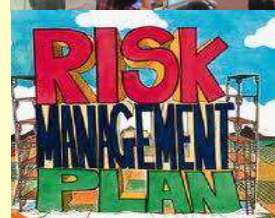




# STRATEGIC FINANCIAL MANAGEMENT PLAN

Provincial Government of Bohol

2011-2015





Republic of the Philippines  
PROVINCE OF BOHOL  
City of Tagbilaran

## MESSAGE



It gives me great pleasure to present this Strategic Financial Management Plan (SFMP) for the Provincial Government of Bohol for the period 2011-2015. This accomplishment comes within the first 100 days of our administration, being one of our avowed priorities.

Our Executive-Legislative Development Agenda, embodied in the phrase HEAT Bohol (which stands for Health and Sanitation, Education and Technology, Agriculture and Food Security, and Tourism and Livelihood), can only be given their proper support if the Provincial Government has the full command of its financial resources at hand. The same goes for our strategies, known collectively as LIFE HELPS: Livelihood & Tourism, Infrastructure, Food Security, Education, Health, Environment, Leadership Development, Peace and Order, and Sports and Youth Development.

The Provincial Government of Bohol is a first-class province, and is therefore expected to have the capability to fund service delivery at a level of quality befitting its first-class income category. It is therefore an urgent priority that we reduce the level of dependency on the Internal Revenue Allotment (IRA), by raising the percentage of local revenue generation, among other means.

This SFMP is expected to help us accomplish just that. By achieving full financial sustainability and enhancing local revenue generation, the PGBh will be able to accomplish not just the aforesaid development agenda and strategies, but will be among the most competitive provinces in the entire country in terms of service delivery.

Onwards to a more financially sustainable Provincial Government of Bohol!

September 1, 2010.

**EDGAR M. CHATTO**  
Provincial Governor



Australian Government  
AusAID



Philippines Provincial Roads  
Management Facility  
Supported by the Australian Government Aid Program

**PRMF**  
**SFMP**

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## ACRONYMS

|         |   |
|---------|---|
| AIP     | Annual Investment Program                             |
| BAC     | Bids and Awards Committee                             |
| BEMO    | Bohol Environment Management Office                   |
| BIPC    | Bohol Investment and Promotion Center                 |
| BOSS    | Bohol One-Stop Shop                                   |
| CLUP    | Comprehensive Land Use Plan                           |
| COA     | Commission on Audit                                   |
| CSC     | Civil Service Commission                              |
| DBM     | Department of Budget and Management                   |
| ELA     | Executive and Legislative Agenda                      |
| ELFC    | Expanded Local Finance Committee                      |
| E-NGAS  | Electronic New Government Accounting System           |
| E-TRACS | Enhanced Tax Revenue Assessment and Collection System |
| FITTSYS | Financial Transaction Tracking System                 |
| GAD     | Gender and Development                                |
| GF      | General Fund  |
| GIS     | Geographic Information System                         |
| GO      | Governor's Office                                     |
| HRMDO   | Human Resource Management and Development Office      |

|          |   |
|----------|---|
| IAS      | Internal Audit Service                                  |
| IEC      | Information and Education Campaign                      |
| IRA      | Internal Revenue Allotment                              |
| ICT      | Information and Communication Technology                |
| IT       | Information Technology                                  |
| LAMP     | Land Administration and Management Office               |
| LCE      | Local Chief Executive                                   |
| LFC      | Local Finance Committee                                 |
| LGC      | Local Government Code                                   |
| LGU      | Local Government Unit                                   |
| MEB      | Management Executive Board                              |
| MOA      | Memorandum of Agreement                                 |
| MOOE     | Maintenance and Other Operating Expenses                |
| NEDA     | National Economic Development Authority                 |
| NGICS    | National Guidelines on Internal Control Systems         |
| NGO      | Non-Government Organization                             |
| ODA      | Overseas Development Assistance                         |
| PAccO    | Provincial Accountant's Office                          |
| PAdmO    | Provincial Administrator's Office                       |
| PAssO    | Provincial Assessor's Office                            |
| PBO/PBMO | Provincial Budget and Management Office                 |
| PDC      | Provincial Development Council                          |
| PDC-TWG  | Provincial Development Council Technical Working Group  |
| PDIP     | Provincial Development Investment Program               |
| PDMU     | Project Development Monitoring Unit                     |
| PDPFP    | Provincial Development and Physical Framework Plan      |
| PEO      | Provincial Engineering Office                           |
| PFM      | Public Financial Management                             |
| PGBh     | Provincial Government of Bohol                          |
| PGSO     | Provincial General Services Office                      |
| PhilGEPS | Philippine Government Electronic Procurement System     |
| PLEE     | Potential Local Economic Enterprises                    |
| PLUC     | Provincial Land Use Committee                           |
| PO       | Peoples Organization                                    |
| PPAs     | Programs, Projects, and Activities                      |
| PPDC     | Provincial Planning and Development Coordinator         |
| PPDO     | Provincial Planning and Development Office              |
| PPOC     | Provincial Peace and Order Council                      |
| PRMF     | Provincial Roads Management Facility                    |
| PS       | Personal Services                                       |
| RA       | Republic Act  |
| RAO      | Registry of Allotment and Obligation                    |
| RPTIS    | Real Property Tax Information System                    |
| SAAOB    | Statement of Appropriations, Allotments and Obligations |
| SEF      | Special Education Fund                                  |
| SFMP     | Strategic Financial Management Plan                     |
| SP       | Sangguniang Panlalawigan                                |
| SRRIP    | Second Rural Road Improvement Project                   |
| SWOT     | Strengths, Weaknesses, Opportunities and Threats        |
| TWG      | Technical Working Group                                 |
| VMG      | Vision Mission Goals                                    |

## INTRODUCTION

The Strategic Financial Management Plan (SFMP) of the Provincial Government of Bohol (PGBh) will help PGBh on achieving financial sustainability necessary to maintain and improve the quality of its services. This provides the financial management strategies to help meet its statutory obligations consistent with its policy directions. This Plan provides a single point of reference for a range of statutory and management financial information.

## OVERVIEW

The SFMP of Bohol shows the direction of the provincial government in the generation and utilization of its financial resources for the next five-year period, 2011 to 2015. It is a result of a combined process of analyzing the historical data on past performance scanning both the internal and external environment of the province.

The SFMP is built on the following:

- The objectives and strategic directions of the provincial government as determined in the Provincial Development and Physical Framework Plan (PDPFP);
- The goals and objectives of the PRMF to increase local economic activity and improve public access to infrastructure and services;
- The current state or condition of the road network development in the provincial government and the corresponding strengths and weaknesses in the various areas of financial management as reflected in the Provincial Assessment and/or Provincial Road Sector Planning and Management Review (PRSPMR); and
- The availability of funds for various needs including new road works, road rehabilitation and road maintenance as well as construction and supporting infrastructure.

## OBJECTIVES

The SFMP aims to:

- support the objectives and directions of the provincial government as spelled out in the PDPFP and carry on the goals and objectives of the PRMF;
- advance the systems and processes of planning, budgeting, and financial reporting in order to rationalize the allocation and utilization of economic resources;
- expand the resource mobilization base as a precondition for the generation of financial resources and the sustainability of programs and projects; and
- develop the capacity of organizational units and individuals involved in financial management

## CONTENTS OF THE SFMP

The SFMP has four major components as follows:

1. Provincial Fiscal Profile: 2004-2009
2. Financial Management Development Plan
3. Implementation Mechanism and Plan of Actions
4. Complementary Plans

## 1 PROVINCIAL FISCAL PROFILE

The PGBh, as a first class province, has a competitive fiscal profile with an active expanded Local Finance Committee who is at the forefront of its financial administration. The committee is tasked with the formulation of financial policies and recommendations which dictates the fiscal directions of the provincial government. Regular meetings are done to discuss financial issues with the purpose of deriving a collective stand and synchronizing financial efforts in the entire provincial government.

The PGBh's continued thrust of developing its financial performance resulted to an increase in locally generated revenue, maximization of the use of its limited resources and the implementation of priority programs, projects and activities that provide greater socio-economic benefits to the Boholano constituents. It also promoted good governance, transparency and accountability which helped the province to efficiently and effectively perform its mandated role and functions.

### 1.1 INCOME PATTERNS

#### 1.1.1 Collection Efficiency

The collection efficiency of the PGBh from 2004 to 2009 is favorable posting an average rate of 101.8% translated to an average yearly over-collection of ₱13.95 million. Within the six-year period, total net over-collection amounted to ₱83.70 million, the bulk of this excess collection coming from:

|                              |   |                       |
|------------------------------|---|-----------------------|
| ▪ IRA                        | - | (+) ₱ 92.77 M (2.4%)  |
| ▪ Hospital Income            | - | (+) ₱ 18.04 M (15.5%) |
| ▪ share from Chocolate Hills | - | (+) ₱ 16.94 M (100%)  |
| ▪ Gain on investments        | - | (+) P 5.33 M (100%)   |
| ▪ Interest on deposits       | - | (+)P 3.73 M (6.8%)    |

This collection efficiency is somehow offset by the following major areas of under-collection:

|                                   |   |                      |
|-----------------------------------|---|----------------------|
| ▪ RPT                             | - | (-) ₱ 20.58 M (18%)  |
| ▪ SEF                             | - | (-) ₱ 9.06 M (6.7%)  |
| ▪ Environmental                   | - | (-) ₱ 1.55 M (16.1%) |
| ▪ Rental office spaces            | - | (-) ₱ 2.07 M (12.7%) |
| ▪ Rental from Business Facilities | - | (-) ₱ 1.00 M (16.9%) |

Also, there were under-collections for tax on delivery trucks, franchise tax, property transfer tax, miscellaneous income and other receipts. For 2009, Miscellaneous Income (i.e. Receipts from Racer, Bofamco, etc.) posted a remarkable under-collection of ₱31.29 million or 91%. During this year, the PGBh expected to receive the payment for cost recovery of these projects but failed due to delay in implementation and other internal problems.



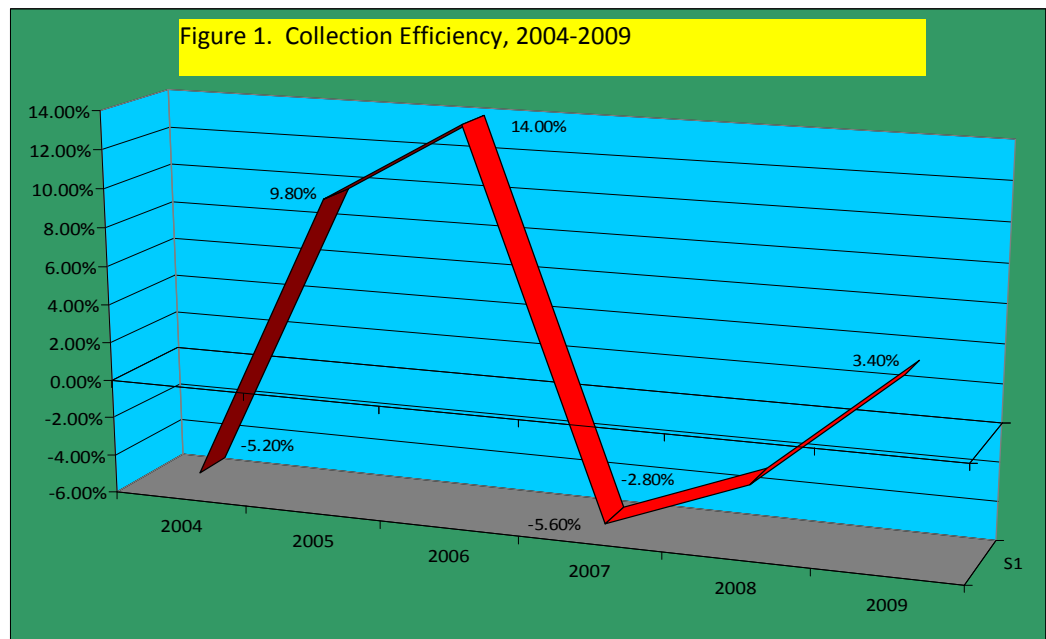


Figure 1 shows an erratic trending of collection efficiency in the PGBh during the 6-year period of operation. This drastic decrease of collection in the year 2006-2007 is due to the tax credit claimed by the Bohol Electric Cooperative on franchise tax pursuant to Bureau of Local Government Finance (BLGF) Memorandum Circular that provides the exclusion of generation charge in the computation of tax. Another reason is that the implementation of Judicial and Administrative Remedies (JAR), which could have enforced the collection of delinquent Real Property Tax, has not been done in consideration of election period. The highest collection efficiency registered at 14.00% happened in 2006 while the lowest which is -2.80% is in 2007. Despite the abnormal trending on the collection efficiency, the provincial government gained an increase in 2009 as it bounced to 3.40%.

The following were also observed:

- Less than optimal collection efficiency in RPT;
- Inefficient tax collection systems/procedures at the municipal level;
- Less coordination between municipal assessor and treasurer; and
- No electronic linkage (billing and collection on RPT) between provincial assessment and treasury

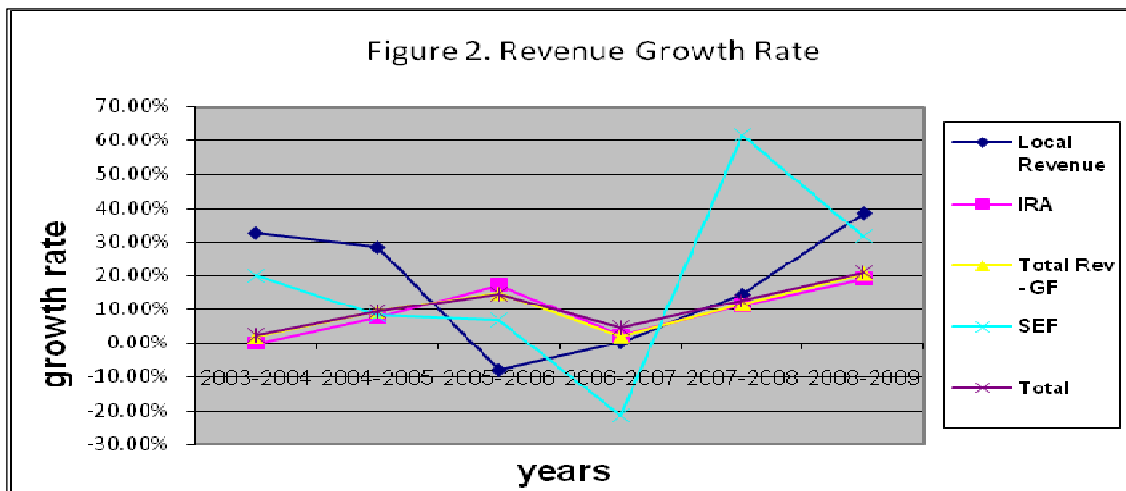
### 1.1.2 Revenue Growth Rate

The total revenue pattern of the PGBh shows favorable trends with an average increase of ten percent (10%) per annum or an average yearly increase of P 76.9 million. The PGBh has surpassed the provincial benchmark of 8.9%.

In the local revenue growth rate, the highest registered rate is in 2008-2009 with 38.66% while the lowest is in 2005-2006 registering -7.84%. The trending is decreasing in the first three years from 2004-2006 and it increases in the succeeding years from 2007-2009 (Table 1 and Figure 2 below).

**Table 1. Percent of Annual Revenue Growth Rate: 2003-2009**  
**Bohol Provincial Government**

| Annual Growth Rate | 2003-2004 | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 |
|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Local Revenue      | 32.63%    | 28.49%    | -7.84%    | 0.30%     | 14.53%    | 38.66%    |
| IRA                | 0.01%     | 7.78%     | 17.33%    | 2.38%     | 11.37%    | 19.16%    |
| Total Rev - GF     | 2.07%     | 9.43%     | 14.91%    | 2.22%     | 11.61%    | 20.67%    |
| SEF                | 20.00%    | 8.22%     | 6.84%     | -21.29%   | 61.81%    | 31.64%    |
| Total              | 2.49%     | 9.40%     | 14.69%    | 4.62%     | 12.60%    | 20.98%    |



On the overall total annual growth rate of the General Fund and Special Education Fund, it registered an increasing trend with a decrease in 2006 – 2007 at 4.62% only to increase to 12.60% in the succeeding year.

The total revenue pattern of the PGBh is on a favorable trend showing an average increase of 10% per annum or an average yearly increase of ₱76.9 million (Table 2). On a year to year basis, the following posted an average yearly growth of:

- Local revenue - 18% or ₱ 9.10 M
- IRA - 10% or ₱ 64.73 M
- SEF - 18% or ₱ 3.07 M

**Table 2. Revenue Growth Rates**  
**Bohol Provincial Government**

| Revenue Growth | Total Growth (6 year period) | Average Growth per Year | Total Growth Rate(6-year period) | Average Growth Rate per Year |
|----------------|------------------------------|-------------------------|----------------------------------|------------------------------|
| Local Revenue  | 54,611,300.54                | 9,101,883.42            | 107%                             | 18%                          |
| IRA            | 388,426,529.00               | 64,737,754.83           | 58%                              | 10%                          |
| Total Rev - GF | 443,037,829.54               | 73,839,638.25           | 61%                              | 10%                          |
| SEF            | 18,451,062.26                | 3,075,177.04            | 107%                             | 18%                          |
| Total          | 461,488,891.80               | 76,914,815.30           | 62%                              | 10%                          |

For the local revenue on a year to year basis, the following posted an average yearly growth which is as follows:

|                                    |   |     |    |          |
|------------------------------------|---|-----|----|----------|
| Real Property Tax                  | - | 19% | or | ₱ 2.44 M |
| Secretary fees                     | - | 47% | or | ₱ 0.26 M |
| Hospital Income                    | - | 22% | or | ₱ 3.65 M |
| Rental - Office Space              | - | 9%  | or | ₱ 0.12 M |
| Tax on Delivery Trucks             | - | 14% | or | ₱ 0.16 M |
| Rental – Business, Facilities      | - | 32% | or | ₱ 0.14 M |
| Property transfer                  | - | 29% | or | ₱ 0.25 M |
| Share from Chocolate Hills Complex | - | 39% | or | ₱ 0.94 M |

The Secretary fees yielded the highest average yearly growth with 47% and this is simply due to the increased rate. Share from Chocolate Hills Complex also posted the next highest yearly growth rate of 39% which is the result of reclassifying this share from Trust Fund to General Fund. It can also be noted that an increase in toll fees (entrance fee) was seen and this increase the total income which also increased the share of the province.

However, the following posted an average yearly negative growth as follows:

|                   |   |     |    |              |
|-------------------|---|-----|----|--------------|
| Franchise tax     | - | 19% | or | (-) ₱ 0.37 M |
| Sand and Gravel   | - | 17% | or | (-) ₱ 0.02 M |
| Environmental tax | - | 12% | or | (-) ₱ 0.32 M |

Franchise Tax and Rental for Office Space revenue sources, though registering an over-all positive increase for the 6-year period, posted a negative growth in the last 2 years. This is due to non-collection of franchise tax from Bohol Electric Cooperative and the conversion of commercial spaces into government offices.

The year 2009 registered the highest growth rate of 21% mainly due to:

|   |   |         |
|---|---|---------|
| o Increase in IRA                           | - | ₱ 149 M |
| o Increase in RPT                           | - | ₱ 5.4 M |
| o Increase in hospital income               | - | ₱ 8.8 M |
| o Increase in interest income from deposits | - | ₱ 4.1 M |
| o Increase in share from Chocolate Hills    | - | ₱ 2.4 M |

The factors that Influence the increase in RPT collection include a) implementation of General Revision on Assessed Value in RPT; b) conduct of public auction on RPT delinquency; c) publication of delinquent real properties; d) enhanced tax collection via vigorous tax information campaign and intensified tax collection efforts; e) sending and distribution of demand letters to delinquent tax payers during tax campaign activities; f) the granting of tax amnesty which started in October 2009 until March 31, 2010; and g) presence of tax enforcers in various strategic locations within the province.

Increase in Hospital Income is attributed to the regular conduct of revenue collection and remittances audit together with the PTO personnel. For year 2009, the rising trend can be also attributed to the updating of fees as per Provincial Ordinance No. 2008-014.

Presence of Hanjin projects in the province brought about by a good number of road construction projects requiring base materials like sand and gravel has contributed to the increase in Sand and Gravel / Extraction Fees in 2004. The presence of Hanjin projects such as the concreting of circumferential roads throughout the province has also contributed to the increase in Environmental Tax for 2005 and 2006.

BOHECO 1 and 2 are the only sources of franchise tax collection of the provincial government. It has generated more than PhP2.0 Million in 2004 and 2005. When a law was passed regarding the exemption of BOHECO from franchise tax in 2006, it resulted to tax credits and caused the declining franchise tax collections starting in 2006 to 2009.

The decrease in Sand and Gravel/Extraction Fees was caused by the presence of illegal extractors and the stoppage of operations of some quarry sites. This was also an effect of the completion of Hanjin projects in the province. The increase in Property Transfer Tax was caused by the conduct of auction sale and the presence of Land Administration and Management Project 2 (LAMP 2) in the province.

Increase in Secretary Fees/ Certifications was caused by a legislation thru Provincial Ordinance No. 2008-014, increasing the local fees/local charges. This increase started around September of 2008 and was in its full implementation by 2009. The presence of LAMP 2 has also contributed to the increase in secretary fees/certifications due to the increasing number of requested copies of official records and documents from the different offices in Bohol.

### 1.1.3 Revenue Composition

The PGBh is primarily dependent on the monthly Internal Revenue Allotment (IRA) from the National Government. Locally generated revenue is only 8.3% for the 6-year period despite effort of updating fees in the different revenue sources.

Total Revenue Collection by Revenue Account (Table 1.B) shows the relationship in percentile between the Total Local Revenue and the IRA on a year to year basis. Table 1 below shows the IRA as the biggest chunk of the revenue collection ranging from 90.39% (the lowest) in 2005 to 94.44% (the highest) in 2007. In 2009, the PGBh has an additional collection from its monetized IRA in 2003 to 2005 and this represented .66% of the Total Revenue for the General Fund. The monetization was the additional IRA that should have been collected in the previous years but was withheld due to the shortfall of revenue targets of the National Government.

**Table 3. Percent of Total Revenue Collection by Revenue Account  
Bohol Provincial Government**

| Revenue Account              | % Of Total Revenue Collection |         |        |         |         |         |
|------------------------------|-------------------------------|---------|--------|---------|---------|---------|
|                              | 2009                          | 2008    | 2007   | 2006    | 2005    | 2004    |
| Total – Local Revenue        | 8.91%                         | 7.76%   | 7.56%  | 7.70%   | 9.61%   | 8.18%   |
| IRA                          | 90.43%                        | 92.24%  | 94.44% | 92.30%  | 90.39%  | 91.82%  |
| Monetized IRA                | 0.66%                         | 0.00%   |        |         |         |         |
| Aid From PSP                 | 0.00%                         |         |        |         |         |         |
| Total Revenue- General Fund  | 100%                          | 100%    | 100%   | 100%    | 100%    | 100%    |
| Special Education Fund (SEF) |                               |         |        |         |         |         |
| Current Year                 | 99.23%                        | 100%    | 100%   | 100%    | 93.02%  | 95.08%  |
| Penalties                    |                               |         |        |         | 6.07%   | 4.31%   |
| Interest On Deposits         | 0.77%                         |         |        |         | 0.92%   | 0.61%   |
| Total Revenue – SEF          | 100.00%                       | 100.00% | 100%   | 100.00% | 100.00% | 100.00% |

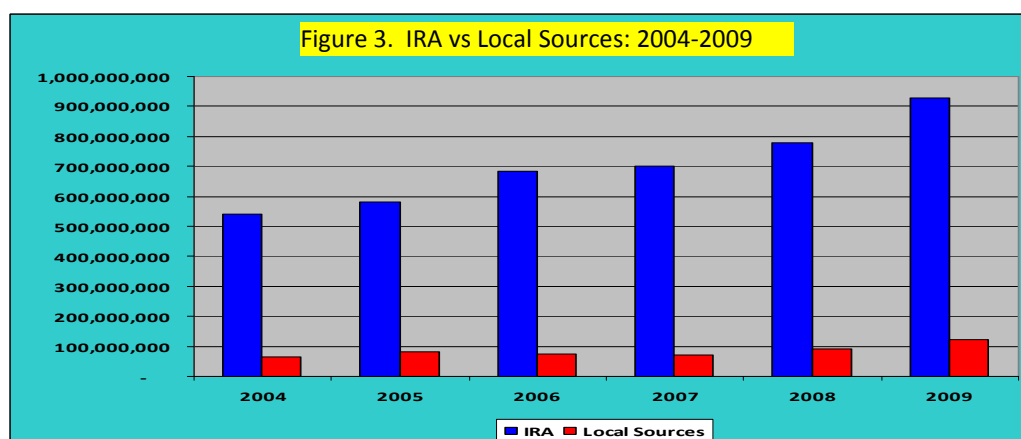
For the six year period, total revenue collected amounted to ₱ 4.726 Billion of which 97.3% or P 4.6 Billion is for the General Fund and only P 126 Million or 2.7% is for the Special Education Fund. As for the General Fund, revenue is composed of the locally generated revenue and the IRA from the National Government. Table 2 below shows the computation of the combined Total Revenue of the General and Special Education Fund for the 6-year period.

**Table 4. Percent and Total Revenue for a 6-Year Period  
Bohol Provincial Government**

| Total Revenue ( 6-Year Period) |                         |                |
|--------------------------------|-------------------------|----------------|
| Local Revenue                  | 381,199,240.49          | 8.29%          |
| IRA                            | 4,218,928,070.40        | 91.71%         |
| Total Revenue (GF)             | 4,600,127,310.89        | 100.00%        |
| Total Revenue (GF)             | 4,600,127,310.89        | 97.33%         |
| SEF                            | 126,216,800.04          | 2.67%          |
| Total Revenue (GF and SEF)     | <b>4,726,344,110.93</b> | <b>100.00%</b> |

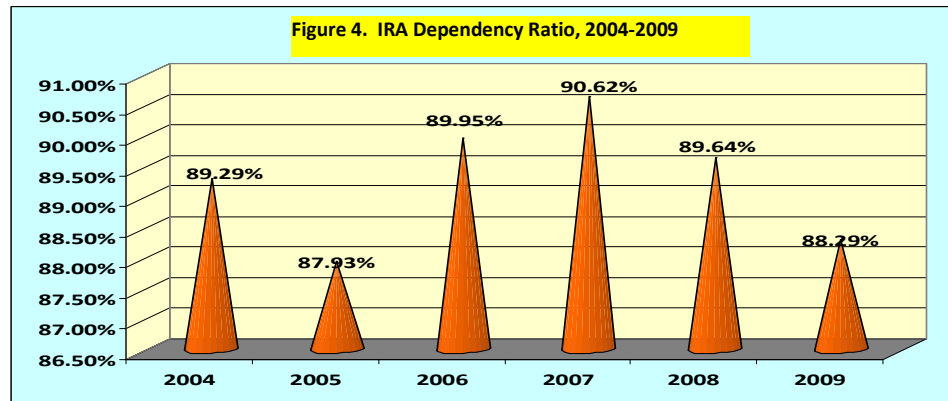
#### 1.1.3.1 IRA Versus Local Revenue Sources

IRA is constantly the main source of revenue of the Provincial Government of Bohol. However, it has to be noted that there is a gradual increase of local revenues from 2004 to 2009 (See Figure 3 below). This is mainly because of the massive tax campaign down to the barangay level in coordination with the personnel of the Municipal Treasurer's office. The granting of amnesty on the penalties of delinquent real properties as of 2008 also encouraged the tax payers to settle their RPT accounts with their respective municipalities. The highest registered point at 90.9 Million is in 2009 which is attributed to the implementation of the Judicial and Administrative Remedies (JAR) for delinquent Real Properties. The lowest which is 48.2 Million is in 2004 which happens to be an election period so that tax enforcement efforts are not that stringent. The province also initially identified potential revenue generating offices as enterprise units which are tasked to generate more local revenues and eventually decrease IRA dependency.



### 1.1.3.2 IRA Dependency

Figure 4 shows the IRA Dependency Ratio where the highest IRA dependency is in 2007 registering 90.62%, while the lowest is in 2005 with 87.93%. The constant improvement of collection strategies and initiative for revenue generation resulted in the reduction of dependency of PGBh in IRA in 2009 by 88.29%.



### 1.1.4 Revenue Per Capita

Revenue per capita is the average income generated by the Provincial Government from every individual population of the province. In 2009, the Revenue Per Capita was ₱766.37 per capita which is the average amount or income the PGBh generated or collected from the individual population. From 2004 to 2009, the amount per capita is increasing except for 2007 which registered a minimal decrease from P 589.99 in 2006 to P587.02 in 2007. Table 3 shows the Revenue Per Capita per year.

**Table 5. Revenue Per Capita (Including IRA and SEF)  
Bohol Provincial Government**

| Year | Total Revenue<br>(Including IRA And SEF) | Total Population | Revenue Per<br>Capita |
|------|--|------------------|-----------------------|
| 2009 | 1,052,973,565.00                         | 1,373,974        | 766.37                |
| 2008 | 870,344,073.64                           | 1, 345,031       | 647.08                |
| 2007 | 772,979,588.47                           | 1,316,789        | 587.02                |
| 2006 | 760,635,803.32                           | 1,289,231        | 589.99                |
| 2005 | 663,197,002.13                           | 1,262,339        | 525.37                |
| 2004 | 606,214,078.17                           | 1,236,094        | 490.43                |



Excluding IRA, the Revenue per Capita was ₱89.77 per capita in 2009. For the years 2004-2008, it showed a fluctuating trend of its per capita per year which is proportional to the increase in the Total Local Revenue. Table 4 below shows this relationship.

**Table 6. Revenue Per Capita (Excluding IRA and SEF)  
Bohol Provincial Government**

| Year | Total Revenue<br>(Excluding IRA) | Total Population | Revenue Per<br>Capita |
|------|----------------------------------|------------------|-----------------------|
| 2009 | 123,341,738.00                   | 1,373,974        | 89.77                 |
| 2008 | 90,199,897.64                    | 1,345,031        | 67.06                 |
| 2007 | 72,841,532.47                    | 1,316,789        | 55.32                 |
| 2006 | 76,419,055.92                    | 1,289,231        | 59.27                 |
| 2005 | 80,044,102.13                    | 1,262,339        | 63.41                 |
| 2004 | 64,929,714.17                    | 1,236,094        | 52.53                 |

## 1.2 EXPENSE PATTERNS

### 1.2.1 Expense Efficiency/Spending

The expense efficiency from 2004 to 2009 posted an average spending rate of 86.01%, which implies that there is a 13.99% unspent amount over the 6-year period. Expense efficiency/spending rate shows how well the province spends its budget over a period of time. Within the six-year period, the net unspent amount reached to P523.9M of the total budgeted amount (Table 7).

**Table 7. Expense Efficiency Per Year 2004 – 2009  
Bohol Provincial Government  
(in Pesos)**

| Year  | Budget           | Actual           | Over (under)<br>(Budget-Actual) | % of Expense<br>Efficiency<br>(Actual/Budget) |
|-------|------------------|------------------|---------------------------------|---|
| 2009  | 800,433,406.65   | 717,834,169.29   | 82,599,237.36                   | 89.68%  |
| 2008  | 735,905,370.00   | 561,547,676.14   | 174,357,693.86                  | 76.31%  |
| 2007  | 643,600,192.75   | 518,927,131.26   | 124,673,061.49                  | 80.63%  |
| 2006  | 546,877,226.97   | 477,977,978.17   | 68,899,248.80                   | 87.40%  |
| 2005  | 499,408,722.87   | 470,860,953.63   | 28,547,769.24                   | 94.28%  |
| 2004  | 517,776,353.00   | 472,980,925.09   | 44,795,427.91                   | 91.35%  |
| Total | 3,744,001,272.24 | 3,220,128,833.58 | 523,872,438.66                  | 86.01%  |

Though there is a favorable over-all expense efficiency on a per year basis over the six year period, it is on a fluctuating trend from year to year. Year 2005 shows the highest expense efficiency/spending rate of 94.28% which implies that 94.28% of the annual budget was actually spent with only 5.72% as the unspent portion.

On the other hand, year 2008 posted the lowest efficiency/spending rate of only 76.31% or a spending of only ₱561.50 Million out of ₱735.90 Million budget. This was due to the vacant positions which remained unfilled as the PGBh was waiting for the implementation of the Re-Engineering Program under the Philippines Australia Human Resource Development Facility. There were also unfinished and unpaid projects which contributed to the low efficiency/spending rate of the province.

The yearly obligation did not exceed its corresponding appropriation as reflected in the Statement of Appropriations, Allotments and Obligations (SAAOB) for the year 2004 to 2009. Unspent amounts were realized from PS, MOOE, Subsidies and Donations, and Financial Expense in the total amount of ₱523.80 Million or an average of ₱87.30 Million per year, thus the 86.01% expense efficiency rate.

On a per expense account over a 6-year period basis, MOOE posted the highest expense efficiency rate of 94.17% or an annual average of ₱11,117,786.57 (Table 8). The lowest expense efficiency rating is the Financial Expense at 30.12%. This showed that only 30.12% of the total budget for Financial Expense is actually spent during the 6-year period. This was attributed to the non-payment of loans payable under financial expense.

**Table 8. Expense Efficiency By Expense Account 2004 – 2009**  
**Bohol Provincial Government**

| Expense Account         | Total Budget (6-year period) | Total Actual (6-year period) | Over (under) (Budget-Actual) | % of Expense Efficiency (Actual/Budget) | Average Annual Inc./Dec. |
|-------------------------|------------------------------|------------------------------|------------------------------|---|--------------------------|
| Personal Services       | 2,097,893,432.37             | 1,776,375,653.74             | 321,517,778.63               | 84.67%                                  | 53,586,296.44            |
| MOOE                    | 1,143,540,466.72             | 1,076,833,747.30             | 66,706,719.42                | 94.17%                                  | 11,117,786.57            |
| Subsidies and Donations | 466,518,945.49               | 356,063,002.68               | 110,455,942.81               | 76.32%                                  | 18,409,323.80            |
| Financial Expense       | 36,048,427.66                | 10,856,429.86                | 25,191,997.80                | 30.12%                                  | 4,198,666.30             |
| <b>TOTAL</b>            | <b>3,744,001,272.24</b>      | <b>3,220,128,833.58</b>      | <b>523,872,438.66</b>        | <b>86.01%</b>                           | <b>87,312,073.11</b>     |

The lower expense efficiency rating of the province is also an indication of a good budgeting system and it is the result of the observance of the Value for Money and Management by Outcomes in the disbursement of funds. A monthly review and evaluation of the financial status of the PGBh was done by the Provincial Budget and Management Office (PBMO) in order to monitor the budget and its corresponding spending. This process also included the generation of savings at the end of the year to establish sources for year-end benefits of the PGBh employees. It is also the concern of the Budget Office to have a net surplus which will be forwarded as a beginning balance of the next year's budget. To be assured of this surplus, the PGBh established a policy of retaining 10% from the Maintenance and Other Operating Expenses (MOOE) budget as savings to back up the unrealized portion of the estimated income and unforeseen expenditures in the budget year; keeping in tract that the PGBh's expenditures should not exceed allotment.

### 1.2.2 Expense Growth/Decline Rate

The total expenses pattern shows the total net increase of ₱292.30 Million over the six-year period or an average annual net increase of ₱ 48.70 Million. Average annual net increase rate is **9.47%** for all expense accounts as shown in Table 9 below.

**Table 9. Expense Growth for 6 years 2004-2009  
Bohol Provincial Government**

| EXPENSE ACCOUNT         | Net Increase (6-year period) | Average Annual Net Increase | % of Total Increase | % of Ave. Annual Net Increase |
|-------------------------|------------------------------|-----------------------------|---------------------|-------------------------------|
| Personal Services       | 95,284,066.18                | 15,880,677.70               | 35.57%              | 5.93%                         |
| MOOE                    | 132,482,152.86               | 22,080,358.81               | 91.04%              | 15.17%                        |
| Subsidies and Donations | 57,128,655.41                | 9,521,442.57                | 563.21%             | 93.87%                        |
| Financial Expense       | 7,407,577.12                 | 1,234,596.19                | 481.21%             | 80.20%                        |
| <b>TOTAL</b>            | <b>292,302,451.57</b>        | <b>48,717,075.26</b>        | <b>56.83%</b>       | <b>9.47%</b>                  |

On a year to year basis, the table below shows that year 2008- 2009 has the highest expense growth rate of 27.83% while the lowest was in 2004-2005 with a decrease of 0.45%. There is an increasing growth rate of yearly expense from 2005 to 2009 with a slight drop of .01 in 2008 while there is a decreasing rate from 2004 to 2005.

PS decreased in 2007 due to the transfer of wages of casual employees to job order basis under MOOE-General Services.

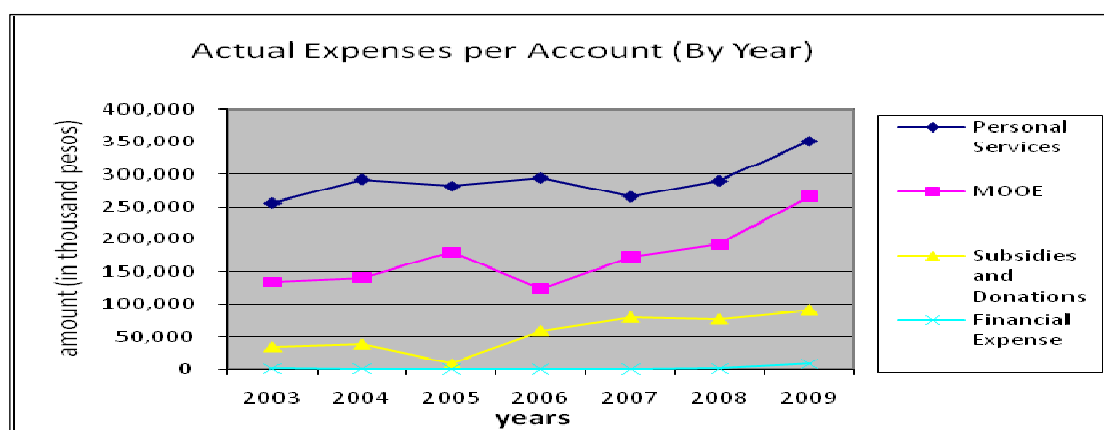
**Table 10. Expense Growth Percentage Per Year for 2004 - 2009**  
**Bohol Provincial Government**

| EXPENSE ACCOUNT         | % of Expense Growth per Year |           |           |           |           |           |
|-------------------------|------------------------------|-----------|-----------|-----------|-----------|-----------|
|                         | 2008-2009                    | 2007-2008 | 2006-2007 | 2005-2006 | 2004-2005 | 2003-2004 |
| Personal Services       | 21.08%                       | 9.12%     | -9.75%    | 4.50%     | -3.54%    | 14.16%    |
| MOOE                    | 38.32%                       | 11.36%    | 39.54%    | -31.17%   | 27.41%    | 5.58%     |
| Subsidies and Donations | 17.56%                       | -2.96%    | 34.79%    | 578.64%   | -77.28%   | 12.46%    |
| Financial Expense       | 703.83%                      |           |           | -100.00%  | -83.16%   | -39.46%   |
| TOTAL                   | 27.83%                       | 8.21%     | 8.57%     | 1.51%     | -0.45%    | 11.15%    |

Among the expense accounts, the yearly increase in Personal Services was due to the implementation of salary standardization law. MOOE registered the highest average expense growth of 22.08M or an average net increase of 15.17% per year. In 2007, MOOE increased by 40% due to the reclassification of Job Order expenses from Personal Services to MOOE.

As for the Subsidies and Donations, it posted an increase of 35% for 2006 to 2007 due to the projects released to municipalities and barangays.

**Figure 5. Annual Expense Growth Graphic Presentation**  
**Bohol Provincial Government**



### 1.2.3 Expense by Object

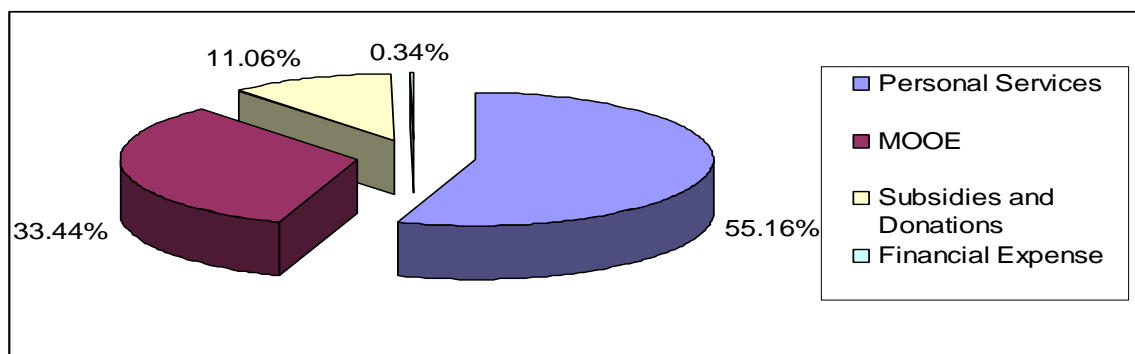
Large amount goes to Personal Services (PS) due to the continued implementation of salary standardization law, the grant of Magna Carta benefits for Public Health Personnel, monetization of leave credits, retirement benefits and additional year-end benefits.

A decrease in PS for the year 2007 was due to the transfer of the appropriation for wages to MOOE expense account. Savings from Personal Services had been reverted to MOOE and Capital Outlays. There was a decrease in MOOE in 2006 if compared to 2005. The PGBh implemented the austerity measures as issued. The Internal Revenue Allotment was not realized vis-à-vis tentative amount issued by the DBM. The Subsidies and Donations include the appropriations on Aids to National Government Agencies and other LGUs and the 20% Development Fund.

The Financial Expenses represent Debt Servicing - the appropriation for payment of loan for Heavy Equipment.

**Table 11 Expense by Object (in thousand pesos)  
Bohol Provincial Government**

| Expense Account         | Total Expense<br>(6-yr. period) | % to Total Expense | Average Annual<br>Expense |
|-------------------------|---------------------------------|--------------------|---------------------------|
| PS                      | 1,776,376                       | 55.16 %            | 296,063                   |
| MOOE                    | 1,076,834                       | 33.44 %            | 179,472                   |
| Subsidies and Donations | 356,063                         | 11.06 %            | 59,344                    |
| Financial Expense       | 10,856                          | 0.34 %             | 1,809                     |
| <b>Total</b>            | <b>3,220,129</b>                | <b>100.00 %</b>    | <b>536,688</b>            |



**Figure 6 Percent of Average Annual Expense by Object**

Fifty-five percent (55%) of the total expense for the six-year period goes to Personal Services while the remaining 44.84% goes to MOOE, Subsidies and Donations, and Financial Expense.

#### **1.2.4 Expense by Office**

The 20% Development Fund has the biggest allocation of expenditures with the amount of 102.2M, as budgetary requirement under the Local Government Code. Development Program and Projects for the province had been provided for in this expense category.

The Offices with considerable amount of budget allocation include the Governor's Office with 70.7M, Sangguniang Panlalawigan with 62.9M, Provincial Health Office with 36.3M and Provincial Engineer's Office with 55.1M. These are the core offices of the provincial government which put emphasis on Infrastructure Development and Health Service Delivery.

Fortunately, Bohol was not greatly affected by calamities. The appropriations for 5% Reserve for Calamity Fund were not exhausted every year and therefore closed to the surplus account of the PGBh.

**Table 12. Average Annual Expense by Office, 2004-2009**  
**Bohol Provincial Government**

| Office             | Average Annual Expense | Office           | Average Annual Expense |
|--------------------|------------------------|------------------|------------------------|
| 20% Devt. Fund     | 102,213,893.56         | PSWD             | 8,007,372.00           |
| Non-Office         | 71,213,814.41          | PASSO            | 7,374,301.19           |
| GO                 | 70,782,914.94          | Aid to Barangays | 6,327,916.67           |
| SP-VG, KAD., SECT. | 62,913,802.13          | DMH - Inabanga   | 6,295,972.98           |
| PEO                | 55,101,758.08          | PLO              | 5,753,639.11           |
| PHO                | 36,314,871.91          | PBMO             | 5,328,266.02           |
| PGSO               | 29,386,414.50          | HRMDO            | 5,088,381.86           |
| GMPH - Talibon     | 26,086,497.47          | PCPGMH- Pitogo   | 5,001,247.44           |
| OPA                | 19,040,328.07          | BEMO             | 4,848,580.87           |
| CSTMH - Carmen     | 17,931,820.00          | LIBRARY          | 4,797,400.28           |
| BDRC               | 16,901,701.60          | CCH - Candijay   | 4,349,156.27           |
| M-POOL             | 16,351,105.20          | CCH - Clarin     | 4,324,000.62           |
| TBGDH - Jagna      | 13,323,563.29          | MCH - Maribojoc  | 4,297,558.93           |
| CNPCMH - Loon      | 12,675,857.08          | BPRMO            | 4,291,672.72           |
| PTO                | 11,425,760.73          | BEPO             | 2,031,797.93           |
| PACCO              | 10,996,098.21          | BTO              | 1,522,449.81           |
| OPV                | 10,861,415.12          | BIPC             | 1,428,576.12           |
| PPDO               | 10,139,952.41          | CCAD             | 1,063,102.49           |
| CDH - Catigbian    | 9,716,224.60           | Calamity Fund    | 313,333.33             |

### 1.2.5 Expense by Sector

The General Services Sector posted the highest percentage of 31.96% in the total actual expenditures for the years 2004 to 2009. The 20% IRA as development fund allocation is likewise distributed among these three sectors.

General Services Sector covers expenditures for services which are indispensable to the existence of an organized state and cannot be allocated to specific sector or subsectors. This includes execution and legislative services, overall financial and fiscal services, civil services, development planning and policy formulation; general research; public order and centralized services.

Social Services Sector covers expenditures for the upliftment of disadvantage families and children, rehabilitation of physically and socially handicapped, assistance to distressed and displaced individuals and families; care for the aged and other welfare services

Economic Services Sector covers expenditures for activities directed to the promotion and enhancement and attainment of desired economic growth.

Tables 13 and 14 below show the distribution of the budget by sector.



**Table 13. Expense by Sector, 2004-2009**  
**Bohol Provincial Government**

| Sector            | ACTUAL EXPENDITURES, ₱ |                |                |                |                |                |
|-------------------|------------------------|----------------|----------------|----------------|----------------|----------------|
|                   | 2009                   | 2008           | 2007           | 2006           | 2005           | 2004           |
| General Services  | 264,487,577.55         | 244,322,859.12 | 234,768,834.79 | 216,931,823.08 | 175,854,859.95 | 178,771,232.03 |
| Social Services   | 218,928,031.01         | 198,239,067.02 | 177,180,794.61 | 157,062,707.90 | 148,398,560.60 | 149,421,790.65 |
| Economic Services | 139,176,116.26         | 121,107,933.14 | 105,569,473.80 | 132,873,193.05 | 84,232,368.16  | 87,194,148.88  |
| Other Services    | 223,450,097.19         | 175,132,927.61 | 159,809,346.71 | 148,914,151.49 | 156,125,802.21 | 216,979,413.60 |
| Total             | 846,043,831.01         | 738,802,786.89 | 677,328,449.91 | 655,781,875.52 | 564,611,590.92 | 632,366,585.16 |

(Note: The figures for Expense by Sector and Expense by Office differ in an amount equal to the Capital Outlay for each office, which is not recorded as an Expense by the PAccO, but is part of the Obligations total in the PBMO.)

**Table 14. Percent and Total Expense by Sector, 2004-2009**  
**Bohol Provincial Government**

| Sector            | Total<br>(6-year period, ₱) | % to Total |
|-------------------|-----------------------------|------------|
| General Services  | 1,315,137,186.52            | 31.96%     |
| Social Services   | 1,049,230,951.79            | 25.50%     |
| Economic Services | 670,153,233.29              | 16.29%     |
| Other Services    | 1,080,411,738.81            | 26.26%     |
| TOTAL             | 4,114,933,110.41            | 100.00%    |

### 1.2.6 Expense per Capita

Expense per Capita is the average expense presumably spent by the Provincial Government for the delivery of services to every Boholano constituent. Table 16 shows that expenditures per capita increased from ₱382.64 in 2004 to ₱ 522.45 in 2009 or an average of ₱ 410.07 for the 6-year period.

**Table 15. Expense Per Capita, 2004-2009**  
**Bohol Provincial Government**

| Year | Total Expense Per Income Statement (₱) | Total Population | Expense Per Capita (₱) |
|------|--|------------------|------------------------|
| 2009 | 717 834 169,29                         | 1 373 974        | 522.45                 |
| 2008 | 561 547 676,14                         | 1 345 031        | 417.50                 |
| 2007 | 518 927 131,26                         | 1 316 789        | 394.09                 |
| 2006 | 477 977 978,17                         | 1 289 231        | 370.75                 |
| 2005 | 470 860 953,63                         | 1 262 339        | 373.01                 |
| 2004 | 472 980 925,09                         | 1 236 094        | 382.64                 |

### 1.3 POTENTIAL LOCAL ECONOMIC ENTERPRISES (PLEE)

Strictly speaking, the Provincial Government of Bohol has no local economic enterprise. However, PGBh has identified seven (7) revenue streams as potential local economic enterprise.

#### a. The Devolved Hospitals

The Provincial Government of Bohol has ten (10) devolved hospitals, five (5) of which are classified by the Department of Health as primary hospitals and the other five (5) as secondary hospitals. The primary hospitals are:

1. Maribojoc Community Hospital in the Municipality of Maribojoc
2. Clarin Community Hospital in the Municipality of Clarin
3. Candijay Community Hospital in the Municipality of Candijay
4. Francisco Dagohoy Community Hospital in the Municipality of Inabanga
5. Pres. Garcia Municipal Hospital in the Island Municipality of Pres. C.P. Garcia

All the primary hospitals have a bed capacity of fifteen (15).

The secondary hospitals are:

1. Catigbian District Hospital (CDH) in the Municipality of Catigbian
2. Teodoro B. Galagar District Hospital (TBGDH) in the Municipality of Jagna
3. Cong. Natalio Castillo Memorial Hospital (CNCMH) in the Municipality of Loon
4. Garcia Memorial Provincial Hospital (GMPH) in the Municipality of Talibon
5. Cong. Simeon Toribio Memorial Hospital (CSTMH) in the Municipality of Carmen

CDH- Catigbian, TBGDH-Jagna and CNCMH-Loon have a 25 bed capacity structure. The CSTMH-Carmen and GMPH-Talibon have a capacity of fifty (50) and seventy-five (75) beds, respectively.

Hospital fees reflected in the Statement of Income and Expenses of the General Fund is net of the 50 percent Retention. This retention fund is used by the hospital to augment their current year's appropriation.

#### b. Rental of Office Spaces in the Commercial Capitol Complex

Out of the thirteen (13) office spaces in Commercial Capitol Complex, only five (5) are leased out with pay. Six (6) of the office spaces are utilized by the Provincial Government's satellite offices and national government free of rent while the remaining two are vacant but ready to be leased out.

#### c. Rental of Business Facilities/ Cultural Center/ CPG Sports Complex

#### d. Share from the Chocolate Hills

The Municipality of Carmen remits the 30% of the net income generated from the operation of the Chocolate Hills to the Province of Bohol. This share is receipted in the Trust Fund.

#### e. Rental of Heavy Equipments

#### f. Dividend Income from Bohol Light Company, Inc. and Bohol Water Utilities, Inc. These are formerly the Provincial Electric System and Provincial Waterworks System owned and operated by PGBh which was entered into a Joint Venture Agreement with Salcon. PGBh now have a 30% ownership in these two companies.

#### g. Rental from the lots owned by the Provincial Government of Bohol

The tables below show the revenue generated from the potential local economic enterprise for year 2004-2009.

**Table 16. Revenue by Potential Local Economic Enterprise, 2004-2009**  
Bohol Provincial Government

| Potential Economic Enterprise                                 | Revenue, ₱    |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 2009          | 2008          | 2007          | 2006          | 2005          | 2004          |
| Income from Hospitals   | 32,605,657.97 | 23,777,556.66 | 23,272,262.14 | 20,028,461.43 | 21,390,225.69 | 13,299,399.27 |
| Rental Office Spaces  | 2,203,721.82  | 2,227,464.29  | 3,060,863.93  | 2,571,654.81  | 2,207,913.10  | 1,960,509.56  |
| Rental Business Facilities/Cultural Center/ CPG Sports Center | 1,185,975.00  | 1,033,403.55  | 831,281.25    | 688,440.21    | 507,225.17    | 694,919.36    |
| Share from Choco Hills Complex                                | 6,701,267.27  | 4,351,248.24  | 1,874,808.53  | 1,589,214.45  | 1,211,257.58  | 1,214,505.06  |
| Rental of Heavy Equipments                                    | 42,330.00     | -             | -             | -             | -             | -             |
| Divident Income from BLCI/BWUI                                | 2,250,000.00  | 3,085,702.00  | -             | -             | -             | -             |
| Total Revenue   | 44,988,952.06 | 34,475,374.74 | 29,039,215.85 | 24,877,770.90 | 25,316,621.54 | 17,169,333.25 |

### 1.3.1 PLEE Revenue Growth

The total revenues of the potential local economic enterprises have seen positive growth. Year 2005 registered a significant revenue growth rate of 47% notwithstanding the negative growth rate of two potential local economic enterprises. This increase was brought about by the 61% increase in the revenue generated from the ten devolved hospitals. However, on the following year (2006), the revenues of the potential enterprises of the PGBh decreased by 2% attributed also to the decrease in the revenue generated by the hospitals. From Year 2007 to 2009, the total revenues were rising steadily.

**Table 17. Revenue Growth Rates by Potential Local Economic Enterprise, 2004-2009**  
Bohol Provincial Government

| Potential Economic Enterprise                                 | Revenue Growth |           |           |           |           |
|---|----------------|-----------|-----------|-----------|-----------|
|   | 2008-2009      | 2007-2008 | 2006-2007 | 2005-2006 | 2004-2005 |
| Income from Hospitals   | 37%            | 2%        | 16%       | -6%       | 61%       |
| Rental Office Spaces  | -1%            | -27%      | 19%       | 16%       | 13%       |
| Rental Business Facilities/Cultural Center/ CPG Sports Center | 15%            | 24%       | 21%       | 36%       | -27%      |
| Share from Chocolate Hills Complex                            | 54%            | 132%      | 18%       | 31%       | -0.3%     |
| Rental of Heavy Equipments                                    | 0%             | 0%        | 0%        | 0%        | 0%        |
| Dividend Income from BLCI/BWUI                                | -27%           | 0%        | 0%        | 0%        | 0%        |
| Total Revenue   | 30%            | 19%       | 17%       | -2%       | 47%       |

### 1.3.2 PLEE Revenue Share

The largest growth rate seen by the PGBh for the past six years was the 132% collection from the share in the operation of the Chocolate Hills in Year 2008. But such growth have no significant effect on the total revenue from potential enterprises since the Share from Chocolate Hills is accounted only for 13% of the total PLEE revenues.

PLEE Income accounts to more or less half of the generated local income with majority coming from the ten devolve hospitals.

**Table 18. Potential Local Economic Enterprise Revenue Share, 2004-2009**  
**Bohol Provincial Government**

| Indicator   | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|------|------|------|------|------|------|
| % of PLEE Income to Local Income                                  | 49%  | 53%  | 51%  | 44%  | 41%  | 36%  |
| % of Hospital Income to PLEE Income                               | 72%  | 69%  | 80%  | 81%  | 84%  | 77%  |
| % of Rental of Office Space to PLEE Income                        | 5%   | 6%   | 11%  | 10%  | 9%   | 11%  |
| % of Rental of Business Facilities/Cultural Center to PLEE Income | 3%   | 3%   | 3%   | 3%   | 2%   | 4%   |
| % of Chocolate Hills Share to PLEE Income                         | 15%  | 13%  | 6%   | 6%   | 5%   | 7%   |
| % of Rental of Heavy Equipment to PLEE Income                     | 0.1% | 0.0% | 0%   | 0%   | 0%   | 0%   |
| % of Dividend Income to PLEE Income                               | 5%   | 9%   | 0%   | 0%   | 0%   | 0%   |

## 1.4 SPECIAL FUNDS/ACCOUNTS

The tables below are the subsidiary ledger balances of the funds entrusted to the Provincial Government of Bohol and their specific projects implemented here in the Province. The balances include the cash utilized in the purchase and construction of assets. Assets constructed and purchased from the trust funds are taken up as assets and deducted only from the specific subsidiary ledger balances upon transfer of ownership to the PGBh or recipients. These are, in a word, the “real” trust accounts, in contrast to revenue accounts (such as Income from the Chocolate Hills) which were intentionally placed in trust funds to restrict their use to specific development purposes.

**Table 19. Fund Balance of Projects under Special Accounts: 2006-2009**  
**Provincial Government of Bohol**

| PROJECTS  | FUND BALANCE as of December |              |              |              |
|---|-----------------------------|--------------|--------------|--------------|
|   | 2009                        | 2008         | 2007         | 2006         |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF AGRICULTURE</b>   |                             |              |              |              |
| 1st Tranche For The Regravelling Of San Miguel-Bayongan-Bulilis-Mabuhay Ubay Road With Soil Stabilizer      | 4,875,000.00                | -            | -            | -            |
| Implementation Of Agricultural Projects   | 367,500.00                  | -            | -            | -            |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF HEALTH</b>  |                             |              |              |              |
| CY 2008 Health Facilities Enhancement Program (Infra)   | 3,000,000.00                | -            | -            | -            |
| Construction Of Outpatient Dept. Bldg. Of Cong. Simeon Toribio Memorial Hospital                            | 2,325,000.00                | -            | -            | -            |
| Construction Of Birthing Home At San Miguel   | 234,278.43                  | -            | -            | -            |
| Construction Of Opd, Er And Office For Visiting Doctors, Specialists At Garcia Memorial Provincial Hospital | 2,176,173.87                | -            | -            | -            |
| Repair/Improvement Of Microbiology Room, Pathologist Room, Etc. At Cong. Simeon Toribio Memorial Hospital   | 407,500.00                  | -            | -            | -            |
| Construction Of Brgy. Health Station At Baybayon, Mabini, Bohol   | 234,285.94                  | -            | -            | -            |
| Upgrading Of Equipment Of Health Facilities Under The 2008 Health Facilities Enhancement Program            | 6,130,000.00                | -            | -            | -            |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT</b>                                   |                             |              |              |              |
| MVUC (Motor Vehicle User Charge)  | (2,732,544.40)              | 3,929,895.55 | 3,200,651.75 | 3,971,543.10 |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAY</b>  |                             |              |              |              |
| National Road Maintenance   | 2,269,360.60                | 2,269,360.60 | 2,269,360.60 | -            |
| Improvement Of Plaza Rizal Affected By Road Widening Bcirp li   | 448,433.60                  | 448,433.60   | 448,433.60   | 448,433.60   |
| Seed Money From 1st Eng'g District, Bohol For School Buildings And Hospitals                                | 9,541,000.00                | 7,153,500.00 | 7,153,500.00 | -            |
| Tourist Police Information And Restroom At Lumangog, Ubay, Bohol  | 573,565.75                  | 573,565.75   | 373,565.75   | 373,565.75   |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF TOURISM</b>   |                             |              |              |              |
| Financial Assistance - Construction Of 2 Storey Chocolate Hills Complex Building                            |                             |              |              |              |
| Pite Project Establishment Of An Environmental Monetary Fund And Environmental Guarantee Fund For Bohol     |                             |              |              |              |
| Final Tranche Payment For Bohol Tourism Master Plan   |                             |              |              |              |
| Financial Assistance - Construction Of 2 Storey Chocolate Hills Complex Building                            | 1,050,000.00                | 1,050,000.00 | 1,050,000.00 |              |
| Pite Project Establishment Of An Environmental Monetary Fund And Environmental Guarantee Fund For Bohol     | 100,000.00                  | 100,000.00   | 100,000.00   |              |
| Final Tranche Payment For Bohol Tourism Master Plan   |                             |              | 1,000,000.00 |              |

| PROJECTS   | FUND BALANCE as of December |                |               |               |
|--|-----------------------------|----------------|---------------|---------------|
|  | 2009                        | 2008           | 2007          | 2006          |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF TRANSPORTATION AND COMMUNICATION</b>   |                             |                |               |               |
| Panglao, Bohol International Airport Project   | 125,788,222.73              | 90,880,580.10  | 94,784,993.25 | 27,749,010.00 |
| <b>FUNDS FROM THE HOUSE OF REPRESENTATIVES</b>   |                             |                |               |               |
| PDAF - Others  | 300,000.00                  | 300,000.00     | 200,000.00    | -             |
| PDAF - Roberto Cajes   | 341,677.00                  | 98,677.00      | 957,927.00    | 80,000.00     |
| PDAF - Edgardo Chatto  | (35,734.85)                 | 409,492.90     | 160,309.00    | 1,094,217.00  |
| PDAF - Eladio Jala   | (1,345,365.00)              | (1,305,365.00) | (750,365.00)  | (760,000.00)  |
| PDAF - Adam Relson Jala  | 670,000.00                  | 780,000.00     | -             | -             |
| <b>PROJECTS FUNDED BY THE OFFICE OF THE PRESIDENT</b>  |                             |                |               |               |
| ECCD Early Childhood Care and Development  | 6,177,596.03                | 1,601,310.08   | 1,077,110.90  | 2,005,619.48  |
| First Tranche Payment For The Rehabilitation Of Tourist Restrooms At The Chocolate Hills Complex, Carmen   | 723,000.00                  | 723,000.00     | -             | -             |
| Rehabilitation Of Tourist Restrooms At The Chocolate Hills Complex   | 745,623.10                  | -              | -             | -             |
| <b>PROJECTS FUNDED BY THE POPULATION COMMISSION</b>  |                             |                |               |               |
| Responsible Parenting Movement-Natural Family Planning Program   | 484,825.00                  | 123,200.00     |               |               |
| <b>FUNDS FROM THE SENATE</b>   |                             |                |               |               |
| SEN. JUAN MIGUEL ZUBIRI  | 1,000,000.00                | 1,000,000.00   |               |               |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF ENERGY</b>   |                             |                |               |               |
| Baseline Data Survey For Oil Exploration Project   | -                           | 116,369.55     | 171,400.00    | -             |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF AGRARIAN REFORM</b>  |                             |                |               |               |
| 1st Release Of Fund 171- Grant/Biarps Iii (Gob) Funds For Infrastructure Project Rural Infrastructure Support- Construction Of Chd Provincial Pharmace | 902,000.00                  | 902,000.00     | 902,000.00    |               |
| 1st Release Of Fund 171- Grant/Biarps Iii (Gob) Funds For Infrastructure Support- Renovation Of Cstmh Ancillary Building                               | 715,500.00                  | 715,500.00     | 715,500.00    |               |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF SCIENCE AND TECHNOLOGY</b>   |                             |                |               |               |
| Techno Gabay Program From Dost - Pcarrrd, Los Baños, Laguna  | 710,340.75                  | 693,689.75     | 700,000.00    |               |
| <b>PROJECTS FUNDED BY THE NATIONAL COMMISSION ON THE ROLE OF FILIPINO WOMEN</b>  |                             |                |               |               |
| Gender-Responsive Economic Actions For The Transformation Of Women   | 501,835.00                  |                |               |               |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF EDUCATION</b>  |                             |                |               |               |
| Construction Of School Buildings In Areas Experiencing Classroom Shortage In The Province Of Bohol   | 10,200,000.00               |                |               |               |
| <b>PROJECTS FUNDED BY THE FIRST CONSOLIDATED BANK, A PRIVATE BANK</b>  |                             |                |               |               |
| Construction Of School Building Of San Jose National High School, Talibon  | 300,000.00                  | 300,000.00     | 300,000.00    |               |
| <b>PROJECTS FUNDED BY THE REPUBLIC OF CHINA</b>  |                             |                |               |               |
| Purchase Of Equipments For GMPH, Talibon   |                             | 6,224,764.08   | 6,224,764.08  | 6,224,764.08  |
| <b>PROJECTS FUNDED BY AYALA FOUNDATION</b>   |                             |                |               |               |
| Bohol Cultural Heritage  |                             |                | 204,900.00    |               |
| <b>FUNDS FROM THE CEBU FIRST INC. COOPERATIVE</b>  |                             |                |               |               |
| Financial Assistance To Provincial Cooperative   | 300,000.00                  | 200,000.00     | 100,000.00    |               |
| <b>PROJECTS FUNDED BY THE CENTRAL VISAYAS CONSORTIUM FOR INTEGRATED REGIONAL RESEARCH AND DEVELOPMENT</b>  |                             |                |               |               |
| Science And Technology (S & T) Based Farm  | 141,200.00                  | 190,000.00     | 190,000.00    |               |



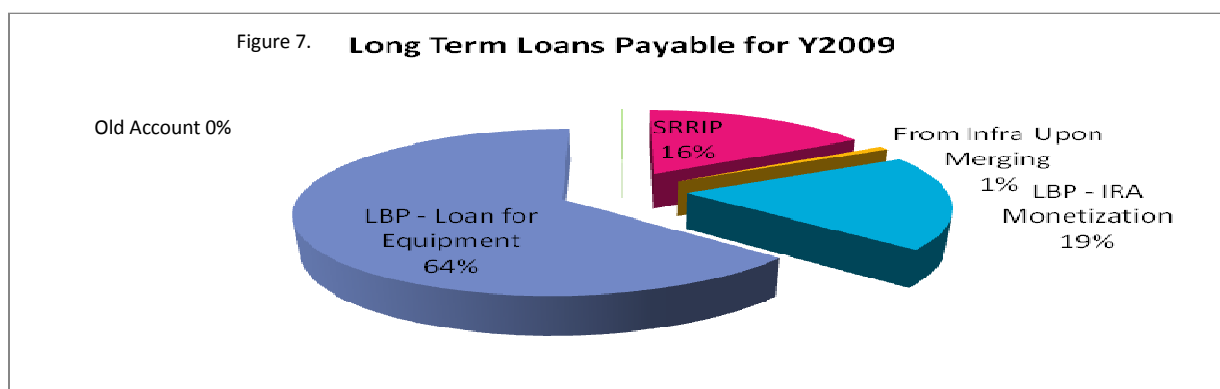
| PROJECTS  | FUND BALANCE as of December |              |              |              |
|---|-----------------------------|--------------|--------------|--------------|
|   | 2009                        | 2008         | 2007         | 2006         |
| <b>FUNDS FROM AMBASSADOR CARLOS CHAN</b>  |                             |              |              |              |
| Ambassador Carlos Chan, Chairman Of Liwayway Marketing For Infrastructure Priority Projects                 | 2,000,000.00                | 2,000,000.00 |              |              |
| Expenses For The Visiting Sichuan Children Delegation From China  | 482,400.00                  | 500,000.00   |              |              |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF AGRICULTURE</b>   |                             |              |              |              |
| 1ST Tranche For The Regravelling Of San Miguel-Bayongan-Bulilis-Mabuhay Ubay Road With Soil Stabilizer      | 4,875,000.00                | -            | -            | -            |
| Implementation Of Agricultural Projects   | 367,500.00                  | -            | -            | -            |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF HEALTH</b>  |                             |              |              |              |
| CY 2008 Health Facilities Enhancement Program (Infra)   | 3,000,000.00                | -            | -            | -            |
| Construction Of Outpatient Dept. Bldg. Of Cong. Simeon Toribio Memorial Hospital                            | 2,325,000.00                | -            | -            | -            |
| Construction Of Birthing Home At San Miguel   | 234,278.43                  | -            | -            | -            |
| Construction Of Opd, Er And Office For Visiting Doctors, Specialists At Garcia Memorial Provincial Hospital | 2,176,173.87                | -            | -            | -            |
| Repair/Improvement Of Microbiology Room, Pathologist Room, Etc. At Cong. Simeon Toribio Memorial Hospital   | 407,500.00                  | -            | -            | -            |
| Construction Of Brgy. Health Station At Baybayon, Mabini, Bohol   | 234,285.94                  | -            | -            | -            |
| Upgrading Of Equipment Of Health Facilities Under The 2008 Health Facilities Enhancement Program            | 6,130,000.00                | -            | -            | -            |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT</b>                                   |                             |              |              |              |
| MVUC (Motor Vehicle User Charge)  | (2,732,544.40)              | 3,929,895.55 | 3,200,651.75 | 3,971,543.10 |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAY</b>  |                             |              |              |              |
| National Road Maintenance   | 2,269,360.60                | 2,269,360.60 | 2,269,360.60 | -            |
| Improvement Of Plaza Rizal Affected By Road Widening Bcirp II   | 448,433.60                  | 448,433.60   | 448,433.60   | 448,433.60   |
| Seed Money From 1st Eng'g District, Bohol For School Buildings And Hospitals                                | 9,541,000.00                | 7,153,500.00 | 7,153,500.00 | -            |
| Tourist Police Information & Restroom At Lumangog, Ubay, Bohol  | 573,565.75                  | 573,565.75   | 373,565.75   | 373,565.75   |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF TOURISM</b>   |                             |              |              |              |
| Financial Assistance - Construction Of 2 Storey Chocolate Hills Complex Building                            |                             |              |              |              |
| Pite Project Establishment Of An Environmental Monetary Fund And Environmental Guarantee Fund For Bohol     |                             |              |              |              |
| Final Tranche Payment For Bohol Tourism Master Plan   |                             |              |              |              |
| Financial Assistance - Construction Of 2 Storey Chocolate Hills Complex Building                            | 1,050,000.00                | 1,050,000.00 | 1,050,000.00 |              |
| Pite Project Establishment Of An Environmental Monetary Fund And Environmental Guarantee Fund For Bohol     | 100,000.00                  | 100,000.00   | 100,000.00   |              |
| Final Tranche Payment For Bohol Tourism Master Plan   |                             |              | 1,000,000.00 |              |

| PROJECTS   | FUND BALANCE as of December |                |               |               |
|--|-----------------------------|----------------|---------------|---------------|
|  | 2009                        | 2008           | 2007          | 2006          |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF TRANSPORTATION AND COMMUNICATION</b>   |                             |                |               |               |
| Panglao, Bohol International Airport Project   | 125,788,222.73              | 90,880,580.10  | 94,784,993.25 | 27,749,010.00 |
| <b>FUNDS FROM THE HOUSE OF REPRESENTATIVES</b>   |                             |                |               |               |
| PDAF - Others  | 300,000.00                  | 300,000.00     | 200,000.00    | -             |
| PDAF - Roberto Cajes   | 341,677.00                  | 98,677.00      | 957,927.00    | 80,000.00     |
| PDAF - Edgardo Chatto  | (35,734.85)                 | 409,492.90     | 160,309.00    | 1,094,217.00  |
| PDAF - Eladio Jala   | (1,345,365.00)              | (1,305,365.00) | (750,365.00)  | (760,000.00)  |
| PDAF - Adam Relson Jala  | 670,000.00                  | 780,000.00     | -             | -             |
| <b>PROJECTS FUNDED BY THE OFFICE OF THE PRESIDENT</b>  |                             |                |               |               |
| ECCD Early Childhood Care and Development  | 6,177,596.03                | 1,601,310.08   | 1,077,110.90  | 2,005,619.48  |
| First Tranche Payment For The Rehabilitation Of Tourist Restrooms At The Chocolate Hills Complex, Carmen   | 723,000.00                  | 723,000.00     | -             | -             |
| Replenishment For The Acquisition Of A Coaster For Use By Visiting Dignitaries/Guests In Bohol Province  | -                           | 3,596,000.00   | -             | -             |
| Rehabilitation Of Tourist Restrooms At The Chocolate Hills Complex   | 745,623.10                  | -              | -             | -             |
| <b>PROJECTS FUNDED BY THE POPULATION COMMISSION</b>  |                             |                |               |               |
| Responsible Parenting Movement-Natural Family Planning Program   | 484,825.00                  | 123,200.00     |               |               |
| <b>FUNDS FROM THE SENATE</b>   |                             |                |               |               |
| SEN. JUAN MIGUEL ZUBIRI  | 1,000,000.00                | 1,000,000.00   |               |               |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF ENERGY</b>   |                             |                |               |               |
| Baseline Data Survey For Oil Exploration Project   | -                           | 116,369.55     | 171,400.00    | -             |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF AGRARIAN REFORM</b>  |                             |                |               |               |
| 1st Release Of Fund 171- Grant/Biarps III (Gob) Funds For Infrastructure Project Rural Infrastructure Support- Construction Of Chd Provincial Pharmace | 902,000.00                  | 902,000.00     | 902,000.00    |               |
| 1st Release Of Fund 171- Grant/Biarps Iii (Gob) Funds For Infrastructure Support- Renovation Of Cstmh Ancillary Building                               | 715,500.00                  | 715,500.00     | 715,500.00    |               |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF SCIENCE AND TECHNOLOGY</b>   |                             |                |               |               |
| Techno Gabay Program From Dost - Pcarrrd, Los Baños, Laguna  | 710,340.75                  | 693,689.75     | 700,000.00    |               |
| <b>PROJECTS FUNDED BY THE NATIONAL COMMISSION ON THE ROLE OF FILIPINO WOMEN</b>  |                             |                |               |               |
| Gender-Responsive Economic Actions For The Transformation Of Women   | 501,835.00                  |                |               |               |
| <b>PROJECTS FUNDED BY THE DEPARTMENT OF EDUCATION</b>  |                             |                |               |               |
| Construction Of School Buildings In Areas Experiencing Classroom Shortage In The Province Of Bohol   | 10,200,000.00               |                |               |               |
| <b>PROJECTS FUNDED BY THE FIRST CONSOLIDATED BANK, A PRIVATE BANK</b>  |                             |                |               |               |
| Construction Of School Building Of San Jose National High School, Talibon  | 300,000.00                  | 300,000.00     | 300,000.00    |               |
| <b>PROJECTS FUNDED BY THE REPUBLIC OF CHINA</b>  |                             |                |               |               |
| Purchase Of Equipments For GMPH, Talibon   |                             | 6,224,764.08   | 6,224,764.08  | 6,224,764.08  |

| PROJECTS  | FUND BALANCE as of December |              |            |      |
|---|-----------------------------|--------------|------------|------|
|   | 2009                        | 2008         | 2007       | 2006 |
| <b>PROJECTS FUNDED BY AYALA FOUNDATION</b>  |                             |              |            |      |
| Bohol Cultural Heritage   |                             |              | 204,900.00 |      |
| <b>FUNDS FROM THE CEBU FIRST INC. COOPERATIVE</b>   |                             |              |            |      |
| Financial Assistance To Provincial Cooperative  | 300,000.00                  | 200,000.00   | 100,000.00 |      |
| <b>PROJECTS FUNDED BY THE CENTRAL VISAYAS CONSORTIUM FOR INTEGRATED REGIONAL RESEARCH AND DEVELOPMENT</b> |                             |              |            |      |
| Science And Technology (S & T) Based Farm   | 141,200.00                  | 190,000.00   | 190,000.00 |      |
| <b>FUNDS FROM AMBASSADOR CARLOS CHAN</b>  |                             |              |            |      |
| Ambassador Carlos Chan, Chairman Of Liwayway Marketing For Infrastructure Priority Projects               | 2,000,000.00                | 2,000,000.00 |            |      |
| Expenses For The Visiting Sichuan Children Delegation From China  | 482,400.00                  | 500,000.00   |            |      |

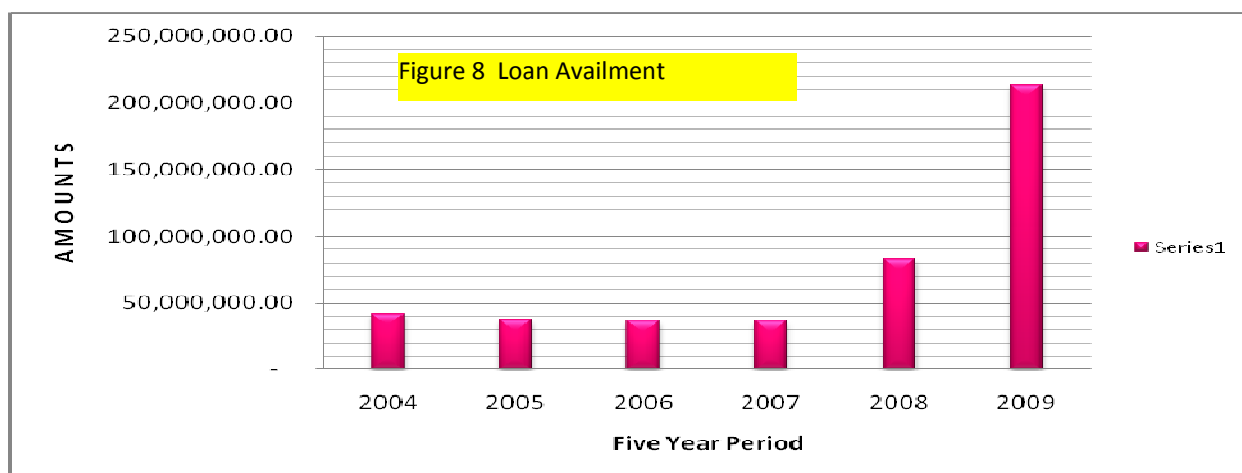
## 1.5 LOANS AND OTHER INDEBTEDNESS

For Year 2009, the long term loans payable for the Provincial Government of Bohol amounted to ₱ 213,454,047.17 with 64% points to the loan availed by the Province on the same year for the purchase of heavy equipments. The old loans, SRRIP and Infra upon Merging, which constitutes 17% of the year-end balance, as shown in the pie chart, are requested by the PGBh for condonation.



The Second Rural Roads Improvement Project (SRRIP) Loan was availed by the Provincial Government of Bohol in 1990 under the administration of the former governor, Constancio Torralba. The loan granted by the Department of Local Government was received by the PGBh in the form of heavy equipments. It was payable for 15 years and has already matured in 2007. However, to date, the unpaid balance of the loan amounts to ₱35,800,437.06. Also on the same year, 1992, the loan from Infrastructure Fund in the amount of ₱ 1,608,816.00 was transferred to General Fund upon merging. This loan is for the Rural Roads Program of the Ministry of Local Government and Community Development. Meanwhile, the ₱ 109,545.75 “old loan” refers to an unpaid balance which remains non-moving since the conversion in April 3, 1979.

Conversely, the graph below shows that for years 2004 to 2007, the province did not avail of any long term loan and at the same time did not pay off any.



### 1.5.1 Debt Service Ratio

**Table 20. Debt Service Ratio, 2004-2009**  
**Provincial Government of Bohol**

| Indicator                                   | 2009             | 2008           | 2007           | 2006           | 2005           | 2004           |
|---|------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Total Actual Cost for Debt Servicing</b> | 26,017,090.44    | 1,093,179.81   | 573,437.50     | 600,000.00     | 4,140,691.43   | 18,835,249.32  |
| <b>Total Regular Income</b>                 | 1,030,484,871.71 | 860,149,994.94 | 770,292,672.46 | 733,303,126.34 | 656,094,115.26 | 604,002,029.37 |
| <b>Debt Service Ratio</b>                   | <b>0.03</b>      | <b>0.00</b>    | <b>0.00</b>    | <b>0.00</b>    | <b>0.01</b>    | <b>0.03</b>    |

The Debt Service Ratio of the PGBh is very small with only 0.03 actual cost of debt servicing to every peso of regular income.

### 1.5.2 Debt to Population

The Debt to Population Ratio had an erratic trend as shown in Table 21. Registering the lowest ratio in year 2007 but almost doubling in subsequent years with the successive availment of long-term loans with the Land Bank of Philippines for the implementation of certain projects. On the other hand, there is also a chunk of old loans requested for condonation of about ₱356.68 debt to an individual ratio for about 8 percent, specifically.

**Table 21. Debt to Population, 2004-2009**  
Provincial Government of Bohol

| Indicator                | 2009           | 2008           | 2007           | 2006           | 2005           | 2004           |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Total Liabilities</b> | 490,073,460.10 | 276,186,135.23 | 164,555,247.55 | 168,932,968.44 | 185,243,296.82 | 166,951,750.59 |
| <b>Total Population</b>  | 1,373,974.00   | 1,345,031.00   | 1,316,789.00   | 1,289,231.00   | 1,262,339.00   | 1,236,094.00   |
| Debt to Population       | <b>356.68</b>  | <b>205.34</b>  | <b>124.97</b>  | <b>131.03</b>  | <b>146.75</b>  | <b>135.06</b>  |

And even with the significant increase in debt to population, as far as the other financial indicator is concern, particularly the current ratio, the PGBh has the capacity to pay its debt with an asset of 4.86 to pay a peso loan.

## 1.6 MAJOR FINANCIAL PERFORMANCE INDICATORS

The table below shows the different financial performance indicators of the PGBh.

**Table 22. Major Financial Performance Indicators, 2004-2009**  
Provincial Government of Bohol

| Indicator                | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|--------------------------|------|------|------|------|------|------|
| Current Ratio            | 4.86 | 5.69 | 6.23 | 4.79 | 3.07 | 2.62 |
| Quick Ratio              | 4.12 | 4.81 | 5.12 | 4.19 | 2.67 | 2.14 |
| Debt Ratio               | 0.23 | 0.16 | 0.12 | 0.13 | 0.17 | 0.17 |
| Return on Assets         | 0.13 | 0.16 | 0.17 | 0.19 | 0.15 | 0.12 |
| Annual Asset Growth Rate | 22%  | 23%  | 11%  | 16%  | 10%  | 2%   |

The Current Ratio is mainly used to give an idea of the entity's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory, receivables). Although in the last three years (2007-2009) there was a decreasing trend compared with the previous three years (2004-2006), it can be noted the province has an improved Current Ratio.

The Quick Ratio is a more conservative ratio than the Current Ratio because it excludes inventory from current assets as some entities have difficulty turning their inventory into cash. An indicator of a company's short-term liquidity, the Quick Ratio measures a company's ability to meet its short-term obligations with its most liquid assets. The Quick Ratio trend for PGBh is similar to the Current Ratio with a decreasing trend for the last three years (2007- 2009) and an increasing trend for the previous three years (2004-2006).

Debt Ratio indicates what proportion of debt a company has relative to its assets. The measure gives an idea to the leverage of the company along with the potential risks the company faces in terms of its debt-load. A Debt Ratio of greater than 1 indicates that a company has more debt than assets; meanwhile, a Debt Ratio of less than 1 indicates that a company has more assets than debt. From 2004 to 2009, PGBh has a Debt Ratio of less than 1, indicating that it is in very good financial health.

Another indicator of how profitable a company is relative to its total assets is the Return on Assets (ROA). It gives an idea as to how efficient management is at using its assets to generate earnings. The above table indicates that the Province's ROA is just between 12 percent to 19 percent.

The assets of the PGBh have grown tremendously during the past years. In year 2004, annual asset growth rate was just 2 percent compared to the last two years where it has grown to 22 percent and 23 percent for 2008 and 2009, respectively. The asset of the provincial government has grown with the acquisition of heavy equipment and other assets in 2008 and 2009.

## 1.7 OTHER FINANCIAL INDICATORS

### 1.7.1 Cost to Collect Revenues

The table below shows that the cost to collect local revenues excluding that of the hospitals takes only ₱0.30 at the average and with only ₱ 0.37 as the highest cost. In contrast, the hospital needs an average of ₱ 4.75 to collect 1 peso which may be due to the "free-health-services" perceived function of government hospitals.

**Table 23. Cost to Collect Revenues, 2004-2009**  
Provincial Government of Bohol

| Cost to Collect Revenues                         | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|--|------|------|------|------|------|------|
| PTO and PASSO (all revenue except from hospital) | 0.21 | 0.37 | 0.37 | 0.3  | 0.27 | 0.32 |
| Hospital Revenue                                 | 4.07 | 4.88 | 4.45 | 4.58 | 3.98 | 6.5  |

### 1.7.2 RPT Accomplishment Rate

(Actual RPT collection / Total RPT collectibles)

PGBh's Provincial Treasurer's Office is considered by the Department of Finance as one of the best in Region 7 with 88% of RPT Accomplishment Rate. Table 24 below shows that the office's performance is consistent for the past two years. This is made possible thru the efforts of the Provincial Tax Campaign Team who went to the different municipalities in order to improve collection of RPT and other taxes.



**Table 24. RPT Accomplishment Rate, 2004-2009**  
**Provincial Government of Bohol**

| Indicator              | 2009   | 2008   | 2007   | 2006   | 2005   | 2004   |
|------------------------|--------|--------|--------|--------|--------|--------|
| Actual RPT collection  | 22.7 M | 17.3 M | 13.4 M | 13.8 M | 12.9 M | 11.7 M |
| Total RPT collectibles | 25.8 M | 19.7 M | 17.6 M | 17.6 M | 17.6 M | 14.3 M |
| Percent Share          | 88%    | 88%    | 76%    | 79%    | 73%    | 82%    |

### 1.7.3 Percentage of Total Appropriations expended on Personal Services

From 2004 to 2009, a decreasing expenditure trend is noted for the Personal Services (PS) of the Provincial Government in relation to its yearly appropriation. Table 25 shows the decreasing percentage of total expenditures for PS to total appropriations. This is due to the freeze hiring policy implemented by the provincial government in preparation of PGBh's planned Re-engineering Program as well as in support of DBM's budgetary PS limitation requirement set at 45 percent of total appropriation. However, PGBh's Personal Services expenditure is expected to increase because of the implementation of the Salary Standardization Law III and the hiring of additional employees in Year 2010.

**Table 25. Percentage of Total Appropriations Expended on Personal Services, 2004-2009**  
**Provincial Government of Bohol**

| Indicator   | 2009      | 2008    | 2007    | 2006    | 2005    | 2004    |
|---|-----------|---------|---------|---------|---------|---------|
| Total Personal Services                                       | 351.3 M   | 290.2 M | 265.9 M | 294.6 M | 281.9 M | 292.3 M |
| Total Appropriations  | 1,052.9 M | 871.9 M | 772.9 M | 760.6 M | 663.2 M | 606.2 M |
| % of Total Personal Services Expended to Total Appropriations | 33%       | 33%     | 34%     | 39%     | 42%     | 48%     |

## 2 FINANCIAL MANAGEMENT STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

### 2.1 MAJOR STRENGTHS AND WEAKNESSES

With the intention of knowing the current financial situation of the Provincial Government of Bohol (PGBh) and to identify areas for improvement and reforms in the field of financial management, the provincial government undertook a Public Finance Management (PFM) Assessment. The assessment, which was administered to the nine offices of PGBh, showed the strengths, weaknesses, opportunities and threats covered in the six areas in Public Finance Management. Information generated provided data on PGBh's practices vis-à-vis standards and directives pertaining to financial management of provincial government units.

The six major PFM areas included local planning, budgeting, revenue generation and treasury management, expenditure management, accounting, internal control and internal audit. Each was assessed in terms of five attributes which consist of organization, legislative support, management systems and quality of outputs.

The following is a summary table showing the ratings in all six areas in the five attributes:

**Table 26. Overall Summary of PFM Assessment Ratings**

| ATTRIBUTES                 | PFM AREAS      |           |  |                        |                                    |                            |
|----------------------------|----------------|-----------|--|------------------------|------------------------------------|----------------------------|
|                            | Local Planning | Budgeting | Revenue Generation and Treasury Management | Expenditure Management | Accounting and Financial Recording | Internal Control and Audit |
| Organization and Staffing  | 95             | 100       | 88   | 50                     | 75                                 | 50                         |
| Legislative Support        | 100            | 80        | 100  | 100                    | 50                                 | 0                          |
| Management Systems         |                |           |  |                        |                                    |                            |
| • Processes and Procedures | 89             | 90        | 60   | 47                     | 73                                 | 30                         |
| • Transparency             | 100            | 50        | -  | -                      | 50                                 | -                          |
| • Participation            | 67             | 100       | -  | -                      | -                                  | -                          |
| • Continuous Improvement   | 50             | 100       | 50   | -                      | 100                                | -                          |
| • Customer Service         | 100            | 100       | 67   | -                      | 83                                 | -                          |
| • Integrity Development    | 75             | 50        | 58   | -                      | 25                                 | -                          |
| Quality of Outputs         | 67             | 100       | 33   | -                      | 50                                 | 50                         |

Among the six major areas, Budgeting showed high strength with best practice in organization and staffing as well as in the quality of outputs. Local Planning followed which showed strong legislative support for development projects and multi-year plans. Such practice is being supported by the availability of capacitated and functional staff in the PPDO who served as secretariat to the Provincial Development Council.

For areas that need immediate attention, Internal Control and Internal Audit showed greater weakness, especially with the absence of an appropriate legislation to legitimize its creation into a department, viewed to be one of the critical financial office in the provincial government. The creation of the internal audit as a separate and independent department will increase the transparency and accountability of the public financial management systems of the provincial government and ensure that offices/departments have internal control procedures that match risk assessment and analysis levels. Aggravating the present situation of Internal Audit is the absence of a risk management assessment for provincial departments and offices coupled with meager financial support. Audit and financial recording likewise had to be given support especially because these offices are tasked with handling voluminous documents which have to be consolidated into reports that have set deadlines.

In terms of government financial operations, the lack of financial resources to support the provision of basic services and to fund local development plans is a critical concern if improvements in key human development outcomes are to be attained. For the Provincial Government of Bohol, revenue generation and resource mobilization are hampered, among others, by:

1. Poor systems and procedures in tax collection

There is a need to develop strategies and systems that will enable PGBh to increase its local financial resources and to allocate resources in a manner that is consistent with the province's goals and objectives as articulated in its PDPFP. Contributing to this is the minimal coordination between assessor and treasury departments compounded by no electronic linkage, i.e., billing and collection on RPT between provincial assessment and treasury. Management systems such as processes and procedures for expenditure management and information and communication technology for revenue generation and treasury management are concerns that have to be addressed.

2. Weak local capabilities which has resulted in the inadequacy in the delivery of services

Results from the PFM Assessment reveal a number of areas for capacity improvement such as capacitating personnel from revenue-generating offices with skills on revenue projections and estimation, monitoring and evaluation, accounting and audit skills, electronic systems operations, revenue generation, public enterprise, budget management, project management, accounting and audit skills, risk management, internal control, systematic procurement procedures and customer relations, among others

3. Poor incentives arising from structural problems such as minimal incentives for local revenue effort, no incentive for the most cost-efficient office/department and no incentive to utilize revenue-raising power fully, among others.

4. Minimal policy actions that is aimed at enhancing not just LGU revenue generation and mobilization but also the strategic allocation of the same.

Policies need to be reviewed and assessed so that the appropriate management and legislative action can be taken in areas that are potentially revenue-rich.

5. Weak tax administration/enforcement

The provincial government was unable to maximize its taxing and other revenue-raising powers as provided by the Local Government Code with collections from RPT, SEF, rental of office spaces and from business facilities, environment tax, franchise tax, property transfer tax as well as the tax on delivery trucks, miscellaneous income and other receipts not being met.

6. High dependency of PGBh on the Internal Revenue Allotment (IRA).

As of 2009, 90% of the total general fund of the PGBh is accounted by IRA. Bohol's economy, in general, is heavily dependent on shares from National Tax Collections.<sup>1</sup>

There is still much to do in terms of enhancing the public financial management systems of PGBh for a more sound and efficient financial management. Revenue generation strategies need to be more creative to optimize the taxing powers of local government units. The creation of a provincial office dedicated to manage the potential economic enterprises is an innovative option for revenue generation that the provincial government can explore.

Linking financial offices into an ICT network environment will speed up inter-office sharing of financial information for management decisions, retrieval of data required to make financial reports and storage of information that will be required by decision-makers and reports. Enhancement of competencies in financial management particularly in revenue projections and expenditure management, local economic enterprises and internal audit and control are needed by concerned personnel. ICT/GIS skills and facilities need to be in place to speed up data recording, storage and retrieval of information required for faster service delivery. Among the management systems that need attention, information technology development is needed on eTRACS, eBudget, eNGAS and other financial systems to be interlinked among offices. Other systems that have to be developed or enhanced are monitoring and evaluation system of PGBh, inventories of properties and equipment.

On policy support, official creation of a provincial monitoring and evaluation team is needed to track and assess performance of projects other than those funded by the 20% Development Fund. Institutionalization of an office to strengthen internal audit and control and passing of an audit charter is vital for a sound financial management. Likewise, establishment of an office to focus on local economic enterprise is needed to expand revenue generation opportunities. Policies on trust funds, retention funds and other special funds have to be reviewed.

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<sup>1</sup> Includes Internal Revenue Allotment (IRA), and Other Shares that include Priority Assistance Development Fund (Congressional Aid), Share from E-Vat and shares from national wealth.

## 2.2 SWOT MATRIX

Shown below is the financial management strengths, weaknesses, opportunities and threats (SWOT) of the provincial government in the areas of local development planning, budgeting, revenue generation and treasury management, expenditure management, accounting and financial reporting:

**Table 27. SWOT Matrix  
Provincial Government of Bohol**

| Strengths  | Weaknesses  |
|--|---|
| A. LOCAL DEVELOPMENT PLANNING  |   |
| Presence of five sectoral divisions in the PPDO headed by a full-fledged PPDC with no concurrent designation.  | Fragmented sectoral databases that are not linked with other offices and municipalities and GIS                         |
| Use of participatory planning approach, integrated spatial planning techniques, mechanism for ODA programs and monitoring systems for programs and projects under the 20% Development Fund             | Absence of a monitoring and evaluation system and M & E team for programs and projects outside the 20% development fund |
| Regular technical assistance extended to municipalities in spatial land use planning and availability of socio economic data through the PPDO website  | Lack of institutionalized mechanism and venue for constituents for airing sentiments, concerns and grievances           |
| Functional PDC with executive and sectoral committees that are active in formulating and updating development plans and investment programs and projects.  |   |
| Strong legislative support to planning needs, through such means as approval of the PDPFP, accreditation of civil society organizations and immediate legislative actions on other planning documents. |   |
| Presence of a comprehensive, province-wide Poverty Database and Monitoring System (PDMS) and updated socio economic data for development planning  |   |
| Transparency of information through news items in the PPDO website, print outs of reports and continuing advocacy for the province’s updated development framework                                     |   |
| Wide sectoral representation and active participation of NGOs in the PDC and in public summits for stakeholders consultation.  |   |
| Regular preparation of PDPFP, PDIP, AIP ELA and other plans  |   |
| B. Budgeting   |   |
| Full-fledged Budget Officer and capable technical staff providing full range of budget services both to the provincial and municipal governments.  | Imbalanced use of financial resources of provincial government with bias towards personal services.                     |

| Strengths   | Weaknesses  |
|---|---|
| Functional committee on appropriation in the Sangguniang Panlalawigan that reviews resolutions and ordinances supporting the implementation of e-budget system and proper procedures for fund disbursement. | Delayed preparation of the Annual Investment Plan in relation to the schedule established by DBM to enable timely approval by the PDC and the SP.   |
| Full adoption of proper procedures for budget preparation specifically the use of AIP, conduct of budget forum and hearings, budget calendar, budget forms, and others.                                     | Spending ceiling not practiced with some offices exceeding their budgets.   |
| Democratic group decision-making in discussing budgetary issues and concerns and determining income estimates among the LFC members.  | No systematic process for expenditure projection.   |
| Immediate compliance with the results of budget review by DBM.  | Apparent deficiencies in budgeting system such as absence of systematic process in revenue projection, disregard of spending ceiling and delayed transmission of appropriation ordinance. |
| Consistent use of Work and Financial Plan and Annual Procurement Plan as basis for the issuance of allotment  | Lack of proper information dissemination of issuances and circulars related to budgeting.   |
| Functional E-Budget System which produces timely reports and accurate fund balances.  | Non- posting of financial reports and summary of approved budget in a conspicuous place and in PGBh website as required by DILG   |
| Implementation of Citizen's Charter with frontline personnel trained on customer relations  | No proper consultation in the selection of personnel for appointment.   |
| Regular provision of technical assistance to municipal budget officers and other LGU officials on budgetary issues and concerns.  | Absence of linkages of E-Budget System to other financial departments .   |
| Full compliance with the Balance Budgeting Concept, Statutory and Contractual Obligations and activity-based budgeting and other special budgetary provisions.  |   |
| <b>C. EXPENDITURE MANAGEMENT</b>  |   |
| Appropriate review of expenditure by appropriate legislative committee during the budget hearing  | Inability of some offices to maintain records of expenditures resulting in high level of dependency on records generated by the Budget Office and failure to analyze variances regularly. |
| Proper recording and accounting of fund transfers to municipalities and barangays   | Laxity on the implementation of cost-saving measures including the selective granting of exemptions   |
|   | Absence of incentive mechanism for proper cost/expenditure management among departments and offices   |
|   | Irregular analysis of past expenditures by each department and the LFC, including sectoral allocation (analysis is done only during budget preparation period)                            |
|   | Incomplete charging against income of MOOE of "potential" economic enterprises  |
|   | Relatively large amount of unliquidated cash advances beyond the prescribed period  |
|   | Absence of capability to extract cost figures for major service delivery areas.   |

| Strengths   | Weaknesses   |
|---|--|
|   | Failure to post bidding opportunities and results in consonance with PhilGEPS  |
|   | Irregular updating of road data necessary for expenditure management   |
| <b>D. Revenue Generation and Treasury Management</b>  |  |
| Presence of full-fledged Provincial Treasurer and Provincial Assessor and capable staff who are involved in developing new sources of revenue, enhancing collections, and ensuring sound treasury management.                                 | Inadequate skills/techniques on revenue projections  |
| Updated Revenue Code (2008) that serves as primary reference in the impositions of all taxes, fees and charges.   | Lack of computerized systems on billing and collections of real properties, Geographic Information System (GIS), and integrated system linking the offices of Assessor, Accounting, Treasurer, Budget and other offices involved in financial management in the PGBh |
| Supportive SP Committee on Ways and Means and Board of Local Assessment Appeals that act promptly on matters relative to revenue generation.  | Outdated and incomplete revenue generation plan and poor system of plan monitoring and evaluation.   |
| Functional computerized systems in assessing real properties and issuing certification of landholdings; collecting taxes, fees and charges; processing and reporting of disbursements; and generating statement of receipts and expenditures. | Absence of incentive system for top performing municipal treasurers and assessors and other revenue-generating offices.  |
| Existence of programs/projects funded thru Overseas Development Assistance, which expands the coverage of service delivery of the provincial government.  | Absence of scientifically forecasted revenue targets and lack of skills in revenue forecasting.  |
| Properly-defined strategies to achieve targeted revenues, disseminate information on new schedule of market values, and to enforce judicial and administrative remedies on tax delinquencies.   | Poor system in the collection and remittance of income from hospital operations  |
| Immediate preparation and release of checks to payees.  | Late submission of collection and disbursement documents by the PTO to Accounting Office   |
| Regular provision of technical assistance to municipal treasurers and assessors that could enhance report preparation and submission, information dissemination, remittance of collection, and other treasury and assessment matters.         | Irregular reporting of cash flow to top management   |
|   | Absence of mechanism to identify problem in service delivery   |
| Presence of Citizens' Charter and service improvement plan in both offices of the Provincial Treasurer and Assessor.  | Political intervention in the hiring of some personnel   |
|   | Limited awareness on anti-corruption laws and Code of Ethical Standards as a result of limited capacity-building program.  |
|   | Weak implementation of LGU Internal Complaint Unit for better customer service delivery  |
|   | Lack of capacity-building activities in revenue collection   |
|   | Irregular reporting to LFC the variances of collection against targets   |

| Strengths  | Weaknesses   |
|--|--|
| <b>E. INTERNAL CONTROL AND INTERNAL AUDIT</b>  |  |
| Expressed interest to create an Internal Audit Service (IAS) through Executive Order and in accordance with DBM Budget Circulars.  | Absence of an ordinance creating the Internal Audit Service (IAS)  |
| Actual experience in Internal Audit report preparation (had generated several reports with “EXCEPTIONS” submitted to the Governor) | Inadequate staffing (only five personnel are assigned in the unit of which two are contractual)  |
|  | Limited operating budget for IAS operations specifically for training and seminars and limited number of personnel allowed to undergo training and seminars. |
|  | Lack of dissemination of the National Guidelines on Internal Control System (NGICS) and its integration in the local government operations.                  |
|  | Inadequate physical logistics like office space, equipment and vehicle.  |
|  | Non-adoption of an Internal Audit Charter by the SP.   |
|  | Limited coverage of the baseline assessment conducted.   |
|  | Absence of risk matrices for each department due to none holding of a risk assessment workshop   |
|  | Centralized setting of audit priorities in the absence of a Risk Based Audit Plan.   |
|  | Inaction on certain audit findings by the auditee.   |

## 2.3 OPPORTUNITIES AND THREATS

| Opportunities   | Threats  |
|---|--|
| <b>A. Local Development Planning</b>  |  |
| <ul style="list-style-type: none"> <li>Interest of the private sector in local governance that could enhance participative planning and improve the quality of plans and rationalize expenditure management.</li> <li>Incoming national government advocacy for good governance may correct legislative insufficiencies related to development planning. Incoming national government advocacy for good governance may correct legislative insufficiencies related to development planning.</li> <li>Availability of international and local training facilities that could enhance planning skills.</li> <li>Presence and interest of both local and foreign funding institutions that can be tapped for development programs and projects.</li> </ul> | <ul style="list-style-type: none"> <li>Fragmented and disjointed data collection initiatives among government agencies (local and national) that could hamper generation of information for informed policy and sound decision making.</li> <li>Possibility of changes in thrust and priorities of national government that could hinder or deter local development projects in the pipeline.</li> </ul> |
| <b>B. Budgeting</b>   |  |
| <ul style="list-style-type: none"> <li>Dynamic organization of local budget officers that could be an instrument for reforms and representation for local budgeting concerns.</li> <li>Organized municipal budget officers in the province which could facilitate dissemination of information, harmonization of budgeting procedures and others.</li> </ul>  | Emerging technologies in hacking existing systems in financial management.   |



| Opportunities  | Threats  |
|--|--|
| <b>C. Expenditure Management</b>   | Possible decrease in IRA (nationwide) as a result of revenue shortfalls during national and global difficulties.   |
| <b>D. Revenue Generation and Treasury Management</b>   |  |
| <ul style="list-style-type: none"> <li>Local business climate (infra, peace and order, tourism, agriculture) that is attractive to investors that could generate local revenues.</li> <li>The passage of Value Reform Act that could update land assessment and valuation that increase local revenues.</li> </ul>   | <ul style="list-style-type: none"> <li>Incomplete or unapproved cadastral surveys and tax maps of several municipalities in the province.</li> <li>Prolonged boundary disputes, court litigations and land conversion/acquisition of CARP – covered areas that could contribute to a high rate of delinquency.</li> <li>Unknown properties, duplication of tax declaration in the municipalities and properties that have not been transferred to current owners contribute to real property delinquency.</li> </ul> |
|  | <ul style="list-style-type: none"> <li>Lack of interest of tax payers, despite massive tax campaigns, as well as low paying capacity of people, and the culture to defy payment of taxes dutifully.</li> <li>Continued harassment and attempts of bribery from taxpayers and other clients causing staff demoralization and bad image of the provincial government</li> </ul>  |
| <b>E. Accounting and Financial Reporting</b>   |  |
|  | <ul style="list-style-type: none"> <li>Inappropriate external audit approach focusing on finding faults rather than constructive help and recommendations, as well as inconsistency of audit procedures among auditors.</li> </ul>   |
| <b>F. Internal Control and Internal Audit</b>  |  |
| <ul style="list-style-type: none"> <li>Mainstreaming internal control and internal audit in all government agencies, including LGUs that could safeguard economic resources, ensure operational efficiency and encourage adherence to prescribed managerial policies.</li> <li>Pool of competent internal auditors outside of the government service that could be tapped or recruited for local government positions.</li> <li>Growing support for public accountability and transparency from international bodies that could encourage local governments to institutionalize internal controls and internal audit.</li> </ul> | <ul style="list-style-type: none"> <li>Pressures from political leaders in identifying areas and/or identified areas to be reviewed or audited, evading the opportunity for process and systems improvement.</li> <li>Attitude or persons and entities outside of the provincial government provided with government funds defying government rules and regulations on auditing of public funds.</li> </ul>  |
| <b>G. Potential Local Economic Enterprises</b>   |  |
| <ul style="list-style-type: none"> <li>Interest of the private sector to rent heavy equipment at the Provincial Motor pool Office.</li> <li>Public preference of provincial hospitals upgraded to tertiary level will increase occupancy rate and availment of hospital services.</li> </ul>   | <ul style="list-style-type: none"> <li>Prolonged Dispute on ownership of Chocolate Hills Resort in Carmen will affect the implementation of the Business Plan.</li> <li>Indifference of the SALCON board and CHOCO Hills management to the interests of the provincial government with respect to its share holding.</li> </ul>  |

### 3 FINANCIAL MANAGEMENT DEVELOPMENT PLAN FOR FISCAL YEARS 2011-2015

The Strategic Financial Management Plan of Bohol Province is anchored in its PDPFP with a strategic goal of managing the provincial government's finances effectively in an organization that promotes a work environment with the highest ethical standards of honesty, trust and reliability, ensuring integrity of data and systems. The SFMP supports the promotion of economic growth of Bohol in a global competitive setting.

#### 3.1 VISION

A financially stable provincial government governed by sound fiscal policies that promote transparency, accountability and efficiency, installed and operated with effective resource management mechanisms and sustainable revenues to support development initiatives.

#### 3.2 PRIORITIES

In support of this vision, the SFMP has established six overarching priorities that enable a positive and strong work environment –

- **Daily operations** - Delivering quality products and services in a timely manner.
- **Conversion from paper to electronics** - Expanding and promoting the use of electronic media, moving towards an "all electronic Treasury".
- **Security of people, data, financial resources, and physical locations** - Ensuring safety of employees, the privacy of data, and the security of funds.
- **Cost management** - Creating an efficient, optimal processing environment.
- **Operating by our values** - Fostering an environment where core values are embraced.
- **Being a great place to work** - Creating a positive work environment.

### **3.3 FISCAL POLICIES AND DIRECTIONS**

For the current SFMP, the Provincial Government continues the fiscal policies and directions set in the previous Bohol Medium-term Provincial Financial Plan: 2007-2010 in support of the Provincial Development Investment Plan (PDIP) 2010-2015. This Plan articulates the following fiscal policies and directions in enhancing its revenue generation program and a well-directed budget and expenditure programming. Within the period under this plan, it would be the policy of the Provincial Government to:

1. Ensure efficient and effective poverty reduction and development strategies by accounting for outcomes for every peso invested;
2. Fully support innovative revenue generation strategies;
3. Prioritize the development of the economic sector; and
4. Prioritize the operations of the frontline units.

The entire fiscal administration, frontline offices and auxiliary units of the provincial government shall take the following directions:

1. Pursue innovative and progressive revenue generation strategies;
2. Ascertain annual output and outcome targets;
3. Derive optimum value for investments;
4. Rationalize Personal Services (PS) allocations; and
5. Optimize Maintenance and Other Operating Expenses (MOOE).

### **3.4 FINANCIAL MANAGEMENT GOALS AND OBJECTIVES**

On the basis of the problems and development needs identified in the previous section, these financial management goals and objectives are formulated to meet current and future requirements. The following elements of PGBh's 2011-2015 Strategic Plan represent the key financial management goals and objectives identified by the core departments per PFM area in pursuit for stable and sufficient financial resources in the PGBh.

#### **3.4.1 PGBh Overall Financial Management Goal**

Provide sustainable fiscal policies and regulatory frameworks that support a strong and vibrant provincial economy

### 3.4.2 Statement of Goals and Objectives per PFM Area

| PFM Area         | Financial Management Goals   | Financial Management Objectives  |
|------------------|--|--|
| <b>Planning</b>  | Development planning and policy formulation to promote economic growth | <ol style="list-style-type: none"> <li>1 To prepare comprehensive plans and other development planning documents for the consideration of the PDC</li> <li>2 To conduct continuing studies, researches and training programs necessary to evolve plans and programs for implementation</li> <li>3 To integrate and coordinate all sectoral plans and studies undertaken by the different functional groups or agencies</li> <li>4 To monitor and evaluate the implementation of the different development programs, projects and activities in Bohol in accordance with the approved development plan</li> <li>5 To analyze the income and expenditure patterns, and formulate and recommend fiscal plans and policies for consideration of the Local Finance Committee (LFC) as provided under Title Five, Book II of this Code</li> <li>6 To promote people participation in development planning</li> <li>7 To exercise supervision and control over the secretariat of the PDC</li> </ol>  |
| <b>Budgeting</b> | Budget preparation, review and execution                               | <ol style="list-style-type: none"> <li>1 To prepare forms, orders and circulars embodying instructions on budgetary and appropriation matters</li> <li>2 To review and consolidate the budget proposals of the different departments and offices of the provincial government</li> <li>3 To study and evaluate budgetary implications of proposed legislations</li> <li>4 To coordinate with the Treasurer, Accountant and Planning and Development Coordinator on matters related to budgeting</li> <li>5 To coordinate with the planning office in the formulation of the Annual Investment Plan within prescribed calendar days</li> <li>6 To review annual and supplemental budgets of the 47 municipalities and one component city within seven working days per budget</li> <li>7 To record and report appropriations, allotments, obligations and balances using the e-budget system as ready reference for decision making and in aid to legislation</li> <li>8 To establish linkage with the Office of the Governor and other financial offices on budgetary matters</li> </ol> |

| PFM Area           | Financial Management Goals   | Financial Management Objectives  |
|--------------------|--|--|
| Revenue Generation | Ensure adequate reserves/resources for the implementation of the development agenda of the provincial government | <ol style="list-style-type: none"> <li>1 To continuously explore potential revenue sources</li> <li>2 To reduce IRA dependency by 10% per year</li> <li>3 To safe keep funds and invest available cash on high yielding investment opportunities</li> <li>4 To increase locally-generated revenues from 8% to 10% of total revenue</li> <li>5 To achieve collection target of 10% per year</li> <li>6 To coordinate with Municipal Treasurers in the implementation of strategies in the collection of real property taxes and other provincial impositions</li> <li>7 To establish electronic linkage with municipalities on real property tax administration</li> <li>8 To initiate updating of Provincial Revenue Code</li> <li>9 To coordinate with other provincial offices on matters related to revenue generation</li> <li>10 To implement tax ordinances pursuant to the provisions of Book II of the Local Government Code</li> <li>11 To maintain and update the tax information system of the province</li> <li>12 To exercise technical supervision over all treasury offices of component city and municipalities</li> </ol> |
|                    | Optimized real property appraisal and assessment   | <ol style="list-style-type: none"> <li>1 To ensure laws and policies governing appraisal and assessment of real properties for taxation purposes are properly executed</li> <li>2 To initiate review and recommend changes in policies and objectives plans and programs, techniques, procedures and practices in the assessment of real properties for taxation purposes</li> <li>3 To provide technical assistance in the installation and maintenance of tax mapping system and property identification and accounting system, appraisal on assessment of all real properties in the LGUs.</li> <li>4 To prepare schedule of fair market values for the different classes of real properties</li> <li>5 To issue upon any request of interested party certified copies of records of real property upon payment of service fee to the treasurer</li> <li>6 To submit a report of all assessments, cancellations and modifications to the local chief executive and to SP every semester</li> </ol>  |

| PFM Area                            | Financial Management Goals  | Financial Management Objectives   |
|-------------------------------------|---|---|
| Accounting and Financial Reporting  | Fair presentation of financial condition of the provincial government         | <ol style="list-style-type: none"> <li>1 To prepare journals and record financial transactions through the electronic New Government Accounting System (eNGAS)</li> <li>2 To provide adequate security mechanism for data integrity and accuracy in the use of ENGAS</li> <li>3 To prepare the required financial statements of the provincial government for interested users</li> <li>4 To appraise the SP and other local government officials on the financial condition and operations of the provincial government</li> <li>5 To review supporting documents before the payment of claims</li> <li>6 To prepare and submit periodic remittance reports for mandatory deductions</li> <li>7 To submit accounts/documents to the Commission on Audit within the prescribed period</li> <li>8 To coordinate with other provincial offices on accounting matters</li> </ol> |
| Internal Control and Internal Audit | Improved internal control audit system for sound financial management         | <ol style="list-style-type: none"> <li>1 To strengthen control over financial and operating data</li> <li>2 To appraise the economy and efficiency of resource utilization in the provincial government</li> <li>3 To review operations and programs for consistency with established managed goals</li> </ol>  |
| Economic Enterprise                 | Sustainability of potential economic enterprises of the provincial government | <ol style="list-style-type: none"> <li>1 To establish a Public Enterprise Management Unit and a Provincial Tourism Enterprise Unit in the Provincial Government to oversee provincial government's potential economic enterprises</li> <li>2 To conduct revenue generation planning for the potential economic enterprises of the provincial government</li> </ol>  |

## 3.5 INCOME AND EXPENSE PROJECTIONS

### 3.5.1 Income Projection

The projected total revenue to be generated from 2010 to 2015 is projected to reach PhP 7.52 billion. The Provincial Government of Bohol uses the linear regression method in the projection of its income for the six-year period from 2010 to 2015 in the following revenue accounts of which this method may apply:

- a) Amusement Tax
- b) Tax On Delivery Trucks And Vans
- c) Tax On Transfer Of Real Property Ownership
- d) Environmental Tax
- e) Hospital Income
- f) Certification Fees
- g) Rental On Office Spaces
- h) Miscellaneous Income

Historically, PGBh was not able to achieve 100% collection efficiency in real property tax. On this note, the linear regression method was not followed for this revenue account because it is considered as one of the primary local revenue sources of the PGBh and as such, will focus on the strategies in expanding its tax base and other considerations that contribute to the achievement of the revenue targets such as the conduct of general revision for at least once in every five years, the paying capacity of the taxpayers, implementation of judicial, administrative/civil remedies for collection of taxes and granting of amnesty to delinquent real property taxpayers.

The application of the linear regression methods for the Franchise Tax and Sand and Gravel Fees resulted in negative estimates for these revenue items, which is not realistic. In these exceptional cases, the 2010 estimates are based on the 2009 collection, multiplied by 1.10 (i.e., plus 10%). The Franchise Tax is computed on the gross revenue declared by the establishment or the taxpayer and subject to adjustment whenever issuances from Department of Finance and other government agencies granting exemptions on some receipts from their business operations that would eventually result to tax credit in the coming years' tax obligations as PGBh has experienced. Professional Tax is based on fixed rate depending on the number of years graduated and the actual practice of the taxpayer's profession.

Although Linear Regression Method is applicable in the projection of this account, Dividend Income is dependent on the release of dividend by the Board of the Bohol Water and Bohol Light Companies of which PGBh has a joint venture partnership with the companies.

As we project the province's estimated revenues for six years using linear regression and other methods deemed applicable, the trend is increasing (Table 29). However, the total estimated revenues for six years in the amount of Seven billion Five hundred twenty two million five hundred seventy three thousand nine hundred eight pesos (₱7,522,573,908) might not be

sufficient to finance the development agenda of the provincial government (the HEAT Bohol LIFES HELP), the finance sector will continuously explore possible revenue sources other than those stipulated in the taxing power of the provincial government to increase our locally generated revenues that eventually reduce our dependency from Internal Revenue Allotment.

The tax coverage, tax base and rate of tax of the provincial government are based on the Provincial Revenue Code. The Provincial Treasurer's Office draws the schedule of tax rates indicating base values and maximum tax or charges that can be applied, and how the proceeds are distributed as shown in the Table below. These rates, however, need updating.

Table 28  
**Provincial Tax Rates Profile**  
Province of Bohol

| SUBJECT  | BASE  | MAXIMUM TAX RATE   | DISTRIBUTION OF PROCEEDS                               |
|--|---|--|--|
| <b>Real Property Tax</b>   | Assessed Value  | 1%   | Province – 35%<br>Municipality – 40%<br>Barangay – 25% |
|  |   | 1% - SEF   | Prov.Sch.Board – 50%<br>Mun.Sch.Board – 50%            |
| <b>On Transfer of Real Property</b>  | Fair Market Value or Consideration, Whichever is higher   | 50% of 1%  | Province – 100%  |
| <b>On Sand, Gravel and other Quarry Resources: Extraction Tax- on Public Lands</b> | Fair Market value in the locality per cubic meter of the extract.   | 10%  | Province – 30%<br>Municipality – 30%<br>Barangay – 40% |
| <b>Environmental Tax- on Private Lands</b>   | Fair Market Value in the locality per cubic meter of the extract  | 10%  | Province – 100%  |
| <b>On Delivery Trucks and Vans</b>   | Per Delivery Truck/Van/Vehicle:<br>For every ten-wheeler<br>For every six-wheeler<br>For every four-wheeler | P 500.00<br>P 400.00<br>P 300.00   | Province – 100%  |
| <b>On Professionals</b>  | Per professional  | P300.00 for each profession requiring more than 4 years of study<br>P200.00 each for 4 years study and below | Province – 100%  |
| <b>On Franchise</b>  | Capital Investment for Newly started business   | 1/20 of 1%   | Province - 100%  |
|  | Gross Receipts based on preceding calendar year   | 50% of 1%  |  |
| <b>On Amusement Places</b>   | Paid Admission Fee  | 30% of Gross Receipts from Admission Fee   | Province – 50%<br>Municipal – 50%                      |
| <b>On Business of Printing and Publication</b>                                     | Capital Investment for Newly started business   | 1/20 of 1%   | Province – 100%  |
|  | Gross Receipts based on preceding calendar year   | 50% Of 1%  |  |



The provincial government, however, has yet to make a comprehensive inventory of its tax base. For example: an inventory of quarrying sites in the entire province with estimates of annual production volumes; inventory of games and amusements centers and its estimated clientele; monitoring of entry and registrations of vans and delivery trucks and its registration, and the like.

### **3.5.2 Expense Projection**

The Provincial Government of Bohol uses linear regression in the projection of its expenditure for the year 2011 to 2015. However, the budgetary requirements are projected in accordance with specific provisions of the law. There are general assumptions that are observed in the projection such as:

- (a) The aggregate amount appropriated shall not exceed the estimates of income for the year;
- (b) Total appropriations whether annual or supplemental for personal services for one year shall not exceed 45% in case of first class province;
- (c) 20% of the Internal Revenue Allotment (IRA) for the year shall be appropriated for development projects contained in the local development plan;
- (d) Full provisions shall be made for all statutory and contractual obligations provided for the budget year; and
- (e) 5% of the estimated revenue from the regular sources shall be set aside as an annual lump sum appropriation for unforeseen expenditures arising from occurrence of calamity.

Moreover, the computation of expense projection is based on the data found in the Annual Budget of CY 2010 of the Province.

The trend, as projected, is increasing with total expense projection amounting to ₱8,053,965,231.00 for the six-year period, from 2010 to 2015. Item 1 of year 2011, which is the Personal Services, is computed based on the implementation of the 2<sup>nd</sup> tranche of salary standardization for the year 2011 with the corresponding increase in government share contribution for life and retirement, PhilHealth and the grant of Magna Carta and year-end benefits. Items 2 to 4, which is composed of Personal Services, MOOE, Capital Outlays and Non-Office including GAD, are computed using the Linear Regression Method. Financial Expenses is based on the Schedule of Amortization of Loan in the bank.

The 20% Development Fund and 5% Calamity Fund are based on a fixed percentage required by law. The Aid to Barangay is fixed at ₱5,000.00 per barangay even if the law requires an amount of not less than ₱1,000.00 for each barangay. Additional Aid to Barangay in the amount of ₱5,000.00 is also charged to the 20% Development Fund for a total of ₱10,000.00 per barangay. Shown below is the summary of the expense projection for the Provincial Government of Bohol in years 2011-2015.

**Table 29. Summary Of Income Projection, 2010-2015**  
**Bohol Provincial Government**

| Income Source            |  | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | Total                |
|--------------------------|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Local Sources</b>     |  |                      |                      |                      |                      |                      |                      |
| 1                        | Real Property Tax - Current Year           | 17,726,295           | 18,842,094           | 19,957,894           | 21,073,694           | 22,189,493           | 116,399,965          |
| 2                        | Real Property Tax - Prior Years            | 4,561,619            | 5,188,009            | 5,814,398            | 6,440,788            | 7,067,178            | 33,007,222           |
| 3                        | Real Property Tax - Penalties              | 2,348,090            | 2,667,329            | 2,986,568            | 3,305,807            | 3,625,047            | 16,961,691           |
| 4                        | Franchise Tax *                            | 540,220              | 594,242              | 653,666              | 719,033              | 790,936              | 3,789,208            |
| 5                        | Sand and Gravel Fees *                     | 674,380              | 741,818              | 816,000              | 897,600              | 987,360              | 4,730,231            |
| 6                        | Amusement Tax                              | 157,319              | 176,940              | 196,561              | 216,182              | 235,802              | 1,120,503            |
| 7                        | Tax on Delivery Trucks and Vans            | 1,576,408            | 1,673,866            | 1,771,324            | 1,868,781            | 1,966,239            | 10,335,569           |
| 8                        | Tax on Transfer of Real Property Ownership | 2,310,473            | 2,498,312            | 2,686,152            | 2,873,992            | 3,061,832            | 15,553,393           |
| 9                        | Professional Tax *                         | 174,408              | 191,849              | 211,034              | 232,137              | 255,351              | 1,223,332            |
| 10                       | Environmental Tax                          | 1,800,811            | 1,899,059            | 1,997,308            | 2,095,556            | 2,193,804            | 9,986,538            |
| 11                       | Hospital Income                            | 19,258,295           | 20,216,471           | 21,174,647           | 22,132,823           | 23,090,999           | 124,173,353          |
| 12                       | Certification Fees                         | 2,404,736            | 2,655,180            | 2,905,623            | 3,156,066            | 3,406,510            | 16,682,408           |
| 13                       | Rental on Office Spaces                    | 3,780,230            | 3,910,156            | 4,040,082            | 4,170,008            | 4,299,934            | 23,850,712           |
| 14                       | Interest Income *                          | 13,271,368           | 14,598,505           | 16,058,356           | 17,664,191           | 19,430,610           | 93,087,911           |
| 15                       | Dividend Income **                         | 3,754,585            | 4,391,318            | 5,028,052            | 5,664,785            | 6,301,519            | 28,258,109           |
| 16                       | Share in PCSO Outlets' Proceeds            | 634,500              | 720,069              | 805,638              | 891,208              | 976,777              | 4,577,123            |
| 17                       | Miscellaneous                              | 1,492,238            | 1,667,239            | 1,842,240            | 2,017,241            | 2,192,242            | 10,528,438           |
|                          |  | <b>76,465,975</b>    | <b>82,632,457</b>    | <b>88,945,543</b>    | <b>95,419,893</b>    | <b>102,071,633</b>   | <b>514,265,707</b>   |
| <b>External Sources:</b> |  |                      |                      |                      |                      |                      |                      |
| 1                        | Internal Revenue Allotment                 | <b>1,053,481,893</b> | <b>1,129,861,542</b> | <b>1,206,241,191</b> | <b>1,282,620,841</b> | <b>1,359,000,490</b> | <b>7,008,308,201</b> |
|                          | <b>Total</b>                               | <b>1,129,947,868</b> | <b>1,212,493,999</b> | <b>1,295,186,734</b> | <b>1,378,040,733</b> | <b>1,461,072,123</b> | <b>7,522,573,908</b> |

**Table 30. Summary Of Expense Projection, 2010-2015**  
**(based on CY 2010 Annual Budget)**  
**Bohol Provincial Government**

| Expense Account  | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | Total                |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1 Personal Services **                                     | 452,287,140          | 482,287,140          | 512,287,140          | 563,515,854          | 619,867,439          | 3,043,903,158        |
| 2 Maintenance and Other Operating Expenses                 | 279,208,625          | 303,227,879          | 327,247,134          | 351,266,388          | 375,285,642          | 1,891,425,038        |
| 3 Capital Outlay   | 16,563,604           | 16,922,103           | 17,280,602           | 17,639,101           | 17,997,600           | 102,608,116          |
| 4 Non-Office<br>(Including GAD Budget)                     | 144,108,562          | 162,697,057          | 181,285,552          | 199,874,046          | 218,462,541          | 1,031,947,825        |
| 5 20% Development Fund *                                   | 210,696,379          | 225,972,308          | 241,248,238          | 256,524,168          | 271,800,098          | 1,409,286,870        |
| 6 5% Calamity Fund *                                       | 56,497,393           | 60,624,700           | 64,759,337           | 68,902,037           | 73,053,606           | 378,703,493          |
| 7 Aid to Barangays *                                       | 5,545,000            | 5,545,000            | 5,545,000            | 5,545,000            | 5,545,000            | 33,270,000           |
| 8 Financial Expense *                                      | 29,771,375           | 28,048,910           | 26,225,728           | 24,462,366           | 22,694,775           | 162,820,730          |
| <b>Total</b>   | <b>1,194,678,078</b> | <b>1,285,325,098</b> | <b>1,375,878,731</b> | <b>1,487,728,960</b> | <b>1,604,706,703</b> | <b>8,053,965,231</b> |
| * Linear Regression is not applicable                      |                      |                      |                      |                      |                      |                      |
| ** PS based on projection at 9% increase from year to year |                      |                      |                      |                      |                      |                      |

The desired collection efficiency for local revenues can be achieved through stronger collaboration between provincial and municipal governments, particularly in the campaign and collection of real property taxes. Identified significant local revenues such as income from hospitals and local taxes, fees and charges, shall be collected through more effective measures and strategies. Among these strategies include the expansion of Philhealth coverage for the indigents in the province, thereby expanding the client base of provincially-owned hospitals; improvement of hospital facilities and services with corresponding application of industry-based fees and charges; strengthening of monitoring and enforcement of laws for sand and gravel extraction, delivery trucks and transfer taxes; and proper computation and collection of rental fees for the use of government facilities.

On the other hand, the Internal Revenue Allotment (IRA) dependency of the provincial government is expected to be reduced with the foreseen increase in the level of local revenue collections. Real property taxes shall be increased with the regular updating and preparation of the Schedule of Fair Market Values and its general revision of taxes. The Provincial Revenue Code shall be reviewed and updated to adjust fees and charges of services and facilities to be at par with market prices. Revenue base will be expanded with the exploration of other revenue sources such as the operation of economic enterprises and potential income-generating activities. Real properties and facilities of the provincial government will be maximized for economic gains.

While the projected revenues (as shown in Table 29) reflect a steady yearly IRA dependency ratio, such projection does not include possible income from the new revenue sources. Considering that the revenues are projected using historical trends, the growth rates are somehow unvarying and linear.

### **3.6 Financial Management Strategies**

The PGBh's strategies developed below are grouped into eight categories as follows:

- **Organizational Strategies.** These refer to organizational arrangements, reporting relationships, staffing requirements, and the like;
- **Policy Support Strategies.** These refer to the enabling policies that should be developed, revisited or updated and includes guidelines as well as legislative issuances;
- **Capacity Building Strategies.** These concern with the human resource requirements and includes training, coaching, benchmarking, study missions and the like;
- **Systems Improvement Strategies.** These deal with the updating of existing processes and pocedures or in expanding the same cover to a wider area or meet current requirements;
- **Physical Infrastructure Strategies.** These pertain to the hard components of the system and includes equipment, tools and other tangible mechanisms;
- **Linkages Strategies.** These entail the development of network within and outside of the provincial government;
- **Project or Program Development Strategies.** These put a cutting edge to a bigger task or situation in order to accelerate the accomplishment of the desired results; and
- **Integrity Development Strategies.** These deal with measures related to anti-corruption, fraud prevention, enhancing ethical standards and the like.

### **3.6.1 Organizational Strategies**

The organizational strategies of the provincial government involve the filling of vacant technical positions in the offices of PPDO, PTO, PAssO, PBO, and PAccO in order to effectively deliver the services to the public. There is also a necessity for the creation of (a) Internal Audit Service as a department with a department head that manages the operations and reports directly to the governor; (b) composite team from PTO, GO, PLO and BEMO to be deployed to strategic entry and exit areas to check and monitor sand and gravel operations; (c) inter-agency complaint unit to enhance service deliver.

More so, there is a felt need to institutionalize the Public Enterprise Management Office into a department. This will entail the creation of the department head and other plantilla positions to effectively develop and implement business plans and use potential assets for revenue generation. This will contribute to the effort to increase locally generated revenues that would eventually reduce IRA dependency. The manpower requirement will be addressed by filling-up vacant technical positions in the provincial government.

### **3.6.2 Policy Support Strategies**

The Provincial Government of Bohol has to issue executive and legislative measures in the form of ordinances, executive orders and resolutions. Ordinances will be required for the creation of (a) Strategic Road Fund for sustainable road maintenance; (b) People's Council among PGBh's accredited NGOs and POs; and (c) Provincial Auction Sale Committee. Ordinances will also be required for the institutionalization of the Internal Audit Service and Public Enterprise Offices.

The approval of PPDO's proposed Personnel Plan and the implementation of feasibility studies (FS) for the graduation of selected hospitals into economic enterprises necessitates the enactment of ordinances. Finally, amended ordinances for the hospital revenue management and Updated Revenue Code are necessary.

The Local Chief Executive has to issue executive orders for the

- (a) creation of a Provincial Monitoring and Evaluation Team;
- (b) timely submission of approved AIP for SP approval of the Provincial Annual Budget;
- (c) inclusion of budget and expenditure analysis in the regular tasks of department heads and administrative officers;
- (d) inclusion of analysis of financial indicators and financial performance during MEB meetings to serve as basis of management action.

Moreover, the following are also recommended:

- (a) implementation of the separation of MOOE records of potential economic enterprise to track viability/profitability
- (b) Enhance criteria to be integrated in the granting of model office award for incentive mechanism for the most cost-efficient dept.
- (c) Maintenance of separate bank accounts for each receipt from donors

- (d) Require recipients of financial grants/assistance to implement reporting system to be able to analyze its ultimate purpose
- (e) For all MOAs entered into by the provincial government, implementing rules or guidelines be made available for ready reference by project implementers and Trust Fund custodians and book keepers
- (f) Enforce COA policies on cash advances as well as imposition of disciplinary actions on long overdue cash advances in accordance with government rules and regulations
- (g) Lastly, PDC Resolution is needed to institutionalize the criteria for Prioritizing and Ranking of Programs and Projects in the PDIP for adoption by the PDC.

### **3.6.3 Capacity Development Strategies**

The Capacity Development Strategy of the provincial government is in response to the felt need to enhance capacities of the provincial government staff. Inadequacy of the staff ranges in forms such as monitoring and evaluation, electronic systems operations, revenue generation, public enterprise, budget management, project management, accounting and audit skills, risk management, internal control, systematic procurement procedures and customer relations.

Foremost in the training needs on monitoring and evaluation of PPDO staff is to design, conduct and report monitoring and evaluation of plans, programs and projects of the provincial government. On information technology needs, skills enhancement on particular systems are required for efficient information exchange and service delivery. Revenue generation capacities need further development through formal training or coaching. For public enterprise management, the awareness level of leaders has to be raised. Study missions to successful enterprises could be one of the means of capacity development.

### **3.6.4 Physical Infrastructure Strategies**

The staff of the provincial government needs to become mobile to monitor and evaluate programs and projects and disseminate tax information; hence, the need to acquire additional vehicles. The government also needs to upgrade IT facilities like software for GIS and additional hardware for e-NGAS, FITTSYS and the e-Budget system. Some offices also need to be provided with adequate office space and other necessary logistic support particularly the Internal Audit Service. Acquisition of office furniture and fixtures and minor office repairs and improvement are needed for some offices.

### **3.6.5 Project and Program Development Strategies**

The provincial government needs to conduct information and education campaigns to guide the various departments in developing programs, projects and activities that will contribute to the achievement of the overarching development thrusts of the province. It also needs to update regularly its existing databases and continue providing technical assistance in the formulation, review and revision of the CLUP in the municipalities. Value for Money, Management by Outcomes, Activity-based costing and performance-based budgeting should be operationalized.

In the area of revenue generation and treasury management, there is a need to install e-TRACS and GIS systems. Project phasing for huge programs such as the physical inventory and streamlining the process of resolution of audit issues are necessary for accounting and financial reporting.

### **3.6.6 Integrity Development Strategies**

The HRMDO shall formulate a Manual of Ethical Standards for all departments of the provincial government, the contents of which are RA6713, RA3019, Anti-Red Tape Act, CSC uniform rules on administrative cases and other policies pertaining to work ethics and anti-corruption laws. It shall also conduct Information Education Campaign (IEC) of the manual to all employees. Further, the HRMDO shall conduct values orientation, moral recovery program, and orientation on NGCIS for the employees.

As part of the anti-corruption strategies, computerization of economic enterprise transactions including web publication of income and other financial data will be implemented. In addition, transparency in the procurement process in the provincial government will also be enhanced. HRMDO must also include background check of applicants/candidates before issuance of appointments to ensure good work ethics among new entrants to government service. Feedback mechanism must also be developed to address complaints and concerns of stakeholders, thereby improving the delivery of services.

The issue of accountability and ethics in the public service is a concern in the PGBh. The strengthening of public confidence in government and public institutions constitutes a necessary condition for both effective democratic governance and a healthy economic development. PGBh is committed to fostering an ethical government and commits to a policy of “zero tolerance” for corruption. The integrity strategies set forward the commitments of PGBh to advance towards that goal over the next five years.

### **3.6.7 Linkages Strategies**

Strong linkage among the different offices within the provincial government is important in the accomplishment of development goals. Since office mandates are interrelated, it is important to develop good working relationship among offices. The interconnectivity of the mandates extends the usefulness of one office output to become an input of another. This is especially true in the Financial Management Information System and other systems which link the financial offices in the recording of financial transactions. This electronic linkage will reduce costs and facilitate processing of information as it affords the sharing of databases and other relevant data. All offices perform common functions specifically planning, budgeting, accounting, internal control and human resource management. In the same vein there is an office primarily in charge for each of these functions. Thus coordination between the respective offices and primary office is needed to harmonize their corresponding functions. Linkage between the Executive and the Legislative branches is also encouraged as it will lead to the synchronization of development efforts so that the provincial government can maximize productivity and improve delivery of service. This linkage should also include collaborations with other Local Government Units, national government agencies and Private Sector.

### **3.6.8 Systems Improvement Strategies**

PGBh has different systems and tools which cater to the needs and mandates of the offices. The existing systems include the Financial Management Information Systems which is composed of the Electronic New Government Accounting System (e-NGAS), Electronic Budget System (e-Budget), Electronic-Tax Revenue Assessment and Collection System (e-TRACs), and Real Property Tax Information System (RPTIS). These systems are installed in order to facilitate recording of transactions and auto generation of financial reports and other relevant documents. A Financial Transaction Tracking System (FITTSYS) is also currently developed and implemented for document tracking in PAccO and PTO. Different tools for monitoring and evaluation and feed backing mechanism are separately employed by the offices according to their needs.

As systems are evolving, it is envisioned that upon the creation of local economic enterprises, separate recording and financial reporting shall be incorporated in the e-NGAS. At present, the FITTSYS has already evolved to include the automatic issuance of checks at PTO. An e-window in PAccO will be installed for internal and external clients to verify present status of claims. E-TRACS is also foreseen to be implemented in the 47 municipalities. With the strengthening of collection system of the whole province, the real property tax system of the Provincial Assessor's Office (PASSO) shall adapt the Geographic Information System (GIS) and simultaneously such system will be utilized for road data gathering by other provincial offices. Additional data inputed to the system will be beneficial to tourism and agriculture sectors. With the help of the Information and Communication Technology (ICT) Office, an IT system will be developed to enhance processing of assessment documents, certificates and other needed information on real properties. The provincial government, in its aspiration to improve quality of service to constituents shall institutionalize an effective feedback mechanism in all areas of public service. In addition, the installation of a comprehensive monitoring and evaluation system especially on the collection and expenditure aspect shall assist the provincial government in optimizing its resources and inculcate the value for money attitude towards all its programs and projects. Lastly, improvement on the bidding process and the strict enforcement on policies such as granting of cash advances shall significantly affect financial reporting.

#### **Summary of Strategies by PFM Area**

The following table summarized the proposed management strategies to respond to gaps in the six areas of public financial management.



**Table 31. Summary of Strategies by PFM Area**  
**Provincial Government Of Bohol**

| Strategies                         | Planning  | Budgeting   | Revenue Generation and Treasury Management  | Expenditure Management  | Accounting and Financial Reporting   | Internal Control and Internal Audit  | Economic Enterprises  |
|------------------------------------|---|---|---|---|--|--|---|
| <b>1</b> Organizational Strategies | Filling-up of vacant positions especially technical positions in the PPDO | Filling up of vacant position to be assigned as IT in the E-Budget System | Filling up of regular positions at the Field Operation Division of PTO  | Inclusion of budget and expenditure analysis in the regular task of the | Pursue reengineering program to institutionalize the separation of diverse functions.  | Creation of a Department Head position who manages the operations and reports directly to the Governor | Institutionalization of the Public Enterprise Management Unit (PEMU), including creation of Department Head and plantilla positions |
|                                    |   |   | Create composite team of PTO, GO and BEMO for sand and gravel permit fees and S/G task force to check at strategic areas of entry and exit points | Department heads and administrative officers in the office.             | Pursue the reengineering program to equitably compensate the functions and responsibilities handled by designated Division Heads.    | Creation of an Audit Committee for the purpose of implementation of recommendations.                   |   |
|                                    |   |   | Manpower requirement for a Public Enterprise Office   |   | Address the manpower inadequacy of the PAccO especially in the preparation of reports and other mandated services                    | Staff to meet IAS minimum requirements   |   |
|                                    |   |   |   |   | Additional technical staff at the second level to speed up checking of complete documents  |  |   |
|                                    |   |   |   |   | Increase number of personnel in the Bookkeeping Division (e-NGAS trained) for the attainment of periodic and timely reporting to COA |  |   |
|                                    |   |   |   |   | Creation of inter-agency complaint unit  |  |   |

| Strategies              | Planning   | Budgeting  | Revenue Generation and Treasury Management  | Expenditure Management   | Accounting and Financial Reporting   | Internal Control and Internal Audit                   | Economic Enterprises   |
|-------------------------|--|--|---|--|--|---|--|
|                         |  |  |   |  | Capacity development on Development Leadership   |   |  |
| <b>2</b> Policy Support | SP Ordinance for the approval of PPDO's proposed re-eng'g Plan   | Timely submission of approved AIP as mandated                      | Creation of Strategic Road Fund for the province for sustainable road   | Issuance of SP ordinance for the inclusion of budget and expenditure analysis in the regular task of dept heads and admin officers   | Policy from provincial management on how to expedite resolution of audit issues.   | Institutionalization of IAS                           | Development of Feasibility Studies for the graduation of selected Hospitals into Economic Enterprises (based on previously developed Business Plans) |
|                         | Executive Order for the creation of a Prov'l M & E Team  | DBM review of the approved ordinance supporting the Annual Budget. | Ordinance and supporting IRR for hospital revenue management such as granting of discounts, retention fund                  | Enhance criteria to be integrated in the granting of Model Office Award as incentive for the most cost-efficient dept.   | Include discussion on analysis of financial indicators and performance during every MEB meeting as basis of mgt action.  | Issuance of an Ordinance creating IAS as a department | Executive Order, buttressed by subsequent SP Legislation, directing the implementation of actions based on results of these Feasibility Studies      |
|                         | LCE & SP Support for the creation of a People's council among accredited NGOs and Pos                        | DBM Budget Operations Manual and issuances.                        | Amendments to SP Ordinance 2001-022   | Records of MOOE of potential economic enterprise be recorded separately to track viability/profitability   | Aside from the stipulation on the MOA, formulate policy on maintaining separate bank accounts for each receipt from donors.  | Approval and adoption of an Internal Audit Charter    |  |
|                         | PDC Resolution for the institutionalization in Prioritizing/Ranking Criteria of PDIP for adoption by the PDC |  | Legislation to institutionalized the Public Enterprise Office<br><br>Legislation for the creation of Auction Sale Committee | Require recipients of financial grants/assistance to implement reporting system to be able to analyze its ultimate purpose<br><br>Imposition of disciplinary actions on long overdue cash advances in accordance with govt rules and regulations | For MOAs entered into by the PGBh, implementing rules or guidelines be made for ready reference of project implementers and Trust Fund custodians and book keepers Enforce policies on cash advances |   |  |

| Strategies          | Planning   | Budgeting  | Revenue Generation and Treasury Management   | Expenditure Management  | Accounting and Financial Reporting   | Internal Control and Internal Audit  | Economic Enterprises   |
|---------------------|--|--|--|---|--|--|--|
| 3 Capacity Building | Training on M & E of PPDO staff and other department staff     | Training on budget projection and expenditures analysis.   | Training on revenue projections and skills development to maximize taxing power of the PGBh                      | Training on budget and expenditure analysis on a monthly basis<br>Capacity development seminar        | Train personnel who are given access to the system   | Provide trainings on the following areas<br>- Basic IC Concepts:                       | Benchmarking of successful local public enterprises in other locations   |
|                     | Training on GIS: Spatial Analysis using satellite imagery, GPS | Training on Electronic Budget Preparation.   | Training on technical skills to operate GIS and implement e-TRACS  | Orientation for employees concerned on financial recording system appropriate for economic enterprise | Identify and empower employees that take charge in the reportorial aspect of the potential economic enterprises. | - Audit Report Writing   | Capacity building for PEMU staff on public enterprise and related areas, once created  |
|                     | Training on Project Impact Evaluation of PPDO staff            | Training on the Enhancement of E-Budget System.  | Strengthen capacities for Tax Enforcement and Collection Team  | Orientation on adopted reporting system for funding grants/ assistance                                | Continuous Info dissemination on accounting business processes and requirements.                                 | Financial and Operations Audit   | Capacity-building on entrepreneurial governance by PGBh leaders (particularly elected officials, Chiefs Of Hospitals and those who will handle potential economic enterprises) for increased awareness |
|                     |  | Capacity Development on effective management of funds.   | Coaching with PGBh units and component MLGU's for efficient collection rate                                      | Training on gov't expenditures for designated employees to handle expenditure analysis in all offices | Empower and enhance competency of personnel in charge of bidding process. (Training on bidding process)          | - Risk Management (for the whole PGBh)   |  |
|                     |  | Hands-on training on the Preparation, Work and Financial Plan, Project Procurement Management to all Department Heads of the PGBh. | Training on risk assessment and analysis on cash and check collections for appropriate internal control measures | Information drive in the relevance of sectoral allocation to the overall budget                       | Trainings for PAccO personnel on financial analysis  | - Risk-based Audit Approach  |  |
|                     |  |  |  | Orientation of BAC members and secretariat on the e-procurement system (PhilGEPS)                     | Capacitate the offices to analyze basic financial documents as input for planning and decision-making            | - Tools and Techniques for Internal Audit  |  |
|                     |  |  |  | Training on cost management   | Training of employees on usage of FITSYS   | - Information Systems Audit  |  |
|                     |  |  |  | Accurate road data gathering by the PEO(GIS)  | Appropriate trainings of personnel in charge in monitoring project inspection                                    | Conduct of Risk Assessment Workshop in each department and come up with a risk matrix. |  |

| Strategies            | Planning   | Budgeting  | Revenue Generation and Treasury Management   | Expenditure Management   | Accounting and Financial Reporting  | Internal Control and Internal Audit  | Economic Enterprises  |
|-----------------------|--|--|--|--|---|--|---|
|                       |  |  |  |  | Additional training modules on customer service. Possible benchmarking and study missions on LGUs best practices. | Conduct orientation on the significant provisions on the National Guidelines on Internal Control System (DBM Circular No. 008-0000) to all key officials and employees in the PGBh for them to have an understanding and appreciation on the value of internal control and internal audit. |   |
|                       |  |  |  |  | Regular value formation activities specially to offices prone to graft and corruption.                            |  |   |
|                       |  |  |  |  | Seminars on RA 6713 on graft and corrupt practices act.   |  |   |
|                       |  |  |  |  | Strict imposition of code of Ethics   |  |   |
|                       |  |  |  |  | Training of add'l employees on eNGAS  |  |   |
| 4 Systems Improvement | Development of additional database applications such as tourism IS and agri IS | Policy review and regulation needed to fine-tune retention of hospital fees, rental policies, chocolate hills and other provincial assets which are income-generating. | Conduct of regular monthly meeting for comparative analysis and collection efficiency by the revenue generation team | Formulate tools for office level analysis of financial data and its relation to the overall goal of the province | Accounting system for potential public enterprises be set up (e.g. Cultural Center)                               |  | Improvement of Financial Management Systems for existing and potential economic enterprises |
|                       | Strengthening/Enhancement of M & E systems                                     |  |  | Develop a financial recording system appropriate for potential economic enterprise                               | ICT support in place  |  |   |
|                       | Develop a system of generating citizen feedback                                | Formulate policies for improved budget call to include spending ceiling for each department  | Implementation of e-TRACS Province wide in the next two years  | Install systems for budget and expenditure monitoring in each office in a monthly basis                          | Proper planning and monitoring of office expenditure in each department to avoid year end obligation delays       |  |   |
|                       | Review effectivity of existing feedback systems                                | Adopt a policy that budget expenditures of previous year should serve as reference and basis of succeeding years   | Adaption of GIS based on real property tax system in coordination with PASSO   | Develop monitoring mechanism on cost saving measure compliance   | Conduct study to improve the bidding process.   |  |   |
|                       | Review existing processes feedback systems                                     |  | Strengthen information drive with municipalities on revenue generation Program                                       | Develop criteria on cost efficient dept. to be integrated in the granting of model office award                  | Monitoring should also include project outcomes to aid analysis on fund cost effectivity and efficiency           |  |   |

| Strategies | Planning   | Budgeting  | Revenue Generation and Treasury Management   | Expenditure Management  | Accounting and Financial Reporting   | Internal Control and Internal Audit | Economic Enterprises |
|------------|--|--|--|---|--|-------------------------------------|----------------------|
|            | Institutionalization of a community feedback mechanism | Posting of approved appropriation ordinance for public viewing to be started by 31 January 2011 via internet |  | Install systems for offices to maintain their own expenditure records with admin. designated to do the task | Increase connectivity between PTO and accounting on related reportorial requirements through development of systems software                                       |                                     |                      |
|            |  | Establish linkage with the Treasury on Daily Cash Flow..   | Installation of IT system to enhance processing of assessment documents, certificates and other needed information | Install reporting system that analyze and relate expenditure to office outcomes                             | Systems to match expenditures and performance need to be in place  |                                     |                      |
|            |  | Incorporate customer feedback to improve service delivery.   | To define account receivables in ten district hospitals  | Employ advance technology to gather road data (GIS)   | For MOAs entered into by the PGBh, implementing rules or guidelines be made for ready reference of project implementers and Trust Fund custodians and book keepers |                                     |                      |
|            |  | More innovative strategies for generating internal complaints should be developed.                           | Risk assessment and analysis on cash and check collections for appropriate internal control measures CB            |   |  |                                     |                      |
|            |  |  | Comprehensive review and assessment of targets vs. accomplishments, revenue projection and target setting tools    |   | HRMDO should create measures to strengthen integrity check in the recruitment and promotion process  |                                     |                      |
|            |  |  | Comprehensive review and assessment of targets vs. accomplishments, revenue projection and target setting tools    |   | Enforce policies on cash advances  |                                     |                      |
|            |  |  | Regular submission of reports to the ELFC on variances on targets versus actual collection for appropriate action  |   | Possible improvement and updates on FITTSYS and guidebook.   |                                     |                      |
|            |  |  | e-TRACS orientation of PTO personnel   |   |  |                                     |                      |
|            |  |  | Comprehensive review and assessment of targets vs. accomplishments in revenue projection and target setting        |   |  |                                     |                      |

| Strategies                | Planning   | Budgeting   | Revenue Generation and Treasury Management   | Expenditure Management  | Accounting and Financial Reporting  | Internal Control and Internal Audit  | Economic Enterprises  |
|---------------------------|--|---|--|---|---|--|---|
|                           |  |   | <p>Risk assessment and analysis on cash and check collections for appropriate internal control measures CB</p> <p>Cash flows will be prepared by PTO for submission to LCE and the ELFC regularly</p> <p>Putting in place of e-TRACS province wide</p> <p>Install Feedback mechanism from customers/ clientele</p> |   |   |  |   |
| 5 Physical Infrastructure | Procurement of GIS software and computer hardware      | Additional procurement of computers   | Vehicle for the tax information drive  |   | Installation of e-Viewing Window  | Provide adequate office space and other necessary logistic support.                  | Upgrading of equipment to allow corresponding increase in fees  |
|                           |  | Replacement of Office ceiling   | Programs for GIS and other necessary equipments  |   | Enhancement and upgrading of hardware for FITSYS and e-NGAS/ e-Budget   |  | Acquisition of vehicle for Local Finance Committee (LFC) in the performance of its monitoring and evaluation functions  |
|                           |  | Repair of rest rooms.   | Office furniture and fixtures  |   |   |  |   |
|                           |  |   | Additional computers   |   |   |  |   |
| 6 Linkages                | Provide linkage of PPDO database to other PGBh offices | Strengthen e-Budget System to be linked to all offices for easy reference & reconciliation                          | Coordination between the PTO and PASSO to different MLGU's   | E-budget system linked to all offices for references and easy reconciliation  | Link Financial Systems to other offices of the PGBh including SP.   | Preparation of an Annual Audit Plan/Strategic Audit Plan                             | Partnership with Bohol Chamber of Commerce and Industry and other private partners to facilitate implementation of business plans, such as the devt of idle lands |
|                           |  | Strengthen coordination between legislative and executive branches for efficient budgetary preparation and approval | Coordination between department heads for possible areas of revenue sources  | Link e-budget sys. to all depts.. for record reconciliation and appropriation balances                              | Increase connectivity between PTO and PACCO to expedite reports on paid disbursement voucher.   | Conduct of baseline assessment on the status of internal control system in the PGBh. |   |
|                           |  | Require departments or offices to maintain own records  | Computerized link with PTO, PAssO , and PAccO on e-TRACS and GIS   |   | Link E-NGAS to other offices (viewing only)   |  |   |
|                           |  | HR needs to consult with concerned department heads re: need for the position or personnel.                         | Information dissemination to all strategic places in PGBh and municipalities   | Involve depts. to trace and analyze previous budget and expenditures before they submit a proposal for a new budget | Sustain efforts on information dissemination on accounting rules and regulations to maximize level of awareness and practices through "mobile accounting" |  |   |

| Strategies | Planning                       | Budgeting  | Revenue Generation and Treasury Management  | Expenditure Management   | Accounting and Financial Reporting   | Internal Control and Internal Audit   | Economic Enterprises  |  |  |
|------------|--------------------------------|--|---|--|--|---|---|--|--|
|            |                                | Strengthen Planning and Budgeting Linkages   | Linkage with Mun. Treasurer's in listing of all taxable source of revenues<br>Strong linkage with the ELFC in target setting and other revenue generation strategies<br>Coordinate with HR on Work ethics and integrity development | Maintain coordination among the executive, legislative, ELFC for proper accounting of PGBh funds | Feedback system of Audit report to concerned/involvement offices to be in place so that corrective action can be taken |   |   |  |  |
| 7          | Project or Program Development | Conduct IEC to guide the development of PPAs of depts.. to ensure their contribution to the province's overarching development thrusts | Continue the Advocacy of Value for Money  | Installation of e-TRACS and GIS systems for revenue generation program                           | Adopt an activity based costing system   | Adopt project phasing for huge programs such as PGBh properties physical inventory. |   | Monitoring system for tracking increases in revenues through economic enterprises          |  |
|            |                                | Sustain and enhance the regular conduct of the Bohol Poverty Reduction and Development   |   |  |  |   |   |  | Program for operationalization of Value for Money and Management by Outcomes in public enterprises |
|            |                                | Conduct regular updating of database   |   |  |  |   |   |  | Integration of Performance-Based Budgeting for Public Enterprises                                  |
|            |                                | Continue to extend technical assistance to mun LGUs in formulation, review and revision of the CLUP                                    |   |  |  |   |   |  |  |
|            |                                | Conduct regular updating of database   |   |  |  |   |   |  |  |
| 8          | Integrity Development          | Preparation of a Manual of Ethical Standards for all depts. by HR  | HR will conduct background check of applicants  | Formulation of Operation Manual per department to include work ethics                            |  | Publicly post PACCO VMG   | Orientation on NGICS to all key officials/ employees to develop appreciation on the value of internal control and internal audit. | Computerization of systems as an Anti-Corruption Strategy                                  |  |
|            |                                |  | Moral recovery program to be determined by the HR   |  |  |   |   | Conduct of IEC on RA 6713, RA 3019, uniform rules of CSC and other policies on work ethics | Values orientation for PEMU Staff and Top Management of public enterprises                         |
|            |                                |  | Orientations to employees on anti-corruption laws   |  |  |   |   |  | Web-based publication of financial data from public enterprises                                    |

### 4.1 POLICY AND ACTION FRAMEWORK

The Policy and Action Framework for improving the Province's finance involves the following:

1. On Local taxes
  - Computerization
  - Improve taxpayer services (e.g., make it easier for taxpayers to pay; comfortable tax offices)
  - Levy previously untapped taxes and fees
  - Recognition of top taxpayers
- 1.1. On Real Property tax
  - Reduce forms/redesign forms to reduce cost
  - Computerization of records
  - Strengthen enforcement (auctions, publication of delinquent properties)
  - Engage stakeholders (e.g., barangay and municipal officials) to help in registration, collection and information dissemination
- 1.2. On Local business tax
  - Tax mapping - GIS-aided approach
  - Use of information from other agencies, i.e., PRC (Professional Tax as proof of payment before registration or renewal of professional licences)
  - One-stop shops especially in municipal LGUs, flow chart of how to pay taxes
2. In the management of identified potential economic enterprise
  - Mechanisms to provide incentives to improve collection efficiency
3. On cost recovery in locally provided services
  - Enforcement of allowed fees/taxes
  - Installation of appropriate institutional arrangements (e.g., sanggunian ordinance/Implementing Rules and Regulations designating government facilities as economic enterprises)
  - Provision of health insurance as a scheme to recover medical services availed by PHILHEATH- covered beneficiaries from PGB-owned hospitals.
4. On non-traditional sources of financing
  - Access to non-traditional sources of financing like bank credit, issuance of bonds, BOT, joint venture, etc)
5. On public expenditure management
  - Performance-based budgeting
  - E-Budget and E-NGAS for all offices through interconnectivity



## 4.2 IMPLEMENTATION PLAN

A list of actions/activities to be undertaken by PGBh from 2011 to 2015 is presented in the table below:

**Table 32. SFMP Implementation Plan: 2011-2015**  
**Provincial Government of Bohol**

| Strategies                   | Actions/ Activities   | Persons/<br>Office<br>Responsible | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------------------|---|-----------------------------------|------|------|------|------|------|
| Organizational<br>Strategies | 1 Filling-up of vacant positions especially technical positions in the PPDO   | GO-PPDO-<br>HRMDO                 |      | X    | X    | X    | X    |
|                              | 2 Filling up of vacant position in PBO to be assigned as IT in the E-Budget System  | Gov/PBO/<br>HRMDO                 | X    |      |      |      |      |
|                              | 3 HRMDO to consult with concerned department heads in the filling-up of vacant positions or in personnel assignment   | HRMDO w/<br>Concerned<br>Depts    | X    | X    | X    | X    | X    |
|                              | 4 Filling up of regular positions at the PTO Field Operation Division   | LCE/HRMDO                         |      |      |      |      | X    |
|                              | 5 Creation of composite team of PTO, GO and BEMO for sand and gravel (permit fees) and S/G task force to check at strategic areas of entry and exit points  | LCE/PTO                           | X    |      |      |      |      |
|                              | 6 Preparation of Organizational Structure for the Public Enterprise Office, once created/ institutionalized   | PTO/HRMD<br>O                     | X    |      |      |      |      |
|                              | 7 Inclusion of budget and expenditure analysis in the regular tasks of the Department heads and administrative officers in the office   | PBO/ All<br>Depts                 | X    | X    | X    | X    | X    |
|                              | 8 Pursue PACCO Personnel Development Program to institutionalize the separation of diverse functions  | PACCO/HRM<br>DO                   | X    |      |      |      |      |
|                              | 9 Pursue the Personnel Development Program to hire additional employees and equitably compensate the functions and responsibilities handled by designated Division Heads and support the manpower inadequacy of the PACCO, especially in the preparation of | PACCO/HR<br>MDO                   |      | X    |      |      |      |

| Strategies     | Actions/ Activities   | Persons/<br>Office<br>Responsible | 2011 | 2012 | 2013 | 2014 | 2015 |
|----------------|---|-----------------------------------|------|------|------|------|------|
|                | reports and other mandated services.  |                                   |      |      |      |      |      |
|                | 10 Install Dept Head to manage the operations of IAS once institutionalized as a Department   | GO                                | X    |      |      |      |      |
|                | 11 Additional Staff to meet IAS minimum requirements  | GO/IAS/HRM<br>DO                  | X    |      |      |      |      |
| Policy Support | 1 SP Ordinance for the approval of PPDO's proposed Personnel Development Plan   | SP                                | X    |      |      |      |      |
|                | 2 Executive Order for the creation of a Provincial Monitoring and Evaluation Team   | GO                                |      | X    |      |      |      |
|                | 3 LCE and SP support for the creation of a People's Council among accredited NGOs and POs   | GO-SP-PPDO                        |      |      |      |      | X    |
|                | 4 PDC Resolution for the Institutionalization of Prioritization/Ranking   | PPDO                              |      | X    |      |      |      |
|                | 5 Criteria for PDIP for adoption by the PDC   | PPDO                              |      |      |      | X    |      |
|                | 6 Timely submission of approved AIP   | PBO/PPDO                          | X    | X    | X    |      | X    |
|                | 7 Creation of Strategic Road Fund for the province for sustainable road Funding thru an SP Ordinance  | LCE/SP/LFC                        |      |      | X    |      |      |
|                | 8 Ordinance supporting IRR for hospital revenue management such as granting of discounts, allocation of retention fund                                | LFC/SP                            | X    |      |      |      |      |
|                | 9 Amendments to SP Ordinance 2001-022 (Chocolate Hills)   | LFC/SP                            |      |      |      | X    |      |
|                | 10 Legislation for the creation of Auction Sale Committee   | PTO/SP                            | X    |      |      |      |      |
|                | 11 Legislation to institutionalize Public Enterprise Management Unit/Office   | LCE/SP                            |      | X    |      |      |      |
|                | 12 To revert the Hospitals' Retention Fund (currently recorded as Trust Fund) into Local Income, subject to subsequent appropriation for hospital use | LFC/SP                            | X    |      |      |      |      |
|                | 13 Issuance of an SP Resolution for the inclusion of budget and expenditure analysis in the regular tasks of dept heads and admin officers            | PBO/SP                            | X    |      |      |      |      |
|                | 14 Enhance criteria to be integrated in the granting of model office award for incentive mechanism of cost efficient depts.                           | LFC                               |      | X    |      |      |      |

| Strategies        | Actions/ Activities  | Persons/<br>Office<br>Responsible      | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------|--|--|------|------|------|------|------|
|                   | 15 Records of MOOE of potential economic enterprises to be recorded separately to track viability/profitability  | PAccO                                  |      | X    |      |      |      |
|                   | 16 Develop and implement a mechanism to require recipients of financial grants/assistance to submit a utilization report to PAccO and G.O. for reporting and evaluation purposes | PAccO/G.O./<br>All Dept.<br>Recipients |      | X    | X    | X    | X    |
|                   | 17 Develop and implement a mechanism to impose disciplinary actions on long overdue cash advances in accordance with government rules and regulations                            | PAccO/G.O.                             |      | X    | X    | X    | X    |
|                   | 18 Formulation of guidelines on the relevance of sectoral allocations to the overall budget  | LFC                                    |      | X    |      |      |      |
|                   | 19 Train personnel who are given access to the e-NGAS system   | PACCO/HR<br>MDO                        | X    |      |      |      |      |
|                   | 20 Provide monthly financial reports to the SP   | PACCO                                  | X    |      |      |      |      |
|                   | 21 Identify and empower employees that takes charge in the reportorial aspect of the potential economic enterprises  | PACCO                                  |      | X    |      |      |      |
|                   | 22 Continuous Info dissemination on accounting business processes and requirements and update the guidebook on new COA and DBM issuances   | PACCO                                  |      |      |      | X    |      |
|                   | 23 Ensure all bookkeeping personnel have gone through e-NGAS training  | PACCO/<br>HRMDO                        | X    | X    | X    | X    | X    |
|                   | 24 Creation of an Audit Committee for the purpose of implementing audit recommendations  | GO/IAS                                 |      | X    |      |      |      |
|                   | 25 Issuance of an Ordinance creating IAS as a department   | IAS/GO/SP                              | X    |      |      |      |      |
|                   | 26 Approval and adoption of an Internal Audit Charter  | IAS/GO/SP                              |      | X    |      |      |      |
| Capacity Building | 1 Training on M & E for technical staff of PPDO and other departments  | PPDO/<br>HRMDO                         |      |      |      | X    |      |
|                   | 2 Training on GIS: Spatial Analysis using satellite imagery, GPS   | PPDO/<br>HRMDO                         |      |      |      |      | X    |
|                   | 3 Training on Project Impact Evaluation for PPDO technical staff   | PPDO/<br>HRMDO                         |      |      |      |      | X    |
|                   | 4 Training on revenue and expenditure projection/estimation and analysis   | LFC                                    | X    | X    | X    | X    | X    |

| Strategies | Actions/ Activities   | Persons/<br>Office<br>Responsible | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------|---|-----------------------------------|------|------|------|------|------|
|            | 5 IEC to increase awareness and application of Value for Money and Management by Outcomes principles  | PBO                               | X    | X    | X    | X    | X    |
|            | 6 Training and skills development to maximize revenue generation of the PGBh  | PTO/HRMDO                         | X    |      |      |      |      |
|            | 7 Training on technical skills to operate GIS and implement e-TRACS province wide based on real property tax system, (PTO and PASSO)                        | PAssO/<br>HRMDO                   | X    | X    | X    | X    | X    |
|            | 8 Coaching for Tax Enforcement and Collection Team on Roles, Responsibilities, and Collection Strategies  | PTO, BEMO,<br>GO                  |      | X    |      |      |      |
|            | 9 To increase collections by 10% from previous year's levels in RPT, Sand and Gravel and other fees and taxes   | PTO                               |      |      |      | X    | X    |
|            | 10 Coaching with PGBh units and component MLGU's for efficient collection strategy  | PTO                               |      |      | X    |      |      |
|            | 11 Training on risk assessment and analysis on cash and check collections for appropriate internal control measures   | IAS/HRMDO                         |      | X    |      |      |      |
|            | 12 Training on cost management  | LFC                               |      |      |      | X    |      |
|            | 13 Orientation for employees concerned on financial recording system appropriate for economic enterprise  | PACCO                             |      |      | X    |      |      |
|            | 14 Issuance of E.O. requiring orientation of LFC member offices on adopted reporting systems for funding grants/assistance (every time a new MOA is signed) | G.O., PLO,<br>LFC                 | X    | X    | X    | X    | X    |
|            | 15 Orientation of BAC members and secretariat on the e-procurement system (PhilGEPS)  | GSO/HRMD<br>O                     |      |      |      | X    |      |
|            | 16 Trainings for personnel of PACCO and other offices on financial analysis   | PACCO/HR<br>MDO                   | X    |      |      |      |      |
|            | 17 Capacitate the offices to analyze basic financial documents as input for planning and decision-making  | LFC                               |      | X    |      |      |      |
|            | 18 Training of employees on usage of FITTSYS  | PACCO                             | X    | X    |      |      |      |
|            | 19 Additional training modules on customer service. Possible benchmarking and study missions on LGUs best practices   | PACCO                             |      |      |      | X    |      |

| Strategies          | Actions/ Activities   | Persons/<br>Office<br>Responsible | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------|---|-----------------------------------|------|------|------|------|------|
|                     | 20 Provide trainings on the following areas:  | IAS/HRMDO                         |      |      |      |      |      |
|                     | a. Basic IC Concepts  |                                   | X    |      |      |      |      |
|                     | b. Audit Report Writing   |                                   | X    |      |      |      |      |
|                     | c. Financial and Operations Audit   |                                   | X    |      |      |      |      |
|                     | d. Risk-based Audit Approach  |                                   |      | X    |      |      |      |
|                     | e. Tools and Techniques for Internal Audit  |                                   | X    |      |      |      |      |
|                     | f. Information Systems Audit  |                                   |      | X    |      |      |      |
|                     | g. Orientation on NGICS   |                                   | X    |      |      |      |      |
| Systems Improvement | 21 Conduct of Risk Assessment Workshop in each department and come up with a risk matrix  | HRMDO                             | X    |      |      |      |      |
|                     | 1 Establishment of Information System for the Socio-Economic Development Database   | PPDO, M&E Member Depts.           |      |      |      |      | X    |
|                     | 2 Strengthening/enhancement of M & E system (with integrated community feedback mechanism)  | PPDO, M&E Member Depts.           |      |      |      |      | X    |
|                     | 3 Fine-tune policy on retention of hospital fees, rental policies, Chocolate Hills and other provincial assets as income-generating sources | LFC/SP                            | X    | X    | X    | X    | X    |
|                     | 4 Formulate policies for improved budget call to include spending ceiling for each department   | LFC/Gov                           | X    | X    | X    | X    | X    |
|                     | 5 Include in performance appraisal of each department their budget performance/expenditures management                                      | MEB/All Dept Heads                | X    | X    | X    | X    | X    |
|                     | 6 Budget and expenditure of previous year should serve as reference and basis of succeeding years   | PBO                               | X    | X    | X    | X    | X    |
|                     | 7 SP Secretary will transmit the approved ordinance to DBM. All pages of the ordinance will be signed by all attending SP members.          | PBO/SP                            | X    | X    | X    | X    | X    |
|                     | 8 Require the preparation of a statement of cash flow as a financial management best practice   | PTO/PAccO                         | X    | X    | X    | X    | X    |
|                     | 9 Posting of approved appropriation ordinance for public viewing  | PBO                               | X    | X    | X    | X    | X    |
|                     | 10 Incorporate customer feedback in assessment and planning to improve service delivery.  | PBO                               | X    |      |      |      |      |

| Strategies | Actions/ Activities   | Persons/<br>Office<br>Responsible | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------|---|-----------------------------------|------|------|------|------|------|
|            | 11 Implementation of e-TRACS province-wide  | PAssO, PTO                        |      | X    | X    | X    | X    |
|            | 12 Conduct of regular monthly meeting for comparative analysis and collection efficiency by the revenue generation team | PTO                               | X    | X    | X    | X    | X    |
|            | 13 Adoption of GIS-based real property tax system in coordination with PASSO  | PAssO/IT                          |      |      |      |      | X    |
|            | 14 Strengthen information drive with municipalities on revenue generation Program                                       | PTO                               | X    | X    | X    | X    | X    |
|            | 15 Develop /define accounts receivables in ten district hospitals   | PAccO                             |      | X    |      |      |      |
|            | 16 Installation of IT system to enhance processing of assessment documents, certificates and other needed information   | IT                                |      |      | X    |      |      |
|            | 17 E-TRACS orientation to PTO personnel   | IT Consultant                     | X    |      |      |      |      |
|            | 18 Comprehensive review and assessment of targets vs. accomplishments, revenue projection and target setting tools      | PTO                               | X    | X    | X    | X    | X    |
|            | 19 Regular submission of reports to the ELFC on variances on targets versus actual collection for appropriate action    | PTO                               | X    | X    | X    | X    | X    |
|            | 20 Conduct risk assessment and analysis on cash and check collections for appropriate internal control measures CB      | PTO                               |      | X    |      |      |      |
|            | 21 Cash flows will be prepared by PTO for submission to LCE and the ELFC regularly                                      | PTO                               | X    | X    | X    | X    | X    |
|            | 22 Complete tax mapping of the remaining 7 "un-tax mapped" municipalities in the province                               | PASSO                             |      |      |      | X    | X    |
|            | 23 Complete the Real Property History Information System (RPHIS)  | PASSO                             | X    | X    | X    | X    | X    |
|            | 24 Tap new sources of revenue and explore alternative non-tax sources (Users' Fees, Tax on Idle Lands, etc.)            | LFC                               |      | X    | X    | X    | X    |
|            | 25 Developed ROI and other indicators to measure returns on acquired heavy equipment and other facilities               | PTO/LFC/PEO/ PMO                  |      | X    |      |      |      |
|            | 26 Install Feedback mechanism for customers/clientele   | PTO                               | X    |      |      |      |      |

| Strategies              | Actions/ Activities  | Persons/<br>Office<br>Responsible | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------------|--|-----------------------------------|------|------|------|------|------|
|                         | 27 Formulate tools for office level analysis of financial data and its relation to the development goals of the province; to establish standards and documentation for determining whether the spent resources have produced the desired outcomes (reckoned against the Work & Financial Plan) | LFC                               |      |      |      | X    |      |
|                         | 28 Review and redesign/streamline the procurement process  | PGSO/BAC                          | X    |      |      |      |      |
|                         | 29 Install systems for offices to maintain their own budget and expenditure records and monitoring with admin. designated to do the task   | LFC                               | X    | X    |      |      |      |
|                         | 30 Develop criteria on the Most Cost-efficient Department in the PGBh thru the granting of the Model Office Award of the Year  | LFC/HRMDO                         |      |      | X    |      |      |
|                         | 31 Adoption of e-procurement system (PhilGEPS)   | GSO/ICT-GIS                       |      |      |      |      | X    |
|                         | 32 Increase connectivity between PTO and Accounting on related reportorial requirements through development of systems software/ computerization (e-TRACS & FITTSYS)   | PACCO/ICT-GIS                     | X    | X    | X    | X    | X    |
| Physical Infrastructure | 1 Acquisition of M&E software and hardware   | PPDO                              |      |      |      |      | X    |
|                         | 2 Procurement of additional computers  | PTO                               | X    |      |      |      |      |
|                         | 3 Installation of software programs for GIS and other necessary equipment  | IT                                |      |      |      |      | X    |
|                         | 4 Procurement of office furniture and fixtures   | PTO                               | X    | X    | X    |      |      |
|                         | 5 Vehicle for tax information drive  | GO/PTO                            |      |      | X    |      |      |
|                         | 6 Provide adequate office space and other necessary logistic support   | GO/GSO/IAS                        | X    | X    |      |      |      |
| Linkages                | 1 Provide linkage of PPDO database to other PGBh offices   | PPDO, ICT-GIS                     |      |      |      |      |      |
|                         | 2 Require departments or offices to maintain own financial records   | PBO/All Depts                     | X    | X    | X    | X    | X    |
|                         | 3 Include Treasury in the reconciliation process of cash balances  | PBO/PACCO/PTO                     | X    | X    | X    | X    | X    |
|                         | 4 Coordination between the PTO and PAssO with the different Municipal LGUs on RPT Administration   | PTO/PAssO                         | X    | X    | X    | X    | X    |

| Strategies | Actions/ Activities  | Persons/<br>Office<br>Responsible | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------|--|-----------------------------------|------|------|------|------|------|
|            | 5 Coordination between department heads for possible areas of revenue sources  | MEB                               | X    | X    | X    | X    | X    |
|            | 6 Computerize inter-linkage with PTO, PAssO , PAccO and other concerned offices in revenue generation activities esp. on e-TRACS and GIS   | IT w/ PTO, PAssO , PAccO          |      | X    | X    | X    | X    |
|            | 7 Information dissemination on e-TRACS implementation to all strategic areas in PGBh and municipalities  | PTO                               | X    |      |      |      |      |
|            | 8 Linkage with Mun. Treasurers in listing of all taxable sources of revenues   | PTO/PAssO                         |      | X    |      |      |      |
|            | 9 Link the e-budget system to all offices for balances of appropriations and record reconciliation   | PBO-IT                            | X    | X    |      |      |      |
|            | 10 Conduct Joint Executive-Legislative budget hearings to strengthen coordination between the legislative and executive branches for efficient budgetary preparation and approval by the DBM | PBO                               | X    | X    | X    | X    | X    |
|            | 11 Link Existing Financial Systems (such as FITTSYS) to all departments and offices in the PGBh; this includes procurement of required software and hardware                                 | ICT/GIS Unit                      |      |      |      |      | X    |
|            | 12 Increase connectivity between PTO and PACCO to expedite reports on paid disbursement vouchers   | PTO/PACCO                         |      | X    |      |      |      |
|            | 13 Link E-NGAS to other offices (viewing only)   | ICT-GIS/PACCO                     |      |      |      | X    | X    |
|            | 14 Continue the info. drive on accounting rules and regulations to maximize level of awareness and practice.   | PACCO                             | X    | X    | X    | X    | X    |
|            | 15 Put in place feedback system on Audit reports to concerned/involved offices so that corrective action can be taken.   | PACCO/IAS/GO/ HRMDO               |      |      | X    |      |      |
|            | 16 Regular meetings with the LFC in target setting and other revenue generation strategies   | LFC/MEB                           | X    | X    | X    | X    | X    |



| Strategies                           | Actions/ Activities   | Persons/<br>Office<br>Responsible | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------------------------|---|-----------------------------------|------|------|------|------|------|
| Project or<br>Program<br>Development | 1 Conduct IEC to guide the development of PPAs by depts. to ensure that they contribute to the province's overarching development framework | PPDO                              |      |      |      |      |      |
|                                      | 2 Sustain and enhance the regular conduct of the Bohol Prosperity and Development Initiatives Fair  | PPDO                              |      |      |      |      |      |
|                                      | 3 Conduct regular updating of socio-economic database   | PPDO                              |      |      |      |      |      |
|                                      | 4 Continue to extend technical assistance to municipal LGUs in the formulation, review and revision of the CLUP                             | PPDO                              |      |      |      |      |      |
|                                      | 5 Installation of e-TRACS and GIS systems for revenue generation program  | PTO/ PassO                        |      | X    | X    | X    | X    |
|                                      | 6 Develop an activity-based costing system  | LFC                               |      |      |      |      | X    |
|                                      | 7 Preparation of an Annual Audit Plan/Strategic Audit Plan  | IAS                               | X    | X    | X    | X    | X    |
|                                      | 8 Conduct of baseline assessment on the status of internal control system in the PGBh   | IAS                               | X    |      |      |      |      |
| Integrity<br>Development             | 1 Implement Manual of Ethical Standards to be issued by HRMDO   | PPDO                              |      |      |      |      |      |
|                                      | 2 Conduct background check of applicants  | HRMDO                             | X    | X    | X    | X    | X    |
|                                      | 3 More orientations to PGBh's employees on anti-corruption laws   | HRMDO                             | X    | X    | X    | X    | X    |
|                                      | 4 Moral recovery program to be determined by HR   | HRMDO                             | X    | X    | X    | X    | X    |
|                                      | 5 Implement and Review Citizen Feedback Mechanism   | HRMDO, All Depts.                 |      |      |      |      |      |
|                                      | 6 IEC on work ethics and integrity development activities   | PTO/HRMDO                         |      | X    |      |      |      |
|                                      | 7 Conduct of IEC on RA 6713, RA 3019, uniforms rules of CSC and other policies on work ethics   | HRMDO                             | X    |      |      |      |      |
|                                      | 8 Orientation on NGICS to all key officials and employees to develop appreciation on the value of internal control and internal audit       | IAS/HRMDO                         | X    |      |      |      |      |
| Total Number of Activities = 128     |   |                                   |      |      |      |      |      |

## 4.3 LEGAL/FISCAL MANDATES AND GUIDING PRINCIPLES<sup>2</sup>

### 4.3.1 Legal/Fiscal Mandates

In the implementation of its programs, projects, activities and other obligations, expenditures of the PGBh follow the prescribed circulars and orders from the Department of Budget and Management (DBM) and the Commission on Audit (COA). The budgetary mandates cover the following aspects and provisions:

**1. Statutory and Contractual Obligations.**

Full provisions shall be made for all statutory and contractual obligations.

**2. Loan Amortization**

In no case, however shall the appropriation for debt servicing exceed twenty percent (20%) of the total estimated regular income of the local government unit concerned.

**3. Aid to Barangay**

Province, cities and municipalities shall set aside funds in aid of component barangays in amount of not less than PhP1,000.00 per barangay.

**4. 5% Reserve**

A lump sum amount equivalent to five percent (5%) of the estimated revenues from regular sources shall be appropriated to cover unforeseen expenditures arising from the occurrence of calamities within the locality or in other areas declared by the President to be in a state of calamity. Under R.A. 8185, which amended Section 324(d) of R.A. 7160, a state of calamity may now be also declared by the concerned Sanggunian for their respective territory.

**5. 20% Development Fund**

Provision for Development and Livelihood Projects: An amount of not less than twenty percent (20%) of the Internal Revenue Allotment shares of local government units for each fiscal year shall be appropriated for development projects. In addition, the proceeds from the share of local government units in the utilization and development of national wealth shall be appropriated for local development and livelihood projects provided that at least eighty percent (80%) of the proceeds derived from the development and utilization of hydrothermal, geothermal, and other sources of energy shall be applied to lower the cost of electricity in the local government where the source of energy is located.

- a. Appropriation for development projects shall be itemized in the budget which shall be for specific development projects and activities that are embodied in the local development plan identified and prioritized by the local development council and approved by the Sanggunian.
- b. Development projects include but are not limited to, those component projects/activities incidental to the efficient and effective provision of the basic services

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<sup>2</sup> DBM-COA Joint Circular No. 93-2, June 8, 1993 & RA 7160

and facilities enumerated under Section 17(b) of the Local Government Code (RA7160), and for the preservation and enhancement of the indigenous resources or wealth of the local government unit.

- c. Appropriations for the development projects shall not include items for personal services, except for compensation of contractual employees hired to satisfy a component of the project.

## **7. Inter-Government Aid**

- Provinces may devise intra-provincial sharing arrangements involving their component cities and municipalities for the joint financing of services devolved by the national government which have province-wide or at least inter-municipality/city incidence of benefits, such as tertiary health care program devolved by the Department of Health.
- Local government units in general may, subject to Section 33 of the Local Government Code, appropriate funds in aid of one another for the implementation of programs and projects commonly beneficial to them.
- In furtherance of cooperative undertakings among Local Government Units, the LGUs may, through appropriate ordinances, group themselves, consolidate, or coordinate their efforts, services, and resources for purposes commonly beneficial to them. In support of such undertakings, the local government units involved may, upon approval by the sanggunian concerned after public hearing conducted for the purpose, contribute funds, real estate, equipment, and other kinds of property and appoint or assign personnel under such terms and conditions as may be agreed upon by the participating local units through Memoranda of Agreement.

The Provincial Government continues to follow mandated general limitations in the appropriation of the general fund, as follows:

### **1. Personal Services**

- a. The total appropriations, whether annual or supplemental, for personal services of a local government unit for each fiscal year shall not exceed forty-five percent (45%) in the case of 1st to 3rd class provinces, cities and municipalities, and fifty-five percent (55%) in the case of fourth class or lower local government units, of the total annual income from regular sources in the next preceding fiscal year.
- b. The appropriation for salaries, wages, representation and transportation allowances of officials and employees of public utilities and economic enterprises owned, operated and maintained by the local government unit concerned shall not be included in the annual budget or in the computation of the maximum amount expendable for personal services. The appropriations for personal services of such economic enterprises and public utilities shall be charged to their respective budgets.
- c. The ceilings on personal services shall not apply if the excess is caused by the continued implementation of the Salary Standardization Law, or the same is on account of the creation of mandatory positions specified under the Code or as a consequence of the transfer of national government personnel concomitant with the devolution of functions.

## 2. Salary Rate

- a. No official or employee shall be entitled to a salary rate higher than the maximum fixed for his positions or equivalent rank by applicable laws, rules and regulations issued.
- b. No local fund shall be appropriated to increase or adjust the salaries or wages of officials and employees of the national government, except as may be expressly authorized by law.

## 3. Not Retroactive

The creation of new positions and salary increases or adjustments shall in no case be made retroactive.

## 4. Career Position

Positions in the official plantilla for career positions which are occupied by incumbents holding permanent appointments shall be covered by adequate appropriations.

## 5. Designation or nomenclature of positions

No changes in designation or nomenclature of positions resulting in a promotion or demotion in rank or increase or decrease in compensation shall be allowed, except when the position is actually vacant, and the filling of such positions shall be strictly made in accordance with the civil service law, rules and regulations.

## 6. Discretionary Funds of Governor

The annual appropriation for discretionary purposes of the local chief executive shall not exceed two percent (2%) of the actual receipts from basic real property taxes in the next preceding fiscal year. No amount shall be appropriated for the same purpose except as authorized herein.

## 7. Elective Local Officials' compensation

The increase in compensation of elective local officials shall take effect only after the terms of office of those approving such increase expire, except when the increase is in implementation of a law providing for such increase while that of appointive officials and employees shall take effect as provided in the ordinance authorizing such increase.

## 8. Additional, Double or Indirect compensation

No elective or appointive local official or employee shall receive additional, double or indirect compensation, unless specifically authorized by law. Pensions as gratuity shall not be considered as additional, double or indirect compensation.

## 9. Representation Allowance

No money shall be appropriated, used, or paid for entertainment or reception except to the extent of the representation allowance authorized by law or for the reception of visiting dignitaries of foreign governments or foreign missions, or when expressly authorized by the President in specific cases.

### **4.3.2 Fiscal Institutional Support**

Fiscal institutional support in the PGBh will be provided by its fiscal institutions coordinated through the LFC chaired by the Provincial Administrator with regular members including the Provincial Budget Officer, the Provincial Treasurer, the Provincial Accountant and Provincial Planning and Development Coordinator expanded to include the Provincial Legal Officer, Provincial Assessor and the Executive Assistant of the Governor for Fiscal Matters.

#### **4.3.3 Internal Control System (ICS)**

PGBh will continue to strictly adhere to the existing generally accepted accounting and auditing standards. It strictly implements laws, circulars, memoranda of the Commission on Audit, Department of Budget and Management, Bureau of Internal Revenue (BIR) and other government institutions with the main thrust of safeguarding assets and the proper utilization of government funds and properties. The Provincial Government will reinforce plans and programs of the President/national government by coming out with its own Executive Orders and other issuances. This is done to show and exact maximum support to the chief executive.

The Office of the Governor will continue to play a role in the internal control mechanism of the province. This office will issue internal policies for its implementation in the different offices of the provincial government. It has its own built-in fiscal unit and internal control system. Administrative Order No. 70 created the Internal Audit Service in the PGBh which reports directly to the Governor.

#### **4.3.4 Guiding Principles**

The financial affairs, transactions, and operations of the provincial government shall be governed by the following fundamental principles:

- a. No money shall be paid out of the local treasury except in pursuance of an appropriations ordinance or law;
- b. Local government funds and monies shall be spent solely for public purposes;
- c. Local revenue is generated only from sources expressly authorized by law or ordinance, and collection thereof shall at all times be acknowledged properly;
- d. All monies officially received by the provincial government officer in any capacity or on any occasion shall be accounted for as local funds, unless otherwise provided by law;
- e. Trust funds in the local treasury shall not be paid out except in fulfillment of the purpose for which the trust was created or the funds received;
- f. Every officer of the provincial government unit whose duties permit or require the possession or custody of provincial funds shall be properly bonded, and such officer shall be accountable and responsible for said funds and for the safekeeping thereof in conformity with the provisions of law;
- g. Local governments shall formulate sound financial plans, and local budgets shall be based on functions, activities, and projects, in terms of expected results;
- h. Local budget plans and goals shall, as far as practicable, be harmonized with national development plans, goals, and strategies in order to optimize the utilization of resources and to avoid duplication in the use of fiscal and physical resources. In the attainment of its fiscal management goal, the provincial government shall have been able to fully manage the attainment of desired development outcomes through a tight linkage of planning, budgeting and accounting in both financial inputs and outputs.
- i. The provincial budget shall operationalize the approved provincial development plan;
- j. National planning shall be based on local planning to ensure that the needs and aspirations of the people as articulated by the local government units in their respective local development plans are considered in the formulation of budgets of national line agencies or offices;
- k. Fiscal responsibility shall be shared by all those exercising authority over the financial affairs, transactions, an operations of the provincial government; and
- l. The provincial government unit shall endeavor to have a balanced budget in each fiscal year of operation.

- 5.1 Integrity Development Plan
- 5.2 Revenue Generation Plan
- 5.3 Capacity Building Plan
- 5.4 PFM Monitoring and Evaluation Plan

## 5.1 INTEGRITY DEVELOPMENT PLAN (IDAP)

### Introduction

Integrity is a value everybody would like to parade in public. In practice however so much is to be desired. Integrity has become a lip service value. The Philippines is among the countries in Asia that is laden with graft and corruption. Congress has not failed in enacting laws that would curbed graft and corruption but our experience will tell us that observance of the laws are more honored in their breach.

The string of programs and initiatives of government to curve graft and corruption is as long as the number of administration since the time of President Elpidio Quirino in 1950 to the incumbency of President Gloria Macapagal-Arroyo but the problem continues to persist. This can be explained by the fact that graft and corruption is a historical phenomenon that is embedded in the culture of Filipinos from 457 years of being a colony of Spain , 47 years under the American rule and four (4) years of Japanese occupation. Graft and corruption started as a tool for the Filipinos' quest for freedom. It is no wonder that Filipinos' tolerance for it up to this day is still rampant.

It will need a concerted effort in all levels of governance to put a stop to it. President Benigno Simeon Aquino III, in his State of the Nation Address (SONA) emphatically repeated the course of his administration's program to fight graft and corruption when he rallied all Filipinos to take the "daang matuwid at iwanan ang daang baluktot." He meant to reclaim and restore our lost integrity because of graft and corruption.

Thus, the following Integrity Development Action Plan (IDAP) is an effort to bring down to the lowest level of governance a clear set of doables whose outcome can be measured in concrete terms.

### Objectives

1. To demonstrate Bohol's commitment and support to the goals of moral renewal and integrity development
2. To pursue programs that develop and promote values and integrity as well as set ethical norms.
3. To institute accountability procedures and mechanisms to ensure compliance with regulations and control of corruption
4. To institute mechanisms to monitor the implementation of reforms especially in finance and procurement.
5. To establish systems and mechanisms where the public can actively participate in the fight against graft and corruption.
6. To conduct capacity building on values formation and ethical behavior for government officers and employees, as well as the strengthening of people's values to achieve zero tolerance for corruption.

## Methodology Of Plan Preparation

In coming up with the IDAP, the PRMF Provincial Core Team made use of secondary data from documents obtained from the Presidential Anti-Graft Commission and from the HRMDO. This was reinforced by the PFM Assessment Instrument provided by PRMF where Integrity Development is one of the attributes per PFM area. The Core Team also conducted survey of respondents by office based on the questionnaire readily made available by PRMF, and held focus group discussions with key informants on the issues that need to be addressed.

**Table 33. SFMP-IDAP Implementation Plan**

| Major Areas | Activities  | Persons/<br>Offices<br>Responsible   | Inclusive<br>Period of<br>the Activity | Target date<br>of<br>Completion | Expected<br>Results |
|-------------|---|--|--|---------------------------------|---------------------|
| 1.0         | Strengthening internal control systems in the provincial government |  |  |                                 |                     |
| 1.1         | Improvement of the procurement systems                              | Issue a memorandum requiring a requisition department authorized representative to sign in behalf of the department  |  |                                 |                     |
|             |   | Issue a general memorandum for Bids and Awards Committee (BAC) information on a list of all authorized personnel of end users/requisitioning departments authorized to attend BAC bidding activities   |  |                                 |                     |
|             |   | Reiterate the policy of having a representative from the requisitioning department in the BAC and that the BAC should not conduct bidding without the representative of the requisitioning department. |  |                                 |                     |
|             |   | Provide orientation or update seminar to BAC members, secretariat and department heads on procurement (RA 9184)  |  |                                 |                     |
|             |   | Revive Price Monitoring Teams wherein various offices are represented.   |  |                                 |                     |
|             |   | Install procurement and document E-tracking system   |  |                                 |                     |



| Major Areas |   | Activities   | Persons/<br>Offices<br>Responsible | Inclusive<br>Period of<br>the Activity | Target date<br>of<br>Completion | Expected<br>Results                        |
|-------------|---|--|------------------------------------|--|---------------------------------|--|
|             |   | Post all procurement requests regardless if these are for negotiated or bidding.   |                                    |  |                                 |  |
|             |   | Draft policy on the canvassing for procurement transactions and the corresponding sanctions for unauthorized practice.   |                                    |  |                                 |  |
|             |   | Establish common acceptable price schedules for all common consumables /supplies.  |                                    |  |                                 |  |
|             |   | Simultaneous signing of BAC Resolution and Purchase Order (PO) by the Provincial Administrator (PA) to minimize time processing. Governor to issue memo for the simultaneous signing of BAC Resolution and PO. |                                    |  |                                 |  |
| 1.2         | Enhancing multi-stakeholders' participation in planning | Maintain the practice of accreditation of NGOs/POs for membership in PDC and its Sectoral Technical Working Groups (TWGs)  | PPDO                               | Continuing                             |                                 | PDC Accreditation process maintained       |
|             |   | Issue memorandum as to the membership in the PDC sectoral committees   | PPDO                               | Continuing                             |                                 | Memo issued                                |
|             |   | Conduct orientation of PDC accredited NGOs/POs Members on their role/responsibilities and functions  | PPDO                               | Continuing                             |                                 | Orientation conducted                      |
|             |   | Ensure participation and attendance of NGOs/POs in development planning activities such as in plan formulation and investment programming through issuance of invitations to meetings                          | PPDO                               | Continuing                             |                                 | Invitations issued                         |
|             |   | Encourage and monitor NGO/PO participation in Programs/Projects/ Activities (PPAs) implementation through alliances and counterparting   | PPDO                               | Continuing                             |                                 | Alliances and counter-parting arrangements |

| Major Areas   | Activities  | Persons/<br>Offices<br>Responsible | Inclusive<br>Period of<br>the Activity | Target date<br>of<br>Completion | Expected<br>Results                                       |
|---|---|------------------------------------|--|---------------------------------|---|
|   | arrangements  |                                    |  |                                 |   |
|   | Maintain the involvement of NGOs/POs in the monitoring/evaluation of PPAs   | PPDO                               | Continuing                             |                                 |   |
|   | Institutionalize the BIAD Cluster as a strategy for planning and development particularly for project identification and prioritization   | PPDO                               | 2011                                   | 2011                            | BIAD Cluster institution-<br>alized                       |
| 1.3 Rationalizing the budgeting system                                    | Establish timeline for early submission of budget proposal with the corresponding incentive scheme and criteria in the budget allocation. | PBO                                | July 2011                              | 30 July 2011                    | Budget proposals submitted on or before Oct 16 every year |
|   | Participative planning and strong coordination with department heads. First come first serve basis  | PBO, PPDO, Dept Heads              | May to June every year                 | End of June every year          | Forum conducted   |
|   | Conduct orientation of department heads on budget calendar and annual investment plans  | PBO / PPDO                         | April every year                       | End of April of every year      | Orientation Seminar conducted                             |
|   | Establish percentage of sectoral allocation in harmony with the overarching development framework   | PPDO / PBO                         | March to June                          | End of June                     | Percentage established for sectoral allocation            |
|   | Create a committee with civil society and private sector participation to review rationalized allocation                                  | GO                                 | February 2011                          | End of February 2011            | Committee created to review rationalized allocation       |
|   | Reiterate the policy on AIP submission  | PBO / GO                           | Jan. to Mar 2011                       | Mar 2011                        | Policy of AIP submission well defined                     |
|   |   |                                    |  |                                 |   |
| 1.4 Fast-tracking payment of obligations and other financial transactions | Simultaneous signing of disbursing voucher by the local chief executive and Treasurer   | PTO                                | Jan to Mar 2011                        | Continuing                      | Processing time reduced                                   |
|   | Establish the length of time in check preparation within 24 hours upon receipt.   | PTO                                | Jan to Mar 2011                        | Continuing                      | Processing time reduced                                   |
|   | Monitor unclaimed checks every 5 days and notify claimants for pick up  | PTO                                | Jan to Mar 2011                        | Continuing                      | Stale checks avoided                                      |
|   | Require check payees to include their contact   | PBO                                | Jan 2011                               | Continuing                      | Claims facilitated  |

| Major Areas |   | Activities   | Persons/<br>Offices<br>Responsible | Inclusive<br>Period of<br>the Activity | Target date<br>of<br>Completion | Expected<br>Results                |
|-------------|---|--|------------------------------------|--|---------------------------------|------------------------------------|
|             |   | numbers in vouchers  |                                    |  |                                 |                                    |
|             |   | Continuous enhancement of newly installed disbursement system through additional hardware.   | PAccO/PTO                          | 2011-2015                              | Continuing                      | e-Window for clients viewing       |
|             |   | Establish uniform pre-audit steps separating responsibilities of pre-auditors from reviewers.  | PAccO                              | 2011                                   | 2011 (Dec)                      | Reduced processing time            |
|             |   | Additional workforce in pre-auditing (include in the strategy)   | PAccO                              | 2011                                   | Continuing                      | Reduced processing time            |
| 1.5         | Fast-tracking financial reporting system                        | Establish deadlines on submission of financial recording   | PAccO                              | Continuing                             | Continuing                      | Adhered to COA Rules & Regularions |
|             |   | Additional work stations (manpower and hardware) (include in mgt actions)  | PAccO                              | 2011                                   | Continuing                      | Updated reports                    |
| 1.6.        | Institutionalizing internal audit                               | Strengthen the implementation of pass slips (include in HR)  | HRMDO                              |  |                                 |                                    |
|             |   | Standardize rates of job-order employees (include in HR)   | HRMDO                              |  |                                 |                                    |
|             |   | Develop an internal audit manual of operation - Must have uniformity and consistency in accounting and monotiring for each type of transaction | IAS                                |  |                                 |                                    |
|             |   | Each office will prepare an office manual that guides in the conduct of internal audit.  | IAS                                |  |                                 |                                    |
|             |   | Conduct of orientation on NGICs to develop appreciation on the value of internal control and internal audit                                    | IAS                                |  |                                 |                                    |
|             |   | Provide adequate staffibg for IAS in order to have an ideal audit process  | IAS/Gov/HRM DO                     |  |                                 |                                    |
|             |   | All offices must come up with its own risk matrix  | IAS/HRMDO                          |  |                                 |                                    |
|             |   | Conduct of baseline assessment of all offices  | IAS                                |  |                                 |                                    |
| 2.0         | Instituting a system of integrity safeguards within each office |  |                                    |  |                                 |                                    |
| 2.1         | Inclusion of integrity  | Revise the Merit and Selection Plan  | HRMDO                              |  |                                 |                                    |

| Major Areas  | Activities  | Persons/<br>Offices<br>Responsible | Inclusive<br>Period of<br>the Activity | Target date<br>of<br>Completion | Expected<br>Results                                  |
|--|---|------------------------------------|--|---------------------------------|--|
| background checks in the recruitment and promotion of government employees                                   | Conduct workshop to Provincial Selection Board (PSB) members to strengthen selection policies   | HRMDO                              |  |                                 |  |
|  | Conduct background check to applicants who are qualified for final screening (interview)  | HRMDO                              |  |                                 |  |
|  | Establish linkage with the academe relative to formulation of psychological examination for job applicants  | HRMDO                              |  |                                 |  |
|  | Strengthen the coordination with the department heads relative to filling up of positions and in the formulation of test questions for specific position. | HRMDO                              |  |                                 |  |
| 2.2 Enhancing the development of integrity and ethical practices in the day-to-day operations of each office | Strengthen HR Audit   | HRMDO                              |  |                                 |  |
|  | Monitor implementation of pass slips  | HRMDO                              |  |                                 |  |
|  | Strengthen administrative officer's councils for updates and implementation status of PGBh and CSC policies   | HRMDO                              |  |                                 |  |
|  | Sustain the conduct of moral recovery program to all PGBh employees   | HRMDO                              |  |                                 |  |
| 2.3 Developing feedback mechanisms and internal complaint unit   | Install suggestion box in each department/office  | HRMDO                              | 2011                                   | 2011                            | At least one (1) Suggestion Box installed per office |
| 2.4 Developing accountability mechanisms for financial transactions  | Implement First In-first Out (FI-FO) and <i>Paspas Con Completo</i> policies  | PAccO                              | Continuing                             | Continuing                      | Reduced processing time                              |
|  | Monitor implementation of the Citizen's Charter and submit reports to the Governor.   | HRMDO                              |  |                                 |  |

## 5.2 REVENUE GENERATION PLAN

The Revenue Generation Plan of PGBh is a complete package of identified local revenue policy directions for the planning period 2011-2015. It contains specific activities, strategies, measures that have to be undertaken to achieve our target/estimated revenues that should be raised and collected in a given year. Another important component of this plan is the identification of person/office responsible to take charge including the necessary funding requirements for every identified activity.

The plan aims to maximize the utilization of manpower and reduction of collection cost by defining the functions for each revenue center with emphasis in the strategy of major local revenue sources within the taxing power of the provincial government, exploring other potential revenue sources and the creation of Economic Enterprise Management Unit to take charge in the development and implementation of business plans to identified potential economic enterprises of the PGBh that could contribute to the increase of our locally generated revenues by at least 10% yearly with the ultimate goal of reducing our dependency from internal revenue allotment from 92% to 85% at the end of 2015. Along this line, the PGBh, through the PTO, will focus its efforts primarily in increasing collection efficiency in the following revenue accounts, namely: RPT, SEF, Environmental, Rental office spaces and Rental from Business Facilities.

Another important quality of this plan is the application of monitoring and evaluation process to check and assess the development and the trending of PGBh's Revenue Generation Program. This plan can be used as a tool by our local financial managers in monitoring accomplishments, lapses, misses in the revenue generation activities and also serve as a major reference in updating the Revenue Code.

**Table 34. Revenue Generation Implementation Plan**  
Provincial Government of Bohol

| Revenue Base      | Measures                 | Specific Activities                                      | Responsible Person/Office  | Funding Requirement | Estimated results   | Remarks  |
|-------------------|--------------------------|--|----------------------------|---------------------|---|--|
| Real Property Tax | Conduct general revision | Prepare schedule of market values                        | Prov'l and Mun'l Assessor  | Php50,000.00        | Increase of taxable assessed value and increase of at least 5% yearly RPT collection before the next general revision | Proposal for the next general revision will be in 2013 |
|                   |                          | Conduct public hearing Of schedule market values         | Provincial Assessor        |                     |   |  |
|                   |                          | Ordinance approving the schedule of market values        | Provincial Assessor        | 20,000.00           |   |  |
|                   |                          | Publish approved schedule of market values               | Prov'l and Mun'l Assessors | 10,000.00           |   |  |
|                   |                          | Prepare and send notice of assessment to property owners | -do-                       |                     |   |  |

| Revenue Base | Measures   | Specific Activities   | Responsible Person/Office   | Funding Requirement | Estimated results   | Remarks |
|--------------|--|---|---|---------------------|---|---------|
|              |  | Send notice of tax bill to real property owners   | -do-  |                     |   |         |
|              |  | Conduct ocular inspection of Real Property Units  | -do-  |                     |   |         |
|              | Conduct tax mapping of the remaining 7 "un-tax mapped" municipalities in the province. Provide fund allocation for tax mapping | Prepare and send notice of assessment to real property owners   | -do-  | 3,000,000.00        |   |         |
|              |  | Gather data of delinquent real property taxpayers from municipalities for computation of their tax dues | PTO-Field Operation Personnel   |                     |   |         |
|              |  | Conduct tax information drive to low performing municipalities :  | Provincial Treasurer and Field Operation Personnel                          |                     | Establish updated list of delinquency<br><input type="checkbox"/> |         |
|              |  | Send demand letters to delinquent tax payers  |   |                     |   |         |
|              |  | Attend barangay assembly meetings   | Provincial Treasurer, Municipal Treasurer and PTO-Field Operation Personnel |                     | Tax awareness and Collection of tax dues                          |         |
|              | Enter into a compromise agreement with delinquent taxpayers in collecting taxes  | • Publication of notice of delinquency in a newspaper of general circulation for two consecutive weeks  | Provincial Treasurer and Field Operation Personnel                          |                     | <input type="checkbox"/>  |         |
|              | Implementation of Judicial/Civil/ Administrative Remedies for collection of taxes  | Issuance of warrant of levy to delinquent real property tax payers                                      |   |                     | <input type="checkbox"/>  |         |
|              |  | Publication of Notice of Sale for delinquent real property taxpayers in a                               | Provincial Treasurer together with the members of Auction                   |                     | <input type="checkbox"/>  |         |

| Revenue Base | Measures  | Specific Activities  | Responsible Person/Office     | Funding Requirement | Estimated results  | Remarks |
|--------------|---|--|-------------------------------|---------------------|--|---------|
|              |   | newspaper of general circulation, capitol complex, concerned municipalities and their respective barangays | Committee                     |                     |  |         |
|              |   | Conduct Auction sale   |                               |                     |  |         |
|              | Check and verify the accuracy of the municipality monthly RPT Collection Report as basis for the 35% provincial share to be remitted to the province for the Basic Tax and 50% for the SEF. | Conduct revenue audit focusing on real property tax collection   | PTO- Treasury Audit personnel |                     | Existence of Real Property Delinquency will be minimized and increase of collection efficiency |         |
|              | Implement e-TRACS province wide   | Identify municipalities prioritized for e-TRACS installation.  | PTO, PASSO and IT personnel   | 2,000,000.00        |  |         |
|              |   | IEC of e-TRACS software to municipalities (conduct of e-TRACS presentation)                                |                               |                     |  |         |
|              |   | Design counter-parting agreement for e-TRACS installation between province and municipalities.             |                               |                     |  |         |
|              |   | Actual installation of software and training.  |                               |                     |  |         |

#### **5.4 CAPACITY-BUILDING PLAN**

The Capacity-building Plan of the Provincial Government of Bohol envisions an organization that is committed to being a place where all employees are engaged, developed and valued. This Plan supports the capacity needs identified under PGBh's SFMP and covers the period from 2011 to 2015. This is one of the key areas identified to address the organizational capability gaps in the areas of planning, revenue generation & treasury management, expenditure management, accounting and financial reporting, budgeting management, and, internal control and internal audit.

This Capacity-building Plan is culled out from the SFMP Implementation Plan structured around the outcomes of the PFM Assessment Report of the provincial government.



**Table 35. SFMP Capability-building Plan: 2011-2015**

SFMP Strategy: Continuing Development Capacity

| Public Finance Capacity Gaps<br>or Measures by Area  | Interventions/<br>Activities   | Target Results   | Units Involved                | Annual Budget & Source of Funds |        |        |        |      | Total Cost |
|--|--|--|-------------------------------|---------------------------------|--------|--------|--------|------|------------|
|  |  |  |                               | 2011                            | 2012   | 2013   | 2014   | 2015 |            |
| Revenue Generation & Treasury Management   |  |  |                               |                                 |        |        |        |      |            |
| Inadequate technical skills on revenue generation and projection   | Training on revenue generation and projection(3 days)                  | Maximize taxing power  | PAssO<br>PTO                  | 58,000                          |        |        |        |      | 58,000     |
| Lack of technical skills to operate GIS and implement e - Tracs provincewide based on real property tax system | Technical training on GIS and e-TRACS system                           | Efficient collection;<br>Increased tax collection;<br>Accurate appraisal of properties | PAssO<br>PTO<br>PPDO          | 58,000                          |        | 70,100 |        |      | 112,100    |
| Inadequate skills on risk assessment and analysis on cash and check collections                                | Training on risk assessment and analysis on cash and check collections | Appropriate internal control measures  | IAU<br>PTO<br>PBO<br>PAccO    |                                 | 63,800 |        |        |      | 63,800     |
| Expenditure Management   |  |  |                               |                                 |        |        |        |      |            |
| Inadequate skills in cost management   | Training on cost management  | Cost efficient;<br>Activity based cost system  | PAccO<br>PTO<br>PBO<br>PPDO   |                                 |        |        | 77,000 |      | 77,000     |
| Insufficient knowledge & skills on financial recording system  | Orientation on Financial Recording System                              | Accurate data on recording   | PAccO<br>PTO<br>PBO<br>PPDO   |                                 |        |        | 70,100 |      | 70,100     |
| Lack of knowledge on e-procurement system (PhilGEPS)   | Orientation on e-procurement system of BAC membersvand secretariat     | Fast procurement process   | BAC Committee and secretariat |                                 |        |        | 77,000 |      | 77,000     |

| Public Finance Capacity Gaps<br>or Measures by Area   | Interventions/<br>Activities  | Target Results  | Units Involved                   | Annual Budget & Source of Funds |        |      |        |      | Total Cost |
|---|---|---|----------------------------------|---------------------------------|--------|------|--------|------|------------|
|   |   |   |                                  | 2011                            | 2012   | 2013 | 2014   | 2015 |            |
| Accounting and Financial Reporting  |   |   |                                  |                                 |        |      |        |      |            |
| Inadequate skills on financial analysis   | Training on financial analysis for PAccO personnel  | Improved skill in interpreting data                       | PAccO HRMDO                      | 58,000                          |        |      |        |      | 58,000     |
| Lack of knowledge on usage of FITTSYS   | Training on FITTSYS to other key personnel/employees  | FITTSYS used by other PAccO Div & Section                 | PaccO HRMDO                      | 58,000                          | 63,800 |      |        |      | 112,800    |
| Inadequate skills on customer service   | Training on Customer Service  | Customer oriented employees                               | PaAcO<br>PTO<br>PBO              |                                 |        |      | 75,000 |      | 75,000     |
| Budgeting Management  |   |   |                                  |                                 |        |      |        |      |            |
| Inadequate skilled manpower on revenue expenditure projection/estimation and analysis   | Training on revenue expenditure, projection/estimation and analysis   |   | PBO<br>PaccO<br>PTO<br>PPDO      | 58,000                          |        |      |        |      | 58,000     |
| Internal Control and Internal Audit   |   |   |                                  |                                 |        |      |        |      |            |
| Inadequate knowledge on Internal Control System (DBM CircularNo.008-0000) provisions as basis of management actions- Key officials and employees need to be updated on the new policies/regulations | Orientation on the National Guidelines on Internal Control System (DBM Circular No.008-0000)  | Appreciate the value on internal control and audit system | PGBh Key Officials and Employees | 58,000                          |        |      |        |      | 58,000     |
| Inadequate knowledge/skills on the following: <ul style="list-style-type: none"><li>Basic Internal Control concepts</li><li>Audit Report writing</li></ul> Financial and operations audit           | Technical trainings on the following: <ul style="list-style-type: none"><li>Basic Internal Control Concepts</li><li>Audit report writing</li><li>Financial and Operations Audit</li></ul> | Efficient financial and internal auditing                 | IAS                              |                                 |        |      |        |      |            |
|   |   |   | PAccO                            | 58,000                          |        |      |        |      | 58,000     |
|   |   |   | PTO                              | 58,000                          |        |      |        |      | 58,000     |
|   |   |   | PBO                              | 58,000                          |        |      |        |      | 58,000     |

| Public Finance Capacity Gaps<br>or Measures by Area  | Interventions/<br>Activities  | Target Results  | Units Involved                               | Annual Budget & Source of Funds |        |        |      |      | Total Cost |
|--|---|---|--|---------------------------------|--------|--------|------|------|------------|
|  |   |   |  | 2011                            | 2012   | 2013   | 2014 | 2015 |            |
| <ul style="list-style-type: none"><li>Risk-based audit approach</li><li>Tools and Techniques for internal audit</li><li>Audit system</li></ul> | <ul style="list-style-type: none"><li>Risk-based Audit approach</li><li>Tool &amp; techniques for internal audit</li><li>Audit system</li></ul> |   |  |                                 | 63,800 |        |      |      | 63,800     |
|  |   |   |  | 58,000                          |        |        |      |      | 58,000     |
|  |   |   |  |                                 | 63,800 |        |      |      | 63,800     |
| Planning   |   |   |  |                                 |        |        |      |      |            |
| Inadequate skills in monitoring and evaluation   | Training on Monitoring and Evaluation   | Effective and efficient program monitoring and evaluation | PTO<br>PBO<br>PAccO<br>PAssO<br>PPDO<br>PPDO |                                 | 63,800 |        |      |      | 63,800     |
| Inadequate skills on GIS: Spatial analysis using satellite imagery, GPS  | Training on GIS: Spatial Analysis using satellite imagery,GPS   |   |  |                                 | 63,000 |        |      |      | 63,800     |
| Lack of skills to conduct project impact evaluation  | Training on Project Impact Evaluation   |   | PTO<br>PAssO<br>PAccO<br>PBO<br>PPDO         |                                 |        | 70,100 |      |      | 70,100     |
| Total  |   |   |  |                                 |        |        |      |      |            |

## 5.5 PFM MONITORING AND EVALUATION PLAN

The preparation of the Strategic Financial Management Plan (SFMP) of the Provincial Government of Bohol (PGBh) is a significant milestone towards determining and achieving the desired future local government situation in the realm of public financial management. With the set goals and objectives, the PGBh, through its concerned offices and units, will have to work and prioritize the implementation of identified initiatives and activities set forth in the plan.

To facilitate and ensure that the PGBh is on track for the implementation of the SFMP, a Monitoring and Evaluation (M&E) System is adopted and operated. This M & E System is designed to monitor the implementation of the various strategies and activities set and committed by various offices of the PGBh. The M & E System builds its framework on the overall goals and objectives of the SFMP and its supporting plans. It will utilize the targets and indicators that have been agreed upon by key responsible offices.

The M&E System will then establish and affirm the clear link between activities, desired output and results, and the objectives/ goals that each activity tries to achieve. The system also looks into the timelines for each activity as well as its budgetary and resource requirements, whenever applicable. Furthermore, the M & E System provides feedback mechanisms through its reportorial and consultative arrangements ensuring that the activities, issues and concerns of offices in relation to the plan implementation are reported and discussed with management and concerned parties. This will be helpful in resolving and mitigating issues as well as improving operational arrangements for the implementation of the SFMP.

The M & E System, including its institutional arrangements, processes and tools, will have to be approved by the PGBh Management. This would ensure that the system is accepted by everyone. Considering that the M&E is designed specifically for the SFMP, mechanisms and guidelines may be developed for its future integration to the overall M & E System of the PGBh.

The M & E activities for the SFMP will be managed and undertaken by a M & E Team to be composed of members/ representatives of the Local Finance Committee (LFC) offices. The team will have to be familiarized with the M & E framework as well as the tools and processes to be employed for such purpose. The M & E framework will also have to be communicated to all offices concerned for better understanding, appreciation and clarification.

M & E activities will have to be conducted periodically, most probably every semester, to account and assess the salient and significant accomplishments of offices with regards to the SFMP Implementation Plan. M&E reports will have to be prepared and submitted every July and January to cover the activities of January to June and July to December, respectively. M&E forms will be used to facilitate the setting of office targets as well as in the data and information gathering processes. Interviews and consultations will also be conducted with concerned implementing offices to validate and clarify matters related to SFMP activities.

For the SFMP M&E System, the following activities are set:

**Table 36. PFM M & E Activities  
Provincial Government of Bohol**

| Activities   | Schedule   | Expected Output  | Budget              |
|--|--|--|---------------------|
| 1. Final drafting of the M&E System for the SFMP<br>(Framework, Tools, Forms, Organization)              | 2 <sup>nd</sup> week of September to 3 <sup>rd</sup> week of September 2010  | Final Draft M&E System for SFMP  | None Required       |
| 2. Submission of M&E System for comments/ approval of the LFC and endorsement / approval of the Governor | 4 <sup>th</sup> week of September to 1 <sup>st</sup> week of October 2010  | Approved M&E System for SFMP   | None Required       |
| 3. Organization of the M&E Team  | 1 <sup>st</sup> week of November 2010  | Executive Order creating the M&E Team  | None Required       |
| 4. Orientation/ Training of M&E Team   | 2 <sup>nd</sup> week of November 2010  | 1 Orientation Session Conducted  | ₱ 13,500.00         |
| 5. Orientation of PGB Offices (finance-related) on M&E System for the SFMP                               | 4 <sup>th</sup> week of November 2010  | 1 Orientation Session Conducted  | ₱ 20,000.00         |
| 6. M&E Capacity Development Training   | Based on HR Schedule   | 1 M&E Capacity Development Training Conducted  | To be determined    |
| 7. Conduct of M&E Activities (data gathering, consolidation, analysis, report preparation, reporting)    | 3 <sup>rd</sup> week of December 2010 to 2 <sup>nd</sup> week of January 2011<br>(Reporting every July and January for succeeding periods) | Consolidated M&E Report  | ₱ 10,000.00         |
| 8. Conduct of Consultative (Feedback) Meeting with all concerned Offices                                 | 4 <sup>th</sup> week of January and 4 <sup>th</sup> week of July every year  | M&E Consolidated Report presented<br>Report on consolidated agreements and strategies to resolve issues and concerns (input to activity planning/ SFMP updating) | ₱ 8,500.00/ meeting |
| 8. Assessment of M&E System  | Every December   | 1 Assessment Workshop Conducted  | ₱ 17,500.00         |
| 9. Development of Monitoring and Evaluation Information System   | January to December 2011   | Complete hardware/ software support, Training for personnel conducted  | ₱ 150,000.00        |
| 10. Conduct of Regular Meeting of the M&E Team for the SFMP  | At least once every quarter  | At least 4 Meetings every year<br>Report on issues and concerns discussed communicated to LFC  | ₱ 3,000.00/ meeting |

**Monitoring and Evaluation Forms**  
(please see following pages)

Table 37. Monitoring and Evaluation Form 1  
**IMPLEMENTATION PLAN**  
 (to be based on per office SFMP activities)

For the Semestral Period: \_\_\_\_\_

OFFICE: \_\_\_\_\_

Goal/s of the SFM Plan to Achieve:

\_\_\_\_\_

| Program/ Projects/ Activities | Target Time Frame | Expected Output (measurable indicator) | Expected Outcome (results) | Estimated Cost (whenever applicable) |
|-------------------------------|-------------------|--|----------------------------|--------------------------------------|
|                               |                   |  |                            |                                      |
|                               |                   |  |                            |                                      |
|                               |                   |  |                            |                                      |
|                               |                   |  |                            |                                      |
|                               |                   |  |                            |                                      |
|                               |                   |  |                            |                                      |

**Table 38. Monitoring and Evaluation Form 2**  
**MONITORING AND EVALUATION FORM**  
**STRATEGIC FINANCIAL MANAGEMENT PLAN**

For the Semestral Period: \_\_\_\_\_

OFFICE: \_\_\_\_\_

Goal/s of the PFM Achieved:

\_\_\_\_\_

| Program/<br>Projects/ Activities | Time Frame |        | Expected Output |        | Expected Outcome |        | Cost<br>(whenever<br>applicable) |        | Remark/s &<br>Explanation<br>(Facilitating/<br>Hindering<br>Factors/<br>Suggestions) |
|----------------------------------|------------|--------|-----------------|--------|------------------|--------|----------------------------------|--------|--|
|                                  | Target     | Actual | Target          | Actual | Target           | Actual | Target                           | Actual |  |
|                                  |            |        |                 |        |                  |        |                                  |        |  |
|                                  |            |        |                 |        |                  |        |                                  |        |  |
|                                  |            |        |                 |        |                  |        |                                  |        |  |
|                                  |            |        |                 |        |                  |        |                                  |        |  |
|                                  |            |        |                 |        |                  |        |                                  |        |  |
|                                  |            |        |                 |        |                  |        |                                  |        |  |

### **Appendix A- Tables**

Table 1 - Budget vs. Actual Collection: FY 2004-2009

Table 2- Revenue Increases for Six Years: FY 2004-2009

Table 3- Revenue Vertical Analysis

Table 4- Revenue Per Capita

Table 5 – Budget vs. Actual Expenses for Six Years: 2004-2009

Table 6 – Expense Increases For Six Years: 2004-2009

Table 7 - Expense Vertical Analysis

Table 8 - Expense by Office

Table 9 - Expense by Sector

Table 10 - Expense Per Capita

Table 11 – SWOT Analysis per PFM Area

Table 12 – Financial Management Strategies

Table 13 – Financial Management Goals and Objectives

### **Appendix B - PFM Assessment Report**



## COLLECTION EFFICIENCY

**Table 1 - Collection Efficiency- Budget vs Actual for Six Years: 2004-2009**  
**Bohol Provincial Government**

| REVENUE ACCOUNT  | Year 2009            |                      |                     |            | Year 2008            |                      |                     |           | Year 2007            |                      |                     |            |
|--|----------------------|----------------------|---------------------|------------|----------------------|----------------------|---------------------|-----------|----------------------|----------------------|---------------------|------------|
|  | Target               | Actual               | Over (Under)        | %          | Target               | Actual               | Over (Under)        | %         | Target               | Actual               | Over (Under)        | %          |
| <b>Local Revenue</b>                                     |                      |                      |                     |            |                      |                      |                     |           |                      |                      |                     |            |
| <b>1 Tax Revenue</b>                                     |                      |                      |                     |            |                      |                      |                     |           |                      |                      |                     |            |
| Real Property Tax - Current Year                         | 22,000,000.00        | 17,372,401.13        | -4,627,598.87       | -21%       | 17,200,000.00        | 12,372,896.61        | -4,827,103.39       | -28%      | 15,383,492.00        | 12,036,363.10        | -3,347,128.90       | -22%       |
| Real Property Tax - Preceding Year                       | 2,500,000.00         | 3,600,451.43         | 1,100,451.43        | 44%        | 1,700,000.00         | 3,275,417.81         | 1,575,417.81        | 93%       | 1,541,648.00         | 862,859.60           | -678,788.40         | -44%       |
| Real Property Tax - Penalties                            | 1,300,000.00         | 1,816,328.55         | 516,328.55          | 40%        | 800,000.00           | 1,736,178.24         | 936,178.24          | 117%      | 724,900.00           | 554,549.48           | -170,350.52         | -23%       |
| Franchise Tax  | 1,000,000.00         | 446,462.76           | -553,537.24         | -55%       | 1,000,000.00         | 456,502.33           | -543,497.67         | -54%      | 2,000,000.00         | 535,519.00           | -1,464,481.00       | -73%       |
| Sand and Gravel Fees                                     | 600,000.00           | 557,338.80           | -42,661.20          | -7%        | 600,000.00           | 503,819.90           | -96,180.10          | -16%      | 600,000.00           | 453,983.41           | -146,016.59         | -24%       |
| Sand and Gravel - Penalties                              |                      |                      |                     |            |                      |                      |                     |           |                      |                      |                     |            |
| Amusement Tax  | 150,000.00           | 147,044.34           | -2,955.66           | -2%        | 60,000.00            | 75,122.80            | 15,122.80           | 25%       | 60,000.00            | 36,446.64            | -23,553.36          | -39%       |
| Tax on Delivery Trucks & Vans                            | 1,400,000.00         | 1,486,105.97         | 86,105.97           | 6%         | 1,350,000.00         | 1,056,694.00         | -293,306.00         | -22%      | 1,350,000.00         | 1,197,345.00         | -152,655.00         | -11%       |
| Property Transfer  | 2,500,000.00         | 2,121,463.99         | -378,536.01         | -15%       | 2,500,000.00         | 1,442,216.86         | -1,057,783.14       | -42%      | 1,500,000.00         | 1,670,933.63         | 170,933.63          | 11%        |
| Occupation/Professional Tax                              | 150,000.00           | 144,138.50           | -5,861.50           | -4%        | 150,000.00           | 137,203.00           | -12,797.00          | -9%       | 150,000.00           | 152,289.97           | 2,289.97            | 2%         |
| Environmental Tax  | 2,000,000.00         | 1,557,509.00         | -442,491.00         | -22%       | 1,800,000.00         | 912,638.00           | -887,362.00         | -49%      | 1,800,000.00         | 959,692.13           | -840,307.87         | -47%       |
| <b>2 Non-Tax Revenue</b>                                 |                      |                      |                     |            |                      |                      |                     |           |                      |                      |                     |            |
| <b>Income from Hospitals</b>                             | <b>24,000,000.00</b> | <b>32,605,657.97</b> | <b>8,605,657.97</b> | <b>36%</b> | <b>23,760,000.00</b> | <b>23,777,556.66</b> | <b>17,556.66</b>    | <b>0%</b> | <b>23,760,000.00</b> | <b>23,272,262.14</b> | <b>-487,737.86</b>  | <b>-2%</b> |
| Secretary's Fees/Certification                           | 2,000,000.00         | 2,075,591.13         | 75,591.13           | 4%         | 2,000,000.00         | 1,394,926.98         | -605,073.02         | -30%      | 1,300,000.00         | 1,327,582.71         | 27,582.71           | 2%         |
| Pernit Fees  |                      |                      |                     |            |                      |                      |                     |           |                      |                      |                     |            |
| Rental Office Spaces                                     | 3,000,000.00         | 2,203,721.82         | -796,278.18         | -27%       | 2,900,000.00         | 2,227,464.29         | -672,535.71         | -23%      | 2,700,000.00         | 3,060,863.93         | 360,863.93          | 13%        |
| Rental Business Facilities/Cultural Center/Sports Center | 2,000,000.00         | 1,185,975.00         | -814,025.00         | -41%       | 2,000,000.00         | 1,033,403.55         | -966,596.45         | -48%      | 500,000.00           | 831,281.25           | 331,281.25          | 66%        |
| Compromise Rental/Fees (PLDT)                            |                      |                      |                     |            |                      |                      |                     |           |                      |                      |                     |            |
| <b>Share from Chocolate Hills</b>                        |                      | <b>6,701,267.27</b>  | <b>6,701,267.27</b> |            |                      | <b>4,351,248.24</b>  | <b>4,351,248.24</b> |           |                      | <b>1,874,808.53</b>  | <b>1,874,808.53</b> |            |

| REVENUE ACCOUNT                     | Year 2009             |                         |                       |             | Year 2008             |                       |                      |            | Year 2007             |                       |                       |             |
|-------------------------------------|-----------------------|-------------------------|-----------------------|-------------|-----------------------|-----------------------|----------------------|------------|-----------------------|-----------------------|-----------------------|-------------|
|                                     | Target                | Actual                  | Over (Under)          | %           | Target                | Actual                | Over (Under)         | %          | Target                | Actual                | Over (Under)          | %           |
| Rental of Heavy Equipments          |                       | 42,330.00               | 42,330.00             |             |                       |                       |                      |            |                       |                       |                       |             |
| Sale of Plants/Other Products       |                       |                         |                       |             |                       |                       |                      |            |                       |                       |                       |             |
| Interests on Deposits               | 10,200,000.00         | 10,968,073.41           | 768,073.41            | 8%          | 10,200,000.00         | 6,818,002.38          | -3,381,997.62        | -33%       | 10,200,000.00         | 7,509,735.50          | -2,690,264.50         | -26%        |
| Miscellaneous - Accountable Forms   |                       |                         |                       |             |                       |                       |                      |            |                       |                       |                       |             |
| Ver/Appl/Cons. Fees                 | 150,000.00            | 280,260.00              | 130,260.00            | 87%         | 150,000.00            | 98,350.00             | -51,650.00           | -34%       | 150,000.00            | 93,500.00             | -56,500.00            | -38%        |
| Receipts of Electric - Prior Years  |                       |                         |                       |             |                       |                       |                      |            |                       |                       |                       |             |
| Other Receipts - Misc.              |                       |                         |                       |             | 1,500,000.00          | 445,517.33            | -1,054,482.67        | -70%       | 1,000,000.00          | 554,096.47            | -445,903.53           | -45%        |
| Miscellaneous - Miscellaneous       | 2,000,000.00          | 748,268.48              | -1,251,731.52         | -63%        |                       |                       |                      |            |                       |                       |                       |             |
| Receipts - RACER (Seeds)            | 15,476,000.00         | 2,001,360.00            | -13,474,640.00        | -87%        |                       |                       |                      |            |                       |                       |                       |             |
| Receipts - RACER (Fertilizer)       | 12,575,000.00         | 194,100.00              | -12,380,900.00        | -98%        |                       |                       |                      |            |                       |                       |                       |             |
| Receipts from BOFAMCO               | 4,188,000.00          |                         | -4,188,000.00         | -100%       |                       |                       |                      |            |                       |                       |                       |             |
| Receipts of Water Delinquent        |                       |                         |                       |             |                       |                       |                      |            |                       |                       |                       |             |
| Gain on Sale of Assets              |                       |                         |                       |             |                       | 1,560,241.08          | 1,560,241.08         |            |                       |                       |                       |             |
| Gain on Investments (Dividend)      |                       | 2,250,000.00            | 2,250,000.00          |             |                       | 3,085,702.00          | 3,085,702.00         |            |                       |                       |                       |             |
| PCSO Share                          | 300,000.00            | 470,961.91              | 170,961.91            | 57%         | 300,000.00            | 412,322.11            | 112,322.11           | 37%        | 100,000.00            | 302,515.44            | 202,515.44            | 203%        |
| <b>TOTAL - LOCAL REVENUE</b>        | <b>109,489,000.00</b> | <b>90,976,811.46</b>    | <b>-18,512,188.54</b> | <b>-17%</b> | <b>69,970,000.00</b>  | <b>67,173,424.17</b>  | <b>-2,796,575.83</b> | <b>-4%</b> | <b>64,820,040.00</b>  | <b>57,286,627.93</b>  | <b>-7,533,412.07</b>  | <b>-12%</b> |
| IRA                                 | 880,000,000.00        | 922,934,903.00          | 42,934,903.00         | 5%          | 800,423,845.00        | 780,144,176.00        | -20,279,669.00       | -3%        | 728,750,000.00        | 700,498,056.00        | -28,251,944.00        | -4%         |
| Monetized IRA                       |                       |                         |                       |             |                       | 46,409,681.66         | 46,409,681.66        |            |                       |                       |                       |             |
| Aid from PSF                        |                       | 3,596,000.00            | 3,596,000.00          |             |                       |                       |                      |            |                       |                       |                       |             |
| <b>TOTAL REVENUE - GENERAL FUND</b> | <b>989,489,000.00</b> | <b>1,017,507,714.46</b> | <b>28,018,714.46</b>  | <b>3%</b>   | <b>870,393,845.00</b> | <b>893,727,281.83</b> | <b>23,333,436.83</b> | <b>3%</b>  | <b>793,570,040.00</b> | <b>757,784,683.93</b> | <b>-35,785,356.07</b> | <b>-5%</b>  |
| <b>SPECIAL EDUCATION FUND (SEF)</b> |                       |                         |                       |             |                       |                       |                      |            |                       |                       |                       |             |
| Current Year                        | 28,402,179.30         | 32,114,437.46           | 3,712,258.16          | 13%         | 25,207,400.00         | 24,586,714.55         | -620,685.45          | -2%        | 25,087,400.00         | 15,194,904.54         | -9,892,495.46         | -39%        |
| Penalties                           |                       |                         |                       |             |                       |                       |                      |            |                       |                       |                       |             |
| Interest on Deposits                |                       | 250,489.08              | 250,489.08            |             |                       |                       |                      |            |                       |                       |                       |             |
| <b>TOTAL REVENUE - SEF</b>          | <b>28,402,179.30</b>  | <b>32,364,926.54</b>    | <b>3,962,747.24</b>   | <b>14%</b>  | <b>25,207,400.00</b>  | <b>24,586,714.55</b>  | <b>-620,685.45</b>   | <b>-2%</b> | <b>25,087,400.00</b>  | <b>15,194,904.54</b>  | <b>-9,892,495.46</b>  | <b>-39%</b> |

| REVENUE ACCOUNT  | Year 2006            |                      |                     |             | Year 2005            |                      |                      |             | Year 2004            |                      |                     |            |
|--|----------------------|----------------------|---------------------|-------------|----------------------|----------------------|----------------------|-------------|----------------------|----------------------|---------------------|------------|
|  | Target               | Actual               | Over (Under)        | %           | Target               | Actual               | Over (Under)         | %           | Target               | Actual               | Over (Under)        | %          |
| <b>Local Revenue</b>                                     |                      |                      |                     |             |                      |                      |                      |             |                      |                      |                     |            |
| <b>1 Tax Revenue</b>                                     |                      |                      |                     |             |                      |                      |                      |             |                      |                      |                     |            |
| Real Property Tax - Current Year                         | 15,383,492.00        | 12,857,745.21        | 2,525,746.79        | -16%        | 15,383,492.00        | 11,257,436.63        | -4,126,055.37        | -27%        | 12,280,000.00        | 10,334,337.81        | -1,945,662.19       | -16%       |
| Real Property Tax - Preceding Year                       | 1,523,500.00         | 688,735.50           | -834,764.50         | -55%        | 1,523,500.00         | 1,154,824.78         | -368,675.22          | -24%        | 1,385,000.00         | 874,906.85           | -510,093.15         | -37%       |
| Real Property Tax - Penalties                            | 724,900.00           | 338,257.38           | -386,642.62         | -53%        | 724,900.00           | 535,900.47           | -188,999.53          | -26%        | 659,000.00           | 487,865.06           | -171,134.94         | -26%       |
| Franchise Tax  | 2,800,000.00         | 572,385.23           | 2,227,614.77        | -80%        |                      | 2,392,995.08         | 2,392,995.08         |             | 40,000.00            | 2,315,490.90         | 2,275,490.90        | 5689%      |
| Sand and Gravel Fees                                     | 566,500.00           | 514,726.21           | -51,773.79          | -9%         | 566,500.00           | 943,350.52           | 376,850.52           | 67%         | 1,660,173.00         | 2,105,533.13         | 445,360.13          | 27%        |
| Sand and Gravel - Penalties                              |                      |                      |                     |             |                      |                      |                      |             |                      | 132,000.00           | 132,000.00          |            |
| Amusement Tax  | 10,000.00            | 74,613.91            | 64,613.91           | 646%        | 39,600.00            | 51,894.99            | 12,294.99            | 31%         | 36,000.00            | 29,084.34            | -6,915.66           | -19%       |
| Tax on Delivery Trucks & Vans                            | 1,100,000.00         | 1,235,911.00         | 135,911.00          | 12%         | 1,279,300.00         | 1,111,573.00         | -167,727.00          | -13%        | 1,163,000.00         | 739,463.00           | -423,537.00         | -36%       |
| Property Transfer  | 917,932.00           | 1,317,698.00         | 399,766.00          | 44%         | 840,728.00           | 1,446,456.96         | 605,728.96           | 72%         | 764,298.00           | 792,393.17           | 28,095.17           | 4%         |
| Occupation/Professional Tax                              | 110,000.00           | 189,275.00           | 79,275.00           | 72%         | 157,604.00           | 153,649.24           | -3,954.76            | -3%         | 143,276.00           | 141,912.00           | -1,364.00           | -1%        |
| Environmental Tax  | 1,393,700.00         | 2,661,257.34         | 1,267,557.34        | 91%         | 1,214,400.00         | 2,061,071.53         | 846,671.53           | 70%         | 1,502,940.00         |                      | -1,502,940.00       | -100%      |
| <b>2 Non-Tax Revenue</b>                                 |                      |                      |                     |             |                      |                      |                      |             |                      |                      |                     |            |
| <b>Income from Hospitals</b>                             | <b>23,960,000.00</b> | <b>20,028,461.43</b> | <b>3,931,538.57</b> | <b>-16%</b> | <b>10,424,612.00</b> | <b>21,390,225.69</b> | <b>10,965,613.69</b> | <b>105%</b> | <b>10,424,612.00</b> | <b>13,299,399.27</b> | <b>2,874,787.27</b> | <b>28%</b> |
| Secretary's Fees/Certification                           | 656,385.00           | 1,340,233.75         | 683,848.75          | 104%        | 541,488.00           | 977,837.87           | 436,349.87           | 81%         | 492,262.00           | 293,234.00           | -199,028.00         | -40%       |
| Permit Fees  |                      |                      |                     |             | 5,500.00             |                      | -5,500.00            | -100%       | 5,000.00             | 257,040.00           | 252,040.00          | 5041%      |
| Rental Office Spaces                                     | 2,861,202.00         | 2,571,654.81         | -289,547.19         | -10%        | 2,692,732.00         | 2,207,913.10         | -484,818.90          | -18%        | 2,151,155.00         | 1,960,509.56         | -190,645.44         | -9%        |
| Rental Business Facilities/Cultural Center/Sports Center | 496,694.00           | 688,440.21           | 191,746.21          | 39%         | 496,694.00           | 507,225.17           | 10,531.17            | 2%          | 451,540.00           | 694,919.36           | 243,379.36          | 54%        |
| Compromise Rental/Fees (PLDT)                            |                      |                      |                     |             |                      |                      |                      |             |                      |                      |                     |            |
| <b>Share from Chocolate Hills</b>                        |                      | <b>1,589,214.45</b>  | <b>1,589,214.45</b> |             |                      | <b>1,211,257.58</b>  | <b>1,211,257.58</b>  |             |                      | <b>1,214,502.06</b>  | <b>1,214,502.06</b> |            |
| Rental of Heavy Equipments                               |                      |                      |                     |             |                      |                      |                      |             |                      |                      |                     |            |

| REVENUE ACCOUNT                     | Year 2006             |                       |                      |             | Year 2005             |                       |                      |            | Year 2004             |                       |                       |            |
|-------------------------------------|-----------------------|-----------------------|----------------------|-------------|-----------------------|-----------------------|----------------------|------------|-----------------------|-----------------------|-----------------------|------------|
|                                     | Target                | Actual                | Over (Under)         | %           | Target                | Actual                | Over (Under)         | %          | Target                | Actual                | Over (Under)          | %          |
| Sale of Plants/Other Products       |                       |                       |                      |             | 209,793.00            | 10,400.00             | -199,393.00          | -95%       | 190,721.00            | 54,040.50             | -136,680.50           | -72%       |
| Interests on Deposits               | 8,342,240.00          | 9,160,385.53          | 818,145.53           | 10%         | 8,132,447.00          | 13,650,767.47         | 5,518,320.47         | 68%        | 8,132,447.00          | 10,838,593.62         | 2,706,146.62          | 33%        |
| Miscellaneous - Accountable Forms   |                       |                       |                      |             | 262,350.00            | 410,902.02            | 148,552.02           | 57%        | 238,500.00            |                       | -238,500.00           | -100%      |
| Ver/Appl/Cons. Fees                 | 262,350.00            | 138,050.00            | -124,300.00          | -47%        |                       |                       |                      |            |                       | 451,818.01            | 451,818.01            |            |
| Receipts of Electric - Prior Years  |                       | 114,611.77            | 114,611.77           |             |                       | 26,437.22             | 26,437.22            |            | 52,758.00             | 138,349.33            | 85,591.33             | 162%       |
| Other Receipts - Misc.              | 420,000.00            | 862,453.55            | 442,453.55           | 105%        | 220,000.00            | 421,533.76            | 201,533.76           | 92%        | 407,910.00            | 885,453.13            | 477,543.13            | 117%       |
| Miscellaneous - Miscellaneous       |                       |                       |                      |             |                       |                       |                      |            |                       |                       |                       |            |
| Receipts - RACER (Seeds)            |                       |                       |                      |             |                       |                       |                      |            |                       |                       |                       |            |
| Receipts - RACER (Fertilizer)       |                       |                       |                      |             |                       |                       |                      |            |                       |                       |                       |            |
| Receipts from BOFAMCO               |                       |                       |                      |             |                       |                       |                      |            |                       |                       |                       |            |
| Receipts of Water Delinquent        |                       | 236.14                | 236.14               |             |                       | 11,248.08             | 11,248.08            |            | 78,557.00             | 91,690.44             | 13,133.44             | 17%        |
| Gain on Sale of Assets              |                       |                       |                      |             |                       |                       |                      |            |                       |                       |                       |            |
| Gain on Investments (Dividend)      |                       |                       |                      |             |                       |                       |                      |            |                       |                       |                       |            |
| PCSO Share                          |                       | 170,183.55            | 170,183.55           |             |                       | 40,109.66             | 40,109.66            |            | 73,275.00             | 100,541.48            | 27,266.48             | 37%        |
| <b>TOTAL - LOCAL REVENUE</b>        | <b>61,528,895.00</b>  | <b>57,114,529.97</b>  | <b>-4,414,365.03</b> | <b>-7%</b>  | <b>44,715,640.00</b>  | <b>61,975,010.82</b>  | <b>17,259,370.82</b> | <b>39%</b> | <b>42,332,424.00</b>  | <b>48,233,077.02</b>  | <b>5,900,653.02</b>   | <b>14%</b> |
| IRA                                 | 583,152,900.00        | 684,216,747.40        | 101,063,847.40       | 17%         | 541,284,360.00        | 583,152,900.00        | 41,868,540.00        | 8%         | 580,889,076.00        | 541,284,364.00        | -39,604,712.00        | -7%        |
| Monetized IRA                       |                       |                       |                      |             |                       |                       |                      |            |                       |                       |                       |            |
| Aid from PSF                        |                       |                       |                      |             |                       |                       |                      |            |                       |                       |                       |            |
| <b>TOTAL REVENUE - GENERAL FUND</b> | <b>644,681,795.00</b> | <b>741,331,277.37</b> | <b>96,649,482.37</b> | <b>15%</b>  | <b>586,000,000.00</b> | <b>645,127,910.82</b> | <b>59,127,910.82</b> | <b>10%</b> | <b>623,221,500.00</b> | <b>589,517,441.02</b> | <b>-33,704,058.98</b> | <b>-5%</b> |
| <b>SPECIAL EDUCATION FUND (SEF)</b> |                       |                       |                      |             |                       |                       |                      |            |                       |                       |                       |            |
| Current Year                        | 22,502,400.00         | 19,304,525.95         | -3,197,874.05        | -14%        | 16,470,000.00         | 16,807,395.06         | 337,395.06           | 2%         | 14,470,000.00         | 15,875,947.40         | 1,405,947.40          | 10%        |
| Penalties                           |                       |                       |                      |             | 1,500,000.00          | 1,095,980.98          | -404,019.02          | -27%       | 1,500,000.00          | 719,597.09            | -780,402.91           | -52%       |
| Interest on Deposits                |                       |                       |                      |             | 72,000.00             | 165,715.27            | 93,715.27            | 130%       | 72,000.00             | 101,092.66            | 29,092.66             | 40%        |
| <b>TOTAL REVENUE - SEF</b>          | <b>22,502,400.00</b>  | <b>19,304,525.95</b>  | <b>-3,197,874.05</b> | <b>-14%</b> | <b>18,042,000.00</b>  | <b>18,069,091.31</b>  | <b>27,091.31</b>     | <b>0%</b>  | <b>16,042,000.00</b>  | <b>16,696,637.15</b>  | <b>654,637.15</b>     | <b>4%</b>  |

**Table 2- Actual Local Revenue Collection for Six Years: 2004-2009, Bohol Provincial Government**

| REVENUE ACCOUNT  | ACTUAL REVENUE COLLECTION |                       |                       |                       |                       |                       |
|--|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2009                      | 2008                  | 2007                  | 2006                  | 2005                  | 2004                  |
| <b>1 Tax Revenue</b>                                     |                           |                       |                       |                       |                       |                       |
| Real Property Tax - Current Year                         | 17,372,401.13             | 12,372,896.61         | 12,036,363.10         | 12,857,745.21         | 11,257,436.63         | 10,334,337.81         |
| Real Property Tax - Preceding Year                       | 3,600,451.43              | 3,275,417.81          | 862,859.60            | 688,735.50            | 1,154,824.78          | 874,906.85            |
| Real Property Tax - Penalties                            | 1,816,328.55              | 1,736,178.24          | 554,549.48            | 338,257.38            | 535,900.47            | 487,865.06            |
| Franchise Tax  | 446,462.76                | 456,502.33            | 535,519.00            | 572,385.23            | 2,392,995.08          | 2,315,490.90          |
| Sand and Gravel Fees                                     | 557,338.80                | 503,819.90            | 453,983.41            | 514,726.21            | 943,350.52            | 2,105,533.13          |
| Sand and Gravel - Penalties                              |                           |                       |                       |                       |                       | 132,000.00            |
| Amusement Tax  | 147,044.34                | 75,122.80             | 36,446.64             | 74,613.91             | 51,894.99             | 29,084.34             |
| Tax on Delivery Trucks & Vans                            | 1,486,105.97              | 1,056,694.00          | 1,197,345.00          | 1,235,911.00          | 1,111,573.00          | 739,463.00            |
| Property Transfer  | 2,121,463.99              | 1,442,216.86          | 1,670,933.63          | 1,317,698.00          | 1,446,456.96          | 792,393.17            |
| Occupation/Professional Tax                              | 144,138.50                | 137,203.00            | 152,289.97            | 189,275.00            | 153,649.24            | 141,912.00            |
| Environmental Tax  | 1,557,509.00              | 912,638.00            | 959,692.13            | 2,661,257.34          | 2,061,071.53          |                       |
| <b>2 Non-Tax Revenue</b>                                 |                           |                       |                       |                       |                       |                       |
| Income from Hospitals                                    | 32,605,657.97             | 23,777,556.66         | 23,272,262.14         | 20,028,461.43         | 21,390,225.69         | 13,299,399.27         |
| Secretary's Fees/Certification                           | 2,075,591.13              | 1,394,926.98          | 1,327,582.71          | 1,340,233.75          | 977,837.87            | 293,234.00            |
| Permit Fees  |                           |                       |                       |                       |                       | 257,040.00            |
| Rental Office Spaces                                     | 2,203,721.82              | 2,227,464.29          | 3,060,863.93          | 2,571,654.81          | 2,207,913.10          | 1,960,509.56          |
| Rental Business Facilities/Cultural Center/Sports Center | 1,185,975.00              | 1,033,403.55          | 831,281.25            | 688,440.21            | 507,225.17            | 694,919.36            |
| Compromise Rental/Fees (PLDT)                            |                           |                       |                       |                       |                       |                       |
| Share from Chocolate Hills                               | 6,701,267.27              | 4,351,248.24          | 1,874,808.53          | 1,589,214.45          | 1,211,257.58          | 1,214,502.06          |
| Rental of Heavy Equipments                               | 42,330.00                 |                       |                       |                       |                       |                       |
| Sale of Plants/Other Products                            |                           |                       |                       |                       | 10,400.00             | 54,040.50             |
| Interests on Deposits                                    | 10,968,073.41             | 6,818,002.38          | 7,509,735.50          | 9,160,385.53          | 13,650,767.47         | 10,838,593.62         |
| Miscellaneous - Accountable Forms                        |                           |                       |                       |                       | 410,902.02            |                       |
| Ver/App/Cons. Fees                                       | 280,260.00                | 98,350.00             | 93,500.00             | 138,050.00            |                       | 451,818.01            |
| Receipts of Electric - Prior Years                       |                           |                       |                       | 114,611.77            | 26,437.22             | 138,349.33            |
| Other Receipts - Misc.                                   |                           | 445,517.33            | 554,096.47            | 862,453.55            | 421,533.76            | 885,453.13            |
| Miscellaneous - Miscellaneous                            | 748,268.48                |                       |                       |                       |                       |                       |
| Receipts - RACER (Seeds)                                 | 2,001,360.00              |                       |                       |                       |                       |                       |
| Receipts - RACER (Fertilizer)                            | 194,100.00                |                       |                       |                       |                       |                       |
| Receipts from BOFAMCO                                    |                           |                       |                       |                       |                       |                       |
| Receipts of Water Delinquent                             |                           |                       |                       | 236.14                | 11,248.08             | 91,690.44             |
| Gain on Sale of Assets                                   |                           | 1,560,241.08          |                       |                       |                       |                       |
| Gain on Investments (Dividend)                           | 2,250,000.00              | 3,085,702.00          |                       |                       |                       |                       |
| PCSO   | 470,961.91                | 412,322.11            | 302,515.44            | 170,183.55            | 40,109.66             | 100,541.48            |
| <b>TOTAL - LOCAL REVENUE</b>                             | <b>90,976,811.46</b>      | <b>67,173,424.17</b>  | <b>57,286,627.93</b>  | <b>57,114,529.97</b>  | <b>61,975,010.82</b>  | <b>48,233,077.02</b>  |
| IRA  | 922,934,903.00            | 780,144,176.00        | 700,498,056.00        | 684,216,747.40        | 583,152,900.00        | 541,284,364.00        |
| Monetized IRA  |                           | 46,409,681.66         |                       |                       |                       |                       |
| Aid from PSF   | 3,596,000.00              |                       |                       |                       |                       |                       |
| <b>TOTAL REVENUE - GENERAL FUND</b>                      | <b>1,017,507,714.46</b>   | <b>893,727,281.83</b> | <b>757,784,683.93</b> | <b>741,331,277.37</b> | <b>645,127,910.82</b> | <b>589,517,441.02</b> |
| <b>SPECIAL EDUCATION FUND (SEF)</b>                      |                           |                       |                       |                       |                       |                       |
| Current Year   | 32,114,437.46             | 24,586,714.55         | 15,194,904.54         | 19,304,525.95         | 16,807,395.06         | 15,875,947.40         |
| Penalties  |                           |                       |                       |                       | 1,095,980.98          | 719,597.09            |
| Interest on Deposits                                     | 250,489.08                |                       |                       |                       | 165,715.27            | 101,092.66            |
| <b>TOTAL REVENUE - SEF</b>                               | <b>32,364,926.54</b>      | <b>24,586,714.55</b>  | <b>15,194,904.54</b>  | <b>19,304,525.95</b>  | <b>18,069,091.31</b>  | <b>13,913,864.28</b>  |

**Table 2.1- Revenue Increases for Six Years: 2004-2009, Bohol Provincial Government**

| REVENUE ACCOUNT  | INCREASES/DECREASES   |                       |                       |                       |                      |                      |
|--|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|
|  | 2009-2008             | 2008-2007             | 2007-2006             | 2006-2005             | 2005-2004            | 2004-2003            |
| <b>Local Revenue</b>                                     |                       |                       |                       |                       |                      |                      |
| <b>1 Tax Revenue</b>                                     |                       |                       |                       |                       |                      |                      |
| Real Property Tax - Current Year                         | 4,999,504.52          | 336,533.51            | (821,382.11)          | 1,600,308.58          | 923,098.82           | 4,164,702.41         |
| Real Property Tax - Preceding Year                       | 325,033.62            | 2,412,558.21          | 174,124.10            | (466,089.28)          | 279,917.93           | (417,935.19)         |
| Real Property Tax - Penalties                            | 80,150.31             | 1,181,628.76          | 216,292.10            | (197,643.09)          | 48,035.41            | (165,630.48)         |
| Franchise Tax  | (10,039.57)           | (79,016.67)           | (36,866.23)           | (1,820,609.85)        | 77,504.18            | 2,315,490.90         |
| Sand and Gravel Fees                                     | 53,518.90             | 49,836.49             | (60,742.80)           | (428,624.31)          | (1,162,182.61)       | 1,392,023.39         |
| Sand and Gravel - Penalties                              |                       |                       |                       |                       |                      | 132,000.00           |
| Amusement Tax  | 71,921.54             | 38,676.16             | (38,167.27)           | 22,718.92             | 22,810.65            | 3,913.09             |
| Tax on Delivery Trucks & Vans                            | 429,411.97            | (140,651.00)          | (38,566.00)           | 124,338.00            | 372,110.00           | (47,493.00)          |
| Property Transfer  | 679,247.13            | (228,716.77)          | 353,235.63            | (128,758.96)          | 654,063.79           | 222,423.23           |
| Occupation/Professional Tax                              | 6,935.50              | (15,086.97)           | (36,985.03)           | 35,625.76             | 11,737.24            | 47,995.31            |
| Environmental Tax  | 644,871.00            | (47,054.13)           | (1,701,565.21)        | 600,185.81            |                      |                      |
| <b>2 Non-Tax Revenue</b>                                 |                       |                       |                       |                       |                      |                      |
| <b>Income from Hospitals</b>                             | <b>8,828,101.31</b>   | <b>505,294.52</b>     | <b>3,243,800.71</b>   | <b>(1,361,764.26)</b> | <b>8,090,826.42</b>  |                      |
| Secretary's Fees/Certification                           | 680,664.15            | 67,344.27             | (12,651.04)           | 362,395.88            | 684,603.87           | (185,936.54)         |
| Permit Fees  |                       |                       |                       |                       |                      | 226,733.00           |
| Rental Office Spaces                                     | (23,742.47)           | (833,399.64)          | 489,209.12            | 363,741.71            | 247,403.54           | 524,032.14           |
| Rental Business Facilities/Cultural Center/Sports Center | 152,571.45            | 202,122.30            | 142,841.04            | 181,215.04            | (187,694.19)         | 384,226.43           |
| Compromise Rental/Fees (PLDT)                            |                       |                       |                       |                       |                      |                      |
| Share from Chocolate Hills                               | 2,350,019.03          | 2,476,439.71          | 285,594.08            | 377,956.87            | (3,244.48)           |                      |
| Rental of Heavy Equipments                               |                       |                       |                       |                       |                      |                      |
| Sale of Plants/Other Products                            |                       |                       |                       |                       | (43,640.50)          | (91,486.40)          |
| Interests on Deposits                                    | 4,150,071.03          | (691,733.12)          | (1,650,650.03)        | (4,490,381.94)        | 2,812,173.85         | 459,781.32           |
| Miscellaneous - Accountable Forms                        |                       |                       |                       |                       |                      |                      |
| Ver/App/Cons. Fees                                       | 181,910.00            | 4,850.00              | (44,550.00)           |                       |                      | 451,818.01           |
| Receipts of Electric - Prior Years                       |                       |                       |                       | 88,174.55             | (111,912.11)         | (13,372.14)          |
| Other Receipts - Misc.                                   |                       | (108,579.14)          | (308,357.08)          | 440,919.79            | (463,919.37)         | 885,453.13           |
| Miscellaneous - Miscellaneous                            |                       |                       |                       |                       |                      |                      |
| Receipts - RACER (Seeds)                                 |                       |                       |                       |                       |                      |                      |
| Receipts - RACER (Fertilizer)                            |                       |                       |                       |                       |                      |                      |
| Receipts from BOFAMCO                                    |                       |                       |                       |                       |                      |                      |
| Receipts of Water Delinquent                             |                       |                       |                       | (11,011.94)           | (80,442.36)          | 66,199.36            |
| Gain on Sale of Assets                                   |                       |                       |                       |                       |                      |                      |
| Gain on Investments (Dividend)                           | (835,702.00)          |                       |                       |                       |                      |                      |
| PCSO   | 58,639.80             | 109,806.67            | 132,331.89            | 130,073.89            | (60,431.82)          | 56,043.68            |
| <b>TOTAL - LOCAL REVENUE</b>                             | <b>23,803,387.29</b>  | <b>9,886,796.24</b>   | <b>172,097.96</b>     | <b>(4,860,480.85)</b> | <b>13,741,933.80</b> | <b>22,468,755.48</b> |
| IRA  | 142,790,727.00        | 79,646,120.00         | 16,281,308.60         | 101,063,847.40        | 41,868,536.00        | 79,066.00            |
| Monetized IRA  |                       |                       |                       |                       |                      |                      |
| Aid from PSF   |                       |                       |                       |                       |                      |                      |
| <b>TOTAL REVENUE - GENERAL FUND</b>                      | <b>123,780,432.63</b> | <b>135,942,597.90</b> | <b>16,453,406.56</b>  | <b>96,203,366.55</b>  | <b>55,610,469.80</b> | <b>22,547,821.48</b> |
| <b>SPECIAL EDUCATION FUND (SEF)</b>                      |                       |                       |                       |                       |                      |                      |
| Current Year   | 7,527,722.91          | 9,391,810.01          | (4,109,621.41)        | 2,497,130.89          | 931,447.66           | 15,875,947.40        |
| Penalties  |                       |                       |                       | (1,095,980.98)        | 376,383.89           | 719,597.09           |
| Interest on Deposits                                     | 250,489.08            |                       |                       | (165,715.27)          | 64,622.61            | 101,092.66           |
| <b>TOTAL REVENUE - SEF</b>                               | <b>7,778,211.99</b>   | <b>9,391,810.01</b>   | <b>(4,109,621.41)</b> | <b>1,235,434.64</b>   | <b>1,372,454.16</b>  | <b>16,696,637.15</b> |

## REVENUE COMPOSITION

**Table 3- Revenue Vertical Analysis, Bohol Provincial Government**

### 3.1 AMOUNT OF LOCAL REVENUE COLLECTION

| REVENUE ACCOUNT  | AMOUNT OF REVENUE COLLECTION |                       |                       |                       |                       |                       |
|--|------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2009                         | 2008                  | 2007                  | 2006                  | 2005                  | 2004                  |
| <b>1 Tax Revenue</b>                                     |                              |                       |                       |                       |                       |                       |
| Real Property Tax - Current Year                         | 17,372,401.13                | 12,372,896.61         | 12,036,363.10         | 12,857,745.21         | 11,257,436.63         | 10,334,337.81         |
| Real Property Tax - Preceding Year                       | 3,600,451.43                 | 3,275,417.81          | 862,859.60            | 688,735.50            | 1,154,824.78          | 874,906.85            |
| Real Property Tax - Penalties                            | 1,816,328.55                 | 1,736,178.24          | 554,549.48            | 338,257.38            | 535,900.47            | 487,865.06            |
| Franchise Tax  | 446,462.76                   | 456,502.33            | 535,519.00            | 572,385.23            | 2,392,995.08          | 2,315,490.90          |
| Sand and Gravel Fees                                     | 557,338.80                   | 503,819.90            | 453,983.41            | 514,726.21            | 943,350.52            | 2,105,533.13          |
| Sand and Gravel - Penalties                              |                              |                       |                       |                       |                       | 132,000.00            |
| Amusement Tax  | 147,044.34                   | 75,122.80             | 36,446.64             | 74,613.91             | 51,894.99             | 29,084.34             |
| Tax on Delivery Trucks & Vans                            | 1,486,105.97                 | 1,056,694.00          | 1,197,345.00          | 1,235,911.00          | 1,111,573.00          | 739,463.00            |
| Property Transfer  | 2,121,463.99                 | 1,442,216.86          | 1,670,933.63          | 1,317,698.00          | 1,446,456.96          | 792,393.17            |
| Occupation/Professional Tax                              | 144,138.50                   | 137,203.00            | 152,289.97            | 189,275.00            | 153,649.24            | 141,912.00            |
| Environmental Tax  | 1,557,509.00                 | 912,638.00            | 959,692.13            | 2,661,257.34          | 2,061,071.53          |                       |
| <b>2 Non-Tax Revenue</b>                                 |                              |                       |                       |                       |                       |                       |
| <b>Income from Hospitals</b>                             | <b>32,605,657.97</b>         | <b>23,777,556.66</b>  | <b>23,272,262.14</b>  | <b>20,028,461.43</b>  | <b>21,390,225.69</b>  | <b>13,299,399.27</b>  |
| Secretary's Fees/Certification                           | 2,075,591.13                 | 1,394,926.98          | 1,327,582.71          | 1,340,233.75          | 977,837.87            | 293,234.00            |
| Permit Fees  |                              |                       |                       |                       |                       | 257,040.00            |
| Rental Office Spaces                                     | 2,203,721.82                 | 2,227,464.29          | 3,060,863.93          | 2,571,654.81          | 2,207,913.10          | 1,960,509.56          |
| Rental Business Facilities/Cultural Center/Sports Center | 1,185,975.00                 | 1,033,403.55          | 831,281.25            | 688,440.21            | 507,225.17            | 694,919.36            |
| Compromise Rental/Fees (PLDT)                            |                              |                       |                       |                       |                       |                       |
| <b>Share from Chocolate Hills</b>                        | <b>6,701,267.27</b>          | <b>4,351,248.24</b>   | <b>1,874,808.53</b>   | <b>1,589,214.45</b>   | <b>1,211,257.58</b>   | <b>1,214,502.06</b>   |
| Rental of Heavy Equipments                               | 42,330.00                    |                       |                       |                       |                       |                       |
| Sale of Plants/Other Products                            |                              |                       |                       |                       | 10,400.00             | 54,040.50             |
| Interests on Deposits                                    | 10,968,073.41                | 6,818,002.38          | 7,509,735.50          | 9,160,385.53          | 13,650,767.47         | 10,838,593.62         |
| Miscellaneous - Accountable Forms                        |                              |                       |                       |                       | 410,902.02            |                       |
| Ver/Appl/Cons. Fees                                      | 280,260.00                   | 98,350.00             | 93,500.00             | 138,050.00            |                       | 451,818.01            |
| Receipts of Electric - Prior Years                       |                              |                       |                       | 114,611.77            | 26,437.22             | 138,349.33            |
| Other Receipts - Misc.                                   |                              | 445,517.33            | 554,096.47            | 862,453.55            | 421,533.76            | 885,453.13            |
| Miscellaneous - Miscellaneous                            | 748,268.48                   |                       |                       |                       |                       |                       |
| Receipts - RACER (Seeds)                                 | 2,001,360.00                 |                       |                       |                       |                       |                       |
| Receipts - RACER (Fertilizer)                            | 194,100.00                   |                       |                       |                       |                       |                       |
| Receipts from BOFAMCO                                    |                              |                       |                       |                       |                       |                       |
| Receipts of Water Delinquent                             |                              |                       |                       | 236.14                | 11,248.08             | 91,690.44             |
| Gain on Sale of Assets                                   |                              | 1,560,241.08          |                       |                       |                       |                       |
| Gain on Investments (Dividend)                           | 2,250,000.00                 | 3,085,702.00          |                       |                       |                       |                       |
| PCSO   | 470,961.91                   | 412,322.11            | 302,515.44            | 170,183.55            | 40,109.66             | 100,541.48            |
| <b>TOTAL - LOCAL REVENUE</b>                             | <b>90,976,811.46</b>         | <b>67,173,424.17</b>  | <b>57,286,627.93</b>  | <b>57,114,529.97</b>  | <b>61,975,010.82</b>  | <b>48,233,077.02</b>  |
| IRA  | 922,934,903.00               | 780,144,176.00        | 700,498,056.00        | 684,216,747.40        | 583,152,900.00        | 541,284,364.00        |
| Monetized IRA  |                              | 46,409,681.66         |                       |                       |                       |                       |
| Aid from PSF   | 3,596,000.00                 |                       |                       |                       |                       |                       |
| <b>TOTAL REVENUE - GENERAL FUND</b>                      | <b>1,017,507,714.46</b>      | <b>893,727,281.83</b> | <b>757,784,683.93</b> | <b>741,331,277.37</b> | <b>645,127,910.82</b> | <b>589,517,441.02</b> |
| <b>SPECIAL EDUCATION FUND (SEF)</b>                      |                              |                       |                       |                       |                       |                       |
| Current Year   | 32,114,437.46                | 24,586,714.55         | 15,194,904.54         | 19,304,525.95         | 16,807,395.06         | 15,875,947.40         |
| Penalties  |                              |                       |                       |                       | 1,095,980.98          | 719,597.09            |
| Interest on Deposits                                     | 250,489.08                   |                       |                       |                       | 165,715.27            | 101,092.66            |
| <b>TOTAL REVENUE - SEF</b>                               | <b>32,364,926.54</b>         | <b>24,586,714.55</b>  | <b>15,194,904.54</b>  | <b>19,304,525.95</b>  | <b>18,069,091.31</b>  | <b>16,696,637.15</b>  |

### 3.2 PERCENT OF TOTAL REVENUE

| REVENUE ACCOUNT  | % OF TOTAL REVENUE |                |                |                |                |                |
|--|--------------------|----------------|----------------|----------------|----------------|----------------|
|  | 2009               | 2008           | 2007           | 2006           | 2005           | 2004           |
| <b>1 Tax Revenue</b>                                     |                    |                |                |                |                |                |
| Real Property Tax - Current Year                         | 1.71%              | 1.38%          | 1.59%          | 1.73%          | 1.74%          | 1.75%          |
| Real Property Tax - Preceding Year                       | 0.35%              | 0.37%          | 0.11%          | 0.09%          | 0.18%          | 0.15%          |
| Real Property Tax - Penalties                            | 0.18%              | 0.19%          | 0.07%          | 0.05%          | 0.08%          | 0.08%          |
| Franchise Tax  | 0.04%              | 0.05%          | 0.07%          | 0.08%          | 0.37%          | 0.39%          |
| Sand and Gravel Fees                                     | 0.05%              | 0.06%          | 0.06%          | 0.07%          | 0.15%          | 0.36%          |
| Sand and Gravel - Penalties                              |                    |                |                |                |                | 0.02%          |
| Amusement Tax  | 0.01%              | 0.01%          | 0.00%          | 0.01%          | 0.01%          | 0.00%          |
| Tax on Delivery Trucks & Vans                            | 0.15%              | 0.12%          | 0.16%          | 0.17%          | 0.17%          | 0.13%          |
| Property Transfer  | 0.21%              | 0.16%          | 0.22%          | 0.18%          | 0.22%          | 0.13%          |
| Occupation/Professional Tax                              | 0.01%              | 0.02%          | 0.02%          | 0.03%          | 0.02%          | 0.02%          |
| Environmental Tax  | 0.15%              | 0.10%          | 0.13%          | 0.36%          | 0.32%          |                |
| <b>2 Non-Tax Revenue</b>                                 |                    |                |                |                |                |                |
| <b>Income from Hospitals</b>                             | <b>3.20%</b>       | <b>2.66%</b>   | <b>3.07%</b>   | <b>2.70%</b>   | <b>3.32%</b>   | <b>2.26%</b>   |
| Secretary's Fees/Certification                           | 0.20%              | 0.16%          | 0.18%          | 0.18%          | 0.15%          | 0.05%          |
| Pernit Fees  |                    |                |                |                |                | 0.04%          |
| Rental Office Spaces                                     | 0.22%              | 0.25%          | 0.40%          | 0.35%          | 0.34%          | 0.33%          |
| Rental Business Facilities/Cultural Center/Sports Center | 0.12%              | 0.12%          | 0.11%          | 0.09%          | 0.08%          | 0.12%          |
| Compromise Rental/Fees (PLDT)                            |                    |                |                |                |                |                |
| <b>Share from Chocolate Hills</b>                        | <b>0.66%</b>       | <b>0.49%</b>   | <b>0.25%</b>   | <b>0.21%</b>   | <b>0.19%</b>   | <b>0.21%</b>   |
| Rental of Heavy Equipments                               | 0.00%              |                |                |                |                |                |
| Sale of Plants/Other Products                            |                    |                |                |                | 0.00%          | 0.01%          |
| Interests on Deposits                                    | 1.08%              | 0.76%          | 0.99%          | 1.24%          | 2.12%          | 1.84%          |
| Miscellaneous - Accountable Forms                        |                    |                |                |                | 0.06%          |                |
| Ver/App/Cons. Fees                                       | 0.03%              | 0.01%          | 0.01%          | 0.02%          |                | 0.08%          |
| Receipts of Electric - Prior Years                       |                    |                |                | 0.02%          | 0.00%          | 0.02%          |
| Other Receipts - Misc.                                   |                    |                | 0.07%          | 0.12%          |                |                |
| Miscellaneous - Miscellaneous                            | 0.07%              | 0.05%          |                |                | 0.07%          | 0.15%          |
| Receipts - RACER (Fertilizer)                            | 0.20%              |                |                |                |                |                |
| Receipts from BOFAMCO                                    |                    |                |                |                |                |                |
| Receipts of Water Delinquent                             |                    |                |                | 0.00%          | 0.00%          | 0.02%          |
| Gain on Sale of Assets                                   |                    | 0.17%          |                |                |                |                |
| Gain on Investments (Dividend)                           | 0.22%              | 0.35%          |                |                |                |                |
| PCSO   | 0.05%              | 0.05%          | 0.04%          | 0.02%          | 0.01%          | 0.02%          |
| <b>TOTAL - LOCAL REVENUE</b>                             | <b>8.94%</b>       | <b>7.52%</b>   | <b>7.56%</b>   | <b>7.70%</b>   | <b>9.61%</b>   | <b>8.18%</b>   |
| IRA  | 90.71%             | 87.29%         | 92.44%         | 92.30%         | 90.39%         | 91.82%         |
| Monetized IRA  |                    | 5.19%          |                |                |                |                |
| Aid from PSF   | 0.35%              |                |                |                |                |                |
| <b>TOTAL REVENUE - GENERAL FUND</b>                      | <b>100.00%</b>     | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |
| <b>SPECIAL EDUCATION FUND (SEF)</b>                      |                    |                |                |                |                |                |
| Current Year   | 99.23%             | 100.00%        | 100.00%        | 100.00%        | 93.02%         | 95.08%         |
| Penalties  |                    |                |                |                | 6.07%          | 4.31%          |
| Interest on Deposits                                     | 0.77%              |                |                |                | 0.92%          | 0.61%          |
| <b>TOTAL REVENUE - SEF</b>                               | <b>100.00%</b>     | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |



| 7  | % OF LOCAL REVENUE |                |                |                |                |                |
|--|--------------------|----------------|----------------|----------------|----------------|----------------|
|  | 2009               | 2008           | 2007           | 2006           | 2005           | 2004           |
| <b>1 Tax Revenue</b>                                     |                    |                |                |                |                |                |
| Real Property Tax - Current Year                         | 19.10%             | 18.42%         | 21.01%         | 22.51%         | 18.16%         | 21.43%         |
| Real Property Tax - Preceding Year                       | 3.96%              | 4.88%          | 1.51%          | 1.21%          | 1.86%          | 1.81%          |
| Real Property Tax - Penalties                            | 2.00%              | 2.58%          | 0.97%          | 0.59%          | 0.86%          | 1.01%          |
| Franchise Tax  | 0.49%              | 0.68%          | 0.93%          | 1.00%          | 3.86%          | 4.80%          |
| Sand and Gravel Fees                                     | 0.61%              | 0.75%          | 0.79%          | 0.90%          | 1.52%          | 4.37%          |
| Sand and Gravel - Penalties                              |                    |                |                |                |                | 0.27%          |
| Amusement Tax  | 0.16%              | 0.11%          | 0.06%          | 0.13%          | 0.08%          | 0.06%          |
| Tax on Delivery Trucks & Vans                            | 1.63%              | 1.57%          | 2.09%          | 2.16%          | 1.79%          | 1.53%          |
| Property Transfer  | 2.33%              | 2.15%          | 2.92%          | 2.31%          | 2.33%          | 1.64%          |
| Occupation/Professional Tax                              | 0.16%              | 0.20%          | 0.27%          | 0.33%          | 0.25%          | 0.29%          |
| Environmental Tax  | 1.71%              | 1.36%          | 1.68%          | 4.66%          | 3.33%          |                |
| <b>2 Non-Tax Revenue</b>                                 |                    |                |                |                |                |                |
| Income from Hospitals                                    | 35.84%             | 35.40%         | 40.62%         | 35.07%         | 34.51%         | 27.57%         |
| Secretary's Fees/Certification                           | 2.28%              | 2.08%          | 2.32%          | 2.35%          | 1.58%          | 0.61%          |
| Permit Fees  |                    |                |                |                |                | 0.53%          |
| Rental Office Spaces                                     | 2.42%              | 3.32%          | 5.34%          | 4.50%          | 3.56%          | 4.06%          |
| Rental Business Facilities/Cultural Center/Sports Center | 1.30%              | 1.54%          | 1.45%          | 1.21%          | 0.82%          | 1.44%          |
| Compromise Rental/Fees (PLDT)                            |                    |                |                |                |                |                |
| Share from Chocolate Hills                               | 7.37%              | 6.48%          | 3.27%          | 2.78%          | 1.95%          | 2.52%          |
| Rental of Heavy Equipments                               | 0.05%              |                |                |                |                |                |
| Sale of Plants/Other Products                            |                    |                |                |                | 0.02%          | 0.11%          |
| Interests on Deposits                                    | 12.06%             | 10.15%         | 13.11%         | 16.04%         | 22.03%         | 22.47%         |
| Miscellaneous - Accountable Forms                        |                    |                |                |                | 0.66%          |                |
| Ver/App/Cons. Fees                                       | 0.31%              | 0.15%          | 0.16%          | 0.24%          |                | 0.94%          |
| Receipts of Electric - Prior Years                       |                    |                |                | 0.20%          | 0.04%          | 0.29%          |
| Other Receipts - Misc.                                   |                    | 0.66%          | 0.97%          | 1.51%          | 0.68%          | 1.84%          |
| Miscellaneous - Miscellaneous                            | 0.82%              |                |                |                |                |                |
| Receipts - RACER (Seeds)                                 | 2.20%              |                |                |                |                |                |
| Receipts - RACER (Fertilizer)                            | 0.21%              |                |                |                |                |                |
| Receipts from BOFAMCO                                    |                    |                |                |                |                |                |
| Receipts of Water Delinquent                             |                    |                |                | 0.00%          | 0.02%          | 0.19%          |
| Gain on Sale of Assets                                   |                    | 2.32%          |                |                |                |                |
| Gain on Investments (Dividend)                           | 2.47%              | 4.59%          |                |                |                |                |
| PCSO   | 0.52%              | 0.61%          | 0.53%          | 0.30%          | 0.06%          | 0.21%          |
| <b>TOTAL - LOCAL REVENUE</b>                             | <b>100.00%</b>     | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |
| <b>SPECIAL EDUCATION FUND (SEF)</b>                      |                    |                |                |                |                |                |
| Current Year   | 99.23%             | 100.00%        | 100.00%        | 100.00%        | 93.02%         | 95.08%         |
| Penalties  |                    |                |                |                | 6.07%          | 4.31%          |
| Interest on Deposits                                     | 0.77%              |                |                |                | 0.92%          | 0.61%          |
| <b>TOTAL REVENUE - SEF</b>                               | <b>100.00%</b>     | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |

## REVENUE PER CAPITA

**Table 4- Revenue Per Capita  
Bohol Provincial Government**

### A. Including IRA and SEF

| YEAR | TOTAL REVENUE (Including IRA and SEF) | TOTAL POPULATION | REVENUE PER CAPITA |
|------|---------------------------------------|------------------|--------------------|
| 2009 | 1,049,872,641.00                      | 1,373,974        | 764.11             |
| 2008 | 918,313,996.38                        | 1,345,031        | 682.75             |
| 2007 | 772,979,588.47                        | 1,316,789        | 587.02             |
| 2006 | 760,635,803.32                        | 1,289,231        | 589.99             |
| 2005 | 663,197,002.13                        | 1,262,339        | 525.37             |
| 2004 | 606,214,078.17                        | 1,236,094        | 490.43             |

### B. Including IRA and SEF

| YEAR | TOTAL LOCAL REVENUE (Including SEF) | TOTAL POPULATION | REVENUE PER CAPITA |
|------|-------------------------------------|------------------|--------------------|
| 2009 | 123,341,738.00                      | 1,373,974        | 89.77              |
| 2008 | 91,760,138.72                       | 1,345,031        | 68.22              |
| 2007 | 72,481,532.47                       | 1,316,789        | 55.04              |
| 2006 | 76,419,055.92                       | 1,289,231        | 59.27              |
| 2005 | 80,044,102.13                       | 1,262,339        | 63.41              |
| 2004 | 64,929,714.17                       | 1,236,094        | 52.53              |

EXPENSE EFFICIENCY

Table 5 – Budget vs. Actual Expenses for Six Years: 2004-2009, Bohol Provincial Government

| EXPENSE<br>ACCOUNT      | Year 2009             |                       |                        |            | Year 2008             |                       |                         |               | Year 2007             |                       |                         |               |
|-------------------------|-----------------------|-----------------------|------------------------|------------|-----------------------|-----------------------|-------------------------|---------------|-----------------------|-----------------------|-------------------------|---------------|
|                         | Target                | Actual                | Over (Under)           | %          | Target                | Actual                | Over (Under)            | %             | Target                | Actual                | Over (Under)            | %             |
| Personal Services       | 409,077,035.00        | 351,350,742.03        | -57,726,292.97         | -14%       | 372,773,236.00        | 290,180,770.32        | -82,592,465.68          | -22.0%        | 355,554,922.00        | 265,917,214.31        | -89,637,707.69          | -25.0%        |
| MOOE                    | 242,695,174.00        | 266,282,729.94        | 23,587,555.94          | 10%        | 213,372,106.00        | 192,515,158.99        | (20,856,947.01)         | -10.0%        | 170,559,340.00        | 172,881,758.16        | 2,322,418.16            | 1.0%          |
| Subsidies and Donations | 109,854,435.99        | 91,413,388.02         | (18,441,047.97)        | -17%       | 124,592,215.00        | 77,758,567.02         | (46,833,647.98)         | -38.0%        | 111,089,374.50        | 80,128,158.79         | (30,961,215.71)         | -28.0%        |
| Financial Expense       | 4,046,000.00          | 8,787,309.30          | 4,741,309.30           | 117%       | 600,000.00            | 1,093,179.81          | 493,179.81              | 82.0%         | 600,000.00            | 0.00                  | (600,000.00)            | -100.0%       |
| <b>TOTAL</b>            | <b>765,672,644.99</b> | <b>717,834,169.29</b> | <b>(47,838,475.70)</b> | <b>-6%</b> | <b>711,337,557.00</b> | <b>561,547,676.14</b> | <b>(149,789,880.86)</b> | <b>-21.0%</b> | <b>637,803,636.50</b> | <b>518,927,131.26</b> | <b>(118,876,505.24)</b> | <b>-19.0%</b> |

| EXPENSE<br>ACCOUNT      | Year 2006             |                       |                        |            | Year 2005             |                       |                     |           | Year 2004             |                       |                        |            |
|-------------------------|-----------------------|-----------------------|------------------------|------------|-----------------------|-----------------------|---------------------|-----------|-----------------------|-----------------------|------------------------|------------|
|                         | Target                | Actual                | Over (Under)           | %          | Target                | Actual                | Over (Under)        | %         | Target                | Actual                | Over (Under)           | %          |
| Personal Services       | 323,797,942.50        | 294,639,822.27        | (29,158,120.23)        | -9%        | 325,945,291.87        | 281,964,978.32        | (43,980,313.55)     | -13%      | 327,557,909.00        | 292,322,126.49        | (35,235,782.51)        | -11%       |
| MOOE                    | 148,019,254.00        | 123,890,144.52        | (24,129,109.48)        | -16%       | 111,923,190.00        | 179,995,455.38        | 68,072,265.38       | 61%       | 140,162,816.00        | 141,268,500.31        | 1,105,684.31           | 1%         |
| Subsidies and Donations | 54,348,346.00         | 59,448,011.38         | 5,099,665.38           | 9%         | 28,823,672.00         | 8,759,828.50          | (20,063,843.50)     | -70%      | 37,810,902.00         | 38,555,048.97         | 744,146.97             | 2%         |
| Financial Expense       | 600,000.00            | 0.00                  | (600,000.00)           | -100%      | 4,400,000.00          | 140,691.43            | (4,259,308.57)      | -97%      | 11,266,666.00         | 835,249.32            | (10,431,416.68)        | -93%       |
| <b>TOTAL</b>            | <b>526,765,542.50</b> | <b>477,977,978.17</b> | <b>(48,787,564.33)</b> | <b>-9%</b> | <b>471,092,153.87</b> | <b>470,860,953.63</b> | <b>(231,200.24)</b> | <b>0%</b> | <b>516,798,293.00</b> | <b>472,980,925.09</b> | <b>(43,817,367.91)</b> | <b>-8%</b> |

## EXPENSE GROWTH

**Table 6 – Expense Increases For Six Years: 2004-2009**  
**Bohol Provincial Government**

| EXPENSE ACCOUNT         | A C T U A L E X P E N S E S (PER INCOME STATEMENT) |                       |                       |                       |                       |                       |                       |
|-------------------------|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                         | 2009   | 2008                  | 2007                  | 2006                  | 2005                  | 2004                  | 2003                  |
| Personal Services       | 351,350,742.03                                     | 290,180,770.32        | 265,917,214.31        | 294,639,822.27        | 281,964,978.32        | 292,322,126.49        | 256,066,675.85        |
| MOOE                    | 266,282,729.94                                     | 192,515,158.99        | 172,881,758.16        | 123,890,144.52        | 179,995,455.38        | 141,268,500.31        | 133,800,577.08        |
| Subsidies and Donations | 91,413,388.02                                      | 77,758,567.02         | 80,128,158.79         | 59,448,011.38         | 8,759,828.50          | 38,555,048.97         | 34,284,732.61         |
| Financial Expense       | 8,787,309.30                                       | 1,093,179.81          | 0.00                  | 0.00                  | 140,691.43            | 835,249.32            | 1,379,732.18          |
| <b>TOTAL</b>            | <b>717,834,169.29</b>                              | <b>561,547,676.14</b> | <b>518,927,131.26</b> | <b>477,977,978.17</b> | <b>470,860,953.63</b> | <b>472,980,925.09</b> | <b>425,531,717.72</b> |

| EXPENSE ACCOUNT         | Expense Increases/Decreases |                      |                      |                     |                       |                      |
|-------------------------|-----------------------------|----------------------|----------------------|---------------------|-----------------------|----------------------|
|                         | 2009-2008                   | 2008-2007            | 2007-2006            | 2006-2005           | 2005-2004             | 2004-2003            |
| Personal Services       | 61,169,971.71               | 24,263,556.01        | (28,722,607.96)      | 12,674,843.95       | (10,357,148.17)       | 36,255,450.64        |
| MOOE                    | 73,767,570.95               | 19,633,400.83        | 48,991,613.64        | (56,105,310.86)     | 38,726,955.07         | 7,467,923.23         |
| Subsidies and Donations | 13,654,821.00               | (2,369,591.77)       | 20,680,147.41        | 50,688,182.88       | (29,795,220.47)       | 4,270,316.36         |
| Financial Expense       | 7,694,129.49                | 1,093,179.81         | 0.00                 | (140,691.43)        | (694,557.89)          | (544,482.86)         |
| <b>TOTAL</b>            | <b>156,286,493.15</b>       | <b>42,620,544.88</b> | <b>40,949,153.09</b> | <b>7,117,024.54</b> | <b>(2,119,971.46)</b> | <b>47,449,207.37</b> |

**EXPENSE BY OBJECT**

**Table 7 - Expense Vertical Analysis  
Bohol Provincial Government**

| EXPENSE ACCOUNT         | A C T U A L   E X P E N D I T U R E S (PER INCOME STATEMENT) |                       |                       |                       |                       |                       |
|-------------------------|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                         | 2009   | 2008                  | 2007                  | 2006                  | 2005                  | 2004                  |
| Personal Services       | 351,350,742.03   | 290,180,770.32        | 265,917,214.31        | 294,639,822.27        | 281,964,978.32        | 292,322,126.49        |
| MOOE                    | 266,282,729.94   | 192,515,158.99        | 172,881,758.16        | 123,890,144.52        | 179,995,455.38        | 141,268,500.31        |
| Subsidies and Donations | 91,413,388.02  | 77,758,567.02         | 80,128,158.79         | 59,448,011.38         | 8,759,828.50          | 38,555,048.97         |
| Financial Expense       | 8,787,309.30   | 1,093,179.81          | 0.00                  | 0.00                  | 140,691.43            | 835,249.32            |
| <b>TOTAL</b>            | <b>717,834,169.29</b>  | <b>561,547,676.14</b> | <b>518,927,131.26</b> | <b>477,977,978.17</b> | <b>470,860,953.63</b> | <b>472,980,925.09</b> |

| EXPENSE ACCOUNT         | % O F T O T A L   E X P E N D I T U R E S |                |                |                |                |                |
|-------------------------|---|----------------|----------------|----------------|----------------|----------------|
|                         | 2009                                      | 2008           | 2007           | 2006           | 2005           | 2004           |
| Personal Services       | 48.95%                                    | 51.68%         | 51.24%         | 61.64%         | 59.88%         | 61.80%         |
| MOOE                    | 37.10%                                    | 34.28%         | 33.32%         | 25.92%         | 38.23%         | 29.87%         |
| Subsidies and Donations | 12.73%                                    | 13.85%         | 15.44%         | 12.44%         | 1.86%          | 8.15%          |
| Financial Expense       | 1.22%                                     | 0.19%          | 0.00%          | 0.00%          | 0.03%          | 0.18%          |
| <b>TOTAL</b>            | <b>100.00%</b>                            | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |

# EXPENSE BY OFFICE

Table 8 - Expenses by Office: 2004-2009

| Office                | 2009                |                         | 2008                |                         | 2007                |                         | 2006                |                         | 2005                |                         | 2004                |                         |
|-----------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|
|                       | Actual Expenditures | % to Total Expenditures | Actual Expenditures | % to Total Expenditures | Actual Expenditures | % to Total Expenditures | Actual Expenditures | % to Total Expenditures | Actual Expenditures | % to Total Expenditures | Actual Expenditures | % to Total Expenditures |
| BDRC                  | 20,302,406.99       | 2.40%                   | 18,272,035.35       | 2.47%                   | 17,244,323.59       | 2.55%                   | 16,004,512.70       | 2.44%                   | 15,880,653.64       | 2.81%                   | 13,706,277.30       | 2.17%                   |
| BEMO                  | 5,510,261.93        | 0.65%                   | 5,675,971.58        | 0.77%                   | 4,880,931.96        | 0.72%                   | 4,221,300.16        | 0.64%                   | 4,406,773.10        | 0.78%                   | 4,396,246.46        | 0.70%                   |
| BEPO                  | 2,712,796.33        | 0.32%                   | 2,366,174.54        | 0.32%                   | 2,068,337.99        | 0.31%                   | 1,720,531.12        | 0.26%                   | 1,525,158.69        | 0.27%                   | 1,797,788.91        | 0.28%                   |
| BIPC                  | 2,428,722.84        | 0.29%                   | 970,787.19          | 0.13%                   | 1,107,729.34        | 0.16%                   | 1,380,729.82        | 0.21%                   | 1,471,974.92        | 0.26%                   | 1,211,512.63        | 0.19%                   |
| BPRMO                 | 4,857,219.78        | 0.57%                   | 3,976,589.14        | 0.54%                   | 3,871,477.92        | 0.57%                   | 4,273,453.36        | 0.65%                   | 4,132,967.53        | 0.73%                   | 4,638,328.60        | 0.73%                   |
| BTO                   | 1,620,701.54        | 0.19%                   | 1,513,816.12        | 0.20%                   | 1,322,444.09        | 0.20%                   | 1,502,524.27        | 0.23%                   | 1,458,566.16        | 0.26%                   | 1,716,646.66        | 0.27%                   |
| CCAD                  | 1,116,809.94        | 0.13%                   | 991,774.27          | 0.13%                   | 757,941.78          | 0.11%                   | 1,157,124.24        | 0.18%                   | 1,288,954.98        | 0.23%                   | 1,066,009.75        | 0.17%                   |
| GO                    | 88,808,249.98       | 10.50%                  | 69,469,071.67       | 9.40%                   | 76,675,595.95       | 11.32%                  | 74,189,049.74       | 11.31%                  | 58,396,111.31       | 10.34%                  | 57,159,410.96       | 9.04%                   |
| HRMDO                 | 7,620,787.42        | 0.90%                   | 5,899,653.50        | 0.80%                   | 5,336,181.83        | 0.79%                   | 3,972,312.20        | 0.61%                   | 3,831,517.94        | 0.68%                   | 3,869,838.29        | 0.61%                   |
| VGov - LIBRARY        | 5,232,724.67        | 0.62%                   | 5,028,493.59        | 0.68%                   | 5,175,350.25        | 0.76%                   | 4,936,433.51        | 0.75%                   | 4,121,041.01        | 0.73%                   | 4,290,358.71        | 0.68%                   |
| Motorpool             | 20,266,742.54       | 2.40%                   | 17,330,199.45       | 2.35%                   | 15,794,505.86       | 2.33%                   | 15,090,309.12       | 2.30%                   | 14,747,118.85       | 2.61%                   | 14,877,755.39       | 2.35%                   |
| OPA                   | 20,719,754.85       | 2.45%                   | 20,469,657.48       | 2.77%                   | 19,452,833.63       | 2.87%                   | 19,002,537.88       | 2.90%                   | 16,906,081.13       | 2.99%                   | 17,691,103.46       | 2.80%                   |
| OPV                   | 12,948,130.53       | 1.53%                   | 12,188,278.16       | 1.65%                   | 10,430,668.88       | 1.54%                   | 10,270,097.37       | 1.57%                   | 9,362,517.40        | 1.66%                   | 9,968,798.40        | 1.58%                   |
| PAccO                 | 13,832,353.91       | 1.63%                   | 12,978,471.01       | 1.76%                   | 11,272,876.76       | 1.66%                   | 9,367,938.63        | 1.43%                   | 9,075,076.04        | 1.61%                   | 9,449,872.93        | 1.49%                   |
| PASO                  | 7,267,545.24        | 0.86%                   | 13,194,890.38       | 1.79%                   | 6,608,395.74        | 0.98%                   | 6,006,954.58        | 0.92%                   | 5,544,137.65        | 0.98%                   | 5,623,883.55        | 0.89%                   |
| PBMO                  | 5,834,904.11        | 0.69%                   | 5,565,919.62        | 0.75%                   | 5,587,510.12        | 0.82%                   | 5,075,950.15        | 0.77%                   | 4,675,456.53        | 0.83%                   | 5,229,855.56        | 0.83%                   |
| PEO                   | 72,505,237.91       | 8.57%                   | 61,300,656.79       | 8.30%                   | 50,763,534.31       | 7.49%                   | 78,475,885.87       | 11.97%                  | 33,339,028.50       | 5.90%                   | 34,226,205.08       | 5.41%                   |
| PGSO                  | 33,251,441.02       | 3.93%                   | 34,138,706.49       | 4.62%                   | 29,445,088.27       | 4.35%                   | 28,184,975.42       | 4.30%                   | 25,703,531.05       | 4.55%                   | 25,584,744.72       | 4.05%                   |
| PLO                   | 8,206,608.13        | 0.97%                   | 7,278,392.16        | 0.99%                   | 5,371,431.93        | 0.79%                   | 4,744,483.05        | 0.72%                   | 4,411,060.02        | 0.78%                   | 4,509,859.34        | 0.71%                   |
| PPDO                  | 10,592,478.46       | 1.25%                   | 10,417,259.62       | 1.41%                   | 10,358,923.37       | 1.53%                   | 9,919,526.29        | 1.51%                   | 9,576,294.91        | 1.70%                   | 9,975,231.79        | 1.58%                   |
| PSWD                  | 10,791,100.00       | 1.28%                   | 9,269,564.60        | 1.25%                   | 7,580,141.27        | 1.12%                   | 7,038,263.89        | 1.07%                   | 6,343,712.82        | 1.12%                   | 7,021,449.40        | 1.11%                   |
| PTO                   | 12,167,604.51       | 1.44%                   | 12,330,256.64       | 1.67%                   | 11,981,321.41       | 1.77%                   | 10,771,761.73       | 1.64%                   | 10,393,054.61       | 1.84%                   | 10,910,565.48       | 1.73%                   |
| SP-VGov, KAD., Sect.  | 76,895,604.77       | 9.09%                   | 73,050,238.03       | 9.89%                   | 72,131,509.41       | 10.65%                  | 64,698,871.29       | 9.87%                   | 44,248,619.89       | 7.84%                   | 46,457,969.41       | 7.35%                   |
| PHO                   | 42,994,979.76       | 5.08%                   | 40,705,029.80       | 5.51%                   | 37,237,413.70       | 5.50%                   | 33,228,884.46       | 5.07%                   | 30,824,900.96       | 5.46%                   | 32,888,022.75       | 5.20%                   |
| PGBh-owned Hospitals: | 134,096,557.66      | 15.85%                  | 119,287,972.19      | 16.15%                  | 105,062,633.84      | 15.51%                  | 91,633,313.18       | 13.97%                  | 86,821,479.07       | 15.38%                  | 87,109,436.03       | 13.78%                  |
| CCH - Candijay        | 6,114,926.70        | 0.72%                   | 5,279,256.51        | 0.71%                   | 4,182,581.26        | 0.62%                   | 3,715,680.47        | 0.57%                   | 3,384,877.95        | 0.60%                   | 3,417,614.72        | 0.54%                   |
| CCH - Clarin          | 5,032,198.13        | 0.59%                   | 4,580,199.88        | 0.62%                   | 4,478,906.58        | 0.66%                   | 3,793,534.28        | 0.58%                   | 3,969,845.84        | 0.70%                   | 4,089,319.01        | 0.65%                   |
| CDH - Catigbian       | 13,100,585.33       | 1.55%                   | 10,934,076.27       | 1.48%                   | 9,880,919.87        | 1.46%                   | 8,607,786.34        | 1.31%                   | 7,569,576.08        | 1.34%                   | 8,204,403.68        | 1.30%                   |
| CNPCMH - Loon         | 16,387,756.64       | 1.94%                   | 14,434,824.72       | 1.95%                   | 13,283,993.59       | 1.96%                   | 11,087,823.39       | 1.69%                   | 10,466,233.03       | 1.85%                   | 10,394,511.11       | 1.64%                   |
| CSTMH - Carmen        | 21,630,422.49       | 2.56%                   | 20,890,854.38       | 2.83%                   | 17,647,796.21       | 2.61%                   | 16,025,943.58       | 2.44%                   | 15,045,019.07       | 2.66%                   | 16,350,884.26       | 2.59%                   |
| DMH - Inabanga        | 8,311,835.33        | 0.98%                   | 7,243,924.54        | 0.98%                   | 6,179,928.50        | 0.91%                   | 5,462,621.17        | 0.83%                   | 5,262,423.53        | 0.93%                   | 5,315,104.41        | 0.84%                   |
| GMPH - Talibon        | 34,047,230.49       | 4.02%                   | 29,252,580.10       | 3.96%                   | 26,194,737.26       | 3.87%                   | 23,728,872.64       | 3.62%                   | 22,138,972.81       | 3.92%                   | 21,156,591.51       | 3.35%                   |
| MCH - Maribojoc       | 5,710,393.85        | 0.67%                   | 5,334,078.63        | 0.72%                   | 4,443,914.39        | 0.66%                   | 3,502,677.50        | 0.53%                   | 3,347,611.50        | 0.59%                   | 3,446,677.68        | 0.55%                   |
| PCPGMH-Pres. Garcia   | 6,052,225.47        | 0.72%                   | 5,877,379.60        | 0.80%                   | 5,184,648.48        | 0.77%                   | 4,597,686.80        | 0.70%                   | 4,004,058.12        | 0.71%                   | 4,291,486.16        | 0.68%                   |
| TBGDH - Jagna         | 17,708,983.23       | 2.09%                   | 15,460,797.16       | 2.09%                   | 13,585,207.70       | 2.01%                   | 11,110,687.01       | 1.69%                   | 11,632,861.14       | 2.06%                   | 10,442,843.49       | 1.65%                   |
| Aid to Barangays      | 11,090,000.00       | 1.31%                   | 5,545,000.00        | 0.75%                   | 6,882,800.00        | 1.02%                   | 6,877,000.00        | 1.05%                   | 688,700.00          | 0.12%                   | 6,884,000.00        | 1.09%                   |
| Calamity Fund         | 200,000.00          | 0.02%                   | 320,000.00          | 0.04%                   | 0.00                | 0.00%                   | 0.00                | 0.00%                   | 0.00                | 0.00%                   | 1,360,000.00        | 0.22%                   |
| NON-OFFICE            | 94,257,690.21       | 11.14%                  | 66,585,744.79       | 9.01%                   | 32,910,916.32       | 4.86%                   | 44,133,269.81       | 6.73%                   | 73,025,728.92       | 12.93%                  | 116,369,536.39      | 18.40%                  |
| 20% Devt. Fund        | 117,904,415.98      | 13.94%                  | 102,682,182.82      | 13.90%                  | 120,015,630.39      | 17.72%                  | 97,903,881.68       | 14.93%                  | 82,411,373.29       | 14.60%                  | 92,365,877.21       | 14.61%                  |
| TOTAL                 | 846,043,831.01      | 100.00%                 | 738,802,786.89      | 100.00%                 | 677,328,449.91      | 100.00%                 | 655,781,875.52      | 100.00%                 | 564,611,590.92      | 100.00%                 | 632,366,585.16      | 100.00%                 |

## EXPENSE BY SECTOR

**Table 9 - Expenses by Sector  
Bohol Provincial Government**

| Sector            | ACTUAL EXPENDITURES   |                       |                       |                       |                       |                       | % OF TOTAL EXPENDITURES |                |                |                |                |                |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|----------------|----------------|----------------|----------------|----------------|
|                   | 2009                  | 2008                  | 2007                  | 2006                  | 2005                  | 2004                  | 2009                    | 2008           | 2007           | 2006           | 2005           | 2004           |
| General Services  | 264,487,577.55        | 244,322,859.12        | 234,768,834.79        | 216,931,823.08        | 175,854,859.95        | 178,771,232.03        | 31.26%                  | 33.07%         | 34.66%         | 33.08%         | 31.15%         | 28.27%         |
| Social Services   | 218,928,031.01        | 198,239,067.02        | 177,180,794.61        | 157,062,707.90        | 148,398,560.60        | 149,421,790.65        | 25.88%                  | 26.83%         | 26.16%         | 23.95%         | 26.28%         | 23.63%         |
| Economic Services | 139,176,116.26        | 121,107,933.14        | 105,569,473.80        | 132,873,193.05        | 84,232,368.16         | 87,194,148.88         | 16.45%                  | 16.39%         | 15.59%         | 20.26%         | 14.92%         | 13.79%         |
| Other Services    | 223,450,097.19        | 175,132,927.61        | 159,809,346.71        | 148,914,151.49        | 156,125,802.21        | 216,979,413.60        | 26.41%                  | 23.70%         | 23.59%         | 22.71%         | 27.65%         | 34.31%         |
| <b>TOTAL</b>      | <b>846,043,831.01</b> | <b>738,802,786.89</b> | <b>677,328,449.91</b> | <b>655,781,875.52</b> | <b>564,611,590.92</b> | <b>632,366,585.16</b> | <b>100.00%</b>          | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |

|   |  |  |  |
|---|--|--|--|
| General Services Sector:<br>Legislative Services (VGO, SP)<br>Executive (GO)<br>Inventory and Procurement (PGSO)<br>Financial/Treasury (PTO)<br>Planning, Monitoring & valuation (PPDO)<br>Accounting & Internal Services (PAccO)<br>Assessment Services (PASSO)<br>Legal Services (PLO)<br>Human Resource/Personnel (HRMDO)<br>Budget and Management (PBO) | Social Services Sector:<br>Health Services (PHO, 10 Hospitals)<br>Prisoners' Rehab Services (BDRC)<br>Social Services (OPSWD)<br>Environment/Sanitation (BEMO)<br>Library Services (Prov'l. Library) | Economic Services Sector:<br>Engineering Services (PEO)<br>Agricultural (OPA)<br>Support to Engineering Services (PMO)<br>Veterinary (OPV)<br>Support to Executive Services on:<br>Poverty Reduction (BPRMO)<br>Investment (BIPC)<br>Culture & Arts Preservation (CCAD)<br>Tourism Promotion (BTO)<br>Employment Programs (BEPO) | Other Services Sector:<br>Budgetary Requirements such as:<br>Aid to Barangays<br><br>5% Reserves<br>Payment of Loans<br>Other Non-Office |
|---|--|--|--|

**EXPENSE PER CAPITA**

**Table 10 - Expense Per Capita  
Bohol Provincial Government**

| YEAR | TOTAL EXPENSE PER INCOME<br>STATEMENT | TOTAL POPULATION | EXPENSE PER CAPITA |
|------|---------------------------------------|------------------|--------------------|
| 2009 | 717,834,169.29                        | 1,373,974        | 522.45             |
| 2008 | 561,547,676.14                        | 1,345,031        | 417.50             |
| 2007 | 518,927,131.26                        | 1,316,789        | 394.09             |
| 2006 | 477,977,978.17                        | 1,289,231        | 370.75             |
| 2005 | 470,860,953.63                        | 1,262,339        | 373.01             |
| 2004 | 472,980,925.09                        | 1,236,094        | 382.64             |