

ENHANCED PUBLIC FINANCIAL MANAGEMENT ASSESSMENT TOOL (ePFMAT): STRENGTHENING BUDGET OFFICE FINANCIAL MANAGEMENT

Desiree G. Ruben¹, Jingle M. Luna²

1Senior Budget and Management Specialist, Name of the Department, Institute Name, State, Country

²North Eastern Mindanao State University, Philippines

ABSTRACT

The study examines the contribution of the enhanced Public Financial Management Tool (ePFMAT) in strengthening the financial management of pillars under the Budget Office's responsibility in the Province of Dinagat Islands. Anchored on the principles of New Public Management (NPM), the research uses a validated survey to assess whether the tool contributes to improving the Budget Office's financial management. The survey reveals that the respondents agree that the tool strengthens their financial management. This result affirms that respondents perceived the use of ePFMAT to contribute positively to financial management related to their function. Notable benefits identified include the improved compliance with budget disclosure requirements and increased availability of budgetary information to stakeholders. The result also highlights the data entry backlogs during peak budget seasons and limited awareness and participation capacity among civil society organizations as the major challenges encountered the use of the tool. These recurring issues warrant attention as they directly affect the effectiveness and inclusiveness of financial management practices particularly affecting geographically isolated areas such as the Province of Dinagat Islands. The study proposes an intervention plan that includes an information campaign to Civil Service Organizations (CSOs) and designation of additional personnel. This study offers insights to policymakers, LGUs, and the academic community on enhancing lower-income local government units' fiscal management and governance.

Keyword: - ePFMAT, public financial management, local government units, Province of Dinagat Islands, New Public Management, budget credibility, electronic assessment tool

1. INTRODUCTION

The Philippine government is actively promoting a sound Public Financial Management (PFM) system, both at the national and local levels, to enhance transparency, accountability, and public service. As part of its continuing efforts, the Department of Budget and Management (DBM) launched the enhanced electronic Public Financial Management Assessment Tool (ePFMAT) in 2022. This web-based self-assessment tool enables the Local Government Units (LGUs) to evaluate their financial management systems across seven PFM pillars (DBM, 2022). This study focuses on examining whether the tool has contributed to strengthening the financial management performance of the Budget Office in the Province of Dinagat Islands, specifically in four pillars under the Budget Office's responsibility, namely: (1) policy-based budgeting, (2) comprehensiveness and transparency, (3) credibility of the budget and (4) citizen's participation.

Various studies affirm that tools are integral to improving data-driven and performance-based governance in LGUs. As DBM stated (2022), ePFMAT promotes self-assessment, auto-generates assessment results, and

simplifies fiscal performance indicators. The Asian Development Bank (ADB, 2023) emphasized that the success of financial management tools depends heavily on technical capacity, connectivity, and support from the management. Ramos et al. (2024) further argue that diagnostic tools are the core of the PFM Reform Roadmap's operationalization, as they enable lower government units to translate the assessment results and provide actionable plans. Nevertheless, the same sources also caution that the use of outdated data, limited personnel capacity, and mere compliance without internalization can diminish the tool's effectiveness, especially in resource-constrained LGUs.

Despite active advocacy for the use of ePFMAT, there is no known empirical evidence of its contribution to financially and geographically unfavorable LGUs. The study has yet to focus on how the tool affects budget operations in lower-income class provinces, such as the Province of Dinagat Islands. While DBM (2022) acknowledges that some LGUs lack the system and complete documentation to conduct meaningful assessments, ADB (2023) highlights that the tool's success is not uniform across the Philippines due to varying levels of IT infrastructure, and the degree of its adoption and training among users. This study addresses the gap by examining the extent of ePFMAT's contribution to improving the financial management performance of LGUs, implementation barriers, and outcomes as experienced by the Budget Office in the Province of Dinagat Islands.

This study aimed to provide meaningful insights into the actual application of ePFMAT in strengthening the financial management of LGU Budget Offices. Building on validated survey responses with due consideration of the Province of Dinagat Islands' three years of assessment data (2022-2024), the research examines whether the tool functions as a reform catalyst or remains a procedural formality. Thus, the study provides evidence-based recommendations that inform policymakers, enhance the efforts in the provision of capacity-building activities, and refine succeeding iterations of tools. Finally, it also reinforces the theoretical foundation of New Public Management (NPM) advocates, emphasizing transparency, accountability and performance-oriented public practices (Ramos et al., 2024).

1.1 Schematic Diagram

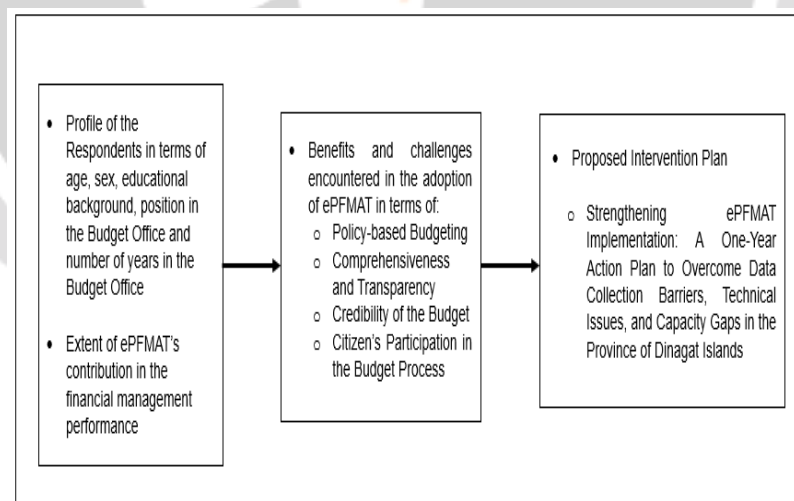


Fig 1- Schematic Diagram of the Study

1.2 Objective of the Study

The objectives of this study are to examine the demographic profile of the personnel involved in the implementation of the ePFMAT in the Budget Office, specifically in terms of age, sex, educational background, position in the office, and years of service. Additionally, the study aims to evaluate the extent to which ePFMAT contributes to the financial management performance of the Budget Office in the Province of Dinagat Islands. The study also seeks to identify the benefits associated with adopting ePFMAT, particularly in policy-based budgeting, comprehensiveness

and transparency, credibility of the budget, and citizen participation in the budget process. Furthermore, the study aims to determine the challenges encountered during ePFMAT implementation in these areas and, if necessary, propose an intervention program to address these challenges.

2. METODOLOGY

This study adopts a quantitative, non-experimental, descriptive research design to assess the contribution, benefits, and challenges of the enhanced Public Financial Management Assessment Tool (ePFMAT) in the Budget Office of the Province of Dinagat Islands. The study was conducted in the Province of Dinagat Islands, a geographically isolated 4th class province with complete ePFMAT assessment data from 2022 to 2024. Using purposive sampling, the respondents were selected from personnel directly involved in the ePFMAT implementation, including budget officers from the provincial and municipal levels, resulting in 16 participants. Data was collected using a researcher-made questionnaire that underwent content validation by three experts, and a pilot test confirmed the instrument's reliability with Cronbach's Alphas ranging from 0.8956 to 0.9815. The survey was administered electronically via Google Forms and responses were analyzed using frequency counts, percentage distribution, and weighted means. Statistical treatment was applied to summarize demographic data and quantify perceptions of the ePFMAT's impact on financial management performance, benefits, and challenges, ensuring a comprehensive analysis aligned with the study's objectives.

3. RESULTS AND DISCUSSION

This part presents the data gathered from the research instruments, results, and discussion from the evaluation of enhanced Public Financial Management Assessment Tool's (ePFMAT) effectiveness in strengthening financial management within the Budget Office of the PDI. The presentation of the result is in chronological order of the research objectives. The result is divided into five sections.

3.1 Profile of the Respondents

The section presents the results of the frequency counting and percentage of respondent's profile of the sixteen (16) respondents in terms of age, gender, education background, current position in the Budget Office and the number of years employed in the same Office.

Table 1. Profile of Respondents

Respondent's Profile		Frequency	Percentage
Age	26-35	1	6%
	36-45	1	6%
	46-55	11	69%
	56 and above	3	19%
Total		16	100%
Sex	Male	3	19%
	Female	13	81%
Total		16	100%
Educational Background	Bachelor's Degree	15	94%
	Master's Degree	1	6%
Total		16	100%
Current Position	Budget Officer	12	75%
	Assistant Budget Officer	1	6%
	Administrative Staff	3	19%
Total		16	100%
Years in the Budget	1-3 years	1	6%

Office	4-6 years	3	19%
	10 years or more	12	75%
Total		16	100%

Most of the respondents are aged 46–55 (69%), and above 56 years old (19%), suggesting a workforce composed predominantly of seasoned professionals in the Budget Office of the Province of Dinagat Islands. This level of experience may positively influence the stability and continuity of public financial operations, especially in implementing assessment tools like the enhanced electronic Public Financial Management Assessment Tool (ePFMAT). However, it may also pose challenges in adapting to digital reforms due to generational differences in technology use. As the Asian Development Bank (2023) notes, aging personnel in local government units (LGUs) often require tailored capacity-building to fully engage with web-based PFM tools.

Furthermore, the sex distribution reveals a predominance of female respondents (81%), reflects broader trends in public sector employment, where women are increasingly occupying roles traditionally held by men (Nascimento et al., 2024). While gender balance itself does not affect technical capability, it underscores the need for inclusive and gender-sensitive training programs, especially in deploying innovations. In terms of educational background, a striking 94% hold a Bachelor's degree, which is consistent with the increasing educational requirements for public sector roles. Yet, the low representation of Master's degree holders (6%) raise concerns about the depth of expertise in complex budgetary matters, as advanced education is often linked to enhanced analytical capabilities (Gulyanov & Kaneva, 2024). This implies a sufficient but potentially limited foundation for conducting strategic financial analysis and interpreting ePFMAT results for policy-level recommendations.

Position-wise, 75% of the respondents are Budget Officers, with 6% Assistant Budget Officer and 19% administrative staff. This reinforces the credibility and relevance of the responses, as the data predominantly reflects the perspectives of key decision-makers responsible for implementing the ePFMAT. However, this could also lead to stagnation in innovative practices, as newer entrants may bring fresh ideas and approaches that are currently lacking (Ebrahimi, 2021).

Lastly, 75% of respondents have been in service for more than 10 years, suggesting strong institutional memory which is a strength in executing reforms, yet potentially a barrier to innovation due to entrenched practices. As Allen et al. (2020) assert, the success of PFM reforms in developing contexts often depends on the balance between institutional experience and openness to change. This strengthens the reliability of the survey results as these personnel have journeyed with the development of PFM assessment tools over the years.

3.2 Extent of Contribution of ePFMAT

This section presents the results of the assessment on the extent to which the ePFMAT has contributed to strengthening financial management in the Budget Office of the Province of Dinagat Islands. The analysis is based on validated survey responses from budget officers and technical personnel directly involved in the implementation of the tool. It focuses on four out of the seven strategic pillars of the ePFMAT, namely: policy-based budgeting, comprehensiveness and transparency, budget credibility, and citizen participation, because only these pillars contain indicators that fall under the functional responsibility of the Budget Office.

Table 2. Extent of ePFMAT's Contribution in the Improvement of Financial Management of the Budget Office

Indicators	Mean	Adjectival Rating
Pillar 1- Policy-based Budgeting	3.76	Moderately Contributed
PFM improvement policies address weaknesses identified in the PFM assessment	3.81	Moderately Contributed

Adherence to a fixed calendar for budget preparation and authorization phase	3.94	Moderately Contributed
Timely enactment and approval of the Appropriation Ordinance authorizing the Annual Budget	4.00	Highly Contributed
Timely submission of the Appropriation Ordinance authorizing the Annual Budget to the appropriate reviewing authority	4.00	Highly Contributed
Financial self-reliance of Local Economic Enterprises (LEE)	3.06	Moderately Contributed
Pillar 2 - Comprehensiveness and Transparency	3.88	Moderately Contributed
PFM improvement policies address weaknesses identified in the PFM assessment	3.88	Moderately Contributed
Pillar 3 - Credibility of the Budget (<i>in the last three years</i>)	3.48	Moderately Contributed
Increased utilization rate in terms of allotments released compared with total appropriations	3.44	Moderately Contributed
Increased utilization rate in terms of actual obligations compared with total allotments released	3.50	Moderately Contributed
Increased utilization rate in terms of actual disbursements compared with total obligations	3.50	Moderately Contributed
Pillar 4 - Citizen's Participation in the Budget Process	3.38	Moderately Contributed
Degree of citizens' participation in the budget process	3.38	Moderately Contributed
Overall	3.62	Moderately Contributed

The overall mean score of 3.62 reflects that the use of the enhanced Public Financial Management Assessment Tool (ePFMAT) “Moderately Contributed” to the improvement of financial management in the Budget Office of the Province of Dinagat Islands. This rating means that ePFMAT facilitated moderate enhancements, with improvements evident in most of the financial practices and operations. It shows that while the tool may not have produced transformative change, it has successfully strengthened essential areas of budget planning, monitoring, and reporting, thereby supporting the Budget Office in aligning with national public financial management standards. As affirmed by the Department of Budget and Management (2022), ePFMAT enables LGUs to conduct structured assessments, identify weaknesses, and track performance over time, ultimately reinforcing governance and fiscal accountability. The result is consistent with the study of Lapuz et al. (2021) on Talavera, Nueva Ecija, using the PFMAT version in 2012, that the PFM assessment tool chronicled improved performance and development of LGUs.

Among the four core pillars evaluated, “Comprehensiveness and Transparency” received the highest mean score of 3.88, indicating a strong emphasis on open and well-documented financial processes. This suggests that ePFMAT is especially effective in enhancing the clarity, accessibility, and organization of financial data, which are critical components of sound governance. Rashied et al. (2024) support this implication, noting that financial

transparency reforms supported by tools like ePFMAT have led to measurable improvements in local government transparency scores by up to 25 percent. This demonstrates that the tool's built-in templates and real-time reporting mechanisms are contributing meaningfully to increased public access to budget information.

On the other hand, the lowest mean score of 3.38 was recorded under the pillar of Citizen's Participation in the Budget Process, which, while still categorized as "Moderately Contributed," reveals that engagement of the public in budgeting remains a challenge. This may reflect limited awareness, institutional mechanisms, or opportunities for citizens to meaningfully participate in budget preparation and evaluation. Fuat and Djasuli (2024) emphasize that active citizen involvement is critical to achieving accountability and inclusiveness in public financial management. The results suggest that while the ePFMAT introduces participatory frameworks, further efforts such as civic education, public consultations, and feedback mechanisms are necessary to strengthen this area.

In summary, the data suggests that the ePFMAT has moderately but meaningfully enhanced the financial management performance of the Budget Office, with strengths in transparency and documentation. The variation in scores across the pillars highlights areas for improvement, especially in deepening citizen engagement.

3.3 Benefits of ePFMAT

This section presents the perceived benefits associated with the adoption of ePFMAT in terms of policy-based budgeting, comprehensiveness and transparency, credibility of the budget and citizen's participation in the budget process. The results are based on validated survey responses from personnel directly involved in the use of the tool. The table below summarizes the mean scores and adjectival ratings, reflecting the various benefits which have been realized in the office's financial management practices.

Table 3. Benefits Associated with the Adoption of the ePFMAT

Benefits per Pillar	Mean	Adjectival Rating
Pillar 1- Policy-based Budgeting		
Improved alignment of budget with government policies and development plans	3.38	Moderately Realized
Strengthened medium-term expenditure planning	3.38	Moderately Realized
Enhanced prioritization of budget allocations	3.44	Moderately Realized
Pillar 2 - Comprehensiveness and Transparency		
Improved compliance with budget disclosure requirements	3.56	Moderately Realized
Strengthened internal budget reporting mechanisms	3.50	Moderately Realized
Increased availability of budgetary information to stakeholders	3.56	Moderately Realized
Pillar 3 - Credibility of the Budget		
Reduced variance between budgeted and actual expenditures	3.44	Moderately Realized
Strengthened adherence to fiscal rules and ceilings	3.50	Moderately Realized
Improved timeliness of fund releases	3.44	Moderately Realized
Pillar 4 - Citizen's Participation in the Budget Process		

Increased engagement of civil society organizations in budget process	3.56	Moderately Realized
Strengthened participatory budgeting practices	3.50	Moderately Realized
Improved mechanisms for citizen feedback on budget execution	3.38	Moderately Realized

Table 4 indicates that the benefits of the ePFMAT were “moderately realized”, meaning the benefits were observed in most instances across the assessed pillars. Mean scores ranged from 3.38 to 3.56, showing consistent improvement in key areas of financial management. The highest mean scores of 3.56 were recorded under Pillar 2 - Comprehensiveness and Transparency, specifically in “improved compliance with budget disclosure requirements” and “increased availability of budgetary information to stakeholders”. These results reflect the tool’s effectiveness in promoting fiscal openness and accountability. According to Hoddinott et al. (2024), improved access to budget information significantly enhances public trust and institutional transparency. Similarly, Rasool et al. (2021) highlighted that digital disclosure tools strengthen public sector governance by reducing information asymmetry and supporting informed stakeholder engagement.

Under Pillar 4 - Citizen’s Participation, the benefit of “increased engagement of civil society organizations in the budget process” also received a high mean score of 3.56. This indicates that ePFMAT supports participatory planning processes. The Global Initiative for Fiscal Transparency (2022) confirms that structured tools, when backed by institutional support, can meaningfully improve civic engagement in fiscal policy. However, “improved mechanisms for citizen feedback on budget execution” received a lower mean score of 3.38, suggesting a need for deeper engagement during implementation. This finding is consistent with Ebdon and Franklin (2020), who noted that citizen input is often front-loaded, with limited opportunities for feedback during execution and monitoring.

Another area that received the same mean score of 3.38 is “improved alignment of the budget with government policies and development plans” and “strengthened medium-term expenditure planning”, under Pillar 1 - Policy-Based Budgeting. This suggests that while improvements are visible, challenges remain in ensuring that financial allocations are fully aligned with strategic priorities. These findings emphasize the importance of stronger coordination and integration between planning and budgeting functions to maximize the reform’s long-term impact.

3.4 Challenges Encountered in the Use of ePFMAT

The implementation of ePFMAT is not without hurdles. Despite its potential to streamline financial processes, various challenges have emerged. Table 5 presents the challenges in terms of policy-based budgeting, comprehensiveness and transparency, credibility of the budget, and citizen’s participation in the budget process. The mean scores and adjectival ratings are summarized, reflecting the challenges encountered per pillar.

Table 4. Benefits Associated with the Adoption of the ePFMAT

Challenges Encountered	Mean	Adjectival Rating
Pillar 1- Policy-based Budgeting		
Inconsistent adherence to the prescribed budget preparation calendar	2.44	Minor Challenge
Limited capacity to integrate PFM assessment findings into policy and budget improvement plans	2.56	Minor Challenge
Data entry backlogs in ePFMAT due to staffing limitations during peak budget season.	3.08	Moderately Challenge
Difficulty in gathering the data	2.50	Minor Challenge
Technical difficulties in using the tool	2.31	Minor Challenge
Pillar 2 - Comprehensiveness and Transparency		
Fragmented financial systems impede the preparation of complete budget documents	2.63	Minor Challenge
Inadequate staff training on formatting and disclosure requirements of the Appropriation Ordinance	2.44	Minor Challenge
Lack of internal quality assurance mechanisms to verify completeness of published financial data	2.50	Minor Challenge
Difficulty in gathering the data	2.56	Minor Challenge
Technical difficulties in using the tool	2.38	Minor Challenge
Pillar 3 - Credibility of the Budget		
Weak internal controls and expenditure tracking limit the reliability of budget utilization reports.	2.69	Minor Challenge
Staff require more training on analyzing and interpreting budget execution and performance trends	2.63	Minor Challenge
Inconsistencies in the collection and encoding of actual obligation and disbursement figures	2.44	Minor Challenge
Difficulty in gathering the data	2.44	Minor Challenge
Technical difficulties in using the tool.	2.44	Minor Challenge
Pillar 4 - Citizen's Participation in the Budget Process		
Lack of institutionalized mechanisms for gathering and integrating citizen inputs into the budget process	2.75	Minor Challenge
Limited awareness and participation capacity of civil society organizations and citizens	3.08	Moderately Challenge
Absence of training for staff on participatory governance methods and community facilitation	2.56	Minor Challenge
Difficulty in gathering the data	2.50	Minor Challenge
Technical difficulties in using the tool	2.50	Minor Challenge

The implementation of the enhanced Public Financial Management Assessment Tool (ePFMAT) faces various challenges, with some being minor and others more significant. The analysis of the data reveals that most challenges encountered were minor, meaning they occurred occasionally with minimal impact. However, two challenges were identified as moderate, meaning they occurred regularly, and affected the implementation. The highest mean scores of 3.06 were attributed to “data entry backlogs during peak budget seasons” and “limited awareness and participation capacity among civil society organizations”. These recurring issues warrant attention as they directly affect the effectiveness and inclusiveness of financial management practices.

Data entry backlogs, rated as a moderate challenge, highlight a recurring issue that significantly affects the efficiency of ePFMAT implementation. These backlogs typically arise during peak budget preparation and reporting periods, when the workload increases but staffing levels remain unchanged. Due to limited human resources, especially in fourth-class provinces or understaffed Budget Offices, data encoding and system updates are delayed. These delays hinder the timely consolidation of financial reports, which are essential for decision-making, performance tracking, and compliance with review deadlines. The inability to generate real-time financial data compromises the planning and forecasting functions of the Budget Office and may also affect the credibility of submitted reports. Wu et al. (2024) underscores that in smaller local government units, resource constraints often result in substantial lags in data processing and submission. This, in turn, diminishes the reliability of digital financial tools like ePFMAT, which are designed to support continuous and timely performance assessment. If these backlogs persist, they could also undermine stakeholder confidence in the data quality and create a ripple effect in other aspects of the budget cycle, including procurement, reporting, and evaluation.

Similarly, the challenge of limited civil society participation, which also scored as a moderate challenge, reflects the ongoing difficulty in ensuring inclusive and participatory governance. While ePFMAT encourages citizen engagement as part of its performance assessment framework, meaningful participation requires both institutional mechanisms and stakeholder readiness. In many cases, civil society organizations (CSOs) and local community groups are not fully aware of their role in the budget process or lack the technical knowledge to contribute effectively. This results in a form of participation that is often tokenistic rather than truly collaborative. Khairati and Putra (2024) argue that without targeted capacity-building programs, sustained outreach, and inclusive facilitation, participatory budgeting remains symbolic and fails to influence actual budget decisions. The absence of structured engagement mechanisms limits the diversity of perspectives in budget planning and weakens the accountability loop between government and citizens. Over time, this can reduce public trust in governance processes and hinder the realization of transparency and equity goals in public financial management.

In contrast, the lowest mean score of 2.31 was recorded for technical difficulties in using the tool under Policy-Based Budgeting. This suggests that users faced minimal disruption, indicating a level of adaptability or adequate system usability. Hoddinott et al. (2024) support this, stating that well-designed platforms accompanied by localized training reduce user-related issues over time.

In summary, while most implementation issues were minor and manageable, the moderate challenges of data entry delays and limited civil society engagement occur regularly and affect the full realization of ePFMAT's goals. Addressing these through targeted hiring, ongoing training, and structured participatory mechanisms is essential. Literature also suggests that embracing technological innovations and improving organizational readiness can serve as dual pathways to strengthening ePFMAT's long-term effectiveness and institutional relevance.

4. CONCLUSIONS

In the use of ePFMAT, the following conclusions are drawn out of the result and analysis of the study on the extend of its contribution in improvement the financial management if the Budget Office in the Province of Dinagat Islands:

The profile of a total of 16 respondents, comprising the entire population of budget officers and technical staff directly involved in the implementation of ePFMAT, reveals a mature and experienced workforce, predominantly aged 46 and above and serving for over a decade. This institutional longevity contributes to continuity and stability in public financial operations yet also indicates a potential resistance to innovation and digital adaptation, especially in the absence of advanced educational qualifications. The predominance of female staff aligns with broader trends in public service, emphasizing the need for inclusive and responsive training programs that recognize the evolving gender landscape in governance.

In terms of the extent of contribution, the ePFMAT was found to have “Moderately Contributed” to the improvement of financial management in the Budget Office, especially in transparency. This suggests that the tool has helped institutionalize more structured, evidence-based, and standardized financial practices. The result shows consistency with the objective of New Public Management (NPM) the use of performance management and evaluation and devolving decision-making authority to local levels of government (Abdullahi, 2024) makes public financial management more accountable, citizen engaging and policy coherent. The tool's contribution, therefore, signifies a step toward a more results-oriented and transparent LGU financial system.

The realization of benefits echoed this moderate but positive trend. The study found that the ePFMAT's impact was consistently felt across the assessed pillars, with mean scores ranging from 3.38 to 3.56. The most notable benefits were observed under Comprehensiveness and Transparency, specifically in improved budget disclosure compliance and the availability of fiscal data to stakeholders (mean = 3.56). These indicators demonstrate the tool's effectiveness in advancing fiscal openness, which, as Hoddinott et al. (2024) and Rasool et al. (2021) affirm, is fundamental to enhancing public trust and mitigating information asymmetry in governance. Benefits under Citizen Participation were similarly encouraging, with high marks for engaging civil society in the budget process. Overall, the tool helped standardize beneficial practices, but further integration with strategic processes is essential for long-term impact.

Nonetheless, challenges were encountered in the implementation of ePFMAT but were generally minimal, with the exception of two areas identified as moderate concerns: “data entry backlogs during peak periods” and “limited awareness and capacity among civil society organizations”. These issues are indicative of structural constraints, including staffing limitations and weak institutional mechanisms for external engagement. As noted by Wu (2023) and Khairati & Putra (2024), such gaps reduce the effectiveness of digital tools by hindering both the timeliness and inclusivity of financial processes. Notably, technical difficulties with the tool itself were rated low, suggesting that usability and interface concerns are not a major barrier. Addressing these moderate but recurring problems is critical to ensuring that ePFMAT functions not just as a compliance mechanism but as a true catalyst for reform.

In response to these challenges, this study proposes two targeted intervention programs. To address data entry backlogs, the “Clear the Backlog: Smarter Data Encoding for Better Budgeting” initiative, scheduled from July 2025 to July 2026, aims to eliminate delays by enhancing staffing strategies and turnaround times through the coordinated efforts of the Budget Office and the Human Resource and Development. Meanwhile, to strengthen citizen engagement, the “From Bystanders to Budget Partners” program will be implemented from August to December 2025. This initiative involves conducting awareness forums, developing IEC materials, and issuing an Executive Order institutionalizing CSO involvement in ePFMAT processes. It aims to capacitate CSOs per municipality. These targeted interventions embody the spirit of NPM by promoting operational efficiency, stakeholder engagement, and performance-based reform. If implemented effectively, they have the potential to resolve the key constraints identified in this study and significantly enhance the impact of ePFMAT as a reform-driven, participatory tool for LGUs like the Province of Dinagat Islands.

6. REFERENCES

- [1]. Abdullahi, F. M. (2024). Introduction to New Public Management (NPM). *Global Scientific Journal*, 12(5).
- [2]. Allen, R. I., El Rayess, M., Doherty, L., & Goel, P. (2020). Review of the Public Financial Management Reform Strategy for Pacific Island Countries, 2010–2020 (IMF Working Paper No. 20/183). International Monetary Fund.
- [3]. Allen, R., Hemming, R., & Potter, B. (2020). Public financial management in developing countries: Progress and challenges. International Monetary Fund.
- [4]. Botswana PFM Reforms. (2023). Public Financial Management Reforms in Botswana: A Review of Literature. Ministry of Finance and Economic Development, Republic of Botswana.
- [5]. Department of Budget and Management. (2022, June 15). Local Budget Circular No. 147: Guidelines on the implementation of the enhanced Public Financial Management Assessment Tool (ePFMAT). <https://www.dbm.gov.ph/wp-content/uploads/Issuances/2022/LBC/LBC-No-147.pdf>
- [6]. DBM. (2022). Enhanced Public Financial Management Assessment Tool (ePFMAT). Department of Budget and Management, Philippines.
- [7]. Department of Budget and Management. (2021). The DBM Bulletin: 1st Quarter 2021. <https://www.dbm.gov.ph/wpcontent/uploads/DBM%20Publications/Bulletin/2021/The-DBM-Bulletin-1st-Quarter-2021.pdf>.

- [8]. Department of Budget and Management. (n.d.). Guide to the two-tier budgeting approach. <https://www.dbm.gov.ph/images/pdffiles/GUIDETOTHEWOTIERBUDGETPROCESS.pdf>.
- [9]. Dwinanda, A., Harjanto, R., & Siregar, H. (2023). Bureaucratic challenges in the implementation of fintech for public financial management. *Journal of Government and Innovation*, 5(2), 44–59.
- [10]. Ebdon, C., & Franklin, A. (2020). Citizen participation in budgeting: Effects on budget outcomes and accountability. *Public Budgeting & Finance*, 40(3), 68–85. <https://doi.org/10.1111/pbaf.12238>
- [11]. Ebrahimi, P. (2021). Workforce renewal and innovation in the public sector: The role of generational diversity. *Journal of Public Sector Innovation*, 12(3), 88–102. <https://doi.org/10.1016/j.jpsi.2021.03.004>
- [12]. Fuat, H., & Djasuli, M. (2024). Citizen participation in budgeting: Enhancing accountability in local governance. *Journal of Public Policy and Administration*, 15(1), 45–59.
- [13]. Global Initiative for Fiscal Transparency. (2022). Principles of public participation in fiscal policy. <https://www.fiscaltransparency.net/documents/principles-of-public-participation/>
- [14]. Google. (n.d.). Dinagat Islands, Philippines [Map]. Google Maps. Retrieved May 22, 2025, from <https://www.google.com/maps/place/Dinagat+Islands/data=!4m2!3m1!1s0x3306bfe689e28753:0x9ba8991033301e3d?sa=X&ved=1t:242&icx=111>.
- [15]. Gulyanov, V. V., & Kaneva, E. A. (2024). Educational attainment and analytical capacity in public sector budgeting: A cross-national study. *Public Administration and Development*, 44(1), 45–60. <https://doi.org/10.1002/pad.2004>
- [16]. Hoddinott et al. (2024). Transparency in budgeting and public trust: Evidence from local governance reforms. *Journal of Public Economics and Development*, 17(1), 31–48..
- [17]. International Monetary Fund. (2021). Public Investment Management Assessment (PIMA): Updated framework. <https://www.imf.org/en/Publications/Policy-Papers/Issues/2021/07/09/Public-Investment-Management-Assessment-Updated-Framework-461579>
- [18]. Iyer, I., & Roy Chowdhury, S. (2023, October 13). Digitalization for public expenditure accountability and transparency (d4PEAT). *Indian Public Policy Review*, 4(5). <https://doi.org/10.55763/ippr.2023.04.05.001>
- [19]. Khairati, K., & Putra, H. (2024). Strengthening citizen participation in budgeting through capacity building in local governments. *Journal of Participatory Governance*, 9(1), 22–38.
- [20]. Lapuz, R. B., & Macaculop, A. B. (2021). Effectiveness of the Public Financial Management Assessment Tool in Strengthening the Financial Capability of Local Government Unit in Talavera, Nueva Ecija. *International Journal of Advanced Engineering Management and Science*, 7(6), 52–61.
- [21]. Nascimento, M. L., Rivera, J. A., & Cheng, S. Y. (2024). Gender shifts in public sector employment: Trends and implications for governance. *Journal of Public Administration and Policy Reform*, 36(2), 117–134. <https://doi.org/10.1016/j.jpapr.2024.02.006>
- [22]. Nurfadila, N. (2024). Enhancing public financial management through performance evaluation and cost systems. *Advances in Management & Financial Reporting*, 2(1), 24–35. <https://doi.org/10.60079/amfr.v2i1.264>
- [23]. PEFA Secretariat. (2020). PEFA 2016 framework: Summary of changes and benefits. Public Expenditure and Financial Accountability Program. <https://www.pefa.org/resources/pefa-2016-framework-summary-changes-and-benefits>
- [24]. PEFA Secretariat. (2023). Kenya Public Expenditure and Financial Accountability Assessment Report.
- [25]. Ramons, et al. (2024, February). Evolving landscape of public financial management. IMF PFM Blog. Retrieved from: <https://blog-pfm.imf.org/en/pfmblog/2024/02/evolving-landscape-of-public-financial-management>
- [26]. Rashied, A., De Guzman, M., & Singh, R. (2024). Transparency reforms and fiscal accountability: Evidence from local government units. *Asian Journal of Governance and Development*, 12(2), 71–86.
- [27]. Rasool et al. (2021). Budget transparency, governance and the role of disclosure tools in public sector accountability. *Public Management Review*, 23(9), 1346–1365. <https://doi.org/10.1080/14719037.2020.1751255>
- [28]. Raza, H., & Gillani, S. (2022). Public financial management reform trends in developing economies: A focus on integration and technology. *International Journal of Public Sector Management*, 35(4), 521–539.

- [29]. UNICEF & International Budget Partnership. (2021). Budget credibility and the Sustainable Development Goals: Key considerations for governments and stakeholders. United Nations Integrated National Financing Framework.
- [30]. Wu, J., Zhang, X., Li, Y., & Chen, M. (2024, July 24). Research on local government budget performance management issues. *Frontiers in Humanities and Social Sciences*, 4. <https://doi.org/10.54691/hz5yp894>
- [31]. Yuwawan, R. (2025). Strengthening fiscal data governance in Solomon Islands. *Selected Issues Papers*, 062. <https://doi.org/10.5089/9798229010153.018>

