



## H. Local Administration

### 1. Organization

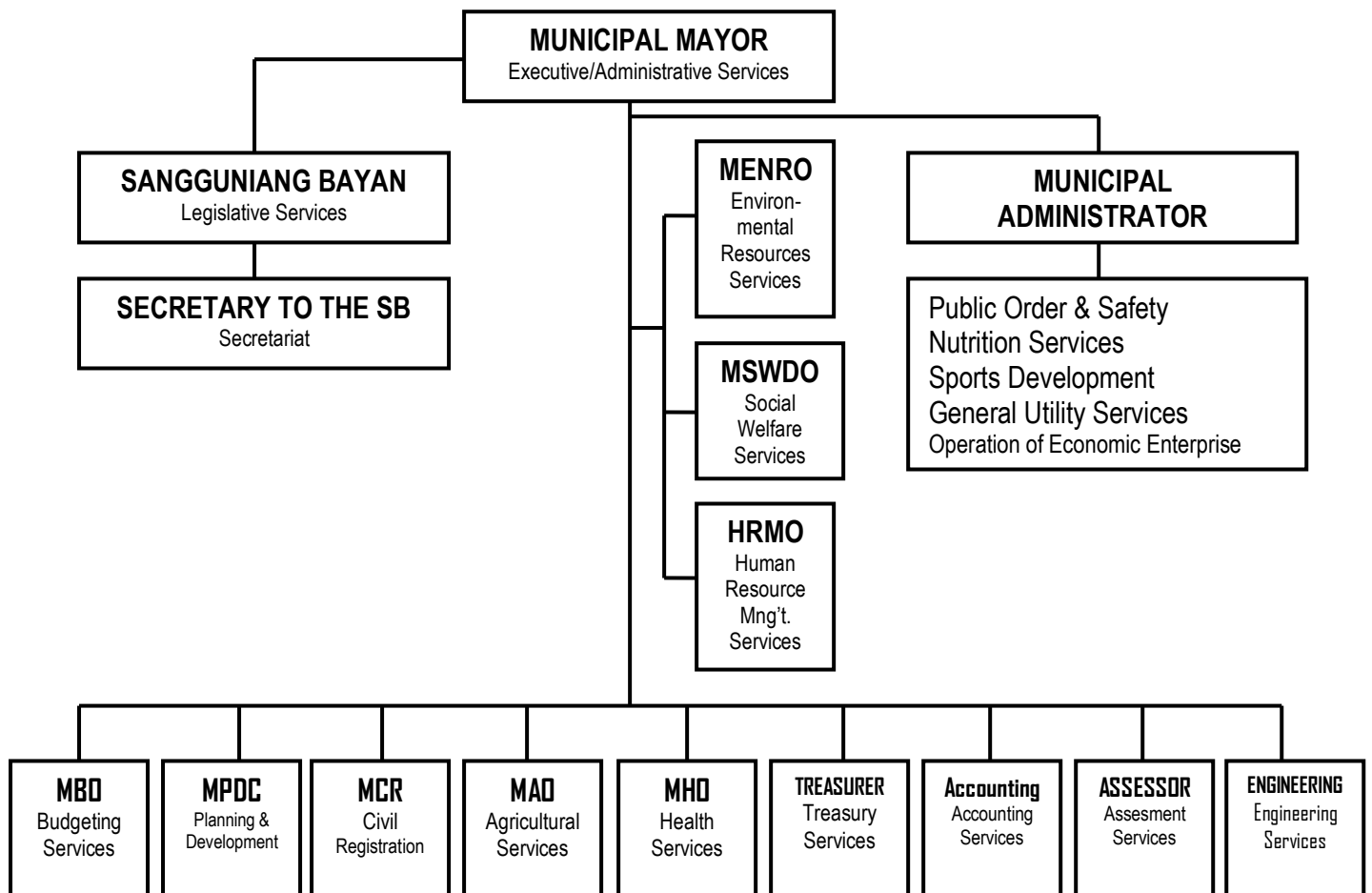
The Local Government Code of 1991 provides for a more responsive and accountable local government structure that is accountable, efficient, and dynamic with operating mechanisms that will meet the priority needs of its residents. The 1991 Local Government Code outlined the principle aim of the local government which is to provide the state with effective and efficient government. This will require a well-designed organizational structure, as well as competent individuals to run the government bureaucracy.

According to Section 76, of the LGC of 1991, “every local government unit shall design and implement its own organizational structure and staffing pattern taking into consideration its service requirements and financial capability, subject to the minimum standards and guidelines prescribed by the Civil Service Commission.”

There are nine (9) mandatory appointive municipal officials and seven (7) optional positions. The mandatory positions are: a secretary to the Sanguniang Bayan, a treasurer, an assessor, a budget officer, a planning development coordinator, an accountant, an engineer, a health officer and a civil registrar. Aside from the given positions, the law also states that seven optional positions could be added such as; municipal administrator, legal officer, agriculturist, environment and natural resources officer, social welfare and development officer, architect and information officer.

Looking at the organizational structure of the municipal government of Teresa (Figure 30), it can be noted that it is consistent with the provisions of the Local Government Code. There are 15 major departments or offices in the municipal government which perform service delivery functions. There are certain offices created which are necessary and best put under the jurisdiction or care of a single office or of an existing office in the interest of efficiency and economy. These are Teresa Public Market (TPM), Municipal Slaughterhouse, Sukol Spring, Municipal Cemetery and Material Recovery Facility, all of which are engaged in government business operations.

Per RA 10121 or an Act Strengthening the Philippine Disaster Risk Reduction and Management System, Providing For the National Disaster Risk Reduction and Management Framework and Institutionalizing the National Disaster Risk Reduction and Management Plan, the Municipal Disaster Risk Reduction Management Office was created with designated Officer-In-Charge and staff.



**Figure 30. Present Organizational Chart of the Municipal Government of Teresa**

### 1.1 Staffing Pattern

There are 153 approved plantilla positions in the municipal government but only 111 positions were filled-up (Table 100). Although casual and job order employees were hired to strengthen service delivery, some offices are still in need of quality personnel to perform specific tasks and functions. There are 66 casual employees and 157 job order employees. In the case of the Office of the Municipal Treasurer, only nine (9) positions were occupied out of eighteen (18) approved plantilla positions. Only the MSWDO has completely filled-up plantilla positions.

**Table 100. Approved and Filled-up Positions of Local Government of Teresa, 2013**

Office	Approved Positions	FILLED UP		Vacant	No. of Casual Employees	No. of Job Order Employees
		No.	%			
Mayor	36	33	92%	3	33	2



Sangguniang Bayan	20	16	85%	4		2
MPDC	7	4	57%	3		1
LCR	5	3	60%	2		3
Budget	5	4	80%	1		1
Accounting	7	6	85%	1		
Treasury	18	9	50%	9		1
Assessor	8	5	62%	3		1
Engineering	6	4	66%	2		4
Health	14	12	85%	2	4	3
Agriculture	13	5	38%	8		
MSWDO	6	6	100%	0		5
Slaughterhouse	3	0	0	3	1	2
Teresa Public Market	5	4	80%	1	14	7
Sukol Spring	-			-		
Municipal Cemetery	-			-	7	2
MRF	-				4	26
TLRC/ ECO PARK	-				3	3
Motorpool	-					7
Garbage Collection	-					8
Traffic Aide	-					8
Street Sweepers	-					5
Security	-					25
COMELEC	-					1
School Personnel	-					17
BPLO	-					4
Supply	-					2
NGA Offices	-					5
Teresa Post Office	-					3
MENRO	-					1
Driver	-					2
General Services	-					6
TOTAL	153	111		42	66	157

Source: Human Resource Mgt Office

## 2. Local Finance

The Local Revenue Code is an important instrument that would enable the generation of income for the local government and thus increase its fiscal self-reliance. The Revenue Code of the municipality was last updated in 2005.



## 2.1 Sources of Income

The local government has two major sources of funds, internally generated (local) and external (shares from national revenues and foreign/ local grants). Local source, are tax revenues and non-tax revenues. Tax revenues consists of property taxes, business taxes and other local taxes while non- tax revenues are receipts from economic enterprise, fess, user charges and other receipts. External sources on the other hand are statutory allotment or shares from national governments, grants, aids and loans. Taxes on goods and services cover business taxes and licenses, franchise tax, fines and penalties while receipts from government services are derived fees collected for issuing permits and providing government services. Income from business operations are those gathered from the operations of Material Recovery Facility, Public Market and Slaughterhouse.

Based on the records on the revenues generated from year 2009-2013, the Municipality of Teresa has attained certain degree of self-reliance (Table 101). On the average, 45% of the total revenue was generated from local sources (Table 102). The three major sources were Real Property Tax with 20.22%, Taxes on Goods and Services with 14.44%, and receipts from the government services with 4.07%. Other income (misc) has the lowest with 3.19%. The Internal Revenue Allotment (IRA) remains to be the biggest source of funds for the local government with 55% of the total revenues.

**Table 101. Distribution of Revenues by Source, 2009-2013**

Source	2009	2010	2011	2012	2013
Real Prop. Tax	14,382,196.32	15,212,603.56	20,845,436.90	34,176,818.51	21,817,896.95
Taxes on Goods & Services	11,653,880.37	15,599,833.72	15,082,988.47	14,251,280.00	16,969,568.50
Income from Gov't Service	5,072,864.90	3,608,788.90	3,834,845.49	3,676,440.00	4,137,867.40
Income from Bus. Operation	3,262,391.79	3,056,266.79	3,248,232.39	3,591,911.00	3,385,553.30
Grants					
IRA	49,829,444.00	52,873,366.91	57,213,244.00	55,566,274.00	63,235,704.00
Other Income (Misc.)	1,337,861.24	1,178,252.54	1,353,325.00	13,295,992.00	1,196,836.30
Total Revenue	85,548,638.56	91,529,112.42	101,578,072.25	124,558,715.51	110,743,426.45

Source: MTO

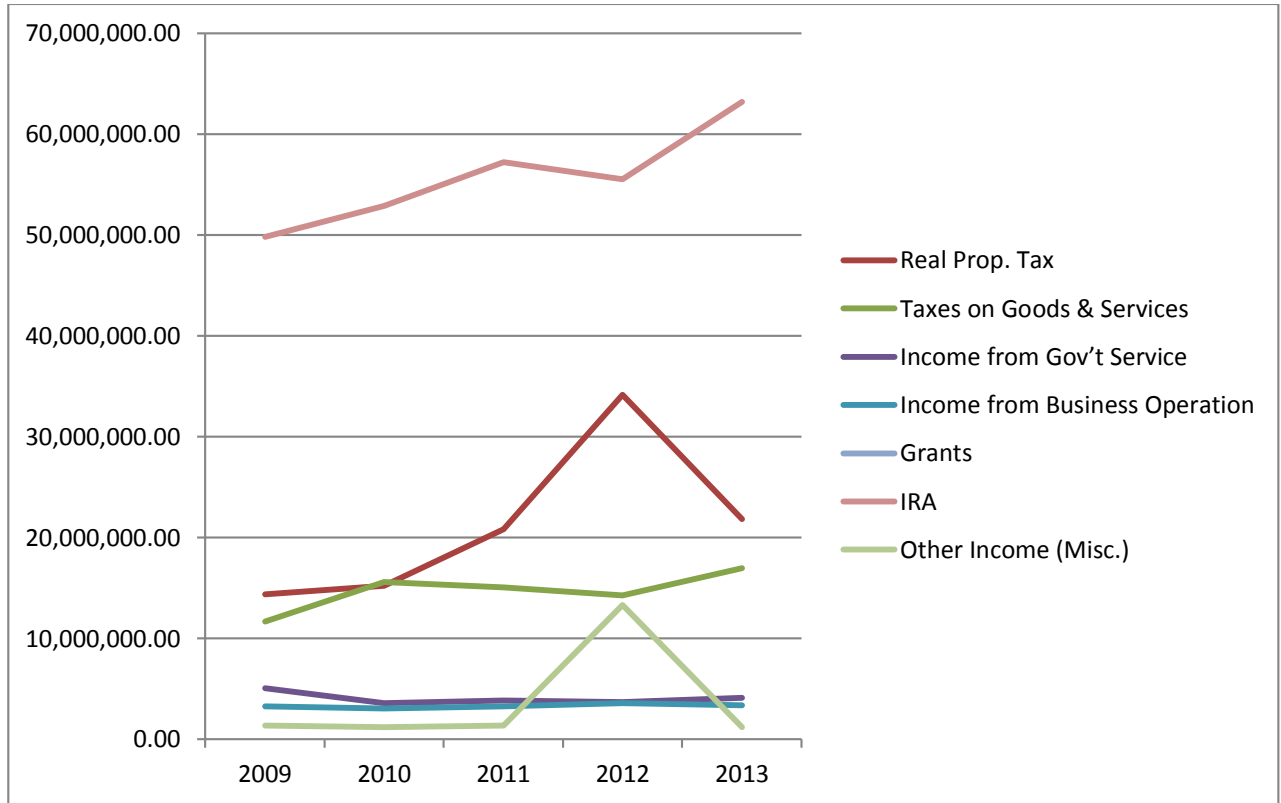
**Table 102. Share of Revenue Item to Total Revenues (in percent), 2009-2013**

Source	2009	2010	2011	2012	2013	Average
Real Prop. Tax	16.81	16.62	20.52	27.44	19.70	20.22
Taxes on Goods & Services	13.62	17.04	14.85	11.44	15.32	14.46
Income from Gov't Service	5.93	3.94	3.78	2.95	3.74	4.07
Income from Bus. Operation	3.81	3.34	3.20	2.88	3.06	3.36
Grants						



IRA	58.25	57.77	56.32	44.61	57.10	54.81
Other Income (Misc)	1.56	1.29	1.33	10.67	1.08	3.19
Total Revenue	100	100	100	100		100

Source: MPDO



**Figure 31. Trend Revenue by Source, 2009-2013**

Despite the municipality's capability to operate local funds, there is a cause of concern in the certain degree of instability in the growth rate exhibited by the various sources of income (Table 103). On the average, income from government service posted a negative growth rate. Other income has the greatest average growth rate posted with 198.6%.

**Table 103. Growth Rate By Revenue Item (In Percent), 2009-2013**

Source	2010	2011	2012	2013	Average
Real Prop. Tax	5.77	37.03	63.95	-36.16	17.65
Taxes on Goods & Services	33.86	-3.31	-5.51	19.07	11.03
Income from Gov't Service	-28.86	6.26	-4.13	12.55	-3.54
Income from Bus. Operation	-6.32	6.28	10.58	-5.75	1.20
Grants					
IRA	6.11	8.21	-2.88	13.80	6.31
Other Income (Misc)	-11.93	14.86	882.47	-91.00	198.60

Source: MPDO



## 2.2 Expenditures

In terms of expenditures, the local government spent most of its resources in running the bureaucracy. Personal Services topped local government spending followed by Maintenance and Other Operating Expenses (MOOE) (Table 104).

From 2009 to 2013, Personal Services accumulated for the biggest share with an average of approximately 47% (Table 105 and Figure 32). It was followed by MOOE with 41%, non-office expenditure with 6.49%, equipment outlay with 4.52% and loan amortization, 1.39%.

**Table 104. Expenditure By Object, 2009-2013**

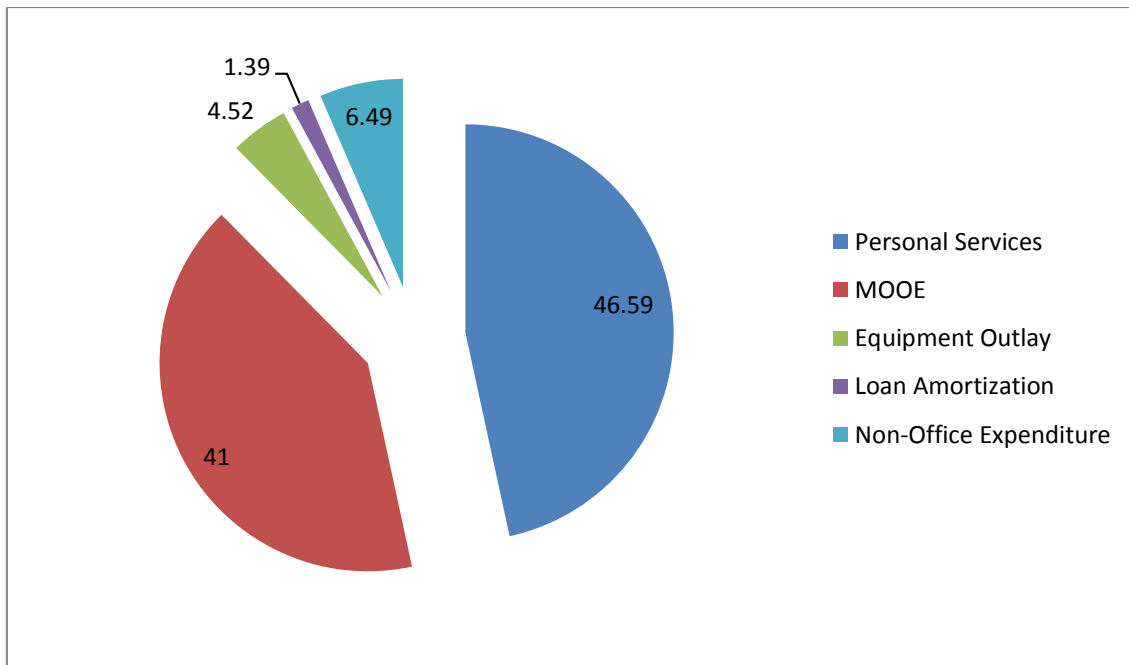
Item	2009	2010	2011	2012	2013
Personal Services	36,672,161.41	38,701,235.59	44,823,873.14	49,373,988.64	56,653,647.12
MOOE	36,019,857.13	43,292,644.46	42,194,388.53	36,068,394.91	37,297,802.78
Equipment Outlay	2,761,045.02	1,366,996.03	2,734,755.04	9,255,541.11	6,836,443.60
Loan Amortization	1,157,280.48	1,594,029.90	1,293,048.44	1,282,546.35	1,282,546.30
Non-Office Expenditure	3,151,172.48	3,505,803.50	4,650,661.01	10,355,726.05	11,290,825.75
Total Expenditure	79,761,516.52	88,460,709.48	95,696,726.16	106,336,197.06	113,361,265.55

Source: Municipal Budget Office (MBO)

**Table 105. Average Percentage Share of Expenditure Item, 2009-2013**

Item	2009	2010	2011	2012	2013	Average
Personal Services	45.98	43.75	46.84	46.43	49.98	46.59
MOOE	45.16	48.94	44.09	33.92	32.90	41.00
Equipment Outlay	3.46	1.55	2.86	8.70	6.03	4.52
Loan Amortization	1.45	1.80	1.35	1.21	1.13	1.39
Non-Office Expenditure	3.95	3.96	4.86	9.74	9.96	6.49
Total Expenditure	100	100	100	100	100	100

Source:MPDO



**Figure 32. Average Percentage Share of Expenditure Per Item**

## **Development Needs, Key Issues and Concerns**

### **1. Organization**

The ability of the local government unit to perform its mandated tasks and function efficiently and effectively depends to a great extent to its organizational capacity.

Currently only 73% of the total plantilla positions of the local government of Teresa are occupied. The understaffed offices are those concerned with revenue generation, agricultural and planning departments.

The Municipal Treasurer's Office, whose functions are to provide an efficient system of tax collections for all kinds of taxes and ensure a consistent policy of tax assessment and collections and to install an effective internal control for disbursement and depository account of the local government, has limited manpower. Aside from a Municipal Treasurer, a mandatory position according to the Local Government Code, only nine (9) positions are occupied of the eighteen (18) approved positions needed by the department.

The Office of the Municipal Agriculturist's manpower is also a major concern. Of the thirteen (13) positions available, only five (5) personnel are formulating farm development plan, which includes crops, livestock and poultry, fishery, rural institution and cooperative. They need personnel to ensure maximum assistance and have access to resources in production, processing and marketing of agricultural and aqua cultural product and extend it to farmers, RIC, youth and local entrepreneurs.

Likewise, the Municipal Planning & Development Office needs more staff in view of its numerous tasks and activities.



Another concern is that the ability of some employees is not congruent with the skills requirements of the position they are occupying.

Another issue and concern needs to be addressed is how to professionalize the entire organization of the municipal government. All should be guided with proper discipline on how to become competent, effective, efficient, productive and responsible employee under the observance of rules and regulation of the Civil Service Commission.

Also a significant issue is the improvement of the Performance Management System. Performance management includes activities which ensure that goals are consistently being met in an effective and efficient manner. It focuses on the performance of an organization, a department, employee, or even the processes to build a product or service, as well as many other areas. It is also known as a process by which organizations align their resources, systems and employees to strategic objectives and priorities. The need to establish an effective system that accurately evaluates the performance of its workers for the purpose of determining tenure, transfers or promotions, and appropriate incentives is of absolute urgency. The Strategic Performance Management System (SPMS) should be immediately implemented.

Another important matter to consider is the establishment and administration of Provident Funds. It is a saving scheme consisting of contribution from both employees and the employer (in monetary form from member-employees; in monetary and/or non-monetary form/s from employers) which serves as a loan facility and provider of supplementary welfare benefits to its members. Medical assistance program for employees should be the main principle of the Provident funds.

Implementation of Anti-Red Tape Act (ARTA) should be strictly observed to prevent graft and corruption and be able to sustain good governance and service delivery to the best satisfaction of all tax payers of Teresa. It promotes transparency in all government agencies with regard to the manner of transacting with the public, which shall encompass a program for the adoption of simplified procedures that will reduce red tape and expedite transactions in government.

The administrative and management procedures of the municipality as a whole can still be improved and the professionalization of its bureaucracy has to be continuously addressed. Training intervention and capability building program such as sectoral training courses offered by various public agencies will increase the efficiency and improve the service performance of the municipal government personnel.

New offices should also be created and existing ones strengthened through additional functions and staff.

## **2. Local Finance**

Despite the ability of the local government to be less dependent on the Internal Revenue Allotment (IRA), its income source is basically locally generated.





Though revenues of all sources improve yearly, particularly the Real Property Tax, there are certain opportunities for further improvement if some issues and concerns would be given much attention appropriately.

One of the concerns is the outdated Local Revenue Code of the municipality. Currently the local government is using the Revised Local Revenue Code of 2005. An updated Revenue Code will increase the municipality's revenue on local taxes, fees and other charges prescribed under the law. Every five (5) years is the ideal schedule in revising the Revenue Code. Intensified tax campaign should also be given consideration.

Another issue needs a wider attention is the absence of Real Property Tax maps and business tax maps. Tax map is a document showing the location, dimensions and other information pertaining to a parcel of land subject to property taxes. It is usually kept as a public record at a local tax office. The existence of an integrated and systematic tax map will increase the LGU's tax collection more efficiency and effectively. The preparation of tax maps is now being addressed by the Municipal Assessor but there is a need to fast track this activity.

Complete computerization of the Tax Revenue System is another vital concern need to be established by the local government. System computerization could implement an integrated tax system that is information driven and consistent with impartial tax compliance enforcement capabilities that would eventually strengthen revenue generation and improve operational efficiency. Several LGU's are already using this innovation and has positive impact on their tax collection drive.

In terms of expenditures, only a small percentage is allotted for investment projects. Personal Services and MOOE eat up almost 88% of the total budget. There is a need for streamlining the bureaucracy so that other investment priority priorities can be funded and implemented.