

**ANALYSIS ON BUDGETARY CONTROL OF THE LOCAL
GOVERNMENT IN SRI LANKA**

(Special Reference with the Kalmunai Municipal Council)

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ABSTRACT

Budget and Budgetary control, both at management and operation level looks at the future and lays down what has to be achieved, Control and checks whether or not the plans are realized, and puts into effect corrective measures where deviation or shortfall is occurring. This research examines the budget practices in budgetary control system and performance evaluation by applying presenting an analysis of survey data. Recent developments such as globalization, strong competition and rapid advances in information technology have substantially transformed the business environment. Therefore organizations have excellent control over their budget otherwise will not be able to complete effectively.

An empirical study was undertaken, using the correlation analysis and hypothesis testing. In the most of cases considered, established the presents of strong relationship between the actual and budgeted revenue and expenditure. The research uses some statistical analysis to examine and evaluate the collected budgetary information and presents the findings and conclusions. The result show that Kalmunai Municipal council uses budgets as part of their planning and control mechanisms is used as a performance evaluation tool and to exercise that the accounting information process is functioning appropriately. Following our findings we advice the managers and staff to pay the more attention to their budgetary control system.