

**[ ADMINISTRATIVE ORDER NO. 42, March 03,  
1993 ]**

**CLARIFYING THE ROLE OF THE DEPARTMENT OF BUDGET AND  
MANAGEMENT IN THE COMPENSATION AND CLASSIFICATION OF  
LOCAL GOVERNMENT POSITIONS UNDER R.A. NO. 7160**

WHEREAS, Section 77 of the Local Government Code of 1991 (R.A. No. 7160) abolished the Joint Commission on Local Government Personnel Administration (JCLGPA) organized pursuant to Presidential Decree No. 1136 and transferred its personnel, records, equipment, and other assets to the appropriate office in the Civil Service Commission (CSC);

WHEREAS, the same Code does not provide for the transfer of the respective functions of the member agencies of the JCLGPA to the CSC;

WHEREAS, Section 325(b) of the Code states that: "No official or employee shall be entitled to a salary rate higher than the maximum fixed for his position or other positions of equivalent rank by applicable laws or rules and regulations issued thereunder;

WHEREAS, the only applicable law that governs the Compensation and Position Classification System of the government is R.A. No. 6758, otherwise known as the "Compensation and Position Classification Act of 1989";

WHEREAS, the Compensation and Position Classification System covers all national and local government positions, appointive or elective, on full or part-time basis, now existing or hereafter created;

WHEREAS, the Department of Budget and Management (DBM), principally through its Compensation and Position Classification Bureau, is mandated to administer the compensation and position classification system established under R.A. 6758;

WHEREAS, there is a need to clarify the role of the DBM, through its appropriate bureau, in the administration of the compensation and position classification systems in local government units;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Philippines, by virtue of the powers vested in me by law and upon the recommendation of the Oversight Committee of the Code, do hereby order:

SECTION 1. The Department of Budget and Management as the head administrator of R.A. 6758 shall, through its Compensation and Position Classification Bureau, continue to have the following responsibilities in connection with the implementation of the Local Government Code of 1991:

- a. Provide guidelines on the classification of local government positions and on the specific rates of pay therefor;