

EFFECT OF BUDGET MANAGEMENT PRACTICES ON PERFORMANCE OF LOCAL GOVERNMENT IN RWANDA: A CASE STUDY MUSANZE DISTRICT

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Abstract: A majority of government institutions including Rwanda have recorded poor performance in form of service delivery and yet there is participatory budgeting to allow each ministry, districts, departments and sections to come up with their work plan to promote performance in these institutions. The overall objective of this study was to investigate the effects of budget management practices on performance of local government in Rwanda. The study specifically focused on the effects of budget planning, implementation and budget monitoring on the performance of local authorities in Rwanda. A descriptive research design was using both qualitative and quantitative data collection approaches. The target population of the study was 233 employees of the county authority. From this population a sample size of 129 respondents was obtained using a simple random sampling technique. Primary data was obtained by use of a closed ended questionnaire while secondary information was obtained through review of reports and journals. The data obtained was analysed by use computer based SPSS software program for descriptive and inferential statistics. The results was presented in form of frequency tabulations and regression matrices. In the finding it was established that Musanze district follow budget management practices accordingly. The district analyzes expenditure before coming up with budget plan, Musanze district analyzes income before coming up with budget plan, Musanze district analyzes likely inflation before coming up with budget plan and the manager's delegate responsibilities. The district management approves payment as per the budget plan, Payment is done in a transparent way supported by receipt, all departmental head participates in budget management and conferences and budget is reviewed accordingly for proper utilization. The finding further shows that Budget implementation has improved performance of Musanze district. Lastly the head of department monitors the budget of their department, internal audit monitors if budget is being used as per the budget plan, external audit monitors if budget is being used as per the budget plan and District Accounts Committee monitors if budget is being used as per the budget plan. This was justified by the relationship between budget management practices has significant effect on district performance whereby the respondents N is 98 and the significant level is 0.01, the results indicate that independent variable has positive high correlation to dependent variable equal to .85.6** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated and null hypothesis is rejected and remains with alternative hypothesis. This means that there is a significant relationship between budget management practices and performance of Musanze district. We can therefore conclude budget management practices have significant effect on performance of Musanze district.

Keywords: government institutions, work plan, budget management practices, budget planning.

1. INTRODUCTION

Background of the Study:

Budget is a detailed and quantitative plan of information about the acquisition and use of financial and other resources over a specific time period, either a long-range period (two- to ten-year) or a short-term period (one- to two-year, or

monthly, or daily-based). Budgets provide rational and tangible data facilitating and enabling decision-making of organizations (Fozzard, 2008). In theoretical management accounting literature, some theorists believe that through budgeting in the process of financial decision-making and internal operation of organization, multiple functions regarding budgeting behavior can be achieved especially in public institutions (Locke and Latham, 2008). Budgeting in a business has benefits and consequences that go beyond the organization's management and have more to do with financial dimension in general, key in which, financial performance. Budgeting forces firms' management to do better forecasting. Vague generalizations about what the future may hold for the organization are not good enough for assembling a budget. Firms' management must put their predictions into definite and concrete forecasts (Tracy, 2013). Budgeting motivates managers and employees by providing useful yardsticks for evaluating performance. Budgets provide useful information for superiors to evaluate firm performance and inform financial allocation strategies across various components of a firm (Horngren, 2009). Over the years, companies have undertaken various attempts aimed at improving its budgetary process with the objectives of imposing greater fiscal discipline on management agencies of both private and public companies.

An overview of Budget practices around the World:

The database provides budget practitioners, academics and civil society with a unique and comprehensive source to compare and contrast national budgeting and financial management practices from across the globe. More than 99 questions cover the entire budget cycle: preparation, approval, execution, accounting and audit, performance information, and aid management within developing countries. The OECD has conducted extensive quality control of the responses in order to ensure consistency and reliability.

In England the Localism Act 2011 brought in an important change, a general power of competence that radically increases the freedoms available to local government (Audit Commission, 2012). Under the general power of competence local authorities have the legal capacity to do anything that an individual can do that is not specifically banned by other laws. They are, for example, Local government has in England improved their budget management practices inform of planning, monitoring and evaluation as well as budget participation and implementation. This has improved services delivery inform of health services education services, construction and maintenance of road infrastructures and many others. Singapore and Malaysia have been pioneers among Asian developing countries in introducing performance budgeting whereby all the key stakeholders are involved planning, control and budget participation, introducing programme performance measures alongside traditionally presented line-item budgets and focusing public expenditure on service delivery priorities and client satisfaction (Andrews, 2009).

In developing countries for example Tanzania and Uganda have made sustained and successful, multi-sectoral, endeavors to implement budgeting and performance management at both central and local levels. Bolivia and Ghana have made extensive and repeated efforts to introduce a results focus, but have been at least partially frustrated by implementation failures and political factors (Andrews, 2009). Burkina Faso and Mali have begun systematically to introduce results-based program budgeting and to deconcentrate and decentralize hitherto highly centralized administrative.

An overview of Budget practice around the Rwanda:

In Rwanda, it has become increasingly complex to manage budget allocation, because the roles of the government have been expanded and financial resources are in scarce supply to meet this ever-increasing social needs and population growth. Due to inadequate financial resources as opposed to an increasing demand for public service, there is a need to improve resource allocation through proper economic policy and expenditure planning. According to the Local Government Finance and Accountability Regulation Act (2008), the local government planning and budget cycle has to fit into the national planning and budgeting cycle. All local governments operate a uniform recurrent and development budget structure which consists of: Recurrent budget: This gives allocation to the sectors for development expenditure for example construction of health centres. Development budget: This gives allocations to the sectors for development expenditure. Revenue budgets: These show all local government revenues itemized to the sources of revenue for Instance local revenues, donor funds.

The system of local Government in Rwanda is based on district, as a unit under which there are lower Local Governments and Administrative Units. These are spelt out in Section 4 and 46 of the Local Government Act, 2006: The LG in a District rural area are; District Council and the sector, The LG in the City are the City Council and City Division Councils, The LG in a Municipality are the Municipal Council and Municipal Division Councils and The LG in Town is a Town Council (Kitale, 2008). However, Section 80, LGA, 1997 provides that Urban Local Governments shall have autonomy over their financial and planning matters in relation to the District Councils but their plans shall be incorporated in the District Plan (Local government Act 2009).

Every Local Government is a body corporate with perpetual succession and a common seal, and may sue and be sued in its corporate name and may be, subject to rights enjoyed or suffered by a body corporate (Section 5[1] Local Government Act 2009). Local Government budgets and work plans are associated with a number of problems which include the following: The process has to be consultative and participatory which takes a lot of time; Unrealistic revenue estimates; It is not easy to convene a full council at the centre of the process so as to avoid monopolized and biased prioritization and expenditure choices; Under-funding from the central government leading to re-allocation of resources. Local Government systems in Rwanda also face a number of challenges in their implementation of work plans and budget and these include:- abuse of office, corruption, incompetence of councillors and failures to implement lawful council decisions. It is based on the above background that is why the researcher would like to analyze the effect of Budget Management Practices on performance of local government in Rwanda by taking Musanze district as a case study, simply because Musanze is the last district during 2015/2016 performance ratings of districts in Rwanda.

Statement of the Problem:

Some government institutions in Rwanda have recorded poor performance in form of service delivery which was characterized by inadequate or limited funds required and yet there is participatory budgeting to allow each ministry, districts, departments and sections to come up with their work plan to promote performance in the country (Minaloc, 2012). For example Musanze district was last in performance among districts in Rwanda during the financial year 2015/2016. This poor performance of the government organisation could be due to poor budgeting planning, monitoring and implementation. It is on the basis of the above problem that the current research investigated the effect of Budget Management Practices on performance of local government in Rwanda.

General Objective:

To investigate the effect of budget management practices on performance of local government in Rwanda

Specific Objectives:

1. To analyze the effect of budget planning on performance of Musanze district
2. To examine the effect of budget implementation on the performance of Musanze district.
3. To assess the effect of budget monitoring on the performance of Musanze district.

Research Questions:

1. To what extent has budget planning affected performance of Musanze district?
2. What is the effect of budget implementation process on the performance of Musanze district?
3. How has budget monitoring affected performance of Musanze district?

Justification- Significance of the Study:

This study examined the effect of budget management practices on performance of local government in Rwanda because limited research has been carried out especially in local government, therefore the studied local government in Rwanda in order to improve on their performance especially if they adopt and implement recommendation of this study. The study will also help researcher obtain knowledge on budget management practices and performance of local government in Rwanda and obtain masters in Finance Management of JKUAT. Lastly the research report will help future scholars and researchers who would be interested in budget management practices and performance of local government to carry on with further research.

Scope of the study:

This researcher examined effect budget management practices (budget planning, budget implementation and monitoring) on performance (time, quality and cost) of local government in Rwanda. Researcher examined the budget management practices on performance of local government in the context developing countries where Rwanda is inclusive. Researcher examined the effect of budget management practices on performance of local government in Rwanda of three years namely from 2014 to 2016. Researcher cannot study longer time period because of shorter time required for the project to be conducted i.e a period of 4 months.

2. RESEARCH METHODOLOGY

Introduction:

This chapter presents the methodology that was used in data collection in terms of research design, area of study, study population, sample selection and size, research instruments and data collection, procedure and ethical consideration, data processing and analysis and limitations of the study.

Research design:

According to Kumar (2009) Research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring you effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data. The study used a descriptive design basing on both qualitative and quantitative approaches. This is because quantitative research excels at summarizing large amounts of data and reaching generalizations based on statistical projections. Qualitative research on the other hand excels at story telling from the participants viewpoint, providing the rich descriptive details that sets qualitative results into their human context. For this study, the quantitative method was used to examine the effect of budget management practices on performance of local government in Rwanda. The qualitative data collection method on the other hand investigated the extent to which participatory budgeting affects performance of public project in Rwanda.

Target Population:

All the potential respondents under consideration in any field of inquiry constitute a 'universe' or 'population'. Researcher presumed that in such an inquiry when all the respondents are covered no element of chance is left and highest accuracy is obtained (Kothari, 2004). The total population was 233 employees of local authorities in Musanze district

Sample Design:

A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample (Kothari, 2004).

Sample Size Determination:

When it is not possible to study an entire population but the population is known, a smaller sample was taken using a random sampling technique. Slovin's formula allows a researcher to sample the population with a desired degree of accuracy (Stephanie, 2013). Slovin's formula was used to calculate the sample size. With regard to the level of accuracy, we used a confidence level of 95% as suggested by Kothari (2004), this means that there are 95 chances in 100 (or .95 in 1) that the sample results represent the true condition of the population within a specified precision range against 5 chances in 100 (or .05 in 1) that it does not. The Slovin's formula was calculated as follows:

$$n = \frac{N}{1 + Ne^2}$$

Stephanie (2013)

n= Number of samples or sample size

N= Total population

e= Error tolerance

The population size of this research was 233 employees of local authorities. We took a sampling error of 5%, and then the sample size was:

$$n = 233/1+233(0.05*0.05)$$

$$n = 233/ 1+ 0.8$$

$$n = 233/1.8$$

$$n = 129$$

Therefore the sample size was 129 staffs of Musanze District

Sampling Techniques and procedures:

A list of employees was obtained from Musanze district local government Office and researcher will use the following techniques;

Proportionate

Stratified

Proportionate

Random

Multistage sampling technique involves use of more than two techniques. For the case of this research the researcher used stratified sampling technique and random sampling technique. Stratified sampling technique was used to divide the population into different strata (groups) so that all groups are interviewed hence avoiding biasness. Simple random sampling technique was used to ensure that there is no biasness in choosing respondents as they are chosen randomly. Lastly proportionate sampling is used in order to ensure that all the strata's are chosen proportionally

Data Collection Instruments:

Questionnaire:

Kothari (2013) defined questionnaire as a research instrument consisting of a series of questions which are important method of data collection. The questionnaire included both open and closed ended set of questions that to be answered. The questionnaire was written in a simple and clear language for the respondents to feel free while answering. In addition to that the use of questionnaire was considered vital to the research since it provided accurate information regarding the study.

Documentary Review:

The researcher reviewed sources of secondary data obtained from the case study organization. This literature included budget plan and report. This method was chosen because; it is vital in providing background information about the project before primary data could be collected. Indeed, before field data is collected, a wide collection of data will be collected and this was used to cross check with the primary data that is to be obtained by the field.

Validity and Reliability of instruments:

Item analysis was conducted using the scale that runs from relevant(R), neutral (N), to irrelevant (IR). This assessment gave a content validity ratio (CVR) for each instrument which is computed using the formula:

$CVR = R / (R + N + IR)$ Where CVR, R, N, AND IR are as mentioned above. The CVR obtained was greater than 0.5, implying that the instruments were valid.

The reliability of the questionnaire was computed using the Cronbach method of internal consistency. From the computation, the value of the coefficient greater than 0.5, shall imply that the results from the instruments are reliable.

Data Analysis and Presentations:

Data collected from the primary source was compiled, sorted, edited for accuracy and clarity, classified, coded into a coding sheet and analyzed using a Statistical Package for Social Science (SPSS 22.0). During data analysis, cross tabulations, and frequency tabulations, Pearson's correlation analysis and regression analysis was used to present the results of the study. The mean, standard deviation and frequency tabulations was used to present the results for the sample characteristics; the Regression analysis model was used to present the relationships between the study variables which are budget management practices and performance of local government in Rwanda.

A multivariate regression analysis was used to determine the relationship between the dependent and the independent variables.

The multivariate regression model was:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where:

Y = performance;

β_0 = Constant Term;

$\beta_1, \beta_2,$ and β_3 = Beta coefficients;

X₁= Budget planning;

X₂= Budget implementation;

X₃= Budget control;

ε = Error term

The study used a 95% confidence level. A 95% confidence interval reflects a significance level of 0.05. This shows that for an independent variable to have a significant effect on the dependent variable, the p-value should be below the significance level (0.05).

Chi square (X^2) statistics was used to investigate whether distributions of categorical variables differed from one another. The ANOVA table was used to compare the tallies of categorical responses between the independent and dependent groups.

3. PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

This chapter presents empirical findings in reference to the research questions in chapter one. These findings were obtained from both primary and secondary sources. The findings were presented and analyzed using frequency tables/percentages, mean and standard deviation as well as Pearson correlation tables in determining the effect of budget management practices on performance of local government in Rwanda.

Profile of the Respondents:

This section analyses gender, age, educational background and employee's experience

Gender of the respondents:

Table below is presented the gender of respondents in the study area

Table 1: Gender of the Respondents

Gender	Frequency	Percent
Male	83	64.3
Female	46	35.7
Total	129	100.0

Source: Primary Data, 2018

Table 1 above, 64.3% was male and 35.7% were females. This implies that there was fair representation of the population as almost all classes were represented and the data provided reflected the views of the entire population.

Age structure of the respondents

Table below shows age structures of the respondents

Table 2: Age of the respondents

Age group	Frequency	Percent
21 - 30	31	24.0
31 - 40	36	27.9
41 - 50	47	36.4
51 and above	15	11.6
Total	129	100.0

Source: Primary Data, 2018

Table 2 above, 36.4% of the respondents were between 41 - 50, 27.9% were between 31 – 40, 24.0% between 21 - 30 and 11.6% above 50 years. This implies that there was fair representation of the population as almost all classes were represented and the data provided reflected the views of the entire population and the majority of the respondents are matured which means they can give a matured view.

Educational level of the respondents:

Table below shows educational level of the respondents

Table 3: Educational level of the respondents

Educational Status	Frequency	Percent
Diploma	41	31.7
Degree	66	51.1
Masters	22	17.0
Total	129	100.0

Source: Primary data, 2018

Table 3, 51.1% of the respondents was under graduate, 31.7% was diploma and 17.0% post graduate (masters). This implies that the respondents are educated which means could read, understand and interpret questionnaires reliably. The data collected was believed to be reliable and was thus processed to present findings.

Experience level of the Respondents:

Table below shows experience of the respondents

Table 4: Experience level of the respondents

	Frequency	Percent
1 - 2 years	7	5.4
2 - 3 Years	14	10.8
3 - 4 Years	25	19.3
5 years and above	83	64.3
Total	129	100.0

Source: Primary data, 2018

Table 4 above, 64.3% of the respondents had served in Musanze District for a period of 5 years and above, 19.3% between 3 – 4 years, 10.8% between 2 – 3 years and 5.4% for a period between 1-2 years. This implies that almost all respondents had taken reasonably enough time in service and thus the data they provided was believed to be reliable.

4.3 Budget Planning and performance of Musanze district:

This section assesses budget planning, effect of effects of Budget Planning on performance of Musanze district and relationship between Budget Planning and performance of Musanze district.

Table 5: Assessment of Budget Planning in Musanze district

Assessment of Budget planning	Mean	Std. Deviation	Comments
Musanze district analyzes expenditure before coming up with budget plan	4.3143	.66454	Strong Heterogeneity
Musanze district analyzes income before coming up with budget plan	4.2939	.68117	Strong Heterogeneity
Musanze district analyzes likely inflation before coming up with budget plan	4.3531	.66575	Strong Heterogeneity
Musanze district analyzes time factors before coming up with budget plan	4.3469	.61357	Strong Heterogeneity
Summary	4.32286	0.548575	Strong Heterogeneity

Source: Primary data, 2018

Analysis on Musanze district analyzes expenditure before coming up with budget plan; this is reflected by a strong mean of 4.3143 and a heterogeneity standard deviation of .66454. This implies that Musanze district analyzes expenditure

before coming up with budget plan. In assessing whether Musanze district analyzes income before coming up with budget plan; this was reflected by a strong mean of 4.2939 and a heterogeneity standard deviation of .68117, implying that Musanze district analyzes income before coming up with budget plan. On whether the Musanze district analyzes likely inflation before coming up with budget plan; is reflected by a strong mean of 4.3469 and a heterogeneity standard deviation of .61357, implying that Musanze district analyzes likely inflation before coming up with budget plan. Lastly in analyzing whether Musanze district analyzes time factors before coming up with budget plan; is reflected by a strong mean of 4.3469 and a heterogeneity standard deviation of .61357, implying that Musanze district analyzes time factors before coming up with budget plan.

Overall Summary: Budget planning is reflected by an overall strong mean of 4.32286 and a heterogeneity standard deviation of 0.548575. This implies that Musanze district conduct budget planning as discussed in table 5.

Table 6: Effect of Budget planning on performance of Musanze district

	Mean	Std. Deviation	Comments
Budget planning has promoted agriculture in the district	4.3612	.65049	Strong Heterogeneity
Budget planning has promoted infrastructure in the district	4.3327	.69107	Strong Heterogeneity
Budget planning has promoted education in the district	4.3429	.63545	Strong Heterogeneity
Budget planning has promoted health in the district	4.3118	.63566	Strong Heterogeneity
Summary	4.347475	0.661003	Strong Heterogeneity

Source: Primary data, 2018

Analysis on effect of Budget planning on performance of Musanze district shows that Budget planning has promoted agriculture in the district as reflected by a strong mean of 4.3612 and a heterogeneity standard deviation of .65049. This implies that Budget planning has promoted agriculture in the district. In assessing whether Budget planning has promoted infrastructure in the district was reflected by a strong mean of 4.3327 and a heterogeneity standard deviation of 4.3327, implying that Budget planning has promoted infrastructure in the district. Furthermore researcher also wanted find out whether Budget planning has promoted health in the district, this was reflected by a strong mean of 4.3429 and a heterogeneity standard deviation of .63545, implying that Budget planning has promoted health in the district.

Lastly, researcher also wanted find out whether Budget planning has promoted health in the district, this was reflected by a strong mean of 4.3118 and a heterogeneity standard deviation of .63566, implying that Budget planning has promoted health in the district.

Overall Summary: Analysis on effect of budget planning on performance of Musanze district is reflected by an overall strong mean of 4.347475 and a heterogeneity standard deviation of 0.661003. This implies that budget planning has increased performance of Musanze as discussed in table 6.

Budget implementation and performance of Musanze district

This section assesses Budget implementation in Musanze district, effect of district Performance and relationship between Budget implementation and performance of Musanze district.

Table 7: Assessment of Budget Implementation

Assessment of Budget implementation	Mean	Std. Deviation	Comment
The district management approves payment as per the budget plan	4.4776	.55321	Strong heterogeneity
Payment is done in a transparent way supported by receipt	4.4571	.57659	Strong heterogeneity
All departmental head participates in budget management	4.4265	.52206	Strong heterogeneity
Budget is reviewed accordingly for proper utilization	4.4980	.56979	Strong heterogeneity
Summary	4.46736	0.555476	Strong Heterogeneity

Source: Primary data, 2018

Analysis on Budget implementation in Musanze district revealed that the district management approves payment as per the budget plan; its reflected by a strong mean of 4.4776 and a heterogeneity standard deviation of .55321. This implies that the district management approves payment as per the budget plan. In assessing whether the Payment is done in a transparent way supported by receipt is reflected by a strong mean of 4.4571 and a heterogeneity standard deviation of .57659, implying that Musanze district Payment is done in a transparent way supported by receipt. On whether, all departmental head participates in budget management is reflected by a strong mean of 4.4265 and a homogeneity standard deviation of .52206, implying that all departmental head participates in budget management. Lastly, in analyzing whether Budget is reviewed accordingly for proper utilization; is reflected by a strong mean of 4.4980 and a heterogeneity standard deviation of .56979, implying that Musanze district budget is reviewed accordingly for proper utilization.

Overall Summary: Budget implementation is reflected by an overall strong mean of 4.46736 and a heterogeneity standard deviation of 0.555476. This implies that Musanze district implement according to policy as discussed in table 7

Table 8: Effects of Budget Implementation on performance of Musanze district

	Mean	Std. Deviation	Comments
Budget implementation has promoted agriculture in the district	4.4980	.52850	Strong Heterogeneity
Budget implementation has promoted infrastructure in the district	4.4082	.58434	Strong Heterogeneity
Budget implementation has promoted education in the district	4.4082	.58619	Strong Heterogeneity
Budget implementation has promoted health in the district	4.4122	.57471	Strong Heterogeneity
Summary	4.43575	0.557803	Strong Heterogeneity

Source: Primary data, 2018

Analysis on whether Budget implementation has promoted agriculture in the district; is reflected by a strong mean of 4.4980 and a heterogeneity standard deviation of .52850. This implies that Budget implementation has promoted agriculture in the district. In assessing whether Budget implementation has promoted infrastructure in the district; is reflected by a strong mean of 4.4082 and a heterogeneity standard deviation of .58434, implying that Budget implementation has promoted infrastructure in the district. Furthermore researcher wanted to establish whether Budget implementation has promoted education in the district, this was reflected by a strong mean of 4.4082 and a heterogeneity standard deviation of .58619, implying that Budget implementation has promoted education in the district.

Furthermore researcher wanted to establish whether Budget implementation has promoted health in the district, this was reflected by a strong mean of 4.4122 and a heterogeneity standard deviation of .57471, implying that Budget implementation has promoted health in the district.

Overall Summary: Analysis on whether effect of budget Implementation on performance of Musanze district is reflected by an overall strong mean of 4.43575 and a heterogeneity standard deviation of 0.557803. This implies that budget Implementation on performance of Musanze district as discussed in table 8

Budget monitoring and performance of Musanze district

This section assesses Budget monitoring, effect of performance of Musanze district and relationship between Budget monitoring and performance of Musanze district.

Table 9: Assessment of Budget monitoring in Musanze district

	Mean	Std. Deviation	Comments
Head of department monitors the budget of their department	4.4882	.52987	Strong Heterogeneity
Internal audit monitors if budget is being used as per the budget plan	4.4980	.54473	Strong Heterogeneity
External audit monitors if budget is being used as per the budget plan	4.4367	.57252	Strong Heterogeneity
District Accounts Committee monitors if budget is being used as per the budget plan	4.3980	.62850	Strong Heterogeneity
Total	4.455225	0.568905	Strong Heterogeneity

Source: Primary data, 2018

Analysis on shows that Head of department monitors the budget of their department as reflected by a strong mean of 4.4882 and a heterogeneity standard deviation of .52987, this implies that Head of department monitors the budget of their department. In assessing whether internal audit monitors if budget is being used as per the budget plan is reflected by a strong mean of 4.4980 and a heterogeneity standard deviation of .54473, implying that internal audit monitors if budget is being used as per the budget plan. On whether external audit monitors if budget is being used as per the budget plan is reflected by a strong mean of 4.4367 and a heterogeneity standard of .57252. This implies that external audit monitors if budget is being used as per the budget plan. Lastly on whether district Accounts Committee monitors if budget is being used as per the budget plan is reflected by a strong mean of 4.3980 and a heterogeneity standard of .62850. This implies that District Accounts Committee monitors if budget is being used as per the budget plan.

Overall Summary: Budget monitoring is instrumental in Musanze district as reflected by an overall strong mean of 4.455225 and a heterogeneity standard deviation of 0.568905, implies that Budget monitoring is instrumental as discussed in table 9.

Effect of Budget monitoring on performance of Musanze district			
	Mean	Std. Deviation	Comments
Budget monitoring has promoted agriculture in the district	4.4372	.52987	Strong Heterogeneity
Budget monitoring has promoted infrastructure in the district	4.4471	.54473	Strong Heterogeneity
Budget monitoring has promoted education in the district	4.4122	.57252	Strong Heterogeneity
Budget monitoring has promoted health in the district	4.4612	.62850	Strong Heterogeneity
Total	4.45115	0.57705	Strong Heterogeneity

Hypothesis Testing:

The hypothesis of the study was tested below as per model summary, anova table and coefficient table.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.982 ^a	.965	.964	.73690
a. Predictors: (Constant), budget planning, budget implementation, budget monitoring				
R-square =0.982(98.2%). 98.2% variations in project performance have been captured by the model used. Since the p-value is of 0.000, the model performance is statistically significant /very good.				

ANOVAa						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1409.446	3	469.815	865.183	.000 ^b
	Residual	51.044	94	.543		
	Total	1460.490	97			
a. Dependent Variable: budget planning has registered increasing performance of the district						
b. Predictors: (Constant), budget planning, budget implementation, budget monitoring						
NB This implies that there is a very strong relationship between budget planning, budget implementation, budget monitoring and project performance as per the mean square of 469.815 as also reflected by sig level of .000.						

Coefficientsa							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	-1.039	.505		-2.059	.042	-2.041	-.037
Budget planning	1.103	.064	1.185	17.184	.000	.976	1.231
Budget implementation	.310	.118	.246	2.631	.010	.076	.544
Budget monitoring	-.642	.116	-.470	-5.558	.000	-.872	-.413
a. Dependent Variable: Budget practices has registered increasing performance of the district							

H0: Budget planning has no significant effect on district performance

Hypothesis H0 proposes that Budget planning has no significant effect on district performance. The results indicate that Budget planning has relationship with district performance. The coefficient of determination is 0.000 which indicates that there is positive relationship (1.103) between Budget planning and district performance. These results provide reasonable evidence to the consistent view that, there is increase health, infrastructure, agriculture and education performance. The beta of Budget planning is 1.185 with a t-statistic of 17.184. The positive coefficients mean a 1% increase in Budget planning leads to a 1.103% increase in district performance and the positive t-statistic value indicates that the effect is statistically significant at 5 % test level.

H1: Budget implementation has significant effect on employee's performance

Hypothesis H1 proposes that Budget implementation has significant effect on district performance. The results indicate that Budget implementation has relationship with district performance. The coefficient of determination is 0.000 which indicates that there is positive relationship (.310) between Budget implementation and district performance. These results provide reasonable evidence to the consistent view that, there is increase in health, infrastructure, and agriculture and education performance. The beta of Budget implementation is .246 with a t-statistic of 2.631. The positive coefficients mean a 1% increase in Budget implementation leads to a .310% increase in district performance and the positive t-statistic value indicates that the effect is statistically significant at 5 % test level.

H2: Budget Monitoring style has significant effect on employee's performance

Hypothesis H2 proposes that budget monitoring has significant effect on district performance. The results indicate that budget monitoring has relationship with district performance. The coefficient of determination is 0.000 which indicates that there is positive relationship (-.642) between budget monitoring and district performance. These results provide reasonable evidence to the consistent view that, there is increase in health, infrastructure, and agriculture and education performance. The beta of budget monitoring is -.470 with a t-statistic of -5.558. The negative coefficients mean a 1% increase in budget monitoring leads to a -.642% increase in district performance and the negative t-statistic value indicates that the effect is statistically significant at 5 % test level.

Budget management practices Challenges facing Musanze district

The researcher has realized that they are some few challenges facing performance of Musanze district and these include; Inadequate budget planning, lack of involvement of all staffs and section heads, laxity in implementation, inadequate internal control system.

4. SUMMARY OF THE FINDINGS AND CONCLUSIONS

The purpose of this chapter is to summarize the research project. It includes of the summary of the findings, conclusions and discussion. It also recommends areas for further research in future studies.

Summary of Findings:

The study summary was based on specific objectives namely;

Budget planning on performance of Musanze district:

From the findings the respondents stated that Musanze district analyzes expenditure before coming up with budget plan, Musanze district analyzes income before coming up with budget plan, Musanze district analyzes likely inflation before coming up with budget plan and the managers delegate responsibilities. The finding further shows that budget planning improve district performance. Hypothesis H0 proposes that Budget planning has significant effect on district performance. The results indicate that Budget planning has relationship with district performance. The coefficient of determination is 0.000 which indicates that there is positive relationship (1.103) between Budget planning and district performance. These results provide reasonable evidence to the consistent view that, there is increase health, infrastructure, agriculture and education performance. The beta of Budget planning is 1.185 with a t-statistic of 17.184. The positive coefficients mean a 1% increase in Budget planning leads to a 1.103% increase in district performance and the positive t-statistic value indicates that the effect is statistically significant at 5 % test level.

Budget implementation on performance of Musanze district:

Findings on shows that the district management approves payment as per the budget plan, Payment is done in a transparent way supported by receipt, all departmental head participates in budget management and conferences and budget is reviewed accordingly for proper utilization. The finding further shows that Budget implementation has improved performance of Musanze district. Hypothesis H1 proposes that Budget implementation has significant effect on district performance. The results indicate that Budget implementation has relationship with district performance. The coefficient of determination is 0.000 which indicates that there is positive relationship (.310) between Budget implementation and district performance. These results provide reasonable evidence to the consistent view that, there is increase in health, infrastructure, and agriculture and education performance. The beta of Budget implementation is .246 with a t-statistic of 2.631. The positive coefficients mean a 1% increase in Budget implementation leads to a .310% increase in district performance and the positive t-statistic value indicates that the effect is statistically significant at 5 % test level.

Budget monitoring on performance of Musanze district:

Findings on shows that head of department monitors the budget of their department, internal audit monitors if budget is being used as per the budget plan, external audit monitors if budget is being used as per the budget plan and District Accounts Committee monitors if budget is being used as per the budget plan. The findings further show that Budget monitoring on performance of Musanze district. Hypothesis H2 proposes that budget monitoring has significant effect on district performance. The results indicate that budget monitoring has relationship with district performance. The coefficient of determination is 0.000 which indicates that there is positive relationship (-.642) between budget monitoring and district performance. These results provide reasonable evidence to the consistent view that, there is increase in health, infrastructure, agriculture and education performance. The beta of budget monitoring is -.470 with a t-statistic of -5.558. The negative coefficients mean a 1% increase in budget monitoring leads to a -.642% increase in district performance and the negative t-statistic value indicates that the effect is statistically significant at 5 % test level.

Conclusion:

In conclusion, it was established that Musanze district follow budget management practices accordingly. The district analyzes expenditure before coming up with budget plan, Musanze district analyzes income before coming up with budget plan, Musanze district analyzes likely inflation before coming up with budget plan and the manager's delegate responsibilities. The district management approves payment as per the budget plan, Payment is done in a transparent way supported by receipt, all departmental head participates in budget management and conferences and budget is reviewed accordingly for proper utilization. The finding further shows that Budget implementation has improved performance of Musanze district. Lastly the head of department monitors the budget of their department, internal audit monitors if budget is being used as per the budget plan, external audit monitors if budget is being used as per the budget plan and District Accounts Committee monitors if budget is being used as per the budget plan. This was justified by the relationship between budget management practices has significant effect on district performance whereby the respondents N is 129 and the significant level is 0.01, the results indicate that independent variable has positive high correlation to dependent variable equal to .856** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated and null hypothesis is rejected and remains with alternative hypothesis. This means that there is a significant relationship between budget management practices and performance of Musanze district. We can therefore conclude budget management practices have significant effect on performance of Musanze district.

Recommendations:

The researcher came up with the following recommendations.

- The district should conduct comprehensive planning in order to improve performance of the district accordingly.
- The district should trained accountants in budget management techniques in order to improve performance of the district accordingly The company should improve on capacity building by sponsoring employees for training in different disciplines.
- The district should establish participatory budgeting in order to improve performance of the district accordingly.
- The district auditors should monitor and control budget is implemented according to plan in order to improve performance of the district accordingly

Areas for Further Research:

The following areas of research are recommended;

- I. Effect of budget planning on district performance
- II. Effect of participatory budget on local government performance
- III. Contribution of auditors on budget implementations

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