

MALACAÑAN PALACE

MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER No. 48

DELIMITING THE RESPECTIVE RESPONSIBILITIES OF THE SECRETARY OF THE INTERIOR, THE SECRETARY OF FINANCE, AND OTHER DEPARTMENT HEADS IN THE SUPERVISION AND CONTROL OF THE PERSONNEL AND FINANCES OF THE PROVINCIAL, CITY, AND MUNICIPAL GOVERNMENTS.

1. The Department of the Interior is the agency of the National Government for the supervision and control of the provincial, city, and municipal governments in their administrative functions.

2. The Department of Finance is the agency of the National Government for the supervision and control of the financial affairs of the provincial, city, and municipal governments.

3. In conformity with the foregoing, the budgets of the provincial governments shall be submitted to the Department of Finance, through the Department of the Interior, such budgets to contain clear and specific statements both of the estimated income and the proposed expenditures for the corresponding fiscal year. In thus submitting the budget, the Provincial Board should enclose a written opinion of the provincial treasurer as prescribed in section two thousand one hundred seven of the Administrative Code, together with a statement of the District Engineer containing his comments on the proposed expenditures for his office as well as for public works, and also similar written statements of the Division Superintendent of Schools, the District Health Officer, the Provincial Auditor, the Provincial Fiscal, and the Provincial Agricultural Supervisor regarding the different kinds of proposed expenditures for the activities respectively under them. The budget with all the accompanying statements shall be sent to the Department of the Interior, which should make its comments on the proposed expenditures. The Secretary of the Interior shall then send the budget with his comments together with the corresponding opinion and statements of the chiefs of local offices to the Department of Finance. The Department of Finance, before

taking any definite action on the budget, shall be guided by the comments and recommendations of the Secretary of the Interior and shall secure the views and recommendations of other Department Heads concerned regarding the parts of the same affecting the activities of their respective departments.

The same procedure shall be observed in the case of supplemental budgets.

4. It shall be the duty of the Department of Finance to see to it that the proposed expenditures do not exceed the estimated income but rather leave a reasonable amount of surplus. Except in the case of the employees in the office of the Provincial Treasurer, the Department of Finance, in revising a provincial budget, shall give weight to the views and recommendations of the Secretary of the Interior and other Heads of Departments concerned, and except for the purpose of standardizing salaries, making an equitable distribution of funds for salary expenses among the different provincial offices, and insuring the financial solvency and stability of the province, the recommendations of the Secretary of the Interior and other Department Heads concerned on the plantillas of personnel for the offices under their administrative supervision should be followed.

5. The budgets of the seven specially organized provinces of Agusan, Bukidnon, Cotabato, Davao, Lanao, Sulu, and Zamboanga, and the respective municipal districts therein still operating directly under the provincial boards, shall be submitted to the Commissioner for Mindanao and Sulu for action under the provisions of special laws (Chapters sixty-two, sixty-three, and sixty-four of the Revised Administrative Code) governing them. Copies of such budgets, acted upon by the Commissioner for Mindanao and Sulu, shall be submitted to the Department of Finance, through the Department of the Interior, for such revision as may be necessary, in the same manner as prescribed in paragraph four hereof.

6. In view of the necessity of expediting action on provincial budgets, all the National and provincial officials concerned are hereby required to act speedily on matters relative thereto that correspond to them.

7. With regard to other matters affecting the finances of city and municipal governments that may be brought up for action of the Department of Finance, the same procedure as above prescribed for the supervision and control of the personnel and finances of provincial governments shall be followed.

8. The Department of the Interior shall continue to act, in accordance with the provisions of Act Numbered Forty-one hundred and eighty-three, on retirements of provincial, city, and municipal officials. Matters regarding the granting of transportation allowances as provided in Executive Order Numbered One hundred and twelve, rates of per diems including those of members of municipal councils for attending sessions of the latter, compensation of members of the provincial board designated to perform ministerial duties, and other matters involving the expenditure of funds, which are not considered primarily financial in nature, shall be decided by the Head of Department having administrative control over the employee or activity concerned, but the amount of the expenditure to be incurred in each case shall not exceed that which is previously authorized in the provincial, city, or municipal budgets, as the case may be.

9. In revising the budgets of local governments and in passing over the expenditures made by such entities, the Department Head concerned shall be guided by the principle that provided that the expenses contemplated are within their financial capacity, the local governments should be given a large degree of freedom in determining for themselves the propriety and wisdom of the expenses that they make.

10. In case there should be an irreconcilable difference of opinion between the Secretary of Finance and the Secretary of the Interior, or any other Department Head, the matter shall be submitted to the President for final determination.

Done at the City of Manila, this fourth day of October, in the year of Our Lord, nineteen hundred and thirty-seven, and of the Commonwealth of the Philippines, the second.

MANUEL L. QUEZON  
*President of the Philippines*