

ABSTRACT

A well formulated and properly implemented budget has the capacity to promote socio-economic well-being of the people, finance development projects and support public service administration. However, Siaya County has faced a major challenge in enhancing the credibility of its budgets by reducing the gap between planned and actual targets. It has registered actual under performance both for revenue and expenditure in comparison to budgeted targets across the financial years from 2013 to date with an average performance of 79.54% and 69.55% as actuals for revenue and expenditure respectively, thus, the study aimed at establishing the influence of budgeting practices on performance of county governments' budgets- a case of Siaya County. The specific objectives were to assess the effects of participatory budgeting on budget performance; to examine the effects of budgetary forecasting techniques on budget performance; and to determine the effects of use of technology on budget performance. The study was guided by stakeholders' theory; priority based budgeting theory; and the incremental budgeting theory. Descriptive survey design was adopted and primary data collected by use of questionnaires embedded with interview schedules administered to participants in budget making process. The targeted population was 500 which yielded a sample size of 217 participants from all the sector working groups. Data collected was coded and analyzed by use of Statistical Package for Social Sciences (SPSS) version 24. At 95% confidence interval, the research findings revealed that unstandardized regression coefficient for participatory budgeting ($\beta=0.351$), implies that a unit increase in participatory budgeting is likely to result in a 0.351 increase in budget performance. Unstandardized regression coefficient for budget forecasting techniques ($\beta=0.404$), implies that a unit increase in budget forecasting techniques is likely to result in a 0.404 increase in budget performance. Lastly, unstandardized regression coefficient for use of technology ($\beta=0.174$), implies that a unit increase in use of technology is likely to result in a 0.174 increase in budget performance. The study findings were significant with P values less than 0.05, leading to rejection of null hypotheses and therefore, the study concluded that budgetary practices at the strategic and operational phase of budgeting process are important ingredients in enhancing budget performance. The study recommended that county government should pay more attention to participatory budgeting, employ adequate forecasting techniques and employ use of technology fully in budgeting process in order to improve budget performance.