



COMPLIANCE OF IROSIN BARANGAY LOCAL GOVERNMENT UNITS IN BUDGETING STANDARDS

RESEARCHERS

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ABSTRACT

This study aims to determine the degree of compliance of selected barangays in the municipality of Irosin to the budgeting standards set by the government. It also intended to determine the spending variance of the barangays on the use of government funds for the past three years for the budget years 2014, 2015 and 2016.

The researchers used a combination of qualitative and quantitative method in collecting and analyzing the data, The research sampling method used in this study was purposive sampling. The respondents of the study were 40 barangay officials, two from each of the 20 barangays of the municipality of Irosin, the Punong Barangay and the Barangay Treasurer.

Survey was conducted and the checklist questionnaire was the primary instrument utilized in gathering data made by the researchers with references to the IRR of the Local Government Code of 1991 and the issuances by the DBM. The collected data were then organized, analyzed and interpreted. In assessing the degree of compliance of the barangays in the government standards in relation to financial budgeting, the weighted mean was used. To determine the spending variance of the selected barangays, the difference between the actual and the budget expenditures for the past three years were computed. After determining the spending variances, the results were evaluated to determine the reasons of the results and ascertaining its implications.

Based on the data collected, the researchers came up with the following findings; the average weighted means were 4.31, 4.26, 4.21, 4.45, and 4.43 on the level of awareness on budget execution, and budget accountability, respectively, which were all interpreted as much aware.

The average weighted means were 4.37, 4.40, 4.09, and 4.36 on the level of compliance on budget preparation, budget authorization, budget review, and budget accountability which were all interpreted as often conforming while the weighted mean was 4.50 on the level of compliance on budget execution which was interpreted as always conforming.

The results from the correlational analysis indicate that the level of awareness and the degree of compliance of the barangay officials in the budgeting process has a small or weak but statistically significant positive relationship, $r = +.325$, $p < 0.05$.



The spending variances for all the barangays showed a negative amount which indicates favorable spending variances for the year 2014. For the year 2015, the spending variances for all the barangays show a negative amount which indicates favorable spending variances except for the spending variance for Brgy. Domingo with 11.21% which is unfavorable variance. Lastly, for the year 2016, the spending variances for all the barangays also showed a negative amount which indicate favorable spending variances.

The researchers were able to conclude that the respondents were much aware on the budgeting process in terms of budget preparation, budget authorization, budget review, budget execution, and budget accountability. In addition the respondents were often complying on the budgeting process in terms of budget preparation, budget authorization, budget review, and budget accountability whereas in terms of budget execution, the respondents were always conforming. Also the level of awareness and the degree of compliance of the barangay officials in the budgeting process has a small or weak but statistically significant positive relationships. Lately most of the barangays spent the barangay funds for an amount less than the budget expenditures as indicated in their appropriation ordinances.

The preceding conclusions lead to the foundation of the following recommendation: The awareness among the officials should further receive focus since based on the conclusion, the level of awareness has an impact on the degree of compliance because in the government, it is expected that full compliance with the government standards and procedures must be observed.

The barangays should take action to reduce or minimize the variance between the budgeted and actual expenditures whether it be positive or negative to reduce the effect

Keywords: Barangay budgeting, compliance, spending variance, financial management, government standards, Irosin municipality, budget execution, budget accountability, Local Government Code, descriptive research

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