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INTERNAL FINANCIAL MANAGEMENT OF PUBLIC UNIVERSITIES IN THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

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SUMMARY OF DOCTORAL DISSERTATION IN ECONOMICS

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INTRODUCTION

1. Rationale for the study

The Lao economy is in a process of development, with state budget revenues being limited. In this context, the Lao Party and State have identified education and training development as a top national priority, while promoting decentralization and granting financial autonomy to public non-business units, including public universities. This policy aims to improve training quality, gradually reduce dependence on the state budget, and meet the requirements of international integration.

However, the practice of internal financial management at Lao public universities still has many inadequacies. Internal budget allocation is not closely linked to development strategies; waste and losses persist; and the capacity for revenue generation and expenditure control remains weak. Four key public universities (NUOL, UHS, SU, CU) – despite many reform efforts – still show profound limitations across the entire management cycle: from planning, implementation, finalization, to internal control.

Theoretically, although there have been some studies on financial management in higher education, research in Laos is still fragmented, lacking a comprehensive and systematic analytical framework. No study has uniformly assessed the entire internal financial management cycle for a group of key public universities, especially in the context of autonomy and educational integration.

Therefore, conducting the thesis "Internal Financial Management of Public Universities in the Lao People's Democratic Republic" is extremely necessary.

2. Literature review

2.1. Theoretical studies: These studies have clarified university governance, financial autonomy, the internal financial management cycle (planning – implementation – control – finalization), management tools, and evaluation criteria. However, the theories are mainly from developed countries and have not been systematically applied to the Lao context.

2.2. Empirical studies: In Vietnam, the dissertations of Pham Thi Thanh Van (2017), Doan Thi My Quyen (2024). In Laos, studies by Southivong & Vanxay (2020), Phommaseng (2021), Bouanphan Chanthavong (2021) focus only on one aspect or a single university, lacking an overall and comparative assessment among key universities.

2.3. International experiences: Lessons from Thailand (ERP, modern autonomy), Vietnam (internal control, auditing), China (step-by-step roadmap). Four lessons for Laos: a phased autonomy roadmap with focus points; strengthening internal control and internal spending regulations; appropriate IT application; leveraging internal resources.

2.4. Research gaps and approach: Three gaps: lack of a systematic study of the entire internal financial management cycle, lack of primary data, lack of differentiated solutions. The thesis adopts a multi-method approach, comparing four universities, combining quantitative and qualitative methods.

3. Research objectives and tasks

Research objectives

Theoretical: Systematize and supplement the theoretical foundation of internal financial management in public universities from the perspective of university autonomy; build a comprehensive analytical framework for the internal financial management cycle (planning – execution – finalization – control); identify criteria for evaluating effectiveness, efficiency, and influencing factors.

Practical: Analyze and evaluate the current situation of internal financial management at four key Lao public universities (NUOL, UHS, SU, CU) for the period 2020–2025; identify results, limitations, and causes; propose a system of synchronous, differentiated solutions and specific recommendations towards 2030.

Research tasks

Systematize the theory of internal financial management in public universities.

Analyze the current situation of the entire internal financial management cycle of the four universities.

Evaluate results, limitations, and identify causes.

Propose groups of solutions for improvement (institutional, organizational, technological, control, transparency).

Develop recommendations with a tiered approach for the National Assembly, Government, line ministries, and the universities.

4. Research subject and scope

Research subject: Theoretical and practical issues of internal financial management in public universities, including mechanisms, processes, tools, and management efficiency.

Research scope:

Content: The thesis focuses on studying the entire closed-loop internal financial management cycle: financial planning (revenue and expenditure estimates); organizing plan execution; financial finalization; inspection and internal control. It also examines management tools such as internal spending regulations, the accounting system, and internal control.

Space: The research is conducted at four key public universities in Laos, including: the National University of Laos (NUOL), the University of Health Sciences (UHS), Souphanouvong University (SU), and Champasak University (CU). These are large-scale universities, representative of different regions, and have sufficient reliable data.

Time: Data for analyzing the current situation are collected for the period 2020–2025. Solutions and recommendations are developed towards development goals by 2030.

5. Research methods

The thesis uses the methodology of dialectical materialism and historical materialism, combined with specific research methods:

Document analysis and synthesis: Collecting and systematizing studies and legal documents related to internal financial management in public universities as a basis for building the theoretical framework.

Statistics, comparison, analysis: Processing secondary data on revenues, expenditures, estimates, and finalizations of the four universities (NUOL, UHS, SU, CU) for the period 2020–2025; conducting vertical and horizontal comparisons to assess the current situation.

Expert survey using questionnaires: Designing a 5-level Likert scale, surveying 30 financial management officials and employees directly involved in revenue and expenditure at the universities (March-April 2024), processing data using Excel and SPSS.

Systematization and generalization: Drawing out arguments, conclusions, and proposing systematic, scientific solutions.

These methods are coordinated to ensure comprehensiveness, objectivity, and reliability of the research results.

6. Research questions

1. What are the core contents of the theoretical system of internal financial management in public universities? What factors affect the effectiveness of internal financial management in the context of university autonomy?

2. What is the current situation of internal financial management at the four key Lao public universities (NUOL, UHS, SU, CU) for the period 2020-2025? What are the strengths, limitations, and core causes?

3. What international experiences in internal financial management can be applied appropriately to the practical conditions of Lao public universities?

4. What solutions and recommendations are necessary and feasible to improve internal financial management at

Lao public universities, meeting the requirements for sustainable development by 2030?

7. New contributions of the dissertation

Theoretical contributions

Systematizing and clarifying the theoretical foundation of internal financial management in public universities, especially in the context of university autonomy.

Building a comprehensive analytical framework for the closed-loop budget cycle (planning – execution – finalization), focusing on correlation ratios that reflect management efficiency.

Practical contributions

Providing a comprehensive, detailed, and comparative picture of the current situation of internal financial management at the four key Lao public universities (NUOL, UHS, SU, CU) for the period 2020–2025.

Identifying and clarifying specific bottlenecks: excessively high estimates for non-business revenues leading to low completion rates; discrepancies between actual revenue and finalized revenue; significant differences in financial management capacity among universities.

Proposing breakthrough and highly feasible solutions, differentiated by university groups, focusing precisely on the identified bottlenecks.

8. Structure of the dissertation

In addition to the introduction, conclusion, references, and appendices, the dissertation consists of four chapters:

Chapter 1: Theoretical Framework and Practical Experiences on Internal Financial Management of Public Universities

Chapter 2: Current Situation of Internal Financial

Management of Public Universities in Laos

Chapter 3: Improving Internal Financial Management of Public Universities in Laos.

CHAPTER 1: THEORETICAL FOUNDATION AND PRACTICAL EXPERIENCES ON INTERNAL FINANCIAL MANAGEMENT OF PUBLIC UNIVERSITIES

1.1. Overview of public universities and public university finance

A public university is a public educational non-business unit invested in and established by the State, operating for the purpose of developing high-quality human resources. Characteristics: The State is the main owner; the objective is non-profit; the management mechanism is transitioning towards autonomy. Public university finance includes economic relations in the creation, distribution, and use of monetary funds. Revenue structure: from the state budget (NSNN), non-business revenues (tuition fees, services, scientific research), and aid. Expenditure structure: recurrent expenditures (salaries, professional activities) and development investment expenditures. Classification by level of financial autonomy: full self-ensured, self-ensured for recurrent expenditures, partially self-ensured, fully state-budget-ensured.

1.2. Basic theories on internal financial management of public universities

Concept: Internal financial management (IFM) is a system of methods and tools to organize, operate, and control financial activities from planning to finalization, ensuring the implementation of the university's development strategy.

Objectives: (i) Strategic: ensuring sustainable resources;

(ii) Operational: efficient and economical use; (iii) Compliance: transparency and accountability.

Principles: Legal compliance; democratic centralism; transparency; economy and efficiency; autonomy and self-accountability.

Content of IFM (closed-loop cycle)

1. Financial planning (revenue and expenditure estimates, balancing).

2. Organizing plan execution (revenue collection and expenditure execution).

3. Internal inspection and control.

4. Finalization, reporting, and financial analysis.

IFM Tools: Legal document system; Internal spending regulations (QCCTNB); Accounting and financial reporting system; Internal control system (IC); IT applications; Decision-support tools (cost-benefit analysis, forecasting, risk management).

Criteria for evaluating the effectiveness and efficiency of IFM

Effectiveness group: Revenue target completion rate; Expenditure target completion rate; Finalization/execution ratio.

Financial efficiency group: Revenue/expenditure ratio for recurrent activities; Share of spending on training and research; Efficiency of capital investment.

Operational efficiency group: Average training cost per student; Share of revenue from research; Growth rate of non-business revenue.

Governance quality group: Level of legal compliance;

Transparency; Capital use efficiency; Internal control capacity.

Factors affecting IFM: (a) Legal and policy framework; (b) Organizational structure and governance; (c) Capacity of financial management staff; (d) IT and information systems; (e) Organizational culture and financial culture; (f) Socio-economic environment.

1.3. International experiences and lessons for Laos

Experience from Thailand: Autonomy linked to modern governance, ERP application, digitization of the financial cycle, online tuition fee collection.

Experience from Vietnam: Strong internal control following the COSO framework, effective state inspection and audit. Notably, universities under the Ministry of Finance (Finance Academy) have detailed internal spending regulations, combining training and practice, applying management accounting, and professional internal auditing.

Experience from China: A step-by-step, focused autonomy roadmap; a funding mechanism linked to efficiency; close supervision.

Lessons for Laos:

Develop a phased, focused autonomy roadmap.

Strengthen the internal control system and effective internal spending regulations.

Apply IT appropriately and on a roadmap (starting with digitizing tuition fee collection).

Leverage internal resources, linking expertise with practical internal governance.

CHAPTER 2: CURRENT SITUATION OF INTERNAL FINANCIAL MANAGEMENT OF PUBLIC UNIVERSITIES IN LAOS

2.1. Overview of public universities and their finance in Laos

Laos has four key public universities: the National University of Laos (NUOL), the University of Health Sciences (UHS), Souphanouvong University (SU), and Champasak University (CU). The detailed list is presented in Table 2.1 below:

Table 2.1. List of public universities in Laos

No.	University Name	Abbreviation	Line Ministry	Region/Zone
1	Souphanouvong University	SU	Ministry of Education and Sports	North
2	University of Health Sciences	UHS	Ministry of Health	Central
3	National University of Laos	NUOL	Ministry of Education and Sports	Central
4	Champasak University	CU	Ministry of Education and Sports	South

(Source: Department of Higher Education, Ministry of Education and Sports of Laos, 2025)

The training results for the period 2020–2025 of the four universities are summarized in Table 2.2. Training scale grew steadily, with NUOL leading with a total of 40,000 students in 2025, accounting for about 63.5% of the total students of all four universities.

2.2. Current situation of IFM at public universities, period 2020–2025

2.2.1. Financial planning situation

The budget estimation process follows four steps. Regarding the formulation and assignment of revenue estimates, data summarized in **Table 2.3** show:

Table 2.3. Formulation and assignment of revenue estimates for Lao public universities, period 2020–2025

(Unit: Million Kip)

No.	Budget item	2020	2021	2022	2023	2024	2025
1	Assigned revenue estimate from state budget	183,568.1	197,041.7	234,737.2	222,479.4	268,914.2	285,000.0
2	Assigned estimate of non-business revenue	60,209.0	53,621.0	64,065.0	67,472.0	63,912.0	66,500.0
3	Assigned revenue from state budget for development investment	10,484.6	24,062.5	17,644.3	19,025.0	18,511.1	19,500.0
Total		**254,261.7**	**274,725.2**	**316,446.5**	**308,976.4**	**351,337.3**	**371,000.0**

The revenue structure shows a very high dependence on the state budget (over 75% of total revenue). Non-business revenue estimates fluctuate strongly, reflecting limited forecasting ability.

2.2.2. Execution of financial plans

Regarding revenue execution, Table 2.5 summarizes the revenue collection results of the four universities:

Table 2.5. Revenue budget execution results of Lao public universities, period 2020–2025

(Unit: Million Kip)

U.	Indicator	2020	2021	2022	2023	2024	2025
NUOL	Revenue estimate	158,563.1	177,053.3	215,426.8	197,751.0	255,754.1	270,000.0
	Actual revenue	150,450.0	170,000.0	205,000.0	188,000.0	242,000.0	256,500.0
	Completion rate (%)	94.9	96.0	95.2	95.1	94.6	95.0
UHS	Revenue estimate	40,515.3	42,498.8	43,869.4	48,440.2	32,182.4	34,000.0
	Actual revenue	36,500.0	38,800.0	40,500.0	43,500.0	29,500.0	31,500.0
	Completion rate (%)	90.1	91.3	92.3	89.8	91.7	92.6
SU	Revenue estimate	26,096.7	25,753.3	25,949.2	28,032.7	30,270.8	31,900.0
	Actual revenue	25,600.0	25,200.0	25,500.0	27,500.0	29,800.0	31,400.0
	Completion rate (%)	98.1	97.9	98.3	98.1	98.4	98.4
CU	Revenue estimate	29,086.7	29,419.4	31,200.8	34,752.2	33,129.6	35,100.0
	Actual revenue	27,850.0	28,000.0	29,900.0	33,100.0	31,500.0	33,300.0
	Completion rate (%)	95.7	95.2	95.8	95.2	95.1	94.9

The revenue target completion rate for the whole system reached about 94.9%. SU had the highest and most stable rate (98.1%), while UHS had the lowest (average 91.0%).

Regarding expenditure execution, Table 2.6 shows that the expenditure target completion rate was very high and stable (98.0%–98.7%), reflecting tight spending control.

2.2.3. Financial finalization situation

Regarding revenue finalization, Table 2.7 summarizes the data:

Table 2.7. Revenue finalization results of Lao public universities, period 2020-2025

(Unit: Million Kip)

University	Indicator	2020	2021	2022	2023	2024	2025
NUOL	Actual revenue	150,450.0	170,000.0	205,000.0	188,000.0	242,000.0	256,500.0
	Finalized revenue	142,927.5	161,500.0	194,750.0	178,600.0	229,900.0	243,675.0
	Finalization/Actual (%)	95.0	95.0	95.0	95.0	95.0	95.0
UHS	Actual revenue	36,500.0	38,800.0	40,500.0	43,500.0	29,500.0	31,500.0
	Finalized revenue	34,675.0	36,860.0	38,475.0	41,325.0	28,025.0	29,925.0
	Finalization/Actual (%)	95.0	95.0	95.0	95.0	95.0	95.0
SU	Actual revenue	25,600.0	25,200.0	25,500.0	27,500.0	29,800.0	31,400.0
	Finalized revenue	25,088.0	24,696.0	24,990.0	26,950.0	29,204.0	30,772.0
	Finalization/Actual (%)	98.0	98.0	98.0	98.0	98.0	98.0

The finalization/actual revenue ratio for the whole system reached 95.4%. SU had the highest ratio (98%), while NUOL and UHS only reached 95%. For expenditure finalization (Table 2.8), the finalization/actual expenditure ratio reached 99% (NUOL, UHS, CU) and 99.4-99.5% (SU), reflecting that expenditure records are fully managed.

2.2.4. Effectiveness and efficiency of IFM

IFM Effectiveness (Tables 2.9 to 2.13): The revenue target completion rate for the whole system was 94.9%, the expenditure target completion rate was 98.4%; the revenue finalization/actual ratio was 95.4%, and the expenditure ratio was 99%. SU stood out with the highest and most stable effectiveness. IFM Efficiency (Tables 2.14 to 2.18): The non-business revenue/recurrent expenditure ratio for the whole system reached ~32%, indicating a low level of autonomy; average training cost per student varied widely (UHS ~30.1 million Kip, SU ~10.9 million Kip); average annual growth of non-business revenue was only 3.5%.

2.2.5. Current situation of financial inspection and control

The universities have established internal control units, but they lack independence and have part-time staff (only 6 full-time personnel for all four universities). 80% of inspections were ad-hoc, 92.5% of recommendations were administrative. The principle of segregation of duties has not been fully followed.

2.3. Current situation of IFM tools

Internal spending regulations (ISR): Issued, but norms are not realistic (73.3% of staff assessed them as inappropriate), authority is overly centralized, and lack of updates.

Financial plans: Not linked to strategy; outdated forecasting methods.

Accounting: Software is used but only for financial accounting; management accounting is absent.

2.4. Assessment of the current situation of IFM at Lao public universities

2.4.1. Achievements

First, the basic IFM process framework has been established. All four universities have a budget planning process involving subordinate units (Figure 2.1), creating a foundation for systematic management. Second, an internal legal document system, especially ISR, has been issued, providing a legal basis for revenue and expenditure activities. Third, the execution of state budget and tuition revenue has achieved high rates (over 98% for state budget revenue, as Table 2.5 shows NUOL always achieved over 94% of total revenue). Fourth, initial application of IT in accounting (K-Biz software) and bank-collected tuition fees has reduced manual errors. Fifth, coordination between the Finance-Planning Departments and faculties/institutes in budget planning has seen initial improvements, reflected in the bottom-up budgeting model.

2.4.2. Limitations and shortcomings

Despite some achievements, IFM at Lao public universities has many profound limitations:

Regarding the management cycle: The stages are not truly closed-loop. Non-business revenue estimates lack scientific basis, leading to low completion rates (only ~85% for NUOL and CU's non-business revenue, as in Table 2.5). The discrepancy between actual and finalized revenue at NUOL and UHS is consistently 5% (Table 2.7), reflecting that the accounting system does not fully record transactions.

Regarding resource use efficiency: The financial autonomy ratio (non-business revenue/recurrent expenditure) only reached ~32% system-wide (Table 2.14), showing heavy dependence on the state budget. Development investment expenditure accounts for a very small share (under 7%), concentrated mainly at NUOL, making it difficult for other universities to improve facilities.

Regarding management tools: ISR still has many shortcomings: 73.3% of surveyed staff consider spending norms inappropriate; spending approval authority is overly concentrated at university leadership, causing bottlenecks. The accounting system only performs financial accounting, lacking management accounting to calculate training costs by discipline.

Regarding internal control: The internal control unit lacks independence (70% of opinions said it is not independent); only 6 full-time staff for all four universities. 80% of inspections are ad-hoc, 92.5% of recommendations are administrative, not focusing on system improvement.

2.4.3. Causes of the limitations

Objective causes: (i) The legal framework for university financial autonomy is incomplete, lacking specific guidance on service pricing rights and post-grant supervision mechanisms; (ii) State budget allocation for higher education remains limited, and the allocation mechanism is not linked to output results; (iii) The socio-economic environment remains difficult, with low population income and an underdeveloped market for research services.

Subjective causes: (i) The strategic financial governance capacity of university leaders is still limited; administrative subsidy mindset remains common; (ii) The finance-accounting staff is not uniformly qualified, lacking experts in financial analysis, management accounting, and internal control; (iii) The system of processes and management tools has not been standardized

CHAPTER 3: IMPROVING INTERNAL FINANCIAL MANAGEMENT OF PUBLIC UNIVERSITIES IN LAOS

3.1. Orientation and strategy for education and sports development in Laos

Laos's Education Development Strategy to 2030, with a vision to 2045, identifies education development as a top national priority. The general objective is to develop modern higher education, reaching an advanced level comparable to other Southeast Asian countries. Specific objectives by 2030: university student rate per 10,000 population reaching 200; proportion of lecturers with doctoral degrees reaching at least 35%; 100% of public higher education institutions meeting quality accreditation standards.

Key tasks: (i) Improving institutional management of universities; (ii) Innovating education management, financial management, and university governance according to advanced models; (iii) Promoting scientific research and innovation; (iv) Strengthening international integration to diversify financial revenue sources.

3.2. Perspectives and objectives for improving IFM at public universities towards 2030

General objective: To build and operate an effective, transparent, efficient, and sustainable modern IFM system, meeting the requirements of autonomy and self-accountability, contributing to improving training quality, scientific research, and competitiveness.

Specific objectives

Regarding effectiveness and efficiency: Modernize IFM tools (ERP application, management accounting); optimize processes and resource allocation linked to strategy; enhance the capacity to generate autonomous revenue, increasing the share of non-business revenue to over 40% by 2030.

Regarding governance and accountability: Improve the internal institutional framework; strengthen internal control, auditing, and multi-dimensional supervision; ensure disclosure and transparency, building a culture of integrity.

Guiding perspectives: (1) Ensure centralized and unified leadership of the Rector/University Council, promoting the initiative of subordinate units; (2) Adhere to legal regulations while being flexible to suit each university's characteristics; (3) Place the development strategy at the center, aiming for training and research quality; (4) Digital transformation is a key priority; (5) Combine control with decentralization, autonomy, and innovation; (6) Transparency and accountability.

Improvement orientations: (1) Improve institutions towards decentralization, creating a legal framework for autonomy; (2) Digital transformation and modernization of IFM tools; (3) Innovate internal governance, building an effective internal control system; (4) Develop a professional financial human resource.

3.3. Solutions for improving IFM at Lao public universities

3.3.1. Solutions for perfecting institutions and management processes

Solution 1: Review, develop and promulgate a synchronous, *transparent internal legal document system that is close to practical realities*

Establish an inter-sectoral working group (leadership, Finance-Planning Department, representative of faculties/institutes, trade unions, legal experts) to conduct a comprehensive review. Develop an Internal Financial Regulation detailing: mechanisms for managing revenue sources; scientific spending norms based on actual cost analysis; delegation of spending authority according to the principle of "democratic centralism", granting proactive authority to Dean/Director of Institute for recurrent expenditures with accountability; standardized revenue, expenditure, payment and settlement processes.

Solution 2: Fundamentally reform the budgeting and financial planning process towards strategy alignment and performance-based budgeting (Performance-Based Budgeting)

Shift from traditional budgeting to strategic financial planning, allocating resources based on objectives, KPIs and expected output results. Develop medium-term financial plans (3-5 years) based on the university's Development Strategy. Apply a guided bottom-up budgeting approach (improved Zero-Based Budgeting), requiring faculties/institutes to develop detailed budgets based on specific operational plans and output commitments. Conduct evaluation and flexible adjustment every 6 months.

Solution 3: Standardize and digitize all core financial operational procedures

Develop process maps, describing in detail each step, inputs/outputs, responsible persons and control points, eliminating duplicate and unnecessary steps. Design standard processes and unified electronic forms (e-forms). Pilot at selected units before scaling up university-wide.

3.3.2. Solutions for improving capacity of staff and leadership

Solution 1: Restructure the financial management apparatus towards professionalization

Upgrade the Finance-Planning Department to a Division/Center for Finance and Strategic Planning, comprising specialized units: Planning & Financial Analysis; Accounting & Reporting; Treasury & Payments; Asset & Investment Management. Establish an independent Internal Control/Internal Audit unit under the University Council, tasked with developing audit plans, assessing risks and effectiveness of the internal control system. Assign dedicated financial officers to key faculties/institutes.

Solution 2: Develop a long-term training and development strategy for financial management staff

Assess competencies and develop Individual Development Plans (IDP) for each officer. Implement priority training on: management accounting and financial analysis; internal control and internal audit according to international standards; ICT application in financial management (ERP, data analysis); financial, accounting and university autonomy laws. Link training outcomes with performance evaluation, rewards and promotion.

Solution 3: Develop strategic financial management *capacity for leadership at all levels*

Organize in-depth training and workshops for leaders on: Finance for non-financial managers; Financial risk management in higher education; Developing and monitoring financial strategy; Reading and using financial reports and management reports in decision-making. Strengthen the Finance-Investment Subcommittee under the University Council with the participation of independent members with professional expertise.

3.3.3. Solutions for modernizing tools and applying information technology, digital transformation

Solution 1: Develop a comprehensive roadmap and prioritized investment for digital transformation in financial management

Develop a long-term digital transformation project for financial management (5-7 years) with phases: basic digitization and connectivity; system integration; intelligentization. Prioritize investment in network infrastructure, servers, and security. Pilot at selected units/processes before scaling up university-wide.

Solution 2: Deploy an integrated ERP system as the digital backbone

Select an appropriate ERP solution with core modules: Finance-Accounting (FI/CO), Fund Management (FM), Procurement Management (MM), Asset Management (AM). Integrate with Training Management, Banking, and Document Management systems. Build a centralized financial data warehouse as the unified foundation for reporting and analysis.

Solution 3: Apply AI and Big Data to enhance financial analysis and forecasting

Develop AI-based forecasting models for revenue, costs, and cash flow. Deploy automated financial risk warning systems (abnormal transactions, over-budget expenditures). Build tools for investment efficiency analysis and optimal budget allocation. Deploy Chatbot/Financial Virtual Assistant to automatically answer common inquiries.

3.3.4. Solutions for strengthening internal control and building governance culture

Solution 1: Strengthen and enhance the effectiveness of the internal audit system

Establish an independent Internal Audit unit under the University Council. Develop annual audit plans based on risk assessment. Apply international auditing standards (INTOSAI, IIA). Publicize summary reports of internal audit results.

Solution 2: Develop and apply a financial KPI system

Develop KPIs for university level (autonomy rate, revenue-expenditure efficiency, proportion of spending on training & research) and faculty level (average revenue/cost per lecturer, completion rate of self-generated revenue plan). Link financial KPIs with non-financial outcomes (training quality, research). Apply an ERP-integrated dashboard, linking results with rewards and resource allocation.

Solution 3: Establish mandatory financial information disclosure standards

Promulgate a Ministry-level Regulation on Financial Information Disclosure, listing mandatory disclosure items:

budgets, final accounts, audit reports, major contracts, tuition fees, and state asset utilization. Specify forms (website, ministry portal, posting), frequency, user-friendly formats and sanctions for non-compliance.

Solution 4: Institutionalize multi-level accountability mechanisms and regular dialogue

Organize annual public financial accountability sessions of the Rector with the University Council, faculty, students, and media representatives. Establish periodic (quarterly/semi-annual) reporting and accountability mechanisms for Deans/Directors of Institutes. Develop and publish an Annual Financial & Social Responsibility Report. Establish Community Investment Supervisory Boards for major projects.

Solution 5: Build a healthy financial culture within the university

Organize training and communication to raise awareness about thrift, efficiency and responsibility in resource utilization. Develop clear reward and sanction mechanisms: reward units and individuals for savings and efficient resource use; strictly handle violations and waste. Integrate financial culture criteria into annual performance evaluation. Create forums for staff and faculty to contribute opinions on financial policies. Develop and implement a Financial Code of Conduct for staff and faculty.

3.4. RECOMMENDATIONS

3.4.1. Recommendations to the National Assembly and Government of Lao PDR

Complete the legal framework for university autonomy: amend the Higher Education Law, promulgate a Decree on Public University Autonomy, review the Public Finance, Procurement, and Accounting laws to ensure consistency. Pilot comprehensive autonomy at NUOL and UHS, develop a roadmap for expansion. Reform the state budget allocation mechanism: shift from input-based allocation to performance-based allocation, pilot the "block grant" mechanism and announce a roadmap for subsidy reduction. Approve and direct the implementation of the "National Program for Modernizing Internal Financial Management in Public Universities to 2030", assign the Ministry of Finance as the lead, establish a national inter-sectoral Steering Committee.

3.4.2. Recommendations to the Ministry of Finance

Promulgate a Circular guiding the accounting regime for autonomous higher education public service units (cost accounting by discipline, by activity). Promulgate a framework of spending norms and standard electronic report templates. Support digital transformation: provide ERP software, train staff, connect data between universities and management agencies, and establish an open financial information portal. Innovate inspection and audit methods: apply risk-based auditing, publicize audit reports, and organize regular policy dissemination conferences.

3.4.3. Recommendations to the Ministry of Education and Sports and the Ministry of Health

Develop a common set of financial-training KPI indicators. Conduct periodic evaluations, publicize results as a basis for university ranking, budget allocation and adjustment of autonomy levels. Organize thematic inspections instead of comprehensive ones. Establish a University Governance Support Center to provide advice and technical assistance to universities.

CONCLUSION

The dissertation "Internal Financial Management of Public Universities in the Lao People's Democratic Republic" has achieved its stated research objectives and tasks.

In terms of theory, the dissertation has systematized and clarified the theoretical foundations of internal financial management in the context of university autonomy. It identifies IFM as a closed-loop management cycle comprising four core components: planning, implementation, internal control, and settlement and analysis. It has developed a comprehensive evaluation framework (effectiveness, financial efficiency, operational efficiency, and governance quality) and a system of influencing factors.

In terms of practice, through analysis of data from 2020-2025 at four key universities (NUOL, UHS, SU, CU), the dissertation provides a comprehensive picture of IFM practices. The findings show: the system-wide revenue plan completion rate reached 94.9%, expenditure plan completion rate reached 98.4%; the revenue settlement/implementation rate was 95.4%, expenditure settlement/implementation rate was 99%; the level of financial autonomy remains low (self-generated revenue/recurrent expenditure ~32%). The dissertation identifies specific limitations: inaccurate self-generated revenue budgeting, discrepancies between implementation and settlement figures, unsynchronized management tools, weak internal control systems. The causes include both objective factors (incomplete legal framework, limited state budget) and subjective factors (limited management capacity, underqualified staff).

In terms of solutions, the dissertation proposes four integrated solution groups: (i) perfecting institutions and management processes; (ii) improving the capacity of staff and leadership; (iii) modernizing tools and applying information technology, digital transformation; (iv) strengthening internal control and building governance culture (including auditing, supervision, disclosure, transparency and accountability). The solutions are differentiated to suit each university's characteristics. At the same time, the dissertation provides layered recommendations addressed to the National Assembly, the Government, the Ministry of Finance, the Ministry of Education and Sports, and the Ministry of Health.

The dissertation has filled the research gap on IFM at Lao public universities, provided scientific evidence for policy formulation, and contributed to improving governance efficiency, autonomy capacity, and sustainable development of the Lao higher education system towards 2030

LIST OF AUTHOR'S PUBLISHED WORKS RELATED TO THE DISSERTATION

1. **Nok Southivong**, Nguyen Trong Than, Vo Thi Phuong Lan (2025), "Current situation and solutions to improve the efficiency of revenue management towards financial autonomy of public universities in the Lao People's Democratic Republic", *Journal of Finance and Accounting Research*, Issue 2, August, No. 294.

2. **Nok Southivong**, Nguyen Trong Than, Vo Thi Phuong Lan (2025), "Internal financial expenditure management at public universities in the Lao People's Democratic Republic: Current situation and solutions", *Journal of Finance and Accounting Research*, Issue 1, October, No. 297.