

ABSTRACT

Budgeting and budgetary control systems play a leading role in every public institution by helping in establishing an effective and efficient management control system of public resources for creating sustainable development.

This study conducted in Arusha region, Arusha Region Secretariat being a case study. The objective of this study is to examine the Challenges associated with budgeting and budgetary control system in Public Institutions. Traditional budgeting practices identified as major challenge to budgeting and budgetary control in public sector. Other challenges include non-inclusion of beyond/current budgeting methods, non-adherence to budgetary guidelines, laws, regulations, lack of transparency and low level of stakeholder's participation.

The literature reviewed on the budget practices focuses on the relevance and applications of budgets in different organisations. The textbooks, journals, and other empirical studies made in order to gain general overview and concepts on budgeting in planning, budget administration, budget process, methods/tools of budget control and other contemporary budgeting approaches in use.

The study employed a case study research design with a qualitative approach. The targeted population for the study is 200 staffs of Arusha RS. In this research non-probabilistic sampling techniques used, where purposive and convenience sampling technique employed.

Primary data collected using close ended questionnaire and interview whilst secondary data collected through documentary review. The data analysis done by the use of Microsoft Excel 2010, presented in percentages of responses mainly in illustrated tables and explained in narrative form.

The findings of study expected to assist the public institutions to come up with a good strategy to incorporating current/beyond budgeting practices in the preparation, implementation and controls designed to eliminate traditional budgeting challenges facing public sector.

