



Republic of the Philippines
Tangapan ng Sangguniang Panlungsod
 2/F City Hall Bldg., J. Miranda Ave., Con. Peq., Naga City
 ☎ 472-79-19 • 473-20-51



ORDINANCE NO. 2017-072
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AN ORDINANCE FURTHER STRENGTHENING TRANSPARENCY AND PEOPLE PARTICIPATION IN GOVERNANCE IN THE CITY OF NAGA BY ESTABLISHING THE PROCESSES AND PROCEDURES THAT SHALL GOVERN THE PREPARATION AND APPROVAL OF THE ANNUAL BUDGET AND OTHER APPROPRIATION ORDINANCES OF THE CITY GOVERNMENT AND OF THE BARANGAYS WITHIN ITS TERRITORIAL JURISDICTION TO ENSURE THAT PUBLIC EXPENDITURE TRULY RESPONDS TO THE NEEDS AND ASPIRATIONS OF THE PEOPLE AND FOR OTHER PURPOSES:-

Author: Hon. City Councilor Mila Raquid Arroyo *[Signature]*
 Co-Author: Hon. Johnelle Jade Paredes, CYO Counterpart Councilor

EXPLANATORY NOTE

The Annual Budget of the government is the legal instrument that authorizes the expenditure of public funds in compliance with the clear mandate of Article VI, Section 29 (1) of the 1987 Philippine Constitution which states, thus: “[n]o money shall be paid out of the Treasury except in pursuance of an appropriation made by law.”

Likewise, in the allocation of government funds, Section 4 (2) of the General Auditing Code specifically provides that “Government funds or property shall be spent or used solely for public purposes. xxx xxx xxx.”

In faithful adherence to the principles of good governance, the budget of the government is a strong instrument for enforcing public accountability of government officers. Thus, a good budget has to be not only adhere to the aforementioned fundamental tenets but should also and primarily be truly responsive to the needs of the people. In order to achieve this purpose, the budgeting process itself requires that the same must not only be efficient, bit should also be transparent and participatory.

Indeed, a good budget process requires the active engagement and participation of the people as government has long recognized that it would be more efficient and responsive if the people were given the power and the responsibility to decide on goods and services that they need as they are the ones in the best position to determine just what exactly are these.

The enactment of this ordinance is envisioned to provide the guidelines that will ensure that the Annual Budget of the City Government of Naga and that of the Barangay Governments within its territorial jurisdiction adhere the principles and meet the requirement of responsiveness to the needs of the constituents and that therefore the process adopted in the approval thereof is transparent and participatory.

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Author: Hon. City Councilor Mila Raquid Arroyo
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Be it enacted by the Sangguniang Panlungsod of Naga, in session assembled, that:

SECTION 1. Title. This Ordinance shall be known as the **"PEOPLE'S BUDGET ORDINANCE OF NAGA CITY"**.

SECTION 2. Purpose. This Ordinance seeks to ensure that the Annual Budget and other Appropriation Ordinances of the City Government of Naga and of the Barangay Governments within its territorial jurisdiction are responsive to the needs of their respective constituents and are prepared and approved through a transparent, efficient and participatory processes.

SECTION 3. Scope. This ordinance shall govern the preparation and approval of the annual budget and appropriation ordinances of the City Government of Naga and of the different barangays within its territorial jurisdiction.

SECTION 4. Guiding Principles. In the preparation and approval of the Annual Budget and other appropriation ordinances, the following principles shall be strictly adhered to:

- 4.1 Public funds shall be allocated or expended only for public purpose or public use which must be clearly defined or described under the appropriation measure;
- 4.2 The Annual Budget or any appropriation ordinance shall be responsive to the situation of the community as reflected in the Community-Based Monitoring System (CBMS) or other repository of data/information on community situation;
- 4.3 The constituents of the City/Barangay had been given the opportunity to comment on the budget and such comments have been duly considered by the approving authority prior to its final action thereon.
- 4.4 The Annual Budget or any appropriation ordinance is the lifeblood of the Local Development Plan (LDP) and the Annual Investment Program (AIP) formulated in consultation with the respective constituents of the City Government and of the Barangays within its territorial jurisdiction.

SECTION 5. Required Provisions. All appropriation ordinances of the City Government of Naga and of the different barangays within its territorial jurisdiction shall meet the following requirements, among others:

- 5.1. The Annual budget contains a statement of the target accomplishments, stated either in specific terms or numbers or in percentages, vis-à-vis the Sustainable Development Goals or SDGs and other relevant performance measures;
- 5.2 The Annual budget is presented in such a manner as to be able to compare the proposed budget with that of the actual budget performance of the past and current budget years;
- 5.3 The budget contains a statement that in the approval thereof, consultations with the stakeholders were conducted or that they had been given sufficient time and opportunity to comment thereto.
- 5.4. All other appropriation ordinances contains a statement of the specific purpose/s of the appropriation and the source thereof;



SECTION 6. Components of the Annual Budget. As required under existing laws and national issuances and subject thereto, the following shall be contained in the Annual Budget among others:

- 6.1 Budget Message (or a simple cover letter in the case of the Barangays)
- 6.2 Certified Statement of Income for Past Year, Current Year, Budget Year
- 6.3 Actual Income and Expenditure for the Past Year
- 6.4 Actual and Estimated Income and Expenditure for Current Year
- 6.5 Income and Expenditure Estimate for Budget Year
- 6.6 Detailed Actual and Estimated Output
- 6.7 The Expenditure Program

SECTION 7. Supporting Documents for the Annual Budget. The following documents shall be submitted in support of the Annual Budget:

- 7.1 Vision and Mission statements
- 7.2 Strategic Directions
- 7.3 List of Priority Basic Services
- 7.4 List of Priorities for Development Projects funded out of the 20% Local Development Fund with corresponding resolution from the Local Development Council adopting the said priority list
- 7.5 Priority Development Projects to be Funded from external sources
- 7.6 Major Final Outputs with Performance Targets for Local Development Projects
- 7.7 Major Final Outputs with Performance Targets for Basic Services
- 7.8 Youth Development Fund Budget for the "SK Fund" (10% of the General Fund)
- 7.9 Details of the Solo Parent Budget (.5% of 1% of the General Fund)
- 7.10 Details of the PWD Budget (1% of General Fund)
- 7.11 Details of the Budget for Children (1% of IRA)
- 7.12 Details of the E-SKWELA Budget (.5% of 1% of General Fund)
- 7.13 Details of the GAD Budget (5% of General Fund)
- 7.14 Details of the DRRM Fund (5% of total income from regular sources)
- 7.15 Details of the Senior Citizens Budget (1% of General Fund)
- 7.16 Annual Investment Program
- 7.17 Other mandatory appropriations or provisions of appropriation ordinances

The provisions contained under sub-paragraphs 7.3 to 7.7 shall be determined in accordance with the provisions of Section 8 hereunder.

The respective sectors directly affected by the utilization of the statutory budgetary allocations as above listed shall be consulted in the utilization thereof and their representative, as designated by the Naga City People's Council, shall be a signatory in the Program and Budget therefor.

SECTION 8. THE ANNUAL BUDGET AND APPROPRIATIONS PROCESS. In addition to pertinent laws and national issuances, the Annual Budget shall be prepared and approved based on the LDP and the AIP and in accordance with the following processes and procedures:

8.1. THE ANNUAL BUDGET OF THE CITY GOVERNMENT

8.1.1. Preparation. The Proposed Annual Budget of the City Government of Naga shall be prepared in accordance with the following procedures:

8.1.1.1 Departmental/Sectoral Consultations convened by the Naga City People's Council (NCPC). Prior to the submission of

the proposed budget by the different Departments of the City Government of Naga for consolidation by the City Budget Officer, the Department Heads shall present to the public the Proposed Annual Plan and Budget of their respective departments through public consultations convened and facilitated by the Naga City People's Council. The public consultations shall be so organized and structured as to ensure participation of concerned stakeholders.

All public consultations on the proposed annual plan and budget of each department shall be completed on or before 15 July of the budget year and submitted to the City Budget officer on or before 30 July of the budget year for consolidation.

To facilitate substantive and efficient discussion in the public consultations, the following information shall be presented, among others:

1. Brief description of the mandate of the Department;
2. Department Programs and Activities and Programs within the context of the pertinent provisions of the Local Development Plan (LDP) and the Annual Investment Program (AIP) currently being implemented in carrying out its mandate and the specific output/results achieved therefrom;
3. Department Programs and Activities proposed to be undertaken under the Proposed Annual Budget and the specific output/result expected therefrom presented within the context of the pertinent provisions of the Local Development Plan (LDP) and the Annual Investment Program (AIP).

As a planning guide, the number of meetings or training attended or conducted shall not be considered as an output, but rather only as an activity conducted to achieve a defined output/result.

In the public consultations, the participants may recommend the inclusion of certain programs or activities that will respond to certain issues and concerns in the community which are not responded to in the proposed plan and budget presented by the concerned department.

The output/result expected from the public consultations is a written affirmation by the stakeholders of the programs and activities of the concerned department and the expected output/results therefrom duly numbered in accordance with the prioritization decided by the participants. This written affirmation and support shall be submitted by the NCPC to the City Budget Officer, copy furnished the City Mayor and the Sangguniang Panlungsod.

The Proposed Annual Budget of the Departments or offices of the City Government of Naga shall not be admitted by the City

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Budget Office without the aforementioned certification from the NCPC. In the event of inability of the NCPC to submit such certification, the CPDO shall certify on the fact that the consultations as required under this sub-section had been duly complied with. In which case, the NCPC shall inform in writing the City Mayor and the Sangguniang Panlungsod on the reason of its inability to issue such certification.

8.1.1.2 Public Presentation of the Consolidated Proposed Annual Budget of the City Government. After all the proposed annual budget of the different departments or offices shall have been consolidated by the City Budget officer, the latter shall present the same in an all-sector public consultation convened and facilitated by the NCPC on or before 30 July of the budget year.

8.1.1.3 Participation of the City Planning and Development Office (CPDO) in the Public consultations. The CPDO shall participate in the above-required public consultations in order to ensure that the expected/target outputs/results also respond to the Sustainable Development Goals (SDGs) or other officially declared performance targets based on the City's CBIMS or other planning data/information.

8.1.1.4 Facilitative Mechanism. To ensure adherence to the consultative process of budget preparation mandated under this ordinance, the NCPC and the CPDO shall jointly submit to the City Mayor and the Sangguniang Panlungsod the dates/schedule of the budget preparation public consultations not later than the 15th of March every year.

8.1.2 Submission to the Sanggunian. The Proposed Annual Budget of the City Government of Naga shall be submitted by the City Mayor to the Sangguniang Panlungsod on or before October 15 of every year, or as may be declared by law or national issuances.

The Proposed Annual Budget shall be accompanied with a List of outputs/results expected/targeted to be achieved within the fiscal year duly signed by the City Mayor and the Chairperson of the NCPC specifically covering the items enumerated under Sections 7.3 up to 7.17 of this Ordinance.

8.1.3 Number of copies - The Proposed Annual Budget of the City Government, together with the required attachments, shall be submitted in such number of copies as sufficient to provide copies thereof to each and every member of the Sangguniang Panlungsod, the City Vice-Mayor, the SP Secretary, and a copy for the general public.

8.1.3 Required Certifications - The Sanggunian Secretary shall not accept the submission of the Proposed Annual Budget of the City Government unless it is accompanied with the following: i) Certification by the CPDO that the proposed budget has taken into consideration the SDGs and the City's CBMS as required under Sections 4.2, 4.3, 5.1 and 5.3; and ii) Certification by the City Budget Officer that the proposed budget fully satisfies the requirements provided under this Ordinance particularly

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on Sections 6, 7, 8.1.1 and 8.1.2 hereof and other mandatory provisions as required under existing laws, rules, or ordinances ;

8.1.4 Action by the Sangguniang Panlungsod.

8.1.4.1 Inclusion as New Business. When, after inspection by the Sangguniang Panlungsod (SP) Committee on Rules and Privileges, it is found that the pertinent certifications as required under Section 8.1.3 hereof are attached in the Proposed Annual Budget of the City Government, the proposed measure shall be included as New Business in the Calendar and Order of Business of the Sangguniang Panlungsod in its Regular Session immediately following the date of receipt thereof.

8.1.4.2 Referral to the Appropriate Committee. In the session of the Sangguniang Panlungsod where the Proposed Annual Budget of the City Government is read for the first time, the same shall be referred to the SP Committee on Appropriations.

8.1.4.3 Posting of Proposed Annual Budget - The copy of the Proposed Annual Budget intended for the general public shall be caused by the Sanggunian Secretary to be posted in at least two (2) conspicuous places within the City Hall premises and in the Market Enterprise Promotions Office (MEPO). This document shall continue to be posted therein until the new Annual Budget shall have been approved.

The Sanggunian Secretary shall likewise cause such posting in the official websites of the City Government of Naga.

8.1.4.5 Posting of Schedule for Budget Hearing. Upon receipt of the Proposed Annual Budget, the Committee on Appropriations shall approve the schedule for the hearings thereon and direct the Sanggunian Secretary to cause the posting thereof in the manner as provided in the foregoing Section Media Corps of the City Government shall be mobilized to ensure wide dissemination of the information.

8.1.4.6 Purpose for posting. During the posting period, the Sangguniang Panlungsod shall receive written comments from residents of Naga City or from any concerned citizen on the Proposed Annual Budget.

8.1.4.4 Committee Hearings. The Appropriations Committee of the Sangguniang Panlungsod shall conduct as many hearings and other processes as may be necessary on the proposed Annual Budget to ascertain the responsiveness of the budget to the development needs and direction of the City.

8.1.4.7 Public Nature of Committee Hearings. The budget hearings of the Committee on Appropriations are open to the public, just like all other committee hearings of the Sanggunian Panlungsod. To ensure and maintain order in the committee deliberations, only written and signed comments or questions coming from the general public will be considered by the Committee and the

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Committee Chairperson shall direct the deliberations/discussions and exercise complete control thereof.

8.1.4.8 Committee Report on the Proposed Annual Budget for Approval by the Sangguniang Panlungsod. As far as practicable, the Committee on Appropriations shall present the City's Annual Budget for the approval of the Sangguniang Panlungsod on or before December 15 of each budget year. The schedule of presentation for approval of the Annual Budget shall be published in the website of the city Government of Naga and the Media Corps of the City Government shall be mobilized to ensure wide dissemination of the information.

8.1.4.9 Required Content/Information to be presented in the Committee Report. To facilitate understanding of the Proposed Annual Budget in its entirety, the Committee on Appropriation, in its Report for the approval of the Annual Budget, shall present the following information:

1. Comparative Budget performance in the three (3) immediately preceding budget years showing the budget as approved and the actual expenditure, both for Office and Non-office categories;
2. Budget Comparison of the immediately preceding year, the current year, and the proposed budget on the following areas: Human Resources (HR)/Personnel, Maintenance and other Operating Expenses (MOOE), Capital Outlay, and other main budget categories. The Information that will be presented on HR/Personnel shall show not only the amount but also the number thereof under each personnel classification such as Plantilla, Casual, and Contractual (Job Order, Consultants, etc.)
3. Expected Measurable Output in terms of the SDGs and other performance measures based on the CBIMS and other pertinent planning information.

8.1.4.10 Vote required for approval. As provided under Republic Act No. 7160, the Annual Appropriations Ordinance of the City shall not pass except by a vote of 2/3 of all the Members of the Sangguniang Panlungsod.

8.1.4.11. Changes or amendments in the Approved Annual Appropriations Ordinance. Except only when declared as urgent by 2/3 vote of the Sangguniang Members, or certified as such by the Local Chief Executive, any proposed amendatory ordinance or executive issuance that has the effect of amending the approved Annual Appropriations Ordinance of the City of Naga shall not be enacted or approved unless it is accompanied by a certification from the Sanggunian Secretary that such proposal had been posted for at least Thirty (30) days in at least two (2) conspicuous places within the City Hall premises.

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8.2 THE BARANGAY ANNUAL APPROPRIATIONS ORDINANCE.

The approval of the Barangay Annual Appropriation Ordinance shall be in accordance with the following processes and procedures:

8.2.1 Date of Submission of the Proposed Barangay Annual Budget to the Sangguniang Panlungsod. The Barangay Annual Appropriations Ordinance shall be submitted to the Sangguniang Panlungsod on or before October 30 of every year, or as may be declared by law or national issuances.

8.2.2 Required Certifications. The Barangay Annual Appropriations Ordinance shall not be accepted by the Secretary of the Sangguniang Panlungsod unless it is accompanied with the following certifications:

i) Certification from the Barangay Secretary that the Proposed Barangay Annual Budget was posted from September 15 of the budget year, together with the schedule of the Sangguniang Barangay sessions or committee deliberations thereon, up to the date of the passage of the Barangay Annual Appropriation Ordinance and that the Barangay Annual Appropriation Ordinance is likewise posted as mandated under Section 10 hereof;

ii) Certification from the NGOs/POs accredited by the Barangay, if there are any that they had the opportunity to comment on the Proposed Barangay Annual Budget or make recommendations thereon. If comments had been submitted, such comments shall be listed in summary form and a statement of the response/action taken thereon by the Barangay Council shall be attached to the Proposed Barangay Annual Budget. If there are no accredited NGOs/POs in the Barangay, such fact shall be certified to by the Barangay Secretary and attached to the Proposed Barangay Annual Budget.

For the purpose of this subsection, the all Barangay Sanggunian within the territorial jurisdiction of the City of Naga are strongly encouraged to devise a system by which the participation of their respective constituents in the decision-making processes of the barangay, such as in the preparation and approval of the Barangay Annual Budget, may be effectively facilitated.

iii) Certification by the City Planning and Development Officer that the proposed budget has taken into consideration the SDGs or other officially declared government performance measures and the Barangay CBMS as required under Sections 4.2, 4.3, 5.1 and 5.3 hereof; and

iii) Certification by the City Budget Officer that the proposed budget fully complies with the provisions of Sections 6 and 7 hereof and other mandatory appropriations or budget provisions as required under pertinent laws, ordinances, rules or regulations.

8.2.3 Number of copies. The Barangay Annual Appropriations Ordinance, together with the required attachments thereto, shall be submitted

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in three (3) copies, one each for the SP Secretariat, the City Budget Office, and the CPDO. The same shall also be provided in electronic copy to be furnished each and every member of the Sangguniang Panlungsod.

8.2.4 Action by the Sangguniang Panlungsod on the Barangay Annual Appropriations Ordinances

8.2.4.1 Inclusion as Special Business or Order. When, after inspection by the SP Committee on Rules, it is found that the pertinent certification as required under Section 8.2.3 hereof are attached in the Annual Appropriations Ordinance of the Barangay, the same shall be immediately included as Special Business or Order in the Calendar and Order of Business of the Sangguniang Panlungsod in its Regular Session immediately following the date of receipt thereof.

8.2.4.2 Presence of the Punong Barangay, Members of the Barangay Council, the CPDO and the CBMO. In the session of the Sangguniang Panlungsod where the Barangay Annual Appropriation Ordinance has been calendared, the Punong Barangay or his duly designated representative, the CPDO and the CBO or their duly designated representatives, shall be present to answer questions that the members of the Sangguniang Panlungsod may have concerning the matter.

For the purpose of this Section, the Punong Barangay or his duly designated representative, shall make a presentation of the concrete outputs expected to be achieved for the budget year particularly in reference to the Barangay CBMS and the SDGs.

8.2.4.3 Approval of the Barangay Annual Appropriations Ordinance. After the questions of the Sangguniang Panlungsod shall have been answered, the certifications issued by the CPDO and the CBO as provided under Section 8.2.3 above shall be sufficient basis for the approval of the Barangay Annual Appropriations Ordinance.

8.2.5.4 Amendments or changes in the Approved Annual Appropriations Ordinance. Except only when the proposal is considered as urgent by 2/3 vote of the Sangguniang Barangay, any proposed amendatory ordinance or executive issuance that has the effect of amending the approved Barangay Annual Appropriations Ordinance shall not be enacted or approved unless it is accompanied by a certification from the Barangay Secretary that such proposal had been posted for at least thirty (30) days in a conspicuous place within the Barangay Hall. Any written comments or questions submitted by any concerned citizen pertaining to the proposed amendment or changes shall be attached to the Ordinance submitted for the approval of the Sangguniang Panlungsod.

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SECTION 9. Process for approving all other appropriations ordinances. All appropriations ordinances shall contain a certification from the City Budget Office of availability of funds or of the source thereof and that the same is compliant with all budgetary laws, rules, and ordinances and shall be approved in accordance with the process adopted by the Sangguniang Panlungsod for all other matters.

SECTION 10. Posting of the Approved Appropriations Ordinances of the City Government and of the Barangays. Immediately after the approval of the Annual Budget of the City Government and of the respective Barangays in the City of Naga, as well as all other appropriation ordinances of the City and of the barangays within its territorial jurisdiction, such ordinances shall be posted in a conspicuous place within the City Hall /Barangay Hall premises and shall remain posted thereon for the entire year. The same posting shall be made in the website of the City Government and of the respective barangays.

SECTION 11. Assistance from the City Planning and Development Office, the City Budget Office. To ensure compliance with budgeting rules and this ordinance, the CPDO and the CBO shall make themselves available to render assistance as may be required by the different barangays and offices of the City Government in the preparation of their respective annual budget.

SECTION 12. Assistance from the Naga City People's Council (NCPC). To ensure meaningful participation of the people of Naga in the processes mandated under this Ordinance, the NCPC shall adopt and implement a program to achieve this purpose in accordance with the objectives of Ordinance No. 95-092 otherwise known as the Empowerment Ordinance of Naga City. The program approved by the NCPC for this purpose shall be submitted to the City Mayor and the Sangguniang Panlungsod for information and support and shall be posted in the official websites of the City Government of Naga.

SECTION 13. Separability. In the event that any or some portions of this Ordinance are declared illegal or invalid by a court of competent jurisdiction, the provisions not otherwise declared as such shall remain to be in full force and effect.

SECTION 14. Amendatory and Repealing Clause. - Any ordinance or executive issuance, or any part thereof, inconsistent with this Ordinance are hereby repealed or amended accordingly.

SECTION 15. Effectivity. - This Ordinance shall take effect immediately upon its approval.

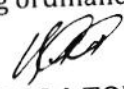
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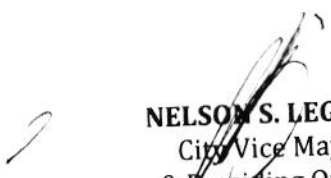
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WE HEREBY CERTIFY to the correctness of the foregoing ordinance.


GIL A. DE LA TORRE
Secretary to the
Sangguniang Panlungsod


NELSON S. LEGACION
City Vice Mayor
& Presiding Officer

APPROVED:

JOHN G. BONGAT
City Mayor