

Budget Performance and Financial Statements



Highlights on the Fiscal Performance of the Provincial Government

For the year 2007, the Provincial Government posted a total available resource of **₱794,370,490.99** from its Internal Revenue Allotment (IRA) and local sources including resources allocated as beginning balance. The IRA remains to be the major source of revenue, accounting for 88% of the total income, with local/tax revenues providing about 6%.

Based on the records of the Provincial Budget Office, total obligations reached to **₱675,551,504.71**, about 46% of which was obligated for Personal Services, 40% for Maintenance and Other Operating Expenses, and 13% for Capital Outlay. Below is the Statement of Income and Obligations of the Province for 2007.

Statement of Income and Obligations

Actual Income

Local Taxes	₱	49,611,878.74	
IRA		700,498,056.00	
Beginning Balance		<u>44,260,556.25</u>	₱ 794,370,490.99

Less: Obligations

Personal Services	₱	314,410,257.92	
MOOE		271,815,628.43	
Financial Expenses		573,437.50	
Capital Outlay		<u>88,752,180.86</u>	<u>675,551,504.71</u>
			118,818,986.28

Less:

Balance, Beginning A.B. 2008			<u>16,269,692.00</u>
			102,549,294.28

Less: Continuing Appropriations

20% Development Fund	₱	25,734,369.61	
Capital Outlay		13,108,630.70	
Non-Office		14,599,892.25	
Adjustment (Subsidy to SEF)		1,783,000.00	
Adjustments (Trust Liabilities, Terminal Leave, Ret. Gratuity)		4,416,256.64	<u>59,642,149.20</u>

Net Balance/Surplus Available for Appropriation **₱** **42,907,145.08**

The Provincial Government expenditures were mainly focused on the achievement of the **10-point Development Agenda** of the Province, under its overarching twin goals of **poverty reduction** and **economic growth**.

Through government spending and prioritized investments, provision of accessible public services and basic infrastructures to constituents were improved. Economic development has been sustained with the continued implementation of strategies that expand employment and livelihood opportunities in trade, skilled services, tourism and agriculture. Furthermore, social services that enhance healthcare and welfare of the people, especially the poor, have been highlighted as one of the major priorities for 2007.

Fiscal Policies and Budgetary Objectives

As set forth in the Governor's Budget Message for the 2007 Annual Budget, the following policies and objectives have been pursued and implemented to improve fiscal management within the Provincial Government:

For resource generation

- Improvement of revenue sourcing and income generation particularly from non-tax based revenues
- Enhancement of tax collection through aggressive tax information campaign and intensified tax collection effort
- Upgrading of hospital fees and charges
- Updating of tax rates and charges in the Provincial Revenue Code

For expenditure management

- Strengthening of internal audit system and fiscal management through the adoption and implementation of the Electronic New Government Accounting System (e-NGAS) and operationalization of the Internal Audit Services
- Sustaining the implementation of austerity measures by implementing Administrative Order No. 103, Environment Management System (EMS) for cost efficient and effective day-to-day operation.
- Retention, at certain levels and rate, of the total Maintenance and Other Operating Expenses (MOOE) as reserves/ source of funds for unforeseen expenditures and priority initiatives

For overall management and investment prioritization

- Sustaining the pursuit for poverty reduction programs and the 10-Point Development Agenda of the province
- Implementation of the Financial Management Information System (FMIS) to facilitate up-to-date and accurate financial reporting to aid decision-making
- Introduction and adoption of the principles of Value for Money and Management by Outcomes in the planning, implementation and evaluation of programs, projects and activities
- Implementation of the Provincial Medium-Term Financial Plan (MTFP)