

TRANSFERRING TO THE BUDGET COMMISSION THE FUNCTIONS OF LOCAL GOVERNMENT BUDGET ADMINISTRATION

PRESIDENTIAL DECREE NO. 1375, May 16, 1978

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WHEREAS, it is the policy of government to undertake national development within its total context;

WHEREAS, local governments are vital components of the government's machinery for national development;

WHEREAS, local government's resources constitute a significant portion of the total development resources of government; and

WHEREAS, the Budget Commission is entrusted with the responsibility of assisting the President in the preparation of the total national resources and expenditures budget, which includes, among others, those for local governments:

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree:

SECTION 1. The Budget Commission shall be responsible for the review and evaluation and for taking appropriate action on the annual principal and supplemental budgets and other financial statements covering all funds of local governments; and the review and formulation of recommendations on resolutions of local legislative bodies involving appropriation of local funds. These functions and generally those pertaining to expenditures of local governments, governed by P. D. No. 477 and presently performed by the Department of Finance, are hereby transferred to the Budget Commission. All pertinent records appropriations and such qualified personnel as may be necessary, from the Office of Local Government finance or other units of the Department of Finance, involved in or connected with the aforesaid functions, are likewise hereby transferred to the Budget Commission.

SEC. 2. In connection with the above, the Budget Commission shall perform the following functions:

- Analyze and review annual principal and supplemental budgets of provinces and cities to determine compliance with statutory and other mandatory requirements;
- Examine and process applications of local governments for cash advances and budgetary aids with respect to their budgetary implications, and prepare appropriate recommendations thereon;
- Examine and analyze provincial and city trial balances, books of accounts, and other financial reports, as may be necessary in the fulfillment of the budget function;
- Compile and tabulate statistical data, prepare and analyze consolidated financial statements of local governments, and review projections end forecasts of local government income and expenditures;
- Provide technical assistance to local governments in the preparation, authorization, execution and accountability phases of the budget process;

- Formulate and promulgate rules and regulations for the effective performance of all the foregoing functions; and
- Perform other related functions as may be assigned by competent authority.

The Secretary of Finance shall continue to exercise the functions assigned to him under P. D. No. 477 pertaining to local government income, borrowings, other receipts, and local treasury operations.

SEC. 3. Local government units shall constitute and include in their administrative organization, an office/section/unit responsible for budget functions. It shall provide technical and staff services to the Chief Executive and other local officials on budget matters. In addition, the budget officers of provinces shall review the budgets of municipalities and the budget officers of cities and municipalities shall review the budgets of barangays, within their respective jurisdictions, observing the requirements and limitations prescribed for provincial and city governments under P. D. No. 447 and this Decree.

SEC. 4. Budget officers of provinces cities and municipalities shall be appointed by the local government head concerned from persons meeting the minimum qualification requirements for provincial, city and municipal treasurers as the case may be, subject to civil service law and subject to the approval of the Commissioner of the Budget.

SEC. 5. Revenue funds shall not be paid out of any local treasury except in pursuance of specific statutory authority or of appropriations duly approved pursuant to P. D. No. 477 and this Decree.

SEC. 6. The Budget Commission shall undertake the functions assigned by this Decree through its Regional Offices, with technical assistance from its Local Governments and Government Corporations Budget Office. For this purpose, the Budget Commission is hereby authorized to establish such additional Regional Offices as may be necessary to properly discharge local government budget functions.

SEC. 7. There is hereby authorized to be appropriated the amount of five million pesos for the Budget Commission to carry out the functions prescribed under this Decree.

SEC. 8. All provisions of laws, decrees, and orders inconsistent with this Decree are hereby amended or modified accordingly.

SEC. 9. This Decree shall take effect upon its approval.

Done in the City of Manila, this 16th day of May, in the year of Our Lord, nineteen hundred and seventy-eight.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Assistant

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