

[PRESIDENTIAL DECREE NO. 1375, May 16, 1978]

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

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:

- a. Analyze and review annual principal and supplemental budgets of provinces and cities to determine compliance with statutory and other mandatory requirements;
- b. Examine and process applications of local governments for cash advances and budgetary aids with respect to their budgetary implications, and prepare appropriate recommendations thereon;
- c. 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;
- d. Compile and tabulate statistical data, prepare and analyze consolidated financial statements of local governments, and review projections and forecasts of local government income and expenditures;
- e. Provide technical assistance to local governments in the preparation, authorization, execution and accountability phases of the budget process;
- f. Formulate and promulgate rules and regulations for the effective performance of all the foregoing functions; and