



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management

Malacañang, Manila

LEGAL OPINION NO. L-B/M-2002-02

SUBJECT : Local Government Budgeting –Miscellaneous Items - Office of the Senior Citizens Affairs

ISSUES : (1) Nature of the Office of the Senior Citizens Affairs (OSCA). Whether it is a private organization or a public office established under the Office of the Municipal Mayor.

(2) Whether or not the grant of financial assistance by the Local Government Unit as contribution to the mortuary fund of the OSCA is within the contemplation of "public purpose". Whether or not the disbursement under this purpose is allowed.

(3) Whether the expenditures charged from the appropriated amount for the OSCA are strictly limited to the said Office or do they extend to the monetary assistance granted to the senior citizens, who by express mandate, are the beneficiaries of R.A. No. 7432.

FACTS : In the FY 2001 Annual Budget of Ilagan, Isabela, a financial assistance to the OSCA in the total amount of One Hundred Thousand Pesos (P100,000.00) was appropriated under the Other Services account of the Office of the Municipal Mayor. Out of the said amount, Fifty Thousand Pesos (P50,000.00) had been approved for release per SB Resolution No. 45 dated 23 July 2001.

In letter dated 15 August 2001 of Ms. Charito Rosario O. Aggabao, State Auditor II, Team Leader-COA Local Audit Group, it was opined that the grant of financial assistance to the OSCA is not within the ambit of public purpose because the OSCA is a private organization. This premise is anchored on Section 305(b) of Republic Act (RA) No. 7160, Local Government Code of 1991, which provides that local government funds and monies shall be spent solely for public purposes.

On the other hand, DRM RC II posits that the Municipal Government of

On the other hand, DBM RO II posits that the Municipal Government of Ilagan is empowered, consistent with local autonomy and in furtherance of the general welfare of the inhabitants of the Municipality, to appropriate funds for the operation and maintenance of the OSCA.

Third Issue. Section 11 of R.A. No. 7432 is relevant, to wit:

"SEC. 11. **Appropriation.** The necessary appropriation for the operation and maintenance of the OSCA shall be appropriated and approved by the local government units concerned. x x x." (underscoring supplied)

This should be read with Sections 7 and 8 of the same Act which contemplate the functions of the OSCA and the responsibility of the Municipality to carry out the provisions of the Act.

As elucidated in Issue No. 2 above, the subject appropriation may extend to programs beneficial to the senior citizen, their families and the rest of the community that they serve which is consistent with Section 447(a)(5)(xvii) of R.A. No. 7160 which authorizes such appropriations. Said Section provides in part:

"Sec. 447. **Powers, Duties, Functions and Compensation.** x x x.

"(5) Approve ordinances which shall ensure the efficient and effective delivery of the basic services and facilities as provided for under Section 17 of this Code, and in addition to said services and facilities, shall:

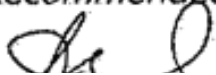
x x x

x x x

"(xvii) Establish a municipal council for the elderly which shall formulate policies and adopt measures mutually beneficial to the elderly and to the community; provide incentives for the non-government agencies and entities and, subject to the availability of funds, appropriate funds to support programs and projects for the benefit of the elderly; x x x" (underscoring supplied)

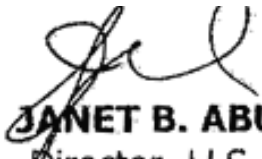
REFERENCE : Memorandum of the Secretary dated 18 January 2002 to DBM RO-II

Recommended:

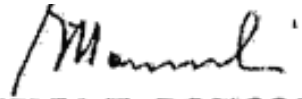


Approved:





JANET B. ABUEL
Director, LLS



EMILIA T. BONCODIN
Secretary