DRAFT VPN
April 15, 2026

RESOLUTION NO. ___-26
(Series of 2026)

FOR SECOND READING ITEM #
39TH Regular Session
April 21, 2026
Tandag City
1

DECLARING APPROPRIATION ORDINANCE NO. 03 DATED DECEMBER 23, 2025 (GENERAL FUND AND LOCAL ECONOMIC ENTERPRISE ANNUAL BUDGET FY 2026) OF THE MUNICIPALITY OF CORTES, THIS PROVINCE OPERATIVE, SUBJECT TO SOME CONDITIONS

SPONSORS:

HON. ANTONIO C. AZARCON, HON. GINES RICKY J. SAYAWAN, SR., HON. RUEL D. MOMO, HON. JOSE DUMAGAN JR., HON. ANTHONY JOSEPH P. CAÑEDO, HON. HENRICH M. PIMENTEL, HON. VALERIO T. MONTESCLAROS, JR., HON. JOEY S. PAMA, HON. MARGARITA G. GARAY, HON. RAUL K. SALAZAR, HON. JIMMY I. GUINSOD AND HON. YURI ART EUFY R. SANCHEZ

WHEREAS, pursuant to Chapter III, Article 1, Section 327 of the Local Government Code of 1991, the Sangguniang Panlalawigan is mandated to review ordinances authorizing annual or supplemental appropriations of component cities and municipalities in the same manner and within same period prescribed for the review of other ordinances;

WHEREAS, Appropriation Ordinance No. 03 dated December 23, 2025 of the Municipality of Cortes, this Province, authorizing its General Fund and Local Economic Enterprise Annual Budget FY 2026 involving an appropriation in the amount of One Hundred Seventy One Million Four Hundred Thirteen Thousand Two Hundred Seventy Six Pesos (₱171,413,276.00), was submitted to this Body for review and same was referred to the Committee on Finance and Appropriation, for appropriate action and was subsequently endorsed to the Provincial Finance Committee, for technical review;

WHEREAS, the Provincial Finance Committee, in its review letter dated March 16, 2026 relative to Appropriation Ordinance No. 03 dated December 23, 2025 of the Municipality of Cortes, this Province, informed the August Body that the same shall be declared operative and after a thorough review of the provisions embodied in the Ordinance by the Committee to which the matter was referred to, the latter disclosed that it has substantially complied with the provisions of the Local Government Code of 1991 and its Implementing Rules and Regulations, except for the following findings, viz:

1. the Secretary to the Sangguniang Bayan failed to submit the Appropriation Ordinance to the reviewing body on the prescribed period;

   there is

2. an unappropriated balance of ₱2,459,876.00, (was observed) representing the difference between the estimated income and total appropriations, as detailed below:

Total Estimated Income	₱ 173,873,152.00
Less: Total Appropriation	171,413,276.00
Unappropriated Balance	**₱ 2,459,876.00**

3. the Plantilla of Personnel listed three newly created positions – Budget Officer IV (Salary Grade 22), Engineer IV (Salary Grade 22) and Aquaculturist II (Salary Grade 15) – despite these positions not being included in the Appropriation Ordinance, indicating a lack of allocated funds for their salaries and associated costs;

4. there are erroneous presentation of position title(s) in the Plantilla of Personnel under various offices, namely:

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Office	Item No.	As Presented	It Should Be
Municipal Mayor	1	Municipal Mayor	Municipal Mayor
Vice Mayor	1	Municipal Vice Mayor	Municipal Vice Mayor
Sangguniang Bayan	1-8	Sangguniang Bayan Member	Sangguniang Bayan Member
	9	Sangguniang Bayan Member (ABC President)	Sangguniang Bayan Member (Liga ng mga Barangay President)
	10	Sangguniang Bayan Member (SK Federation President)	Sangguniang Bayan Member (Kabataan Federation President)
Secretary to the Sangguniang	1	Secretary to the Sanggunian	Municipal Government Department Head (Secretary to the Sanggunian)

5. there are erroneous presentation of the authorized salary rate in the Plantilla of Personnel. This discrepancy could result in misclassification and misallocation of personnel costs. This concerns the office of:

Office	Item No.	SG/Step	Position Title	As Presented in Personnel Schedule CY 2026	It Should be (LBC 165 2nd Tranche
Accountant	3	9/1	Administrative Assistant III (Senior Bookkeeper)	₱212,388.00	₱209,040.00
	5	3/3	Administrative Aide III (Utility Worker II)	264,484.00	144,792.00
Agriculture	3	10/1	Agricultural Technologist	232,116.00	230,280.00

6. the inconsistencies in the computation of appropriations for Personal Services in the following offices:

Office	Particular	As Presented	Amount Required	(Deficient)
Accountant	Philhealth	52,388.20	55,405.00	(3,017.00)
MSWDO	Philhealth	45,844.98	46,024.00	(179.00)
MENRO	Philhealth	8,148.80	9,054.22	(905.42)
TOTAL				(4,101.42)

7. there are some items of appropriation that possess the character of infraction to the provision cited under Section 305(i) of R.A. 7160;

   7.1 The allocated budget for Programs, Projects and Activities (PPA's) in the Appropriation Ordinance exceeds the corresponding allocation in the Annual Investment Program (AIP) for the same PPA, as shown;

Office	AIP Re. Code	Program/Project/Activity Description	As Presented in AB 2026 appropriation by PPA	As Presented in AIP 2026
Mayor's Office	1000-000-3-1-01-002-013	Conduct of Katarungang Pambarangay training: Accessing Justice through Child-Friendly, Culture-Sensitive Brgy. Justice System	60,000.00	50,000.00
	1000-000-3-1-01-002-026	Conduct of incentive program for BBIs (BADAC, BPOC, BCPC, BDC, VAW Desk and Barangay governance in general)	337,200.00	200,000.00
	1000-000-3-1-01-002-033	Conduct of IEC on illegal drugs to schools, OSY and observance of IDADAIT and drug Prevention Week	100,000.00	50,000.00
	1000-0003-1-01-002-059	Conduct of Joint LGU-Seaborne Patrol Operations	2,548,800.00	2,500,000.00
MSWDO	3000-000-3-2-05-006-004	Womens Disability Day - Last Monday of the Month (March 2026) a. Mental Health Awareness Symposium b. Purchase of vitamins & milk	14,000.00	5,000.00
	3000-000-3-2-05-006-005	Municipal & Provincial Disability Prevention & Rehabilitation Week a. Symposium of the Rights of PWDs b. Provision of assistive devices	50,000.00	30,000.00
	3000-000-3-2-05-006-006	Deaf awareness Week Celebration	10,000.00	5,000.00
	3000-000-3-2-05-006-007	Support SPEED Class a. Fun day with differently abled child b. Symposium of the rights of PWDs c. Transportation d. Meals & snacks	30,000.00	20,000.00
	3000-000-3-2-05-006-009	PWD AICS Program a. Mortuary & Medical Assistance	20,000.00	10,000.00

	3000-000-3-2-05-006-010	Support to Municipal Federation of PWD Association livelihood	20,000.00	10,000.00
	3000-000-3-2-05-006-011	International Day of Persons with Disabilities-Month of December a. Program Review and evaluation (PREW) Presentation of PWD Accomplishment 2026 b. meals & snacks	35,000.00	15,000.00
	3000-000-3-2-05-006-012	Purchase of PWD Supplies	7,860.61	5,000.00
	3000-000-3-2-05-006-013	Purchase of Office Supplies	10,400.00	10,000.00
	3000-000-3-2-05-006-013	Travelling allowance in attending seminars & orientation	30,000.00	24,860.61

7.2 There are inconsistencies in the presentation of Expense Class between Programs, Projects and Activities (PPAs) of the Appropriation Ordinance and PPAs found in the Annual Investment Program (AIP);

As Presented in the AO	As Presented in the AIP
Municipal Mayor **20% Local Development Fund** 1000-000-3-1-01-001-020 Amortization of Loan for Heavy Equipment (DBP) 3,615,576.07 - FE 1000-000-3-1-01-001-021 Amortization of Loan for Heavy Equipment (LBP) 3,240,291.21 - FE **Municipal Assessor** 1000-000-3-1-06-001-002 Support to the LGU Real Properties Land Titling Activity 125,000.00 - MOOE	**Municipal Mayor** **20% Local Development Fund** 1000-000-3-1-01-001-020 Amortization of Loan for Heavy Equipment (DBP) 3615576.07 - CO 1000-000-3-1-01-001-021 Amortization of Loan for Heavy Equipment (LBP) 3,240,291.21 - CO **Municipal Assessor** 1000-000-3-1-06-001-002 Support to the LGU Real Properties Land Titling Activity 500,000.00 - CO

Municipal Health	Municipal Health
3000-000-3-1-11-003-001	3000-000-3-1-11-003-001
Purchase of Furniture & Airconditioning for New RHU	Purchase of Furniture & Airconditioning for New RHU
280,000.00 - CO	300,000.00 - MOOE

8. the Appropriation Ordinance ~~are~~ is not arranged and presented in accordance with the prescribed formats and sequence under the Budget Operations Manual for Local Government Units (BOM for LGUs) 2023 Edition. The improper arrangement of these forms makes it difficult to properly determine compliance with budgeting requirements, including the verification of mandatory appropriations and the alignment of expenditures with projected income.

WHEREAS in view of the foregoing and on motion of ____________________ and duly seconded by ____;

NOW THEREFORE

BE IT RESOLVED by the Sangguniang Panlalawigan of Surigao del Sur to declare Appropriation Ordinance No. 03 dated December 23, 2025 (General Fund and Local Economic Enterprise Annual Budget FY 2026) of the Municipality of Cortes, this Province operative, subject to the following conditions, to wit:

1. the Secretary to the Sangguniang Bayan shall adhere to Section 56 of R.A. 7160 by submitting the approved Appropriation Ordinance three (3) days after the approval to the Sangguniang Panlalawigan for review in accordance with Section 327 of the Code. It is noted that AO No. 03 was approved on December 23, 2025 but submitted to OSSP for review on January 26, 2026 only;

   the LGU shall

2. to ensure the proper utilization of this unappropriated balance. It is recommended that the Sangguniang Bayan shall enact an ordinance or a supplemental budget to allocate these funds. This allocation ~~must~~ shall align with the LGU's approved Supplemental Annual Investment Program (AIP), as required by Section 305(i) of R.A. 7160, to provide a clear and transparent framework for fund usage and promote accountable governance;

3. in accordance with the DBM's Budget Operations Manual for Local Government Units (BOM) 2023 Edition, it is recommended that unfunded positions in the official Plantilla, such as the aforementioned three be deleted ~~because their~~ lack of appropriation means they do not have the legal basis to exist; newly created positions

4. the LGU shall undertake the necessary rectification of the defective position titles, including correcting titles to conform with prescribed formats and ensuring all entries are complete and accurate as emphasized in Chapter 9 of DBM Circular Letter No. 2007-6, dated February 19, 2007, which covers the manual on Position Classification and Compensation scheme on Local Government Units;

5. the Plantilla of Personnel shall be corrected to accurately reflect the authorized salary rate as indicated in LBC No. 165, dated July 18, 2025. The LGU shall review and update the salary rates in the Plantilla accordingly to ensure consistency with the approved rates and avoid discrepancies;

6. any identified defects in appropriations shall be addressed through the LGU's First Supplemental Budget for FY 2026 by allocating the necessary funds to cover these shortfalls;

7. the Local Government Unit (LGU) shall reconcile the discrepancies between the Programs, Projects and Activities (PPAs) listed in the Appropriation Ordinance (AO) and those reflected in the Annual Investment Program (AIP). This reconciliation is necessary to align with the provisions of Local Budget Circular (LBC) 152, covering the Budget Operation Manual (BOM) for Local Government Units (LGUs) 2023 Edition as well as in Section 305(i) of R.A. 7160, which mandates that "local budgets shall operationalize approved local development plans." Otherwise the implementation of the PPAs identified in the AO shall be limited to the PPAs as well as the amount reflected in the AIP;

8. the LGU shall adopt the prescribed format in preparing the Appropriation Ordinance to conform on what is emphasized in the BOM for LGU's, 2023 Edition;

9. in all cases, the appropriation authorized therein shall be used in conformity with Section 305 of R.A. No. 7160 and shall be subject to availability of funds, accounting and auditing rules and regulations;

10. the procurement of goods, consulting services and civil works shall be in accordance with R.A. 12009, otherwise known as "The New Government Procurement Reform Act" and its IRR;

11. it is understood that the review action does not authorize any of those undermined/undetermined items of appropriation that is specifically prohibited by or inconsistent with the provisions of law; and

12. compliance and adherence with all existing laws, rules and regulations shall be the responsibility of the implementing Officials of the Municipality of Cortes, this Province.

RESOLVED FURTHER: To require the Municipality of Cortes to comply with the posting requirements under Section 59 of the Local Government Code of 1991 and the herein recommendations and to notify this Body of the actions taken thereon.

RESOLVED FURTHERMORE: To inform the Municipality of Cortes that the review action does not authorize any item/s of appropriation that is specifically prohibited by or inconsistent with the provisions of law.

new Mayor

RESOLVED FINALLY: To furnish copies of this Resolution to the Provincial Budget Officer and the Provincial Auditor, both of this Province, to Hon. ~~Josie M. Bonifacio,~~ MD, Municipal Mayor, to the Sangguniang Bayan thru Hon. Cherry B. Daraman, Municipal Vice Mayor/Presiding Officer and to the Municipal Planning and Development Coordinator, all of the Municipality of Cortes, this Province, for their information and guidance.

please double check Mayor and VM

ADOPTED this 21st day of April, 2026 at the City of Tandag, Province of Surigao del Sur by unanimous votes of all Sangguniang Panlalawigan Members present.

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I HEREBY CERTIFY to the correctness of the foregoing Resolution.

EDGAR G. PEREZ II, J.D.
Secretary to the Sangguniang Panlalawigan

ATTESTED AND CERTIFIED TO BE DULY ADOPTED:

RUEL D. MOMO
ActingVice Governor
(Presiding Officer)

VPN/RES. NO.-26
OSSP-26-05486