

ABSTRACT

This study focused on ways in which budgeting and budgetary control impacts Local Government Authorities (LGAs) performance. This study was conducted in Nachingwea District Council (NDC) as case study. The approach used was quantitative one and primary data were collected using self-administered questionnaires with closed ended questions. Secondary data were collected by documentary review and the study applied both convenient and judgemental sampling in selecting the sample.

The study has generated a number of discoveries which concluded that; establishment of the role of proper budgeting and effective budgetary control practices and its effects on performance; identification of the factor which limit the proper budgeting and effective budgetary control which may hinder the performance of LGAs. However, this study found out that the current system of system of budgeting and budgetary control practices in LGAs satisfactory but was able to provide some clear suggestion for the prospect of improving the current system. This research also recognized different aspects of performance in relation to the budgeting and budgetary control practices specifically on how these practices can be used as the tool to evaluate the performance. The central finding of the study was on relationship between budgeting and budgetary control and LGAs performance. There is positive correlation between budgeting and budgetary control and LGAs performance as measured by budget discrepancies.

The study puts forward a number of recommendations for improved performance in LGAs and NDC as a result of proper budgeting and budgetary control practices are: LGAs should modernise these practices by means use of software and computers, to invite consultancy to update the personnel responsible for these practice on any new information, involvement of accountants in budget setting, avoid copying the previous budgets as it is and make sure there is budget transparency.

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