

**IMPACT OF BUDGETING ON PERFORMANCE OF LOCAL GOVERNMENT  
A CASE STUDY OF RWAMAGANA DISTRICT (2007-2011)**

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**ABSTRACT**

The purpose of this research was to demonstrate the Impact of budgeting on the performance of local government. The objectives of the research included; examining the impact of budgeting on performance of local government; to identify the challenges faced by districts in implementing the budget. The research contributed on the knowledge of the effectiveness of budgeting in attaining the performance contracts. The literature review was used so as to help the researcher in attaining the gaps and getting the relationship between dependent and independent variables. Both qualitative and quantitative data were gathered in order to establish the relationship between the independent and dependent variables. The research was carried out in Rwamagana District. The data were collected from an entire population of forty five staff of Rwamagana district. Census technique was used to collect data from the staff since the entire District's staff has a stake in budget implementation and performance of the district. After collecting data, the researcher organized answered questionnaires, edited and sorted them for analysis stage. The data were presented using percentages and frequencies of responses from the answered questionnaires. The data analysis showed great impact of budgeting in attaining the performance contracts of Rwamagana District even if Rwamagana District faces many challenges while budgeting and implementing the budget, the level of attaining performance contracts is attributed to the budget because without the budget for certain activities to be attained, performance will be zero. It was recommended that; Rwamagana District should put in place budget control mechanism for every three months looking into budget implementation and correct some divergences if some arises; Rwamagana District should put in place motivational aspects so that employee turnover can be minimized and retain those who are experienced. Rwamagana District in conjunction with security and judicial organs should put in place internal control mechanisms. Rwamagana District should first analyze well every activity of which they want to budget for so that they give it exact budget to avoid overstating or understating the budget which in the longer run lead to the performance of the district.