

# Budgeting Process in a Barangay Unit: An Analysis

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**Received:** June 19, 2019; **Accepted:** June 26, 2019; **Published:** June 30, 2019

**Abstract:** A well-prepared barangay budget serves as basis for the operation of barangays. thus, the entire local government unit along with the barangay is needed to be evaluated and assessed in terms of its fiscal management. In light of these, the researcher determined the needed data and information that play a vital role to the barangay units. It focused on the budgeting process of barangay units in one of the municipalities in the Philippines. This research tried to determine the process for the preparation of the barangay budget and identify the challenges encountered by barangay officials. The study used the descriptive analysis method to 150 barangay officials from 15 barangay units in the selected municipality. Self-constructed questionnaire was employed for obtaining the data. To determine the numerical aspects of the study, the researcher used statistical tools: frequency and percentage to determine the demographic profile of the respondents; and weighted mean and composite mean to analyze the budgeting process and the challenges.

Findings revealed that majority of the officials and staff of selected barangay units belonged to middle adulthood, male, have finished college level, composed of barangay chairman, barangay councilors, barangay secretary and barangay treasurer, less than a year in service and have blue-collar jobs. The budgeting process with respect to budget preparation, budget authorization, budget execution, and budget accountability are highly performed. The challenges encountered in the budgeting process are challenging.

**Keywords:** Budgeting, Budgeting Process, Budget Preparation, Budget Authorization, Budget Execution, Budget Accountability, Barangay unit, Challenges.

**Citation:** Mabel O. Lopez. 2019. Budgeting Process in a Barangay Unit: An Analysis. International Journal of Recent Innovations in Academic Research, 3(6): 170-183.

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## Introduction

The government plays a fundamental job towards the advancement of the quality of life of its constituents. The administration supports its people same as the people support the administration. It can really be said that the government and its people are dependent with each other. Be that as it may, the aim of the administration is to enhance the personal satisfaction of its constituents in general and this objective could not be accomplished without proper government budgeting. Government budgeting is the basic exercise of dispensing income to accomplish the monetary and social objectives of the nation. It likewise involves the administration of government consumptions so that it will make the most monetary effect while supporting a sound financial position.

According to Omopariola, (2003), government budget is the activities of planning and making choices on how to allocate public resources to pursue the chosen goals. Budgeting is particularly essential in a local government units (LGUs). In the Philippines, recognition of the role of LGUs was emphasized. The national government tried to provide effective and efficient services by continuing with its reforms in fiscal management and service delivery by local government units (LGUs). According to Asian Development Bank (2013), the transformation of the local government in the country had started a decade and a half earlier with the enactment of the Local Government Code (LGC) in 1991 which aims for local autonomy and decentralization.

Through this LGC, local government unit was empowered to conduct budget forecasting, planning, development and monitoring and exercise of financial autonomy. According to Layug *et al.*, (2009), budgeting for the national and local government is similar. It follows phases from budget preparation, budget legislation or authorization, budget review, budget execution and budget accountability. The provisions from LGC govern the practice, effectivity, and evaluation of the barangay budget, such as the financial techniques that the barangay shall study. The budgeting system on the barangay level follows a similar process as within the different stages of local government units. As reflected by the said information, a well-prepared barangay budget serves as basis for the operation of barangays. The operations specifically focus on policy adoption, program and project implementation, financial control and management information. Thus, the entire local government unit along with the barangay is needed to be evaluated and assessed in terms of its fiscal management.

In light of these information, the researcher wanted to determine the needed data and information that play a vital role to the barangay units. The study focused on the budgeting process of barangay units in one of the municipalities in the Philippines that benefits the local officials, barangay officials and most of all its residents. This research tried to determine the process for the preparation of the barangay budget because it serves as the instrument for barangay officials to effectively manage the development of the barangay. Furthermore, this study deemed to identify the challenges encountered by barangay officials.

### **Materials and Methods**

The study aimed to determine the budgeting process of barangay units in selected municipality in Batangas Province, Philippines. Thus, this study used the descriptive analysis method employing the questionnaire. It is a method that pertains to a situation that allows the researcher to analyze and make decisions. It determined and analyzed the profile of the respondents and the budgeting process and challenges of the selected barangay unit in the province of Baa

According to Ariola (2006), a descriptive analysis method is a fact finding activity that describes condition that exist at a particular time such as practices and beliefs. No hypotheses are proposed or tested. No variable relationships are examined and no recommendations for action are suggested. There is also no element of value of judgment. The respondents of the study are the 150 barangay officials from 15 barangay units in the selected municipality. No sampling design was employed in this research endeavor because the researcher chose the total population of the barangay officials. Self-constructed questionnaire was employed for obtaining the data. The questionnaire was divided into three parts. The first part included the demographic profile of the barangay officials. The second part contained statements to assess the budgeting process. The last part contained a checklist which includes the challenges encountered by the barangay officials on budgeting.

To assess the budgeting process, the respondents were asked to rate each item in the researcher-made questionnaire on a four- point rating scale: 4-Strongly Agree; 3,-Agree; 2-Disagree; 1-Strongly Disagree and to interpret the composite mean, the researcher utilized the verbal interpretation: 3.25-4.00-Highly Performed, 2.50-3.24-Performed, 1.75-2.49-Less Performed and 1.00-1.74 Not Performed. Also, to assess the challenges encountered in budgeting, the researcher used the three-point scale and its interpretation: 2.33 – 3.00- Strongly Agree; 1.67 – 2.32- Agree; 1.00 – 1.66- Disagree.

The questionnaire was presented to the experts for validation and to the English professor for grammatical checking. After the validation, the researchers administered a pre-test to another municipality in order to determine its reliability. The researcher obtained 0.86 Cronbach coefficient which indicates the acceptability of the instrument. The researcher personally visited the selected Municipal Hall of Batangas to seek approval from the municipality mayor to conduct the study. Thereafter, the researcher personally visited 15 barangays in selected municipality to ask permission from the chairman to conduct the study.

The questionnaires were personally distributed by the researcher to the respondents. The questionnaire was distributed to barangay personnel/staff after the approval. Then, they retrieved the questionnaires right after the respondents were done in answering them. The information was analyzed and evaluated. To determine the numerical aspects of the study, the researcher used statistical tools: Frequency and Percentage to determine the demographic profile of the respondents; and Weighted mean and Composite Mean to analyze the budgeting process and the challenges.

## Results and Discussion

This section presents the results of the budgeting process and the challenges they have encountered. The data are presented in a tabular form, analyzed in a sequential manner, and interpreted prudently.

### Profile of the Respondents

The succeeding tables present the profile of the respondents which includes age, sex, educational attainment, position in the barangay, number of years in service, and occupation of the barangay officials and staff.

#### Age

Figure 1 shows the profile of the respondents in terms of age which was analyzed and interpreted through the use of frequency and percentage.

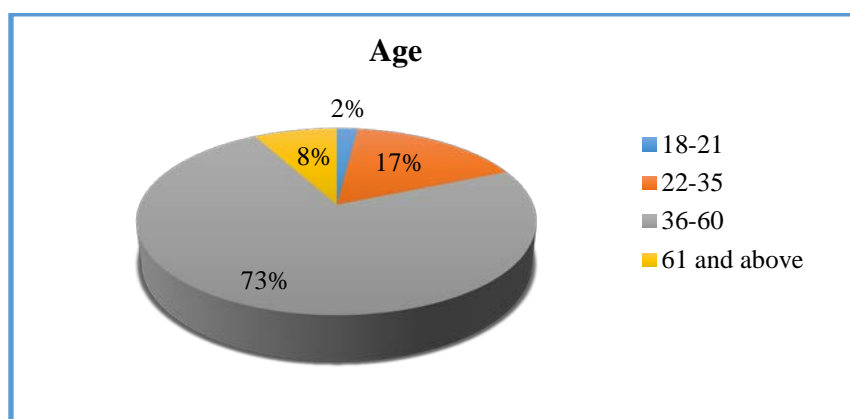
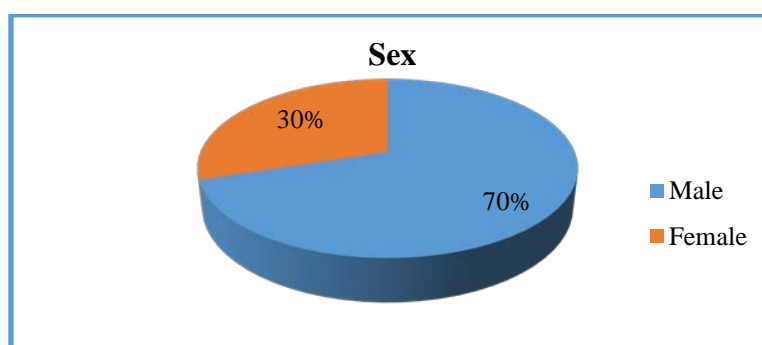


Figure 1. Profile of the Respondents in terms of Age

As gleaned in the figure above, majority of the barangay officials belonged to middle adulthood which ranges from 36 years old to 60 years old. It had a frequency of 110 or a percentage of 73. It was followed by those from early adulthood which ranges from 22 years old to 35 years old and had a frequency of 25 or a percentage of 17. Then, it was followed by those from late adulthood which ranges from 61 years old and above. It obtained a frequency of 12 or a percentage of 8. Lastly, 3 or 2 percent belonged to early adolescence which ranges from 18 years old to 21 years old. This implies that people elected barangay officials who are much older and they believed that adulthood age reflects leadership maturity, self-knowledge and they are more experienced in managing people than the younger one. It is in relation to the statement of (Scheibe & Zacher, 2013) wherein they stated that as people become matured, they are increasingly motivated to experience positive feelings which lead them to be a great leader

### Sex

The profile of the barangay officials in terms of sex was analyzed and interpreted using frequency and percentage. Figure 2 presents the frequency distribution of the respondents with regards to their respective sex.

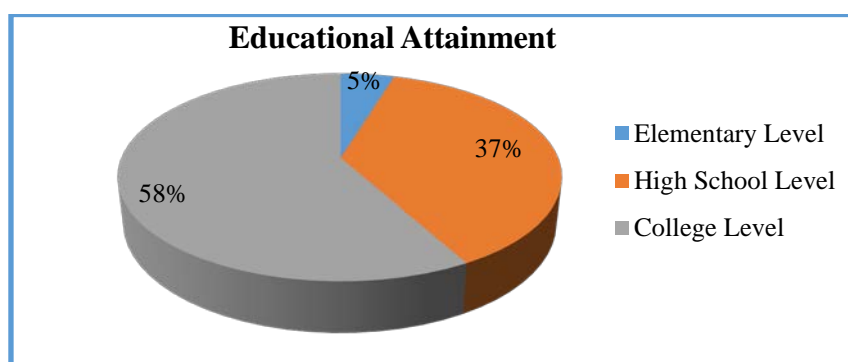


**Figure 2. Profile of the Respondents in terms of Sex**

The figure revealed that the male group obtained the highest frequency of 105 or a percentage of 70 than the female group which only got a frequency of 45 or a percentage of 30. The results implied that more males are entering into a barangay position than female since according to Kaufman (2016), male has greater access to power which they gain through physical prowess, intimidation, and domination.

### Educational Attainment

This portion presents the frequency of distribution of the respondents in terms of educational attainment that was analyzed and interpreted using frequency and percentage.



**Figure 3. Profile of the Respondents in terms of Educational Attainment**

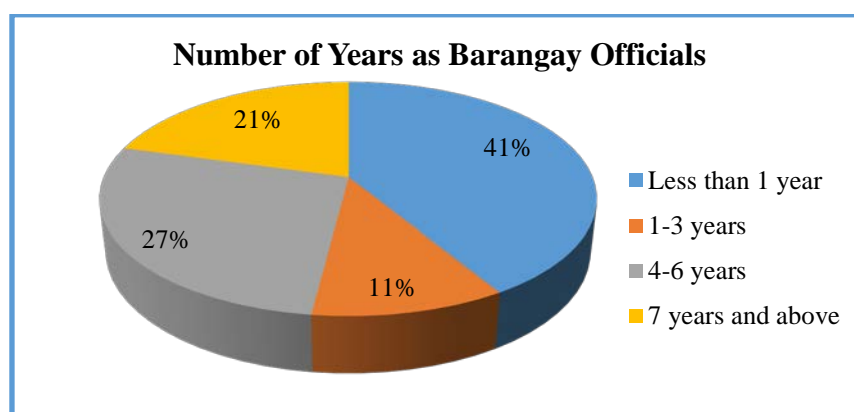
Figure 3 indicates that the highest frequency of 87 or a percentage of 58 was obtained by those respondents who finished college level while those who finished high school level had a frequency of 56 or a percentage of 37.

However, 7 of the respondents only answered that they attained elementary level. This implies that education is clearly important for a public servant. To serve better, they are expected to have a good analytical and critical thinking skills, of course knowledge about government and law is a must

The result is supported by the idea of Barrows *et al.*, (2009) that education is clearly important that's why it become essential in most walks in life. Also, Apollo (2003) stated that it has been the experience in barangay work that the more educated the officials and staffs are, the easier it is to explain their responsibilities and obligations.

### Number of Years in Service

The profile of the respondents in terms of number of years in service was analyzed and interpreted using frequency and percentage.



**Figure 4. Profile of the Respondents in terms of Number in Years as Barangay Officials**

Figure above shows that most of the respondents were newly elected and served their barangay for less than 1 year. It obtained a frequency of 62 or a percentage of 41. Then, it was followed by 4-6 years with the frequency of 41 and had a percentage of 27. Seven years and above had a frequency of 31 and a percentage of 21.

Respondents who rendered their service for 1- 3 years have the lowest frequency of 16 or a percentage of 11. It can be inferred that most officials and staff are in service for less than a year. Many of the candidates were new in political field and still exploring for their leadership capabilities.

## 2. Assessment on the Budgeting Process of Barangay Units

The succeeding tables present the assessment of the barangay officials on the budgeting process of barangay units with respect to budget preparation, budget authorization, budget execution and budget accountability.

### Budget Preparation

Table 1 presents the assessment of the barangay officials on the budgeting process with respect to budget preparation.

**Table 1. Assessment on the Budgeting Process of Barangay Units with Respect to Budget Preparation**

Items	Weighted Mean	Interpretation
1. The Sangguniang Barangay prepares the budget.	3.63	Strongly Agree
2. The Barangay Treasurer assists in the preparation of the barangay budget.	3.43	Strongly Agree
3. The Barangay Treasurer estimates the income to be used as a source of fund in the proposed project.	3.45	Strongly Agree
4. The Sangguniang Barangay provides available resources needed to finance the programs, activities and projects	3.50	Strongly Agree
5. The Barangay Treasure submits to the Barangay Chairman on or before September 15 of each year the detailed statements of income and expenditures as a basis for the preparation of the budget for the next fiscal year.	3.53	Strongly Agree
<b>Composite Mean</b>	<b>3.51</b>	<b>Highly Performed</b>

Based on the information presented in the table, barangay officials and staff strongly agreed on the statement that the Sangguniang Barangay prepares the budget as evident to the highest weighted mean of 3.63. Also, the barangay officials strongly agreed that the barangay treasurer submits to the barangay chairman on or before September 15 of each year the detailed statements of income and expenditures as a basis for the preparation of the budget for the next fiscal year. It obtained a weighted mean of 3.53. Also, the barangay officials and staff strongly agreed on the statement the barangay treasurer assists in the preparation of the barangay budget with the lowest weighted mean of 3.43.

Overall, the barangay officials “highly performed” the activity of budget preparation with the composite mean of 3.51. This indicates that the different barangay units in the selected municipality ensures that they plan well for their budget on the next fiscal year. They set budget in accordance to the financial resources available and made allocation based on the needs of the community.

According to Arante *et al.*, (2013), the annual budget contains the expenditures program which enumerates the different expenditure items and the respective amounts intended to be spent for each. Public expenditures are prepared and implemented with due consideration to the financial resources available to government to fund its expenditures. Also findings revealed that they complied in any matter regulated by the Department of Interior and Local Government (DILG) and Department of Budget and Management (DBM).

### **Budget Authorization**

Table 2 indicates the assessment of the barangay officials on the budgeting process with respect to budget authorization



**Table 2. Assessment on the Budgeting Process of Barangay Units with Respect to Budget Authorization**

Items	Weighted Mean	Interpretation
1. The Barangay Chairman votes on the proposed budget.	3.34	Strongly Agree
2. The barangay budget is authorized by the Sangguniang Barangay.	3.62	Strongly Agree
3. The residents are informed in the proposed project	3.37	Strongly Agree
4. The Sangguniang Barangay passes the barangay budget for the proposed projects through the enactment of an appropriation ordinance.	3.61	Strongly Agree
5. The Sangguniang Barangay reduces the appropriations in the budget.	3.22	Agree
<b>Composite Mean</b>	<b>3.43</b>	<b>Highly Performed</b>

Based on the result of the study presented in the table above, barangay officials and staff strongly agreed with the statement “the barangay budget is authorized by the Sangguniang Barangay”. It received the highest weighted mean of 3.62 which indicates that Sangguniang Barangay has a vital role in authorizing barangay budget.

In addition, the statement “the Sangguniang Barangay passes the barangay budget for the proposed projects through the enactment of an appropriation ordinance” got the second highest weighted mean of 3.61 with an interpretation of “strongly agree”. It implies that every barangay unit had an appropriation ordinance in order to pass the barangay budget for the proposed project.

Lastly, the barangay officials and staff strongly agreed that the Sangguniang Barangay reduces the appropriations in the budget. This was evident to the obtained lowest weighted mean of 3.22. It implies that the Sangguniang Barangay has a power to reduce the appropriations in the budget in case that the appropriations can result to a surplus.

As shown in the table, barangay officials revealed that the budgeting process of barangay units with respect to budget authorization was highly performed with a composite mean of 3.43. It implies that the barangay officials are aware in authorizing the budget and they consider the appropriation ordinance that is very important in the budget.

In accordance with Section 319 (Legislative Authorization of the Budget) of RA 7160, the Sanggunian concerned shall enact, through an ordinance, the annual budget of the local government unit in the next fiscal year on the basis of the estimates of revenue and expenditure, by a regulation by the local chief executive.

### 2.3 Budget Execution

Table 3 indicates the assessment of the barangay officials on the budgeting process with respect to budget execution.

**Table 3. Assessment on the Budgeting Process of Barangay Units with respect to Budget Execution**

Items	Weighted Mean	Interpretation
1. The Barangay Chairman is responsible for the execution of the barangay budget.	3.40	Strongly Agree
2. The barangay funds and money are spent solely for PAPs.	3.43	Strongly Agree
3. The revenues as estimated are realized.	3.41	Strongly Agree
4. Sangguniang Barangay ensures that the approved programs, activities and projects in the barangay development plan and in the annual budget are implemented.	3.66	Strongly Agree
5. Financial transactions of the barangay follow accounting and auditing rules.	3.68	Strongly Agree
<b>Composite Mean</b>	<b>3.52</b>	<b>Highly Performed</b>

Based on the result of the study presented on the table, the statement “financial transactions of the barangay follow accounting and auditing rule”, obtained the highest weighted mean of 3.68 which indicates that aside from the transparency rule with regard to public funds, it also denotes that the barangay units are responsible enough to execute budget through accounting and auditing. Also, the statement “Sangguniang Barangay ensures that the approved programs, activities and projects in the barangay development plan and in the annual budget are implemented” obtained a weighted mean of 3.66. This clearly denotes that barangay units are greatly aware of their barangay development plans, programs, projects and budget indicated therein.

Lastly, barangay officials and staff strongly agreed with the statement “the Barangay Chairman is responsible for the execution of the barangay budget” which got the lowest weighted mean of 3.40. It implies that the Barangay Chairman must lead in executing barangay budget. Even though it got the lowest weighted mean, still the barangay units considered their barangay chairman as responsible in terms of the execution of budget. As shown in the table, barangay officials revealed that the budgeting process of barangay units with respect to budget execution was highly performed with a composite mean of 3.52. It indicates that barangay units are fully executing the barangay budgets.

Layug *et al.*, (2009) stressed out that the barangay chairman is responsible for implementation or execution of the barangay budget. The barangay officials shall ensure that the revenues as estimated are realized; the approved programs and projects in the barangay development plan and in the annual budget are implemented and the barangay funds are disbursed in accordance with the appropriation ordinance and reviewed annual budget and all financial transactions of the barangay follow accounting and auditing rules.

### **Budget Accountability**

Table 4 indicates the assessment of the barangay officials on the budgeting process with respect to budget accountability.



**Table 4. Assessment on the Budgeting Process of Barangay Units with respect to Budget Accountability**

<b>Items</b>	<b>Weighted Mean</b>	<b>Interpretation</b>
1. Sangguniang Barangay monitors the financial operation of the barangay.	3.62	Strongly Agree
2. The Sangguniang Barangay keeps records and prepares reports on the budgetary transactions	3.62	Strongly Agree
3. The Sangguniang Barangay posts and discloses information to the public.	3.69	Strongly Agree
4. Financial records and reports are prepared and validated periodically to assess whether performance is in accordance with the budget plans.	3.65	Strongly Agree
5. The Sangguniang Barangay provides information on the status of project implementation and serves as basis for the necessary corrective action for identified deviations.	3.56	Strongly Agree
<b>Composite Mean</b>	<b>3.63</b>	<b>Highly Performed</b>

The table shows that the barangay officials strongly agreed on the statement “the Sangguniang Barangay posts and discloses information to the public” which obtained the highest weighted mean of 3.69. It implies that it is very important that everything about the barangay especially the projects, activities and programs to be done or already done must be known by the public. The barangay units are required to post and disclose all information to their constituents.

Moreover, the statements “financial records and reports are prepared and validated periodically to assess whether performance is in accordance with the budget plans” got the second highest weighted mean of 3.65 with a verbal interpretation of “strongly agree”. It is important that any documents like financial records and reports of the barangay are prepared and validated in order to determine or to know that it meets the standards of the budget plans and it is in accordance to what the Department of Budget and Management imposed.

Lastly, barangay officials and staff strongly agreed on the statement “the Sangguniang Barangay provides information on the status of project implementation and serves as basis for the necessary corrective action for identified deviations” as evident to the obtained lowest weighted mean of 3.56. Because barangays need to do a careful assessment in order to avoid any deviations but they still consider it by means of providing information on the status of the project implementation. It is also the basis for the necessary corrective action. As shown in the table, barangay officials and staff revealed that the budgeting process of barangay units with respect to budget accountability was highly performed with a composite mean of 3.63. It implies that the barangay officials and staff are transparent and all information about the barangay are open to public.

The Department of Budget and Management stressed out that the records and reports of budgetary transactions must be prepared and kept to provide information on the status of project implementation and to serve as basis for the necessary corrective action for identified deviations. This shall also help to ensure that obligations are incurred within the limits of the approved appropriations, to record unpaid obligations, both current and those certified to as

accounts payable at the end of the year, to make transactions transparent and the financial status of the barangay requires a matter of public knowledge and to serve as basic input into the next budget preparation. Because of these, all barangays are required to prepare accountability reports such as Quarterly Report of Actual Income (Barangay Budget Accountability Form No. 300) and Quarterly Financial Report of Operations (BBA Form 301). Barangay officials must also report the income actually realized for the quarter, expenditures actually spent for the quarter and accomplishments for the quarter. And the financial operations of a barangay shall be monitored by the barangay officials concerned by comparing the approved appropriations against actual obligations or disbursement. Monitoring of the barangay financial operation is necessary to ensure that expenditures do not exceed the amount approved in the appropriation ordinance.

### 3. Challenges Encountered by the Respondents on the Budgeting Process

The succeeding tables present challenges encountered by the respondents with regards to the budgeting process of their respective barangay units. The data presented are based on the questionnaires that the respondents answered.

#### Budget Preparation

Table 5 presents the challenges encountered by the respondents with respect to budget preparation.

**Table 5. Challenges Encountered by the Respondents with Respect to Budget Preparation**

Items	Weighted Mean	Interpretation
1. Preparation and submission of annual barangay budget on time	2.37	Most Challenging
2. Unity within the Sangguniang Barangay when preparing the budget	2.37	Most Challenging
3. Estimation or projection of expenditures for the PAPs	2.37	Most Challenging
4. Long term planning or multi-year planning	2.20	Challenging
5. Spending of an extra budget	2.04	Challenging
<b>Composite Mean</b>	<b>2.27</b>	<b>Challenging</b>

Based on the result of the study presented in the table above, the barangay officials and staff assessed that the statements “preparation and submission of annual barangay budget on time, unity within the Sangguniang Barangay when preparing the budget, and estimation or projection of expenditures for the PAPs” got the highest weighted mean of 2.37 and with a verbal interpretation of “most challenging”. It connotes that the barangay units are experiencing difficulties in terms of budget preparation. Preparation and submission of annual budget on time is challenging since are being careful on what projects the barangay needs to prioritize. Unity within other members is also a problem especially when the budget is insufficient and all members wanted that their respective programs be budgeted. Meanwhile, preparing a budget and estimating or projecting the expenditures for the PAPs is a dilemma since a great consideration is given to what sector should be prioritized first and how much will be the needed budget for that. In general, barangay officials and staff encountered challenges with respect to budget preparation as shown by its obtained composite mean of 2.37. Therefore, the barangay cannot prepare budget without experiencing challenges.

This finding is supported by It is also supported by Megele (2012) when he said that the challenges on budget process with respect to preparation is to improve prioritization of projects, activities and programs and non-timely submission of reports for decision making.

### Budget Authorization

Table 6 presents the challenges encountered by the respondents with respect to budget authorization.

**Table 6. Challenges Encountered by the Respondents with Respect to Budget Authorization**

Items	Weighted Mean	Interpretation
1. Approval of some Sangguniang Barangay for the proposed budget	2.30	Challenging
2. Adoption and deletion on the important items in the original proposal	2.20	Challenging
3. Sangguniang Barangay has limited knowledge in authorizing the budget	2.25	Challenging
4. Adoption of incremental budgeting by all barangay	2.23	Challenging
5. Unqualified barangay staff joins in authorizing the budget	2.02	Challenging
<b>Composite Mean</b>	<b>2.20</b>	<b>Challenging</b>

Based on the result of the study presented in the table above, barangay officials and staff assessed the statement “approval of some Sangguniang Barangay for the proposed budget” as “challenging” with a weighted mean of 2.30. It implies that some Sangguniang barangays disapprove on proposed budget if they don’t conform to that proposed budget.

Also, the statement that “Sangguniang Barangay has limited knowledge in authorizing the budget” got the second highest weighted mean of 2.25 with an interpretation of “challenging”. It implies that knowledge is important, therefore, if some of sangguniang barangay officials have limited knowledge, it is difficult for them to understand what authorizing is about.

Lastly, the statement “unqualified barangay staff joins in authorizing the budget” got the lowest weighted mean of 2.02 with an interpretation of “challenging”. It implies that some other staff pretend that they know the authorizing of budget even if they are not authorized to do so.

In general, barangay officials and staff encountered challenges with respect to budget authorization as challenging with a composite mean of 3.20. It implies that the Sangguniang Barangay encountered problem that have an effect in authorizing a budget. It is important that in authorizing a budget, the person must have enough knowledge, and qualified, and authorized to do or to decide on a task.

### Budget Execution

Table 7 presents the challenges encountered by the respondents with respect to budget execution.

**Table 7. Challenges Encountered by the Respondents with Respect to Budget Execution**

Items	Weighted Mean	Interpretation
1. Shortfall in income	2.38	Most Challenging
2. The barangay underwent a “state of calamity” which may lead to unplanned expenses/revision of budget	2.23	Challenging
3. Accumulation of payment arrears	2.20	Challenging
4. Account reconciliation	2.21	Challenging
5. Ineffective information system	2.21	Challenging
<b>Composite Mean</b>	<b>2.25</b>	<b>Challenging</b>

The table reflects that barangay officials and staff assessed the statement “shortfall in income” as “most challenging” with a weighted mean of 2.38. It implies that lack in budget or insufficient budget is a great problem in executing or implementing a project. Additionally, it was followed by the statement “the barangay underwent a “state of calamity” which may lead to unplanned expenses/revision of budget” which obtained a weighted mean of 2.23 with an interpretation of “challenging”. It revealed that when barangays experiences calamity or state of calamity, their ongoing projects will be damaged; consequently, their budget will be revised and changed.

Lastly, the statement that got the lowest weighted mean of 2.20 is “accumulation of payment arrears” with an interpretation of “challenging”. It connotes that barangay has an obligation that are not yet paid so as time passes, it accumulates. As shown in the table, barangay officials and staff assessed the encountered challenges with respect to budget execution as challenging with a composite mean of 2.25. It implies that Sangguniang Barangay cannot cope in state of calamity during implementation because it is uncertain and hard to predict. It also implies that insufficient budget or income have a great effect on the ongoing projects, activities, and programs of the barangay.

### **Budget Accountability**

Table 8 presents the challenges encountered by the respondents with respect to budget accountability.

**Table 8. Challenges Encountered by the Respondents with Respect to Budget Accountability**

Items	Weighted Mean	Interpretation
1. Monitoring of financial operation of a barangay	2.20	Challenging
2. Disbursing items of appropriation which were not allow in budget review	2.22	Challenging
3. Turning over of the records to the current Sangguniang Barangay	2.25	Challenging
4. Unfinished or unaccomplished of barangay programs, activities and projects	2.51	Most Challenging
5. Proper filing of the barangay financial records and reports	2.34	Most Challenging
<b>Composite Mean</b>	<b>2.30</b>	<b>Challenging</b>

Based on the result of the study presented in the table above, barangay officials and staff assessed as “most challenging” the statement “unfinished or unaccomplished of barangay programs, activities and projects” which obtained the highest weighted mean of 2.51. It implies that the programs, activities and projects must be accomplished but if these PAPs are unaccomplished, it is challenge for them because it will lead to the grievances of their constituents.

Furthermore, the statement “proper filing of the barangay financial records and reports” got the second highest weighted mean of 2.34 with an interpretation of “most challenging”. It implies that if the barangay financial records and reports are not properly filed, there is a deviation.

Lastly, the statement “monitoring of financial operation of a barangay” got the lowest weighted mean of 2.20 with an interpretation of “challenging”. It implies that if the barangay officials and staff have their work, they can monitor day to day the operation of the barangay.

As shown in the table, barangay officials and staff revealed that the encountered challenges with respect to budget accountability was challenging with a composite mean of 2.25. It can be noted that barangay officials and staff are challenged by those unfinished projects. Also, because of the presence of part time officials, monitoring of transaction became a problem.

### Conclusions and Recommendations

Majority of the officials and staff of selected barangay units belonged to middle adulthood, male, have finished college level, composed of barangay chairman, barangay councilors, barangay secretary and barangay treasurer, less than a year in service and have blue-collar jobs. The budgeting process with respect to budget preparation, budget authorization, budget execution, and budget accountability are highly performed. The challenges encountered with respect to budget preparation, budget authorization, budget execution and budget accountability are challenging. The budgeting process of barangay units is highly performed and the challenges encountered by the barangay officials and staff are said to be challenging to them.

To better enhance the budgeting process of barangay units. First, the barangays should have a complete transparency in every action that they do, every participant is held accountable, every action should be properly documented and reported to public, and every action should be subjected to independent, professional, and unbiased audit and review. Second, the barangay officials may continuously update their knowledge on the current trends and issues on budgeting by participating on training and workshops. Barangay officials should always conform to the Department of Budget and Management (DBM) circulars and lastly, coordination and unity on decision making are needed for a better performance of task.

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