

## ABSTRACT

The study aims at examining the effectiveness of budgeting and budgetary control system in Meru District Council. The research questions are: what is budgeting process and budgetary control processes adopted by Meru District Council?; what are the strengths and weaknesses of budgeting and budgetary control system in Meru District Council?; what are the non-budgetary challenges that lead to poor service delivery within Meru District Council?; and what should be done in order to improve budgeting and budgetary control processes at Meru District Council?The study design is a case study, which involves collection of both primary and secondary data through interviews, questionnaire and observation. The data are analyzed using Statistical Package for Social Scientists (SPSS).The study findings show that budgeting at Meru District Council follows a sequential process whereby budgets are prepared from the village, compiled at ward, then district, region and lastly at ministerial levels before overall ministerial budget is submitted to the parliament for debate and approval. Strengths of the process are: good level of involvement of stakeholders, high employees' accountability, adherence to policy requirements; high trust among employees, satisfactory knowledge and skills among employees, and low corruption level; on the other hand the weaknesses found were: unavailability of sufficient funds, existence of priorities that exceed budgets, bureaucracy, delays in implementation of activities budgeted for, poor application of technology, poor satisfaction of citizens from social services delivered, and insufficiency in human resources. Not only that but also the non budgetary challenges that the study has come up with are: cultural limitations – poor reading culture among citizens; high degree of political interference; and poor general and budgeting and budgetary control knowledge and skills among citizens. The following are proposed actions for improved budgetary efficiency and effectiveness: public education about their rights and responsibilities; separation of politics from professional matters; and simplification of budgeting cycle. It is therefore important to integrate ICTs in budgeting and budgetary controls, as well as designing and implementing human capital capacity enhancement program.

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