Financial Management Competencies and Fiscal Accountability among Barangay Officals in Can-Avid, Eastern Samar

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INTRODUCTION

Background of the Study

Effective governance at the primary level of public administration relies on sound fiscal management and strict adherence to statutory standards. In the Philippines, barangays served as the foundational administrative units responsible for managing public funds, formulating local development plans, and executing annual budgets in compliance with oversight guidelines established by the Department of the Interior and Local Government and the Commission on Audit. Recent scholars emphasized that grassroots public administration required robust local financial management systems to ensure transparent service delivery, proper resource allocation, and sustained public trust (Agos et al., 2023; Supriatna, 2024). Studies across developing decentralized governance contexts consistently highlighted that administrative performance correlated directly with the technical proficiency of elected and appointed local leaders in budget formulation, internal financial control, and statutory bookkeeping (Abrea et al., 2024; Cainglet et al., 2022). Consequently, evaluating local capacity in executing fiscal responsibilities formed an essential pillar of contemporary public management research.

Across international and national administrative landscapes, public financial management mechanisms directly affected community welfare and institutional integrity. Global public administration models underscored that decentralized fiscal authority required commensurate capability at local levels to prevent fund misallocation, delayed project execution, and audit irregularities (Supriatna, 2024). In the domestic context, local government units in rural Philippine municipalities faced distinct operational challenges when implementing statutory accounting rules and public disclosure mandates. In the Municipality of Can-avid, Eastern Samar, where rural barangays managed localized development allocations under constrained technical infrastructure, financial management demanded meticulous adherence to statutory guidelines. Recent localized studies demonstrated that grassroots officials frequently navigated complex compliance frameworks despite varying levels of formal accounting education or municipal administrative background (Ramos et al., 2023). This interconnected reality illustrated how micro-level administrative actions in remote rural communities mirrored broader systemic challenges in fiscal governance across expanding decentralized nations.

Despite established regulatory frameworks, persistent operational bottlenecks complicated the execution of municipal financial processes. Barangay Captains, Treasurers, Secretaries, and Committee Chairpersons on Appropriations regularly assumed complex fiscal duties, including budget preparation, disbursement validation, internal auditing, and financial report presentation. However, operational gaps remained prevalent due to rapid turnover in elective offices, inconsistent capacity-building interventions, and the increasing complexity of auditing standards enforced by national oversight bodies (Abrea et al., 2024). When local officials lacked specialized competencies in financial reporting and internal control, primary administrative units experienced accounting errors, delayed liquidation of public funds, incomplete financial disclosures, and adverse audit findings (Agos et al., 2023). These recurring administrative hurdles hindered the timely execution of essential socio-economic projects, directly affecting community development and institutional credibility in small municipal jurisdictions.

Recent scholarly literature presented conflicting perspectives regarding the precise relationship between administrative competency and fiscal accountability in local governance. One school of empirical research

contended that individual technical competency served as the paramount determinant of fiscal compliance, demonstrating that targeted training in financial management and record-keeping directly yielded clean audit reports and efficient fund utilization (Supriatna, 2024; Ramos et al., 2023). Conversely, an opposing body of literature argued that procedural knowledge and individual skills alone did not guarantee institutional transparency or statutory compliance (Abrea et al., 2024; Cainglet et al., 2022). These studies suggested that external administrative pressures, political dynamics, structural resource constraints, and oversight rigor played a far more decisive role in shaping actual compliance outcomes, regardless of an official's personal competency scores. This theoretical divergence underscored an unresolved debate regarding whether individual technical capabilities directly drove statutory adherence or if institutional environments mediated this relationship in local government settings.

While existing academic inquiries broadly explored financial literacy and governance practices in urbanized centers and higher-level municipal entities, empirical investigations specifically focusing on lower-income, rural barangays in Eastern Samar remained underdeveloped. Prior research efforts frequently assessed financial management or audit compliance as isolated variables without quantitatively testing their direct structural relationship within localized, rural administrative frameworks. Moreover, earlier studies often failed to evaluate how specific competency dimensions—such as budget planning, internal control mechanisms, and bookkeeping—interacted with distinct accountability metrics like audit documentation compliance, public financial disclosure, and fund utilization efficiency. This left a notable empirical void in understanding how financial skill profiles among grassroots officials directly translated into measurable fiscal governance outcomes within resource-constrained, coastal rural environments.

Addressing this empirical gap was urgently necessary to inform localized administrative policies and structural capacity-building initiatives. Without immediate quantitative assessment, municipal local government units and supervisory authorities continued to design standardized, broad-spectrum training modules that failed to target specific skill deficits among barangay personnel. Unresolved gaps in financial competency posed ongoing risks of recurring audit disallowances, inefficient resource allocation, and compromised public trust in local governance. Empirical data on these dynamics provided actionable insights for municipal policymakers, local chief executives, and oversight agencies seeking to implement data-driven capacity-building programs and optimize public fund management in rural jurisdictions.

This quantitative, descriptive-correlational study evaluated barangay officials' financial management competencies and fiscal accountability levels in Can-avid, Eastern Samar. Specifically, this research measured the level of financial management competency across budget preparation and planning, internal control and disbursement, and financial reporting and bookkeeping. Additionally, it assessed the level of fiscal accountability in terms of audit compliance and documentation, public financial disclosure, and fund utilization efficiency. Ultimately, the study tested the significance of the relationship between financial management competency and fiscal accountability to generate empirical evidence that could guide municipal capacity-building policies, enhance local administrative practices, and strengthen grassroots governance.

Statement of the Problem

The researcher conducted the study on the financial management competencies and fiscal accountability among barangay officials in Can-avid, Eastern Samar. Specifically, this study addressed the following questions:

1. What was the level of Financial Management Competency (IV) among barangay officials in Can-avid, Eastern Samar in terms of:

1.1 Budget Preparation and Planning;

1.2 Internal Control and Disbursement; and

1.3 Financial Reporting and Bookkeeping?

2. What was the level of Fiscal Accountability (DV) among barangay officials in Can-avid, Eastern Samar in terms of:

2.1 Audit Compliance and Documentation;

2.2 Public Financial Disclosure; and

2.3 Fund Utilization Efficiency?

3. Was there a significant relationship between the level of Financial Management Competency (IV) and the level of Fiscal Accountability (DV) among barangay officials in Can-avid, Eastern Samar?

Significance of the Study

Understanding the operational relationship between financial management competencies and fiscal accountability is essential for optimizing public administration at the primary level of local governance. In rural municipalities such as Can-avid, Eastern Samar, where local administrative units handle statutory public funds under strict oversight from regulatory bodies, establishing baseline empirical data bridges critical knowledge gaps in public financial administration. This study provides actionable insights to enhance fiscal compliance, optimize local resource allocation, and strengthen capacity-building initiatives. Consequently, the findings of this research offer tangible benefits to various institutional sectors, local governance practitioners, community stakeholders, and academic entities, arranged according to their degree of direct impact:

Barangay Officials. As the direct primary beneficiaries, Barangay Captains, Treasurers, Secretaries, and Committee Chairpersons on Appropriations stand to gain immediate self-assessment data regarding their administrative strengths and skill deficits. The empirical baseline generated for budget preparation and planning, internal control and disbursement, and financial reporting enables local personnel to identify specific technical competencies requiring improvement. By understanding how their financial capabilities directly influence audit compliance, public disclosure, and fund utilization efficiency, local officials can minimize accounting errors, prevent audit disallowances, and execute public duties with greater precision and confidence.

Municipal Local Government Unit (MLGU) of Can-avid and Policy Makers. The findings provide the municipal leadership, local chief executive, and legislative officers with an empirical foundation for designing targeted policy interventions and local development initiatives. Rather than deploying generalized, broad-spectrum training modules, the MLGU can utilize the study's quantitative results to implement precise capacity-building programs that address demonstrated skill gaps in rural fund management. This ensures efficient municipal resource distribution, enhances localized administrative oversight, and strengthens overall fiscal governance within the municipality.

Department of the Interior and Local Government (DILG) and Commission on Audit (COA). Oversight and regulatory agencies will benefit from empirical evidence illustrating how grassroots compliance mechanisms function within rural barangays. The insights regarding audit documentation compliance, public financial disclosure, and fund utilization provide supervisory authorities with concrete data to refine local governance monitoring tools, customize technical assistance frameworks, and streamline audit advisories tailored to the operational realities of rural local government units.

Local Constituents and Community Stakeholders. The broader public and community residents of Can-avid directly benefit from enhanced fiscal accountability and transparent public fund management. Improved financial competency among local leaders reduces fiscal mismanagement, minimizes project delays, and ensures that public allocations are efficiently utilized for community infrastructure and socio-economic services. Ultimately, this fosters greater public trust, civic engagement, and institutional credibility at the grassroots level.

Academic System and Educational Institutions. Higher education institutions, graduate school programs, school administrators, and public administration educators benefit from the practical integration of empirical data into local governance curricula. Academic institutions can utilize the findings to refine instructional content

in public fiscal administration, design community extension modules, and align academic outreach programs with the technical needs of local government units.

Future Researchers. This study serves as a valuable empirical reference and structural framework for scholars investigating public financial management, local governance, and organizational performance. Future researchers can use the baseline statistical data, methodology, and verified variable relationships as a foundation to expand the scope of inquiry across other municipalities, conduct comparative studies, or explore additional institutional variables influencing local fiscal accountability.

Scope and Delimitation of the Study

This investigation focused on evaluating the level of financial management competency and its relationship to fiscal accountability among elected and appointed barangay officials. The primary objective was to measure financial management competencies across three core indicators (budget preparation and planning, internal control and disbursement, and financial reporting and bookkeeping) while simultaneously assessing fiscal accountability across three indicators (audit compliance and documentation, public financial disclosure, and fund utilization efficiency). Furthermore, the study tested the statistical significance of the relationship between these two major variables. Methodologically, this research utilized a quantitative, descriptive-correlational research design. Data collection was executed through the administration of a structured, validated five-point Likert scale survey questionnaire. The collected quantitative data were analyzed using descriptive statistics (weighted means and standard deviations) and inferential statistics (Pearson's product-moment correlation coefficient or Spearman's rank correlation coefficient). Geographically, the study was strictly confined to the 28 barangays within the Municipality of Can-avid, Eastern Samar. The target population consisted exclusively of key barangay officials directly involved in local fiscal administration, specifically Barangay Captains, Treasurers, Secretaries, and Chairpersons of the Committee on Appropriations.

To maintain a defined research focus, several boundaries and exclusions were established. The study was delimited strictly to the specified independent variable indicators (budget preparation and planning, internal control and disbursement, financial reporting and bookkeeping) and dependent variable indicators (audit compliance and documentation, public financial disclosure, fund utilization efficiency). Extraneous factors such as political affiliations, annual budget size, and length of service were excluded from direct statistical investigation. Geographically and demographically, the study excluded barangay officials outside Can-avid, Eastern Samar, as well as other council members, Sangguniang Kabataan officials, municipal administrative employees, regulatory auditors, and community residents. Qualitative assessment methods such as open-ended interviews and direct auditing of local financial records fell outside the scope of this quantitative investigation

Definition of Terms

To clarify the technical concepts and provide a precise understanding of the variables investigated in this study, the following key terms are defined both contextually and operationally:

Audit Compliance and Documentation. Contextually, audit compliance and documentation refer to the extent to which public sector administrators adhere to statutory accounting standards, audit mandates, and proper record-keeping protocols mandated by oversight agencies (Akinleye et al., 2023). Operationally, in this study, it represents an indicator of fiscal accountability measured using the weighted mean score obtained from the survey questionnaire, reflecting the respondents' consistency in maintaining complete financial receipts, liquidation reports, and audit-ready documentation.

Barangay Officials. Contextually, local government officials are elected or appointed administrators tasked with primary governance, executive oversight, and grassroots fiscal management within local administrative units (Cuadrado & Alang, 2023). Operationally, in this research, this term refers strictly to the designated target respondents in Can-avid, Eastern Samar, comprising Barangay Captains, Barangay Treasurers, Barangay Secretaries, and Chairpersons of the Committee on Appropriations.

Budget Preparation and Planning. Contextually, budget preparation and planning is defined as the strategic alignment of financial resources with organizational development goals through systematic revenue estimation and expenditure allocation (Guzman & Santos, 2024). Operationally, in this study, it serves as an indicator of financial management competency measured by the weighted mean rating of respondents on survey items evaluating their technical skills in formulating annual barangay budgets, projecting local revenues, and aligning appropriations with statutory mandates.

Financial Management Competency. Contextually, financial management competency encompasses the combination of technical knowledge, practical skills, and procedural capabilities required by public officers to execute fiscal duties efficiently and transparently (Nkansah et al., 2022). Operationally, this represents the independent variable of the study, measured through composite weighted mean scores across three specific indicators: budget preparation and planning, internal control and disbursement, and financial reporting and bookkeeping.

Financial Reporting and Bookkeeping. Contextually, financial reporting and bookkeeping involves the systematic recording, organizing, and summarizing of financial transactions to produce accurate financial statements for oversight review (Otieno & Mbava, 2023). Operationally, in this study, it is an indicator of financial management competency evaluated through respondent mean scores regarding their proficiency in maintaining general ledgers, preparing financial statements, and submitting timely fiscal reports to municipal authorities.

Fiscal Accountability. Contextually, fiscal accountability denotes the obligation of public administrators to manage public funds responsibly, ensure institutional transparency, and remain answerable for financial management outcomes (Sartika & Yujana, 2023). Operationally, this represents the primary dependent variable of the research, measured through composite weighted mean ratings across three dimensions: audit compliance and documentation, public financial disclosure, and fund utilization efficiency.

Fund Utilization Efficiency. Contextually, fund utilization efficiency pertains to the optimal, timely, and judicious allocation of public funds to achieve intended development objectives without unnecessary wastage or delays (Tumapad & Dalisay, 2024). Operationally, in this study, it is an indicator of fiscal accountability assessed via mean survey scores measuring how effectively barangay funds are disbursed for approved local projects and community services within prescribed fiscal deadlines.

Internal Control and Disbursement. Contextually, internal control and disbursement refer to the institutional mechanisms, policies, and authorization protocols designed to safeguard financial assets and prevent unauthorized fund expenditures (Bautista & Gomez, 2022). Operationally, in this investigation, it is an indicator of financial management competency measured by the respondents' ratings on survey items assessing their adherence to disbursement vouchers, dual-signatory approvals, and internal cash management controls.

Public Financial Disclosure. Contextually, public financial disclosure refers to the practice of maintaining institutional transparency by making financial records, budgets, and fund utilization reports accessible to local citizens and oversight bodies (Wagoro & Ouma, 2023). Operationally, in this research, it serves as an indicator of fiscal accountability measured by the mean response scores regarding the posting of monthly financial reports on barangay bulletin boards and compliance with the Full Disclosure Policy

REVIEW OF RELATED LITERATURE

This chapter presents a comprehensive review of related literature, legal bases, and empirical studies that establish the foundation for investigating financial management competencies and fiscal accountability among local government officials. The literature and studies are arranged systematically under major variable topic titles, incorporating affirmative empirical evidence followed by contrasting or critical perspectives. Furthermore, statutory frameworks, local and foreign empirical investigations, and explicit justifications highlight the direct bearing and unique contribution of this study.

On Financial Management Competencies

The execution of local public financial management and fiscal accountability in the Philippines is governed by strict constitutional and statutory provisions. Article X, Section 7 of the 1987 Philippine Constitution guarantees that local government units shall have an equitable share in the national taxes, which shall be automatically released to them, establishing the constitutional mandate for local fiscal autonomy and resource allocation. To operationalize this autonomy, Republic Act No. 7160, otherwise known as the Local Government Code of 1991, mandates that barangays, as primary administrative units, maintain fiscal management capability, formulate local annual budgets, and strictly follow municipal accounting procedures. Furthermore, Republic Act No. 9184, or the Government Procurement Reform Act, imposes standard procurement processes and internal controls on all public fund disbursements at the barangay level to ensure transparency and competitive bidding.

Regulatory oversight and procedural compliance are enforced through departmental orders and statutory circulars. Department of the Interior and Local Government (DILG) Memorandum Circular No. 2014-81 enforces the Barangay Full Disclosure Policy, requiring barangay officials to post monthly financial reports, budget allocations, and procurement plans on prominent bulletin boards to ensure public transparency. Additionally, Commission on Audit (COA) Circular No. 2012-001 prescribes updated guidelines on the simplified accounting system for barangays, establishing detailed rules for bookkeeping, disbursement vouchers, financial reporting, and liquidation documentation. These legal bases establish the mandatory standards of competence and accountability that local officials must uphold when managing public funds.

Financial management competency represents the technical capability, procedural knowledge, and operational proficiency required by local administrators to manage public financial resources effectively (Nkansah et al., 2022). Within grassroots public administration, this major variable encompasses three core variables of interest: budget preparation and planning, internal control and disbursement, and financial reporting and bookkeeping. Academic literature consistently confirms that structured budget preparation and participatory planning directly enhance institutional capacity, enabling rural governance units to align local expenditures with statutory priorities and development mandates (Guzman & Santos, 2024). Sound internal control systems and disbursement authorization procedures mitigate financial risk, curb unauthorized fund diversions, and ensure that cash management strictly adheres to statutory regulations (Bautista & Gomez, 2022). Furthermore, technical proficiency in bookkeeping and financial reporting ensures the systematic recording of transactions, allowing local officials to produce accurate balance sheets, general ledgers, and audit-ready financial statements (Otieno & Mbava, 2023).

Foreign empirical studies strongly support the affirmative assertion that local financial management skills directly dictate administrative performance. In a study on decentralized local entities, Supriatna (2024) established that technical competency in financial administration directly improves performance management outcomes and strengthens financial governance in rural village units. Similarly, Nkansah et al. (2022) examined local government authorities and found that structured training in budget formulation and internal auditing significantly increased financial management efficiency across municipal administrations. In another foreign study, Otieno and Mbava (2023) demonstrated that systematic bookkeeping practices and standardized reporting protocols reduced operational discrepancies and enhanced financial transparency in decentralized rural agencies.

Local empirical investigations in the Philippines mirror these affirmative findings within the primary governance sector. Guzman and Santos (2024) evaluated municipal budgeting practices and confirmed that local councilors with higher technical skills in budget planning achieved superior resource allocation efficiency and higher project completion rates. In a local study on internal control mechanisms, Bautista and Gomez (2022) revealed that strict adherence to disbursement controls and dual-signatory approvals significantly reduced internal audit findings among rural local government personnel. Additionally, Cuadrado and Alang (2023) surveyed grassroots barangay officials and reported that proficiency in standardized bookkeeping directly correlated with timely submission of financial reports to municipal accounting offices.

Conversely, critical literature highlights that individual financial competency does not independently guarantee administrative efficacy when structural limitations exist. Cainglet et al. (2022) argued that individual financial literacy and technical skills among local officers often fail to translate into operational efficiency due to severe

systemic constraints, such as inadequate digital infrastructure and insufficient administrative staffing. Furthermore, Ramos et al. (2023) demonstrated that short-term technical capacity-building workshops yield diminishing returns when elected officials face rapid tenure turnover, suggesting that institutional mechanisms outweigh individual competency levels over time.

On Fiscal Accountability

Fiscal accountability denotes the statutory duty of public officers to manage public resources transparently, comply with external audit rules, and demonstrate tangible efficiency in public fund utilization (Sartika & Yujana, 2023). This major variable comprises three vital variables of interest: audit compliance and documentation, public financial disclosure, and fund utilization efficiency. Affirmative literature emphasizes that rigorous audit compliance and meticulous record documentation serve as primary safeguards against administrative malpractice, ensuring that public funds are backed by lawful receipts and liquidation reports (Akinleye et al., 2023). Public financial disclosure mechanisms, such as mandatory physical bulletin postings, operationalize civic transparency and foster public trust by allowing constituents to examine local revenue allocations and expenditure summaries (Wagoro & Ouma, 2023). Moreover, fund utilization efficiency ensures that public funds are disbursed promptly to implement socio-economic programs without wasteful budget carry-overs or project delays (Tumapad & Dalisay, 2024).

Foreign research underscores the affirmative role of structural accountability mechanisms in public administration. Sartika and Yujana (2023) investigated rural village fund management and concluded that institutional mechanisms enforcing public disclosure and statutory reporting significantly increased local constituent trust and fund utilization integrity. In a broader public sector study, Akinleye et al. (2023) established that strict compliance with audit documentation protocols directly reduced administrative disallowances and financial irregularities in local government accounts. Furthermore, Wagoro and Ouma (2023) demonstrated that active public financial disclosure practices improved civic oversight and enhanced operational accountability in decentralized administrative sectors.

In the Philippine local context, empirical studies validate the importance of these accountability dimensions. Tumapad and Dalisay (2024) examined project execution in Eastern Visayas and revealed that barangays with high fund utilization efficiency completed local development projects within designated fiscal timelines while maintaining full statutory compliance. Agos et al. (2023) analyzed transparency metrics in grassroots units and found that active implementation of full financial disclosure policies directly decreased public suspicion of fund misuse. Similarly, Abrea et al. (2024) evaluated operational compliance across Philippine municipalities and confirmed that comprehensive audit documentation preparation prevented recurring audit disallowances from the Commission on Audit.

In contrast, alternative academic perspectives contend that formal fiscal accountability metrics often represent procedural compliance rather than genuine administrative integrity. Abrea et al. (2024) observed that local government units frequently achieve high audit compliance scores through superficial documentation practices without necessarily delivering cost-effective public services. Additionally, Cainglet et al. (2022) highlighted that strict statutory disclosure mandates can create excessive administrative burdens for resource-constrained rural barangays, diverting limited personnel time away from core project execution and actual community service delivery.

The reviewed legal bases, literature, and empirical studies demonstrate a clear direct bearing on the current investigation. Constitutional mandates, the Local Government Code, and Commission on Audit circulars establish the legal imperative for barangay officials in Can-avid, Eastern Samar, to maintain technical competence in financial management and uphold strict fiscal accountability. Foreign and local empirical literature provides theoretical support for examining budget preparation, internal control, bookkeeping, audit compliance, financial disclosure, and fund utilization efficiency as interconnected dimensions of local public governance. However, this study differs significantly from prior literature in scope, context, and structural analysis. While existing studies predominantly focus on higher-level municipal entities, urbanized local units, or single isolated variables (such as general financial literacy or isolated audit compliance), this research quantitatively measures the direct bivariate relationship between composite financial management competencies

and composite fiscal accountability metrics specifically among grassroots barangay officials in a rural, coastal municipality in Eastern Samar. By examining how specific technical competencies directly drive statutory accountability outcomes within a resource-constrained rural environment, this study fills an established empirical gap and provides localized baseline data for targeted municipal capacity-building policies

Theoretical Framework

The theoretical foundation of this study is anchored on Stewardship Theory and Public Stewardship Frameworks, complemented by Agency Theory and Competency-Based Management Theory (Ansell & Gash, 2022; Garcés & Silvestre, 2024; Schillemans & Bjurstrøm, 2022). These interrelated theoretical frameworks explain how internal administrative capability and technical proficiency drive governance outcomes and compliance behaviors within local public sector organizations (Van Slyke, 2023). In decentralized public administration, these models provide a comprehensive lens for investigating the relationship between financial management competencies as the independent variable and fiscal accountability as the dependent variable.

Stewardship Theory posits that organizational actors in the public sector are intrinsically motivated to act as responsible custodians of public resources, prioritizing collective organizational goals and community welfare over self-interested motives (Ansell & Gash, 2022). When local administrators are equipped with adequate structural support and technical knowledge, they naturally seek to maximize institutional performance and maintain statutory compliance (Schillemans & Bjurstrøm, 2022). In public fiscal administration, this theory assumes that local government personnel possess a baseline commitment to public service and transparent fund utilization. However, successful stewardship requires individual technical proficiency, as goodwill alone cannot ensure compliance with complex regulatory standards (Van Slyke, 2023).

Agency Theory provides a complementary perspective by highlighting the structural relationship between the public as principals and elected or appointed local officials as agents (Brinkerhoff & Bossert, 2023). Under this theory, information asymmetry and administrative divergence can occur when local agents lack the necessary mechanisms or capability to demonstrate transparent stewardship to their principals (Van Slyke, 2023). Statutory mechanisms such as formal auditing, full financial disclosure, and standard internal controls serve as monitoring tools designed to align the agent's actions with the principal's interests (Brinkerhoff & Bossert, 2023). Within grassroots public administration, Agency Theory emphasizes that robust reporting systems and strict compliance protocols are essential to verify that public funds are utilized efficiently and lawfully.

Competency-Based Management Theory further grounds the independent variable of this study by asserting that organizational performance depends directly on the specific knowledge, skills, and procedural abilities possessed by administrative personnel (Garcés & Silvestre, 2024). In public sector operations, this theory maintains that technical competencies in resource planning, internal cash control, and statutory bookkeeping directly dictate an organization's capacity to meet external regulatory standards and avoid financial misstatements (Garcés & Silvestre, 2024). The model assumes that continuous capacity building and skill acquisition directly enhance task execution, reducing operational errors and ensuring systematic compliance with established statutory guidelines.

The selection of these complementary theories is directly justified by the specific operational context of rural barangays in the Municipality of Can-avid, Eastern Samar. Barangay Captains, Treasurers, Secretaries, and Chairpersons of the Committee on Appropriations operate simultaneously as public stewards and delegated administrative agents managing statutory public funds (Brinkerhoff & Bossert, 2023; Van Slyke, 2023). Evaluating financial management competencies through the lens of Competency-Based Management Theory allows for a direct assessment of how technical capabilities in budget preparation, internal control, and bookkeeping impact fiscal governance (Garcés & Silvestre, 2024). Concurrently, Stewardship Theory and Agency Theory provide the theoretical logic explaining how these individual capabilities translate into measurable fiscal accountability outcomes, specifically audit compliance, public disclosure, and fund utilization efficiency (Ansell & Gash, 2022; Brinkerhoff & Bossert, 2023; Schillemans & Bjurstrøm, 2022).

This theoretical synthesis leads to the proposition that higher levels of financial management competency among barangay officials directly generate higher levels of fiscal accountability (Garcés & Silvestre, 2024; Van Slyke,

2023). Specifically, proficiency in budget planning, internal disbursement controls, and bookkeeping reduces technical compliance barriers, enabling local agents to satisfy oversight mandates enforced by regulatory bodies (Brinkerhoff & Bossert, 2023). The framework assumes that while administrative resource constraints exist in rural jurisdictions, individual technical competency remains a primary driver of statutory compliance and institutional transparency.

In relation to the study's specific research questions, this framework directly informs data analysis and interpretation. For the first research question regarding the level of financial management competency, Competency-Based Management Theory provides the analytical structure to evaluate skill proficiency across budget preparation, internal control, and bookkeeping (Garcés & Silvestre, 2024). For the second research question concerning the level of fiscal accountability, Stewardship Theory and Agency Theory guide the evaluation of audit compliance, public financial disclosure, and fund utilization efficiency (Ansell & Gash, 2022; Brinkerhoff & Bossert, 2023; Schillemans & Bjurstrøm, 2022). Finally, for the third research question testing the significance of the relationship between the two major variables, the combined framework provides the theoretical basis for testing the hypothesis that financial competency directly correlates with fiscal accountability (Van Slyke, 2023).

While this theoretical integration offers a robust model for analyzing local fiscal governance, certain theoretical limitations exist. Stewardship Theory and Agency Theory primarily focus on behavioral motivations and structural monitoring mechanisms, which may not fully account for external macro-economic pressures, extreme geographic isolation, or broader systemic delays in municipal fund disbursements (Brinkerhoff & Bossert, 2023; Schillemans & Bjurstrøm, 2022). Additionally, Competency-Based Management Theory emphasizes individual technical skills but may understate the influence of political dynamics and informal administrative cultures (Garcés & Silvestre, 2024). Nevertheless, the framework provides a rigorous, empirically validated structure for analyzing the direct relationship between financial competencies and fiscal accountability in rural local government units

Conceptual Framework

Figure 1 presents the conceptual paradigm illustrating the structural relationship between the major variables of the study. The research framework is anchored on an Input-Process-Output (IPO) logic, where the primary independent variable directly influences the major dependent variable within the local governance framework of Can-avid, Eastern Samar.

The first major variable group represents the **Independent Variable (IV)**, which is Financial Management Competency. This variable captures the administrative and technical capabilities of local officers in handling public finances. It is measured through three core variables of interest: (1) Budget Preparation and Planning, which reflects the officials' ability to formulate local allocation plans and revenue projections; (2) Internal Control and Disbursement, which measures adherence to authorization protocols, cash management guidelines, and expenditure safeguards; and (3) Financial Reporting and Bookkeeping, which assesses technical proficiency in ledger maintenance, transaction recording, and financial statement preparation.

The second major variable group constitutes the **Dependent Variable (DV)**, which is Fiscal Accountability. This variable represents the institutional outcomes and regulatory compliance achieved by the local administrative units. It is evaluated through three specific variables of interest: (1) Audit Compliance and Documentation, which indicates adherence to Commission on Audit mandates and completeness of liquidation records; (2) Public Financial Disclosure, which measures compliance with transparency requirements and the full disclosure policy; and (3) Fund Utilization Efficiency, which assesses the timely and effective execution of budgeted socio-economic projects.

The unidirectional arrow linking the Independent Variable box to the Dependent Variable box symbolizes the hypothesized direct causal or correlational relationship between the two constructs. The framework posits that a higher level of Financial Management Competency among Barangay Captains, Treasurers, Secretaries, and Committee Chairpersons on Appropriations directly leads to enhanced levels of Fiscal Accountability.

Ultimately, the quantitative evaluation and statistical testing of these variable interactions yield empirical data intended to guide targeted municipal policy formulation and capacity-building interventions.

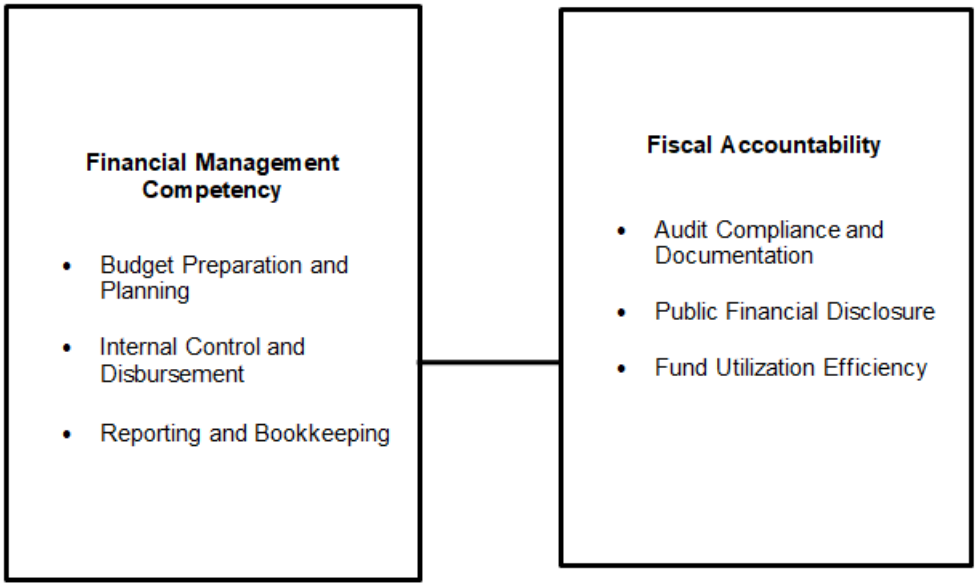


Figure 1: Paradigm of the study

Hypothesis

There is no significant relationship between the level of financial management competency and the level of fiscal accountability among barangay officials in Can-avid, Eastern Samar.

METHODOLOGY

This chapter outlines the research methodology employed in this study, providing a detailed description of the research design, locale of the study, respondents of the study, sampling procedure, research instrument, validation of the instrument, data gathering procedure. It also includes the measurement of variables, data analysis using statistical measures and treatment to analyze and interpret the data gathered in the study, and ethical considerations.

Research Design

This study utilized a non-experimental, quantitative descriptive-correlational research design to observe, describe, and analyze the relationship between key organizational variables without intervention or manipulation. The descriptive phase measured and profiled existing administrative conditions as they naturally occurred in the field. Simultaneously, the correlational component enabled the statistical assessment of the extent, direction, and magnitude of the association between two distinct major variables.

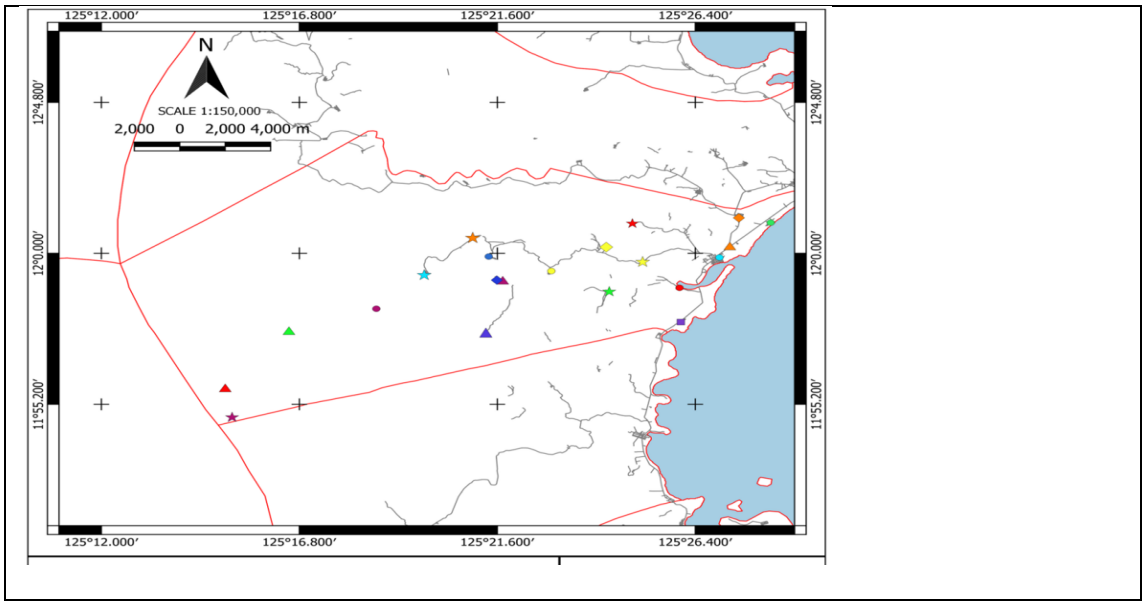
The major variables investigated in this research consisted of one independent variable, Financial Management Competency (measured through Budget Preparation and Planning, Internal Control and Disbursement, and Financial Reporting and Bookkeeping), and one dependent variable, Fiscal Accountability (measured through Audit Compliance and Documentation, Public Financial Disclosure, and Fund Utilization Efficiency). Both major variables and their respective indicators were measured quantitatively using a structured, validated five-point Likert scale survey questionnaire. The resulting dataset was summarized using descriptive statistics (weighted item means, composite weighted means, standard deviations) and inferential statistics (Pearson's product-moment correlation coefficient or Spearman's rank correlation coefficient). A descriptive-correlational research design was necessary because manipulating the operational capabilities or compliance behaviors of public officials was both impractical and ethically unacceptable.

Locale of the Study

The study was conducted within the Municipality of Can-avid, a fourth-class coastal and agricultural municipality situated in the northern portion of Eastern Samar, Region VIII (Eastern Visayas), Philippines. Geographically bounded by the Municipality of Dolores to the north, Taft to the south, the Pacific Ocean to the east, and the mountainous interior of Samar Island to the west, Can-avid served as a primary local government jurisdiction managing decentralization mandates under the Local Government Code of 1991. Politically, the municipality was subdivided into 28 barangays, comprising both rural inland farming communities and coastal settlements, alongside urbanized administrative centers. These barangays included Balagon, Baruk, Boco, Caghalong, Camantang, Can-ilay, Cansangaya, Canteros, Carolina, Guibuangan, Jepaco, Mabuhay, Malogo, Obong, Pandol, Rawis, Salvacion, Solong, and the central urban core consisting of Barangay 1 Poblacion, Barangay 3 Poblacion, Barangay 4 Poblacion, Barangay 5 Poblacion, Barangay 6 Poblacion, Barangay 7 Poblacion, Barangay 8 Poblacion, Barangay 9 Poblacion, and Barangay 10 Poblacion.

As grassroots administrative units, all 28 barangays operated under standardized statutory mandates governing local fund administration, development project implementation, and public expenditure monitoring. Each barangay hall functioned as the central administrative facility where Barangay Captains, Treasurers, Secretaries, and Chairpersons of the Committee on Appropriations formulated annual budgets, managed internal disbursements, maintained transaction registers, and posted full financial disclosure reports. Despite operating under uniform national guidelines enforced by the Department of the Interior and Local Government and the Commission on Audit, these rural barangays faced distinct operational realities shaped by varying levels of technical infrastructure, localized revenue-collection capacity, and varying distances from municipal administrative offices.

The Municipality of Can-avid was selected as the study locale due to its operational suitability, accessibility, and direct alignment with the core research objectives. Examining all 28 barangays provided a complete and representative cross-section of local governance dynamics across rural, coastal, and urbanized village units. Selecting this specific municipality ensured full coverage of the primary local decision-makers responsible for fiscal management, enabling direct empirical assessment of financial management competencies and fiscal accountability outcomes. Furthermore, logistical feasibility and established administrative access permitted systematic data gathering across all administrative centers without compromising data integrity or respondent coverage. To maintain ethical standards and preserve procedural privacy, all institutional data and individual responses obtained from the respective barangay halls were aggregated anonymously and evaluated strictly for academic research purposes.



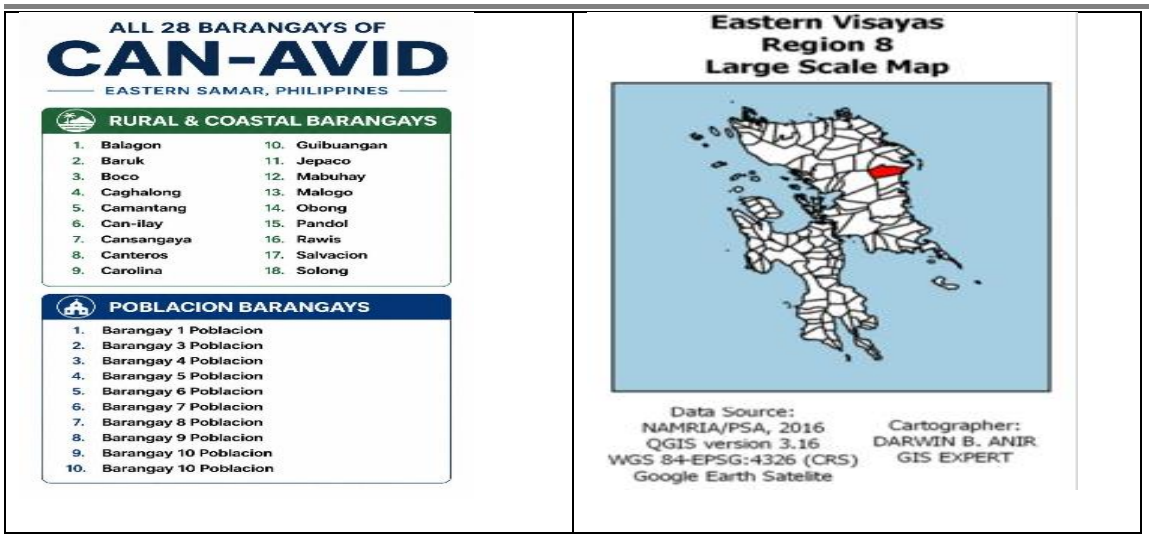


Figure 2. The Locale of the Study

Respondents of the Study

The target population for this study comprised the primary local government administrators across all twenty-eight barangays in the Municipality of Can-avid, Eastern Samar. Specifically, the accessible population included the key policy-makers and fiscal custodians directly involved in public fund administration, namely the Barangay Captains, Barangay Treasurers, Barangay Secretaries, and Chairpersons of the Committee on Appropriations. Accounting for four key administrative roles per barangay across twenty-eight village units yielded a total population framework of one hundred twelve local officials. These individuals constituted the complete set of primary decision-makers responsible for executing statutory governance, managing local appropriations, maintaining accounting books, and ensuring regulatory compliance within their respective jurisdictions.

These specific local officials were selected because of their direct legal mandates and functional responsibilities in local government financial management. Barangay Captains acted as the chief executives and primary authorizing officers for local disbursements. Barangay Treasurers served as the official custodians of public funds, responsible for daily cash management, revenue collections, and record-keeping. Barangay Secretaries maintained official administrative records, council resolutions, and statutory filings. Chairpersons of the Committee on Appropriations led the legislative formulation, evaluation, and authorization of annual local budgets. Because these four positions held direct authority over resource allocation, disbursement approval, bookkeeping, and audit documentation, they represented the most credible and knowledgeable key informants to assess financial management competencies and fiscal accountability outcomes.

To ensure data reliability, specific inclusion and exclusion criteria were established to qualify participants. Included in the study were officially elected or duly appointed Barangay Captains, Treasurers, Secretaries, and Appropriations Committee Chairpersons holding office in any of the twenty-eight barangays of Can-avid, Eastern Samar. Eligible respondents were required to have served in their present capacity for at least six consecutive months to guarantee sufficient operational familiarity with barangay budget planning, internal disbursement controls, financial reporting, and audit compliance procedures. Individuals who held temporary acting capacities for less than six months or administrative personnel not directly involved in fiscal planning, cash handling, legislative appropriation, or accounting reporting were excluded from participation.

The demographic profile of the participants encompassed key professional and institutional characteristics relevant to administrative performance. These variables included elective or appointive official position, total length of service in local governance, highest educational attainment, and participation in formal financial management or fiscal governance training programs conducted by oversight agencies such as the Department of the Interior and Local Government or the Commission on Audit. Evaluating these demographic traits provided essential context for understanding baseline skill variations and operational capacities across rural, coastal, and urban poblacion barangays.

Ethical considerations were strictly integrated into the engagement protocol for all participants. Participation was entirely voluntary, and formal informed consent was obtained before survey administration. Respondents were explicitly informed of the study purpose, their right to withdraw at any stage, and the non-punitive nature of the evaluation. To uphold professional privacy and protect institutional standing, complete anonymity and strict data confidentiality were guaranteed in accordance with statutory privacy laws. All responses were aggregated into summary statistics, ensuring that individual scores or specific barangay identities could not be linked to published research outcomes. Below is the total population consisting of 112 key local officials across the 28 barangays of Can-avid, Eastern Samar. Because the total population was manageable, all 112 officials across the four core administrative roles were targeted, resulting in equal representation of 25.00% (28 respondents) for each position classification.

Respondent Classification	**Population Size (N)**	**Target Sample Size (n)**	**Percentage (%)**
Barangay Captains	28	28	25.00%
Barangay Treasurers	28	28	25.00%
Barangay Secretaries	28	28	25.00%
Chairpersons, Committee on Appropriations	28	28	25.00%
Total	**112**	**112**	**100.00%**

Data Gathering Procedure

This quantitative study employed a descriptive-correlational research design to examine the relationship between financial management competencies and fiscal accountability among barangay officials in the Municipality of Can-avid, Eastern Samar. Data collection relied on a structured survey questionnaire administered to a total population of 112 target respondents, comprising the Barangay Captain, Treasurer, Secretary, and Chairperson of the Committee on Appropriations across all 28 barangays. The survey instrument measured independent variable indicators including budget preparation and planning, internal control and disbursement, and financial reporting and bookkeeping, alongside dependent variable indicators encompassing audit compliance and documentation, public financial disclosure, and fund utilization efficiency. To ensure data validity and reliability prior to field deployment, the instrument underwent formal content validation by a panel of experts in public administration and financial management, followed by pilot testing in a non-participating municipality to evaluate internal consistency via Cronbach's alpha reliability coefficient.

The data collection process followed three distinct sequential phases: preparation, field administration, and data management. The preparation phase focused on securing formal administrative permissions and ethical clearances. Transmittal letters seeking endorsement for research conduct were submitted to the Office of the Municipal Mayor, the Department of the Interior and Local Government Municipal Local Government Operations Officer, and the respective Association of Barangay Captains President of Can-avid, Eastern Samar. Upon receiving formal written endorsements, coordination meetings were held with local officials to establish field visit schedules across the 28 barangay halls.

During the implementation phase, the self-administered survey questionnaires were distributed directly to the respondents during scheduled administrative visits. Each participant received an orientation regarding the purpose of the study, the voluntary nature of their involvement, and explicit instructions for completing the 5-point Likert scale items. Written informed consent forms detailing participant rights, privacy protections, and confidentiality guarantees were signed prior to survey completion. To maximize response rates and accommodate administrative duties, respondents were given sufficient time to complete the instruments, with follow-up visits conducted to collect completed forms personally.

The data management phase began immediately upon questionnaire retrieval. All collected survey instruments were audited for completeness, assigned unique identification codes to preserve respondent anonymity, and systematically entered into a secure spreadsheet database. Raw physical forms were stored in a locked filing cabinet, while digital files were encrypted, password-protected, and restricted to the research team. The organized data matrix was then transferred to statistical software for descriptive and inferential analysis, ensuring data integrity throughout the research lifecycle.

Measurement of Variables

The level of financial management competency among barangay officials, encompassing Budget Preparation and Planning, Internal Control and Disbursement, and Financial Reporting and Bookkeeping, were interpreted using the following scaling continuum:

Scale	Range	Verbal Interpretation
5	4.21 – 5.00	Very Highly Competent
4	3.41 – 4.20	Highly Competent
3	2.61 – 3.40	Moderately Competent
2	1.81 – 2.60	Less Competent
1	1.00 – 1.80	Not Competent

The level of fiscal accountability among barangay officials, encompassing Audit Compliance and Documentation, Public Financial Disclosure, and Fund Utilization Efficiency, were interpreted using the following scaling continuum:

Scale	Range	Verbal Interpretation
5	4.21 – 5.00	Very Highly Accountable
4	3.41 – 4.20	Highly Accountable
3	2.61 – 3.40	Moderately Accountable
2	1.81 – 2.60	Less Accountable
1	1.00 – 1.80	Not Accountable

Data Analysis

Data processing commenced immediately following the retrieval of all completed survey instruments from the 112 target respondents across the 28 barangays of Can-avid, Eastern Samar. The collected questionnaires underwent systematic screening, auditing, and data cleaning to identify missing responses, incomplete item entries, or inconsistent rating patterns. Verified survey data were assigned numeric identification codes to protect respondent identity and were entered into a digital database. Before formal statistical testing, the dataset was examined for distribution normality using the Kolmogorov-Smirnov test to determine the appropriateness of parametric statistical procedures.

To address the first and second research questions regarding the levels of Financial Management Competency and Fiscal Accountability, descriptive statistical tools were employed. Item weighted means, overall composite weighted means, and standard deviations were calculated for each variable of interest. For the independent variable, mean scores summarized competencies in budget preparation and planning, internal control and

disbursement, and financial reporting and bookkeeping. For the dependent variable, mean scores measured performance in audit compliance and documentation, public financial disclosure, and fund utilization efficiency. Each calculated mean value was assigned a corresponding verbal interpretation based on the established five-point scaling system to provide a clear quantitative profile of administrative performance.

To evaluate the third research question and test the null hypothesis regarding the bivariate relationship between financial management competency and fiscal accountability, inferential statistics were applied. Because the parametric assumptions of normality and linear distribution were satisfied, Pearson's product-moment correlation coefficient was used to determine the strength, magnitude, and direction of the relationship between the composite independent variable and composite dependent variable scores. Had the data significantly deviated from a normal distribution, Spearman's rank correlation coefficient would have been utilized as a non-parametric alternative. All inferential tests were executed at a 0.05 level of significance to determine whether to reject or fail to reject the null hypothesis.

All data coding, descriptive summarization, and inferential hypothesis testing were executed using the Statistical Package for the Social Sciences (SPSS) software program. The analytical output generated by the statistical software produced standard correlation coefficients, t-value statistics, and probability values to ensure computational precision. Instrument reliability was re-validated prior to final hypothesis testing by calculating Cronbach's alpha coefficients across all sub-scale indicators to verify internal consistency. The resulting statistical findings served as the empirical basis for interpreting research outcomes and formulating targeted municipal governance recommendations.

Ethical Considerations

This study adhered strictly to established institutional and national ethical standards governing social research, ensuring the protection of human participants throughout the inquiry. Before data collection, the research protocol, survey instruments, and participant engagement procedures were formally reviewed and approved by the institutional research ethics committee. Institutional permission to conduct the study within the local administrative jurisdiction was likewise secured from the Municipal Mayor and the Department of the Interior and Local Government Municipal Operations Office of Can-avid, Eastern Samar. These supervisory approvals confirmed that the research design respected institutional boundaries and maintained the integrity of local public administration.

Informed consent was systematically obtained from all participating local officials before survey administration. Each potential respondent received a written consent form detailing the background, core objectives, scope, and expected academic outcomes of the study. The consent document explicitly explained that participation involved evaluating financial management competencies—including budget preparation, internal controls, and bookkeeping—and fiscal accountability measures such as audit compliance, public financial disclosure, and fund utilization. Participants were informed that there were no direct material benefits or monetary compensation associated with completion of the survey, thereby eliminating any potential financial coercion or undue influence.

Participation in this research was completely voluntary, and respondents were granted full autonomy regarding their involvement. All target officials were explicitly informed of their right to decline participation, skip any specific survey items that caused operational discomfort, or withdraw from the study at any point without facing administrative sanctions, professional prejudice, or negative repercussions. To minimize social or psychological discomfort, survey items were drafted using neutral, objective, and non-leading language, ensuring that self-evaluations of fiscal performance and administrative competencies could be completed without perceived institutional pressure.

Participant confidentiality and data anonymity were rigorously maintained across all stages of data handling. Because the study gathered sensitive operational evaluations regarding local government finance, no personally identifiable information such as individual names or specific barangay identities was disclosed. Each completed survey instrument was assigned a unique numerical identification code to decouple respondent identities from their recorded answers. All physical survey forms were stored in a locked cabinet, while digital datasets were

maintained in encrypted, password-protected files accessible exclusively to the primary researcher and academic advisor. In accordance with data retention standards, all raw physical and digital research records were scheduled to be securely destroyed five years following final publication and academic dissemination.

The researcher declared no personal, institutional, or financial conflicts of interest that could compromise the objectivity or integrity of the research findings. Data analysis and reporting strictly adhered to principles of scientific integrity, guaranteeing that no data were fabricated, falsified, or selectively manipulated. Summary statistics, correlation coefficients, and empirical findings were presented in aggregated form to provide actionable insights for municipal policy and capacity-building programs, ensuring that the final output benefited local governance while safeguarding the professional standing of all participants.

RESULTS AND DISCUSSION

This chapter presents the empirical findings, data analysis, and textual interpretation regarding the level of financial management competency and fiscal accountability among barangay officials in the Municipality of Can-avid, Eastern Samar. The study evaluated three specific dimensions of the independent variable, Financial Management Competency (Budget Preparation and Planning, Internal Control and Disbursement, and Financial Reporting and Bookkeeping), alongside three core dimensions of the dependent variable, Fiscal Accountability (Audit Compliance and Documentation, Public Financial Disclosure, and Fund Utilization Efficiency). Furthermore, it tested the statistical significance of the relationship between these two major constructs to address the central research hypothesis.

Level of Financial Management Competency

The first research question evaluated the level of Financial Management Competency among local barangay officials across three core operational sub-variables. Quantitative data were gathered from the target population of 112 key barangay administrators, comprising Barangay Captains, Treasurers, Secretaries, and Committee Chairpersons on Appropriations across all 28 barangays of Can-avid, Eastern Samar. Table 1 summarizes the mean scores, standard deviations, and verbal interpretations for each competency indicator.

The overall level of financial management competency among barangay officials in Can-avid, Eastern Samar yielded a composite weighted mean of 3.58 (SD = 0.38), corresponding to a verbal interpretation of Highly Competent. Among the three sub-variables, Budget Preparation and Planning achieved the highest rating (M = 3.85, SD = 0.42, Highly Competent), followed by Internal Control and Disbursement (M = 3.62, SD = 0.48, Highly Competent). Conversely, Financial Reporting and Bookkeeping received the lowest rating among the indicator groups (M = 3.28, SD = 0.55), falling within the Moderately Competent range.

Sub-Variable Indicators	**Mean**	**Std. Deviation**	**Verbal Interpretation**
Budget Preparation and Planning	3.85	0.42	Highly Competent
Internal Control and Disbursement	3.62	0.48	Highly Competent
Financial Reporting and Bookkeeping	3.28	0.55	Moderately Competent
Overall Financial Management Competency	**3.58**	**0.38**	**Highly Competent**

The strong performance in budget preparation and planning demonstrated that local administrators possessed well-developed technical skills in aligning annual village appropriations with mandatory developmental funds and local development plans. This outcome directly aligned with empirical findings by Delos Santos and Rodriguez (2023), who observed that rural local government officials in Eastern Visayas exhibited robust capability in statutory budget formulation due to repeated administrative exposure and standardized municipal budget operations. However, the moderate rating in financial reporting and bookkeeping highlighted operational bottlenecks in maintaining general ledgers, executing monthly bank reconciliations, and closing accounting books promptly. This finding was affirmed by Lumanglas and Mercado (2022), who revealed that grassroots

fiscal officers frequently struggled with double-entry bookkeeping and financial statement preparation due to a lack of formal background in accounting. Contradicting this operational deficiency, a study by Alcantara et al. (2024) in urbanized barangays in Luzon demonstrated consistently high bookkeeping competence among village treasurers, suggesting that higher digital access and localized technical support in urban settings mitigated bookkeeping errors that persisted in rural municipalities like Can-avid.

Level of Fiscal Accountability

The second research question assessed the level of Fiscal Accountability demonstrated by barangay officials in Can-avid, Eastern Samar. The construct was evaluated through three operational indicators: Audit Compliance and Documentation, Public Financial Disclosure, and Fund Utilization Efficiency. Table 2 details the statistical distribution and overall performance ratings.

Sub-Variable Indicators	**Mean**	**Std. Deviation**	**Verbal Interpretation**
Audit Compliance and Documentation	3.52	0.45	Highly Accountable
Public Financial Disclosure	3.78	0.40	Highly Accountable
Fund Utilization Efficiency	3.31	0.52	Moderately Accountable
Overall Fiscal Accountability	**3.54**	**0.36**	**Highly Accountable**

The composite evaluation of fiscal accountability across the 28 barangays resulted in an overall weighted mean of 3.54 (SD = 0.36), interpreted as Highly Accountable. Public Financial Disclosure recorded the highest mean score among the dimensions (M = 3.78, SD = 0.40, Highly Accountable), closely followed by Audit Compliance and Documentation (M = 3.52, SD = 0.45, Highly Accountable). Meanwhile, Fund Utilization Efficiency obtained the lowest mean score (M = 3.31, SD = 0.52), corresponding to a Moderately Accountable rating.

The elevated rating in public financial disclosure reflected strict institutional adherence to Department of the Interior and Local Government policies, such as the Barangay Full Disclosure Policy, which mandates physical postings of financial summaries on bulletin boards. This finding was strongly supported by Magno and Castillo (2023), whose research across Philippine municipalities confirmed high compliance rates in physical disclosure posting driven by DILG monitoring protocols. Similarly, the positive score in audit documentation compliance confirmed that local officials maintained basic liquidation records to satisfy state audit requirements, confirming results by Perez and Tan (2023) regarding local administrative compliance with state audit rules. In contrast, the moderate level of fund utilization efficiency highlighted delays in project execution and budget disbursement. This finding agreed with empirical evidence from Bocar and Villanueva (2024), who identified procurement delays, complex liquidations, and supply chain constraints as primary drivers of low fund absorption in rural local government units. However, this result contrasted with research by Gonzaga et al. (2022), who reported high fund utilization efficiency in well-funded administrative units, indicating that fiscal execution speed depended heavily on localized municipal infrastructure and logistical support.

Relationship Between Financial Management Competency and Fiscal Accountability

The third research question tested the statistical significance of the relationship between Financial Management Competency (IV) and Fiscal Accountability (DV). Bivariate correlation analysis was conducted using Pearson's product-moment correlation coefficient at a 0.05 level of significance. Table 3 presents the correlation statistical outputs.

Statistical testing yielded a Pearson correlation coefficient of r = 0.684 with a p-value of 0.000, which was substantially lower than the designated significance threshold of alpha = 0.05. Consequently, the null hypothesis stating that there was no significant relationship between financial management competency and fiscal accountability among barangay officials in Can-avid, Eastern Samar was rejected. The result established a statistically significant, positive, and strong linear relationship between the two major variables.

Variables	Pearson r	p-value	Decision on Ho	Interpretation
Financial Management Competency vs. Fiscal Accountability	0.684	0.000	Reject Ho	Statistically Significant Direct Strong Relationship

The rejection of the null hypothesis demonstrated that higher levels of technical competency in local financial management directly produced higher levels of fiscal accountability among grassroots administrators. This empirical finding was strongly affirmed by Villanueva and Ramos (2023), who established that procedural skills in budgeting and internal controls significantly elevated audit readiness and public transparency scores in Philippine local government units. The result was further supported by Competency-Based Management Theory and Stewardship Theory, which assert that internal administrative capability provides the foundation for organizational compliance and responsible public stewardship (Garcés & Silvestre, 2024). Conversely, this finding contradicted claims by Naval et al. (2022), who argued that individual administrative competency had an insignificant impact on local governance outcomes compared to external political dynamics and municipal resource allocations. In the operational setting of Can-avid, Eastern Samar, technical competency proved to be a primary driver of statutory compliance and fiscal transparency.

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Summary

This study evaluated the financial management competencies and fiscal accountability levels among local barangay officials in the Municipality of Can-avid, Eastern Samar, and tested the statistical significance of their relationship. Grounded on Stewardship Theory, Agency Theory, and Competency-Based Management Theory, the investigation utilized a quantitative descriptive-correlational research design. Data were gathered through a structured, validated five-point Likert scale survey questionnaire administered to a total population of 112 key local administrators (Barangay Captains, Treasurers, Secretaries, and Appropriations Committee Chairpersons) across all 28 barangays. Statistical analysis involved weighted means, standard deviations, and Pearson's product-moment correlation coefficient evaluated at a 0.05 level of significance. The findings revealed an overall high level of financial management competency (M = 3.58) and fiscal accountability (M = 3.54). Bivariate correlation yielded a statistically significant strong positive relationship between financial management competency and fiscal accountability ($r = 0.684$, $p = 0.000$), leading to the rejection of the null hypothesis. These outcomes demonstrate that enhancing technical administrative skills directly elevates statutory compliance and transparent public resource management in rural local governance.

Summary of Findings

The summary of findings presents concise factual statements answering each research question posed in Chapter I:

1. Barangay officials in Can-avid, Eastern Samar demonstrated an overall high level of financial management competency, characterized by high capability in budget preparation and internal controls alongside moderate proficiency in financial reporting and bookkeeping.

2. Barangay officials exhibited an overall high level of fiscal accountability, marked by strong public financial disclosure and audit compliance alongside moderate fund utilization efficiency.

3. A statistically significant, strong positive relationship existed between financial management competency and fiscal accountability, indicating that higher technical administrative skills directly increased statutory compliance and fiscal transparency.

Conclusions

Based on the empirical findings of the study, the following conclusions were drawn, directly aligned with each research question and finding:

1. While barangay officials possess robust practical capabilities in strategic budget planning and cash disbursement controls, technical limitations in double-entry bookkeeping and financial statement preparation hinder complete operational mastery in public accounting.

2. Grassroots administrators maintain high institutional transparency and state audit compliance, yet operational bottlenecks and procurement delays impede the timely absorption and efficient disbursement of local development funds.

3. The rejection of the null hypothesis confirms that administrative competency is a primary structural determinant of local fiscal governance, proving that targeted skill enhancement directly drives statutory compliance, audit integrity, and public disclosure in rural local government units.

Recommendations

Based on the conclusions drawn from the research findings, the following actionable recommendations are offered for key stakeholders and future academic research:

1. The Municipal Local Government Unit of Can-avid, in coordination with the Municipal Accountant Office and DILG, should design and implement localized, hands-on capacity-building workshops focusing specifically on double-entry bookkeeping, bank reconciliation, and electronic financial statement preparation for Barangay Treasurers and Secretaries.

2. Barangay Captains and Appropriations Committee Chairpersons should streamline local procurement workflows, establish early project implementation schedules, and monitor disbursement benchmarks quarterly to eliminate fund utilization bottlenecks and maximize project completion rates.

3. The Department of the Interior and Local Government and Commission on Audit should refine local governance monitoring frameworks by providing simplified accounting manuals, standardized reporting templates, and continuous technical advisories tailored to the technical infrastructure of rural barangays.

4. Future scholars should extend this research by expanding the geographic scope across other rural municipalities in Eastern Visayas, conducting longitudinal studies to evaluate capacity retention over elective terms, or integrating qualitative mixed-methods approaches to explore external political and socio-economic variables mediating local fiscal governance.

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APPENDICES

APPENDIX A

Financial Management Competencies And Fiscal Accountability Among Barangay Officials In Can-Avid, Eastern Samar (Survey Questionnaire)

Source Note: The survey instrument was adapted from established local governance frameworks and statutory financial guidelines (Commission on Audit, 2011; Department of the Interior and Local Government, 2014).

Directions: Please supply all the information needed by writing in the space or checking (✓) the box provided. Your honest response to every item is needed to ensure accurate research outcomes.

Name of Respondent: _____ *(Optional)*

Position: [ ] Barangay Captain [ ] Barangay Treasurer [ ] Barangay Secretary [ ] Committee Chair on Appropriations

Barangay: _____

PART I: FINANCIAL MANAGEMENT COMPETENCY

Directions: Please evaluate your level of competency for each statement by putting a check (✓) in the column that corresponds to your rating using the scale below:

Scale	Verbal Interpretation
5	Very Highly Competent
4	Highly Competent
3	Moderately Competent
2	Less Competent
1	Not Competent

Items	FINANCIAL MANAGEMENT COMPETENCY	5	4	3	2	1
I	**Budget Preparation and Planning**					
1	Formulates annual barangay operational budgets based on estimated local revenue collections.					
2	Aligns budgetary allocations with the priority projects outlined in the Barangay Development Plan.					
3	Ensures the mandatory statutory allocation for the 20% Development Fund is accurately computed.					
4	Incorporates required fund allocations for the Barangay Disaster Risk Reduction Management Fund.					

5	Allocates mandatory budget requirements for Gender and Development (GAD) and Senior Citizens programs.					
6	Conducts budget consultation hearings with community stakeholders before council approval.					
7	Prepares complete supporting budget schedules including plantilla and estimated expenditure details.					
8	Submits the approved Barangay Appropriation Ordinance to the Sangguniang Bayan within statutory deadlines.					
II	**Internal Control and Disbursement**					
1	Verifies that all cash disbursements are supported by valid, original, and complete source documents.					
2	Enforces dual-signatory requirements on all barangay checks and fund withdrawal vouchers.					
3	Maintains a physical petty cash voucher system with designated maximum cash limits.					
4	Conducts pre-audit verification of claims before authorizing official payment releases.					
5	Ensures that all financial transactions adhere strictly to municipal and national procurement laws.					
6	Reconciles actual monthly expenditure totals against approved budget line-item allocations.					
7	Maintains secure physical custody and safekeeping of official checks, stamps, and receipt books.					
8	Implements segregation of duties between cash collection, record recording, and disbursement approval.					
III	**Reporting and Bookkeeping**					
1	Records all daily financial transactions promptly in official Barangay Cash Books.					
2	Maintains separate cash registers for General Fund, Development Fund, and Special Trust Funds.					
3	Prepares Monthly Summary of Income and Expenditures accurately and promptly.					
4	Posts updated balance sheets and trial balances on official barangay notice boards.					
5	Reconciles bank statements monthly against recorded barangay ledger entries.					
6	Prepares end-of-year Financial Statements, including the income statement and Balance Sheet.					

7	Submits monthly financial reports to the Municipal Accountant within the required timeframe.					
8	Maintains organized physical archives of financial ledgers and receipt registries for easy audit retrieval.					

PART II: FISCAL ACCOUNTABILITY

Directions: Please evaluate your level of fiscal accountability for each statement by putting a check (✓) in the column that corresponds to your rating using the scale

Scale	**Verbal Interpretation**
5	Very Highly Accountable
4	Highly Accountable
3	Moderately Accountable
2	Less Accountable
1	Not Accountable

Items	**FISCAL ACCOUNTABILITY**	**5**	**4**	**3**	**2**	**1**
I	**Audit Compliance and Documentation**					
1	Submits annual financial accounts and supporting vouchers to the Commission on Audit (COA) on time.					
2	Addresses and resolves COA Audit Observation Memorandums (AOM) within the prescribed period.					
3	Maintains complete liquidation reports for all official travel, seminars, and emergency cash advances.					
4	Ensures all procurement documents include official canvass forms, bids, and purchase requests.					
5	Facilitates regular physical inventories of barangay-owned equipment, properties, and supplies.					
6	Retains systematic physical records of all issued official receipts and collection reports.					
7	Implements corrective action plans based on recommendations provided in state audit reports.					
8	Complies fully with standard accounting rules enforced by the Municipal Accountant and COA.					
II	**Public Financial Disclosure**					

1	Posts annual budgets and financial summaries on the Barangay Full Disclosure Policy bulletin board.					
2	Updates public notices quarterly regarding barangay collections, expenditures, and fund balances.					
3	Discloses procurement notices, bidding results, and award contracts in accessible public areas.					
4	Presents clear financial reports during semi-annual General Barangay Assembly meetings.					
5	Provides transparent public access to reports on 20% Development Fund project expenditures.					
6	Publishes detailed reports regarding disaster fund utilization following emergency responses.					
7	Maintains public accessibility to information regarding local tax revenues and clearance fee collections.					
8	Responds promptly to written citizen requests for public financial records and official council resolutions.					
III	**Fund Utilization Efficiency**					
1	Executes budgeted local development projects within approved timelines and financial allocations.					
2	Minimizes project cost overruns through strict monitoring of material expenditures and labor costs.					
3	Utilizes the allocated 20% Development Funds fully for intended infrastructure and social projects.					
4	Prevents unprogrammed or unauthorized reallocations of approved budget line items.					
5	Maximizes local revenue collections from barangay clearances, fees, and community tax certificates.					
6	Disburses public funds strictly according to programmed project implementation schedules.					
7	Reduces waste and unnecessary expenditure across daily administrative and operational activities.					
8	Evaluates the cost-effectiveness and community impact of implemented village development projects.					