

IMPORTANT TIPS ON THE EFFICIENT UTILIZATION OF LGU RESOURCES

VLMP Learning Session
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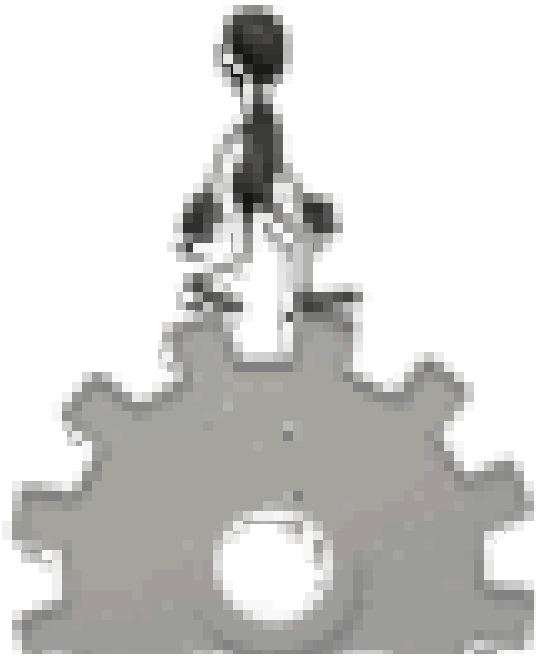
PRACTICAL TIPS ON BUDGETING



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WHAT IS A BUDGET?

“A financial plan embodying the estimates of income and expenditures for a given period of time (usually for one (1) fiscal year).” *(Section 306a, R.A. No. 7160)*



APPROPRIATION ORDINANCE

WHAT IS AN APPROPRIATION ORDINANCE?

“A legislative action authorizing the payment of goods and services from local government funds under specified conditions or for specific purposes.”

(Section 306b, R.A. No. 7160)

uses



USES OF THE BUDGET/AO

Spending **within our means**



Investing in the **right priorities**



Delivering **measurable outputs**



Empowering citizens
through participation & enhancing
fiscal transparency & accountability



process

WHAT TO LOOK IN THE BUDGET





Evaluating the Executive Budget

1. Look for the Required Documents that should accompany the Budget

a. ANNUAL INVESTMENT PROGRAM (AIP)

“The LDCs shall submit to the LFC a copy of the local development plan and AIP prepared and approved during the fiscal year before the calendar for budget preparation in accordance with applicable laws”

(Art. 410, IRR, RA 7160)





Evaluating the Executive Budget

1. Look for the Required Documents that should accompany the Budget

b. GAD PLAN and BUDGET

LGUs shall prepare their GAD Plan and Budget to be reviewed and approved by the DILG (RO, PO, MO).

*(PCW-DILG-DBM-NEDA JMC NO. 2016-01, 2 January 2016,
Guidelines on the Localization of the Magna Carta of Women)*





Evaluating the Executive Budget

1. Look for the Required Documents that should accompany the Budget

c. LOCAL DISASTER RISK REDUCTION AND MANAGEMENT PLAN (LDRRMP)

LGUs shall prepare their LDRRMP which shall be the basis for the use of the LDRRMF.

(Section 21, R. A. 10121, Philippine Disaster Risk Reduction and Management Act of 2010)





Evaluating the Executive Budget

1. Look for the Required Documents that should accompany the Budget

d. PEACE AND ORDER PLAN

LGUs with peace and order concerns shall allocate in their respective Annual Appropriation Ordinance funds for Peace and Order Programs (POP). The CF shall not exceed 30% of the total annual amount allocated for the LGUs POP.

(COA-DBM-DILG-GCG-DND JC NO. 2015-01, 8 January 2015, Guidelines on the Entitlement, Release, Use, Reporting and Audit of Confidential and/or Intelligence Funds)

basis





Evaluating the Executive Budget

1. Look for the Required Documents that should accompany the Budget

e. CLIMATE CHANGE ACTION PLAN

“The LGUs shall be the frontline agencies in the formulation, planning and implementation of Climate Change actions plans. . . .”

(Section 14, R.A. 9729)





Evaluating the Executive Budget

2. Look for the Required Document that is Needed in the execution of the Budget

a. ANNUAL PROCUREMENT PLAN (APP)

No procurement shall be undertaken unless it is in accordance with the approved APP, including approved changes thereto. . . .”

(Section 7.2, R.A. 9184)



3. BUDGETARY REQUIREMENTS

- i. Aid to barangays
- ii. LDRRMF
- iii. Statutory obligations
 - a. Pagibig contributions
 - b. Health Insurance contributions
 - c. Employees Compensation Insurance Premium
 - d. Life and Retirement Insurance Contributions
 - e. Retirement Gratuity and Terminal Leave



3. BUDGETARY REQUIREMENTS

- iv. **Authorized Allowance/Benefits**
 - a. **Personnel Economic Relief Allowance**
 - b. **Uniform/Clothing Allowance**
 - c. **RATA**
 - d. **Year End Benefits**
 - e. **Step Increment for Length of Service**
 - f. **Magna Carta Benefits for PHW**

- v. **20% Development Fund**



1. Semi-annual Review and Examination of Cost and Accomplishments (ipcr)

LFCs are mandated to conduct this activity and provide the sanggunian a copy of the report *[Section 316 (h), R. A. 7160]*



2. Monthly Report on Collection and Disbursement (irp)

Local accountants shall furnish the sanggunian with such financial statements as maybe prescribed by COA.

(Section 346, R.A. 7160)



3. Posting of the Summary of Income and Expenditures

Local treasurers, accountants, budget officers and other accountable officers shall within thirty (30) days from the end of each fiscal year, post in at least three (3) publicly accessible and conspicuous places in the LGU a summary of all revenues collected and funds received including the appropriations and disbursements of such during the preceding fiscal year..

(Section 346, R.A. 7160)



4. Evaluating Performance of each Department or Office (action plan)

As part of the semi-annual review of the LFC, the Budget Operations Manual (BOM) for LGUs, 2016 edition, requires LFCs to conduct an evaluation on the performance of each Department in the LGU by comparing the target with the actual outputs. LFCs shall report to the LCE and Sanggunian the result of the evaluation.

(Budget Accountability, Page 140, BOM for LGUs, LBC 112)



FEW DBM UPDATES

- ✓ **Uniform and Clothing Allowance**
- ✓ **Mandanas Case re IRA**



COMPENSATION

RULES AND REGULATIONS ON THE GRANT OF UNIFORM/CLOTHING ALLOWANCE (U/CA) TO CIVILIAN GOVERNMENT PERSONNEL

Budget Circular No. 2018-1 dated March 8, 2018

This Circular increased uniform/clothing allowance to an amount not exceeding Six Thousand Pesos (P6,000) per annum.

The grant of this allowance shall be subject to the Personal Services Limitation in LGU budgets.



UPDATES ON THE MANDANAS CASE



Mandanas Petition

- MR was filed by the Office of the Solicitor General, the National Government's counsel on record, before the SC on August 10, 2018 to uphold the position of the DBM (Mandanas et al v ES Ochoa)
- Considering that the case is already covered by the *sub judice* rule, it would be most prudent for all parties concerned await **the final and executory decision** by the SC and refrain from entertaining private individuals or group that would offer additional IRA in exchange of money.



MARAMING SALAMAT PO!

