict of priorities and values among law- makers and affairs executives is one of challenges against requirement for operational audit in Iranian public sector organizations." Similarly, in testing of comparison among the comments from four aforesaid groups (Audit Organization auditors, Supreme Audit Court auditors, experts and academic professors, and auditors from Governmental Organizations), since significance level is 0.137 and it is greater than (0.05) so Null Hypothesis is not rejected at 95% level of confidence. Namely, there is no significant difference among opinions of four groups regarding importance of challenge; therefore, according to the results came from Tokey Test, there is no significant difference among pair-wise comparisons of groups.

At the same time, with respect to diagram of mean comments, we concluded that Audit Organization group **to some extent** but other groups **totally agree** in that "Conflict of priorities and values among law- makers and affairs executives is one of challenges against requirement for operational audit in Iranian public sector organizations."

Hypothesis VII

In this research, seventh dimension is expressed as follows:

"Lack of public asking for response that is better to say absence of appropriate platform for public response-seeking is one of challenges against requirement for operational audit in Iranian public sector organizations."

Considering this fact that rate of probability or significance level is (0.000) and since this value is lower than significance level (0.05); thus, Null Hypothesis is rejected at confidence level (95%); in other words, "Lack of public asking for response that is better to say absence of appropriate platform for public response-seeking is one of challenges against requirement for operational audit in Iranian public sector organizations." Similarly, in comparison test of comments from four groups (Audit Organization auditors, Supreme Audit Court auditors, experts and academic professors, and auditors from Governmental Organizations), since significance level is 0.012 and it is greater than (0.05) so

Null Hypothesis is not rejected at 95% level of confidence. Namely, there is significant difference among opinions from four groups about importance of challenge. So by adoption of Tokey Test, we came to this result in that there is difference of opinion among group of Supreme Audit Court and experts and academic professors group. At the same time, with respect to diagram of opinion mean values, we concluded that group of Supreme Audit Court to some extent but other groups totally agree in that "Lack of public asking for response that is better to say absence of appropriate platform for public response- seeking is one of challenges against requirement for operational audit in Iranian public sector organizations."

Hypothesis VIII

Eighth dimension in this study is stated as follows:

"Commitment of governmental managers to traditional and bureaucratic techniques is one of challenges against requirement for operational audit in Iranian public sector organizations."

Regarding rate of probability or significance level that is (0.03) and because of this fact that this quantity is lower than significance level (0.05); thus Null Hypothesis is rejected at 95% level of confidence; in other words, "Commitment of governmental managers to traditional and bureaucratic techniques is one of challenges against requirement for operational audit in Iranian public sector organizations." Similarly, in testing of comparison among the comments from four aforesaid groups (Audit Organization auditors, Supreme Audit Court auditors, experts and academic professors, and auditors from Governmental Organizations), since significance level is 0.346 and it is greater than (0.05) so Null Hypothesis is not rejected at 95% level of confidence. Namely, there is no significant difference among opinions of four groups regarding importance of challenge; therefore, according to the results came from Tokey Test, there is no significant difference among pair-wise comparisons of groups.

At the same time, with respect to diagram of mean comments, we concluded that all groups averagely agree in this belief that "Commitment of governmental managers to traditional and bureaucratic techniques is one of challenges against requirement for operational audit in Iranian public sector organizations."

Hypothesis IX

Ninth dimension of the current study is mentioned as following:

"Lack of necessity and tendency for public accountability is one of challenges against requirement for operational audit in Iranian public sector organizations."

With respect to rate of probability significance level that is (0.000) and because of this fact that this quantity is lesser than significance level (0.05); thus Null Hypothesis is rejected at 95% level of confidence; namely, "Lack of necessity and tendency for public accountability is one of challenges against requirement for operational audit in Iranian public sector organizations." Similarly, in testing of comparison among the comments from four aforesaid groups (Audit

Organization auditors, Supreme Audit Court auditors, experts and academic professors, and auditors from Governmental Organizations), since significance level is 0.536 and it is higher than (0.05) so Null Hypothesis is not rejected at 95% level of confidence. In other words, there is no significant difference among opinions of four groups regarding importance of challenge; therefore, according to the results came from Tokey Test, there is no significant difference in pair-wise comparisons among groups.

At the same time, with respect to diagram of mean comments, we concluded that all groups averagely agree in this belief that "Lack of necessity and tendency for public accountability is one of challenges against requirement for operational audit in Iranian public sector organizations."

Hypothesis X

In the present research, tenth dimension has been interpreted as follows:

"Absence of intellectual and behavioral independence among operational auditors is one of challenges against requirement for operational audit in Iranian public sector organizations."

Given that probability value or significance level is (0.000) and since this value is lower than significance level 0.05 so Null Hypothesis is rejected at 95% level of confidence; namely, "Absence of intellectual and behavioral independence among operational auditors is one of challenges against requirement for operational audit in Iranian public sector organizations." At the same time in comparison test of opinions from four groups of (Audit Organization auditors, Supreme Audit Court auditors, experts and academic professors, and auditors from Governmental Organizations), since significance level is 0.000 and it is lesser than (0.05) so Null Hypothesis is rejected at 95% level of confidence. Namely, there is difference in opinions among four groups concerning to importance of challenge. By means of Tokey Test we concluded that there is difference of opinion among group of managers and auditors of Governmental Organization from two groups of auditors in Auditing Organization and Supreme Audit Court. At the same time, by considering diagram of comment mean values we came to this result that in average, auditors of Audit Organization opposed to and other groups relatively agree in this opinion that "Absence of intellectual and behavioral independence among operational auditors is one of challenges against requirement for operational audit in Iranian public sector organizations."

Hypothesis XI

In this study, eleventh dimension is illustrated as follows:

"Absence of adequate rules and regulations in this field inside country is one of the challenges against requirement for operational audit in Iranian public sector organizations."

Given that probability value or significance level is (0.017) and since this quantity is lesser than significance level (0.05); therefore, Null Hypothesis is rejected at confidence level (95%); namely, "Absence of adequate

rules and regulations in this field inside country is one of the challenges against requirement for operational audit in Iranian public sector organizations." At the same time, in comparison test of opinions from four groups of (Audit Organization auditors, Supreme Audit Court auditors, experts and academic professors, and auditors from Governmental Organizations), since significance level is 0.000 and it is lesser than (0.05) so Null Hypothesis is rejected at 95% level of confidence. In other words, there is difference of opinion from four groups about importance of challenge. By means of Tokey Test, we concluded that such difference of opinion exists among group of managers and auditors in Governmental Organizations and two groups of auditors from Iranian Audit Organizations and Supreme Audit Court. Similarly, with respect to diagram of opinion mean values, we came to this result that all groups have agreed averagely in this belief; namely, "Absence of adequate rules and regulations in this field inside country is one of the challenges against requirement for operational audit in Iranian public sector organizations."

Hypothesis XII

Twelfth dimension of the current study has been described in the following:

"Lack of the strong and effective professional private circles in the field of operational audit is one of challenges against requirement for operational audit in Iranian public sector organizations."

Considering this fact that probability rate or significance level is (0.017) and since this value is lower than significance level (0.05); thus, Null Hypothesis is rejected at confidence level (95%); namely, "Lack of the strong and effective professional private circles in the field of operational audit is one of challenges against requirement for operational audit in Iranian public sector organizations." Similarly, in comparison test of opinions from four groups of (Audit Organization auditors, Supreme Audit Court auditors, experts and academic professors, and auditors from Governmental Organizations), since significance level is 0.002 and it is lesser than (0.05) so Null Hypothesis is rejected at 95% level of confidence. In other words, there is difference of opinion from four groups regarding to importance of challenge so that by means of Tokey Test we concluded that such significant difference of opinion exists among group of experts and academic professors and two groups of auditors from Audit Organization and managers and auditors of Governmental Organizations and at the same time between two groups of managers and auditors of Governmental Organizations and auditors from Iranian Audit Organization. Moreover, by considering diagram of opinion mean values, we came to this result that all groups averagely agree in the belief that "Lack of the strong and effective professional private circles in the field of operational audit is one of challenges against requirement for operational audit in Iranian public sector organizations."

Conclusion of discussion in order- preference of challenges importance based on comments from four groups

- From auditors' viewpoint in Supreme Audit Court, absence of intellectual and behavioral independence of operational auditors is the least important challenge while lack of an appropriate budgeting system is the foremost challenge in this field.
- According to opinion of experts and academic professor, absence of intellectual and behavioral independence of operational auditors is the least important challenge while lack of the appropriate expert manpower is the most important challenge.
- Based on managers and auditors' comment in Governmental Organizations, lack of application of

accrual basis in public operational accounting is the least important challenge whilst absence of adequate rules and regulations is the foremost challenge in this area.

- According to viewpoint from auditors in Iranian Audit Organization, lack of intellectual and behavioral independence of operational auditors is the least important challenge while commitment of public sector managers to traditional techniques is the paramount challenge.

General conclusion and suggestions

Hypothesis I				
Lack of criterion and standard for operational audit is one of challenges against requirement for operational audit in Iranian public sector organizations.				
Groups	Auditors of Audit Organization	Auditors of Supreme Court	Experts and Academic Professors	Managers and Experts from Governmental Organizations
Acceptance/ Rejection by group	√	√	√	√
Researcher's Suggestion	Any addressing measure should be taken according to standard and criterion. Lack of criterion will be deemed as inefficiency in addressing the problem and the responsible organizations should take step in the course of formulation of appropriate criteria. Without the presence of appropriate standards and criteria, requirement for doing any task will be null and void.			
Hypothesis II				
Absence of adequate expert and efficient personnel is one of the challenges against requirement for operational audit in Iranian public sector organizations.				
Groups	Auditors of Audit Organization	Auditors of Supreme Court	Experts and Academic Professors	Managers and Experts from Governmental Organizations
Acceptance/ Rejection by group	√	√	√	√
Researcher's Suggestion	Operational auditing team should include technical and professional personnel, who enjoy the adequate expertise and experience in this field so that to be able to conduct auditing efficiently and it is an onus on training and professional institutions to train such manpower.			
Hypothesis III				
Lack of adequate managers' acquaintance from governmental organizations with advantages and profitability of operational audit is one of challenges against requirement for operational audit in Iranian public sector organizations.				
Groups	Auditors of Audit Organization	Auditors of Supreme Court	Experts and Academic Professors	Managers and Experts from Governmental Organizations
Acceptance/ Rejection by group	√	√	√	√
Researcher's Suggestion	Managers should be informed about advantages and benefit of operational auditing so that they do not oppose against auditing so this is not practical regardless of their partnership.			
Hypothesis IV				
Lack of employing accrual basis in public sector accounting is one of challenges against requirement for operational audit in Iranian public sector organizations.				

Groups	Auditors of Audit Organization	Auditors of Supreme Court	Experts and Academic Professors	Managers and Experts from Governmental Organizations
Acceptance/Rejection by group	√	√	√	√
Researcher's Suggestion	Application of cash accounting basis means identifying income and cost with respect to cash deposit and withdrawal, employing this basis in public accounting may be challenging since this causes lowering quality of financial statements; it seems it is high time for State Accounting System to move toward accrual basis.			
Hypothesis V				
Absence of appropriate budgeting system (operational budgeting) is one of challenges against requirement for operational audit in Iranian public sector organizations.				
Groups	Auditors of Audit Organization	Auditors of Supreme Court	Experts and Academic Professors	Managers and Experts from Governmental Organizations
Acceptance/Rejection by group	√	√	√	√
Researcher's Suggestion	Traditional budgeting system id an inefficient budgeting. Lack of an appropriate budgeting system is one of the challenges against requirement for operational auditing but this does not mean that operational auditing could not be implemented without an operational budgeting system.			
Hypothesis VI				
Conflict of priorities and values among law- makers and affairs executives is one of challenges against requirement for operational audit in Iranian public sector organizations.				
Groups	Auditors of Audit Organization	Auditors of Supreme Court	Experts and Academic Professors	Managers and Experts from Governmental Organizations
Acceptance/Rejection by group	√	√	√	√
Researcher's Suggestion	Since in public sector, managers follow the policies which have been predetermined by another group called law- makers so this may cause lack of ability for employing financial management knowledge and the related issues in managerial decisions and optimal use of obtained resources and opportunities and it should be tried to reduce such conflict as possible.			
Hypothesis VII				
Lack of public asking for response that is better to say absence of appropriate platform for public response- seeking is one of challenges against requirement for operational audit in Iranian public sector organizations.				
Groups	Auditors of Audit Organization	Auditors of Supreme Court	Experts and Academic Professors	Managers and Experts from Governmental Organizations
Acceptance/Rejection by group	√	√	√	√
Researcher's Suggestion	Lack of people's acquaintance of community with their own rights and this point that they have every right to know and ask; this task requires making culture for this purpose and cultural measures need to training and consuming time and such culture- making should be implemented by the responsible institutions.			
Hypothesis VIII				
Commitment of governmental managers to traditional and bureaucratic techniques is one of challenges against requirement for operational audit in Iranian public sector organizations.				
Groups	Auditors of Audit Organization	Auditors of Supreme Court	Experts and Academic Professors	Managers and Experts from Governmental

				Organizations
Acceptance/ Rejection by group	√	√	√	√
Researcher's Suggestion	Long run, boring and often redundant and worthless bureaucracy and managers' desire for such thought and adoption of technique to tackle with problems and decision- makings may create challenge in the field of operational auditing.			
Hypothesis IX				
Lack of necessity and tendency for public accountability is one of challenges against requirement for operational audit in Iranian public sector organizations.				
Groups	Auditors of Audit Organization	Auditors of Supreme Audit Court	Experts and Academic Professors	Managers and Experts from Governmental Organizations
Acceptance/ Rejection by group	√	√	√	√
Researcher's Suggestion	There are some of activity fields within government for which the given managers should be accountable to public in many institutions about their activity limit due to security and intelligence reasons and this a task for public top managers to create such a climate. Preparation of ground for public responsiveness in the future and within framework of operational auditing is a necessity.			
Hypothesis X				
Absence of intellectual and behavioral independence among operational auditors is one of challenges against requirement for operational audit in Iranian public sector organizations.				
Groups	Auditors of Audit Organization	Auditors of Supreme Audit Court	Experts and Academic Professors	Managers and Experts from Governmental Organizations
Acceptance/ Rejection by group	√	√	√	√
Researcher's Suggestion	One is permitted to give comment about others and revise their works that is independent from them. Any intellectual and behavioral dependence of controller may affect type and quality of his/ her comment.			
Hypothesis XI				
Absence of adequate rules and regulations in this field inside country is one of the challenges against requirement for operational audit in Iranian public sector organizations.				
Groups	Auditors of Audit Organization	Auditors of Supreme Audit Court	Experts and Academic Professors	Managers and Experts from Governmental Organizations
Acceptance/ Rejection by group	√	√	√	√
Researcher's Suggestion	Establishment of expert professional workgroups in order to take measures after conducting studies on preparation and development of legal platforms and approval of regulations.			
Hypothesis XII				
Lack of the strong and effective professional private circles in the field of operational audit is one of challenges against requirement for operational audit in Iranian public sector organizations.				
Groups	Auditors of Audit Organization	Auditors of Supreme Audit Court	Experts and Academic Professors	Managers and Experts from Governmental Organizations
Acceptance/ Rejection by group	√	√	√	√
Researcher's Suggestion	In private sector, a strong professional circle may possess numerous advantages, ranging from training to standardization and from rising quality to ability in optimization of wages etc. Creation of a professional circle may always be helpful.			

The effect of requirement for any hypothesis on knowledge management dimensions in terms of dimension of organizational knowledge optimization

Row	Knowledge Acquisition	Knowledge Record	Knowledge Transfer	Knowledge Creation	Knowledge Application
1	√	√	√	√	√
2	√	√	√	√	√
3	√	√	√	√	√
4	√	√	√	×	√
5	×	√	√	×	√
6	√	√	√	√	√
7	√	√	√	√	√
8	√	√	√	√	√
9	√	√	√	√	√
10	√	√	√	×	√
11	×	×	×	×	×
12	√	√	√	√	√

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