ACCOUNTING PRACTICES IN TANZANIAN LOCAL GOVERNMENT AUTHORITIES: TOWARDS A GROUNDED THEORY OF MANIPULATING LEGITIMACY[1]

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Abstract

Purpose-This paper examines accounting practices and legitimacy in Tanzanian Local Government Authorities (LGAs).

Methodology/approach-It uses data from multiple sources, including interviews, observations and documents, to provide theoretical and practical understanding on how accounting has been practiced and the conditions which sustain its undertaking. It applies a grounded theory method to develop a theory systematically from the raw data.

Findings-The principal research findings from the data concern the central phenomenon of 'manipulating legitimacy'. This involved the purposeful and deliberate use of accounting techniques to influence and control (and sometimes even to falsify) the perceived reasonableness of the Councils' operations. The paper revealed that the effective operations of the Tanzanian LGAs were highly constrained by their context. This had forced the LGAs' officials to use important accounting practices such as budgeting, financial reporting, auditing and performance measurement, to manipulate the organisational legitimacy, a process which ensured the availability of resources to both LGAs and the individual officials.

Research limitations/implications-The main limitation of the research is that the data was collected from a limited number of local authorities in just one developing country. It is hoped that future research in other developing countries will be undertaken to broaden and deepen our understanding.

Originality/value-The chapter identifies the importance of manipulating legitimacy in understanding accounting practices in local government.

[1] Goddard, A & Mzenzi, S.I (2015), Accounting Practices in Tanzanian Local Government Authorities: Towards a Grounded Theory of Manipulating Legitimacy, in Kelum Jayasinghe , Nirmala D. Nath , Radiah Othman (ed.) *The Public Sector Accounting, Accountability and Auditing in Emerging Economies (Research in Accounting in Emerging Economies, Volume 15)* Emerald Group Publishing Limited, pp.109-142.