IMPLEMENTATION OF ACCRUAL BASED INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS) IN THE LOCAL GOVERNMENT AUTHORITIES:

A CASE OF DODOMA REGION

IMPLEMENTATION OF ACCRUAL BASED INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS) IN THE LOCAL GOVERNMENT AUTHORITIES:

A CASE OF DODOMA REGION

By

MATEKELE, CHARLES K

A DISERTATION REPORT SUBMITED IN PARTIAL/FULFILMENT OF THE REQUIREMENT FOR AWARD OF DEGREE OF MASTER OF SCIENCE IN ACCOUNTING AND FINANCE (MSc.A & F) OF MZUMBE UNIVERSITY

2018

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled "***Implementation of accrual based International Public Sector Accounting Standards (IPSAS) in the Local Government Authorities (LGAs). A Case of Dodoma Region*",** in partial/fulfillment of the requirements for award of the degree of Master of Science in Accounting and Finance of Mzumbe University.

Signature

_____

Major Supervisor

Signature

_____

Internal Examiner

Accepted for the Faculty Board

_____

Signature

_____

DEAN/DIRECTOR, FACULTY/DIRECTORATE/SCHOOL/BOARD

DECLARATION AND COPYRIGHT

I, Charles K. Matekele, declare that this thesis is my own original work and that it has not been presented and will not be presented to any other university for similar or any other degree award.

Signature _____

Date _____

ACKNOWLEDGEMENT

The completion of this report would not have been possible without the support, encouragement and guidance of various parties. In recognition of this, special appreciation goes to our Almighty God for His grace and everlasting love towards our daily doings. I would also like to recognise and value the support, encouragement and guidance of my thesis supervisor, Dr. Gabriel Vitus Komba. His readiness to discuss, meet at short notice and provide timely feedbacks, despite his busy schedules, he has contributed much to this work. Apart from his scholarly guidance, I am deeply grateful for his patience and back-up during this long journey, especially when I was unable to keep to agreed deadlines due to other commitments and involvement.

I am also appreciative to the District/Municipal Treasurers for the LGAs in Dodoma region, for allowing me to collect data from their accountants and internal auditors. I am very grateful to Local Government Training Institute (LGTI) for giving me the opportunity as a staff member of the academic department and to my dear students who have successfully completed their studies at various levels.

Finally, without the support of Bright Professionals Tanzania (Bright PT-Training & Consultancy Firm) and my family, I would have given up this long and sometimes arduous journey. I sincerely appreciate my mother and father who taught me the importance of intellectual pursuits. Special thanks go to my wife, Jackline Charles, for her patience during my absence for this thesis. My sincere appreciation is also owed to my beloved daughter, Evelyn Charles, for her understanding during the most difficult times of this journey.

DEDICATION

This research report is dedicated to my beloved wife Jackline Charles for her daily prayers, love, care, support, sacrifice and encouragement. Thank you for being part of my life, you mean a lot to me. A special dedication goes to my beloved daughter, Evelyn Charles, for her understanding during the most difficult times of this journey. Finally it is dedicated to Bright Professionals Tanzania (Bright PT-Training & Consultancy Firm), my brother Ezrom Matekele and all friends of mine.

ABBREVIATIONS

CAG	Controller and Auditor General
CMT	Council Management Team
CPA	Certified Public Accountant
IAA	Institute of Internal Auditors
IFAC	International Federation of Accountants
IFRSs	International Financial Reporting Standards
INTOSAI	International Organisation for Supreme Audit Institutions
IPSASB	International Public Sector Accounting Standards Board
IPSAS	International Public Sector Accounting Standards
IT	Information Technology
KMO	Kaiser-Meyer-Olkin
LGAs	Local Government Authorities
NBAA	National Board of Accountants and Auditors
NPFM	New Public Financial Management
PCA	Principal Component Analysis
PSC	Public Sector Committee
RPGs	Recommended Practices Guidelines
TAA	Tanzania Association of Accountants
TFAS	Tanzania Financial Accounting Standards
TFRSs	Tanzania Financial Reporting Standards
TSSAP	Tanzania Statements of Standard of Accounting Practices

ABSTRACT

This research examined the implementation of accrual based IPSAS in the LGAs. The study adopted a survey design. Based on extant literature, a structured questionnaire was developed. Then a drop-and-pick method was employed to administer the survey instrument to accountants and auditors from LGAs in Dodoma region. We successfully obtained 150 useful responses and applied factor analysis to determine the factors and multiple regression.

The first objective was to identify the factors which influence implementation of accrual based IPSAS in the LGAs. According to factor analysis performed, 15 factors were identified as the factors influencing implementation of accrual based IPSAS. Such factors include staff experience, understanding and skills, in-house training necessity, involvement of professional accountants with high ethical conducts and hope for future business opportunities including attraction of development partners. The study also examined how the identified factors affect implementation of accrual based IPSAS in the LGAs. Our findings show that staff experience, in-house training necessity, understanding and skills, involvement of professional accountants and publication of financial statements with standardized format; significantly influence implementation of accrual based IPSAS in the LGAs. Other factors like sanctions by regulatory authorities, pressure from development partners and adequate implementation policies were also reported to have significant impact. Finally, the study examined the influences of demographic factors in implementation of accrual based IPSAS in the LGAs. Gender, professional qualification and education level were found to have a positive significant influence while age and number of years of service in the LGAs had negative impact in the implementation of accrual based IPSAS in the LGAs.

We recommend further studies to examine alternative way of measuring accrual based IPSAS implementation. In addition, since this research involved 7 LGAs in Dodoma out of 185 found in Tanzania Mainland, further studies should take into account the rest of the LGAs in Tanzania and abroad.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER ONE
INTRODUCTION

1.0 Introduction

This chapter presents an initial part of the study and problem setting. It contains background to the problem, statement of the problem, objectives of the study, research questions, and significance of the study as well as the scope of the study.

1.1 Background to the Study

The introduction of the accrual basis in government accounting systems is one of the initial and perhaps determining steps in the reform of public financial management. Under the umbrella of New Public Management, government sectors transformed their financial reports to introduce accrual accounting principles. It is believed that, this is significant tool to achieve comparability, transparency and accountability in the public sectors (Hood, 1995). This move led to the adoption and implementation of accrual based International Public Sector Accounting Standards (IPSAS) in the government jurisdictions. This aimed at achieving transparent, comparable and accountable financial statements by the Accounting Officers in the public sector (Huang, Hooper, & Sinclair, 2013; Ilie & Miose, 2012).

The goal of the IPSAS is to improve the quality of the financial information of public sector entities, to strengthen the transparency of public accounts and to make decision makers more accountable. The origin of IPSAS traces its history since 1986 when the International Federation of Accountants (IFAC) introduced International Public Sector Accounting Standards Board (IPSASB) which used to be the Public Sector Committee (PSC) as one of its standing committees specialised to develop standards for the financial reporting in the public sector (Christiaens, Vanhee, Manes-Rossi, Aversano, & van Cauwenberge, 2015). The introduction of IPSAS was part of public sector reforms which followed a worldwide trend in government accounting in response to calls for greater government financial accountability, comparability and transparency which are fundamental principles of corporate governance (Barth, 2008).

The implementation of accrual based IPSAS in LGAs is claimed to bring the following notable benefits: Firstly, the information contained in the financial statements prepared on accrual basis of accounting is highly useful both for accountability and decision making (Christiaens, Reyniers, & Rollé, 2010). Financial statements prepared on an accrual basis allow users to assess the accountability for all resources the entity controls and the deployment of those resources; assess the financial position, financial performance, and cash flows of the entity; and make decisions about providing resources to or doing business with the entity.

Secondly, it provides more detailed importance of reporting under accrual basis of accounting since it shows how an entity financed its activities and met its cash requirements; allows users to evaluate an entity's ongoing ability to finance its activities and to meet its liabilities and commitments; shows the financial position of an entity and changes in financial position; gives an entity with the opportunity to demonstrate successful management of its resources; and is useful in evaluating an entity's performance in terms of its service, costs, efficiency, and accomplishments (Chanchani & Willett, 2004; Christiaens et al., 2015).

Finally, the implementation of Accrual Based IPSAS will result in comparability and transparency of financial statements as it will provide a greater accountability of public resources since the financial data will become more transparent and comparable (Dabbicco, 2015; Duenya, Upaa, & Tsegba, 2017).

Despite the best intended objectives of accrual based IPSAS, still developing countries have not harvested its desired outcome. Past studies have reported that developing countries are implementing them as a merely fashion, accompanied by non preparedness of accountants and auditors (Carlin, 2005; Chanchani & Willett, 2004; Christiaens et al., 2010; Connolly & Hyndman, 2006). In addition to that, most of them are adopting accrual based IPSAS as a response to pressure from development partners (Carlin, 2005; Chanchani & Willett, 2004; Christiaens et al., 2010; Connolly & Hyndman, 2006; Duenya et al., 2017; Tanjeh, 2016). This indicates that, there are factors which affect the implementation of accrual based IPSAS, in the Local Government Authorities (LGAs) and in the Central Government.

The LGAs in Tanzania adopted accrual based IPSASs with effect from 1st July 2009 with a grace period of five years in order to be fully accrual based IPSASs compliant. Such grace period expired on 30th June 2014 (CAG Report, 2017). Prior to the adoption of accrual based IPSAS, LGAs in Tanzania used cash based IPSAS while the Central Government and other public sector companies used International Financial Reporting Standards (IFRS). Central government migrated to accrual based IPSAS in 2013, leading to its first prepared accrual based IPSAS consolidated financial statements in 30th June 2014 (CAG Report, 2013/14). Cash based IPSAS has been the mainstream accounting and financial information system in the LGAs for many years, and some government departments still use cash basis of accounting. Cash basis of accounting was the commonly used in the public sector despite its limitations and setbacks that affects financial transactions such as poor budget implementation, mismanagement of public fund (Carlin, 2005; Christiaens et al., 2010). This can be traced to the fact that while using the cash basis of accounting, there is no attempt to match an expense with the revenue it generates. As a result statement of financial performance and statement of financial position are not good pictures of recent business conditions and an expense written against specific revenue may not have been incurred for generating the revenue (Azmi & Mohamed, 2014). This creates the issue of inadequate budget implementation, making it necessary to consider the relationship between public sector budgeting and cash basis of accounting (Alesani, Jensen, & Steccolini, 2012; Dabbicco, 2015).

Although cash accounting has its merits, accrual accounting was introduced to improve and strengthen financial reporting in the LGAs and central government at large (IPSASB, 2017). It can be noted that accrual based IPSAS is better suited to planning, financial management and decision making. It could also improve the comparability of the financial performance between LGAs and give a greater accountability and transparency (Christiaens et al., 2010). The cornerstone of reforming financial management in the public sector is the introduction of accrual based IPSAS at the cost of traditional cash accounting system. This study aims at exploring the factors that influences implementation of accrual based IPSAS in the LGAs.

1.2 Statement of the Problem

The number of studies which focus on accrual based IPSAS has grown extremely in the past few years. Most empirical researches have been done in the developed countries (see, for example, Connolly & Hyndman, 2006; Christiaens et al., 2010; Christiaens et al., 2015; Connolly & Hyndman, 2006; Dabbicco, 2015; Gomes, Fernandes, & Carvalho, 2015; Oulasvirta, 2014, 2014). These researches have attempted to focus on the impact of IPSAS implementation, degree of compliance and adoption, transparency and accountability. However, the question of which factors influences implementation of accrual based IPSAS in the LGAs remains unanswered. Evidence regarding implementation of accrual based IPSAS from developing countries especially in the LGAs in Tanzania is limited. Consistently, the researcher's experience in training accrual based IPSAS in the LGAs in Tanzania, shows that, LGAs' accountants are not much conversant with implementation of accrual based IPSAS.

To the best of my understanding and knowledge, researches on the implementation of accrual based IPSAS in Tanzania, and in the LGAs, in particular, are inadequate. It is this gap in the research which provided motivation for the current study. The main objective of this research, therefore, is to examine the implementation of accrual based IPSAS in the LGAs.

1.3 Objective of the study

The main purpose of this study was to examine the implementation of accrual based IPSAS in the LGAs. More specifically, the research aimed at; firstly identifying the factors that influence implementation of accrual based IPSAS in the LGAs. Secondly, to examine the effects of the identified factors in the implementation of accrual based IPSAS in the LGAs. Finally, to determine the influence of demographic factors in the implementation of accrual based IPSAS in the LGAs.

1.4 Research questions

To examine the implementation of accrual based IPSAS in the LGAs, this study at the LGAs in Dodoma region, intended to address the following specific questions:

i. Which factors influence implementation of accrual based IPSAS in the LGAs?
ii. How the identified factors affect implementation of accrual does based IPSAS in the LGAs?
iii. How the demographic factors influence implementation of accrual based IPSAS in the LGAs?

1.5 Significance of the Study

The objective of this research was to examine the implementation of accrual based IPSAS in the LGAs found in Dodoma region. Researches regarding IPSAS implementation specifically in the LGAs in Tanzania are rare. The significance of this study therefore, is to contribute to the scarce literature by investigating the factors which influence and affect the implementation of accrual based IPSAS in the LGAs.

Specific to the researcher involvement in accrual based IPSAS training in the LGA's in Tanzania, is another motivating factor for the current study. We experience a big gap between the implementation of accrual based IPSAS and the technical expertise of the LGA's accountants and auditors.

Apart from that, introduction of Diploma in IPSAS by the National Board of Accountants and Auditors (NBAA) since 2016 is another driving factor for this research. This indicates the presence of knowledge gap between accountants and the process of implementing accrual based IPSAS. This gap has motivated the researcher to explore the implementation of accrual based IPSAS in the LGAs.

1.6 Limitation and Delimitation of the Study

Under these subsections, we present the limitations which were encountered during the research. In addition, the researcher discusses the way in which such limitations were overcome.

1.6.1 Limitation of the Study

The concept of accrual based IPSAS has obtained greater attention in the recent years (Christiaens et al., 2010; Connolly & Hyndman, 2006). Despite its high attention, it

is still considered to be new and less researched in developing countries like Tanzania. Researches reveal that this field is not only being inadequately explored but also the awareness on the concept itself is limited though the practice is more common in public sectors (Carlin, 2005; Chanchani & Willett, 2004). This study faced the challenge of getting key informants who have detailed information about the implementation of accrual based IPSAS in the LGAs. In addition, we faced a difficult on how to measure implementation of accrual based IPSAS in the LGAs.

1.6.2 Delimitation of the Study

The researcher dealt with these challenges by designing the structured questionnaire. This enabled to obtain the key informants to provide the relevant information regarding implementation of accrual based IPSAS. In addition, the researcher reviewed and evaluated previous literatures which were relevant for this study. This aided in examining the implementation of accrual based IPSAS in the LGAs. Finally we decided to use self efficacy, self assessment and self competence as constructs for measuring implementation of accrual based IPSAS in the LGAs.

1.7 Scope of the Study

This study mainly focus on the implementation of accrual based IPSAS in the LGAs. Specifically this research involved seven (7) LGAs found in Dodoma region namely Dodoma City Council, Chamwino District Council, Mpwapwa District Council, Kongwa District Council, Chemba District Council, Kondoa District Council and Bahi District Council. The reason draws from time, budget constraints and convenience to the researcher.

1.8 Organization of the study

This thesis is organised into seven chapters in line with the requirements of the Mzumbe University Research Guidelines. Briefly the contents of this thesis are:

Chapter One provides introduction to the report, background of the research, problem statement and objectives of the study. In addition, it also deals with research questions, research questions, significance of the study as well as scope and limitation of the study. Chapter Two: This is about Literature review, which divided

into two parts; theoretical and empirical literature review. Chapter Three: Presents the analytical framework of the study accompanied with description of dependent and independent variables of the study. It also presents hypotheses development. Chapter Four: This deals with Research Methodology. Under this chapter, research design, area of the study, sample and sampling methods are presented. In addition to that, data collection methods, tools and means of data analysis are also discussed and presented.

Chapter Five: It shows the findings which were obtained from the data analyses. Chapter Six: This chapter discusses the findings presented in chapter five. Chapter Seven: This is the last chapter in this research. It contains summary of significant findings, conclusion, recommendations and avenues for further studies. Appendices and References: This part shows the Structured Questionnaires of the research, List of Accrual Based IPSAS and the references used for in this study.

CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction

This chapter presents a review of previous studies related to the present study. The chapter constitutes examination of studies related to the implementation of accrual based IPSAS in the LGAs. Specifically this part deals with the review of theoretical and empirical literature, in which theoretical literature review provides clear understanding of the key definitions and main concepts which are used in this study. The part of empirical literature review provides the ideas and knowledge provided by other scholars who have published about accrual based IPSAS.

2.1 Local Government Authorities in Tanzania

Local Governments Authorities (LGAs) in Tanzania are not new institutions of governance at local level. They were established for the first time by British rulers in then Tanganyika pursuant to the passage of three important pieces of legislation. The first is the Municipality Ordinance, 1946 which introduced the establishment of the Dar es Salaam Municipal Council in 1946. This legislation was dedicated for the establishment of urban local authorities in form of municipal councils. The second is the Local Government Ordinance, 1953. The significance of this Ordinance lies in the fact that it provided for the establishment of both urban and district local authorities thus ceiling up the gap which was left by the Municipality Ordinance, 1946.

In compliance with the Constitutional provisions of the United Republic of Tanzania, in 1982 Parliament of the United Republic of Tanzania enacted the Local Government (District Authorities) Act, 1982 (No. 7 of 1982) and the Local Government (Urban Authorities) Act, 1982 (No. 8 of 1982). These two pieces of legislation have put into effect the provisions of Articles 145 and 146 of the Constitution. The two Acts, among other things, establish local government authorities, specify types of local governments and provide for powers and functions of local governments.

2.1.1 Types of LGAs in Tanzania

The Local Government (District Authorities) Acts, 1982 establishes the following types of local government authorities:

a. District Councils

This is established by the Minister responsible for the Local Government after making consultation with the President of the United Republic of Tanzania. This is in accordance with section 5 (1) of the Local Government (District Authorities) Act, 1982. The establishment of the district councils is necessary for the purpose of local government development and bringing services to the citizen.

b. Township Authorities

The Minister responsible for Local Government, for the purpose of establishing, promoting, developing and maintaining an effective and efficient system of LGAs; may establish a township authority in places or areas which are desirable in Tanzania Mainland (Section 13 (1) of the Local Government (District Authorities) Act, 1982).

c. Village authorities

Unlike a district council or a township authority which is established by an order of the Minister published in the Gazette, a village authority is created through registration of a village in accordance with the Local Government (Urban Authorities) Act 1982. Apart from the above stated types of LGAs, the Local Government (Urban Authorities) Act, 1982 in its section 5(1) gives power to the Minister responsible for LGAs, by order published in the Gazette, to establish in any area of Mainland Tanzania an appropriate urban authority or authorities. However where the status of an existing municipality is to be raised to that of a city, the order must be made by the President. Urban authorities whom the Minister responsible for LGAs can establish are as follows: A town council whose urban area is known as a town; a municipal council whose urban area is known as a municipality, and a city council whose urban area is known as a city. Currently in the Tanzania Mainland there is 185 LGAs.

2.2 Financial Reporting in Tanzania

Financial reporting in Tanzania has been under the traditional accounting system since independence. Its history can traced back in 1981 in which there were no accounting standards, critical shortage of accountants and auditors and only few accountants were relying on either local or foreign training. During the same year, the NBAA formulated Accounting Steering Committee and later on Tanzania Statements of Standard of Accounting Practices (TSSAP) were introduced. TSSAP faced much criticism and challenges including too many items in one standard which required presentation and disclosure, lack of close references and no definition of terms and it was very brief (NBAA, 2004).

Furthermore, NBAA developed special accounting guidelines for specific topics in 1990 and in 2001 there was consolidation of various accounting guidelines into Tanzania Financial Accounting Standards (TFAS). In July 2002 NBAA had issued 30 Tanzania Financial Accounting Standard. From 1st July 2004 wholesale adoption of IFRS by NBAA was made and applicable in Tanzania for private and public sector entities. In addition to that, after the introduction of IPSAS, the LGAs in 2008/09 migrated to accrual based IPSAS from cash based IPSAS. The Central Government and public corporations adopted and migrated to accrual based IPSAS in 2013 (NBAA, 2004; CAG Report, 2014).

2.3 International Public Sector Accounting Standards (IPSASs)

International Public Sector Accounting Standards (IPSASs) refers to the accounting standards which are applied in the preparation of general purpose financial reports of public sector entities including Central Government, Local Government Authorities and Public Sector Organisations. General purpose financial reports are financial reports intended to meet the information needs of users who are unable to require the preparation of financial reports tailored to meet their specific information needs. IPSASs are developed and issued by the International Public Sector Accounting Standards Board (IPSASB), which is an independent standard setting board operating under the International Federation of Accountants (IFAC), (IPSASB, 2017).

IPSAB is an independent standard setting body working under the support of the IFAC. The objective of IPSASB is to serve the public interest by developing and issuing high-quality accounting standards and other relevant publications for use by public sector entities around the world in the preparation of general purpose financial reports across the public sector organisations, and to enhance the quality, comparability and transparency of public sector financial reporting by providing better information for public sector financial management and decision making. Some of the publications which are issued by IPSASB are IPSASs, Recommended Practice Guidelines (RPGs), research reports and studies that provide information which contributes to the body of knowledge about public sector financial reporting issues and current developments in public sector accounting and reporting system (IPSASB, 2017).

2.3.1 Types of IPSASs

The IPSASB develops IPSASs which apply to the accrual basis of accounting and IPSASs which apply to the cash basis of accounting. According to IFAC, Cash basis of accounting is the basis of accounting that recognises transactions and other events only when cash is received or paid, since it measures the financial results for a period as the difference between cash receipts and cash payments. The most commonly documents which are produced by this basis of accounting are Cash flows statements and Cash balances which come from the cash book (IFAC, 2008). Accrual basis of accounting is the system of accounting in which transactions and other events are recognised only when they occur and not only when cash or cash equivalents is received or paid. This means the transactions and other events are recorded in the accounting records and recognised in the financial statements of the periods to which they related as per matching concept (IFAC, 2008, IPSASB, 2017).

The accrual based IPSASs are designed to apply to public sector entities that are responsible for the delivery of services to the benefit of the public and to redistribute income or wealth; and mainly finance their activities directly or indirectly by means of taxes or transfers from other levels of governments, social contributions, fines and fees; and don’t have primary objective to make profits. According to the IPSASB,

currently there are thirty eight (38) accrual based IPSAS, three (3) Recommended Practices Guideline (RPGs) and a single set of cash based IPSAS (IPSASB, 2017) **(See Appendix 2).**

2.4 Theoretical literature review

There are several theories that address how private organisations respond to changes in the financial reporting system including the changes introduced by the adoption and implementation of IPSAS. The ensuing sub-parts provide a wide discussion of the various theories which influence implementation of accrual based IPSAS in the LGAs:

2.4.1 Agency theory

Agency theory shows how management of an organisation selects and applies particular accounting standards and policies to the managers' advantages and return, as opposed to providers of capital funds (Donaldson & Davis, 1991; Eisenhardt, 1989; Ross, 1973). Due to the expected benefits in management performance and reward agreements, the management will ensure that accounting standards and policies which are used guarantee their returns.

According to Jensen and Meckling (1976) reducing information asymmetry between managers and outsiders decreases agency cost. When agency cost is reduced, the implementation of accrual based IPSAS will be achieved. This leads to more transparency and high disclosure in the financial statements. Implementation of accrual based IPSAS will add value to the LGAs in terms of quality reporting and compliance with international requirements and attraction of development partners (Ashbaugh & Pincus, 2001).

In addition to that, Lane (2003) concluded that, agency theory can be used in public institutions since the quality of financial reporting is influenced by the conflict of interest between management and stakeholders. It is expected that, the implementation of accrual based IPSAS will increase transparency and accountability in the financial reporting (Maimunah, 2015).

2.4.2 Institutional theory

This theory explains why organisations accept and implement certain accounting standards to bring about authority to the organisation or to respond to institutional pressure (Guerreiro, 2012; Guthrie, 1998). The output of the adopted and implemented accounting standards in the organisation can be positive or negative (Geels, 2004). This can be taken as one of the forces for various government entities in the world to adopt and implement accrual based IPSAS because of the pressure from Development Partners.

In agreement with Institutional theory, Parker (2016) stated that, in order to protect the investors and other interested users from having financial statements which are misleading; there should be *statutory control* of financial information disclosures in the financial statement. Implementation of accrual based IPSAS in the LGAs is influenced by institutional theory. For example, Oulasvirta (2014) argued that choice of the appropriate practices by an organisation is affected by pressure and social influences. This study intends to explore, how this theory affects implementation of accrual based IPSAS.

2.4.3 Cultural theory

This theory state that when there is a common perception, a means of satisfying man's mental needs, a system of common sign, projections of man's thought, and lifeless infrastructure makes the preparers of general and specific purposes financial statements to react to regulations and accounting standards either in a positive or negative way (Borker, 2013; Gray, 1988). Cultural theory is somehow confined to positive and normative accounting theories which are concerned with diversity in the accounting and financial reporting systems and practices; which lead to adoption and implementation of accounting standards (Bellanca & Vandernoot, 2014; Borker, 2016b; Deegan, 2006). Other authors insisted that culture is one of the greatest obstacles to the success or failure of adoption and implementation of IPSAS(Borker, 2012; Paulsson, 2006; Perumpral, Evans, Agarwal, & Amenkhienan, 2009). This is because; this theory aims to illustrate the behaviors of preparers of financial statements towards users of prepared financial statements and shows how the

particular country financial reporting culture determines the opportunities and failures in implementing IPSAS (Borker, 2016a; Thompson, Ellis, & Wildavsky, 1990).

On top of that, Borker (2013) illustrated that cultural theory proportions can explain better the success or failures of implementing accounting standards. In supporting this, it was stated that financial reporting environment with a professional accounting orientation will be more successful in implementing accounting standards than countries with *statutory control* (Barth, 2008; Borker, 2016b). In addition to that, Gray (1988) concluded that *professionalism*, *statutory control*, *conservatism*, *optimism*, *secrecy*, *transparency*, *uniformity* and *flexibility* were determined as the determinants of success or failure of implementation of any accounting standards . Generally, it is commonly known that, the choice of a particular accounting system is mainly influenced by culture of a certain country (Zeghal & Mhedhbi, 2006). This means that adoption and implementation of a particular system of accounting is mainly inspired by the culture in which such country originates.

2.4.4 New Public Financial Management

Among the most paramount aspects of New Public Financial Management (NPFM) is the trend to reforms in the financial information and reporting systems, which are fundamental elements in enhancing and improving the management and decision making of public sector entities (Guthrie, Olson, & Humphrey, 1999). NPFM refers to a term which was coined in the early 1980‘s to indicate a shift towards a new public management style. According to (Gruening, 2001; Hood, 1995), this epoch had two fundamental features known as public sector distinctiveness and rules versus discretion. The primary feature, public sector distinctiveness, means that the differences between public sector and private sector should be reduced and removed which is often marked by creating segregation or unbundling organizations into separate entities, increasing competition between public sector entities or between public sector and private sector, practicing proven private sector management style, and putting more discipline on the use of economic resources (Hood, 1995; Tiede & Krispenz, 2006). The last feature, rules versus discretion, was affirmed to explain

that public administration in this era was set to increase accountability by establishing clear assignment of responsibility, constructing measurable standards and instituting performance measurement, and putting more emphasis on results, rather than on procedures and controls (Hood, 1995).

The NPFM era and its distinctiveness mainly focused on how to adapt regularly applied private sector management styles into public sector. The belief behind this movement is the presumption that private sector management styles are more superior compared to the public sector directorial processes (Tiede & Krispenz, 2007). One form of adjustment induced by NPFM is the use of accrual accounting which is a common accounting basis used in the private sector, as the cornerstone of reforming financial information and reporting system by introducing accrual accounting in the government sector, at the cost of traditional cash accounting systems.

Accounting has played a crucial role in NPFM reforms (Tiede & Krispenz, 2007; Torres & Pina, 2003b). It is stated that a move toward accountingization was central to this change of modes of public management. The term accountingization was used to indicate the introduction of explicit cost categorization in areas where costs were formerly only aggregated, pooled or undefined (Hood, 1995). As the one heart of NPFM is to increase accountability, accounting serves as a vital tool to achieve transparency and to measure accountability which can be attained by presenting information on the performance of a public sector entity in monetary units (Hood, 1995).

Furthermore, in NPFM, public sector officials are prone to skepticism which means that their activities need to be closely costed and evaluated by accounting practices (Torres & Pina, 2003a). As a result, conventional cash accounting which was formerly used in the public sector is considered not appropriate any longer to achieve a transparent and accountable management. Cash accounting in the public sector is viewed to pay attention merely on the execution of budget and compliance to the legal system, rather than on how to manage economic resources effectively (Goddard, Assad, Issa, Malagila, & Mkasiwa, 2016). For that reason, in NPFM, the

use of accrual accounting is considered appropriate since this system allows public officials to know the full costs to their various activities, to get a comprehensive view on an entity‘s assets and liabilities, and also to monitor the return on investment and financial sustainability.

Subsequent to the spread of NPM philosophies, governments in numerous countries have embraced private sector management styles, including the way of thinking and the models or methodology used (Rodríguez Bolívar & Galera, 2016). This change has not occurred merely in state-owned or public companies, but also in the core functions within the governments (Tayib, Coombs, & Ameen, 1999).

Under the umbrella of NPFM, public sector bodies have transformed their financial statement to incorporate accrual accounting principles which are believed to be the vital tool to achieve comparability, transparency and accountability in the public sector entities. It is believed that several driving forces such as the wish to infuse more financial awareness into the decision making system in the public sector and the demand to provide comprehensive, transparent, comparable, and accountable financial information to all stakeholders are the reasons behind these reforms (Gomes et al., 2015; Pina & Torres, 2003).

The information presented by financial reports and information from the public sector entities is expected to help both government officials in the decision making, and citizens and other stakeholders to measure the extent to which revenues meet the full cost to deliver public service. The influential players in bringing about these NPFM related reforms are politicians, financial institutions, management consultants, scholars, the media, and development partners (Pina & Torres, 2003; Torres & Pina, 2003a; Zeghal & Mhedhbi, 2006).

2.4.5 The Economic network and the Isomorphism theory

The occurance of globalisation has brought a grave need for increased uniformity in standard guiding financial reporting in both private and public sector organisations. There is a varied view as to whether international financial reporting harmonisation and convergence is advantageous for developing countries since accounting

information produced according to developed countries financial reporting systems is not relevant to the decision models of less-developed countries (Zeghal & Mhedhbi, 2006). This is guided by two major theories known are Economic network theory and Isomorphism theory, as explained hereunder:

a. The Economic network theory

Economic networks apply the various competitive advantages and resources of each member to increase the production and wealth of all the members. It predicts that in addition to network benefits, a product with network effects can be adopted and implemented because of its direct benefits and outcomes (Liebowitz & Margolis, 1994). For the accrual based IPSAS adoption and implementation by any country, the theory argues that the direct benefits are represented by both the net economic and net political value of accrual based IPSAS over local standards (Barth, 2008). This theory emphasizes that economies with high levels of or expected increases in foreign direct investment and trade are more likely to adopt and implement accrual based IPSAS. This theory reveals evidence of regional trends in accrual based IPSAS adoption, such that a country is more likely to implement accrual based IPSAS if other countries in its geographical region have adopted and implemented accrual based IPSAS (Christensen, 2017; Christiaens et al., 2010; Zeghal & Mhedhbi, 2006). The process and system of adopting and implementing financial reporting standards such accrual based IPSAS can be more interesting to a country when other countries and partner states have adopted and implemented them as well (Zeghal & Mhedhbi, 2006). In this situation, IPSAS can be a product with network effects in the concerned country. (Adhikari & Mellemvik, 2011; Alesani et al., 2012)

b. The Isomorphism theory

The theory of isomorphism involves the constraining process that forces one unit in a population to look like other units that face the same set of environmental conditions (Antwi, 2010; DiMaggio & Powell, 1983). In real practice this theory implies that, the features of an organisation can be tuned to some extent for the sake of compatibility and uniformity to suit the

surrounding environment of organization in question (DiMaggio & Powell, 1983). In terms of accrual based IPSAS implementation, government entities are obliged to implement them in order to achieve comparability with other government jurisdictions in the world.

This theory of can be categorised into three types. The first type is "*coercive isomorphism*" which originates from political influence and the problem of legitimacy in any country (Deegan, 2006; Geels, 2004). It takes the shape of a formal and informal pressure placed in any organization or country by other superior organization or donor development partners; upon which they depend as well as cultural environment within which that entity or country operates. The adoption and implementation of accrual based IPSAS by developing countries like Tanzania and others to a larger extent is influenced by external reasons such as foreign investors, international accounting organisations, development partners and international financial organization among others. Internally such force, persuasions or invitations to adopt and implement accrual based IPSAS have been influenced by the NBAA and pressure from the government in meeting its objectives and expectations such as consolidating financial statements for the whole government.

The second is "*mimetic isomorphism*" which stems from standard responses to any uncertainty in an organisation. It is generally known that the degree of ambiguity is a powerful force that encourages imitation such that an organisation desire to adopt others' practices that are both successful and praiseworthy of adoption and implementation (DiMaggio & Powell, 1983; Huang et al., 2013). Due to that uncertainty in the LGAs and Central government financial reporting system in managing their finances and inability to matching financial assets and liabilities in terms of amounts and timing might have necessitated government to follow other public entities that are more legitimate and successful in the world in implementing accrual based IPSAS (Goddard et al., 2016).

The last type is "*normative isomorphism*" that is generally attributable to *professionalization* which is stated as the collective struggle of individuals of similar mission organising in a professional organisation to promote a cognitive base, diffuse shared orientations and organisational practices, and legitimise their occupational independence (Antwi, 2010; DiMaggio & Powell, 1983). Professional bodies such NBAA, Institute of Internal Auditors (IIA), Pan African Federation of Accountants (PAFA), International Organisation for Supreme Audit Institutions (INTOSAI) and Tanzania Association of Accountants (TAA) show similar character to their professional counterparts in that they impersonate each other and to a larger degree influence greatly their counterparts in adopting and implementing accrual based IPSAS in the concerned country.

2.5 Empirical Literature Review

IPSAS have attracted various researchers in different countries and environments. This study is an attempt to investigate the factors influencing implementation of accrual based IPSAS in LGAs. There are many studies on adoption of accrual based IPSAS and this part of the research intends to appraise empirical evidence in implementation of accrual based IPSAS:

Oulasvirta, (2014) studied the reluctance of developed country to choose IPSAS. The findings revealed that strongly developed and implemented tradition accounting system was the most resisting factor to implement IPSAS. The study also concluded that developed countries did not adopt IPSAS since there no any coercive pressures like persuasive rules to adopt and implement IPSAS. Likewise, the study by Christiaens et al., (2015) had the same findings which showed that, still remains a level of reluctance especially in central government of the developed countries to implement IPSAS. This is contributed by a well developed and trusted traditional accounting system compared with accrual based IPSAS. The study also denoted a significant diversity in the timing and implementation of accrual based IPSAS among various government jurisdictions.

On the other hand, Alesani et al., (2012) presented that it is necessary for management to identify contingency framework which are applicable to a particular governmental organisation. Such framework can be used by managers during the implementation period and assist to understand the interactive dynamics between stimuli, reform drivers and stakeholders. Furthermore, the study added that, such understanding could be used by managers to support identification of the appropriate reform design and implementation strategy. This research also disclosed that staff qualification and preparedness affect an accounting reform whereas transparency and accountability improves financial reporting in any public sector entity.

Christiaens et al., (2010) concluded that governments of developed countries still used cash based accounting, while only minorities apply IPSAS and the majority of the LGAs apply accrual accounting disregarding IPSAS. On the other hand, a number of jurisdictions including central and local governments do not adopt and implement IPSAS since they fear transfer their own local business accounting rules and systems.

In another study on the factors influencing the acceptance of IPSAS by Tanjeh (2016), suggested that knowledge and awareness should be well imparted in the executive, decision makers and lawmaking arms of the government. The study concluded that staff training and recruitment programme as well as management information system should be enhanced and given more priority when implementing accrual based IPSAS. Supporting this, Ahmad, (2016) stated that, colleague opinion and inadequate information system support were among the factors influencing users' resistance towards accrual based IPSAS.

Apart from that, PwC Global Survey (2015) on accounting and reporting highlighted that lack of trained and qualified accountants on accrual based IPSAS, inadequate IT system and preparation of budget on cash basis affects the implementation of accrual based IPSAS. Although the survey focused exclusively on central governments (Schumesch, 2013;- 2015), but in accordance with the researcher experience in LGAs the situation seems to be the same in the LGAs in Tanzania.

Furthermore, Babatunde, (2009) documented that political support was a significant factor for the slow implementation of IPSAS. Consistently, (Adhikari & Mellemvik, 2010, 2011) reported that the involvement of the professional accountants and the considerations of the interests of international organisations is inevitable for the public sector entities to achieve the full benefits of IPSAS. The study also disclosed that the implementation of accrual accounting in the Nepalese Central Government has been an unsuccessful mission leading to the replacement of the accrual accounting with the improved version of cash accounting anchored on the cash based IPSAS. The methodology of this study involved documentary search and informal interview.

Whitefield & Savvas, (2016) discovered that majority of the UN agencies have adopted and implemented accrual based IPSAS because of the resolution and agreement by the UN General Assembly. The encouragement and support to the UN agencies facilitated the adoption and implement accrual based IPSAS. The sample was taken from the 13 UN agencies, considering a sample size of 20% of the population, which resulted into 108 accountants. The data were analysed by using descriptive and inferential statistics. It was also suggested that, the process of implementing accrual based IPSAS will be improved when IPSAS software developers and funding agencies take into account the cost of preparing IPSAS training materials, and general cost of adopting and implementing accrual based IPSAS in the concerned public sector entities.

The researcher reviewed another study by Whitefield, (2016) which concluded that the main limitations facing the UN agencies in producing accrual based IPSAS compliant financial statements are technological, organization, financial challenges and alleged usefulness challenges. Moreover the study recommended that technical support from the qualified, trained and professional accountants, provision of accrual basis IPSAS training modules and adequate ICT infrastructures would improve and speed up the process of implementing and adopting accrual based IPSAS. It employed the descriptive and explanatory research designs with a sample size of 108 accountants out of 540 accountants from the UN agencies. The study recommended a

careful study and assessment of the stated factors in order to achieve the intended objective of accrual based IPSAS.

It was noted that since Tanzania adopted and implemented accrual based IPSAS, the main challenges remaining were such as non identification and reporting of intangible assets, weakness in the information technology system which lead to the use of cash based IPSAS instead of accrual based IPSAS, preparation and presentation of budget under cash system while the financial statements are prepared on accrual based IPSAS[1].

Ahmad, (2016) highlighted that factors influencing users' resistance towards accrual based IPSAS includes colleague opinion, technologies and system, inadequate top management support and self-efficacy for change. The study employed 600 questionnaires distributed in the Accountants General Office, using descriptive statistics and Pearson's Correlation as means of data analysis. On the other hand, the work by Azmi & Mohamed (2014) and Tanjeh (2016) supported the above statement by revealing that there is insufficient in house training, lack of knowledge and skills, absence of external consultant and low support from the senior management in implementing accrual based IPSAS. Their study further added that accounting employees are ready for accepting and implementing accrual based IPSAS.

Finally, the study on the actual implementation of accrual based IPSAS by Connolly (2006) acknowledged that there are various effects which have been introduced by implementation of accrual based IPSAS. Some of them include increase in cost, overoptimistic claims and different timing in implementation process. The study concluded that, developing countries like Tanzania still have a long way to go in order to enjoy the benefits of accrual based IPSAS implementation.

[1]https://www.accaglobal.com/IPSAS implementation and current status/challenges and success story (cited 30th Nov 2017)

CHAPTER THREE
CONCEPTUAL FRAMEWORK

3.0 Introduction

This part presents the conceptual framework examining the implementation of accrual based IPSAS in the LGAs. It also provides description of variables used in the study and hypotheses development. The sections below give a wide discussion on this chapter:

3.1 Developing the Conceptual Framework

The conceptual framework means the framework which is employed in research for the purpose of outlining the possible courses of action and to present a chosen approach to conduct the study. It shows the foundation in which the whole research paper is based (Kothari, 2004; Lancaster, 1966). Specifically, theoretical framework is developed in order to describe and elaborate the relationship between dependent and independent variables (Patton, 2005; Uddin & Tsamenyi, 2010). Drawing from the reviewed theories and the empirical literature**,** the implementation of accrual based IPSAS in the LGAs is examined in three perspectives. These include accounting-cultural values, practical factors and demographic attributes that influence implementation of accrual based IPSAS.

3.1.1 Accounting-cultural values

Accounting-cultural values refer to the influences of accounting practices (Chanchani & Willett, 2004). It involves those factors which persuade financial reporting and information disclosures in the financial statements. Generally, it is commonly known that, the choice of a particular accounting system is mainly influenced by culture of a certain country (Zeghal & Mhedhbi, 2006). This means that adoption and implementation of a particular system of accounting is mainly inspired by the culture in which such country originates. Gray (1988) and Chanchani (2004) collectively concluded that, various accounting systems which are developed in one way or another should reflect and reinforce accounting- cultural values. Gray (1988) stated that *professionalism, statutory control, conservatism, optimism, secrecy, transparency, uniformity* and *flexibility* determine the implementation of accounting

standards. In addition, Borker (2013) concluded that these variables are the determining factors for the success or failure of International Financial Reporting Standards (IFRS) implementation. This study adopts the stated factors which are commonly known as accounting-cultural values ((Borker, 2013; Chanchani & Willett, 2004; Gray, 1988). This study employs these factors as one of the components of independent variables.

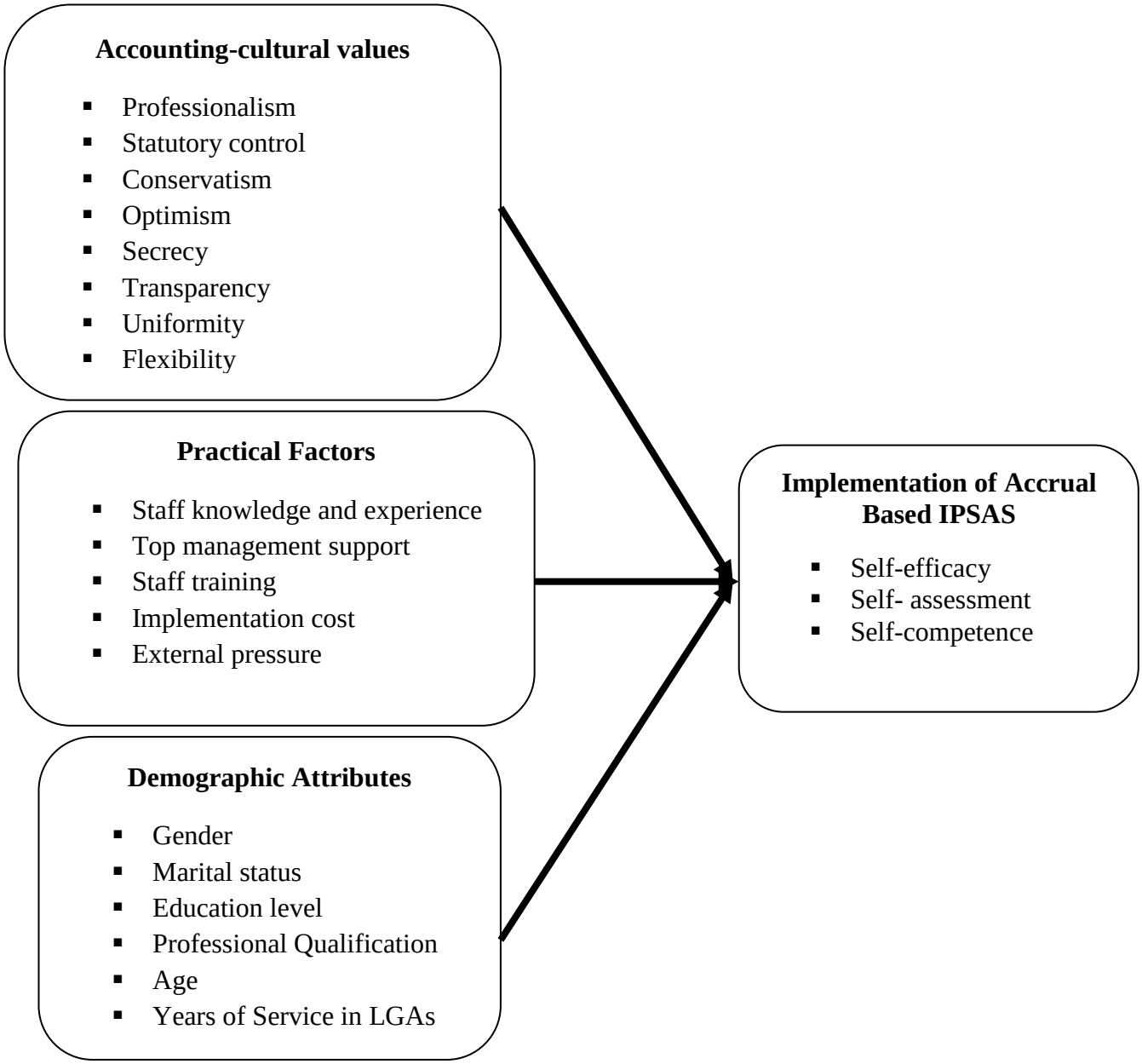
3.1.2 Practical Factors

Basing on the reviewed literature (Ahmad, 2016; Azmi & Mohamed, 2014; Edeigba, 2017; Gray, 1988; Tanjeh, 2016; Zeghal & Mhedhbi, 2006), this study identified the following possible practical factors which might influence implementation of accrual based IPSAS in the LGAs: *staff knowledge and experience, top management support, staff training, implementation cost,* and *external pressure.*

3.1.3 Demographic Attributes

Demographic attributes play a crucial role in influencing implementation of accrual based IPSAS (Tanjeh, 2016). Basing on this, we explored how *gender, marital status, education level, professional qualification, years of service in the LGAs* and *age* affect the implementation of accrual based IPSAS in the LGAs. Figure 3.0 above summarises the relationships between dependent and independent variables.

Figure 3.1: Illustration of the Study Model



Source: Researcher, (2017)

3.2 Hypothesis Development

In the following sub-part, the research presents the description of the variables followed by hypotheses derived from the research objectives and questions. The study explores the implementation of accrual based IPSAS in the LGAs. In the

context of this study, "implementation of accrual based IPSAS' constitutes the dependent variable; which is measured by self efficacy, self assessment and self competence. Our independent variables constitute LGAs accounting-cultural values, practical factors and demographic attributes. The section below describes the relationship between the dependent and independent variables and followed by hypothesis formulation.

3.2.1 Implementation of accrual based IPSAS

Being our dependent variable for this study, it is measured by three variables namely self-efficacy, self-assessment and self-competence. Each of these dependent variables is discussed hereunder:

3.2.1.1 Self-efficacy

Self efficacy means the individual person's confidence on his or her own ability and capacity to adopt and implement a new system (Guerreiro, 2012). The personal believes, perception, thinking and motivation affects implementation of accrual based IPSAS in the LGAs. Tay (2011) stated that self-efficacy motivates a person to get the required resources to implement the accrual based IPSAS. The availability of enough resources will motivate accountants and interested parties to understand and implement accrual based IPSAS (Ahmad, 2016).

3.2.1.2 Self-assessment

As used in psychology, self assessment involves the process of looking at an individual for the purposes of assessing his or her capability regarding a particular aspect (Sedikides, 1993). It involves self evaluation, verification and enhancement. For the aim of this study, self assessment has been used in order to make evaluation and assessment of accountants and auditors knowledge regarding implementation of accrual based IPSAS. It is used as a self evaluative tool for an individual in respect to IPSAS implementation. Specifically, it has been used as accrual based IPSAS knowledge assessment tool.

3.2.1.3 Self-competence

Self competence means the perception of individual's ability in terms of academic arena. It was developed by Harter (1982). It involves the perceived ability of an individual in a particular subject. In our study, self competence as been used as a tool of assessing implementer's competence and ability regarding implementation of accrual based IPSAS.

3.2.2 Accounting- cultural values

3.2.2.1Professionalism

Professionalism is the application of professional judgment to decide what accounting values should be when accounting policies does not exist or meet the circumstance and conditions of a particular organisation (Bentley & Franklin, 2013; Dahawy & Conover, 2007). Professionalism is the opposite of statutory control which does not allow accountants and auditors to apply professional judgment in determining accounting values. Generally, professionalism refers to the application of professional judgment in determining what should be the values of various accounting items and necessary disclosure in the financial statements of an organization and not merely compliance with the strict statutory requirements (Chanchani & Willett, 2004). Specifically, it means a culture among preparers of financial statements which takes into consideration self-professional judgement to determine the values of accounting items; versus a culture that prefers a statutory direction for accounting and financial reporting practice in an entity (Borker, 2016b; Gray, 1988). This is the motive of IPSASB in developing IPSAS. To achieve this preparers of financial statement should be able to apply their professional judgement and knowledge in accounting to determine the values of various accounting transactions in their daily activities (Deegan, 2006; Gray, 1988). The application of professionalism positively affects in implementation of accounting standards (Chanchani & Willett, 2004). Basing on these arguments, it is therefore stated that:

H1.1*: Professionalism positively influences Self efficacy.*

H1.2: *Professionalism positively influences Self assessment*

H1.3: *Professionalism positively influences Self competence.*

3.2.2.2 Statutory control

Statutory control is the accounting system in which organisation prefers the accounting profession to be strictly controlled by government and its authorities (Borker, 2016). This means the system in which accounting practices is strictly controlled by the accounting regulatory authorities (Chanchani & Willett, 2004; Gray, 1988). This requires professional accountants to make strict compliance with the accounting standards requirements in order to avoid penalties. Such requirement negatively affects the preparers of financial statements (Christiaens et al., 2010). From the application of statutory control in public sector, the relationship between statutory control and implementation of accrual based IPSAS, we propose the following propositions:

H2.1**:** S*tatutory control negatively influences Self efficacy,*

H2.2: S*tatutory control negatively influences Self assessment*

H2.3*:* S*tatutory control negatively influences Self competence.*

3.2.2.3Conservatism

This deals with the cautious behaviour of the preparers of the general and specific purposes financial statement because of the uncertain and expected future consequences (Chanchani & Willett, 2004). Generally, in any uncertain environment, in which the future is difficult to predict the process of recognising, measuring and disclosing any accounting event in the financial statements will follow conservatism principle (Gray, 1988; Watts & Zimmerman, 1978). According to Liu (2014) conservatism is the opposite of optimism. Conservatism shows that the accountants and auditors are indecisive of future consequences or outcome in implementing a certain accounting standards (Borker, 2013). This makes them to have a negative approach towards implementation of particular accounting practices. Therefore they are either hesitant to implement the accounting standards or reject to adopt them (Bentley & Franklin, 2013; Vergauwen & Van Alem, 2005). Taking into account the connection between conservatism and implementation of accrual based IPSAS in the LGAs, it is therefore hypothesized that:

H3.1: *Conservatism negatively influences Self efficacy.*

H3.2: *Conservatism negatively influences Self assessment*

H3.3: *Conservatism negatively influences Self competence*

3.2.2.4 Optimism

Optimism takes place when accountants and auditors are confident and positive about the future outcomes and consequences of adopting and implementing particular accounting standards (Liu, 2014). This is the opposite of conservatism. Optimist make compliance with a particular accounting standards and regulatory requirements; hoping for the future economic benefits and positive decisions in the future (Chanchani & Willett, 2004). Supporting this, (Godfrey, Hodgson, Tarca, Hamilton, & Holmes, 2010) concluded that accountants and auditors are certain and positive regarding the implementation of accounting standards. According to this discussion, it is logic to state that, the implementation of accrual based IPSAS in the LGAs will be affected by conservatism and optimism of accountants and auditors. By considering the association between implementation of accrual based and optimism in financial reporting, it is necessary to examine how optimism influence implementation of accrual based IPSAS in the LGAs. Accordingly, it is therefore hypothesized that:

H4.1: *Optimism positively influences Self efficacy.*

H4.2: *Optimism positively influences Self assessment.*

H4.3: *Optimism positively influences Self competence.*

3.2.2.5 Secrecy

Secrecy measures the reluctance of the accountants and auditors to adopt and implement particular accounting standards. This may be due to the fact that, such accounting standards can expose information that is stringently confidential to preparers of financial statements (Braun & Rodriguez, 2014). According to the studies of Hofmann and McSwain (2013) and Bakre and Lauwo (2016), secrecy takes place for a number of reasons such as business competition, political cost, labour union confrontation and corrupt practices. This leads to a negative reaction in implementation of accrual based IPSAS. Generally, Secrecy involves the behaviour of confidentiality among preparers of financial statements in the disclosure of

financial information to the outsiders as conflicting to transparency (Chanchani & Willett, 2004). Considering the level of economic development and political factor, it can be assumed that, the presence of secrecy in a country would hinder investors and development partners from investing in that country (Oulasvirta, 2014; Perera, Cummings, & Chua, 2012). Patel and Heidhues (2010) found that there is limited disclosure in traditional accounting model in the developed countries compared with developing countries. In accordance with the above discussion, it is reasonable to believe that secrecy negatively affects implementation of accrual based IPSAS in the LGAs. This leads to the following hypotheses:

H5.1*: Secrecy negatively influences Self efficacy.*

H5.2*: Secrecy negatively influences Self assessment*

H5.3: *Secrecy negatively influences Self competence*

3.2.2.6 Transparency

Transparency means the system in which financial and non financial information are consistently disclosed to the stakeholders. Under this, no hiding of confidential information (Chanchani & Willett, 2004; Gray, 1988). One of the objectives of introducing accrual based IPSAS is to ensure transparency in the general purposes financial reports from government and therefore give citizens' confidence in the reliability and credibility of the information disclosed in the financial statements of the governments (IPSASB, 2017). In general term, transparency involves organisation's expectations that financial information disclosure should consistently be transparent across all entities. This indicates that the financial transactions and events of the entities should be disclosed with evidence that shows the institute's activities. This variable has the possibility of informing users of financial statements about the organisation's reliability and integrity. Relying on the above facts, it is reasonable to believe that transparency would positively influence the implementation of accrual based IPSAS in the LGAs. It is therefore hypothesized that:

H6.1*: Transparency positively influences Self efficacy.*

H6.2: *Transparency positively influences Self assessment.*

H6.3: *Transparency positively influences Self competence.*

3.2.2.7 Uniformity

Uniformity is concerned with the preference for uniform accounting standards between organisation and the application of stated accounting standards over time as opposed to flexibility (Chanchani & Willett, 2004). It is believed that the implementation of accrual based IPSAS will lead to comparability and uniformity among financial reporting systems of the LGAs (Christiaens et al., 2010; Christiaens et al., 2015). Uniformity measures the use of accounting standards uniformly across all entities in terms of recognition, measurement, presentation and disclosure without any variations in the procedures used by different organisation (Hann, Lu, & Subramanyam, 2007). Basing on the positive relationship between uniformity and accrual based IPSAS implementation; the study expects the following associations:

H7.1: *Uniformity positively influences Self efficacy*

H7.2: *Uniformity positively influences Self assessment*

H7.3: *Uniformity positively influences Self competence*

3.2.2.8 Flexibility

Flexibility refers to the preference for the use of accounting standards on an individual basis by considering only the circumstances concerned accounting transaction in the financial statements (DiMaggio & Powell, 1983; Duenya et al., 2017; Gray, 1988). For example, Kondoa District Council can recognise the land acquired for free from the local village at cost price while Bahi District Council can recognise the same transaction at fair price. Flexibility measures the application and use of different methods of recognition, measurement, presentation and disclosure requirements of the financial transactions, which are not consistent from one entity to another. By considering the above discussions, we expect to test the extent relationship between flexibility and how they affect implementing accrual based IPSAS in the LGAs. The following hypotheses are developed:

H8.1: *Flexibility negatively influences Self efficacy*

H8.2: *Flexibility negatively influences Self assessment*

H8.3: *Flexibility negatively influences Self competence*

3.2.3 Practical Factors

The considered independent variables of interest under this are such as *staff knowledge and experience, top management support, staff training, implementation cost,* and *external pressure.*

3.2.3.1 Staff Knowledge and Experience

The literature review has indicated a number of ways in which staff knowledge and experience influences implementation of accounting standards (Zeghal & Mhedhbi, 2006). Previous studies have concluded that, awareness and knowledge is very positively related to adoption and implementation of accrual based IPSAS (Edeigba, 2017; Tanjeh, 2016). Generally, evidence shows that LGAs current staff are not skilled and qualified in implementation of accrual based IPSAS. Without highly qualified and experienced staffs, implementation of accrual based IPSAS will slow down. It is logically known that accounting staff should have knowledge and skills in implementation of accrual based IPSAS. Therefore the study proposes the following hypotheses:

H9.1*: Staff knowledge and experience positively affects Self efficacy*

H9.2*: Staff knowledge and experience positively affects Self assessment*

H9.3*: Staff knowledge and experience positively affects Self competence*

3.2.3.2Top management support

In this study, top management involves the senior level employees who direct and monitor the work of employees at lower level (Ahmad, 2016). Specifically, in the LGAs top management includes Councilors and Council Management Team (CMT). CMT involves Municipal/District Executive Director and Heads of Departments. Involvement and support from the top management of the LGAs creates a positive reaction among accountants and auditors in implementation of accrual based IPSAS (Azmi & Mohamed, 2014). When a new system is introduced, support from the top management enhances employee's awareness and leads to effective implementation

(Martins and Kellermanns, 2004). Tanjeh (2016) added that political support foster the adoption and implementation of various reforms in the public sector. Support from the top management is expected to have positive relationship with the implementation of accrual based IPSAS in the LGAs. Basing on the above, the study proposes the following hypothesis:

H10.1: *Top management support positively influences Self efficacy*

H10.2: *Top management support positively influences Self assessment*

H10.3: *Top management support positively influences Self competence*

3.2.3.3 Staff training

Staff training affects employee's attitudes, readness and preparedness in implementation of accrual based IPSAS in the LGAs (Ahmad, 2016; Hamisi, 2012). Researcher experiences in the LGAs shows that LGAs accountants are not adequately trained to implement accrual based IPSAS. In addition, LGAs rely on donor funded training and there is insufficient in-house accrual based IPSAS training in the LGAs. Kalulu (2015) concluded that building capacity to accountants and auditors in the government leads to positive implementation of accrual based IPSAS. Staff training is expected to have a positive relationship with implementation of accrual based IPSAS, as hypothesized hereunder:

H11.1: *Staff training positively affects Self efficacy*

H11.2 *Staff training positively affects Self assessment*

H11.3: *Staff training positively affects Self competence*

3.2.3.4 Implementation cost

The process of implementing accrual based IPSAS in the LGAs involves costs. Costs are incurred in terms of trainings to accountants and auditors, acquisition of software and hardware system (Azmi & Mohamed, 2014; Whitefield, 2016). All these need financial resources to support implementation of accrual based IPSAS in the LGAs. Previous findings have stated that inadequate financial means have attributed to failure of many countries to adopt and implement accrual based IPSAS (Christiaens et al., 2015; Tanjeh, 2016). It's commonly known that most of the LGAs in Tanzania don't have adequate financial resources to fund the implementation of accrual based

IPSAS. As a result dependency on donor support exists (Christiaens et al., 2015). Basing on this, the study expects negative relationship between implementation cost and implementation of accrual based IPSAS in the LGAs. Accordingly, it is hereby hypothesized that:

H12.1: *Implementation cost negatively affects Self efficacy*
H12.2: *Implementation cost negatively affects Self assessment*
H12.3: *Implementation cost negatively affects Self competence*

3.2.3.5 External pressure

External pressure can influence the adoption and implementation of accrual based IPSAS (Wong, 2004; Zaman Mir & Shiraz Rahaman, 2005; Zeghal & Mhedhbi, 2006). It is brought by development partners, multinational enterprises, world financial institutions and international accounting firms. These are the main forces for the development, adoption and implementation of accrual based IPSAS (Christiaens et al., 2010; Christiaens et al., 2015). Additionally, Cooke and Wallance (1990) found that external environmental factors such as external pressure influence the implementation of accounting standards. Such external pressure could affect the implementation of accrual based IPSAS in the LGAs. With this observation, it is hereby hypothesized as follows:

H13.1*: External pressure positively influences Self efficacy*
H13.2: *External pressure positively influences Self assessment*
H13.3: *External pressure positively influences Self competence*

3.2.4 Demographic Attributes

Demographic attributes plays a crucial role in influencing implementation of accrual based IPSAS. We explored how *gender, marital status, education level, age, years of service with LGAs* and *professional qualification* affects the implementation of accrual based IPSAS in the LGAs. The next subsections describe each of the demographic attributes and proposed hypotheses.

3.2.4.1 Gender

Past research indicates that females are less likely to adopt and implement accrual based IPSAS than males (Tanjeh, 2016). Apart from those findings, other authors show mixed findings on gender differences in job performance (Ahmad, 2016; Azmi & Mohamed, 2014; Christiaens et al., 2015; Edeigba, 2017). Some studies shows that no significant differences in the performance of males and females in terms of ability, altitude, commitment and effort (Christiaens et al., 2015; Tanjeh, 2016). Other studies show a disagreement with these findings. For example, Zaman Mir & Shiraz Rahaman, (2005) found a significant differences in the performance of males and females in the job. The research intends specifically to investigate the influence of gender in the implementation of accrual based IPSAS in the LGAs. To gain more insight from the LGAs, it is proposed that:

H14.1: *Gender has a positive influence on Self efficacy*
H14.2: *Gender has a positive influence on Self assessment*
H14.3 *Gender has a positive influence on Self competence*

3.2.4.2 Marital status

The implementation of accrual based IPSAS in the LGAs may be influenced by the marital status. Traditional sociologists indicated that married women are not committed to their job. This means that married women with children are less committed to their work than men and single women (Wulsin et al., 2002; Pillsbury et al., 1989). On the other hand, this finding shows that men and single women are more committed than married women in their work. This research examines the extent to which the stated argumentations above affects the implementation of accrual based IPSAS in the LGAs. Based on the facts presented above, we hypothesize that:

H15.1: *Marital status negatively affects self efficacy*
H15.2: *Marital status negatively affects self assessment*
H15.2: *Marital status negatively affects self competence*

3.2.4.3 Education level

Education is the leader for modern accounting system in the world. It was concluded that, a positive relationship exist between the level of education and professional accountants' competence (Zaman Mir & Shiraz Rahaman, 2005; Zeghal & Mhedhbi, 2006). According to Maimunah (2015) the weak level of education of employee prohibits implementation accrual based IPSAS. The implementation of accrual based IPSAS in the LGAs needs high education level, expertise and competent accountants and auditors (Zeghal & Mhedhbi, 2006). Such persons can understand, interpret and apply the accrual based IPSAS in the LGAs. It is therefore logical to state that, LGAs in which education level is low and expertise is weak, there will be a real challenge to implement accrual based IPSAS. According to these arguments, the following hypotheses are developed:

H16.1: *The level of education positively influences self efficacy*
H16.2: *The level of education positively influences self assessment*
H16.3: *The level of education positively influences self competence*

3.2.4.4 Age

Previous study by Tanjeh (2016) found a negative correlation between age and the level of acceptance of accrual based IPSAS. Moreover, Meyer (2008) determined that older employees are lower likely to adopt a new change than younger workforce. Researcher experience in the LGAs shows that younger accountants are highly committed in implementation of accrual based IPSAS than older accountants. In one of the LGAs training on IPSAS, the researcher noted that younger accountants are ready to understand and implement accrual based IPSAS than older accountants. Based on the reviewed literature and researcher's best knowledge and experience in LGAs training, we propose that:

H17.1: *Age negatively influences self efficacy*
H17.2: *Age negatively influences self assessment*
H17.3c: *Age negatively influences self competence*

3.2.4.5 Years of Service in the LGAs

For the purpose of this study, years of service in the LGAs refers to the number of years in which a particular employee has been working with the LGAs. We expect a positive relationship between years of service in the LGAs and implementation of accrual based IPSAS in the LGAs. Basing on this, the researcher hypotheses are as follows:

H18.1: *Years of service in the LGAs positively influences self efficacy*

H18.2: *Years of service in the LGAs positively influences self assessment*

H18.3: *Years of service in the LGAs positively influences self assessment*

3.2.4.6 Professional qualification

For the purposes of this research, professional qualification means certification in terms of Certified Public Accountants (CPA-T) and any other professional certification in relation with accounting profession. Tanjeh (2016) discovered existence of positive association between professional certification and adoption level of accrual based IPSAS. In addition, Zeghal & Mhedhbi (2006) added that well trained and qualified accountants facilitate implementation of accounting standards. Basing on these literatures, professional qualification positively affects implementation of accrual based IPSAS in the LGAs. We developed the following hypotheses in order to test the relationship between professional qualification and implementation of accrual based IPSAS in the LGAs.

H19.1: *Professional qualification positively affects self efficacy*

H19.2: *Professional qualification positively affects self assessment*

H19.3: *Professional qualification positively affects self competence*

CHAPTER FOUR
RESEARCH METHODOLOGY

4.0 Introduction

This chapter presents a detailed examination of the methodologies which were used to explore implementation of accrual based IPSAS in the selected LGAs in Dodoma region. Specifically, this part presents the techniques which were employed in collecting data from the respondents, methods used in selecting the sample and the area in which the research took place. In addition, this part shows the measurements of the research variables and statistical methods and tools for analysing the data. It also provides the validity and reliability of the research data.

4.1 Research design

The objective of the study was to examine the implementation of accrual based IPSAS in the LGAs. To answer the research questions, a structured questionnaire was developed to obtain the data for analysis from the relevant LGAs in Dodoma region. A survey design is an appropriate method of examination to meet the large and diverse population of the study to answer the research questions. A structured questionnaire is the best and systematic way for obtaining information for variables which are difficult to observe and inexpensive access to the organisation (Kothari, 2004). It is also considered as an appropriate way of investigating and meeting the large and diverse population of the research, in order to get the relevant answers of the study questions (Uddin & Tsamenyi, 2010).

The main group involved in the implementation of accrual based IPSAS are the District/Municipal Treasurers, Accountants and Internal Auditors. This was the group in which the study collected data from them. For the purpose of this study, the unit of analysis was LGAs Accountants and Internal Auditors.

4.2 Area of the study

The study was conducted in the seven (7) LGAs found in Dodoma region, which are Dodoma Municipal Council, Chamwino District Council, Mpwapwa District Council, Kongwa District Council, Chemba District Council, Kondoa District Council and Bahi District Council. The reasons behind the use of LGAs found in Dodoma region were accessibility to the researcher, time limitation and budget constraints. The next part describes the geographical location of the study.

4.2.1 Geographical Location of Dodoma Region

Dodoma region, being the Capital City of Tanzania, is found in the central part of the United Republic of Tanzania in the eastern-central part of the country, being about 480 kilometers from the coast. The region is mainly semi-arid. It covers an area of 41,311 square kilometers, with a total population 2,083,588 people (National Bureau of Statistics, 2012). The region is bordered by Manyara region to the north, Singida region to the west, Iringa region to the south, and Morogoro region to the southeast. The key economic activities include; agriculture, livestock, trade and commerce. The map of the region is shown hereunder:

Figure 4.1: Map of Dodoma Region

Source: Google maps, (2017)

4.3 Study Population

Population means the total collection of elements in which a researcher desires to make some inferences. For this study, the target population was the stated LGAs in Dodoma region.

4.4 Sample Size and Sampling Technique

Sample size involves the number of items to be selected from the population to represent a sample (Kothari, 2004). It consists of some elements in a population a researcher wish to make conclusion about the entire population. It is recommended that, the sample size should not be extremely large or too small rather, it is should be optimal (Kiugu, 2010).

The sample size of the study was 100 respondents from the selected LGAs, who were chosen from among the population of the seven (7) LGA's in Dodoma. The sample was large enough in conducting our study. The selected sample is consistent with Struwig & Stead (2001) who concluded that if sampling has been correctly and carefully followed then sample sizes of 100 to 200 can provide an acceptable indication of the whole population. This was in agreement with Hair et al (2006) who stated that, for studies which use factor analysis, the sample size should be 100 or more.

The study used purposive sampling technique in order to collect data from the LGA's accountants and auditors. We employed purposive sampling due to the fact that, it was easy and quick method for the researcher to collect data from the respondents. Furthermore, the method saved time and cost (Kothari, 2004; Lancaster, 1966).

For the purposes of this study, our sampling unit was the LGAs accountants and auditors found in Dodoma region. The purpose of considering this group is that, they are exposed in the preparation and presentation of financial statements in the LGA's (Oulasvirta, 2014). In addition to that, they have a significant role in making major accounting decisions, preparation and implementation of accounting policies in accordance with the requirements of accrual based IPSAS (Oulasvirta, 2014).

4.5 Data Collection Strategies

The stage which follows after formalization of the sampling procedures and the intended sample size is commonly known as data collection (Kothari, 2004). When determining data assembly methods, the researcher considered objectives of the research and experienced response ratio. There are two types of data namely primary and secondary data. Each of these is discussed hereunder.

4.5.1 Primary data

Primary data means the data which are collected directly by the researcher from the field, by the means of observation, questionnaires and interviews. The primary data enable to get the first handed data (Kothari, 2004). Our study adopted a survey design, in which a structured questionnaire was developed. Then a drop-and-pick method was employed to administer the survey instrument to accountants and auditors from LGAs in Dodoma region.

4.5.2 Secondary data

This means the data which are obtained by a means of reviewing documents, regulations, manuals, and previous papers, published and unpublished study (Kothari, 2004).

4.5.3 Survey Instrument Development

A structured questionnaire was established in order to collect data for the study. The process of developing the survey instrument involved various stages like selection and creation of items, content validity and confirmatory study (Christiaens et al., 2015). The researcher used a combination of strategies in order to establish the data collection instrument. We conducted extensive literature review. In addition, the study adopted and reworded some items from past studies. This process resulted into a total of 54 items; which were developed and used for the current study as shown in table 4.0.

Table 4.1. Sources of the Constructs of the Questionnaire Items

Constructs	Items	Source
Self Efficacy	7	Literature Review; adopted from Yakn 2012; Guerreiro, 2012
Professionalism	4	Literature Review; adopted from Borker, 2016; Chanchani & Willett, 2004 & Gray, 1988.
Statutory Control	2	Literature Review; adopted from Borker, 2016; Chanchani & Willett, 2004 & Gray, 1988.
Conservatism	4	Literature Review; adopted from Borker, 2016; Chanchani & Willett, 2004 & Gray, 1988.
Optimism	2	Literature Review; adopted from Borker, 2016; Chanchani & Willett, 2004 & Gray, 1988.
Secrecy	3	Literature Review; adopted from Borker, 2016; Chanchani & Willett, 2004 & Gray, 1988.
Transparency	3	Literature Review; adopted from Borker, 2016; Chanchani & Willett, 2004 & Gray, 1988.
Uniformity	3	Literature Review; adopted from Borker, 2016; Chanchani & Willett, 2004 & Gray, 1988.
Flexibility	2	Literature Review; adopted from Borker, 2016; Chanchani & Willett, 2004 & Gray, 1988.
Staff Knowledge and Experience	7	Literature Review; adopted from Zeghal & Mhedhbi, 2006; Tanjeh, 2016; Christiaens et al., 2015
Top Management Support	7	Literature Review; adopted from Azmi & Mohamed, 2014.
Implementation Cost	3	Literature Review; adopted from Azmi & Mohamed, 2014; Whitefield, 2016; Christiaens et al., 2015
Staff training	4	Literature Review; adopted from Ahmad, 2016; Zeghal & Mhedhbi, 2006
External Pressure	3	Literature Review; adopted from Wong, 2004; Zaman & Rahaman, 2005; Zeghal & Mhedhbi, 2006
Total	**54**	

4.5.3.1 Format of the Structured Research Questionnaires

As shown in table 4.1 above, the design of the research questionnaire for this study has been undertaken by considering a number of previous literature (Gray, 1988; Hofstede, 1997) and researcher own reasoning and experience regarding training of accrual based IPSAS in the LGAs. The questionnaire is categorised into the following five parts:

a. Part 1: This involves the Demographic Information of the Respondents and it's given in multiple choice questions and one open ended question. The demographic attributes which are included are gender, age, marital status, education level, professional qualification and years of service in the LGAs. For the purposes of this research, demographic attributes constitute one of the independent variables.

b. Part 2: It presents the dependent variables in Implementation of Accrual Based IPSAS, which are Self-Assessment, Self-competence and Self-Efficacy of the LGAs accountants and auditors. Questions for Self-Assessment and Self-competence in implementation of accrual based IPSAS were presented multiple choice forms. A five point Likert scale was employed to obtain respondents view on Self-Efficacy of the LGAs accountants and auditors in implementation of accrual based IPSAS.
c. Part 3: This is about questions on Accounting-cultural values. This is provides in a five point Likert scale, in which respondents were required to state their level of agreement or not; depending on the statement given. Accounting-cultural values constituted independent variables which included professionalism, statutory control, conservatism, optimism, secrecy, transparency, uniformity and flexibility.
d. Part 4: It contains the Practical factors in implementation of accrual based IPSAS. The practical factors were expressed in the form of five point Likert Scales. Respondents were required to state their feeling regarding implementation of accrual based IPSAS. Independent variables contained in this section were staff knowledge and experience, top management support, implementation cost, staff training and external pressure. In addition, in order to ensure reliability and validity, we included questions such as
    i. Don't circle any number if you are reading this statement.
    ii. Please circle under column numbered 3 if you are reading this statement.
    iii. Please don't respond to this statement if you are reading it now

These statements were included between the lines of the questions asked. The purposes served by these statements were firstly to make respondents pay much attention when responding to the survey instruments. Secondly, in order to ensure reliability and validity of the responses. For the complete research questionnaire please **see Appendix 1**.

4.6 Reliability and Validity of Data

For any research data to be of great value and application, it must be reliable and valid. These terms are clearly described hereunder:

4.6.1 Reliability of data

Reliability of data involves the repeatability of findings, meaning that when the study has to be done on the second time, it should provide similar outcomes (Patton, 2005). Generally, the research data are reliable when more than one person is observing the behaviour of particular respondents, all observers should agree on what is being recorded so as to claim that the data is reliable. For the purpose of ensuring reliability of the data in this research, the survey instrument was developed in line with the research objectives and questions (Uddin & Tsamenyi, 2010).

4.6.2 Validity of Data

This involves the extent to which the concept, which the researcher wishes to measure, is actually being measured by a particular scale or index (Kothari, 2004; Patton, 2005). To concur with data reliability, the survey instrument was designed to obtain views from participants in the selected LGAs. Pretesting, rewording, re-evaluation of the questionnaire and use of experts was done before going for data collection.

4.7 Survey Responses Rate

We administered a total 211 questionnaires using a drop and pick strategy. At the end of data collection exercise 181 questionnaires were completed and collected by the researcher. Out of 181 collected, however, 22 questionnaires were generally not acceptable since they were lacking large sections of the information. Therefore, we decided to discard them. On top of that, data cleaning was done with the view of establishing out of range responses and unengaged items. Also, computation of the standard deviation was employed aiming at checking the variations in the responses given by the respondents. As the outcome of this process, the researcher discarded nine questionnaires due to some variations. This led to the final usable questionnaires being 150. According to Hair et al (2006) the sample size for factor analysis should

be 100 or greater. Therefore, for our study the sample size of 150 qualified for factor analysis.

4.8 Data Analyses Strategies

After completion of the data collection exercise, we embarked on data preparation and analysing the collected data with the purpose of obtaining the findings and to make logic of our research. Since this research aimed at exploring the implementation of accrual based IPSAS in the selected LGAs in Tanzania, it addressed the factors influencing implementation of accrual based IPAS and how the demographic factors affects its implementation. Therefore, considering this, the methods of data analyses included descriptive statistics, factor analysis and multiple regression analysis. The next part details our data preparation and analyses strategies.

4.8.1 Data Preparation

We coded and recorded the collected questionnaires into a computer package known as Statistical Package for Social Science (SPSS Version 20). We employed this package due to researcher's familiarity and the nature of the collected data from the respondents. We therefore embarked into data analyses as follows.

4.8.1.1 Descriptive statistics

We conducted various analyses in order to provide the overall description of the sample. This involved running of the frequency distribution for demographic attributes, self assessment and competence of the respondents. In addition to that, descriptive statistics was also employed to determine the missing, out of range and outlier values (Malhotra, 2008). This analysis gave some insights about the general distribution and average of the data collected from the survey.

4.8.1.2 Factor analysis

Factor analysis was employed to determine the similar constructs and analyse the variables obtained from the research. It is used as a method of eliminating and summarising a huge amount of data with the purpose of making them to be easily manageable while not losing necessary information (Malhotra, 2008).

Our research involved factor analysis due to a number of reasons. We employed confirmatory factor analysis so as to examine the validity of the considered items. As stated earlier, our survey instrument was composed by considering a number of items adopted from past studies as well as from scratch and literature review. This necessitated the use of factor analysis in order to examine the correlation structure and better understanding of the items involved. In addition to that, for the purpose of reducing the number of items included in the survey instruments, factor analysis was inevitable. On top of that, the researcher created summated scales (new composite variables) for those factors qualified for further analyses and interpretation. The new composite variables were used in the multiple regression analysis.

In order for factor analyses to be effective, it was necessary to test the suitability of the factor model involved. There are two formal statistics which are used namely Bartlett's test of sphericity and Kaiser-Meyer-Olkin (KMO). For the aim of testing the null hypothesis, we employ Bartlett's test of sphericity, which shows the correlation between variables. The KMO measure of the sampling adequacy (MSA) refers to an index of the size of the observed and partial correlation coefficients. For the purpose of factor analysis, the value of the KMO should be greater than 0.50.The KMO should be intepretated as follows: 0.80 is commendable, 0.70 or above is middling, 0.60 or above is mediocre, 0.50 is miserable and below 0.50 is rejected (Hair et al 2006) In our research, 0.50 was taken as the cutoff point.

Apart from that, the study used Principal Component Analysis (PCA) as a method of factor analysis. The PCA was employed in order to establish the dimensions of the collected data. PCA helps in locating the linear relationship which exists among the factors. It was also employed in order to narrow factors into small number of components with similar constructs. The study used varimax as the rotation method. The researcher also considered the requirements of Communalities and Eigenvalues as required by factor analysis. The amount of variance a variable shares with the other variables being considered is termed as communality (Malhotra, 2008). According to Hair et al.(2006), the communalities values for each factor solution should be 0.50. For the purpose of our study, the cut-off point for communalities

was 0.50. Moreover, in order to determine the number of factors to be considered, Eigenvalues was taken into account. Eigenvalues shows the total variance explained by each factor. In our research, eigenvalues greater than 0.1 was taken as the cut-off point (Hair et al.,2006; Malhotra, 2008).

4.8.1.3 Multiple Regression Analysis

Multiple regression analysis was used to explore the relationship between dependent and independent variables. Specifically, when examining the association between one dependent variable and two or more independent variables, it is called multiple regression analysis (Kothari, 2004; Uddin & Tsamenyi, 2010). For the purpose of objective one of this study, we employed factor analysis. After performing PCA we obtained 15 scales in which multiple regression analysis was employed. In line with objective two and three of this research, multiple regression analysis was used to explore the impact of the identified factors in implementation of accrual based IPSAS in the LGAs. In addition, consistent with the third objective, the influence of demographic attributes on implementation of accrual based IPSAS was done by using multiple regression analysis. Finally, after conducting multiple regression analysis, the researcher considered necessary to employ stepwise estimation analysis. The purpose of running this analysis was to remain with those independent predictors having the ability to improve our model (Patton, 2005).

4.9 Measurement of the research variables

This part deals with how the variables used in this study were defined and measured by the researcher. Consistent with the research hypotheses and objectives, the next sub-sections explain how the study variables were measured.

4.9.1 Measuring dependent variable: Implementation of accrual based IPSAS

Implementation of accrual based IPSAS constitutes the dependent variable for this research. We measured implementation of accrual based IPSAS in the LGAs by using three constructs which are self-efficacy, self assessment and self competence.

4.9.1.1 Measuring Self-Efficacy

We measured self-efficacy by using the items developed by Scherer (1982). These items were adopted and modified by the researcher in order to suit our study and to obtain respondents response regarding implementation of accrual based IPSAS in the LGAs. A five (5) Likert scale was used requiring participants to assess themselves on how they agree or disagree regarding the presented statements. To ensure that respondents paid attention regarding their responses, a statements like "*Don't circle any number if you are reading this statements*" was included.

4.9.1.2 Measuring Self Assessment

Self assessment was measured in terms of multiple choice questions (Komba 2016). Respondents were required to select the answer which most correctly describe their knowledge in implementation of accrual based IPSAS in the LGAs (**See Table 4.2**).

Table 4.2: Self Competence and Assessment of the respondents

Category: Self Competence	Frequency	Percent
Not competent	31	20.7
Somewhat competent	22	14.7
Uncertain	43	28.7
Competent	35	23.3
Highly competent	19	12.7
Total	**150**	**100.0**
Category: Self Assessment		
Moderately knowledgeable	20	13.3
Not knowledgeable at all	34	22.7
Fairly knowledgeable	43	28.7
Not very knowledgeable	33	22.0
Very knowledgeable	20	13.3
Total	**150**	**100.0**

4.9.1.3 Measuring Self Competence

Self Competence was measured in multiple choice questions. This necessitated respondents to choose the most correct option which describes their competences in implementation of accrual based IPSAS in the LGAs (Yakn 2012). Table 4.2 shows how self competence was measured in our study.

4.9.2 Measuring Independent Variables: Accounting-cultural values, Practical factors and Demographic Attributes.

Independent variables constituted three main variables namely Accounting-Cultural Values, Practical and Demographic Factors. Measurements of each of these variables were as follows.

4.9.2.1 Measuring Accounting-Cultural Values

This was adopted from Gray (1988) and modified by the researcher in order to suit for our study. A five (5) point Likert scale ranging from strongly disagree (1) to strongly agree (5) was employed to measure accounting-cultural values. This variable included sub-variables namely professionalism, statutory control, conservatism, optimism, secrecy, transparency, uniformity and flexibility. Items included in accounting-cultural values were twenty three (23) in total (See Appendix 1).

4.9.2.2 Measuring Practical Factors

As stated earlier, practical factors in this research constituted five (5) sub-variables namely staff knowledge and experience, top management support, implementation cost, staff training and external pressure. A five (5) point Likert scale ranging from strongly disagree (1) to strongly agree (5) was developed to measure practical factors in implementation of accrual based IPSAS in the LGAs (See Appendix 1). Our survey instrument constituted twenty four (24) items under practical factors. Some of these items were developed from scratch and others adopted from literature review (Ahmad, 2016; Azmi & Mohamed, 2014; Edeigba, 2017; Zeghal & Mhedhbi, 2006). The adopted items were modified by the researcher in order to suit the context our study.

4.9.2.3 Measuring Demographic Attributes

Our study also explored how demographic factors affects implementation of accrual based IPSAS in the LGAs. For the purposes of this study, demographic attributes included gender, marital status, education level, age, professional qualification and years of service in the LGAs. We measured demographic attributes by using five (5) multiple choice and one (1) open ended questions. Participants were required to

select the best option which describes their responses. In total six (6) questions were included in our survey instrument (See, Appendix 1).

CHAPTER FIVE
PRESENTATION OF FINDINGS

5.0 Introduction

This chapter presents the findings of the study. The main objective of the research was to explore the implementation of accrual based IPSAS in the LGAs. Specifically the study targeted to address the following three specific objectives:

i. To identify the factors which influence implementation of accrual based IPSAS in the LGAs.
ii. To examine the effects of the identified factors on implementation of accrual based IPSAS in the LGAs, and
iii. To determine the influence of demographic factors in the implementation of accrual based IPSAS.

In line with these specific research objectives, the ensuing part shows the empirical findings from the analysis of the survey data.

5.1 Empirical Findings

The following sub-parts, presents the descriptive statistics of demographic attributes, self competence and self assessment of the respondents, the outcomes of factor analysis and multiple regression analysis.

5.1.1 Demographic Characteristics of the Respondents

As stated earlier in this research, demographic profile of the respondents consists of six components namely gender, marital status, education level, age, professional qualification and number of years of service in the LGAs. The findings of these attributes are stated hereunder:

a. Gender

As shown in table 5.0 below, our results reveals that the composition of the respondents in terms of gender were 60.7% males and 39.3% standing for females. This implies that most of the respondents in our sample size are males.

b. Marital Status

Our findings shown in table 5.0 below indicate that 22.7% of the respondents were single, while 72.7% were married and 4.7% divorced. According to these findings large number of respondents in our sample size is married.

c. Education level

The education level of the respondents were categorised into four groups as shown in table 5.0 below. This table reveals that, 7 respondents had certificate in accounting representing 4.7% of the sample size, those having diploma in accounting were 7 respondents standing for 4.7%, 88 respondents had bachelor degree in accounting representing 58.7% and 48 respondents had master degree represented by 32% of the total respondents.

d. Age

Age of the respondents was capture in four groups. Table 5.0 shows that 10 respondents fell on the age group of 18-25 equivalents to 6.7%, 47 respondents equivalents to 31.3% fell to age category of 26-35, while 67 respondents representing 44.7% fell under the age group of 36-45 and 26 respondents equivalents to 17.3% were 46 years and above.

e. Professional qualification

Analysis of the table 5.0 below indicates that, 43 respondents equivalents to 28.7% had CPA, 2 respondents had ACCA equivalents to 1.3% and 105 respondents (70%) doesn't have any professional qualification. Such results demonstrates the nature of the LGAs accountants and auditors, implying that, most of them are not much committed to undertake professional certifications.

f. Number of years of service in the LGAs

Our findings in Table 5.0 indicate that 20.7% of the respondents fell between 0 to 3 years of service in the LGAs. We also find that respondents falling between 4 to 6 years of service in the LGAs were 18% of the total respondents while 30% of the respondents fell between 7 to 9 years of service in the LGAs. Respondents with 10 years and above in the LGAs were 31.3% of the total sample size.

Table 5.1: Demographic Characteristics of the Respondents

Variables	Category	Frequency	Percent
Gender	Male	91	60.7
	Female	59	39.3
	Total	**150**	**100.0**
Age	18-25	10	6.7
	26-35	47	31.3
	36-45	67	44.7
	46 and above	26	17.3
	Total	**150**	**100**
Marital Status	Single	34	22.7
	Married	109	72.7
	Divorced	7	4.7
	Total	**150**	**100**
Education Level	Certificate in Accounting	7	4.7
	Diploma in Accounting	7	4.7
	Bachelor degree in Accounting	88	58.7
	Masters degree	48	32
	Total	**150**	**100**
Professional Qualification	CPA	43	28.7
	ACCA	2	1.3
	Others(None of the above)	105	70
	Total	**150**	**100**
Number of Years of Service in LGAs	0-3 years	31	20.7
	4-6 years	27	18
	7 -9 years	45	30
	10 years above	47	31.3
	Total	**150**	**100**

Source: Researcher's survey, (2017)

5.1.2 Self Assessment and Competence of the Respondents

Self assessment and competence of the respondents were among the dependent variables used to measure implementation of accrual based IPSAS in the LGAs. The findings of each of these variables were as follows;

a. Self Assessment of the Respondents

Our results indicate that 22.7% of the respondents were moderately knowledgeable, while 13.3% of the respondents were not knowledgeable at all about implementation of accrual based IPSAS in the LGAs. Respondents who were fairly knowledgeable and not very knowledgeable were 28.7% and 22% respectively. 13.3% of the total respondents were very knowledgeable about implementation of accrual based IPSAS in the LGAs. Such findings are shown in table 5.1 below.

Table 5.2: Self Competences and Assessment of the Respondents

Category: Self Competence	Frequency	Percent
Not competent	31	20.7
Somewhat competent	22	14.7
Uncertain	43	28.7
Competent	35	23.3
Highly competent	19	12.7
Total	**150**	**100.0**
Category: Self Assessment		
Moderately knowledgeable	20	13.3
Not knowledgeable at all	34	22.7
Fairly knowledgeable	43	28.7
Not very knowledgeable	33	22.0
Very knowledgeable	20	13.3
Total	**150**	**100.0**

Source: Researcher's survey, (2017)

b. Self Competence of the Respondents

Table 5.1 above shows that, respondents who were not competent and somewhat competent about implementation of accrual based IPSAS amounted to 20.7% and 28.7% respectively. In addition to that, respondents who were uncertain and competent were 14.7% and 23.3% respectively.

12.7% of the respondents were highly competent in the implementation of accrual based IPSAS in the LGAs.

5.2 Results of Factor Analyses

We carried out factor analyses for fourteen (14) variables with 54 items included in our study. We employed five point Likert scale to measure these items. The outcomes of such analyses were as follows.

a. Self-Efficacy

As indicated in the survey instrument, self-efficacy constituted seven (7) items. Our factor analysis results indicated that items SE2 had poor correlation matrix with rest of the factors. Moreover, inspection of the communalities showed that SE2 had values less than 0.5 cut off, hence dropped so as to comply with the requirement of Principal Component Analysis (PCA). The rerun of the analysis led to two components being retained (see Table 5.2). The loading of the remaining factors were more than 0.7 while satisfying the requirements of 60% or higher of the total variances. The KMO and Bartlett's test of sphericity was 0.857 and 0.000 (significant). The Cronbach's alpha value was 0.791.

Table 5.3: Factor analysis for Self efficacy

Component	Cronbach's alpha	# items	Cases	Code	Factor 1	Factor 2
Component 1: Scale1: SE	**0.791**	6	150	**SE4**	0.862	
				SE6	0.862	
				SE3	0.856	
				SE5	0.848	
				SE1	0.743	
Component 2: Scale2: SE	**0.721**			**SE7**		0.971
Total Variance Explained						
Initial Eigenvalues Total					3.511	1.026
Initial Eigenvalues % of Variance (75.61% total)					58.515	17.095
Overall Cronbach's Alpha						**0.791**

Source: Researcher's survey, (2017)

b. Professionalism

The factor analysis was conducted for four items included in professionalism. Communalities revealed that Prof4 were below 0.5 cut off. It was therefore dropped. We rerun the analysis with the remaining items. According to the number of factors extracted, the KMO and Bartlett's test of sphericity were 0.669 and 0.000 respectively. Cronbach's alpha value was 0.815 and communalities for Prof1, Prof2 and Prof3 were 0.739, 0.827 and 0.644 respectively (See Table 5.3). Scale3 represents *professional accountants with high ethical conducts*. The total variance explained by scale3 is 73.70%.

Table 5.4: Factor analysis for Professionalism

Component	Cronbach's alpha	# items	Cases	Code	Factor 1
Component 1: Scale3: Prof	**0.815**	3	150	**Prof2**	**0.910**
				Prof1	**0.860**
				Prof3	**0.803**
Total Variance Explained					
Initial Eigenvalues Total					**2.211**
Initial Eigenvalues % of Variance (total)					**73.705**
Overall Cronbach's Alpha					**0.815**
KMO					

Source: Researcher's survey, (2017)

c. Statutory Control

Our results from factor analysis reported that correlation matrix between the variables was 0.001 and the KMO and Bartlett's test of sphericity were 0.50 and 0.0001 respectively. Inspection of the communalities showed that both items (STAC1 and STAC2) were above 0.7 cut off (see Table 5.4). Cronbach's alpha value was 0.578. A Scale4 stand for *sanctions by regulatory authority* which is contributes 70.36% of the total variance.

Table 5.5:: Factor analysis of Statutory Control

Component	Cronbach's alpha	# items	Cases	Code	Factor 1
Component 1: Scale4: STAC	**0.578**	2	150	**STAC1**	**0.839**
				STAC2	**0.839**
Total Variance Explained					
Initial Eigenvalues Total					**1.407**
Initial Eigenvalues % of Variance (70.36% total)					**70.362**
Overall Cronbach's Alpha					**0.578**

Source: Researcher's survey, (2017)

d. Conservatism

We conducted factor analysis for four items under Conservatism. One item (CONSE3) had poor correlation matrix with rest of the variables. Moreover, inspection of the communalities reported that CONSE3 was below the threshold. It was then omitted. We rerun the analysis for the remaining three items. The KMO and Bartlett's test of sphericity were 0.67 and 0.001 respectively. The reliability analysis reported Cronbach's alpha value at 0.745 while communalities reported were 0.695, 0.718 and 0.576 for CONSE1, CONSE2 and CONSE4 respectively. (Refer table 5.5). Scale5 represents *conservatism*. The total variance represented by this scale is equal to 66.28%.

Table 5.6: Scale analysis for Conservatism

Component	Cronbach's alpha	# items	Cases	Code	Factor 1
Component 1: Scale5: CONSE	**0.745**	3	**150**	**CONSE 1**	**0.833**
				CONSE 2	**0.847**
				CONSE 4	**0.759**
Total Variance Explained					
Initial Eigenvalues Total					**1.989**
Initial Eigenvalues % of Variance (66.283% **total)**					**66.283**
Overall Cronbach's Alpha					**0.745**

Source: Researcher's survey, (2017)

e. Optimism

Our factor analysis for Optimism reported KMO and Bartlett's test of sphericity of 0.5 and 0.0001 respectively. Review of the Communalities revealed that OPT1 and OPT2 were above the cut off, hence retained for further analysis and interpretation. Reliability testing showed the Cronbach's alpha value was 0.516 (see Table 5.6). In total 67.39% is represented by scale6, which stands for hope for *attraction of future business opportunities including development partners.*

Table 5.7: Scale analysis for Optimism

Component	Cronbach's alpha	# items	Cases	Code	Factor 1
Component 1: Scale6: OPT	**0.516**	2	**150**	**OPT1**	**0.821**
				OPT2	**0.821**
Total Variance Explained					
Initial Eigenvalues Total					**1.348**
Initial Eigenvalues % of Variance (67.391% **total)**					**67.391**
Overall Cronbach's Alpha					**0.516**

Source: Researcher's survey, (2017)

f. Secrecy

We conducted only single iteration for this variable. Test of Communalities revealed that all three items (SECR1, SECR2 and SECR3) were above 0.7 thereafter retained for further analysis and interpretation. Reliability analysis results indicated that Cronbach's alpha was 0.676, KMO 0.643 and Bartlett's test of sphericity 0.001 (See Table 5.7). Scale7 means *secrecy* and it shows 60.73% of the total variance explained.

Table 5.8: Scale analysis for Secrecy

Component	Cronbach's alpha	# items	Cases	Code	Factor 1
Component 1: Scale7: SECR	**0.676**	3	**150**	**SECR1**	**0.793**
				SECR2	**0.717**
				SECR3	**0.824**
Total Variance Explained					
Initial Eigenvalues Total					**1.822**
Initial Eigenvalues % of Variance (60.731% **total)**					**60.731**
Overall Cronbach's Alpha					**0.676**

Source: Researcher's survey, (2017)

g. Transparency

As detailed in table 5.8 transparency involved three factors. Outcome of factor analysis indicated that KMO and Bartlett's test of sphericity were 0.63 and 0.0001 respectively. Investigation of Communalities revealed that all three items qualified for further analysis and interpretation. Reliability analysis revealed 0.714 as Cronbach's alpha. Scale8 stands for *publication of financial statements*. It contributes 64.33% of the total variance explained.

Table 5.9: Scale analysis for Transparency

Component	Cronbach's alpha	# items	Cases	Code	Factor 1
Component 1: Scale8: TRANS	**0.714**	3	**150**	**TRANS1**	**0.789**
				TRANS2	**0.869**
				TRANS3	**0.745**
Total Variance Explained					
Initial Eigenvalues Total					**1.93**
Initial Eigenvalues % of Variance (64.33% total)					**64.339**
Overall Cronbach's Alpha					**0.714**

Source: Researcher's survey, (2017)

h. Uniformity

We conducted two iterations for three items involved in Uniformity. In the first iteration one item was dropped (UNIF1). This was to comply with the requirement of PCA. Test of communalities suggested that the remaining two factors were in compliance with the requirements of PCA and showed good correlation between the variables. Measure of sampling adequacy for KMO and Bartlett's test of sphericity were 0.50 and 0.0001 respectively. Table 5.10 shows the outcome of factor analysis for Uniformity. Reliability testing revealed 0.647 as Cronbach's alpha (See Table 5.9). Scale9 represents *Standardized financial statements*. It is explained by 77% of the total variance.

Table 5.10: Scale analysis for Uniformity

Component	Cronbach's alpha	# items	Cases	Code	Factor 1
Component 1: Scale9: UNIF	**0.647**	2	**150**	**UNIF2**	**0.878**
				UNIF3	**0.878**
Total Variance Explained					
Initial Eigenvalues Total					**1.543**
Initial Eigenvalues % of Variance (total)					**77.13**
Overall Cronbach's Alpha					**0.647**

Source: Researcher's survey, (2017)

i. Flexibility

Flexibility constituted two factors namely FLEX1 and FLEX2. Reliability testing showed 0.395 as Cronbach's alpha. The measure of sampling adequacy for KMO and Bartlett's test of sphericity were 0.5 and 0.002. Communalities for the items were below 0.7 cut off. The component matrix for FLEX1 and FLEX2 were 0.79 each (See Table 5.10). Since reliabity testing was below the required criteria, this variable was not used for further analysis and interpretation, hence dropped.

Table 5.11: Scale analysis for Flexibility

Component	Cronbach's alpha	# items	Cases	Code	Factor 1
Component 1: Scale: FLEX	**0.395**	2	**150**	**FLEX1**	**0.79**
				FLEX2	**0.79**
Total Variance Explained					
Initial Eigenvalues Total					**1.247**
Initial Eigenvalues % of Variance (total)					**62.339**
Overall Cronbach's Alpha					**0.395**

Source: Researcher's survey, (2017)

j. Staff Knowledge and Experience

Our factor analysis for staff knowledge and experience involved seven items. We conducted only one iteration. Since all seven items had good communalities and correlation matrix with the rest of the factors, no any item which was dropped. These items were retained for further analysis and interpretation. The analysis of the KMO and Bartlett's test of sphericity were 0.839 and 0.001(significant) respectively. Factor analysis disclosed two components. Components of each factor are shown in table 5.11. Scale10 stands for *staff experience* while scale11 stands for *understanding and skills*. Evaluation of the summated scale correlation matrix indicates existence of a strong negative association between scale10 and scale11. In addition, scale10 and scale11 contribute 60% and 16.8% of the total variance (76.8%). Reliability testing for these two scales was more than 0.7 (Cronbach's alpha).

Table 5.12: Scale analysis for Staff Knowledge and Experience

Component	Cronbach's alpha	# items	Cases	Code	Factor 1	Factor 2
Component 1: Scale 10: SKE	**0.881**	7	**150**	**SKE6**	**0.900**	
				SKE5	**0.850**	
				SKE7	**0.846**	
				SKE4	**0.650**	
Component 2: Scale 11: SKE	**0.75**			**SKE1**		**0.850**
				SKE2		**0.833**
				SKE3		**0.769**
Total Variance Explained						
Initial Eigenvalues Total					**4.130**	**1.178**
Initial Eigenvalues % of Variance (75.82%total)					**59.997**	**16.823**
Overall Cronbach's Alpha					**0.881**	

PANEL B: Summated Scale Correlation Matrix

	SCALE10	**SCALE11**
SCALE10:	1	-0.034**
SCALE11	-0.034**	1

NOTE **. Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher's survey, (2017)

k. Top Management Support

We ran factor analysis for Top Management Support involving seven (7) items. During the first iteration, item TMS5 showed poor correlation matrix and communality problem. In the second iteration, item TMS4 also was dropped due to the same problem. Due to reporting of the required communalities, items TMS1, TMS2, TMS3, TMS6 and TMS7 were retained for further interpretation and use.. In addition, measure of sampling adequacy revealed KMO and Bartlett's test of sphericity of 0.733 and 0.0001 respectively. Inspection of the rotated component matrix, revealed component

one and two. Component one was represented by items TMS1, TMS2 and TMS3. Component two was represented by items TMS6 and TMS7. These items were retained for future analysis and interpretation (See Table 5.12). Scale12 stands for *Implementation Policies* whereas scale13 represents *willingness and support from CMT*. Scale12 contributes 50.48% while scale13 contributes 21.65% of the total variance explained (72.14%). Assessment of the summated scale correlation matrix of bivariate correlation indicates existence of a positive significant relationship between scale12 and scalel3. Reliability testing for scale12 and scale13 was reported at 0.524 and

0.725 (Cronbach's alpha)

Table 5.13: Scale analysis for Top Management Support

Component	Cronbach's alpha	# items	Cases	Code	Factor 1	Factor 2
Component 1: Scale12: TMS	**0.524**	5	**150**	**TMS2**	**0.845**	
				TMS1	**0.812**	
				TMS3	**0.765**	
Component 2: Scale13: TMS	**0.725**			**TMS6**		**0.874**
				TMS7		**0.828**
Total Variance Explained						
Initial Eigenvalues Total					**2.524**	**1.083**
Initial Eigenvalues % of Variance (72.138% **total)**					**50.488**	**21.651**
Overall Cronbach's Alpha						**0.524**

Summated Scale Correlation Matrix

	Scale12	**Scale 13**
Scale12	1	0.000**
Scale13	0.000**	1

NOTE. Correlation is significant at the 0.01 level (2-tailed).**

Source: Researcher's survey, (2017)

l. Implementation Cost

This variable constitutes three factors namely IMC1, IMC2 and IMC3. Reliability testing resulted into 0.587 Cronbach's alpha. We conducted factor analysis for these items. Inspection of Communalities and correlation matrix

led to drop of IMC3. This was due to PCA requirements. Final iteration suggested two factors being retained, which are IMC1 and IMC2. These items had the required correlation matrix and didn't report any communalities problems. The KMO and Bartlett's test of sphericity were 0.50 and 0.0001 respectively. Table 5.13 shows the outcome of factor analysis. Scale14 means *Implementation Costs* and it has 70.48% of the total variance explained.

Table 5.14: Scale analysis for Implementation Cost

Component	Cronbach's alpha	# items	Cases	Code	Factor 1
Scale14: IMC	**0.587**	2	**150**	**IMC1**	**0.84**
				IMC2	**0.84**
Total Variance Explained					
Initial Eigenvalues Total					**1.41**
Initial Eigenvalues % of Variance (70.488% **total)**					**70.488**
Overall Cronbach's Alpha					**0.587**

Source: Researcher's survey, (2017)

m. Staff training

Our factor analysis for staff training consisted four items. Inspection of the communalities supported that all items should be included for next analysis and interpretation. Measure of adequacy sampling showed KMO and Bartlett's test of sphericity of 0.95 and 0.0001 respectively. The Initial Eigenvalues in total were 1.3441 and 1.192 for scale15 and scale16 respectively. Reliability testing was indicates that Cronbach's alpha is more than 0.70 for each scale (See Table 5.14). Scale15 stands for *training necessity* while scale16 stands for *in-house training.* The total variance explained is 33.32% and 29.79% for scale15 and scale16 respectively.

Table 5.15: Scale analysis for Staff Training

Component	Cronbach's alpha	# items	Cases	Code	Factor 1	Factor 2
Component 1: Scale15: STR	**0.96**	2	150	**STR1**	**0.829**	
				STR4	**0.747**	
				STR3		**0.819**
Component 1: Scale16: STR	**0.87**			**STR2**		**0.698**
Total Variance Explained						
Initial Eigenvalues Total					**1.341**	**1.192**
Initial Eigenvalues % of Variance (63.32% **total)**					**33.325**	**29.795**
Overall Cronbach's Alpha						**0.96**

n. External Pressure

We employed factor analysis for external pressure. Reliability testing was 0.548 Cronbach's alpha. Item EXP2 had communalities problem and poor correlation. This was discarded. Our final iteration led to two items being retained. These items reported good communalities and correlation matrix between them. Measure of adequacy sampling showed KMO and Bartlett's test of sphericity of 0.610 and 0.0001 respectively. The Initial Eigenvalues in total and in percentage of variances were 1.350 and 67.477 respectively (See Table 5.15). Scale17 stands for *pressure from development partners.*

Table 5.16: Scale analysis for External Pressure

Component	Cronbach's alpha	# items	Cases	Code	Factor 1
Scale17: EXP	**0.548**	2	**150**	**EXP1**	**0.821**
				EXP3	**0.821**
Total Variance Explained					
Initial Eigenvalues Total					**1.35**
Initial Eigenvalues % of Variance (67.477% **total)**					**67.477**
Overall Cronbach's Alpha					**0.548**

Source: Researcher's survey, (2017)

5.3 Outcomes of Hypotheses Testing

Recall in chapter three, we developed hypotheses in order to examine the implementation of accrual based IPSAS in the LGAs. Our study consisted three research questions, in which question two and three were to be answered after testing the hypotheses. The purpose of question two was to determine how the identified

factors (in factor analysis) affect implementation of accrual based IPSAS in the LGAs. Also, question three aimed at determining the influences of demographic factors in implementation of accrual based IPSAS in the LGAs. In this part, the researcher, employed multiple regression analysis described in chapter four, for the purposes of testing the proposed hypotheses. It should be remembered that, we performed PCA in the previous sections in order to determine the factors that influence implementation of accrual based IPSAS in the selected LGAs. The outcome of PCA was summated scales of the emerged components. Basing on the summated scales from PCA, the process of testing hypotheses follows.

5.3.1 Multiple Regression Analysis: Implementation of accrual based IPSAS

Implementation of accrual based IPSAS in the LGAs was measured by using three dependent variables namely Self Efficacy, Self Assessment and Self Competence. We examined each dependent variable by using three independent variables namely Accounting-cultural values, practical factors and demographic attributes. The next section presents the outcomes of multiple regression analysis for each dependent variable against independent variables.

5.3.1.1 Accounting-cultural values

Accounting-cultural values constituted our independent variables and it was measured by scale3 to scale9. Recall in factor analysis, seven determinants emerged after performing PCA. Under this parts the outcome of multiple regressions for the determinants of Self-efficacy, Self-assessment and Self-competence against accounting-cultural values are presented. The next sections present the results.

a. Determinants of Self Efficacy

For the aim of testing the influence of accounting-cultural values to implementation of accrual based IPSAS in the LGAs, self efficacy was taken as dependent variable. As indicated in table 5.16, Panel A shows existence of significant influence between scale3 and scale9 against self efficacy. In addition, scale3 and scale9 reveals positive and negative significant influence respectively. However, scale4 to scale8 have insignificant influence to self efficacy. Generally, the statistical model is significant (R^2=0.53; F=1.146; P<0.000). There is no multicollinearity problem.

Table 5.17: Determinants of Self Efficacy

PANEL A	Independent Variable	Beta	t-value	Sig	Tolerance	VIF
Dependent Variable	Constant	2.98	3.01	0.00		
Self efficacy	SCALE3	0.06	4.10	0.00	0.95	1.06
	SCALE4	0.13	0.98	0.33	0.58	1.71
	SCALE5	(0.13)	(0.95)	0.34	0.62	1.61
	SCALE6	0.00	0.01	0.99	0.78	1.28
	SCALE7	0.05	0.43	0.67	0.75	1.34
	SCALE8	0.12	0.90	0.37	0.85	1.18
	SCALE9	(0.22)	(1.96)	0.00	0.71	1.41
		R Square=0.53 ANOVA (F4)=1.146, P<0.000				

Moreover, for the purposes of improving our regression model and remaining with those independent variables having significant influence, the researcher considered necessary to undertake stepwise regression analysis. Table 5.17 shows the outcome of this regression.

Table 5.18: Determinants of Self Efficacy: Stepwise Estimation

Construct	Beta	t-value	Sig	Tolerance	VIF
Constant		12.28	0.00		
SCALE3	0.01	2.75	0.00	0.80	1.00
SCALE9	(0.19)	(2.36)	0.02	1.00	1.00
		R^2=0.36, ANOVA (F)=5.5, P<0.000			

Analysis of table 5.17 shows that, two independent variables (scale3 and scale9) having R^2 value of 0.36 significantly influence self efficacy in implementation of

accrual based IPSAS. As per these results, the researcher fully accepts hypotheses H1.1 and H7.1.

b. Determinants of Self Assessment

As shown in Panel B (table 5.18) the regression model investigated the association between self assessment and accounting-cultural values represented by scale3 to scale9. Two dimensions namely scale3 and scale9 have been found having significant positive influence to self assessment in implementation of accrual based IPSAS. The remaining dimensions (scale4 to scale8) indicate insignificant relationship to self assessment. Assessment of the VIF and Tolerance show that there is no multicollinearity problem between the variables. The regression model was at 64% (strong) and the overall relationship was significant (F=1.396; P<0.000).

Table 5.19: Determinants of Self Assessment

PANEL B						
Dependent Variable	**Independent Variable**	**Beta**	**t-value**	**Sig**	**Tolerance**	**VIF**
Self assessment	Constant	1.79	1.98	0.05		
	SCALE3	0.20	3.01	0.01	0.95	1.06
	SCALE4	(0.15)	(1.21)	0.23	0.58	1.71
	SCALE5	0.12	0.95	0.34	0.62	1.61
	SCALE6	(0.03)	(0.27)	0.79	0.78	1.28
	SCALE7	(0.07)	(0.61)	0.54	0.75	1.34
	SCALE8	(0.00)	(0.02)	0.98	0.85	1.18
	SCALE9	0.24	2.38	0.01	0.71	1.41
		R2=0.64 ANOVA (F)=1.396, P<0.000				

After performing multiple regression analysis stated above, the researcher embarked into stepwise estimation analysis. The results are shown in table 5.19 hereunder.

Table 5.20: Determinants of Self Assessment: Stepwise Estimation

Construct	Beta	t-value	Sig.	Tolerance	VIF
Constant		7.12	0.00		
SCALE9	0.18	2.21	0.00	1.00	1.00
		R^2=0.32, ANOVA (F)=4.92, P<0.000			

From the above table (5.19) only scale9 has been retained due to the fact that, it is strongly significant. Examination of the Variance Inflation Factor and Tolerance highlights non existence of multicollinearity problem with the model. Therefore, hypothesis H7.2 accepted.

c. Determinants of Self Competence

Recall that we performed multiple regressions analysis, using independent variables (scale3 to scale9) against self competence as our dependent variable. The analysis reported a strongest regression model at 78% and the overall relationship was significant (F=1.726; P<0.000). Moreover, the analysis shows that scale3, scale4, scale8 and scale9 have significant influence to self competence. Scale3 and scale9 have positive significant association to self competence whereas scale4 and scale8 have negative significant influence to self competence. Apart from that, scale5 to scale7 don't show any significant influence to self competence in implementation of accrual based IPSAS. As indicated by the VIF and Tolerance results, there is neither singularity nor multicollinearity problem among the variables (See Panel C in Table 5.20). In general the regression model is statistically significant (R^2=0.78; F=1.726; P<0.000).

Table 5.21: Determinants of Self Competence

PANEL C						
Dependent Variable	**Independent Variable**	**Beta**	**t-value**	**Sig.**	**Tolerance**	**VIF**
Self competence	Constant		3.27	0.00		
	SCALE3	0.00	6.90	0.00	0.95	1.06
	SCALE4	(0.15)	(2.71)	0.01	0.58	1.71
	SCALE5	0.09	0.83	0.41	0.62	1.61
	SCALE6	0.06	0.71	0.48	0.78	1.28
	SCALE7	0.08	0.88	0.38	0.75	1.34
	SCALE8	(0.20)	(2.24)	0.03	0.85	1.18
	SCALE9	0.16	6.60	0.00	0.71	1.41
		R Square=0.78 ANOVA (F)=1.726, P<0.000				

As indicated in table 5.21 below, stepwise estimation was undertaken after multiple regression analysis stated above. Its outcomes are as shown in table 5.21 below.

Investigation of the outcomes suggest that, only two constructs (scale3 and scale9) have been retained having significant influence. Therefore, we accept hypotheses H1.3 and H7.3.

Table5.22: Determinants of Self Competence: Stepwise Estimation

Construct	Beta	t-value	Sig.	Tolerance	VIF
Constant		7.91	0.00		
SCALE3	0.16	7.55	0.00	0.75	1.00
SCALE9	0.18	2.23	0.03	1.00	1.00
		R^2=0.52, ANOVA (F)=3.76, P<0.000			

5.3.1.2 Practical Factors

As stated in previous sections, the factor analysis performed revealed eight components (scale10 to scale17) which influences implementations of accrual based IPSAS in the LGAs. In this part, we conducted multiple regressions for these components against self efficacy, self assessment and self competence as dependent variables. The results of the determinants of each dependent variable are explained as follows.

a. Determinants of Self Efficacy

For the purpose of testing the influence of practical factors (scale10 to scale17) to implementation of accrual based IPSAS, self efficacy has been considered as dependent variable. As indicated in Panel A (table 5.22) the regression model is good (R^2=82.5%; F=83.24; P<0.000) and the VIF and Tolerance suggest absence of multicollinearity problem among the variables. There is a significant positive relationship between scale10 and self efficacy. Also, a significant negative association exists between scale15 and self efficacy. The remaining dimensions have no any significant impact to self efficacy.

Table 5.23: Determinants of Self Efficacy

PANEL A:	Independent Variable	Beta	t-value	Sig.	Tolerance	VIF
Dependent variable	Constant		(9.55)	0.00		
Self efficacy	SCALE10	0.87	21.20	0.00	0.74	1.35
	SCALE11	(0.06)	(1.55)	0.12	0.75	1.34
	SCALE12	(0.05)	(1.22)	0.23	0.75	1.34
	SCALE13	0.01	0.19	0.85	0.81	1.24
	SCALE14	0.03	0.78	0.44	0.94	1.07
	SCALE15	0.00	0.05	0.04	0.82	1.22
	SCALE16	0.01	0.19	0.85	0.93	1.08
	SCALE17	0.08	1.80	0.07	0.69	1.46
			R^2=0.825 ANOVA (F)=83.24, P<0.000			

Examination of table 5.23 indicates that, only scale10 has been retained. This is contributed by its significant influence. The R square of the model is 0.816 and there is no indication of multicollinearity problem. Basing on the results of stepwise estimation shown in table 5.23, the researcher accepts hypothesis H9.1 only.

Table 5.24: Determinants of Self Efficacy: Stepwise Estimation

Construct	Beta	t-value	Sig.	Tolerance	VIF
Constant		(2.08)	0.04		
SCALE10	0.90	25.60	0.00	1.00	1.00
		R^2=0.816, ANOVA (F)=6.555, P<0.000			

b. Determinants of Self Assessment

Panel B in table 5.24 indicates that VIF and Tolerance are within the required criteria, meaning that multicollinearity problem doesn't exist among the independent variables. The regression model (R^2) is 69%. With other things remain constant, scale10; scale12 and scale15 have significant negative relationship to self assessment. There is no significant impact for the remaining of the variables to self assessment.

Table 5.25: Determinants of Self Assessment

PANEL B:						
Dependent variable	**Independent Variable**	**Beta**	**t-value**	**Sig.**	**Tolerance**	**VIF**
Self assessment	(Constant)		3.25	0.00		
	SCALE10	(0.20)	(2.15)	0.03	0.74	1.35
	SCALE11	0.15	1.60	0.11	0.75	1.34
	SCALE12	(0.03)	(0.35)	0.01	0.75	1.34
	SCALE13	0.10	1.11	0.27	0.81	1.24
	SCALE14	(0.01)	(0.10)	0.92	0.94	1.07
	SCALE15	(0.08)	(0.90)	0.04	0.82	1.22
	SCALE16	(0.01)	(0.12)	0.90	0.93	1.08
	SCALE17	0.11	1.14	0.26	0.69	1.46
		R^2=0.69 ANOVA (F)=1.878, P<0.000				

In addition to multiple regression results presented in table 5.24, we conducted stepwise estimation analysis (see table 5.25). Independent variables with significant influence to Self Assessment known as scale10 and scale15 have been reported. As per such results, we fully accept hypotheses H9.2 and H11.2 only.

Table 5.26: Determinants of Self Assessment: Stepwise Estimation

Construct	Beta	t-value	Sig.	Tolerance	VIF
Constant		12.55	0.00		
SCALE10	(0.23)	(2.94)	0.00	1.00	1.00
SCALE15	0.11	(6.40)	0.00	1.00	1.00
	R^2=0.55, ANOVA (F)=8.643, P<0.000				

c. Determinants of Self Competence

Panel C in table 5.26 shows that scale10 and scale17 are negatively related to self competence while scale11, scale12, scale13, scale14, scale15 and scale16 positively influence self competence of the respondents in implementation of accrual based IPSAS in the LGAs. More specifically, scale10, scale11, scale15 and scale17 significantly influence self competence. Assessment of the regression model indicates that R^2=29% (poor), although the general relationship is good (F=7.22; P<0.000). Furthermore, test for multicollinearity problem indicates non-existence of it.

Table 5.27: Determinants of Self competence

PANEL C:						
Dependent variable	**Independent Variable**	**Beta**	**t-value**	**Sig.**	**Tolerance**	**VIF**
Self Competence	Constant		3.68	0.00		
	SCALE10	(0.32)	(3.84)	0.00	0.74	1.35
	SCALE11	0.24	2.94	0.00	0.75	1.34
	SCALE12	0.03	0.36	0.72	0.75	1.34
	SCALE13	0.04	0.55	0.58	0.81	1.24
	SCALE14	0.08	1.06	0.29	0.94	1.07
	SCALE15	0.14	1.82	0.01	0.82	1.22
	SCALE16	0.04	0.57	0.57	0.93	1.08
	SCALE17	(0.14)	(6.70)	0.00	0.69	1.46
			R^2=0.29 ANOVA (F)=7.222, P<0.000			

Moreover, for the purpose of improving our regression model we embarked into stepwise estimation analysis (see table 5.27). This table has three independent variables namely scale10, scale15 and scale17. According to these results, the retained variables show significant influence to self competence. Generally, three hypotheses namely H9.3, H11.3 and H13.3 are accepted.

Table 5.28: Determinants of Self Competence: Stepwise Estimation

Construct	Beta	t-value	Sig.	Tolerance	VIF
Constant		15.47	0.00		
SCALE10	(0.44)	(6.04)	0.00	1.00	1.00
SCALE15	0.28	3.55	0.00	0.81	1.23
SCALE17	(0.32)	(4.11)	0.00	0.81	1.23
		R^2=0.891, ANOVA (F)=25.962, P<0.000			

5.3.1.3 Demographic Attributes

Recall in chapter one, the third objective of this study was to determine the influences of demographic factors in implementation of accrual based IPSAS in the LGAs. Implementation of accrual based IPSAS was measured by using three dependent variables namely self efficacy, self assessment and self competence. Demographic attributes constituted six independent variables known as gender, age, marital status, education level, years of service in the LGAs and professional qualification of the respondents. In order to undertake multiple regression analysis

described in chapter four, we recoded demographic attributes into dummy variables. The next sections describe the results of multiple regression analysis.

a. Determinants of Self Efficacy

In Panel A (table 5.28), self efficacy has been involved as dependent variable in order to test the influence of demographic attributes in implementation of accrual based IPSAS in the LGAs. The regression model is significant statistically (R^2=0.29; (F)=7.222, P<0.000) and the association between independent variables as indicated by VIF and Tolerance is good. In addition; gender, age and number of years of service in the LGAs have been found to be significantly related to self efficacy. This means that positive relationship exist between gender and number of years of service in the LGAs while age has a negative association with self efficacy. Apart from that; marital status, education level and professional qualification have not been statistically significant with self efficacy.

Table 5.29: Determinants of Self Efficacy

PANEL A:	Independent Variable	Beta	t-value	Sig.	Tolerance	VIF
Dependent Variable	Constant		3.63	0.00		
Self efficacy	Gender	0.15	1.96	0.05	0.92	1.09
	Age	(0.46)				
			(4.59)	0.00	0.54	1.86
	Marital Status	0.06	0.77	0.44	0.92	1.08
	Education level	0.02	0.26	0.79	0.79	1.27
	Professional qualification	0.08	1.05	0.30	0.97	1.03
	Number of years of service in LGAs	0.45	4.46	0.00	0.54	1.85
			R^2=0.29 ANOVA (F)=7.222, P<0.000			

Also, we conducted stepwise estimation analysis and the results presented in table 5.29. According to our findings, the general model relationship is good (R^2=0.58, ANOVA (F)=9.191, P<0.000). Only one independent variable (Gender) has been found being statistical significant. This leads to acceptance of hypothesis H14.1.

Table 5.30: Determinants of Self Efficacy: Stepwise Estimation

Construct	Beta	t-value	Sig.	Tolerance	VIF
Constant		21.55	0.00		
Gender	(0.24)	(3.03)	0.00	1.00	1.00
		R^2=0.58, ANOVA (F)=9.191, P<0.000			

b. Determinants of Self Assessment

In Panel B (table 5.30), the regression model investigates the association between self assessment and demographic attributes in implementation of accrual based IPSAS. As indicated in the stated table, there is statistical significant in the regression model (R^2=0.61; F=1.538, P<0.000). No any problem with multicollinearity. Two variables namely education level and professional qualification show a significant relationship with self assessment. Education level has a positive significant impact whereas professional qualification shows a negative significant impact with self assessment. The rest of the variables, have insignificant impact with self assessment. The insignificant impact is positive for age, marital status and negative for gender and number of years of service in the LGAs.

Table 5.31: Determinants of Self assessment

PANEL B:						
Dependent Variable		**Beta**	**t-value**	**Sig.**	**Tolerance**	**VIF**
Self Assessment	Constant		3.25	0.00		
	Gender	(0.09)	(1.10)	0.27	0.92	1.09
	Age	0.15	1.32	0.19	0.54	1.86
	Marital Status	0.01	0.06	0.95	0.92	1.08
	Education level	0.12	1.34	0.02	0.79	1.27
	Professional qualification	(0.06)	(7.80)	0.01	0.97	1.03
	Number of years of service in LGAs	(0.02)	(0.18)	0.86	0.54	1.85
			R^2=0.61 ANOVA (F)=1.538, P<0.000			

In addition, as indicated in table 5.31 stepwise estimation analysis was employed. Only one independent construct (age of the respondents) has been reported due to its statistical significance. Our findings are contrary to our proposition H17.2 (refer to table 5.31).

Table 5.32: BB: Determinants of Self Assessment: Stepwise Estimation

Construct	Beta	t-value	Sig.	Tolerance	VIF
Constant		8.86	0.000		
Age	0.20	2.46	0.002	1.000	1.000
		R^2=0.39, ANOVA (F)=6.048, P<0.000			

c. Determinants of Self Competence

For the purpose of testing the influence of demographic attributes in implementation of accrual based IPSAS in the LGAs; self competence has been considered as dependent variable (See Panel C in table 5.32). Our findings indicate a significant negative association between gender, professional qualification and number of years of service in the LGAs. However, age and marital status are not associated with self competence. In general, the regression model is statistically significant and no indication of multicollinearity problem with the outcomes (R^2=0.122; F=3.306, P<0.000).

Table 5.33: Determinants of Self Competence

PANEL C						
Dependent Variable	**Independent Variable**	**Beta**	**t-value**	**Sig**	**Tolerance**	**VIF**
Self Competence	(Constant)		5.41	0.00		
	Gender	(0.16)	(2.01)	0.05	0.92	1.09
	Age	0.05	0.50	0.62	0.54	1.86
	Marital Status	0.13	1.54	0.13	0.92	1.08
	Education level	(0.03)	(0.37)	0.07	0.79	1.27
	Professional qualification	(0.27)	(3.43)	0.00	0.97	1.03
	Number of years of service in LGAs	(0.03)	(0.33)	0.02	0.54	1.85
			R^2=0.122, ANOVA (F)=3.306, P<0.000			

Finally, we also performed stepwise estimation and presented our results in table 5.33. Three independent variables namely professional qualification, education level and gender of the respondents show statistical significance with regression model. Review of the VIF and Tolerance reveals absence of multicollinearity problem. In line with our predictions, the researcher hereby accepts three hypotheses which are H14.3, H16.3 and H19.3 (see table 5.33).

Table 5.34: Determinants of Self Competence: Stepwise Estimation

Construct	Beta	t-value	Sig.	Tolerance	VIF
Constant		22.07	0.00		
Professional Qualification	0.26	3.29	0.00	1.00	1.00
Education level	0.28	3.56	0.00	0.99	1.01
Gender	0.19	2.42	0.00	0.99	1.01
		R^2=0.68, ANOVA (F)=8.52, P<0.000			

CHAPTER SIX
DISCUSSION OF THE FINDINGS

6.0 Introduction

In this chapter, the findings presented in the chapter five are discussed. It has to be recalled that, the study was guided by three research questions; which are:

i. Which factors influence implementation of accrual based IPSAS in the LGAs?
ii. How the identified factors affect implementation of accrual based IPSAS in the LGAs? and
iii. How the demographic factors influence implementation of accrual based IPSAS in the LGAs?

We answered the first research question by testing the reliability and validity of 15 scales which were developed to measure the implementation of accrual based IPSAS in the LGAs. In addition, the researcher obtained the answers to the second and third questions by testing the hypotheses which were established in chapter three. The findings of these questions are discussed as follows.

6.1 Factors influencing implementation of accrual based IPSAS in the LGAs

We conducted factor analysis on 54 items in total. The researchers find that, these items loaded into 15 factors. Therefore, we concluded that these are the factors which influence implementation of accrual based IPSAS in the LGAs. These scales are described as follows.

Firstly, scale3 (professional accountants with high ethical conducts). This means that for the successful implementation of accrual based IPSAS involvement of professional accountants with high ethical conducts is inevitable. In agreement with our findings, past studies concluded that existence of technical support from qualified accountants adds value in implementation of accrual based IPSAS (Christiaens et al., 2010; Christiaens et al., 2015; Whitefield, 2016). Moreover, Hopeworth (2013) and Noor (2017) documented that, there is a need for the government to increase the employment of qualified accountants in the LGAs. This

influence successful implementation of accrual based IPSAS in the LGAs (Whitefield & Savvas, 2016). Moreover, Athukorola (2003) highlighted that implementation of accrual accounting needs trained accountants, particular qualified accountants who can manage the system.

Secondly, scale13 (willingness and support). Our study indicates that presence of willingness and support from the CMT influences the implementation of accrual based IPSAS in the LGAs. In supporting this, Killagane (2016) stated that presence of government commitment affects the whole process of implementation of accrual based IPSAS. Willingness and support by the CMT is depicted when they support training and education needs of the accountants and auditors (Nasi 2008). Also presence of top management willingness to change to accrual basis of accounting and support from external auditors affects accrual based IPSAS implementation (Agasisti, Catalano, Di Carlo, & Erbacci, 2015; Whitefield, 2016).

Thirdly, scale10 (staff experience). Our study revealed that, presence of experienced accountants and auditors in the LGAs influences implementation of accrual based IPSAS. Zeghal & Mhedhbi, (2006) concluded that, implementation of accounting standards needs the involvement of experienced personnel. Generally presence of experienced staff in the government influence the acceptance of IPSAS (Alesani et al., 2012; Tanjeh, 2016).

Fourthly, training necessity and in-house training (scale16 &15). Provision of in-house training in the LGAs affects implementation of accrual based IPSAS. In agreement with our findings, Kaziemah (2017) found that provision of comprehensive training on how to use accrual based IPSAS influences implementation process. In line with our outcomes, Killagane (2016) insisted that training on accrual based IPSAS is inevitable. This is due to the fact that, our accounting education in Tanzania has less focuses on government financial reporting. Most emphasis is under commercial accounting system (Tayib et al., 1999).

Fifthly, scale12 (implementation policies). According to our findings, the policies of the LGAs influences implementation of accrual based IPSAS. Previous findings have

reported that, presence of conducive policies leads to effective implementation of any accounting reforms (Peter Hoek, 2005; Wong, 2004). In addition, Kalulu (2015) highlighted that presence of political will and support from the oversight bodies facilitates implementation of accrual based IPSAS.

Sixthly, scale14 (implementation cost). Most of the LGAs faces challenges in meeting implementation cost of accrual based IPSAS. Connolly (2006) added that implementation of accrual based IPSAS is expensive system with fewer benefits to developing countries. This implies that, cost of implementing accrual based affects the whole implementation process. In addition, Ahmad, (2016) reported that high IPSAS implementation cost affects adoption of accrual based IPSAS.

Finally, other factors reported by our findings include scale4 (sanctions by regulatory authorities), scale17 (pressure from development partners), scale6 (future business opportunities including attraction of development partners) and scale8 (publication of financial statements). Contributions of these factors were 60% or more of the total variance explained (Field 2005). Our results concur with previous studies like (Azmi & Mohamed, 2014; Edeigba, 2017; Hamisi, 2012; Zeghal & Mhedhbi, 2006). Generally, such studies concluded that, implementation of accrual based IPSAS is influenced by external pressure, fear of losing donor funded projects and effective of consolidated financial statements of the entire government.

6.2 Effects of the identified factors in implementation of accrual based IPSAS in the LGAs

As stated in chapter five, we used the results of PCA generated from factor analysis to conduct multiple regressions analysis. The purpose of this was to obtain the answers to our second research question. This question aimed at addressing the effects of the identified factors in implementation of accrual based IPSAS in the LGAs. Implementation of accrual based IPSAS, being our dependent variable constituted three constructs namely self efficacy, self assessment and self competence. We constructed hypotheses in chapter three in order to answer our

second research question. The next subsections presents the results of hypotheses testing reported in chapter five.

6.2.1 Self Efficacy and Accounting-cultural values

In line with our second research question, the researcher developed thirteen hypotheses related to self efficacy. We used scale3 to scale9 to explore the relationship between self efficacy and accounting-cultural values. The part below discuses the results of each hypothesis presented in chapter five.

According with the results presented in table 5.17, the main determinants of self efficacy are scale3 (professional accountants with high ethical conducts) and scale9 (standardized financial statements). The stated scales significantly influences self efficacy. This means that, scale3 and scale9 positively influences implementation of accrual based IPSAS at significant level. Our findings are consistent with Azmi & Mohamed (2014) and Connolly & Hyndman, (2006) who concluded that qualified accountants are highly self reliant in implementation of accounting standards. Basing on our findings, the researcher fully accepts hypotheses H1.1 and H7.1 while rejecting scales4 to scale8. In addition, professional accountants are more competent in adoption and implementation of accounting system (Zeghal & Mhedhbi, 2006).

6.2.2 Self Assessment and Accounting-cultural values

Recall, in order to answer our second research question, the researcher developed thirteen hypotheses related to self assessment. We used scale3 to scale9 to explore the relationship between self assessment and accounting-cultural values (see table 5.18). The next part discuses the results of each hypothesis presented in chapter five.

Our findings provide a strong support for hypothesis H7.2 (refer table 5.19). This means that scale9 positively affects self assessment at significant level. Supporting our results, Kalulu (2015) in his paper presented to the IFAC Roundtable Meeting in Ghana, highlighted that standardized financial statements in the LGAs facilitates consolidation of government financial statements. He further added that, development of uniform financial reporting formats influences self assessment of the LGAs in the consolidation process.

In addition, Killagane (2016) in his presentation to accountants and auditors conference emphasized that, the government has not full engagement of professional accountants in the LGAs regarding implementation of accrual based IPSAS. This poses a challenge towards the use of standardized financial statements format in the LGAs.

6.2.3 Self Competence and Accounting-cultural values

In order to measure self competence as one of our dependent variable, the researcher developed thirteen hypotheses. Findings for these hypotheses are presented in table 5.20 and table 5.21. We tested the relationship between self competence and accounting cultural values by using scale3 to scale9.

Examinations of table 5.21 suggest that scale3 and scale9 have been found having significant positive influence to self competence in implementation of accrual based IPSAS. Recall, scale3 stands for professional accountants while scale9 stands for standardized financial statements. Our results provide fully support to hypotheses H1.3 and H7.3. This leads to the rejection of the rest of the hypotheses having scales4 to scale8. In line with our results, we proposed a positive relationship between professionalism and self competence. Supporting our findings Tanjeh (2016) stated that probability of adoption and implementation of accrual based IPSAS increases when implementers have the required knowledge and skills.

Apart from that, our results are inconsistency with the rest of the hypotheses under self competence. As shown in table 5.21, scale4 to scale8 show insignificant relationship with self competence. There is no statistical significant between self competence and scale4 to 8. This implies that, implementation of accrual based IPSAS is not affected by scale4 to 8.

6.2.4 Self Efficacy and Practical Factors

Recall in chapter five we performed PCA which resulted into eight components under practical factors (independent variables). These components are known as scale10 to scale17. The researcher undertook multiple regressions analyses for these

scales against self efficacy (dependent variable). The results of this were presented in chapter five. The ensuing part describes the results.

The researcher proposed existence of positive association between staff knowledge and experience and self efficacy (H9.1). As stated in table 5.23, scale10 supports our hypothesis. Remember scale10 represents staff experience. Our findings are in agreements with past studies such as (Abimbola, Kolawole, & Olufunke, 2017; Tanjeh, 2016; Zeghal & Mhedhbi, 2006). Moreover, Kalulu (2015) emphasized that the availability of experienced staff speeds up the implementation of accrual based IPSAS. The researcher also tested the effect of scale11 to sacle17 to self efficacy in implementation of accrual based IPSAS. According to results depicted in table 2.17A, there is no statistical significant relationship between scale11, 12, 13,14,15,16 and 17 to self efficacy. Our findings are somehow supported by past studies (Christiaens et al., 2010; Hamisi, 2012; Zeghal & Mhedhbi, 2006).

6.2.5 Self Assessment and Practical Factors

Under this part, only scale10 and scale15 shows significant negative effect to self assessment in implementation of accrual based IPSAS (refer to table 2.17BB). This is not in agreement with our proposed hypotheses (H9.2 and H11.2). Recall scale10 stands for understanding and skills whereas scale15 represents training necessity. The main factors which may contribute to our findings may be inadequate training to LGAs accountants and auditors (Whitefield, 2016). Also, according to self assessment frequency result presented in table 4.2, most of the LGAs accountants don't have adequate understanding and knowledge regarding accrual based IPSAS.

6.2.6 Self Competence and Practical Factors

Recall in Panel C (table 5.26) we presented the outcomes of multiple regressions analysis for self competence against practical factors (scale10 to scale17). This part discusses such results against our hypotheses.

As presented in table 5.27, three scales namely scale10, scale15 and scale17 have been reported having significant association with self competence of the respondents. Our results lead to partial acceptance of two hypotheses namely H9.3 and H13.3 as

well as full acceptance of only one hypothesis labeled H11.3. Recall scale10 represents staff experience, scale15 training necessity and scale17 pressure from development partners. Generally our result means that there is a positive significant relationship between staff training and self competence. Findings indicate that, increase in staff training leads to an increase in self competence. Past literature (for example, Ahmad (2016; and Azmi & Mohamed (2014) indicates that individuals who are frequently trained are more competent than others who are not frequently trained.

Furthermore, the study reported a significant negative relationship between external pressure and self competence (H13.3). As evidenced in past studies, implementation of accrual based IPSAS is highly influenced by external pressure from development partners (Christiaens et al., 2015; Edeigba, 2017; Wong, 2004; Zeghal & Mhedhbi, 2006). In line with our findings, it means that external pressure as measured by scale17 (development partner) plays a significant role in implementation of accrual based IPSAS.

6.3 The influence of demographic factors on implementation of accrual based IPSAS in the LGAs

Recall in chapter two, the researcher intended to examine how demographic attributes such as gender, marital status, education level, age, professional qualification and years of service in the LGAs influences implementation of accrual based IPSAS in the LGAs. Basing our objective, we conducted multiple regression analysis followed by stepwise estimation analysis. The next subparts describe our results.

6.3.1 Self efficacy and Demographic Attributes

We generated six hypotheses in this part as stated in chapter three. Our findings in each hypothesis are discussed as follows.

According to our findings, there is a significant positive relationship between gender and self efficacy. This means that gender differences significantly influences self efficacy. Our results indicates that, female are more self efficacy than males. This means that, females are more capable to implement accrual based IPSAS than males.

Previous studies reported against our findings that males are highly efficacy than females in adoption and implementation of accrual based IPSAS.

6.3.2 Self assessment and Demographic Attributes

Our findings are against hypothesis (H17.2) in the sense that, a positive relationship exists between age and self assessment. Statistically, such relationship is significant (see table 5.31). The rest of demographic attributes don't have significant association with self assessment in implementation of accrual based IPSAS.

6.3.3 Self Competence and Demographic Attributes

According with our findings, there is existence of significant positive relationship between gender, professional qualification and education level and self competence in implementation of accrual based IPSAS. Such positive impacts are consistent with hypotheses H14.3, H16.3 and H19.3. Review of past studies indicate that, the existence of positive association between education and professional qualification in implementation of IPSAS (Ahmad, 2016; Edeigba, 2017; Tanjeh, 2016). In addition, age and marital status were found not to have any impact with self competence. Hence hypotheses H13.3 and H15.3 rejected.

CHAPTER SEVEN
SUMMARY, CONCLUSION AND RECOMMENDATIONS

7.0 Introduction

This study examined the implementation of accrual based IPSAS in the LGAs. It contains three research objectives. The first objective was to identify the factors which influence implementation of accrual based IPSAS in the LGAs. The second was to examine the effects of the identified factors in implementation of accrual based IPSAS in the LGAs. The last objective was to explore how demographic attributes influence implementation of accrual based IPSAS in the LGAs. Basing on these objectives, this chapter presents the summary of significant findings, conclusions and recommendations as well as determination of gaps for further researches.

7.1 Summary of Findings

The results of this research regarding implementation of accrual based IPSAS in the LGAs may be summarised as follows. According to our findings, 15 factors have been identified as the factors which influence implementation of accrual based IPSAS in the LGAs. Such factors include staff experience, understanding and skills, in-house training necessity, involvement of professional accountants with high ethical conducts and hope for future business opportunities including attraction of development partners. In addition, other factors which were determined to influence implementation of accrual based IPSAS in the LGAs are publication of financial statements with standardized format, willingness and support from top management and disclosure of related party transactions.

Apart from that, the study also examined how the identified factors affect implementation of accrual based IPSAS in the LGAs. Our findings show that dimensions which significantly influences implementation of accrual based IPSAS in the LGAs are staff experience (scale10), in-house training necessity (scale15), understanding and skills (scale11), involvement of professional accountants (scale3) and publication of financial statements with standardized format (scale9). Other

factors are such as sanctions by regulatory authorities (scale4), pressure from development partners (scale17) and adequate implementation policies (scale12).
Finally, the study intended also to examine the influences of demographic factors in implementation of accrual based IPSAS in the LGAs. According to our findings discussed in chapter six; gender, professional qualification and education level were found to have a positive significant influence while age and number of years of service in the LGAs had negative impact in the implementation of accrual based IPSAS in the LGAs.

7.2 Conclusion

The main purpose of this research was to examine the implementation of accrual based IPSAS in the LGAs. The first research question needed to identify the factors which influence implementation of accrual based IPSAS in the LGAs. Basing on the extensive literature review described in chapter two and three, the study developed lists of constructs in order to answer the first research question. The researcher used PCA in order to reduce the factors into the required variables (Azmi & Mohamed, 2014; Zeghal & Mhedhbi, 2006). The results of factor analysis led to the determination of 15 scales standing for the factors which influence implementation of accrual based IPSAS in the LGAs.

The second research question aimed at examining the effects of the identified factors in implementation of accrual based IPSAS in the LGAs. For the purpose of answering this question, we conducted multiple regression analysis so as to examine the impacts of the identified factors in implementation of accrual based IPSAS in the LGAs. The researcher found existence of positive significant association between implementation of accrual based IPSAS and staff experience (scale10), in-house training necessity (scale15), understanding and skills (scale11), involvement of professional accountants (scale3) and publication of financial statements with standardized format (scale9). Such findings give some empirical evidence to support our hypotheses H9.1a, H9.2b, H11.3c, H1.1a and H2.1c.

The final research question sought to determine how demographic attributes influence implementation of accrual based IPSAS in the LGAs. Using multiple

regression analysis, we find that professional qualification, education level and gender are demographic constructs responsible for influencing implementation of accrual based IPSAS in the LGAs. On the other hand, it was determined that marital status and number of years of service in the LGAs had insignificant impact in implementation of accrual based IPSAS.

7.3 Recommendations

Basing on the research findings and the reviewed literature, in this subsection, we present the study recommendations as follows.

Our findings indicated 15 factors which influence implementation of accrual based IPSAS in the LGAs. It is hereby recommended that, LGAs should take into account the stated factors in order to ensure effective implementation of accrual based IPSAS. In addition, learning institutions in Tanzania should introduce accrual based IPSAS in their curriculum. This will assist to build a strong understanding and skills among the expected accountants and auditors. This recommendations are in line with previous studies (Ahmad, 2016; Azmi & Mohamed, 2014; Christiaens et al., 2015; Edeigba, 2017; Zeghal & Mhedhbi, 2006).

7.4 Areas for Future Studies

As stated in section 1.5 that, the current study on implementation of accrual based IPSAS in the LGAs contributes to the literature on IPSAS implementation in Tanzania. Apart from that, this research has the following limitations.

The first limitation is involvement of only 7 LGAs found in Dodoma region out 185 LGAs in Tanzania. Further studies should be done which takes into account the rest of the LGAs in Tanzania. This could lead to great generalization regarding the implementation of accrual based IPSAS in the LGAs in Tanzania.

Secondly, we employed data from the field. This led to the development of new constructs to measure implementation of accrual based IPSAS in the LGAs. However, our findings were in agreement with the applicability of the constructs in our LGAs environment. The researcher recommends that future studies should be

done in order to test the application and relevance of these constructs in the remaining LGAs in Tanzania and abroad.

Third, in our study only questionnaires was employed to collect data from the respondents. For further researches, interviews, observations and focus group discussion can be employed to add more value. This will add inner perspective regarding the asked questions and could assist in elaboration of various doubts which may arise during the data collection process.

Lastly, we faced difficulties on how to measure implementation of accrual based IPSAS which constituted our dependent variable. Although finally we agreed to use self efficacy, self assessment and self competence (see section 3.2.1). We recommend further studies to be done which examine the alternative way of measuring implementation of accrual based IPSAS in the rest LGAs in Tanzania and/ or abroad.

****

REFERENCES

Abimbola, O., Kolawole, A., & Olufunke, A. (2017). Impact of International Public Sector Accounting Standards (IPSAS) Adoption on Financial Accountability in Selected Local Governments of Oyo State, Nigeria. *Asian Journal of Economics, Business and Accounting*, *3*(2), 1–9. https://doi.org/10.9734/AJEBA/2017/33866

Adhikari, P., & Mellemvik, F. (2010). The adoption of IPSASs in South Asia: A comparative study of seven countries. In *Research in Accounting in Emerging Economies* (pp. 169–199). Emerald Group Publishing Limited.

Adhikari, P., & Mellemvik, F. (2011). The rise and fall of accruals: A case of Nepalese central government. *Journal of Accounting in Emerging Economies*, *1*(2), 123–143. https://doi.org/10.1108/20421161111138495

Agasisti, T., Catalano, G., Di Carlo, F., & Erbacci, A. (2015). Accrual accounting in Italian universities: A technical perspective. *International Journal of Public Sector Management*, *28*(6), 494–508. https://doi.org/10.1108/IJPSM-02-2015-0026

Ahmad, N. N. (2016). Investigating the Factors Influencing Users' Resistance towards Accrual Accounting. *Procedia Economics and Finance*, *35*, 17–26.

Alesani, D., Jensen, G., & Steccolini, I. (2012). IPSAS adoption by the World Food Programme: An application of the contingency model to intergovernmental organisations. *International Journal of Public Sector Performance Management*, *2*(1), 61. https://doi.org/10.1504/IJPSPM.2012.048744

Antwi, K. (2010). THE ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS IN DEVELOPING COUNTRIES-The Case of Ghana.

Azmi, A. H., & Mohamed, N. (2014). Readiness of Malaysian public sector employees in moving towards accrual accounting for improve accountability: The case of Ministry of Education (MOE). *Procedia-Social and Behavioral Sciences*, *164*, 106–111.

Babatunde, S. A.(2009) IMPLEMENTING INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS IN NIGERIA: ISSUES AND CHALLENGES.

Barth, M. E. (2008). Global financial reporting: Implications for US academics. *The Accounting Review*, *83*(5), 1159–1179.

Bellanca, S., & Vandernoot, J. (2014). International public sector accounting standards (IPSAS) implementation in the European Union (EU) member states. *Journal of Modern Accounting and Auditing*, *10*(3).

Borker, D. R. (2012). Accounting, culture, and emerging economies: IFRS in the BRIC countries. *Journal of Business & Economics Research (Online)*, *10*(5), 313.

Borker, D. R. (2013). Is there a favorable cultural profile for IFRS? An examination and extension of Gray's accounting value hypotheses. *The International Business & Economics Research Journal (Online)*, *12*(2), 167.

Borker, D. R. (2016a). Global management accounting principles and the worldwide proliferation of IFRS. *The Business & Management Review*, *7*(3), 258.

Borker, D. R. (2016b). Gauging the Impact of Country-Specific Values on the Acceptability of Global Management Accounting Principles. *European Research Studies*, *19*(1), 149.

Carlin, T. M. (2005). Debating the impact of accrual accounting and reporting in the public sector. *Financial Accountability & Management*, *21*(3), 309–336.

Chanchani, S., & Willett, R. (2004). An empirical assessment of Gray's accounting value constructs. *The International Journal of Accounting*, *39*(2), 125–154.

Christensen, M. (2017). Financial Reporting. *Global Encyclopedia of Public Administration, Public Policy, and Governance*, 1–6.

Christiaens, J., Reyniers, B., & Rollé, C. (2010). Impact of IPSAS on reforming governmental financial information systems: A comparative study. *International Review of Administrative Sciences*, *76*(3), 537–554. https://doi.org/10.1177/0020852310372449

Christiaens, J., Vanhee, C., Manes-Rossi, F., Aversano, N., & van Cauwenberge, P. (2015). The effect of IPSAS on reforming governmental financial reporting: An international comparison. *International Review of Administrative Sciences*, *81*(1), 158–177. https://doi.org/10.1177/0020852314546580

Connolly, C., & Hyndman, N. (2006). The actual implementation of accruals accounting: Caveats from a case within the UK public sector. *Accounting, Auditing & Accountability Journal*, *19*(2), 272–290.

Dabbicco, G. (2015). The Impact of Accrual-Based Public Accounting Harmonization on EU Macroeconomic Surveillance and Governments' Policy Decision-Making. *International Journal of Public Administration*, *38*(4), 253–267. https://doi.org/10.1080/01900692.2015.999581

Deegan, C. (2006). Legitimacy theory. *Methodological Issues in Accounting Research: Theories and Methods*, 161–182.

DiMaggio, P., & Powell, W. W. (1983). The iron cage revisited: Collective rationality and institutional isomorphism in organizational fields. *American Sociological Review*, *48*(2), 147–160.

Donaldson, L., & Davis, J. H. (1991). Stewardship theory or agency theory: CEO governance and shareholder returns. *Australian Journal of Management*, *16*(1), 49–64.

Duenya, M. I., Upaa, J. U., & Tsegba, I. N. (2017). Impact Of International Public Sector Accounting Standards Adoption On Accountability In Public Sector Financial Reporting In Nigeria. *Archives of Business Research*, *5*(10).

Edeigba, J. (2017). *An Investigation of the challenges in International Financial Reporting Standards' adoption: evidence from Nigerian publicly accountable companies*: Lincoln University.

Eisenhardt, K. M. (1989). Agency theory: An assessment and review. *Academy of Management Review*, *14*(1), 57–74.

Geels, F. W. (2004). From sectoral systems of innovation to socio-technical systems: Insights about dynamics and change from sociology and institutional theory. *Research Policy*, *33*(6), 897–920.

Goddard, A., Assad, M., Issa, S., Malagila, J., & Mkasiwa, T. A. (2016). The two publics and institutional theory–A study of public sector accounting in Tanzania. *Critical Perspectives on Accounting*, *40*, 8–25.

Godfrey, J., Hodgson, A., Tarca, A., Hamilton, J., & Holmes, S. (2010). *Accounting theory.*

Gomes, P. S., Fernandes, M. J., & Carvalho, J. B. D. C. (2015). The International Harmonization Process of Public Sector Accounting in Portugal: The Perspective of Different Stakeholders. *International Journal of Public Administration*, *38*(4), 268–281. https://doi.org/10.1080/01900692.2015.1001237

Gray, S. J. (1988). Towards a theory of cultural influence on the development of accounting systems internationally. *Abacus*, *24*(1), 1–15.

Gruening, G. (2001). Origin and theoretical basis of New Public Management. *International Public Management Journal*, *4*(1), 1–25.

Guerreiro, M. A. S. (2012). Essays on the institutionalisation of a new accounting regime for unlisted companies in Portugal.

Guthrie, J. (1998). Application of accrual accounting in the Australian public sector–rhetoric or reality. *Financial Accountability & Management*, *14*(1), 1–19.

Guthrie, J., Olson, O., & Humphrey, C. (1999). Debating developments in new public financial management: The limits of global theorising and some new ways forward. *Financial Accountability & Management*, *15*(3-4), 209–228.

Hamisi, S. (2012). The Factors Affecting the Implementation of International Public Sector Accounting Standards in Kenya. *Unpublished Master's Thesis*.

Hood, C. (1995). The "new public management" in the 1980s: Variations on a theme. *Accounting, Organizations and Society*, *20*(2-3), 93–109. https://doi.org/10.1016/0361-3682(93)E0001-W

Huang, H. J., Hooper, K., & Sinclair, R. (2013). China's participation and resistance in adopting Western accounting practices.

Ilie, E., & Miose, N.-M. (2012). IPSAS and the Application of These Standards in the Romania. *Procedia-Social and Behavioral Sciences*, *62*, 35–39.

Kiugu, F. (2010). a survey of perception on the adoption of international public sector accounting standards by local authorities in Kenya. *Unpublished MBA Project, University of Nairobi*.

Kothari, C. R. (2004). *Research methodology: Methods and techniques*: New Age International.

Lancaster, K. J. (1966). A new approach to consumer theory. *Journal of Political Economy*, *74*(2), 132–157.

Liebowitz, S. J., & Margolis, S. E. (1994). Network externality: An uncommon tragedy. *The Journal of Economic Perspectives*, *8*(2), 133–150.

Olaoye, S. A., & Aguguom, T. A. Justification for IFRS in Sub-Sahara African Countries: A case of Multinational Corporations.

Oulasvirta, L. (2014). The reluctance of a developed country to choose International Public Sector Accounting Standards of the IFAC. A critical case study. *Critical Perspectives on Accounting*, *25*(3), 272–285. https://doi.org/10.1016/j.cpa.2012.12.001

Patton, M. Q. (2005). *Qualitative research*: Wiley Online Library.

Paulsson, G. (2006). Accrual accounting in the public sector: Experiences from the central government in Sweden. *Financial Accountability & Management*, *22*(1), 47–62.

Perera, H., Cummings, L., & Chua, F. (2012). Cultural relativity of accounting professionalism: Evidence from New Zealand and Samoa. *Advances in Accounting*, *28*(1), 138–146. https://doi.org/10.1016/j.adiac.2012.03.006

Perumpral, S. E., Evans, M., Agarwal, S., & Amenkhienan, F. (2009). The evolution of Indian accounting standards: Its history and current status with regard to International Financial Reporting Standards. *Advances in Accounting*, *25*(1), 106–111.

Pina, V., & Torres, L. (2003). Reshaping public sector accounting: an international comparative view. *Canadian Journal of Administrative Sciences/Revue Canadienne Des Sciences De L'Administration*, *20*(4), 334–350.

Rodríguez Bolívar, M. P., & Galera, A. N. (2016). The effect of changes in public sector accounting policies on administrative reforms addressed to citizens. *Administration & Society*, *48*(1), 31–72.

Ross, S. A. (1973). The economic theory of agency: The principal's problem. *The American Economic Review*, *63*(2), 134–139.

Schumesch, P. (Ed.) 2013. *Towards a new era in government accounting and reporting*: PwC.

Schumesch, P. (Ed.) 2015. *Towards a new era in government accounting and reporting*: PwC.

Tanjeh, M. S. (2016). Factors Influencing the Acceptance of International Public Sector Accounting Standards in Cameroon. *Accounting and Finance Research*, *5*(2). https://doi.org/10.5430/afr.v5n2p71

Tayib, M., Coombs, H. M., & Ameen, J.R.M. (1999). Financial reporting by Malaysian local authorities. *International Journal of Public Sector Management*, *12*(2), 103–121. https://doi.org/10.1108/09513559910263453

Thompson, M., Ellis, R., & Wildavsky, A. (1990). *Cultural theory*: Westview Press.

Tiede, W., & Krispenz, S. (2006). The new public accounting law in Albania–the current situation and the introduction of IPSAS to systems of public accounting. *Sigma*.

Tiede, W., & Krispenz, S. (2007). The new public accounting law in Albania – the current situation and the introduction of IPSAS to systems of public accounting. *SEER Journal for Labour and Social Affairs in Eastern Europe*, *10*(2), 119–130. https://doi.org/10.5771/1435-2869-2007-2-119

Torres, L., & Pina, V. (2003a). Accounting for accountability and management in NPOs. A comparative study of four countries: Canada, the United Kingdom, the USA and Spain. *Financial Accountability & Management*, *19*(3), 265–285.

Torres, L., & Pina, V. (2003b). Local government financial reporting in the USA and Spain. A comparative study. *Spanish Journal of Finance and Accounting/Revista Española De Financiación Y Contabilidad*, *32*(115), 153–183.

Uddin, S., & Tsamenyi, M. (2010). *Research in accounting in emerging economies*. *Research in accounting in emerging economies*. Bingley, U.K.: Emerald.

Van der Peter Hoek, M. (2005). From cash to accrual budgeting and accounting in the public sector: The Dutch experience. *Public Budgeting & Finance*, *25*(1), 32–45.

Watts, R. L., & Zimmerman, J. L. (1978). Towards a positive theory of the determination of accounting standards. *The Accounting Review*, 112–134.

Whitefield, A. A. (2016). The Adoption and Implementation of the International Public Sector Accounting Standards: The Levels of Adoption and Implementation of IPSAS by United Nations in Nairobi. *Journal of Public Policy and Administration*, *1*(1), 49–57.

Whitefield, A. A., & Savvas, P. (2016). The Adoption and Implementation of the International Public Sector Accounting Standards: The challenges faced by the United Nation in producing UN-IPSAS compliant financial reports in Kenya. *International Journal of Finance and Accounting*, *1*(1), 75–91.

Wong, P. (Ed.) 2004. *Challenges and successes in implementing international standards: achieving convergence to IFRSs and ISAs*: IFAC New York.

Zaman Mir, M., & Shiraz Rahaman, A. (2005). The adoption of international accounting standards in Bangladesh. *Accounting, Auditing & Accountability Journal*, *18*(6), 816–841. https://doi.org/10.1108/09513570510627720

Zeghal, D., & Mhedhbi, K. (2006). An analysis of the factors affecting the adoption of international accounting standards by developing countries. *The International Journal of Accounting*, *41*(4), 373–386. https://doi.org/10.1016/j.intacc.2006.09.009

APPENDINCES

APPENDIX 1 -SURVEY INSTRUMENT

Dear Sir/Madam

You are invited to participate in a survey that constitutes part of my Masters Research at Mzumbe University, School of Business. This is part of my research project entitled "**Implementation of accrual based International Public Sector Accounting Standards (IPSAS) in the Local Government Authorities (LGAs). A Case of Dodoma Region**". Specifically this study aims at determining the factors influencing implementation of accrual based IPSAS in the LGAs and the effects of the identified factors in implementation of accrual based IPSAS. In addition, the effects of demographic factors will be considered.

Your involvement in this research is voluntary and you are free to decide not to participate in the research by returning the incomplete questionnaire. However, if you complete the questionnaire and return it to me, it will be understood that you are 18 years of age or older and have consented to participate in this survey and consent to publication of the results of this research with the understanding that anonymity will be preserved. Your participation is of great assistance to this study. This survey will take a maximum of 40 minutes to complete. I would be grateful if you would complete the questionnaire and return it to me once you have finished by using appropriate channel.

Complete anonymity is assured in this survey, as the questionnaire is anonymous. No questions are asked which would identify you as an individual. Returning the questionnaire is completely anonymous and you do not need to include your name or details in any part of the questionnaire. All responses will be aggregated for analysis only, and the findings will not be reported in any way that could lead to the identification of individuals. Thank you for your kind co-operation and assistance.

Yours sincerely,

Charles

The contact details of the researcher are: Charles K Matekele, Student Msc. Accounting & Finance, Mzumbe University School of Business, Email: ckmatekele16@mustudent.ac.tz, or matekele@gmail.com, or Charles.matekele@lgti.ac.tz. Mob: +255 753 951 384 **OR** researcher's supervisor Dr Gabriel V. Komba, Mzumbe University School of Business, Email: gkomba@mzumbe.ac.tz, Mob: +255 784 314 456.

PART 1: DEMOGRAPHIC INFORMATION

Please **CIRCLE** the option that best describes your answer.

1. What is your gender?
    A. Male
    B. Female
2. What is your age?
    A. 18 – 25 years
    B. 26 – 35 years
    C. 36 -45 years
    D. 46 years and above
3. What is your marital status?
    A. Single
    B. Married
    C. Divorced
4. What is your academic qualification?
    A. Certificate in accounting
    B. Diploma in accounting
    C. Bachelor Degree in accounting
    D. Masters Degree
5. What is your professional qualification?
    A. CPA
    B. ACCA
    C. Others please specify……..
6. For how long have you worked with the LGAs? (Please state in number of years……)

PART 2: ACCRUAL BASED IPSAS IMPLEMENTATION IN THE LGAs

1. What is your self assessment about implementation of accrual based IPSAS in the LGAs?
    A. Moderately knowledgeable
    B. Not knowledgeable at all
    C. Fairly knowledgeable
    D. Not very knowledgeable
    E. Very knowledgeable
2. How do you assess your competences in implementation of accrual based IPSAS?
    A. Not competent
    B. Somewhat competent
    C. Uncertain
    D. Competent
    E. Highly competent

PLEASE GO TO NEXT PAGE

3. Below is a series of statements about your **self-efficacy** in relation to implementation of accrual based IPSAS. Please **CIRCLE** how strongly you agree or disagree with each of the following statements on a scale of 1 to 5, as indicated.

STATEMENTS	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Self-efficacy					
I feel insecure about my ability to implement accrual based IPSAS	1	2	3	4	5
If I can't implement accrual based IPSAS, I keep trying until I can	1	2	3	4	5
When learning a new accrual based IPSAS, I soon give up if I am not initially successful	1	2	3	4	5
I avoid trying to learn new accrual based IPSAS when they look too difficult for me	1	2	3	4	5
Do not circle any number if you are reading this statement	1	2	3	4	5
I don't seem capable of dealing with most of challenges that come up when implementing accrual based IPSAS	1	2	3	4	5
It is difficult for me to apply a new accrual based IPSAS	1	2	3	4	5
I am a self reliant person when implementing accrual based IPSAS	1	2	3	4	5

PART 3: ACCOUNTING CULTURAL FACTORS

Below is a series of statements about the stated accounting cultural factors in relation to implementation of accrual based IPSAS. Please **CIRCLE** how strongly you agree or disagree with each of the following statements on a scale of 1 to 5, as indicated.

STATEMENTS	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Professionalism					
Professional accountants are the best judges of how to measure LGA's financial position and performance	1	2	3	4	5
Professional accountants are in the best position to know what to disclose and present in the accrual based IPSAS financial statements of the LGAs	1	2	3	4	5
Professional accountants in the LGAs should maintain high standards of ethical conducts	1	2	3	4	5
Please circle under column numbered 3 if you are reading this statement	1	2	3	4	5
Professionalism in accounting profession should be highly considered	1	2	3	4	5
Statutory Control					
Depreciation rates and rules should be set externally, specifically for separate groups of assets	1	2	3	4	5
Financial statements of the LGAs that deviates from accrual based IPSAS should result in sanctions by the regulatory agencies of the government	1	2	3	4	5
Conservatism					
LGAs should use fair value instead of historical cost when measuring non exchange transactions	1	2	3	4	5
Fair value should be generally used instead of historical costs	1	2	3	4	5

If in doubt of accounting policies, revenue and assets should be measured downward	1	2	3	4	5
In times of rising prices LIFO instead of FIFO should be used in calculations as estimates	1	2	3	4	5
Optimism					
Prescription of accrual based IPSAS provides non-financial benefits to the LGAs and ensure future business success	1	2	3	4	5
Implementation of accrual based IPSAS in the LGAs is very important for my LGAs future business opportunities and attraction of development partners	1	2	3	4	5
Secrecy					
Information about Related Party Transactions should not be included in the financial statements of the LGAs.	1	2	3	4	5
Management's financial performance forecasting should be included in the financial statements of the LGAs	1	2	3	4	5
Only a minimum amount of detailed information should be included in LGAs financial statements	1	2	3	4	5
Transparency					
Financial statements of the LGAs should be published and available to general public rather than restricted to Management and other stakeholders	1	2	3	4	5
Prescription of the accrual based IPSAS provides reliability on the financial statements of the LGA	1	2	3	4	5
Transactions related to Council Management Team and Councilors should be included and disclosed in the financial statements of the LGAs.	1	2	3	4	5
Uniformity					
Once accounting policies and measurement are chosen they	1	2	3	4	5

should not be changed					
Financial statements of all LGAs should have standardized format	1	2	3	4	5
Please do not respond to this statement if you are reading it now	1	2	3	4	5
The level of detailed standardisation of financial statements of the LGAs should be increased	1	2	3	4	5
Flexibility					
Accounting profession and practices should be self-regulated	1	2	3	4	5
Accrual based IPSAS should be prescribed but its implementation should be voluntary	1	2	3	4	5

PART 4: PRACTICAL FACTORS

Please express your feelings and opinions by indicating your preferred statement regarding the practical factors in implementation of accrual based IPSAS. Please **CIRCLE** how strongly you agree or disagree with each of the following statements on a scale of 1 to 5, as indicated.

STATEMENTS	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Staff knowledge and experience					
I have knowledge and skills to implement accrual based IPSAS	1	2	3	4	5
It is very easy for me to implement accrual based IPSAS	1	2	3	4	5
I can implement accrual based IPSAS without any assistance	1	2	3	4	5
LGAs has accountants and auditors who have knowledge and experience in accrual based IPSAS	1	2	3	4	5
I can interpret accrual based IPSAS financial statements	1	2	3	4	5
I have understanding of accrual based IPSAS accounting policies	1	2	3	4	5
I am personally qualified and skilled with the implementation of accrual based IPSAS	1	2	3	4	5
Top Management Support					
The policies of the LGAs provides supportive environments for the implementation of accrual based IPSAS	1	2	3	4	5
Tune at the top affects implementation of accrual based IPSAS	1	2	3	4	5
Involvement of top management facilitates implementation of accrual based IPSAS	1	2	3	4	5
Please circle under column numbered 5 if you are reading this statement	1	2	3	4	5
Policies related to financial management and budgeting supports implementation of accrual based IPSAS	1	2	3	4	5

Cooperation between top management and staff (accountants and auditors) supports implementation of accrual based IPSAS	1	2	3	4	5
Management of the LGAs shows willingness and readness to support implementation of accrual based IPSAS	1	2	3	4	5
Top Management decisions supports implementation of accrual based IPSAS	1	2	3	4	5
Implementation cost					
I find accrual based IPSAS implementation process expensive for my LGAs	1	2	3	4	5
Implementation of accrual based IPSAS increases the costs of preparing and presenting financial statements	1	2	3	4	5
It is expensive for the LGAs to train staff on accrual based IPSAS	1	2	3	4	5
Staff training					
If trained, I can implement accrual based IPSAS effectively	1	2	3	4	5
My LGAs provides in house training for accrual based IPSAS	1	2	3	4	5
Please do not respond to this statement if you are reading it now	1	2	3	4	5
I rottenly participate in accrual based IPSAS training	1	2	3	4	5
I consider staff training necessary for implementation of accrual based IPSAS	1	2	3	4	5
External pressure					
Development partners influences implementation of accrual based IPSAS	1	2	3	4	5
Please circle under column numbered 3 if you are reading this statement	1	2	3	4	5
External auditors affects implementation of accrual based IPSAS	1	2	3	4	5
The more the LGAs is exposed to	1	2	3	4	5

international pressure, the more likely to implement accrual based IPSAS					

==========**Thank You Very Much for your Participation**========

APPENDIX 2

LIST OF ACCRUAL BASED INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)

#	Title	Based on
IPSAS 1	Presentation of Financial Statements	IAS 1
IPSAS 2	Cash Flow Statements	IAS 7
IPSAS 3	Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8
IPSAS 4	The Effects of Changes in Foreign Exchange Rates	IAS 21
IPSAS 5	Borrowing Costs	IAS 23
IPSAS 6	Consolidated and Separate Financial Statements	IAS 27
IPSAS 7	Investments in Associates	IAS 28
IPSAS 8	Interests in Joint Ventures	IAS 31
IPSAS 9	Revenue from Exchange Transactions	IAS 18
IPSAS 10	Financial Reporting in Hyperinflationary Economies	IAS 29
IPSAS 11	Construction Contracts	IAS 11
IPSAS 12	Inventories	IAS 2
IPSAS 13	Leases	IAS 17
IPSAS 14	Events After the Reporting Date	IAS 10
IPSAS 15	Financial Instruments: Disclosure and Presentation	

	(superseded by IPSAS 28 and IPSAS 30)	
IPSAS 16	Investment Property	IAS 40
IPSAS 17	Property, Plant and Equipment	IAS 16
IPSAS 18	Segment Reporting	IAS 14
IPSAS 19	Provisions, Contingent Liabilities and Contingent Assets	IAS 37
IPSAS 20	Related Party Disclosures	IAS 24
IPSAS 21	Impairment of Non-Cash-Generating Assets	IAS 36
IPSAS 22	Disclosure of Financial Information About the General Government Sector	N/A
IPSAS 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)	N/A
IPSAS 24	Presentation of Budget Information in Financial State-ments	N/A
IPSAS 25	Employee Benefits	IAS 19
IPSAS 26	Impairment of Cash-Generating Assets	IAS 36
IPSAS 27	Agriculture	IAS 41
IPSAS 28	Financial Instruments: Presentation	IAS 32
IPSAS 29	Financial Instruments: Recognition and Measurement	IAS 39
IPSAS 30	Financial Instruments: Disclosures	IFRS 7
IPSAS 31	Intangible Assets	IAS 38

IPSAS 32	Service Concession Arrangements: Grantor	IFRIC 12
IPSAS 33	First-time Adoption of Accrual Basis IPSASs	(IFRS 1)
IPSAS 34	Separate Financial Statements	IAS 27
IPSAS 35	Consolidated Financial Statements	IFRS 10
IPSAS 36	Investments in Associates and Joint Ventures	IAS 28
IPSAS 37	Joint Arrangements	IFRS 11
IPSAS 38	Disclosure of Interests in Other Entities	IFRS 12
IPSAS 39	Employee Benefits	IAS 19
IPSAS 40	Public Sector Combinations	IFRS 3 (partially

LIST OF RECOMMENDED PRACTISE GUIDELINES

S/N	RPG
RPG 1	Reporting on the Long term sustainability of an entity's finance
RPG 2	Financial statements discussion and analysis
RPG 3	Reporting service performance information

Source: IPSASB, 2017