Perception of Accountants on the Application of International Public Sector Accounting Standards (IPSASS) in Tanzanian Local Government Authorities:

A Case of Manyara Region

By

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A Dissertation is submitted in Fulfillment of the Requirements for the Degree of Masters of Science in Accounting and Finance (MSc. A&F) of Mzumbe University

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CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled **"Perception of Accountants on the Application of International Public Sector Accounting Standards (IPSASs) in Tanzanian Local Government Authorities (LGAs). A Case of Manyara Region",** in fulfillment of the requirements for award of the degree of Master of Science in Accounting and Finance of Mzumbe University.

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DECLARATION AND COPYRIGHT

I, Wictory E Chibunu, declare that this Dissertation is my own original work and that it has not been presented and will not be presented to any another university for similar or any other degree award.

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Date_____

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The journey of undertaking research project has been challenging with extraordinary experiences than I ever thought before. It was a journey that consumed most of my time especially in planning and documenting, consulting, collecting data and finalizing the results. However the journey could not possibly reach to an end without the back-up from various people. In this regard I owe my gratitude to all of them for their cherished contributions.

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DEDICATION

In a special way I dedicate this research report to my dearly loved parents; Mzee Daudi Chibunu and Midreda Chiramato, and to my beloved brothers and sisters; Mjee D Chibunu, Mkama D Chibunu, Chiramato D Chibunu, Anna D Chibunu, Happyness D Chibunu, Judith D Chibunu, Chambi D Chibunu, Nyanjura D Chibunu, Irene D Chibunu, Edinah D Chibunu and my wife Asifiwe Azaliwa for their day-to-day prayers, guidance, encouragement and financial support that made me accomplish this research work. Lastly, I dedicate it to all other relatives and my dear friends.

ABBREVIATIONS AND ACRONYMS

CAG	-	Controller and Auditor General
FRQ	-	Financial Reporting Quality
IFAC	-	International Federation of Accountants
IFRSs	-	International Financial Reporting Standards
IGOs	-	Intergovernmental Organizations
IPSASB	-	International Public Sector Accounting Standards Board
IPSASs	-	International Public Sector Accounting Standards
KMO	-	Kaiser-Meyer-Olkin
LGAs	-	Local Government Authorities
LGFA	-	Local Government Finance Act
LGRP	-	Local Government Reform Programme
NAOT	-	National Audit Office of Tanzania
NATO	-	North Atlantic Treaty Organization
NBAA	-	National Board of Accountants and Auditors
NPM	-	New Public Management
OECD	-	Organization for Economic Cooperation and Development
PCA	-	Principal Component Analysis
PFM	-	Public Financial Management
PFMRP	-	Public Finance Management Reform Programme
PSC	-	Public Sector Committee

PWC	-	Price Water Coopers
RPGs	-	Recommended Practice Guidelines
SAGA	-	Semi-Autonomous Government Agencies
SMEs	-	Small and Medium Enterprises
TAM	-	Technology Acceptance Model
TPB	-	Theory of Planned Behaviour
TRA	-	Theory of Reasoned Action
URT	-	United Republic of Tanzania

ABSTRACT

This study assessed the perception of accountants in relation to the IPSAS financial reporting quality of Tanzanian LGAs; a case of Manyara region. More specifically the study aimed at determining the relationship between IPSAS perceived knowledge and IPSAS financial reporting quality (relevance and faithful representation), to examine the influence of IPSAS perceived ease of use in the IPSAS financial reporting quality and to assess the relationship between perceived cost-benefits of IPSAS implementation and the financial reporting quality of the LGAs.

One hundred and sixteen accountants and auditors were taken as a sample of this study using purposive sampling technique and structured questionnaires were administered to the respondents. After data collection exercise we recorded and coded data through the Statistical Package for Social Science (SPSS) version 23. We performed factor analysis and Principal Component Analysis (PCA) to identify the common factors that account for the correlation between the research variables and to form the dimensions of research data set respectively. The factors loaded and met the requirements were retained for the regression analysis.

The study conducted regression analysis so as to examine relationship between IPSAS perceived knowledge, IPSAS perceived ease of use and perceived cost-benefits of IPSAS implementation against relevance and faithful representation. Generally, the regression analysis results show that IPSAS perceived ease of use and IPSAS perceived cost-benefit are the independent variables that are mostly related to the financial reporting quality.

The study recommended that future studies should consider the use of other approaches such as observation, interviews as well as focus group discussion in data collection so as to provide enough chance for accountants to give more elaboration in case of rise in doubts. The study further recommended that the Tanzanian LGAs and other responsible organs should take into consideration the significance of Accountants' perception in the implementation of IPSAS so as to get the anticipated results. However, there is a great need of building a robust understanding and skills to all accountants so as to assist in the implementation and application of IPSAS that will eventually attain its objectives.

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CHAPTER ONE
BACKGROUND TO THE STUDY AND STATEMENT OF THE PROBLEM

1.1 Introduction

This chapter presents background to the study, statement of the problem, general objective and the specific objectives to be studied in this study, research questions, and significance of the study as well as the scope/delimitation of the study.

1.2 Background to the Study

Over the years, countries of the world have been undergoing significant new public management reforms towards the adoption of accrual accounting in order to enhance improved transparency and accountability, particularly in the use of public funds (Christiaens, Vanhee, Manes-rossi, & Cauwenberge, 2015; Dabor & Aggreh, 2017; Ijeoma & Oghoghomeh, 2014; Opanyi, 2016).

The global financial crisis and subsequent sovereign debt crisis have brought to light the lack of transparency in public finances and poor public finance management (PWC, 2015, 2018). Nkwagu, Uguru, & Nkwede, (2016) noted that it was in response to global financial crisis that the International Federation of Accountants (IFAC) through International Public Sector Accounting Standard Board (IPSASB) came up with International Public Sector Accounting Standards (IPSAS).

The introduction of IPSAS formed an important part of public sector reforms and followed a global trend in government accounting in response to calls for greater financial accountability and transparency which is a fundamental principle of democracy (Opanyi, 2016). The need for the development of unified accounting standards, Transparency and efficiency, the requirement of government institution stakeholders for high quality accounting disclosures and the global trend of movement to accrual accounting has been the key driver of the public sector reforms (Christiaens, Reyniers, & Rollé, 2010; Ijeoma & Oghoghomeh, 2014; Laswad & Redmayne, 2015; Wang & Miraj, 2018).

Christiaens et al., (2015); Wang & Miraj, (2018) argue that in the last decade, the IPSASB, which previously was known as Public Sector Committee (PSC) of the

IFAC, has developed a set of IPSAS which is currently gaining implementation momentum in order to make these reforms rational. The IPSASB is the board which is setting the accounting standards independently, but supported by IFAC Public Sector Committee as its predecessor, has been developing the accounting standards, issuing IPSAS guidance and other related resources for public sector globally since 1997 (Delloite, 2013).

Since 1997, the IPSASB has developed and issued 40 different IPSAS accrual standards, a cash basis standard and three (3) Recommended Practice Guidelines (RPGs) for countries moving toward full accrual accounting for public sectors (IPSASB, 2017a, 2017b). The reason behind is that cash basis reports do not account for important liabilities such as pensions and infrastructure development, for that reason the IPSASB encourages the adoption and implementation of IPSAS accrual basis globally in the public sector for convergence, uniformity of reporting, improved accountability and transparency (Babatunde, 2017). IPSAS encourages comprehensive reporting, due full disclosure, account harmonization and comparability and the paves way for transparency and accountability (Nkwagu et al., 2016).

Intergovernmental organizations (IGO) such as European Commission (EC), North Atlantic Treaty Organization (NATO), Organization for Economic cooperation and Development (OECD), United Nations system organizations and other government jurisdictions also have or are currently adopting IPSAS (Alesani, Jensen, & Steccolini, 2012). This is due to an increasing demand from stakeholders for transparency and accountability of public sector and a global shift towards a more meaningful and uniform financial reporting framework for the public sector (PWC, 2018). These global trend and demand from public sector stakeholders created a direct challenge to governments and other jurisdictions to improve management of funds, financial resources and report high-quality information to their stakeholders (citizens and parliament, donors, investors and financial markets). This increases the number of governments and intergovernmental organizations that produce financial

statements on the accrual-basis of accounting in accordance with IPSAS or IPSAS-similar standards.

Developing countries like South Africa, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe have adopted IPSAS with purpose of increasing uniformity, comparability, transparency and accountability, and consistency of financial reporting information, all of which will eventually strengthen the financial management of public entities (Kirenge, 2018; Olayinka, Oyenike, & Olaoye, 2016).

In line with the global trend of accrual basis IPSASs adoption and implementation, Tanzanian government migrated to cash-basis IPSAS in 2006. In 2008 the government of Tanzania started a project to ensure full compliance with part I and II of the cash-basis IPSAS; this was during the Public Finance Management Reform Program (PFMRP) phase IV. For that reason the PFMRP IV aimed to improve quality of financial accounting and reporting as a way of enhancing transparency and accountability in the use of public funds. However, in making sure that transparency and accountability are enhanced, the Tanzanian government's financial statements, since 30th June 2014 up to date, have been prepared based on IPSAS-accrual basis (URT, 2015).

The Local Government Authorities adopted IPSAS since 1st July 2009 with the grace period of five years to be fully compliant, while the Central Government of Tanzania migrated to accrual basis IPSAS for the year ended 30th June 2013 (CAG, 2014/2015). The Tanzanian Local Government Authorities and other Government Business Entities are complying with accrual basis IPSAS and IFRS respectively.

Accrual accounting has been adopted to achieve financial reporting quality in Tanzania. For instance, the CAG Local Government Annual Report (2016/17) reveal that there is an increase in the number of unqualified opinions from 78% to 90%, from the financial year 2013/14 to 2016/17 respectively. The increase in number of unqualified opinions regardless of the increase in number of LGAs audited from 171 in the financial year 2014/15 to 185 in the financial year 2016/17 is a clear proof that

financial reporting quality of Tanzanian LGAs has improved which is the time for IPSAS implementation. However there is a general perception that IPSAS implementation has resulted to the improved quality of financial reporting in Tanzania, which is also strongly supported by ACCA, (2017). Although there is an abundance of evidence to support this unquestionable fact about the improvement of financial reporting quality in Tanzania resulted by IPSAS implementation, yet it is not known what has influenced the improved financial reporting documentation in terms of qualitative characteristics of financial reporting.

1.3 Statement of the Problem

The CAG report of 2016/2017 for Tanzanian LGAs reveals that there is an increase in number of unqualified opinions in four consecutive years from 78% to 90%, for the financial year 2013/14 to 2016/17 respectively, which is the period for IPSASs implementation in Tanzania. This implies that IPSAS implementation in Tanzanian LGAs has played its significant role in improving the quality of financial reporting (Brusca, Gómez-villegas, & Montesinos, 2016)

Provided that there is an improvement in the quality of financial reporting, it is not yet known what has influenced the improvement. Although different researchers such as Abang'a, (2017), Chalam & Ng'eni, (2017), Francis & Samuel, (2015), Ijeoma & Oghoghomeh, (2014), Obara & Nangih, (2016), Olayinka et al., (2016), Opanyi, (2016), and Wisdom, Damilola, Inemesit, & Opeyemi, (2017), conducted research and revealed that IPSASs adoption and implementation have positively increased integrity, reliability, credibility, comparability, transparency, accountability, paved the way for uniformity in reporting, and improved economic decision-making in financial reporting in Africa, especially in Kenya, Nigeria, and Tanzania, yet all these studies did not consider the influence of accounting practitioners' perceptions of IPSASs on the improved quality of financial reporting. The advantages of actual application of IPSAS can depend on how technical members' perceive it (Diniz, da Silva, Santos, & Martins, 2015). However, IPSAS training in Tanzania is mostly offered to Accountants and Auditors who are involved in the implementation team (Killagane, 2016). Hence, investigation on the view of

both Accountants and Auditors about IPSAS implementation can be of great importance to understand the IPSAS implementation in relation to the Tanzanian LGAs financial reporting quality.

Though Diniz et al., (2015), assessed the advantages of IPSASs in relation to the quality of financial reporting, their study did not cover the relationship between technical group perception and the relevance and faithful representation of financial reporting which are the fundamental qualitative characteristics of financial reporting quality. Therefore, to our very best knowledge, there are still limited number of studies that have examined the judgment of accountants and auditors in interpreting and applying IPSASs.

Since Tanzania LGAs adopted IPSAS accrual basis accounting in public sector organization in the year 2009 July 1st, there are limited numbers of research which have been conducted on the assessment of accounting practitioners' perception of IPSASs on the improved quality of financial reporting. Thus, this study is promptly motivated to fill this knowledge gap by assessing the influence of accounting practitioners' IPSAS perception on the quality of financial reporting in Tanzanian LGAs.

Therefore, in this study practitioners' perception of IPSASs will be used to measure the relevance and faithful representation of financial reporting quality of Tanzanian LGAs.

1.4 Objectives

1.4.1 General Objective

Since there is a general perception that IPSAS implementation has resulted to the improved quality of financial reporting in Tanzanian LGAs therefore, making investigation about what influenced that improvement, the general objective of this study was to examine the influence of the Accountants' Perception of International Public Sector Accounting Standards (IPSAS) in the quality of financial reporting of Tanzanian LGAs. Specifically, the objectives of this research were as follows:

1.4.2 Specific Research Objectives

i. To determine the relationship between IPSAS perceived knowledge and the quality of financial reporting of Tanzanian LGAs.

ii. To examine the influence of IPSAS perceived ease of use in the financial reporting quality of Tanzanian LGAs, and

iii. To assess the relationship between perceived cost-benefit of IPSASs implementation and the financial reporting quality of Tanzanian LGAs.

1.5 Research Questions

i. Is there any relationship between IPSAS perceived knowledge and the financial reporting quality of Tanzanian LGAs?

ii. Is there influence of IPSAS perceived ease of use on financial reporting quality of Tanzanian LGAs?

iii. Is there a relationship between perceived cost-benefit of IPSASs implementation and the financial reporting quality of Tanzanian LGAs?

1.6 Significance of the Study

This study on the relationship between IPSAS perceived knowledge, IPSAS perceived ease of use, and IPSAS perceived cost-benefit and financial reporting in Tanzanian LGAs is useful to the government of Tanzania and other regulatory bodies in the governing accounting profession to take a remarkable high post in an effort to increase quality of financial reporting, financial stewardship, accountability and transparency, and finally improve government decision making. Also researchers and students will use the findings of this study to make reference for carrying out further research to uncover the hidden facts and fill the identified gaps.

1.7 Limitation of the Research

This sub-part is appropriate for presenting the challenges that the researcher faced during data collection exercise. The researcher faced several challenges which are as follows; the forgetfulness of the respondents to fill the questionnaires on time, as far as the IPSAS is concerned with public sector, all respondents of this study were public servants who are all the time busy with different duties. In that regard, it was

not easy for them to have enough time which led to the delay of filling the questionnaires. To overcome the above identified challenges, the researcher made several visits in their offices repeatedly so as to remind them and finally the exercise ended successfully albeit, not perfectly.

1.8 Scope of the Study

This study focused on assessing the influence of accounting practitioners' perception of IPSAS accrual basis accounting on financial reporting in Tanzanian LGAs**.** The geographical scope of this study was Manyara region which is comprised of seven (7) LGAs: namely Babati Town Council, Babati District Council, Mbulu District Council, Mbulu Town Council, Kiteto District Council, Simanjiro District Council and Hanang' District Council. However, the researcher believed that it was much better and more comprehensible if appropriate information from all LGAs in Manyara region could be done, thus there would be a full overview from accounting practitioners about IPSASs in Tanzanian LGAs and finally come up with unquestionable findings.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

Literature review can be defined as a broad, comprehensive, in-depth, systematic, and critical review of scholarly publications, unpublished scholarly print materials, audiovisual materials, and personal communications. This chapter presents different perspectives about what other researchers and scholars have said about the problem under the current study and theories developed by other previous scholars that was appropriately governing this study. In this chapter financial reporting in the Tanzanian LGAs context, theoretical literature review and Empirical literature review will be the relevant parts.

2.2 Financial Reporting in Tanzanian LGAs

Governments are responsible for ensuring proper control of the resources entrusted to it by the citizens, stakeholders and other recipients of the government necessary services. The discharge of government obligations requires the provision of information which portrays the real picture of what is happening in managing the entrusted resources. The information should be sound and transparent to enhance the decision of the final users.

The financial information presented by the government officials should be assessed on whether they are true and fair. National Audit Office of Tanzania (NAOT) under CAG is the main organ responsible for examining the quality of financial reporting of LGAs. The CAG's function is mandated under the Constitution of the United Republic of Tanzania (1977) section 143 (2) and the Local Government Finance Act (LGFA) of 1982. The CAG is responsible for auditing all the LGAs financial statements and to give out reports on all audited LGAs accordingly. The CAG's audit opinions are in four types, which are adverse opinion, qualified opinion, unqualified opinion, and disclaimer of opinion. Each audit opinion is issued based on the material facts presented by the authorities.

For instance, unqualified opinion is issued to the LGA after the CAG is satisfied that the financial statement of the particular LGA presents true and fair views. This implies that the financial statements presented comply with accounting standards, accounting policies as well as legislation.

For the purpose of ensuring the reporting mechanism in Tanzania, council's accounting officers are required by the LGFA of 1982 Section 45 (4) to prepare financial statements (statements of financial position, statement of income and expenditure and statement of cash flows) and submit them to the CAG to be audited. The statements are documents of great significance to the citizens, stakeholders and donors in assessing financial performance and cash flows of the LGA. In improving quality of financial reporting of LGAs, LGFA of 1982 Section 45 (1) requires the LGAs' accounts to be audited by internal auditors before being submitted to the CAG as the Tanzanian LGAs external auditor.

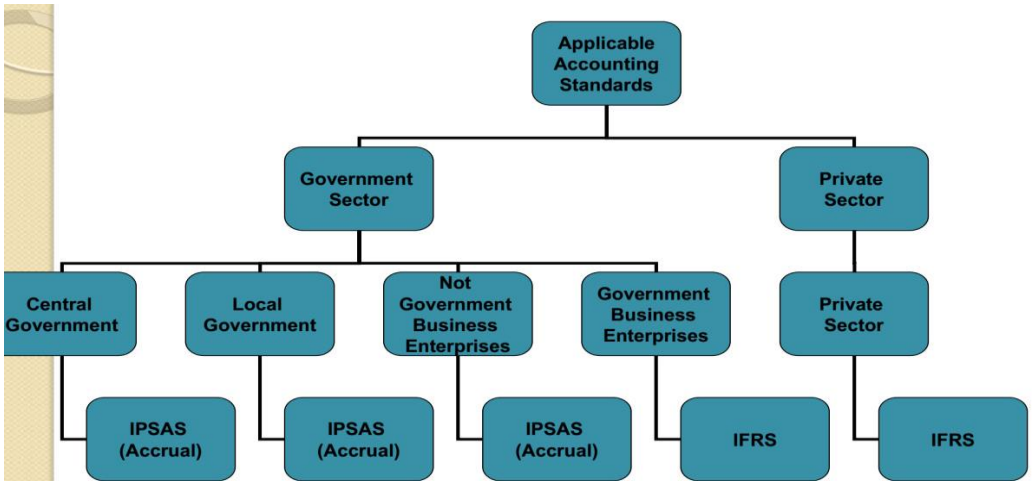
In the same vein, Local Government Financial Management 2009 order 11 to 14 requires all LGAs to have strong and internal control in order to ensure preparation of financial statements which are free from material misstatements (relevant) and those financial statements which can influence the economic decision of the users (reliable).

The quality of financial reporting plays a crucial role in communicating the information to the outside users. The outside users of the government financial information are citizens, grantors and donors, all these groups anticipate the government information to be reliable and relevant for social economic decision. In order to improve the scope and quality of financial accounting and reporting, the Tanzanian LGAs adopted IPSASs accrual basis of accounting and ensured full compliance after five years of grace period from 1st of July 2009.

The adoption of IPSAS is another achievement that resulted from local government financial management reform which aimed to enhance transparency and accountability in LGAs' operations (Chalam & Ng'eni, 2017). The adoption of IPSASs is anticipated to bring about improvement in the local government financial

reporting framework to enhance decision making, transparency and accountability. The complete set of IPSAS 1 includes statement of income and expenditure, statement of financial position, statement of changes in equity, statement of cash inflows and outflows, and statement of comparison of budgeted amount against the actual ones. All these complete the set of financial statements used as the base of decision making by stakeholders in assessing the financial status of the LGAs.

Figure 2.1 Financial Reporting Framework for Tanzanian Public and Private Sectors



Source: Kalulu (2015)

The figure 1 shows accounting standards applied by Tanzania government sector and private sector. The framework further shows that IPSAS accrual basis of accounting is applied by central government, local government and non-business enterprise, whereas, the applicable accounting standards for Government Business Enterprises and private sector is International Financial Reporting Standards (IFRSs). With exception of LGAs, the rest reported their financial statements under IPSASs accrual basis of accounting for the first time in the financial year 2012/2013.

2.3 Theoretical Literature Review

This part presents the review of a formalized set of concepts which summarizes and organizes observations and inferences, provides tentative explanations for accounting

practitioners' perception of IPSASs in relation to the financial reporting quality, and finally provides the basis for making predictions.

2.3.1 Theory of Reasoned Action (TRA)

This theory was proposed by Fishbein & Ajzen (1975). It argues that the person's opinion of the behavior and norms determine behavioral intentions. Person's opinion of the behavior is defined as positive or negative feelings of an individual on the performance of the targeted behavior. While subject norm refers to the individual's perception that people who seem to be important to him/her perceive that he/she can or cannot do the behavior in question (Fishbein & Ajzen, 1975).

The theory believes that a person can use something like computers or other systems after recognizing that the use of that particular system could bring positive outcomes (Samaradiwakara & Gunawardena, 2014). Although TRA has been widely used in information systems also it has been applied in other disciplines such as in businesses as well as in academia (Southey, 2011). Therefore this theory is also useful in the study of the accounting practitioners' perception on IPSAS. Thus, if LGA accountants perceive that IPSAS is useful that belief will result to the positive benefit which is the improved quality of financial reporting.

Practically, an individual needs to be knowledgeable, needs to have enough time and other constraints so as to act freely over a certain system (Samaradiwakara & Gunawardena, 2014). In line with Samaradiwakara & Gunawardena, (2014), accounting practitioners of Tanzanian LGAs ought to have IPSAS perceived knowledge, IPSAS perceived ease of use and IPSAS perceived cost-benefits so as to act freely on the application of IPSAS accrual basis of accounting that will result to the quality of financial reporting.

2.3.2 Theory of Planned Behaviour (TPB)

This theory was proposed by Ajzen, (1991), as an extension of the TRA. The theory assumes that person's opinion of the behavior (attitude), subjective norms as well as the person's perception of behavior control (perceived behavioral control) influence the behavioral intention (Cheng, 2017; Jiang, Chen, & Lai, 2010). TPB is almost

similar to TRA, but the only thing that makes TPB differ from TRA is that, TPB introduced another variable which is the individual's opinion of the simplicity or complexity of doing the specific behavior (perceived behavior control) that influences the intention (Cheng, 2017; Samaradiwakara & Gunawardena, 2014).

The motivational factors such as person's opinion on the behavior (attitude), subject norm, and ability (perceived behavioral control) are indicators of how people who want to try to do the intended action can be increased and therefore increase the possibility of those people to do it (Ajzen, 1991; Kripanont, 2007). This theory is consistent with the fact that for the Tanzanian LGA accountants to perform their duties under IPSAS accrual basis of accounting they should have the knowledge, they should perceive that IPSAS is easier for them to use and they should perceive that using IPSAS is more beneficial to the financial reporting quality. Thus, quality of financial reporting of Tanzanian LGAs can be determined by the perception on IPSAS the Tanzanian LGA accounting practitioners have. Preparation for a certain activity, choice of that particular activity as well as effort spent when performing the activities are influenced by the confidence in ability a person has in performing it (Bandura, 1991). Thus, the greater the ability that individual has, the stronger the willingness to perform that specific behavior (Cheng, 2017).

2.3.3 Technology Acceptance Model (TAM)

Technology Acceptance Model (Davis, 1989), assumes that the person's intention of system usage is influenced by perceived ease of use and perceived usefulness. This means that a person should decide to use a certain system when they think that the system is easy to use and useful in increasing job performance or in achieving targeted results.

Perceived usefulness refers to the level of individual's perception on a certain system that when it is used it would improve performance at his/her work. While perceived ease of use refers to the individual's perception on a certain system, that when that particular system is used it would need less or no effort (Davis, 1989). Perceived usefulness and perceived ease of use significantly influence the intention usage (Davis, Bagozzi, & Warshaw, 1989).

The intention usage of IPSAS accrual basis of accounting in Tanzanian LGAs is transparency and accountability which is expected to improve the financial reporting quality. According to TAM, the intention usage presented by public/private organization can determine the use of accounting standards. Applying this model in the current study, ease of use and usefulness is the accounting practitioners' perception that applying IPSAS accrual basis of accounting in Tanzanian LGAs will involve only less effort in the improvement of financial reporting quality. TAM provides theoretical base in this research study for examining the IPSAS perception of the Tanzanian LGAs accounting practitioners in relation to the quality of financial reporting.

2.3.4 Agency Theory

This theory was advanced by Jensen, Meckling, Benston, Canes, Henderson, Lefflex and Zimmerman (1976). The agency theory models the relationship in which one or more people, the principal(s), engage another person (the agent) to perform work on their behalf which involves delegating some decision making authority to the agent (Jensen et al., 1976). In government, the principal is the citizen/tax payers and the agent is the governments (legislature, executive and judicial) entrusted to control and ensure proper use of the public resources. The agent (government) should render stewardship timely, relevant, reliable, understandable and comparable and faithfully represented financial reports to the citizens who appointed them to work on behalf of their interest. Obara & Nangih, (2016) argue that government functionaries are expected to be accountable to the people and other interested parties through financial reporting. Financial reporting is one of the ways that the government uses to prove its discharge of the responsibility entrusted by the citizens, donors as well as other government stakeholders. Otherwise, "the irregularity of the information may cause negative repercussions on the principal because the agent may not always act to maximize principal's welfare but its own prosperity" (Abang'a, 2017).

Agency theory has been applied by different scholars in accounting studies to monitor and link management decisions with citizens who are principals (Abang'a, 2017; Obara & Nangih, 2016). This theory becomes relevant to the current study

because IPSASs promote full disclosure of financial information to enable the financial information users to make social as well as economic decision. If full disclosure of public sector financial transactions is made it would increase confidence of the principals (citizens) over the government officials (agent) (Nkwagu et al., 2016). The quality of information contained in the annual report disclosed to the society and other relevant stakeholders can give legitimacy to the operation of the state.

2.3.5 New Public Management (NPM) Theory

The NPM was established in the late 1970s and early 1980s in the United Kingdom and municipal governments in the United States, with economic recession and tax revolts being the major reason for the establishment of NPM in both countries (Gruening, 2001; Ofoegbu, 2014). NPM techniques focuses on efficiency, measurement, performance, fiscal discipline, and strengthened accountability and transparency that go in line with dissemination of information (Chan, 2003; Gruening, 2001; Hope, 2001; Miller & Dunn, 2006; Ofoegbu, 2014; Simonet, 2011; Vabø, 2009; Yusuph & Guohua, 2017). Transparency can be achieved through provisions of quality financial reporting.

In response to NPM, the Tanzanian government achieved a historic opportunity to improve accountability and transparency, that determine the best form of NPM for Tanzania to be Local Government Reform Programme (LGRP), which was implemented countrywide beginning in the 2000s (Yusuph & Guohua, 2017). Moreover, the number of structures to enhance the application of corporate management principles such as auditing processes, publication of financial reports into public places, public access to council financial records, local public hearings and presentations on development projects and public demand on income and expenditure financial reports, open rallies and meetings in all levels of the council signifies the impact of NPM doctrine in Tanzanian LGAs Warioba and Letisia, (2010).

NPM theory has been used by different scholars in accounting research to link between NPM doctrine and quality of accounting information (Abang'a, 2017;

Babatunde, 2017). NPM theory is useful in this study as it helps to establish the reporting quality in the public sector entities as part of reforms that brought the adoption and implementation of IPSASs in Tanzanian Governments particularly LGAs.

2.4 Empirical Literature Review

Empirical review refers simply to the past and ongoing studies about the topic or area under study (Mugenda and Mugenda, 1999). Empirical review should identify the specific topic, time studied and what was the result obtained in that particular study. It is observed that there is no conclusive fact as evidence over different studies. This part will present different studies done by other researchers on the accounting practitioners' perception of IPSAS in relation to the financial reporting quality.

Diniz et al., (2015), conducted a research in Brazil with the aim of assessing accounting practitioners' perception on the advantages of IPSAS in Brazil. The study findings revealed that IPSAS implementation had significant positive impact in the public sector accounting. Also, the study found that the cost-benefit analysis of IPSASs implementation clearly proved that the application of IPSASs outweighs the investment made. Moreover, the study reported that accountants perceive that IPSAS will help to solve serious problems by providing benefits like greater financial statements comparability, possibility of reducing fraud in public sector, increasing the credibility of the financial information as well as good decision making.

Woldehawariat, (2017) conducted the study on investigating the perception of foreign charities in Ethiopia on the benefits and challenges of IPSASs adoption. In his study it was found that the anticipated benefits of IPSASs are Transparency, understandability, credibility, accountability, enhanced internal control, comparability, and better interpretation and acceptability of financial reports. Appropriately, a number of findings from other researchers such as Ijeoma & Oghoghomeh, (2014); Ijeoma, (2014); Obara & Nangih, (2016); Ofoegbu, (2014); Okoughenu & Domma, (2016); Wisdom et al., (2017) also found that IPSAS improves relevance, reliability, comparability and understandability, transparency and accountability of public sector financial reporting in Nigeria. Consistently,

Kiugu, (2010) also reported that IPSAS improved accountability and transparency in Kenyan LGAs but the study further noted challenges such as insufficiency of skilled labour, irregularity in training and financial misconduct in the implementation of IPSAS. However, the study by Dabor & Aggreh, (2017) also supported that IPSAS adoption will enhance better comparability of financial reports. But this study further noted that insufficient funds and internal resistance was the challenges facing the adoption of IPSAS in Nigeria. Finally, the study recommended that the Nigerian government should ensure enough funds and train enough number of accounting personnel so as to enhance IPSAS understandability.

On the other hand, Chalam & Ng'eni, (2017) assessed the role of financial reporting in enhancing financial accountability in Tanzanian LGAs. The study sourced both primary and secondary data and the statistical techniques were used to present data as a way of addressing the problem. The findings of the study indicated that quality of financial reporting is very significant in enhancing financial accountability of Tanzanian LGAs. Additionally, the study found that the adoption of IPSASs in Tanzanian LGAs will improve decision making transparency and answerability.

The researcher also made a review on the study done by Opanyi, (2016) which revealed that IPSAS adoption enhances not only comparability, relevance and timeliness but also faithful representation (quality characteristics) of financial reporting while the study reported that understandability declined. The study unveiled that there was no significant difference in items pertaining to transparency and accountability showing that the goal for government reforms in achieving greater transparency and accountability may not be fully achieved. The study further unveiled that IPSAS adoption adjudged to have moderate effect on the quality of financial reports. In terms of difference in financial reports of old and IPSAS based accounting standards, the study found that there is statistical significant difference between the old accounting standard-based financial reports and IPSAS based financial reports.

Apart from that, Abang'a, (2017) carried a study to identify the influence of firm characteristics on the quality of financial reporting during the period of pre and post

adoption of IPSAS among SAGA in Kenya. The findings indicated that financial reporting quality improved after adoption of IPSAS. In case of the relationship between firm characteristics and financial reporting quality, the study reported that size of the firm; liquidity as well as age of the firm are the only factors that have significant influence on the financial reporting quality. The researcher recommended that the policy makers should insist on adherence to IPSASs by practitioners so that to achieve quality of financial reporting. He further recommended that practitioners should pay attention on liquidity ratio because it has a positive impact on the financial reporting quality.

Francis & Samuel, (2015) highlighted the implications of IPSAS adoption on the quality of financial reporting in Nigerian public sector. The result of the study indicated that IPSAS adoption will increase the level of reliance on the financial reporting of public organizations and would make the information of financial reporting of public sector comparable. Furthermore, the findings of the study indicated that adoption of IPSAS was expected to influence the operating procedures and reporting practices of the public sector institutions. This is in agreement with the findings of the study by Olayinka et al., (2016) which is also revealed that there is positive significant association between IPSAS and the quality of financial reporting. Moreover, the study recommended that decisions should be made to enhance the financial disclosures so that to help the users of that particular information to make relevant economic decision.

Furthermore, the study Christiaens et al., (2015) reported that although there is a significant move to IPSAS accrual accounting of different jurisdictions internationally, but still there are central governments notably, in countries which developed their own business-like accrual accounting. The reason for the movement to IPSAS accrual accounting is clearly stated in the study by Brusca et al., (2016). The study highlights that implementation of IPSAS internationally is the key player for comparability, harmonization and modernization of governments financial reporting. Brusca et al., (2016) further noted some challenges for IPSAS accrual accounting, just to mention; difficulty in recognizing and estimating income taxes

and impairment losses respectively, complexity in estimating the amortization which arise due to lack of single inventories and even the complexity in recognizing and evaluating assets such as those of infrastructure and heritage nature, problems caused by preponderance of budgetary criteria, particularly when the political discussion is sighted to the budget, meaning that the financial information is down sized, and heterogeneity criteria in consolidating statements cause the problem in applying IPSAS. Moreover, the study identified that IPSAS implementation is also faced by the need for technology as well as the need for training.

Mabruk, (2013) examined the effects of IFRSs on the quality of accounting reports of small and medium enterprises (SMEs) in Nairobi County. The target population of the study was 150 SMEs assuming that all of them adopted IFRSs in their accounting practice. The correlation analysis was used by the researcher to measure the reactions of the respondents and it showed significant relationship between relevance and quality of accounting reports. Also, the researcher found that understandability had a positive and significant relationship with the quality of accounting reports in regard to IFRSs adoption. This research relates to the current study since IPSASs were adopted from IFRSs and can be applied to the public sector entities.

CHAPTER THREE
CONCEPTUAL FRAMEWORK OF THE STUDY

3.1 Introduction

This chapter presents the conceptual framework examining Tanzanian LGAs accounting practitioners' perception of IPSAS in relation to the IPSAS financial reporting quality. Also, it provides explanations about the independent variables IPSAS perceived knowledge; IPSAS perceived ease of use and IPSAS perceived cost-benefit, and the dependent variable of this study is financial reporting quality and finally the last section of this chapter will be hypotheses development.

3.2 Conceptual Framework Development

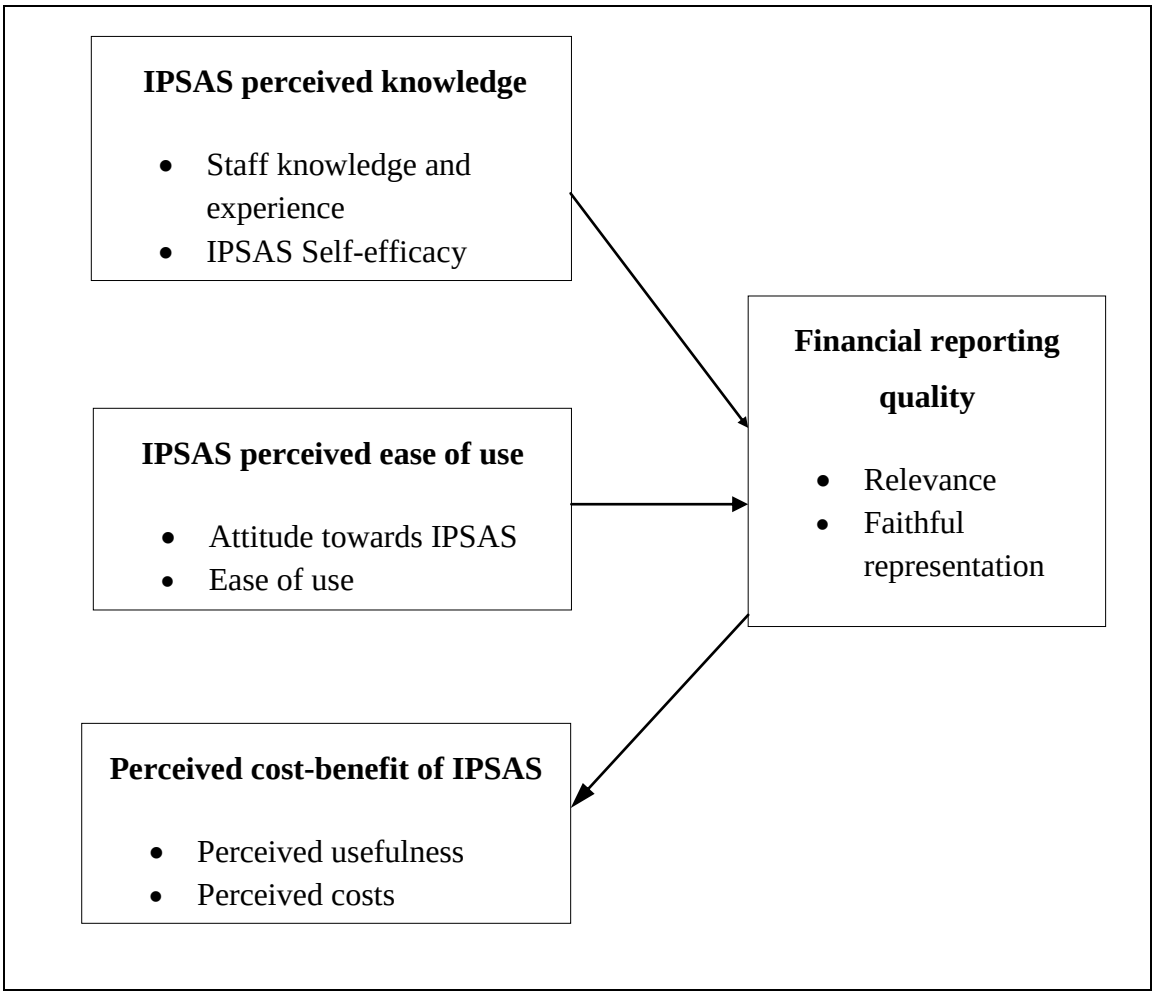
Conceptual framework can be defined as a set of coherent ideas or concepts organized in a manner that makes them easy to communicate to others. Based on the proposed model below, the financial reporting quality depends on the perception expressed by the accounting practitioners of the Tanzanian LGAs regarding IPSAS perceived knowledge, IPSAS perceived ease of use and the perceived cost-benefit of IPSAS implementation in Tanzanian LGAs.

The construct regarding IPSAS perceived knowledge is linked to the application and the level of knowledge the accounting practitioners have on IPSASs. Thus, the high knowledge of IPSASs was directly proportional to the financial reporting quality. IPSAS perceived ease of use was linked to the judgment of how the LGAs accounting practitioners term it as being free from mental efforts in its use, whereas the positive perception influences the financial reporting quality. In the case of perceived cost-benefit of IPSAS, if the accounting practitioners perceive that the usefulness of IPSAS in Tanzanian LGAs overweighs the costs, it will results to the positive impact on the financial reporting quality. For the information to be considered useful and relevant, the individual needs to understand that the expected benefits surpass the costs (Diniz et al., 2015).

As presented in the conceptual framework model below, all accounting practitioners' perception on IPSASs have an impact to the IPSAS financial reporting quality,

considering that these can lead to relevant and faithful representation of financial reporting (Diniz et al., 2015; PWC, 2013). The conceptual framework model is as follows

Figure 3.1 Conceptual Framework Model



Source: researcher's survey design, (2019

3.3 Developing Hypotheses

This sub-section presents descriptions of the research variables which is then followed by the development of research hypotheses. The hypotheses are developed based on the empirical evidences from prior researches. These hypotheses were tested based on the questionnaires developed, adopted and modified based on Bozkurt et al., (2013); Cuong & Ly, (2017); Davis, (1989); Diniz et al., (2015); Jonas

& Blanchet, (2000); Joshi et al., (2008); Mbobo & Ekpo, (2016); Van Beest et al., (2009). No changes are made except the wording to fit the current study.

3.3.1 Financial Reporting

Financial reporting is described as the process of communicating the financial statements of business enterprise to its stakeholders who may use them as a guide in making economic decisions (Mbobo & Ekpo, 2016; Olowokure, Tanko, & Nyor, 2016; Opanyi, 2016; Wisdom et al., 2017). Bastani, Abolhalaj, Jelodar, & Ramezanian, (2012), also describes financial reporting in the context of public sector as a process of collecting, classifying, summarizing and reporting accounting information that relates to government activities so as to allow citizen participation and holding elected officials accountable.

IASB, (2010), the primary goal of financial reporting is to provide high quality information for reporting units, which can be used for making economic decisions. Provision of high quality information can have positive significant influence on economic decisions of the financial donors. Also it provides sufficient information on the discharge of accountability functions or obligations.

Financial reporting quality is the faithfulness of the financial and non-financial information useful for decision making communicated by the financial reporting process (Jonas & Blanchet, 2000; Van Beest et al., 2009).

Financial reports ought to have certain characteristics in order to achieve quality reporting. Different studies have established that financial reporting quality can be achieved by adhering to fundamental and enhancing qualitative characteristics of financial information. For example, a study by Bukenya, (2014); Jonas & Blanchet, (2000); Van Beest et al., (2009) established that faithful representation (reliability), relevance, comparability, timeliness and understandability are true measures of perceived quality of accounting information.

Qualitative characteristics of financial information are those attributes that make accounting information meaningful and consist of relevance, faithful representation, comparability, verifiability, timeliness and understandability (Bekiaris & Tasios,

2012; IASB, 2008). Qualitative characteristics help to make choices between reporting policies by accounting practitioners and be indicative of the qualities that users can expect of the financial information provided to them (SAC 3, 1990). Fundamentals qualitative characteristics of financial information as per IPSASB, (2014) and (IASB, 2008) are as discussed below.

3.3.1.1 Fundamental Qualitative Characteristics of Financial Reporting

Fundamental qualitative characteristics (relevance and faithful) are most important and determine the content of financial reporting information (IASB, 2008).

3.3.1.1.1 Relevance

Relevance is the potential that information has in influencing the economic decisions taken by users of that particular information about the allocation of scarce resources and in assessing the rendering of accountability by preparers (Al-shatnawi, 2017; Bukenya, 2014; IASB, 2008; IPSASB, 2014; Jonas & Blanchet, 2000; Opanyi, 2016; SAC 3, 1990). Previous researchers operationalized relevance in terms of predictive and confirmatory value (Cuong & Ly, 2017; Jonas & Blanchet, 2000; Van Beest et al., 2009). Furthermore, relevance can be measured by forward looking statements, presence of non-financial information, use of fair value instead of historical information and the level of previous feedback to the users.

3.3.1.1.2 Faithful Representation

For the information to be faithfully represented or reliable, it should be free from undue errors and bias, and be neutral, and complete instead (Al-shatnawi, 2017; Bukenya, 2014; IASB, 2008, 2010; SAC 3, 1990). The financial statement preparer should make sure that all the useful information is made available and disclosed so as to enhance the economic decisions of the users. Faithful representation may be operationalized in terms of verifiability, neutrality, completeness, free from material error, corporate governance statement and unqualified audit report (Cuong & Ly, 2017; Jonas & Blanchet, 2000; Van Beest et al., 2009).

3.3.2 IPSAS Perceived Knowledge

3.3.2.1 Staff Knowledge and Experience

Accountants and Auditors' knowledge and experience on IPSAS is very important in the implementation of IPSAS doctrines (Zeghal & Mhedhbi, 2006). This will help the Local government reach the expected results, in this regard the financial reporting quality. The correct interpretation of the standards is fundamental; in view of the understanding that they are based on principles to improve quality financial reporting (Joshi et al., 2008). Diniz et al., (2015) conducted the study and found the positive response on the interpretation of IPSASs which eventually results to the significant influence on the financial reporting quality.

Not only Perceived Knowledge has significance influence in determining the quality of financial reporting but also has significant impact in the adoption and usage of cloud computing as well as Information Technology (Dwivedi, Khoumbati, Williams, & Lal, 2007; Dwivedi, Khan, & Papazafeiropoulou, 2006; Gangwar, Date, & Ramaswamy, 2015). This is also supported by the study by Libby and Luft, (1993), whereas their study reveals that knowledge determines the judgment performance in accounting settings. But the study by Manzoor, (2014) on the other hand reported that knowledge has no significant relationship on broadband usage, whereas the study by Zeghal & Mhedhbi, (2006), highlights that adopting accounting standards require education, expertise and competence to help an individual to comprehend, interpret and finally apply the standards appropriately. Thus, we can argue that if the public sector's accountants and auditors have sufficient IPSAS knowledge, then the quality of financial reporting of the public sector increases. Therefore;

H1*:*1. *There is a significant relationship between Staff knowledge and experience, and Relevance of IPSAS financial reporting.*

H1:2. *There is a significant relationship between Staff knowledge and experience, and faithful representation of IPSAS financial reporting.*

3.3.2.2 Perceived IPSAS Self-efficacy

Self-efficacy has been defined by different scholars as a personal belief in his/her intrinsic capability of how well can perform set of activities required to achieve expected outcomes (Bandura, 2001; Guerreiro, 2012; Karaseva, 2016). Such beliefs help an individual to adapt new systems and demonstrate coping behavior whereas enough effort will be expended in facing any kind of obstacles. As a matter of fact Accountants who have high IPSAS self-efficacy will expend enough effort that if it is effectively executed results to successful outcomes. In the words of Bandura, (2001) self-efficacy influence whether individuals think optimistically or pessimistically and in ways which are motivating leading to success or when hinders lead to failure. Sufficient IPSAS knowledge increases Accountants' motivation to account and report using the IPSAS that may result to improved accrual based IPSAS financial reporting quality in the Tanzanian LGAs. Previous researchers such as Ahmad (2016); Bandura (2001); Bringula, Sarmiento, & Basa (2017); Guerreiro (2012); Karaseva (2016) in their studies found positive influence of system users in the completion of tasks using that particular system. Therefore, based on the above argument we can hypothesize that:

H2:1. *Perceived IPSAS self-efficacy influences relevance of IPSAS financial reporting.*

H2:2. *Perceived IPSAS self-efficacy influences faithful representation of IPSAS financial reporting.*

3.3.3 Perceived IPSAS Ease of Use

3.3.3.1 Attitude Towards IPSAS

Attitude also, has been defined by various scholars in different disciplines as a negative or positive behavior of an individual towards improvement or adaptation of various aspect of work environment (Bugembe, 2010; Pickens, 1998; Susanty, Miradipta, & Jie, 2013). Attitude is the driver of user's attributes. LGAs Accountants, who believe that using IPSAS accrual basis of accounting would lead to more positive expected results, also tend to have positive attitude towards the standards. Thus, it will automatically lead to improved IPSAS financial reporting quality of the

LGAs. On the other hand, Mykytn and Harrison (2003) as cited by Bugembe (2010) describes that when a person believes that negative result will occur from the behavior, he/she will embrace a negative attitude towards it. Consistently, Ajzen, (1991) argues that individual's attitude is significantly associated with the performance of a specific behavior. Also, TAM suggests that personal attitude is based on the significant beliefs that an individual has towards the negative outcomes of that particular behavior and his/her evaluation of those negative outcomes. In the study conducted by Wentzel, Diatha, & Yadavalli (2013), revealed that attitude is a very significant factor in determining behavioral intention and usage of technology-enabled financial service adoption. Therefore, from the above discussion, the current researcher believes that LGA Accountants' attitude towards IPSAS could affect IPSAS financial reporting quality of the Tanzanian LGAs. Therefore:

H3:1. *There is a significant relationship between Accountants' attitudes towards IPSAS and the relevance of IPSAS financial reporting of the LGAs.*

H3:2. *There is a significant relationship between Accountants' attitudes towards IPSAS and the faithful representation of IPSAS financial reporting of the LGAs.*

3.3.3.2 Perceived Ease of Use

Ease of use can be defined as the level which an individual thinks that using a certain system would not need much effort (Davis, 1989; Davis et al., 1989; Wentzel et al., 2013). Previous studies such as Bugembe (2010); Dwivedi, Selamat, Abdu Wahab, Mat Samsudin, & Lal (2008); Dwivedi, Khoumbati, Williams, & Lal (2007); Jahangir & Begum (2008); Rind et al., (2017) have reported that perceived ease of use has a significant correlation with behavior intention of system usage such as Mobile Commerce, financial management system as well as electronic banking. Thus, the perception that the system is easier to use influences the individual intention usage of that particular system. In contrast, Adams et al., (1992) highlights that perceived ease of use is of less importance in determining usage.

Perceived ease of use can be widely applied in different ways. It can be applied by system designers to get feedback from the system users about the system. Furthermore it may be applied after the implementation of that particular system to study about the problems related to the system usage (Adams et al., 1992). Applying perceived ease of use will not only be useful in exploring problems related to the system usage but also the benefits enjoyed after using that particular system.

In line with Adams et al., (1992), perceived ease of use is applicable in examining Tanzanian LGAs accounting practitioners' IPSAS perception in relation to the IPSAS financial reporting quality. The way accounting practitioners perceive about IPSAS will result to the outcomes of the work done under IPSAS accrual basis of accounting. This is supported by previous researchers Bozkurt, İslamoğlu, & Öz, (2013); Diniz et al., (2015); Joshi et al., (2008), who also reported that perception of IPSAS has the significant relationship in the quality of financial reporting. However, if the accounting practitioners perceive that it is easy to apply IPSAS accrual basis of accounting in accounting and reporting financial information, it will significantly have positive impact on the financial reporting quality as the matter of fact that accountants and auditors are actively involved in the whole process of applying IPSAS accrual basis of accounting in their departments. Based on the above empirical evidences, the researcher proposes the following hypothesis.

H4:1. *There is a significant relationship between IPSAS perceived ease of use and relevance of IPSAS financial reporting.*

H4:2. *There is a significant relationship between IPSAS perceived ease of use and faithful representation of IPSAS financial reporting.*

3.3.4 IPSAS Perceived Cost-benefit

3.3.4.1 IPSAS Perceived Usefulness

Perceived usefulness has been defined by other scholars as the individual's perception that using a certain system will improve his/her job performance or productivity within an institutional context (Davis, 1989; Davis et al., 1989). This is derived from the definition of the word useful that means able to be used

beneficially. In the Organizational setting, workers can be reinforced for improved performance by various rewards such as bonuses, raises and promotions. In this regard IPSAS perceived usefulness if believed by accountants, it will result to improved performance relationship. In the study by Davis (1989) it was found that perceived usefulness had a significant relationship with system usage. This can also be applicable in accounting discipline that the LGA accountants' perception of IPSAS usefulness can determine the financial reporting quality prepared under IPSAS. Based on the above facts and arguments by the previous researchers we can hypothesize as the follows:

H5:1. *There is a significant relationship between IPSAS perceived usefulness and relevance of IPSAS financial reporting.*

H5:2. *There is a significant relationship between IPSAS perceived usefulness and faithful representation of IPSAS financial reporting.*

3.3.4.2 IPSAS Perceived Cost

The concept of information value is related to the cost-benefit relation produced; in order to measure its value, information needs to be available, which reduces the uncertainty. If the accounting practitioners perceive that the cost of implementing IPSAS under weigh the benefit of implementing, it will obviously influence positively the IPSAS quality of financial reporting. The study by Diniz et al., (2015) revealed that the implementation of IPSAS benefits the preparation and use of the financial statements. Consistently, the study by Patrick, Danladi, Caleb, & Linda, (2018) also identified that IPSAS accrual basis adoption and implementation outweigh the costs in public organizations. In same vein, the study by Dwivedi et al., (2007); Rind et al., (2017) also highlight that perceived cost has significant influence on the consumers' intention to use broadband and Mobile Commerce respectively, whereas the study by Bozkurt et al., (2013) found that the costs outweigh the benefits of IPSAS implementation. Thus, if the perceived benefits of IPSAS outweigh its costs, then it will significantly influence the IPSAS quality of financial reporting. Therefore;

H6:1. *There is a significant relationship between perceived costs of IPSAS implementation and IPSAS financial reporting.*

H6:2. *There is a significant relationship between perceived costs of IPSAS implementation and IPSAS financial reporting.*

CHAPTER FOUR
RESEARCH METHODOLOGY

4.1 Introduction

Research methodology is defined as "a way to systematically solve the research problem. It may be understood as a science of studying how research is done systematically" (Kothari, 2004). This chapter focuses on the description of the research methods that were used in carrying out the research. It describes research design, area of the study, historical background of the study area, geographical location of the area under study, study population, sample size and sampling techniques, data collection methods, data analysis, analytical model and finally Operationalization/measurement of the research variables.

4.2 Research Design

Saunders, Lewis, & Thornhill, (2016), defined research designs as the general plan about the researcher's study so as to come up with the answers of the research questions. The aim of the study is to assess the Tanzanian LGAs' accounting practitioners' perception about the advantages of IPSAS implementation, in this regard quality of financial reporting. To find out the answers of the research questions, the researcher developed a structured questionnaire so as to gather data for analysis from the LGAs in Manyara region. The questionnaire is considered to be an efficient way of data collection from a huge number of sample followed by quantitative analysis (Saunders et al., 2016). The questionnaire contained questions related to the extent to which the research respondents agreed with the statements related to the Accountants' perception on the application of IPSAS. A likert scale of 1 through 5 will be 5= strongly agree, 4= agree, 3= neutral, 2= disagree, 1= strongly disagree. Almost all the questions such as likert-type survey were adopted from other researchers who conducted a study on the similar issue in a different context that was modified to fit the current study.

The study employed a descriptive survey research design. Sekaran (2000) defines descriptive research as a process of collecting data in order to test hypotheses or to answer questions concerning the current status of the subjects in the study. The

descriptive research design enabled the researcher to gain information about the phenomena and generalize the findings to a larger population (Saunders et al., 2016). As it is aptly put by Saunders, Lewis, & Thornhill, (2009), survey allows the collection of a large amount of data from a sizeable population in a highly economical way. The design was employed in this study since the study was investigating about peoples' views (Patrick et al., 2018).

4.3 Area of the Study

The study was conducted in all seven (7) Districts and Town councils that comprise Manyara Region, namely Babati DC, Babati Town Council, Hanang DC, Mbulu DC, Mbulu Town Council, Kiteto DC and Simanjiro DC. All of the seven (7) LGAs are preparing their financial statements under IPSASs. However, the accountants and auditors working in all of these LGAs were selected to form the survey population. The following part describes the historical background and geographical location of the study.

4.3.1 Historical Background of Manyara Region

Manyara region was established under the Local Government Act No. 8(1) of 1997, section 97 and officially announced in the Government Notice No. 367 on 2nd August 2002 after the former Arusha Region being divided to form two regions namely; Manyara and Arusha region. Therefore Manyara Region Government started to operate officially from 2nd August 2002[1].

4.3.2 Geographical Location of Manyara Region

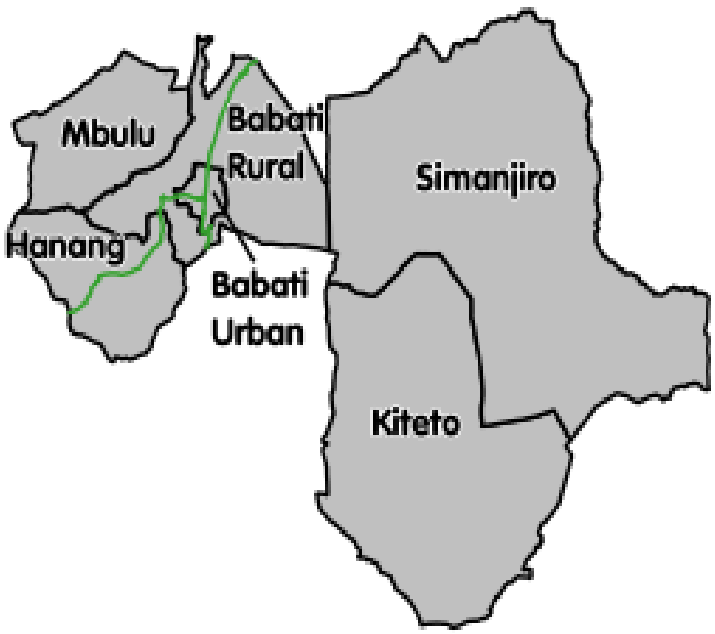
Manyara Region is among the 31 administrative regions of Tanzania. It is located in the northern part of Tanzania and its coordinates lie between latitudes 3º 40' and 6º 0' S and longitudes 33º and 38º E. The regional headquarters is sited in Babati Town which is 248km from Dodoma the capital city of Tanzania, 167km from Arusha and 157km from Singida (URT, 2016). The region is bordered with six (6) regions which are Dodoma region on the south, Tanga and Kilimanjaro regions on the east, Arusha region on the North and Simiyu and Singida regions on the west. The total area of the

[1] www.manyara.go.tz/historia

region is 50,921 square kilometers whereby 1,260 kilometers is covered with water bodies, while 49,576 square kilometers is the mainland with a total population of 1,538,982 (URT, 2016). The ethnic groups of the Region are Iraqw, Maasai, Mbugwe, Gorowa, Datooga, Assa, Kw'adza and Barabaig, whereas the Iraqw are the Region's largest ethnic group.

The major economic activities of the region are livestock keeping, mining and crop farming which is dominated by small scale farmers (peasants). The main cash and food crops grown in the region are wheat, food beans, maize, pigeon peas, onions, paddy, sunflower, finger millet and garlic, whereas maize, sunflower and wheat are the main contributors to the economy of the region. The map of the Manyara region is shown here below:

Figure 4.1 Map of Manyara Region



Source: Google maps, (2019).

4.4 Study Population

Mugenda and Mugenda (2003) explains that the target population should have some observable characteristics, to which the researcher intends to make some inferences in the study. It is the complete set of elements where the sample of the study is drawn

(Saunders et al., 2016). The population of interest of the current study was the Tanzanian LGAs, specifically Manyara Region.

4.5 Sample Size and Sampling Technique

Dawson, (2009) explain sample size as the number of people the researcher intends to speak to, and that particular number depends on what the researcher wants to do with the findings. For large scale, quantitative researches it is recommended to select a large sample size rather than small, qualitative research.

The sample size of the current study was 100 respondents who were selected from seven (7) LGAs in Manyara Region. According to the current researcher's best of knowledge this sample size was appropriate in conducting our current study. Kiugu, (2010) and Kothari, (2004) recommend that, the sample size should be neither too small nor too large. But it should be of the size that is manageable (Dawson, 2009; Saunders et al., 2016). The sample size selected in this study was in line with Hair, Black, Babin, & Anderson, (2010) who recommended that in the study where factor analysis is employed, the sample size should be at least 100.

To collect data from the accountants and auditors of the selected LGAs purposive sampling technique was employed in the study. Purposive sampling was employed due to the fact that it is the technique which is easy and fast in collecting data from the targeted population (Matekele, 2018). Furthermore, the researcher employed purposive sampling techniques due to time and financial constraints (Kothari, 2004).

As it has been stated before, the study's sampling unit was all the accountants and auditors working in all the LGAs in Manyara region. Accountants and auditors form the technical group which is responsible for implementing the objectives of IPSASs in their departments and the government at large. Additionally, IPSAS training in Tanzania is said to be too much aligned with Accountants and Auditors who are involved in the implementation team (Killagane, 2016). In this regard, the LGAs' accountants and auditors form a potential group that should be investigated about the implementation of IPSAS in Tanzanian LGAs.

4.6 Data Collection Methods

Njuguna, (2014) defined data collection as a systematic process in which the researcher collects relevant information to achieve the research purpose and objectives. The study used both primary and secondary data.

4.6.1 Primary Data

Kothari, (2004) defines, "primary data are those collected afresh and for the first time, and thus happen to be original in character". It is the information obtained first-hand by the researcher on the variables of interest for the specific purposes of the study.

Therefore, the method employed by this study to collect the primary data was survey design involving structured questionnaire. Survey requires direct participation of research respondents (Zikmund, Babin, Carr, Adhikari & Griffin, 2013). Questionnaire refers to a set of questions designed to generate data necessary for accomplishing a research project's objectives. The questionnaire survey were administered to all LGAs heads of finance, accounting and internal audit departments. Data were collected through distributing questionnaires to accountants working in different Town and District Councils in Manyara Region, with different areas of expertise, with similar functions. This method helped the researcher to collect data from substantial number of respondents in different LGAs in Manyara region. The major disadvantage of using this method was the forgetfulness of the research respondents to fill the questionnaires on time.

4.6.2 Secondary Data

Secondary data can be defined as other information that are likely to be used by the researcher in helping him/her to answer the research questions that will finally help in meeting the research objectives (Saunders et al., 2016). The secondary data can be sourced from different reports, text books, journals, internet, and other forms of document transcribed on the specific field. The researcher reviewed different CAG's LGA reports, other related LGAs documents and other prior studies which were basically used as a base of empirical evidences to support the arguments of the

current study. Moreover, we used secondary data because they helped us to save time and costs (Bugembe, 2010).

4.7 Respondent Rate

The current researcher administered a total number of 130 questionnaires by drop and pick strategy. Out of 130 questionnaires distributed by the researcher to the targeted respondents only 119 which is (91.5%) of the total number of the distributed questionnaires were fully filled and given back to the researcher. Among those 119 collected by the researcher only 116 which is (91.5%) of the distributed questionnaires were correctly filled, whereas 3 which is (2.3%) of the total number of distributed questionnaires were found with large number of unfilled gaps that made the researcher to reject them. Bryman (2014) as cited by (Augusto, 2018) recommends that any response rate which is above 50% gives reliable findings, as long as they represent the number of population and fully represent the significance level. In that regard, the conclusion of this study was made based on 116 respondents.

4.8 Data Processing and Analysis

After the exercise of collecting the primary data through the questionnaires, we compiled, coded, recorded, and finally analyzed them by using a computer software known as Statistical Package for Social Science (SPSS version 23). We used SPSS in this study due to the fact that the researcher is knowledgeable enough to its use compared to other packages.

In order to assess the accounting practitioners' perception of IPSAS, and relevance and faithful representation of IPSAS financial reporting, the study used descriptive statistical tools. The descriptive statistical tools helped the current researcher to describe data and to determine to what extent it should be used. Moreover, multiple regression analysis was also used to examine the influence of accounting practitioners' perception of IPSASs on the financial reporting quality (Relevance and Faithful representation). Before running regression the researcher tested the correlation between the independent variables and dependent variable to identify how much each independent variable explained the dependent variable. Another

technique used prior to regression analysis was factor analysis; we applied factor analysis technique so as to reduce variable dimensionality. Finally, multiple regression analysis technique was then employed with a purpose of helping the researcher to test the research hypotheses proposed in order to attain the specific objectives of this study.

4.8.1 Validity and Reliability

After data collection, the researcher considered of great importance to determine the extent to which the research data are valid and reliable. Validity has been defined as the level to which research instruments measure the intended objectives of a study (Field, 2013). While reliability is the level which the research instruments is consistent in what it is envisioned to measure (Isaga, 2012). Hence, valid research variables enable the accuracy of data that the researcher is interested to collect, while reliable research instruments are those which collect research data consistently. In our study we tested research variables for reliability by executing Cronbach's Alpha tests (1946). It measure internal consistency of the entire research scale. Specifically, Cronbach's Alpha provide a summary of the degree to which the research items relate to each other (Hair et al., 2010). The results show that the Cronbach's Alpha for the research project variable is 0.825 which is very satisfactory since it is above the value of 0.7 (Isaga, 2012). Hence, the research questionnaires were valid and reliable. The Cronbach's Alpha test results are shown in the table 4.1 below.

Table 4.1 Reliability of Data

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.825	.872	50

Source: researcher's survey design, (2019)

4.8.2 Factor Analysis

In our study we reviewed various past research projects that made us realize that it is possible for the items in the same research instrument to be closely interrelated which is generally considered as interrelationship among various number of variables (Diniz et al., 2015; Isaga, 2012; Komba, 2016; Matekele, 2018). However, it has

been practically proved that interrelationship among large number of variables can be reduced and summarized in a way that is easily managed while retaining the important information (Field, 2013; Hair et al., 2010). This problem can be solved by factor analysis technique. Factor analysis is a statistical technique that is appropriate for dimensional reduction among large number of variables without the loss of significant information (Field, 2013; Hair et al., 2010). Factor analysis can also be defined as a statistical technique that converts the correlations between a set of variables in practical into a lesser number of original factors that have all the necessary facts regarding the linear interrelationships between the underlying test score. It condenses the information in a large number of original variables into a smaller one without losing the significant information. In our study factor analysis was executed to condense a large number of variables by generating new composite variables for every single factor (summated scale). We summed the variables with high loadings for two reasons; first, it gives a way to overcome measurement error though to some extent, second its capacity to represent many aspects of a concept in one measure (Hair et al., 2010). Prior to creation of the summated scale we considered it important to assess undimensionality by Cronbach's alpha, whereby a threshold of at least 0.70 being considered as our endpoint (Field, 2013; Hair et al., 2010). The summated scale was then used for interpretation and analysis such as multiple regression analysis.

For factor analysis to be in a good fit, it is very important to check whether the research variables are extremely correlated (Diniz et al., 2015). In that regard, we used the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (MSA) and Bartlett's test of sphericity. As it has been recommended by Hair et al., (2010), the value of KMO should be greater than 0.50. Hair et al., (2010), further interprets KMO in the following categories: 0.80 as commendable, 0.70 or greater as middling, 0.60 or greater as mediocre, 0.50 or greater as miserable, and less than 0.50 as unacceptable. We also employed principal component analysis (PCA) so as to form the dimensions of our research data set. PCA technique specifically deals with locating linear relationship existing between distinct variables and transform it to number of components which is small under mutual themes (Komba, 2016). In

agreement with Hair et al., (2010), the endpoint point of our study was 0.50. We further considered Eigenvalues for determining the factors to be considered. Eigenvalues displays the total variance expressed by every individual factor. Eigenvalues above 1 is considered appropriate (Field, 2013; Hair et al., 2010). In this regard, our study's endpoint of Eigenvalues is 1.

4.8.3 Multiple Regression Analysis

We used multiple regression analysis to explore the extent to which independent variables predict the dependent variable. Multiple regression is a statistical technique that is used to analyze the relationship between one dependent variable and one or more independent variables (Isaga, 2012). It is generally assumed that linear relationship exists between independent variable(s) and the dependent variable (Field, 2013; Hair et al., 2010). As shown in chapter one, specifically the general objective of the current study was to examine the influence of accountants' perception of IPSAS and the IPSAS financial reporting quality of Tanzanian LGAs. In this regard, we used linear regression analysis technique to examine that particular relationship.

4.9 Measurements of Research Variables

In the current study, independent variable accounting practitioners' IPSAS perception was measured through constructs such as IPSAS perceived knowledge, IPSAS perceived ease of use, and perceived cost-benefit of IPSAS.

IPSAS perceived knowledge was measured through Staff Knowledge and Experience and Self-efficacy; for the researcher's best knowledge all of these items are closely related to perceived knowledge. The variable IPSAS Perceived Ease of Use was adopted from Davis, (1989) and was measured through Attitude towards IPSAS and Ease of Use. Variable Perceived Cost-benefit of IPSAS was measured through Perceived Usefulness also adopted from Davis, (1989), and perceived costs of IPSAS implementation. No changes were made to the usefulness and ease of use except to adapt the wording to fit the research that was covered in this study. These three measures were used by researchers who needed to understand the level of success of information systems usage (Adams et al., 1992).

According to our best knowledge these measures were also applicable in measuring the quality of IPSAS financial reporting which is the dependent variable of the current study. The dependent variable Quality of Financial Reporting was measured through the fundamental qualitative characteristics which are relevance and faithful representation (IASB, 2008). Relevance was measured through forward looking statements, presence of non-financial information, use of fair value instead of historical information and the level of previous feedback to the users. Faithful representation was measured on the other through verifiability, neutrality, completeness, free from material error, corporate governance statement, and unqualified audit opinion. All these measurement scales of both relevance and faithful representation were adopted and modified from previous studies (Cuong & Ly, 2017; Jonas & Blanchet, 2000; Van Beest et al., 2009). Nothing was changed but wordings to fit the current study.

Therefore the overall quality of financial reporting was tested over the overall accounting practitioners' perception of IPSAS (i.e. IPSAS perceived knowledge, IPSAS perceived ease of use and IPSAS perceived cost-benefit). Thus, the quality of financial reporting depended on the overall overview and perceptions expressed by the accounting practitioners. The proposed variables perceived knowledge, perceived ease of use and perceived cost-benefits are mostly used in other disciplines like information technology adoption, intention and usage studies. According to our best knowledge these variables are also appropriate in determining the quality of financial reporting based on IPSAS accrual accounting.

CHAPTER FIVE
PRESENTATION OF FINDINGS

5.1 Introduction

The findings of this study are presented in this chapter. As stated in Chapter One, the main objective of this study was to explore the influence of accounting practitioners' perception of accrual based IPSAS in financial reporting quality of Tanzanian LGAs. The specific objectives of the study were as follows:

i. To determine the relationship between IPSAS perceived knowledge and the quality of financial reporting of Tanzanian LGAs,

ii. To examine the influence of IPSAS perceived ease of use in the financial reporting quality of Tanzanian LGAs, and

iii. To assess the influence of perceived cost-benefit of IPSASs implementation and the financial reporting quality of Tanzanian LGAs.

In accordance with the identified specific research objectives of this study, the part that follows shows the findings followed by the data analysis of this research project.

5.2 Research Findings

The empirical findings of this research project have been presented by using descriptive statistical tool. This sub-section/part is appropriate for presenting the descriptive statistics of demographic characteristics of the current research project respondents. It further presents the results of the factor analysis as well as of the multiple regression analysis.

5.2.1 Demographic Characteristics of the Research Project Respondents

The demographic characteristics of these research project respondents comprise six (6) elements namely: gender, age, marital status, academic qualification, professional qualification, and work experience in the LGAs.

5.2.1.1 Gender

The response rate of the correctly answered questionnaires based on gender was 76 (65.5%) males and 40 (34.5%) females. This implies that male dominated in this study. The table 5.1 below shows the response rate based on gender.

Table 5.1 Gender

Gender	Frequency	Percent
MALE	76	65.5
FEMALE	40	34.5
Total	116	100.0

Source: researcher's survey design, (2019)

5.2.1.2 Age Group the Respondents

We asked the question about age of the respondents. The following statistics of age group of the respondents were recorded; the respondents in the age group of 18-30 years were 25 (21.6%), 31-45 years were 67 (57.8%), 46 years and above were 24 (20.7%). The findings show that most of the respondents fell in the age group of 31-45 years. Hence, we can say that the accountants and auditors of the age group of 31-45 years are actively involved in the implementation of accrual based IPSAS the Tanzanian LGAs and they have enough time to maintain the objectives of accrual based IPSAS compared to those who are older. Different age groups of the respondents are shown in the table 5.2 below.

Table 5.2 Age of the Respondents

Age group	Frequency	Percent
18-30 YEARS	25	21.6
31-45 YEARS	67	57.8
46+ YEARS	24	20.7
Total	116	100.0

Source: researcher's survey design, (2019)

5.2.1.3 Marital Status

For the case of marital status, our results show that 28 (24.1%) were single, while 84 (72.4%) were married and 4 (3.4%) divorced. Therefore, based on these empirical findings the huge number of the research respondents were married. The table 5.3 that follows hereafter shows the marital status of the research respondents.

Table 5.3 Marital Status of the Respondents

	Frequency	Percent
Single	28	24.1
Married	84	72.4
Divorced	4	3.4
Total	116	100.0

Source: researcher's survey design, (2019)

5.2.1.4 Academic Qualification of the Respondents

The academic qualification of our respondents as shown in the table below are; the respondents with certificate in accounting were 10 (8.6%), respondents with diploma in accounting were 23 (19.8%), those with bachelor degree in accounting/finance were 61 (52.6%) and respondents having master degree were 22 (19%). All these categories of academic qualifications of the respondents are shown in the table 5.4 below.

Table 5.4 Academic Qualification of the Respondents

categories	Frequency	Percent
Certificate in accounting	10	8.6
Diploma in accounting	23	19.8
Bachelor degree in accounting/finance	61	52.6
Master degree	22	19.0
Total	116	100.0

Source: researcher's survey design, (2019)

5.2.1.5 Professional Qualification

The tables 5.5 below shows that the respondents holding CPA were 16 (13%), respondents with ACCA were 6 (5.2%), whereas respondents without any professional qualification were 94 (81%). Based on these findings, we can conclude that accountants and auditors from LGAs are so reluctant in undertaking professional studies.

Table 5.5 Professional Qualification of the respondents

	Frequency	Percent
CPA	16	13.8
ACCA	6	5.2
Not certified	94	81.0
Total	116	100.0

Source: researcher's survey design, (2019)

5.2.1.6 Work Experience in the LGAs

The findings about how long the respondents have been working with the LGAs indicate that respondents who had worked with the LGAs for less than 5 years were 55 (47.4%), 6-10 years were 32 (27.6%), 11-15 years were 14 (12.1%) and those who had worked with the LGAs for more than 15 years were 15 (12.9%). The table 5.6 hereafter shows the respondents' experience with the LGAs.

Table 5.6 Work Experience

	Frequency	Percent
Less than 5 years	55	47.4
6-10 years	32	27.6
11-15 years	14	12.1
Over 15 years	15	12.9
Total	116	100.0

Source: Researcher's Survey Design, (2019)

5.3 Factor Analysis Results

We performed factor analyses for eight (8) variables comprising 50 items which were used with a purpose of measuring IPSAS perceived knowledge, IPSAS perceived ease of use and perceived cost-benefit of IPSAS implementation, and relevance and faithful representation representing independent variables and dependent variable respectively. We performed factor analysis for two reasons which were to assess internal consistency of the items used in the current study and to reduce the number of used variables through generating summated scale. The generated factors were then used in the regression analysis. The results of factor analysis were as follows.

5.3.1 IPSAS Perceived Knowledge

In regard to IPSAS perceived knowledge we performed Factor analysis on staff knowledge and experience, and IPSAS self-efficacy.

5.3.1.1 Staff Knowledge and Experience

As shown in our research questionnaires, staff knowledge and experience comprised eleven (11) items. The results of factor analysis show that all eleven (11) items were correlated to each other. But when we checked communalities we identified that item SKEP9 had a value below 0.5 endpoint, hence we excluded it in compliance to PCA requirements. The rerun was done and when we checked for communalities again it showed that item SKEP1 and SKEP4 had values below 0.5 endpoint and item

SKEP7 had substantial loading on two variables, hence was excluded too. The final results show that the loading of the factors satisfied the requirement of 60% or above the total variances. The KMO and Bartlett's test of sphericity was 0.772 and 0.000 (significant) respectively. The value of Cronbach's alpha was 0.754 after deleting item SKE3 (see table 5.7 below).

Table 5.7 Factor Analysis for Staff Knowledge and Experience

Component	Cronbach's alpha	#items	Cases	Code	Factor1	Factor2
Component1:Scale1:SKEXP1	0.754	7	116	SKEP6	0.791	
				SKEP10	0.773	
				SKEP11	0.772	
				SKEP5	0.751	
				SKEP8	0.619	0.436
				SKEP3		0.779
Component2:Scale2:SKEXP2				SKEP2		-0.732
Total Variance Explained						
Initial Eigenvalues Total					2.897	1.369
Initial Eigenvalues % of Variance (60.96%) total					41.392	19.563
Cronbach's Alpha (overall)						0.754

Source: researcher's survey design, (2019)

5.3.1.2 Perceived IPSAS Self-efficacy

Factor analysis was performed for Perceived IPSAS Self-efficacy whereby seven items were involved in the analysis. It was found that item PISEF2 and PISEF7 were not correlating with the rest, since their correlation values were less than 0.30 which is our research endpoint for the correlation. In the case of communalities values item PISEF3 did not meet the criteria of greater than 0.50 that is the endpoint, whereas PISEF1 had loadings with more than one variable. Therefore, we eliminated item PISEF3, PISEF1, PISEF2 and PISEF7 before we re-run. The re-run results show that the loading of the factors extracted had a total variance of 73.36% which is above the

endpoint of 60%. The KMO was 0.715 while Bartlett's test of Sphericity was 0.000. In the case of Cronbach's alpha of the extracted factors was 0.812. All description of the extracted factors are shown in the table 5.8 below.

Table 5.8 Factor Analysis for Perceived IPSAS Self-efficacy

Component	Cronbach's alpha	#items	Cases	code	Factor 1
Component1:Scale3:PISEFF	0.812	3		PISEF4	0.867
				PISEF6	0.864
				PISEF5	0.838
Total Variance explained					
Total Initial Eigenvalues					2.201
Initial Eigenvalues % of Variance (total)					73.36
Cronbach's alpha (overall)					0.812

Source: researcher's survey design, (2019)

5.3.2 IPSAS Perceived Ease of Use

IPSAS perceived ease of use was measured by two variables namely attitudes towards IPSAS and IPSAS perceived ease of use itself. Therefore, we performed factor analysis based on one of the two mentioned variables so as to obtain the factors that give the true measure of these variables after being reduced to a small numbers.

5.3.2.1 Attitudes towards IPSAS

We performed factor analysis for four (4) items regarding attitudes towards IPSAS. Two items ATTIP1 and ATTIP2 were eliminated since the results showed that they had poor correlation with other items. Moreover, when we inspected for the communalities, it was found that all items had communalities values above the endpoint of 0.60(60%). Thereafter, we reran the analysis for the rest of items. The

KMO shown by the results was 0.5 and the Bartlett's test for sphericity was 0.000. In the case of reliability analysis the result indicated that Cronbach's alpha value for the remaining items was 0.621 and the communalities stated was 0.731 for all remaining items (ATTIP3 and ATTIP4). All the information regarding the extracted factors are shown in the table 5.9 below.

Table 5.9 Factor Analysis for Attitude towards IPSAS

Component	**Cronbach's alpha**	**#items**	**Cases**	**Code**	**Factor 1**
Component1:Scale4:ATTIPS	0.621	2	116	ATTIP4	0.855
				ATTIP3	0.855
Total Variance Explained					
Total Initial Eigenvalues					**1.463**
Total Initial Eigenvalues % of Variance					**73.14**
Cronbach's alpha (overall)					0.621

Source: researcher's survey design, (2019)

5.3.2.2 IPSAS Perceived Ease of Use

The factor analysis based on IPSAS perceived ease of use reported that all five items correlated to each other. We then checked for Communalities and the results revealed that PEUS4 had the value below the endpoint 0.5 hence, was removed and the rest were retained for the analysis and factor analysis was rerun without PEUS4. The results indicated that KMO was 0.766 and the Bartlett's test for sphericity was significant at 0.000. The result for reliability test showed that the Cronbach's alpha was 0.81 (81%). See table 5.10 below.

Table 5.10 Factor Analysis for IPSAS Perceived Ease of Use

Component	Cronbach's alpha	#items	Cases	Code	Factor 1
Component1:Scale5:PEUSE	0.81	4	116	PEUS2	0.822
				PEUS1	0.816
				PEUS3	0.783
				PEUS5	0.777
Total Variance Explained					
Total Initial Eigenvalues					**2.557**
Initial Eigenvalues % of Variance total					**63.926**
Cronbach's alpha (overall)					0.81

Source: Researcher's survey design, (2019)

5.3.3 Perceived Cost-benefit of IPSAS Implementation

This variable was measured through two variables which are: IPSAS perceived usefulness and IPSAS perceived costs. IPSAS perceived usefulness was measured by six (6) items, IPU1 to IPU6. While IPSAS perceived cost was measured by three (3) items, IPCOS1 to IPCOS3. Factor analysis was performed based on each variable.

5.3.3.1 IPSAS Perceived Usefulness

We performed factor analysis for IPSAS perceived usefulness; the results showed that every item correlated to at least one item. Items IPUS6 and IPUS4 were excluded since they had a communalities value less than 0.5, whereas IPU5 was excluded in the factor analysis because it had a loading of more than one variable. The final rerun reported that KMO and Bartlett's test for sphericity were 0.646 and 0.000 respectively. The result for the reliability test was Cronbach's alpha 0.803 (80.3%). For more details about factor analysis regarding to IPSAS perceived usefulness refer to the table 5.11 below.

Table 5.11 Factor analysis for Perceived Usefulness

Component	Cronbach's alpha	#items	Cases	Code	Factor 1
Component1: Scale6:IPU	0.803	3	116	IPUS1	0.911
				IPUS2	0.876
				IPUS3	0.757
Total Variance Explained					
Total Initial Eigenvalues					**2.170**
Initial Eigenvalues % of Variance (total)					**72.349**
Cronbach's Alpha (overall)					0.803

Source: researcher's survey design, (2019)

5.3.3.2 IPSAS Perceived Costs

The factor analysis results for IPSAS perceived costs reported that all items IPCOS1 to IPCOS3 were correlated to each other. We checked for communalities values and identified IPCOS3 being with the loading of less than 0.5 endpoint of this research. We excluded item IPCOS3 from the analysis and rerun the factor analysis based on the retained factors. The results indicated that KMO and Bartlett's test for sphericity were 0.5 and 0.000 respectively. The reliability of the retained factor was Cronbach's alpha 0.626 (62.6%). Other details concerning factor analysis for IPSAS perceived costs are displayed in table 5.12 hereafter.

Table 5.12 Factor analysis for IPSAS Perceived Costs

Component	Cronbach's alpha	#items	Cases	Code	Factor 1
Component1: Scale7:IPCOST	0.626	2	116	IPCOS1	0.854
				IPCOS2	0.854
Total Variance Explained					
Total Initial Eigenvalues					**1.457**
Initial Eigenvalues % of Variance (total)					**72.854**
Cronbach's alpha					0.626

Source: researcher's survey design, (2019)

5.3.4 IPSAS Financial Reporting Quality

This variable was measured by relevance and faithful representation of financial reporting. Relevance was measured by nine (9) items while faith representation was measured by five (5) items. Therefore we performed factor analysis based on nine items and five items for relevance and faithful representation respectively.

5.3.4.1 Relevance

Factor analysis was performed for the first time; items RLVNCE1, RLVNCE4, RLVNCE6 and RLVNCE9 were excluded in the analysis since they were found with communalities values less than endpoint 0.5. The RLVNCE2 was removed because it had poor correlation to the other items, and item RLVNCE3 was eliminated because it had loadings to more than one factor. The rerun of the retained factors indicated that KMO and Bartlett's test for sphericity were 0.684 and 0.000 respectively. The result for reliability test was Cronbach's alpha 0.799. All details regarding factor analysis under relevance are displayed in table 5.13 below.

Table 5.13 Factor analysis for Relevance

Component	Cronbach's alpha	#items	Cases	Code	Factor 1
Component1:Scale8:REL	0.799	3	116	RLVNCE8	0.887
				RLVNCE7	0.872
				RLVNCE5	0.790
Total Variance Explained					
Total Initial Eigenvalues					**2.171**
Initial Eigenvalues % of Variance (total)					**72.363**
Cronbach's alpha (overall)					0.799

Source: researcher's survey design, (2019)

5.3.4.2 Faithful Representation

Our factor analysis under faith representation reported that FAITHREP4 had loadings with more than one factor, while FAITHREP1 had communalities values less than the endpoint 0.5. Based on communalities and cross loadings criteria, the two identified items were removed. The results after the rerun showed that the communalities values were 0.767, 0.716, and 0.692 for FAITHREP2, FAITHREP3 and FAITHREP5 respectively. The KMO Measure of Sampling Adequacy was 0.707, while Bartlett's test for Sphericity was significant at 0.000. The Cronbach's alpha test for reliability was 0.810 (See table 5.14 below).

Table 5.14 Factor analysis for Faithful Representation

Component	Cronbach's alpha	#items	Cases	Code	Factor 1
Component1: Scale9:FAIREP	0.810	3	116	FAITHREP2	0.876
				FAITHREP3	0.846
				FAITHREP5	0.832
Total Variance Explained					
Total Initial Eigenvalues					**2.175**
Initial Eigenvalues % of Variance (total)					**72.493**
Cronbach's alpha (overall)					0.810

Source: researcher's survey design, (2019)

5.4 Results of Hypothesis Testing

This study had three objectives. Objective one was to determine the relationship between IPSAS perceived knowledge and the quality of financial reporting of Tanzanian LGAs. This objective was supported by hypotheses H1.1, H1.2, H2.1, and H2.2. Objective two of this study was to examine the influence of IPSAS perceived ease of use in the financial reporting quality of Tanzanian LGAs. Objective two was supported by hypothesis H3.1, H3.2, H4.1, and H4.2. Whereas, the third objective of the current study was to assess the relationship between perceived cost-benefit of IPSASs implementation and the financial reporting quality of Tanzanian LGAs. This objective was supported by hypothesis H5.1, H5.2, H6.1, and H6.2. The next part shows the regression results that were used for hypothesis testing. Recall, regression analysis was conducted after performing factor analysis and PCA. The results for PCA were summated scales of the appeared components. In this regard the scale obtained after the performance of factor analysis was considered appropriate for regression analysis in the whole process of hypothesis testing.

5.4.1 Regression Analysis: IPSAS Financial Reporting Quality

IPSAS financial reporting quality our dependent variable was measured by the two fundamental qualitative characteristics of financial reporting variables namely Relevance and Faithful Representation (IASB, 2008). We examined relevance and faithful representation of IPSAS financial reporting by using IPSAS perceived knowledge, IPSAS perceived ease of use and Perceived costs of IPSAS implementation as our independent variables. The next part provides the results for regression analysis for every independent variable in relation to the dependent variables.

5.4.1.1 IPSAS Perceived Knowledge

We measured IPSAS perceived knowledge by using two constructs which are Staff knowledge and experience, and IPSAS self-efficacy. Staff knowledge and experience on IPSAS was measured by scale1 to scale11. Remember, through performing factor analysis then PCA five items formed factor1, were retained which then summated scales and renamed as scale1: SKEXP1 (Staff Knowledge), while the other two items formed factor2 which were also summated scales and renamed as scale2: SKEXP2 (Staff Experience). This part presents the regression analysis results for the relationship between staff knowledge and experience, and relevance and faithful representation of IPSAS financial reporting.

a. Relationship between Staff Knowledge and Experience, and Relevance of IPSAS Financial Reporting

For the purpose of determining the relationship between staff knowledge and experience, and relevance of IPSAS financial reporting in the Tanzanian LGAs, relevance was taken as our dependent variable. As shown in table 5.15, Panel A indicates that there is a positive significant relationship between Scale1 and scale8. Table 5.15 reveals that (Beta=0.313; t-value=3.473; sig=0.001; tolerance=0.984; VIF=1.017) for scale1. Moreover, the regression results indicate that although there is a positive relationship between scale2 and scale8, but such relationship is insignificant. As table 5.15 indicates, Beta= 0.019; t-value=0.212; sig=0.832; tolerance=0.984 and VIF=1.017 for scale2. There is no problem of multicollinearity.

However, the general statistical model also is significant (R=0.316; R^2=0.100; F=6.250; P<0.003). Based on the results in table 5.15 we partially accept the hypothesis H1.1.

Table 5.15 Regression Analysis results for Staff Knowledge and Experience, and Relevance.

PANEL A	Independent Variables	Beta	t-value	Sig	Tolerance	VIF
Dependent Variable (Relevance)	Constant		4.238	0.000		
	Scale1: SKEXP1	0.313	3.473	0.001	0.984	1.017
	Scale2: SKEXP2	0.019	0.212	0.832	0.984	1.017

R=0.316, R^2=0.100, ANOVA (F) =6.250, P<0.003

b. Relationship between Staff Knowledge and Experience, and Faithful Representation of IPSAS Financial Reporting

We also assessed the relationship between staff knowledge and experience, and faithful representation of IPSAS financial reporting, faithful representation was taken as our dependent variable. Scale1 and scale2 were tested against scale9 (faithful representation) and showed that the general statistical model was not significant (R=0.223; R^2=0.050; ANOVA (F) = 2.947; P<0.057). Panel B in table 5.16 shows that there is positive significant relationship between scale1 and scale9. Table 5.16 further shows that scale2 is insignificantly related to scale9. However, table 5.16 indicates that Beta=-0.201, t-value=-2.169, Sig=0.032, Tolerance=0.984 and VIF=1.017 for scale1 and Beta=0.074, t-value=0.805, Sig=0.423, Tolerance=0.984 and VIF=1.017 for scale2. These results show that there is an absence of multicollinearity problem in the model. Thus we partially accept the hypothesis H1:2.

Table 5.16 Regression Analysis results for Staff Knowledge and Experience, and Faithful Representation.

PANEL B	Independent Variables	Beta	t-value	Sig	Tolerance	VIF
Dependent Variable (Faithful representation)	Constant		5.252	0.000		
	Scale1: SKEXP1	0.201	2.169	0.032	0.984	1.017
	Scale2: SKEXP2	0.074	0.805	0.423	0.984	1.017

R=0.223; R^2=0.050; ANOVA (F) = 2.947; P<0.057

c. Relationship between Perceived IPSAS Self-efficacy and Relevance of IPSAS Financial Reporting

As shown in table 5.17, the regression model determined the relationship between perceived IPSAS self-efficacy represented by scale3 and relevance of IPSAS financial reporting represented by scale8, indicates that there is a negative significant relationship between these two variables. The negative relationship is revealed due to the setting of the question in the questionnaire, whereby almost all questions asked were negatively set that lead the respondents to disagree with the statements. Consistently, the general statistical model is also significant (see table 5.17). In case of multicollinearity problem the VIF and Tolerance reveal that multicollinearity problem does not exist VIF=1.000; Tolerance=1.000; Beta = -0.263; t-value = -2.911; Sig = 0.004, therefore we fully accept the hypothesis H2.1.

Table 5.17 Regression Analysis results for Perceived IPSAS Self-efficacy and Relevance of IPSAS Financial Reporting

PANEL C	Independent Variables	Beta	t-value	Sig	Tolerance	VIF
Dependent Variable (Relevance)	Constant			0.000		
	Scale3	-0.263	-2.911	0.004	1.000	1.000

R=0.263; R^2=0.069; ANOVA (F) = 8.475; P<0.004

d. The Relationship between IPSAS Self-efficacy and Faithful Representation of IPSAS Financial Reporting

We tested the relationship between IPSAS self-efficacy which was represented by scale3 and faithful representation of IPSAS financial reporting represented by scale9. The results as shown in table 5.18 show that Beta=-0.75, t-value=-0.805, Sig=0.422, Tolerance=1.000, and VIF=1.000. Since the significance is 0.422 which is larger than the significance level of 0.05, then it shows that scale3 has no significant relationship with scale9. Where by VIF and Tolerance show that there no existence of multicollinearity problem in the model. Hence, we reject hypothesis H2:2.

Table 5.18 Regression Analysis results for IPSAS Self-efficacy and Faithful Representation of IPSAS Financial Reporting

PANEL D	Independent Variables	Beta	t-value	Sig	Tolerance	VIF
Dependent Variable (Faith Rep)	Constant		23.052	0.000		
	Scale3	-0.075	-0.805	0.422	1.000	1.000

R=0.075; R^2=0.006; ANOVA (F) = 0.648; P<0.422

5.4.1.2 IPSAS Perceived Ease of Use

In our study we measured IPSAS perceived ease of use by using constructs such as attitudes towards IPSAS and perceived ease of use itself. After computing factor analysis and PCA attitude towards IPSAS that was represented by scale4, while IPSAS perceived ease of use was represented by scale5. The current part presents the regression results for the relationship between scale4 (attitude towards IPSAS) and scale5 (perceived ease of use) against scale8 (relevance) and scale9 (faithful representation) of IPSAS financial reporting.

A. The Influence of Attitude towards IPSAS on relevance of IPSAS Financial Reporting

For the aim of testing the influence of attitude towards IPSAS (scale4) on scale8 relevance of IPSAS financial reporting we conducted regression analysis for scale4

and scale8. The results of the regression analysis are as shown in Panel E (table 5.19). Scale4 has an insignificant influence on scale8. This is revealed due to the significance value shown in the regression results being greater that the significance level of 0.05. The results show that Sig=0.078, Beta=0.165, t-value=1.781. However, the Tolerance=1.000, VIF=1.000 show that there is no existence of multicollinearity problem. The general statistical model is also insignificant (see table 5.19). Based on these results we reject the hypothesis H3.1.

Table 5.19 Regression Analysis Results for Attitude towards IPSAS and Relevance of IPSAS Financial Reporting

PANEL E	Independent Variables	Beta	t-value	Sig	Tolerance	VIF
Dependent Variable (Relevance)	Constant		9.958	0.000		
	Scale4	0.165	1.781	0.78	1.000	1.000

R=0.165; R^2=0.027; ANOVA (F) = 3.172; P<0.078

B. The Influence of Attitude towards IPSAS on Faithful Representation of IPSAS Financial Reporting

Table 5.20 shows that scale4 has Beta=0.212, t-value=2.312, Sig=0.023. These results reveal that there is a significant relationship between scale4 and scale9. The case of Tolerance=1.000, and VIF=1.000 satisfies that multicollinearity problem does not exist. Furthermore table 5.20 indicates that the statistical model is significant (R=0.212; R^2=0.045; ANOVA (F) =5.346, P<0.023). Therefore, based on the shown statistical results, the hypothesis H3:2 is not rejected.

Table 5.20 Regression Analysis results for Attitude towards IPSAS and Faithful Representation

PANEL F	Independent Variables	Beta	t-value	Sig	Tolerance	VIF
Dependent Variable (Faith rep)	Constant		10.274	0.000		
	Scale4	0.212	2.312	0.023	1.000	1.000

R=0.212; R^2=0.045; ANOVA (F) = 5.346; P<0.023

C. The Influence of IPSAS Perceived Ease of Use on Relevance of IPSAS Financial Reporting

The regression results show the influence of perceived ease of use on relevance of IPSAS financial reporting. Perceived ease of use in the regression analysis is represented by scale5 while relevance is represented by scale8. As indicated in table 5.21, there is a positive significant relationship between scale5 (perceived ease of use) and scale8 (relevance). Therefore, it can be argued that scale5 has influence on scale8. However table 5.21 shows that, Beta=0.386, Sig=0.000, t-value=4.471, Tolerance=1.000, VIF=1.000. As per Tolerance and VIF there is no existence of the multicollinearity problem. Therefore, based on the information shown, we do not reject the hypothesis H4.1. The statistical model is significant too (see table 5.21).

Table 5.21 Regression Analysis results for IPSAS Perceived Ease of Use and Relevance

PANEL F	Independent Variables	Beta	t-value	Sig	Tolerance	VIF
Dependent Variable (Relevance)	Constant		12.033	0.000		
	Scale5	0.386	4.471	0.000	1.000	1.000

R=0.386; R^2=0.149; ANOVA (F) = 19.987; P<0.000

D. The Influence of IPSAS Perceived Ease of Use on Faithful Representation of IPSAS Financial Reporting

Regarding the influence of IPSAS perceived ease of use on faithful representation, the scale5 (perceived ease of use) was tested against scale9 which represents faithful representation. The regression results show that Beta=0.354, t-value=4.035, Sig=0.000. Based on these results, there is a positive significant influence of scale5 on scale9. Furthermore, the result for tolerance and VIF show that there is no existence of multicollinearity problem in the model. Table 5.22 shows tolerance=1.000; VIF=1.000. Hence, we fully accept the hypothesis H4:2.

Table 5.22 Regression Analysis results for IPSAS Perceived Ease of Use and Faithful Representation.

PANEL G	Independent Variables	Beta	t-value	Sig	Tolerance	VIF
Dependent Variable (Faith rep)	Constant		4.382	0.000		
	Scale5	0.354	4.035	0.000	1.000	1.000

R=0.354; R^2=0.125; ANOVA (F) = 16.282; P<0.000

5.4.1.3 IPSAS Perceived Cost-Benefit of Implementation

Recall, in our study we measured IPSAS perceived cost-benefit by using two variables namely IPSAS perceived cost and IPSAS perceived usefulness. IPSAS perceived usefulness is represented by scale6 while IPSAS perceived cost being presented by scale7. Therefore, in assessing the relationship between IPSAS perceived usefulness and IPSAS financial reporting quality, we tested scale7 which represents IPSAS perceived costs as the independent variable against scale8 and scale9 representing relevance and faithful representation respectively, as the dependent variable. For the case of relationship between IPSAS perceived usefulness and IPSAS financial reporting quality, we tested scale6 against scale8 and scale9 which were representing the dependent variable.

a. The Relationship between IPSAS Perceived Usefulness and Relevance of IPSAS Financial Reporting

Panel H in table 5.23 shows the results for scale6 as follows; Beta=0.279, t-value=3.105, Sig=0.002, Tolerance=1.000 and VIF=1.000. The result as shown in table 5.23 reveals that there is positive significant relationship between (scale6) IPSAS perceived usefulness and (scale8) relevance of IPSAS financial reporting whereas VIF reveal that multicollinearity problem does not exist in the model. In that regard we fully accept the hypothesis H5.1.

Table 5.23 Regression Analysis results for IPSAS Perceived Usefulness and Relevance

PANEL H		Independent Variables	Beta	t-value	Sig	Tolerance	VIF
Dependent (Relevance)	**Variable**	Constant		4.785	0.000		
		Scale6	0.279	3.105	0.002	1.000	1.000

R=0.279; R^2=0.078; ANOVA (F) = 9.642; P<0.002

b. The Relationship between IPSAS Perceived Usefulness and Faithful Representation of IPSAS Financial Reporting

The regression results of scale6 against scale9 as indicated in table 5.24 shows that Beta=-0.162, t-value=-1.752, Sig=0.082. These results depict that there is an insignificant relationship between scale6 and scale9. The results further reveal that multicollinearity problem does not exist in the model. Table 5.24 indicates, tolerance=1.000 and VIF=1.000. Thus, we reject the hypothesis H5:2.

Table 5.24 Regression Analysis results for IPSAS Perceived Usefulness and Faithful Representation

PANEL I		Independent Variables	Beta	t-value	Sig	Tolerance	VIF
Dependent (Faith rep)	**Variable**	Constant		6.394	0.000		
		Scale6	0.162	1.752	0.082	1.000	1.000

R=0.162; R^2=0.026; ANOVA (F) = 3.070; P<0.082

c. The Relationship between IPSAS Perceived Costs and Relevance of IPSAS Financial Reporting

The relationship between IPSAS perceived cost and relevance in the regression analysis was tested by scale7 which represents IPSAS perceived costs against scale8 which represents relevance. The results of our regression analysis as indicated in table 5.25 show that Beta = -0.198, t-value=-2.155, Sig=0.033, Tolerance=1.000, VIF=1.000.

This means that IPSAS perceived costs has significant relationship with relevance of IPSAS financial reporting, but they are negatively associated. In the case of VIF and Tolerance table 5.25 further shows that there is non-existence of multicollinearity problem. Thus, we accept the hypothesis H6:1

Table 5.25 Regression Analysis results for IPSAS Perceived Cost and Relevance of IPSAS Financial Reporting

PANEL J	Independent Variables	Beta	t-value	Sig	Tolerance	VIF
Dependent Variable (Relevance)	Constant		28.051	0.000		
	Scale7	-0.198	-2.155	0.033	1.000	1.000

R=0.198; R^2=0.039; ANOVA (F) = 4.644; P<0.033

d. The Relationship between IPSAS Perceived Costs and Faithful Representation of IPSAS Financial Reporting

We conducted regression analysis so as to test whether there is a statistical significant relationship between scale7 (IPSAS perceived costs) and scale9 (faithful representation). The result of our findings as presented in table 5.26 shows that Beta = -0.285, t-value = -3.169, Sig=0.002, tolerance =1.000 and VIF=1.000. Since 0.002 is less than the significance level of 0.05, then it can be concluded that there is a statistical significance relationship between scale7 and scale9. However, based on the results of the regression analysis it is shown that scale 7 and scale 9 are negatively related. Moreover, the VIF portrays that there is no multicollinearity problem. Hence we accept the hypothesis H6:2.

Table 5.26 Regression Analysis results for IPSAS Perceived Costs and Faithful Representation

PANEL K	Independent Variables	Beta	t-value	Sig	Tolerance	VIF
Dependent Variable (Faith rep)	Constant			0.000		
	Scale7	-0.285	-3.169	0.002	1.000	1.000

R=0.285; R^2=0.081; ANOVA (F) = 10.044; P<0.002

CHAPTER SIX
DISCUSSION OF THE FINDINGS

6.1 Introduction

This chapter provides the discussion based on the findings presented in chapter five. The discussion aims to answer the research questions, which are used as a guide in this chapter. The research questions were derived from the three specific research objectives of the study which are: to determine the relationship between IPSAS perceived knowledge and the financial reporting quality; to examine the influence of IPSAS perceived ease of use and financial reporting quality; and to assess the relationship between perceived cost-benefit of IPSAS implementation and the financial reporting quality. In that regard our discussion guides (research questions) are:

i. Is there any relationship between IPSAS perceived knowledge and the financial reporting quality of Tanzanian LGAs?
ii. Is there influence of IPSAS perceived ease of use on financial reporting quality of Tanzanian LGAs?
iii. Is there a relationship between perceived cost-benefit of IPSASs implementation and the financial reporting quality of Tanzanian LGAs?

The stated research questions above helped us to develop twelve hypotheses, whereby out of twelve hypotheses seven hypotheses were fully accepted, while two were partially accepted and the rest three were rejected. Recall, four hypotheses were appropriate for the first research question, these are; H1.1, H1.2, H2.1, and H2.1. H3.1, H3.2, H4.1 and H4.2 were appropriate for the second research question, and H5.1, H5.2, H6.1, and H6.2 for the third research question. We conducted regression analysis so as to test whether the independent variables contain significant attributes for predicting the dependent variable in line with the hypotheses developed. The next section is appropriate for the discussion of each hypothesis developed.

6.2 The Relationship Between IPSAS Perceived Knowledge and the FRQ.

The first four hypotheses tested whether there was a significant relationship between IPSAS perceived knowledge the IPSAS financial reporting quality. IPSAS perceived

knowledge was represented by scale1 (staff knowledge) and scale2 (staff experience), and scale3 (IPSAS perceived self-efficacy), while financial reporting quality was represented by scale8 (relevance) and scale9 (faithful representation).

Our findings as stated in chapter five are discussed in this chapter according to the order of the hypotheses developed. As it can be remembered that we performed factor analysis on a total number of 50 items of both dependent variables and independent variables, we found that all 50 items loaded to the number of 27 scales in which 21 represents independent variables while six (6) was for the dependent variables.

However, the obtained scales were then summated into nine scales which qualified for the regression analysis. Therefore, our regression analysis involved nine scales whereby seven scales (scale1 to scale7) represented independent variables and two scales (scale8 and scale9) represented dependent variables. Each scale that represented the independent variable was tested against the scale representing the dependent variable so as to assess their relationships. The discussion regarding each scale is as follows.

Firstly, scale1 (staff knowledge). In our study we found that staff knowledge had a positive significant relationship with IPSAS financial reporting quality of LGAs which in this study was measured by relevance and faithful representation. This means that the accountants' clear IPSAS perceived knowledge has a contribution to the IPSAS financial reporting quality. In favor of our findings, previous researchers argued that staff knowledge plays a great role not only in the IPSAS financial reporting quality but also it is very important in the implementation of accrual based IPSAS (Christiaens et al., 2010; Matekele, 2018). The current findings differ from the findings by Manzoor, (2014), who in their study found insignificant relationship between perceived knowledge and the system usage.

Moreover, the current findings are also supported by other studies specifically in the course of information system usage. Studies by Dwivedi et al., (2007); Dwivedi et al., (2006); Gangwar et al., (2015) revealed that knowledge has a significant

relationship with the information system usage. This gained support from the study conducted by Libby & Luft, (1993) who also consistently supported that knowledge is a good determinant in making judgment performance in the course of accounting settings. Generally, we can argue that our findings reveal that if accountants perceive that they have correct interpretation of the IPSAS, the same perception have an impact on the perception that IPSAS improves the quality of LGAs financial reporting.

Secondly, scale2 (staff experience). Our study shows that staff experience on IPSAS has no significant relationship with both relevance and faithful representation (quality of financial reporting). This means that accountants from the LGAs where the study was conducted perceived that staff experience is not related to the perception that IPSAS improves the financial reporting. It should be remembered that this study assessed the perception of accounting professional over IPSAS. Contrary to our findings, the study by Zeghal & Mhedhbi, (2006) reported that staff experience is significant in the application of IPSAS. However, it should be noted that we have no clear explanation as to why it was perceived by our respondents that staff experience have insignificant relationship with the relevance and faithful representation of IPSAS.

Thirdly, scale3 (perceived IPSAS self-efficacy). In case of perceived self-efficacy which also was used to represent perceived knowledge, our study found significant relationship between accountants' perception on IPSAS self-efficacy and relevance but insignificantly related to the accountants' perception on faithful representation. Our findings based on the significant relationship is also supported by past studies such as (Ahmad, 2016; Bringula et al., 2017; Guerreiro, 2012; Karaseva, 2016), their study also found that self-efficacy has an influence on system usage. Thus, based on the significant relationship found in our study, we can conclude that if the accountants from all the LGAs in the study perceive that they have personal intrinsic ability on accounting and reporting by using IPSAS such perception has relationship in perceiving that IPSAS improves quality of financial reporting.

6.3 The Influence of IPSAS Perceived Ease of Use and FRQ

In compliance to the requirement of the second research question, we developed four hypotheses that relate to IPSAS perceived ease of use. Scale4 (attitude towards IPSAS) and scale5 (IPSAS perceived ease of use) were used to examine the influence of IPSAS perceived ease of use on the IPSAS financial reporting quality. Recall, financial reporting quality was represented by scale8 (relevance) and scale9 (faithful representation). The next session discusses the results of every hypothesis as presented in chapter (5) five.

Firstly, our findings as indicated in table 5.19 show that scale4 (attitude towards IPSAS) has no significant influence on scale8 (relevance of IPSAS financial reporting), whereas the results shown in table 5.20, show that attitude towards IPSAS has significant influence on the perception that IPSAS improves faithful representation of financial reporting. This means that as the LGAs accountant perceive positively that using IPSAS in accounting and reporting financial transactions increases the IPSAS financial reporting quality. But if the LGAs perceive IPSAS negatively such perception will bring negative influence on the perception that IPSAS improves financial reporting quality. Our findings are consistent with the finding by Ajzen, (1991), in his study he reported that attitude influences individual's judgment and performance of a specific behavior. Our findings also goes in line with the findings by Wentzel et al., (2013), their findings also found that attitude is a significant factor in determining behavioral intention and usage of technological assisted financial service application.

Secondly, our findings regarding the influence of IPSAS perceived ease of use on the financial reporting quality as indicated in both table 5.21 and 5.22 show the positive significant influence of IPSAS perceived ease of use on both relevance and faithful representation of IPSAS financial reporting. This means that the level which accountants perceive that using IPSAS needs less effort has significant influence on the level which the accountants perceive that IPSAS improves financial reporting quality. Our findings is in agreement with the findings by the previous researchers such as Bozkurt et al., (2013); Diniz et al., (2015); Joshi et al., (2008) who found that

perception of IPSAS is significantly related to the quality of financial reporting. Consistently, studies by Dwivedi et al., (2007; 2008); Jahangir & Begum, (2008); Rind et al., (2017) supports our findings that perceived ease of use is significantly correlated with the behavior intention of using a certain system particularly mobile commerce, financial management system and electronic banking. On the other hand Adams et al., (1992) found different results that perceived ease of use is insignificantly related to the usage.

Finally, we can conclude that the IPSAS perceived ease of use plays a significant role in influencing the level accountants to perceive that IPSAS provide improved qualitative characteristics of financial reporting. Moreover, perceived ease of use can also be widely used in various disciplines especially in exploring feedback from users of a certain system or standards.

6.4 The Relationship between perceived Cost-benefit of IPSASs and the FRQ

For the aim of finding the answers for the third research question, we used, scale6 and scale7 to assess the relationship between perceived cost-benefits of IPSAS implementation and financial reporting quality which was represented by scale8 and scale9. Recall; our study seeks to make analysis of the perception of accountants in relation to the IPSAS financial reporting quality. The discussion regarding the third research objective is supported by the hypotheses H5.1, H5.2, H6.1 and H6.2 tested in chapter five. Out of four hypotheses tested, only one null hypothesis was rejected, the rest were fully accepted.

Our research findings as indicated in the table 5.23 show that scale6 is positively related to the scale8, this means that the accountants' perception about the IPSAS usefulness is significantly related to the perception that IPSAS improves relevance of financial reporting. In the case of the relationship between IPSAS perceived usefulness and faithful representation of IPSAS financial reporting, the findings as indicated in table 5.24 shows that there is no significant relationship between them. This means that the perceived IPSAS benefit as perceived by the accountants in the studied sample has no relationship with the perception that IPSAS influences faithful representation of IPSAS financial reporting. Previous studies support our finding

since they are also in agreement with our finding that IPSAS perceived usefulness is significantly related to the financial reporting quality. For example Davis, (1989), in his study also found that IPSAS perceived usefulness is significantly related to the system usage.

Furthermore, our results as shown in table 5.25 shows that there is a significant relationship between IPSAS perceived costs and relevance of financial reporting. However, table 5.26 shows that IPSAS perceived costs has a negative significant relationship with the IPSAS perceived faithful representation. Therefore, our study findings generally show that there is negative significant relationship between IPSAS perceived costs and the IPSAS perceived financial reporting quality. Our findings are consistent with the findings by Diniz et al., (2015), who found that IPSAS perceived costs as perceived by accountants under weigh the expected benefits such as improving financial reporting quality. Rind et al., (2017) reveals that not only perceived costs significantly influence financial reporting quality but also the consumer's intention to use broadband and mobile commerce. Generally, we can conclude that the perception of accountants about the costs of implementing IPSAS in Tanzanian LGAs is significantly related to the perception that IPSAS improves the financial reporting quality.

CHAPTER SEVEN
SUMMARY, CONCLUSION AND RECOMMENDATIONS

7.1 Introduction

This study explored about the relationship between LGAs accountants perception and the IPSAS financial reporting quality. It comprises three specific objectives. The objective number one was to determine the relationship between IPSAS perceived knowledge and the financial reporting quality of the Tanzanian LGAs. Objective two intended to examine the influence of IPSAS perceived ease of use in the IPSAS financial reporting quality. The third objective was to assess the relationship between perceived cost-benefit of IPSAS implementation and the IPSAS financial reporting quality. This chapter contains the summary of the current research findings, conclusion, recommendations as well as areas for further studies.

7.2 Summary of the Findings

Mainly, this study intended to explore the perception of LGAs accountants on IPSAS. A case of Manyara region. The accountants and auditors are the group of people that are mostly involved in the implementation of IPSAS doctrines. They are the technical group which is accountable for the discussion concerning IPSAS perceived knowledge, perceived ease of use as well as perceived cost-benefits implementation in the LGAs. In accordance with this research main objective, we suggested three specific objectives as highlighted in the introduction part of this chapter. This study regarding the perception of accountants is summarized as follows.

We performed factor analysis and then PCA for all 50 items, 27 scales resulted and were summated into nine scales qualified for the regression analysis. Recall scale1, 2 and 3 represented IPSAS perceived knowledge, scale4 and scale5 represented IPSAS perceived ease of use, scale6 and 7 represented perceived cost-benefit of IPSAS implementation, finally scale8 and 9 represented IPSAS financial reporting quality which are relevance and faithful representation respectively. Our findings show that scale1 (staff knowledge) is positively related to scale8 and 9 (financial reporting quality), while scale2 (staff experience) is not significantly related to both scale8 and

scale9. In addition to that, scale3 (perceived IPSAS self-efficacy) was found to be significant to only scale8 (relevance) but insignificant to scale9 (faithful representation).

Scales5 (IPSAS perceived ease of use) and scale7 (IPSAS perceived costs) both had a significant relationship with both scale8 (relevance) and scale9 (faithful representation). Although scale7 had a significant relationship with scale8 and 9, we found that such relationship is negative. For the case of scale4 and 6, we found that scale4 had a significant relationship with scale9 but not significantly related to scale8. However, scale6 had a significant relationship with relevance but not related to faithful representation.

7.3 Conclusion

Our research explored the relationship between IPSAS perceived knowledge, IPSAS perceived ease of use and perceived cost-benefit of IPSAS implementation, and the financial reporting quality in Tanzanian LGAs. The regression analysis results revealed that IPSAS perceived ease of use and IPSAS perceived costs are the independent variables mostly related to the IPSAS financial reporting quality compared to the rest.

The findings tell us that the costs and the benefits of IPSAS implementation in the LGAs depends on the accountants' opinion. The accounting professional perception on IPSAS is powerful in determining the financial reporting quality of accrual based IPSAS. The accountants' perception on the application and implementation of IPSAS is useful for proper management of public funds, as they are used to solve severe problem in this sector by providing benefits such as reduction of probable fraud, great comparability of financial information and increasing credibility of financial information for better decision making by the public administrators (Diniz et al., 2015). Hence, it can be concluded that accountants need to have positive perception on IPSAS so as to account and report as per IPSAS requirements and finally gain IPSAS expected benefits, which is financial accountability and transparency.

7.4 Recommendations

In accordance with this findings and other relevant literature reviewed, we hereby recommend that the Tanzanian LGAs and other International regulatory bodies should take into consideration the significance of accounting professionals in the application and implementation of IPSAS so as to reach the expected goals. As we have seen in this study that accountants' perception on IPSAS has an impact on the financial reporting quality. We further recommend that there is a great significance in building strong understanding and skills to all accountants and auditors since it assists in the implementation and application of IPSAS and finally attain IPSAS objectives.

7.5 Future Areas of Studies

Recall, this study specifically focused on the perception of accountants in relation to the IPSAS financial reporting quality. The study covered Manyara region which comprises seven (7) LGAs out of 185 which is the total number of LGAs in Tanzania. Moreover, intensively this employed quantitative approach than qualitative ones. In that regard, we recommend future study to take into consideration all 185 LGAs in Tanzania main land for great generalization regarding the accountants' perception in relation to the relevance and faithful representation of financial reporting quality.

Finally, since this study was so limited to the use of questionnaires only in the whole process of data collection, we recommend future studies to consider the use of other approaches such as observation, interviews as well as focus group discussion in data collection so as to provide enough chance for accountants and auditors to give more elaboration in case of doubts rising.

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APPENDICES

SURVEY INSTRUMENT

Dear Sir/Madam

My name is Wictory Ernesto Chibunu, a Master of Science in Accounting and Finance student at Mzumbe University, School of Business conducting a research project entitled **"Perception of Accountants on the Application of International Public Sector Accounting Standards (IPSASs) in Tanzanian Local Government Authorities (LGAs). A Case of Manyara Region".** My study specifically aims to determine the relationship between IPSAS perceived knowledge and the quality of financial reporting of Tanzanian LGAs, to examining the influence of IPSAS perceived ease of use in the financial reporting quality of Tanzanian LGAs, and to assess the influence of perceived cost-benefit of IPSASs implementation and the financial reporting quality of Tanzanian LGAs.

I would appreciate it if you would complete the questionnaire and return it to me once you have finished by using appropriate channels. Be assured that the information collected in this research is for academic purposes only and they will not be used otherwise.

Thank you for your good co-operation and support.

Yours sincerely,

Wictory E Chibunu

The contact details of the researcher are: Wictory E Chibunu, Student Msc. Accounting & Finance, Mzumbe University School of Business, Email: wiernesto17@mustudent.ac.tz or wictorychibunu@gmail.com, Mob: +255764499448 **OR** Researcher's Supervisor Dr. Gabriel V. Komba, Mzumbe University School of Business, Email: gkomba@mzumbe.ac.tz, Mob: +255 713 314 456.

PART 1: RESPONDENT'S DEMOGRAPHIC INFORMATION

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

a) What is your gender?

Male

Female

b) What is your age?

18 - 30 years

31 - 45 years

46 years and above

c) What is your marital status?

Single

Married

Divorced

d) What is your academic qualification?

Certificate in accounting

Diploma in accounting

Bachelor Degree in accounting/finance

Master Degree

e) What is your professional qualification?

CPA

ACCA

Others please specify……..

f) For how long have you worked with the LGAs?

Less than 5 years

6-10 years

11-15 years

Over 15 years

PART II: IPSAS PERCEIVED KNOWLEDGE

Below is a series of statements about **IPSAS Perceived Knowledge.** 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 control over using the IPSAS.	1	2	3	4	5
Given the resources, opportunities and knowledge it takes to use the IPSAS, it would be easy for me to use the IPSAS.	1	2	3	4	5
IPSAS is not compatible with IFRS	1	2	3	4	5
I have the resources necessary to use IPSAS	1	2	3	4	5
I have knowledge and skills to use IPSAS	1	2	3	4	5
It is very easy for me to use	1	2	3	4	5
IPSAS					
I can use IPSAS without any assistance	1	2	3	4	5

LGAs has accountants and auditors who have knowledge and experience in IPSAS	1	2	3	4	5
I can interpret IPSAS financial statements	1	2	3	4	5
I have understanding of IPSAS accounting policies	1	2	3	4	5
I am personally qualified and skilled with the use of IPSAS	1	2	3	4	5
Perceived IPSAS Self-efficacy					
I feel insecure about my ability to use IPSAS	1	2	3	4	5
If I can't use accrual based IPSAS, I keep trying until I can	1	2	3	4	5
When learning a new IPSAS, I soon give up if I am not initially successful	1	2	3	4	5
I avoid trying to learn new IPSAS when they look too difficult for me	1	2	3	4	5
I don't seem capable of dealing with most of challenges that come	1	2	3	4	5
up when using IPSAS					
It is difficult for me to apply a new IPSAS	1	2	3	4	5

I am a self-reliant person when using IPSAS	1	2	3	4	5

PART III: IPSAS PERCEIVED EASE OF USE

Below is a series of statements about **IPSAS Perceived Ease of Use** measured by **Attitude towards IPSAS** and **Perceived ease of use.** Please **CIRCLE** how strongly you agree or disagree with each of the following statements on a scale of 1 to 5, as indicated.

TATEMENTS	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Attitude towards IPSAS					
It is difficult to use IPSAS since they keep on changing	1	2	3	4	5
If trained, I can use IPSAS effectively	1	2	3	4	5
The policies of the LGAs provides supportive environments for the use of IPSAS	1	2	3	4	5
Cooperation between top management and staff (accountants and auditors)	1	2	3	4	5
supports the use of accrual based IPSAS					

Perceived Ease of Use					
Learning to use IPSAS is easy for me.	1	2	3	4	5
I find IPSAS to be easy to use.	1	2	3	4	5
It was easy for me to become skillful when using IPSAS	1	2	3	4	5
I find IPSAS to be flexible to interact with.	1	2	3	4	5
My interaction with IPSAS is clear and understandable	1	2	3	4	5

PART IV: PERCEIVED COST-BENEFIT OF IPSAS IMPLEMENTATION

Below is a series of statements about **Perceived Cost-Benefit of IPSAS Implementation** measured in terms of **IPSAS Perceived Usefulness, IPSAS Perceived Benefit** and **IPSAS Perceived cost.** 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
IPSAS Perceived Usefulness					
Using the IPSAS improves my job-performance	1	2	3	4	5

Using the IPSAS in my job increases my productivity	1	2	3	4	5
Using the IPSAS enhances my effectiveness in my job.	1	2	3	4	5
I find the IPSAS to be useful in my job.	1	2	3	4	5
The application of the IPSAS increases the benefits of their use	1	2	3	4	5
The IPSAS offers more benefits than the expected costs of their implementation	1	2	3	4	5
IPSAS Perceived Cost					
Accounting and reporting using IPSAS is too expensive	1	2	3	4	5
I think it is quite expensive to train accountants about IPSAS	1	2	3	4	5
The cost of implementing IPSAS overweigh its expected benefits	1	2	3	4	5

PART V: IPSAS FINANCIAL REPORTING QUALITY

Below is a series of statements about **IPSAS Financial Reporting Quality** measured in terms of **Relevance** and **Faithful Representation.** 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
Relevance					
IPSAS disclose the forward looking statement that help forming expectations and predictions concerning the future of the entity	1	2	3	4	5
IPSAS disclose non-financial information in terms of business opportunities and risks complement the financial information	1	2	3	4	5
IPSAS uses fair value as measurement of historical cost	1	2	3	4	5
IPSAS disclose information of CSR	1	2	3	4	5

IPSAS annual report contain an analysis concerning cash flows	1	2	3	4	5
IPSAS disclose off-balance activities	1	2	3	4	5
IPSAS disclose information concerning entities' going concern	1	2	3	4	5
IPSAS disclose intangible assets	1	2	3	4	5
IPSAS disclose financial structure	1	2	3	4	5
Faithful representation					
IPSAS provide valid arguments to support the decision for certain assumptions and estimates in annual report	1	2	3	4	5
IPSAS disclose the auditors' report	1	2	3	4	5

IPSAS provide information on corporate governance	1	2	3	4	5
IPSAS disclose information related to both positive and negative contingencies	1	2	3	4	5
IPSAS disclose information concerning incentives of the top management and other	1	2	3	4	5
workers					

**********THANK YOU**********