

Financial Governance and Public Service Delivery in Philippine State Universities: A Policy-Oriented Literature Synthesis

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Abstract — Financial governance plays a central role in shaping public service delivery in higher education institutions. Philippine State Universities and Colleges (SUCs) are entrusted with the efficient management of public funds while ensuring accessible, equitable, and quality education. Despite existing financial management rules, SUCs face challenges including delayed payroll, compliance-driven budgeting, and limited institutional responsiveness, which hinder service delivery and organizational performance. This paper presents a policy-oriented literature synthesis examining the link between financial governance and public service delivery in Philippine SUCs. Drawing on verified Filipino studies and international frameworks, key governance dimensions such as transparency, accountability, budget execution, leadership capacity, and digital transformation are analyzed. Findings indicate that weak governance impairs payroll efficiency, faculty satisfaction, and institutional performance, while sound governance practices enhance operational efficiency, service responsiveness, and public trust. The study identifies gaps in integrative analyses that connect governance mechanisms to measurable service delivery outcomes, particularly in the Philippine context. A conceptual framework and policy reform matrix are proposed, emphasizing a shift from compliance-based to performance- and service-oriented governance. Policy implications and directions for future research are discussed to strengthen the capacity of SUCs in delivering quality public services.

Keywords — *Financial governance, state universities, public service delivery, public financial management, higher education policy, Philippines*

I. Introduction

Financial governance is central to public higher education because the management of public funds directly shapes institutional performance and service delivery. Contemporary public administration scholarship frames financial governance not merely as technical compliance, but as a strategic function that creates public value through transparency, accountability, and performance alignment (Grossi & Argento, 2022). In public universities, financial systems influence how effectively institutions allocate resources, respond to crises, and sustain long-term operations.

In the Philippines, State Universities and Colleges (SUCs) are mandated to provide accessible and quality higher education while ensuring prudent and transparent use of public funds (Commission on Higher Education [CHED], 2021). As publicly funded institutions, SUCs operate within a rules-based budgeting and audit environment that emphasizes compliance with national public financial management regulations. However, empirical accounts from the Philippine context highlight persistent governance constraints, including rigid budget structures, delayed payroll processing, and limited financial flexibility—factors that affect faculty morale, operational efficiency, and responsiveness to stakeholder needs (Brillantes et al., 2019). These challenges reveal tensions between formal accountability mechanisms and the practical demands of service delivery.

Globally, reforms in public sector accounting have moved toward integrating financial reporting, performance measurement, and managerial control systems to strengthen accountability and value-for-money outcomes (Grossi & Argento, 2022). This shift emphasizes accrual accounting adoption, performance-informed budgeting, and digital financial management systems as tools for enhancing transparency and decision-making. Such reforms gained urgency after fiscal shocks like the COVID-19 pandemic, which exposed weaknesses in institutional preparedness and financial adaptability. The Philippine experience during the pandemic similarly underscored the need for more agile financial governance frameworks within SUCs (CHED, 2021).

Within this evolving landscape, digital financial systems and integrated financial management information systems (IFMIS) are increasingly viewed as mechanisms for improving reporting accuracy, expenditure control, and managerial responsiveness. International evidence suggests that when financial transparency is linked to performance metrics, institutions are better positioned to demonstrate public value and improve service outcomes (Grossi & Argento, 2022). In the Philippine setting, strengthening digital systems and aligning budgeting with performance targets are seen as key strategies for enhancing institutional accountability and operational efficiency (Brillantes et al., 2019).

The literature also emphasizes that effective financial governance extends beyond formal controls. Leadership capacity, ethical standards, and organizational culture significantly shape how accounting systems are implemented and used. In SUCs, where bureaucratic norms and centralized fiscal controls dominate, the success of reforms depends on aligning financial rules with institutional autonomy and strategic priorities. This reflects broader governance theory, which posits that accountability mechanisms must balance compliance with managerial discretion to enable innovation and responsiveness (Grossi & Argento, 2022).

Drawing from governance theory and Philippine empirical studies, this paper asks: How does financial governance influence public service delivery in Philippine State Universities and Colleges? It synthesizes literature to examine three interrelated dimensions: financial transparency and accountability mechanisms in SUCs; integration of budgeting and performance management systems; and digitalization and financial management reforms as drivers of institutional resilience.

By focusing on these dimensions, the paper advances a policy-oriented understanding of how financial governance frameworks can move beyond procedural compliance toward enhancing service delivery, institutional sustainability, and public value creation in Philippine SUCs.

Literature Review

Analytical Overview of the Literature

Recent Filipino empirical studies further strengthen the analytical link between financial governance and public service delivery in Philippine State Universities and Colleges (SUCs). Sulasula and Moreno (2020) examined financial management practices in selected Philippine SUCs and found that weaknesses in budget execution and internal controls were significantly associated with delays in operational and academic support services. Tanggol (2021) notes that fiscal transparency, monitoring, and digital reporting improve operational efficiency and public trust. Their study underscores that governance inefficiencies are not merely administrative lapses but structural constraints that directly impair service delivery effectiveness.

Similarly, Binaluyo, Santos, & Agustin (2024) examine digital transformation in Philippine microfinance institutions, demonstrating that technological governance innovations enhance financial accountability. These insights are transferable to SUCs, particularly in payroll processing and fund utilization.

Isolana (2020), focusing on fiscal accountability and organizational performance in Philippine public institutions, emphasized that compliance-oriented financial systems often fail to translate budget allocations into meaningful service outcomes. Applied to SUCs, this insight highlights the limitations of audit-driven governance when not complemented by performance monitoring and outcome-based evaluation frameworks. He also emphasizes the link between payroll efficiency and faculty satisfaction. Delays and inaccuracies in salary disbursement negatively affect morale, productivity, and institutional performance, highlighting the need for robust financial management systems.

Joaquin and Dacela (2020) provided a governance-focused analysis of public service delivery reforms in Philippine higher education, arguing that leadership capacity and financial decision-making autonomy are critical mediating variables between governance structures and service outcomes. Their study reinforces the argument that governance reforms must be accompanied by institutional capacity-building to achieve sustainable improvements in service delivery.

These Filipino studies collectively reinforce the paper's central argument: financial governance in Philippine SUCs must be understood as a strategic determinant of public service delivery rather than a narrow compliance function. However, while existing studies offer valuable empirical and conceptual insights, they remain largely fragmented, often focusing on isolated governance variables (e.g., transparency, accountability, or leadership) without systematically

linking these dimensions to concrete service delivery outcomes such as payroll efficiency, faculty welfare, and institutional performance.

Moreover, much of the Philippine literature relies on descriptive or evaluative approaches, emphasizing compliance with auditing and budgeting rules rather than examining how governance practices translate into service quality and public value creation (Isolana, 2018; Sulasula & Moreno, 2019). There is also limited synthesis that integrates Filipino empirical studies with international public financial management and governance theories, resulting in a weak theoretical–policy bridge in the literature.

This gap underscores the need for integrative, policy-oriented analyses that explicitly connect financial governance mechanisms to public service delivery outcomes in state universities. By synthesizing international frameworks with Philippine empirical evidence, this paper responds to this gap and advances a more holistic understanding of governance reform imperatives in public higher education.

Rather than treating financial governance and public service delivery as separate administrative concerns, the contemporary literature increasingly frames them as mutually reinforcing dimensions of public sector performance. This analytical review synthesizes both international and Filipino scholarship to examine how governance mechanisms shape service delivery outcomes in higher education, particularly within the context of Philippine State Universities and Colleges (SUCs).

Filipino scholars emphasize that governance challenges in SUCs are deeply embedded in historical, institutional, and political contexts. Brillantes, Fernandez, and Mendoza (2019) argue that public sector governance in the Philippines remains highly centralized and compliance-driven, limiting institutional autonomy and weakening performance accountability. Applied to higher education, this governance environment constrains the ability of SUCs to respond flexibly to service delivery demands, despite increasing expectations for efficiency and quality.

Manasan (2018), in her fiscal decentralization and public expenditure analyses, highlights that rigid budget structures and delayed fund releases undermine the effectiveness of public institutions, including SUCs. Her work provides empirical grounding for the argument that fiscal inefficiencies directly affect operational performance and service timeliness. In the higher education sector, these inefficiencies manifest in delayed payroll, underfunded academic programs, and constrained research outputs.

Further, Batara (2013) and Batara and de Vera (2018) examine accountability and integrity systems in Philippine public institutions, underscoring the importance of transparency and ethical leadership in improving organizational outcomes. Their findings suggest that weak accountability mechanisms erode trust and morale, reinforcing the literature’s claim that governance quality has tangible implications for service delivery and institutional credibility.

From a higher education–specific perspective, Bernas (2015) and Arcelo (2017) analyze governance reforms and autonomy in Philippine universities, noting that while policy reforms aim to strengthen accountability, implementation gaps persist due to capacity constraints and overlapping regulatory controls. These studies support the argument that governance reforms must move beyond formal compliance toward performance-oriented and service-driven frameworks.

Overall, the literature—both international and Filipino—converges on the insight that financial governance is not merely a technical function but a strategic and ethical instrument that shapes public value creation in higher education. However, a critical gap remains in integrative analyses that explicitly link financial governance dimensions to concrete service delivery outcomes in Philippine SUCs. This paper addresses this gap by offering a policy-driven synthesis that bridges governance theory, fiscal management practice, and public service delivery outcomes.

Financial Governance, Transparency and Accountability in Higher Education

Transparency and accountability are foundational principles of financial governance in public institutions. Batara and de Vera (2018) demonstrate that transparency mechanisms and accountability systems play a significant role in controlling corruption and strengthening institutional trust in Philippine public organizations. In the context of SUCs, weak disclosure practices and compliance-oriented reporting often limit meaningful oversight and performance assessment.

Binaluyo, Santos, and Lee (2020) provide empirical evidence that financial accountability practices in Philippine public higher education institutions are positively associated with organizational performance. Their findings suggest that governance mechanisms such as clear budgeting processes, internal controls, and transparent financial reporting enhance efficiency and decision-making capacity.

Isolana (2018) extends this discussion by examining fiscal accountability across Philippine public institutions, showing that organizations with stronger accountability systems demonstrate higher levels of effectiveness and responsiveness. These findings reinforce the argument that accountability should be embedded in performance management rather than treated solely as an audit requirement.

Payroll Efficiency, Faculty Satisfaction, and Institutional Performance

Operational aspects of financial governance, particularly payroll management, have direct implications for service delivery. Isolana (2020) highlights that delayed or inaccurate payroll processing in SUCs negatively affects faculty morale and job satisfaction, which in turn undermines productivity and institutional performance. Efficient payroll systems thus serve as a critical link between financial governance and human resource outcomes.

Governance, Leadership, and Crisis Response

Leadership capacity mediates the relationship between governance structures and service delivery outcomes. Joaquin and Dacalos (2021) find that governance and leadership effectiveness significantly influence public service delivery in Philippine higher education institutions. Institutions with empowered leadership and adaptive governance frameworks exhibit greater responsiveness and service quality.

During the COVID-19 pandemic, governance capacity became even more salient. Joaquin, Biana, and Dacela (2020) show that higher education institutions with flexible governance arrangements and decisive leadership were better able to sustain academic and administrative services amid disruptions.

Digital Transformation and Financial Governance

Digital systems are increasingly recognized as enablers of good financial governance. Binaluyo, Santos, and Agustin (2024) demonstrate that digital transformation in Philippine financial institutions improves accountability, transparency, and operational efficiency. Although their study focuses on microfinance institutions, the governance implications are highly relevant to SUCs, particularly in automating payroll and financial reporting systems.

Public Service Delivery in State Universities and Colleges

Public service delivery in SUCs encompasses the provision of instruction, research, and extension services, as well as administrative and support services such as payroll, procurement, and student assistance (CHED, 2021). Effective service delivery depends on the availability, predictability, and timely utilization of financial resources. Empirical literature consistently shows that administrative efficiency and financial reliability are critical determinants of service quality and stakeholder satisfaction (World Bank, 2017).

In Philippine SUCs, delayed salary releases, insufficient funding for instructional materials, and slow procurement processes have been identified as recurring service delivery challenges (COA, 2018). These issues not only affect faculty welfare but also have broader implications for teaching effectiveness, research productivity, and student learning experiences. Studies suggest that improving financial governance practices can significantly enhance service delivery outcomes and institutional performance (Robinson, 2013; PIDS, 2019).

Linking Financial Governance and Public Service Delivery

The literature increasingly recognizes the dynamic relationship between financial governance and public service delivery. Sound financial governance provides the foundation for efficient and responsive service delivery by ensuring that resources are allocated strategically and utilized effectively (OECD, 2015). Conversely, service delivery outcomes serve as indicators of the effectiveness of governance systems (Pollitt & Bouckaert, 2017).

Research demonstrates that transparent budgeting and effective internal controls are associated with improved organizational performance, higher faculty satisfaction, and stronger institutional credibility (World Bank, 2017). In Philippine SUCs, payroll efficiency and faculty welfare emerge as critical areas where the governance–service delivery link is most evident. Delays in compensation undermine morale and productivity, highlighting the need for governance reforms that prioritize service outcomes (COA, 2018).

Table 1. Summary of Filipino Studies on Financial Governance and Public Service Delivery in Philippine SUCs

Author(s)	Year	Focus	Key Governance Findings	Service Delivery Implications
Batara & de Vera	2018	Transparency and accountability	Transparency and accountability mechanisms reduce corruption and enhance public trust	Strengthen disclosure systems and anti-corruption safeguards
Isolana	2018	Fiscal accountability	Strong fiscal accountability improves organizational performance	Integrate accountability into performance management systems
Sulasula & Moreno	2020a	Public service delivery in SUCs	Weak governance undermines frontline service efficiency	Reform governance and service systems
Sulasula & Moreno	2020b	Governance of SUCs	Leadership and accountability improve institutional performance	Enhance leadership autonomy and governance capacity
Binaluyo, Santos & Lee	2020	Financial governance in public HEIs	Accountability practices linked to performance	Align financial governance with outcomes
Binaluyo, Santos & Agustin	2024	Digital financial governance	Digital systems improve accountability	Invest in financial digitalization
Isolana	2020	Fiscal accountability and organizational performance	Compliance-driven systems often fail to translate budget into outcomes	Gaps in quality and timeliness of service delivery; weak institutional responsiveness
Joaquin, Biana & Dacela	2020	HEIs during COVID-19	Adaptive leadership enables service continuity	Build crisis-resilient governance systems
Brillantes, Fernandez & Mendoza	2019	Public sector reform in Philippine higher education	Governance reforms enhance institutional accountability	Better alignment of resources with strategic institutional priorities
Tanggol	2021	Financial governance and service delivery	Robust governance systems align resources with strategic priorities	Timely service provision, improved faculty morale, and institutional credibility

The synthesized Filipino studies demonstrate that financial governance directly affects operational efficiency, faculty welfare, and institutional responsiveness. Sulasula & Moreno (2020a, 2020b) emphasize that weak governance reduces frontline service efficiency, whereas

leadership and transparent decision-making improve outcomes. Digital innovations (Binaluyo et al., 2024) and robust monitoring systems (Tanggol, 2021) enhance accountability and timeliness. Isolana (2020) and Joaquin et al. (2020) confirm that payroll efficiency and leadership capacity mediate service delivery quality.

This evidence reinforces the conceptual framework, showing that financial governance is the primary driver influencing payroll efficiency, faculty morale, and institutional performance, which together determine the quality of public service delivery.

Table 2. Policy Reform Matrix: Financial Governance and Public Service Delivery in Philippine SUCs

Governance Dimension	Current Challenge	Proposed Policy Reform	Expected Outcome	Responsible Actor
Transparency	Limited disclosure of fund utilization; audit delays	Implement digital financial reporting and public dashboards	Timely, transparent reporting; enhanced stakeholder trust	SUC finance office, CHED
Accountability	Compliance-focused audit; weak internal monitoring	Strengthen internal audit functions and performance audits	Improved compliance and proactive correction of inefficiencies	SUC internal audit, COA
Budget Execution	Delayed and rigid budget disbursement	Adopt performance-based budgeting and flexible fund allocation	Faster payroll, optimized resource allocation, improved operational efficiency	SUC administration, CHED
Leadership Capacity	Limited fiscal decision-making autonomy	Provide leadership and governance training; decentralize fiscal decisions	Better institutional responsiveness, empowered management	University Board, SUC administration
Payroll Management	Late or inaccurate salary disbursement	Automate payroll systems and implement strict processing timelines	Timely salary disbursement; increased faculty morale	SUC HR and finance office
Service Delivery Alignment	Services not aligned with institutional priorities	Align financial planning to institutional performance indicators	Enhanced academic program quality and stakeholder satisfaction	SUC administration, CHED

The Policy Reform Matrix operationalizes governance insights into actionable strategies. Each dimension addresses current challenges, identifies reforms, anticipates outcomes, and assigns responsibility. For example, automating payroll ensures timely disbursement, boosting faculty morale. Performance-based budgeting aligns resources with institutional priorities, enhancing service delivery and stakeholder satisfaction. This matrix complements the conceptual framework, providing practical guidance for policymakers and SUC administrators.

Conceptual Framework

This study adopts a policy-oriented conceptual framework that positions financial governance as a primary driver of public service delivery outcomes in Philippine State Universities and Colleges. This framework illustrates the systematic relationship between financial governance and public service delivery in Philippine State Universities, emphasizing a policy-oriented perspective. At the core of the framework is sound financial governance, encompassing transparency, accountability, efficient budget management, leadership capacity, and performance orientation. These governance mechanisms serve as the primary drivers that shape the effectiveness of university operations and the quality of services provided to students, faculty, and the broader community. Strong governance ensures that resources are allocated strategically, financial processes are conducted efficiently, and decision-making aligns with institutional priorities, ultimately creating an enabling environment for enhanced public service delivery.

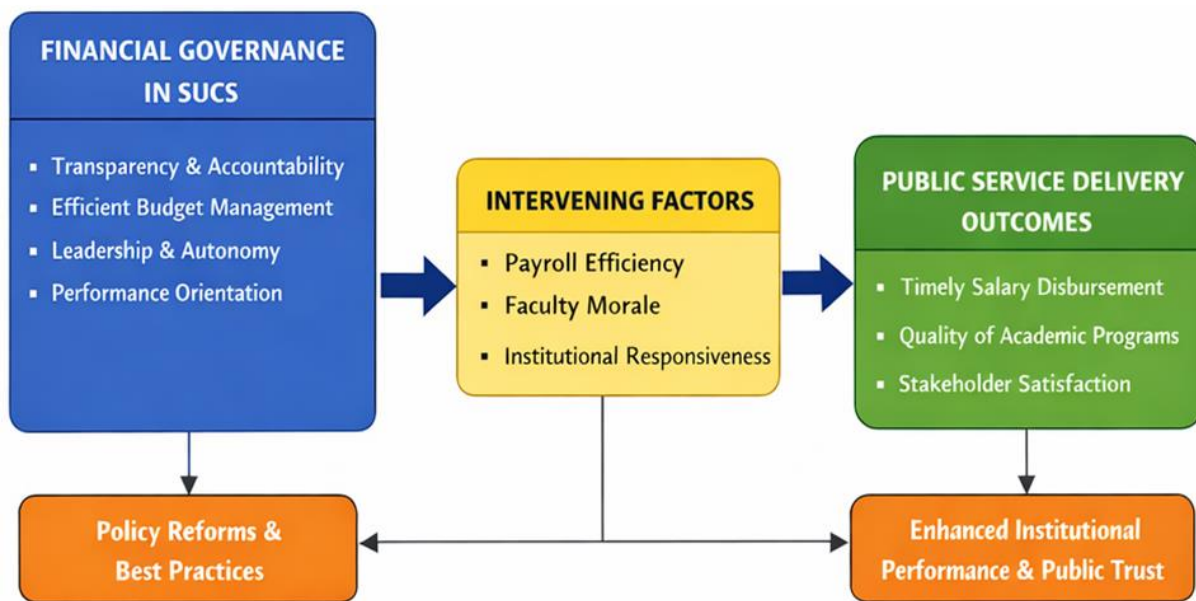


Figure 1. Conceptual Framework Linking Financial Governance and Public Service Delivery in Philippine State Universities

The framework highlights several intervening factors that mediate the influence of financial governance on service outcomes. Among these, payroll efficiency is critical, as timely and accurate disbursement of salaries directly affects faculty welfare and institutional functioning. Similarly, faculty morale serves as a key mechanism linking governance practices to productivity, engagement, and commitment, while institutional responsiveness reflects the university’s ability to adapt and respond effectively to the needs of its stakeholders. Together, these mediating factors translate governance quality into tangible operational and organizational outcomes, demonstrating that governance is not an abstract concept but a practical determinant of institutional performance.

At the outcome level, the framework focuses on public service delivery, encompassing timely salary disbursement, improved quality of academic programs, and enhanced stakeholder satisfaction. These outcomes reflect the broader mission of Philippine State Universities to provide accessible, high-quality education while ensuring accountability in the management of public resources. Importantly, the framework incorporates a feedback loop, indicating that lessons learned from service delivery outcomes inform policy adjustments and governance reforms. This cyclical process ensures that financial governance remains adaptive, responsive, and aligned with institutional goals, creating a dynamic system where improved governance continuously reinforces public service quality and institutional credibility.

Overall, the framework emphasizes that financial governance in Philippine SUCs is a strategic policy lever, where improvements in transparency, accountability, and efficiency translate into better payroll management, higher faculty morale, stronger institutional performance, and more effective public service delivery. By integrating these governance dimensions with observable outcomes, the framework provides a comprehensive guide for policymakers, university administrators, and researchers seeking to strengthen governance systems and optimize service delivery in the higher education sector.

II. Methodology

This study adopts a policy-oriented narrative literature synthesis to examine the relationship between financial governance and public service delivery in Philippine State Universities and Colleges. This approach enables the integration of diverse bodies of literature, including public financial management theory, higher education governance studies, and Philippine empirical research, while emphasizing interpretation and policy relevance rather than statistical aggregation (Popay et al., 2006).

The literature reviewed includes peer-reviewed journal articles, government policy documents, audit reports, and discussion papers from reputable institutions such as the Commission on Audit, Commission on Higher Education, Philippine Institute for Development Studies, OECD, and the World Bank. Particular emphasis was placed on studies that explicitly address governance mechanisms, fiscal processes, and service delivery outcomes in public sector and higher education contexts. The selected literature was thematically analyzed to identify recurring governance dimensions, patterns of service delivery outcomes, and reform implications. This synthesis provides a structured and policy-relevant understanding of how financial governance shapes public service delivery in Philippine SUCs.

III. Results and Discussion

Transparency and Accountability

Transparency and accountability are consistently identified as foundational elements of effective financial governance. Transparent financial reporting and open disclosure of budget allocations enhance stakeholder trust and enable informed participation in institutional decision-making (OECD, 2015). In SUCs, transparency reduces conflicts among administrators, faculty, and staff while strengthening institutional legitimacy. From a policy perspective, transparency functions not only as a control mechanism but also as a driver of improved service delivery outcomes (Pollitt & Bouckaert, 2017).

Fiscal Efficiency and Timeliness of Services

Fiscal efficiency, particularly in budgeting and fund disbursement, directly affects the timeliness and quality of public services. The literature highlights payroll management as a critical area where inefficiencies are most visible (COA, 2018). Delayed salaries and benefits negatively affect faculty morale and productivity, which in turn undermines instructional quality and research output. Streamlining financial processes and aligning budget cycles with academic operations are therefore essential policy priorities (Robinson, 2013).

Leadership and Institutional Capacity

Leadership competence and institutional capacity mediate the relationship between financial governance and service delivery. University leaders with strong financial literacy and ethical orientation are better equipped to navigate regulatory constraints and align resources with institutional goals (Pollitt & Bouckaert, 2017). Capacity-building initiatives in public financial management and results-based planning are widely recommended as critical components of governance reform (OECD, 2015).

From Compliance-Driven to Performance-Oriented Governance

A recurring theme in the literature is the dominance of compliance-driven financial management in public higher education. While compliance with auditing and budgeting rules is necessary, an excessive focus on procedural conformity can limit innovation and responsiveness (Hood, 1995). The literature advocates a shift toward performance-based and service-oriented governance frameworks that link financial decisions to measurable service outcomes (Robinson, 2013; World Bank, 2017).

Contribution to Policy and Practice

This paper contributes to policy and practice in three significant ways. First, it reframes financial governance in Philippine State Universities and Colleges as a service-enabling mechanism rather than a purely compliance-oriented function. By explicitly linking governance

dimensions—such as transparency, fiscal efficiency, and accountability—to service delivery outcomes, the paper provides policymakers with a clearer basis for designing reforms that prioritize public value and institutional performance (Brillantes et al., 2019; OECD, 2015).

Second, the study contributes to higher education governance practice by highlighting payroll efficiency and faculty welfare as critical leverage points for reform. Drawing from both international literature and Filipino empirical studies, the paper underscores that timely compensation and efficient fiscal processes are not merely administrative concerns but central determinants of instructional quality, faculty morale, and research productivity (Manasan, 2018; COA, 2018). This perspective encourages SUC administrators to align financial management reforms with core academic functions.

Third, the paper advances the discourse on performance-based governance by providing a policy reform matrix that translates abstract governance principles into concrete, actionable interventions. This matrix can serve as a practical tool for CHED, SUC leaders, and oversight agencies in evaluating existing financial governance systems and designing targeted reforms aligned with service delivery indicators (Batara & de Vera, 2018; World Bank, 2017).

Ultimately, this study strengthens the bridge between scholarship and practice by offering an analytically grounded and context-sensitive framework for improving financial governance and public service delivery in Philippine higher education.

Research Gap

The reviewed literature reveals several critical gaps that justify the present study. First, there is a paucity of integrative analyses that explicitly link financial governance dimensions—such as transparency, fiscal efficiency, accountability, and leadership capacity—to specific public service delivery outcomes in Philippine State Universities and Colleges. Existing studies often examine governance structures or fiscal processes in isolation, without tracing their downstream effects on payroll efficiency, faculty morale, instructional quality, and institutional performance (Binaluyo et al., 2020; Joaquin & Dacalos, 2021).

Second, the Philippine literature remains largely compliance-oriented, reflecting the dominance of audit and regulatory perspectives in public financial management. While compliance is necessary, the overemphasis on procedural conformity limits the development of performance-based and service-oriented governance models in higher education (Isolana, 2018; COA, 2018). This creates a gap between formal governance frameworks and actual service delivery experiences within SUCs.

Third, there is limited comparative and longitudinal research that examines how variations in financial governance practices across SUCs influence service delivery outcomes over time. Most existing studies are cross-sectional and institution-specific, restricting their generalizability

and policy applicability (Sulasula & Moreno, 2019). Addressing these gaps requires research designs that integrate governance theory, fiscal data, and service performance indicators.

Future Research Directions

Building on these gaps, future research may pursue several directions. First, empirical studies employing mixed-methods or quantitative approaches could test the causal relationships between financial governance indicators and service delivery outcomes across multiple SUCs. Such studies would strengthen the evidence base for performance-oriented governance reforms.

Second, comparative studies examining SUCs with varying degrees of fiscal autonomy and governance capacity could yield insights into best practices and contextual factors that enable effective service delivery. These comparisons may also inform differentiated policy interventions tailored to institutional capacities.

Third, future research may explore the role of digital financial management systems and e-governance platforms in enhancing transparency, efficiency, and service responsiveness in higher education. Given ongoing public sector digitalization initiatives in the Philippines, this area holds significant policy relevance.

Finally, longitudinal research tracking governance reforms and service delivery outcomes over time would provide valuable evidence on the sustainability and impact of financial governance interventions. Such research would contribute to the development of adaptive and resilient governance models for Philippine state universities.

IV. Conclusion

This literature synthesis demonstrates that sound financial governance is a strategic prerequisite for effective public service delivery in Philippine state universities. Weak governance mechanisms—characterized by limited transparency, fiscal inefficiencies, and compliance-driven practices—contribute to delayed services, reduced faculty morale, and diminished institutional performance. Conversely, transparent, efficient, and performance-oriented financial governance systems enable timely service delivery, enhance institutional credibility, and strengthen public trust.

The paper advances several policy reform imperatives: strengthening transparency and accountability standards, streamlining fiscal processes, investing in leadership and institutional capacity, and institutionalizing performance-based governance frameworks. By adopting these reforms, Philippine State Universities and Colleges can more effectively fulfill their public mandate and contribute to national development. Future research may build on this synthesis by empirically testing the proposed governance–service delivery linkages across SUCs.

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