



Republic of the Philippines SUPREME COURT OF THE PHILIPPINES  
PUBLIC INFORMATION OFFICE

Supreme Court  
Manila

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EN BANC

The COMMISSION ON  
AUDIT, ATTY. ELEANOR V.  
ECHANO, FELIZARDO B.  
TOQUERO, JR., TITA B.  
EMBESTRO, SUSIE S.  
LAUREANO, JOHANSON V.  
DISUANCO, and ADELA A.  
TABUZO,

*Petitioners,*

- versus -

HON. ERWIN VIRGILIO R.  
FERRER, Acting Presiding  
Judge of the Regional Trial  
Court, Branch 33, Pili,  
Camarines Sur, and LUIS  
RAYMUND F. VILLAFUERTE,  
JR., former Governor of  
Camarines Sur,

*Respondents.*

G.R. No. 218870

Present:

PERALTA, CJ,  
PERLAS-BERNABE,  
LEONEN,  
CAGUIOA,\*  
GESMUNDO,  
HERNANDO,  
CARANDANG,  
LAZARO-JAVIER,\*\*  
INTING,  
ZALAMEDA,  
LOPEZ,  
DELOS SANTOS,\*\*\*  
GAERLAN, and  
ROSARIO, JJ.

Promulgated:

November 24, 2020

*Done with Papa-Gombert*

X-----X

### DECISION

**ZALAMEDA, J.:**

This jurisdiction acknowledges and respects the full authority given by the 1987 Constitution to the Commission on Audit (COA), as guardian of public funds, to make a determination on issues pertaining to audit of government accounts. Hence, the COA should be allowed to make a full

\* On official leave.  
\*\* On official leave.  
\*\*\* On official leave.

disposition of specialized matters within its authority to decide. Settled is the rule that before a party may seek the intervention of the court, he or she should first avail of all the means afforded him by administrative processes.

### The Case

Before this Court is a Petition for *Certiorari* and Prohibition<sup>1</sup> assailing the 18 December 2014<sup>2</sup> and 06 May 2015<sup>3</sup> Orders of Branch 33, Regional Trial Court (RTC) of Pili, Camarines Sur in Special Civil Action Nos. P-155-2014 & P-156-2014 entitled, *Luis Raymund F. Villafuerte, Jr., v. Atty. Eleanor V. Echano, et al.* The RTC denied the motion to dismiss<sup>4</sup> of the provincial auditors, petitioners Atty. Eleanor V. Echano (Echano), Felizardo B. Toquero, Jr. (Toquero), Tita B. Embestro (Embestro), Susie S. Laureano (Laureano), Johanson V. Disuanco, and Adela A. Tabuzo (collectively, petitioners) against the petitions for *certiorari* and prohibition with prayer for TRO and/or preliminary injunction<sup>5</sup> filed by private respondent Luis Raymund F. Villafuerte (private respondent).

### Antecedents

During his term as Governor of the Province of Camarines Sur, private respondent approved several disbursements for the years 2006 to 2010 for various activities and projects of the provincial government.<sup>6</sup>

Upon audit, the COA found several deficiencies, including non-compliance with Republic Act No. (RA) 9184, or the *Government Procurement Act*, and unnecessary expenditures under 29 October 2012 COA Circular No. 2012-003.<sup>7</sup> Specifically, the audit uncovered the following:

<i>ND No./Date</i>	<i>Transaction</i>	<i>Amount (Php)</i>
2012-100-024 (2009) <sup>8</sup> 12 November 2012	Engagement of the services of Lichauco Guilas and Villanueva Architectural Firm for the preparation of the Conceptual Design Development and Full architectural and	Php 1,743,000.00

<sup>1</sup> *Rollo*, pp. 3-44.

<sup>2</sup> *Id.* at 62-63.

<sup>3</sup> *Id.* at 64.

<sup>4</sup> *Id.* at 65-84.

<sup>5</sup> *Id.* at 246-258.

<sup>6</sup> *Id.* at 3-44.

<sup>7</sup> Updated Guidelines for the Prevention and Disallowance of Irregular, Unnecessary, Excessive, Extravagant and Unconscionable Expenditures.

<sup>8</sup> *Rollo*, pp. 85-86.

	Engineering Construction drawing for the proposed commercial development of Capitol Complex, Cadlan, Pili, Camarines Sur and the site engineering and full agricultural design for Hunungan, Resort, Caramoan, Camarines Sur, for the total amount of Php1,743,000.	
2012-100-25 (2009) <sup>9</sup> 12 November 2012	Engagement of the services of Post Ad Ventures, Inc. and/or Monique Lopez for the promotion of the 2009 World Wakeboarding Championship	Php 11,522,497.69
2012-100-026 (09) <sup>10</sup> 09 November 2012	Engagement of Tigon Security Investigation and General Services for security services	Php 6,312,354.78
2012-100-037 (2010) <sup>11</sup> 06 November 2012	Reimbursement/replenishment of the petty cash fund for various expenses in the Villas, Camarines Sur Water Sports Complex, and in Gota, Camarines Sur for the period of 27-28 April 2010	Php 1,085,221.41
2012-100-040 (08) <sup>12</sup> 05 December 2012	15% mobilization fee paid to Bimbo Construction and supply for the road concreting of Namurabod and Divino Rostro roads, Buhi, Camarines Sur.	Php 145,337.85
2012-100-039 (09) <sup>13</sup> 05 December 2012	Payment for the procurement of supply and materials for the construction of a Bed and Breakfast Building at Del Gallego, Camarines Sur	Php 1,754,937.79
2012-100-041 (07) <sup>14</sup> 06 December 2012	15% mobilization fee for the construction of two (2) classroom, two (2) storey building at Ponong Elementary school, Magarao, Camarines Sur	Php 217,452.95
2012-100-042 (06) <sup>15</sup> 06 December 2012	15% mobilization fee for the construction of two (2) classroom school building at Sogod Topas Elementary School, Nabua, Camarines Sur	Php 141,366.99
2012-100-043 (07) <sup>16</sup> 06 December 2012	15% mobilization fee for the construction of two (2) classroom, two (2) storey school building at Romero Elementary school at Pawili, Bula, Camarines Sur	Php 218,181.75
2012-100-044 (08) <sup>17</sup> 26 December 2012	15% mobilization fee for the construction of various infrastructure projects in Garchitorena, Camarines Sur (streetlights at Brgy. IV; Day	Php 267,708.16

<sup>9</sup> *Id.* at 87-88.

<sup>10</sup> *Id.* at 89-90.

<sup>11</sup> *Id.* at 91-92.

<sup>12</sup> *Id.* at 93-94.

<sup>13</sup> *Id.* at 95-96.

<sup>14</sup> *Id.* at 102-103.

<sup>15</sup> *Id.* at 109-110.

<sup>16</sup> *Id.* at 114-115.

<sup>17</sup> *Id.* at 121-122.

	Care Center at Harrison, Extension of Villafuerte Road at Denrica, and construction of Solar Dryer at Salvacion)	
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As a result, the COA, through Echano and Embestro, the COA Audit Team Leader (ATL) and Supervising Auditor (SA) for the Province of Camarines Sur, issued ten (10) Notices of Disallowance (NDs) on the provincial government's disbursements for the foregoing transactions. Private respondent, however, did not question the NDs before the COA. Thus, Notices of Finality of Decision (NFDs) were issued by Tuquero and Laureano, who succeeded Echano and Embestro as provincial ATL and SA, respectively.

On 15 October 2014, private respondent filed two (2) petitions for *certiorari* and prohibition, docketed as Special Civil Action Nos. P-155-2014 and P-156-2014<sup>18</sup> and raffled to Branch 33, RTC of Pili, Camarines Sur, then presided by Judge Marvel C. Clavecilla, assailing the NFDs issued by petitioners and seeking injunctive relief against the COA's orders of execution implementing the NDs.

The RTC subsequently issued a 72-hour temporary restraining order (TRO) on 20 October 2014, and set a summary hearing on 23 October 2014 for the possible extension of the TRO.<sup>19</sup> The TRO was subsequently extended on 23 October 2014 for another 17 days, or until 09 November 2014. It also set the hearing on the application for the issuance of a preliminary injunction on 07 November 2014.<sup>20</sup>

Petitioners, through the Office of the Solicitor General (OSG), opposed the prayer for a writ of injunction on the following grounds: 1) the RTC has no jurisdiction over the subject matter of the petitions; 2) the NDs have already become final and executory pursuant to Presidential Decree (PD) No. 1445, or the Government Auditing Code of the Philippines, and the 2009 Revised Rules of Procedure of the COA; 3) respondents have failed to exhaust administrative remedies, a condition precedent for the filing of the petitions; and 4) the requisites for the issuance of the writ are not present.<sup>21</sup> Nonetheless, the RTC, in a 07 November 2014 Order, issued a writ of preliminary injunction enjoining petitioners from implementing any writ of execution pursuant to the NDs.<sup>22</sup>

<sup>18</sup> *Id.* at 246-258.

<sup>19</sup> *Id.* at 13.

<sup>20</sup> *Id.*

<sup>21</sup> *Id.* at 14.

<sup>22</sup> *Id.* at 14.



On 17 November 2014, petitioners moved to dismiss<sup>23</sup> the two (2) petitions on the ground of lack of jurisdiction and failure to exhaust administrative remedies. The RTC denied the motion in its 18 December 2014 Order.<sup>24</sup> Citing Section 4, Rule XII of the 2009 Revised Rules of Procedure of the COA, it ruled that only decisions, rulings, or resolutions of the commission proper can be brought to the Supreme Court via petition for *certiorari*.<sup>25</sup> The RTC also affirmed its jurisdiction over private respondent's petitions despite the non-exhaustion of administrative remedies since they raise a purely legal question, *i.e.*, private respondent's personal liability on the NDs.<sup>26</sup>

Petitioners filed a motion for reconsideration assailing the 18 December 2014 Order<sup>27</sup> which private respondent opposed. On 13 February 2015, petitioners filed their Consolidated Comment *Ex Abundanti Ad Cautelam*.<sup>28</sup> On 06 May 2015, the RTC, through Acting Presiding Judge Virgilio P. Ferrer, denied petitioners' motion for reconsideration, and set the case for pre-trial conference.<sup>29</sup>

Petitioners are now before this Court assailing the RTC's Orders.

### Petitioners' Arguments

Petitioners raise the following grounds in support of the petition:

#### I

PUBLIC RESPONDENT COMMITTED A SERIOUS JURISDICTIONAL ERROR IN TAKING COGNIZANCE OF THE PETITIONS BEFORE THE RTC NOTWITHSTANDING ITS LACK OF JURISDICTION OVER THE SUBJECT MATTER THEREIN

#### II

PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION IN NOT DISMISSING THE PETITIONS BEFORE THE RTC DESPITE PRIVATE RESPONDENT'S FAILURE TO EXHAUST

<sup>23</sup> *Id.* at 65-82.

<sup>24</sup> *Supra* at note 2.

<sup>25</sup> *Rollo*, p. 63.

<sup>26</sup> *Id.* at 63.

<sup>27</sup> *Id.* at 15.

<sup>28</sup> *Id.* at 306-358.

<sup>29</sup> *Supra* at note 3.

ADMINISTRATIVE REMEDIES BEFORE THE COMMISSION ON  
AUDIT

Petitioners maintain that private respondent should have appealed the decisions of the provincial auditors to the COA Commission Proper, and his failure to assail the same renders the NDs final and executory.<sup>30</sup> They further assert that the RTC had no jurisdiction over private respondent's petitions for failure to exhaust administrative remedies.<sup>31</sup> Moreover, the petitions raised purely questions of law. Under the Constitution and PD No. 1445, judicial relief should be specifically sought by petition for *certiorari* with the Supreme Court, and not with the RTC, within 30 days from receipt.<sup>32</sup>

In support of their prayer to enjoin the proceedings before the RTC, petitioners argue that it will suffer grave and irreparable injury if Spec. Civil Action Nos. P-155-2014 & P-156-2014 are to continue since it would not be able to recover public funds in the amount of Php23,408,059.37. Further, they alleged that continuation of the proceedings before the RTC would embolden unscrupulous officials to evade COA's enforcement mechanisms by simply filing petitions for *certiorari* and prohibition with trial courts.<sup>33</sup>

### Private Respondent's Arguments

Private respondent argues that judicial recourse to the RTC was proper because he is not assailing the ruling of the COA Commission Proper, but merely the ruling of its provincial auditors. He alleges that a petition for *certiorari* under Rule 64 is proper only when the assailed decision, order, or resolution comes from the COA Commission Proper.<sup>34</sup> He contends that petitioners failed to establish that the RTC committed grave abuse of discretion.

Further, private respondent asseverates that adopting petitioners' argument would deprive him of legal recourse to the courts.<sup>35</sup> While he concedes that a petition for *certiorari* is not a substitute for a lost appeal, he claims that the instant case should be treated as an exception. Further, he will suffer grave and irreparable injury in case of an adverse decision as he would be made to reimburse for expenses which benefited the government.

<sup>30</sup> *Rollo*, pp. 19-26.

<sup>31</sup> *Id.* at 31-38.

<sup>32</sup> *Id.* at 34.

<sup>33</sup> *Id.* at 38-41.

<sup>34</sup> *Id.* at 548.

<sup>35</sup> *Id.* at 549.



Thus, it would be in the broader interest of justice to allow him to file the case with the RTC.<sup>36</sup>

According to private respondent, his petitions before the RTC are meritorious. The mobilization fees paid by the provincial governments to various contractors were valid.<sup>37</sup> That these contractors subsequently failed to complete the infrastructure projects should not make the provincial government officials personally liable since the payments to the contractors were made in accordance with law and on the basis of the contract.<sup>38</sup>

Lastly, private respondent claims the COA auditors acted with manifest partiality and bias, and have failed to show that he was ill-motivated in authorizing the various disbursements, or that he personally profited from the said transactions.<sup>39</sup>

### Issue

Prescinding from the issues raised by the parties, this Court is tasked to determine whether the RTC committed grave abuse of discretion when it denied petitioners' motion to dismiss the petitions for *certiorari* and prohibition filed by private respondent. The resolution of the issue, in turn, hinges on a determination of the propriety of private respondent's recourse to the RTC to assail the provincial auditor's NDs.

### Ruling of the Court

We grant the petition.

*COA has primary jurisdiction over issues involving disallowances*

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<sup>36</sup> *Id.* at 550.

<sup>37</sup> *Id.* at 551.

<sup>38</sup> *Id.* at 552.

<sup>39</sup> *Id.* at 553.



The principle of primary jurisdiction holds that if a case is such that its determination requires the expertise, specialized training and knowledge of the proper administrative bodies, relief must first be obtained in an administrative proceeding before a remedy is supplied by the courts even if the matter may well be within their proper jurisdiction.<sup>40</sup> Courts cannot or will not determine a controversy involving a question within the jurisdiction of an administrative tribunal prior to the resolution of that question by that administrative tribunal, where the question demands the exercise of sound discretion requiring its special knowledge, experience, and services to determine technical and intricate matters of fact.<sup>41</sup> The objective of the doctrine of primary jurisdiction is to guide the court in determining whether it should refrain from exercising its jurisdiction until after an administrative agency has determined some question or some aspect of some question arising in the proceeding before the court.<sup>42</sup>

The jurisdiction of courts and quasi-judicial bodies is determined by the Constitution and the law.<sup>43</sup> The matter of allowing or disallowing the requests for payment is within the primary power of COA to decide.<sup>44</sup>

Article IX of the 1987 Constitution is clear:

D. *The Commission on Audit*

SECTION 1. (1) There shall be a Commission on Audit composed of a Chairman and two Commissioners x x x.

SECTION 2. (1) The Commission on Audit shall have the power, authority, and **duty to examine, audit, and settle all accounts pertaining to the revenue and receipts of, and expenditures or uses of funds and property, owned or held in trust by, or pertaining to, the Government**, or any of its subdivisions, agencies, or instrumentalities, including government-owned or controlled corporations with original charters, and on a post-audit basis: (a) constitutional bodies, commissions and offices that have been granted fiscal autonomy under this Constitution; (b) autonomous state colleges and universities; (c) other government-owned or controlled corporations and their subsidiaries; and (d) such non-governmental entities receiving subsidy or equity, directly or indirectly, from or through the Government, which are required by law or the granting institution to submit to such audit as a condition of subsidy or equity. However, where the internal control system of the audited agencies is

<sup>40</sup> *Province of Aklan v. Jody King Construction and Development Corp.*, G.R. Nos. 197592 & 202623, 27 November 2013, 722 Phil. 315 (2013) [Per J. Villarama].

<sup>41</sup> *Republic v. Lacap*, G.R. No. 158253, 02 March 2007, 546 Phil. 87 (2007) [Per J. Austria-Martinez].

<sup>42</sup> *Province of Aklan v. Jody King Construction and Development Corp.*, *supra*.

<sup>43</sup> *Tourism Infrastructure and Enterprise Zone Authority v. Global-V Builders Co.*, G.R. No. 219708, 03 October 2018 [Per J. Peralta]

<sup>44</sup> *Id.*



inadequate, the Commission may adopt such measures, including temporary or special pre-audit, as are necessary and appropriate to correct the deficiencies. It shall keep the general accounts of the Government and, for such period as may be provided by law, preserve the vouchers and other supporting papers pertaining thereto. (Emphasis ours)

Likewise, under Commonwealth Act No. 327, as amended by Section 26 of Presidential Decree No. 1445, it is the COA which has primary jurisdiction over money claims against government agencies and instrumentalities.

Section 26. *General jurisdiction.* — The authority and powers of the Commission shall extend to and comprehend **all matters relating to auditing procedures, systems and controls, the keeping of the general accounts of the Government**, the preservation of vouchers pertaining thereto for a period of ten years, the examination and inspection of the books, records, and papers relating to those accounts; and the audit and settlement of the accounts of all persons respecting funds or property received or held by them in an accountable capacity, as well as the examination, audit, and **settlement of all debts and claims of any sort due from or owing to the Government or any of its subdivisions, agencies and instrumentalities**. The said jurisdiction extends to all government-owned or controlled corporations, including their subsidiaries, and other self-governing boards, commissions, or agencies of the Government, and as herein prescribed, including non-governmental entities subsidized by the government, those funded by donations through the government, those required to pay levies or government share, and those for which the government has put up a counterpart fund or those partly funded by the government. (Emphasis ours)

Verily, the Constitution and law bestow primary jurisdiction on the examination and audit of government accounts to the COA. As one of the three (3) independent constitutional commissions, COA has the power to define the scope of its audit and examination, and to establish the techniques and methods required therefor. It also has the power to promulgate accounting and auditing rules and regulations, including those for the prevention and disallowance of irregular, unnecessary, excessive, extravagant, or unconscionable expenditures or uses of government funds and properties.<sup>45</sup>

In *Euro-Med Laboratories, Phil., Inc. v. Province of Batangas*,<sup>46</sup> this Court ruled that when the issue involves compliance with applicable

<sup>45</sup> *Corales v. Republic*, G.R. No. 186613, 27 August 2013, 716 Phil. 432 (2013) [Per J. Perez].

<sup>46</sup> G.R. No. 148106, 17 July 2006, 527 Phil. 623 (2006) [Per J. Corona].



auditing laws and rules on procurement, such matters are not within the usual area of knowledge, experience and expertise of most judges but within the special competence of COA auditors and accountants.

In this case, private respondent is questioning the disallowances of various expenditures of the provincial government for violations of procurement and auditing rules. Thus, the COA has primary authority to review whether such disallowances were lawful and in accordance with their rules. Given COA's primary jurisdiction on the matter, case law<sup>47</sup> posits that the court in which the claim is sought to be enforced may suspend the judicial process pending referral of such issues to the administrative body for its view or, if the parties would not be unfairly disadvantaged, dismiss the case without prejudice.

*The authority to conduct a limited judicial review of acts, decisions or resolutions of the COA is only vested by law to this Court*

Private respondent committed a procedural blunder by raising COA's supposed grave abuse of discretion with the RTC. Section 7 of Article IX of the 1987 Constitution is clear:

ARTICLE IX  
Constitutional Commissions

A. Common Provisions

xxx

SECTION 7. Each Commission shall decide by a majority vote of all its Members any case or matter brought before it within sixty days from the date of its submission for decision or resolution. A case or matter is deemed submitted for decision or resolution upon the filing of the last pleading, brief, or memorandum required by the rules of the Commission or by the Commission itself. **Unless otherwise provided by this Constitution or by law, any decision, order, or ruling of each Commission may be brought to the Supreme Court on certiorari by the aggrieved party within thirty days from receipt of a copy thereof.** (Emphasis supplied)

Jurisprudence<sup>48</sup> has interpreted this Constitutional provision as a manifestation to grant the COA broad authority to decide on specialized

<sup>47</sup> *Park Developers, Inc. v. Daclan*, G.R. No. 211301, 27 November 2019. [Per J. Inting]; *Euro-Med Laboratories, Phil., Inc. v. Province of Batangas*, *id.*

matters delegated to them. Compared to the phraseology in the 1935 Constitution granting this Court full and broad review authority, the 1987 Constitution limits this Court's authority to review decisions of the Constitutional Commissions only to instances of grave abuse of discretion amounting to patent and substantial denial of due process.

Guided by such precept, this Court cannot uphold private respondent's resort to the RTC. There is nothing in law or jurisprudence that grants it the authority to directly determine questions on COA's grave abuse of discretion.

Allowing trial courts to issue writs of *certiorari* against NDs issued by provincial or district auditors concurrently with this Court would cause unnecessary delay in the audit process, thereby weakening the authority of the COA. Auditors would be preoccupied with defending their findings before the courts instead of having the time and opportunity to review, amend, or reverse their findings within the Commission. As correctly noted by the OSG, it would encourage public officials to stall or evade COA's enforcement mechanisms by filing petitions in the trial courts. It would also unduly burden Our already saturated trial court dockets.

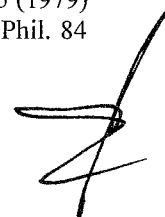
*The exceptions to the rule on primary jurisdiction do not apply in the case at bar*

To be sure, this Court, in certain instances, has recognized exceptions to the rules. However, this is done only for the most compelling reasons, where strict adherence to the rules would defeat rather than serve the ends of justice.<sup>49</sup> A liberal construction of the rules requires, at least, an explanation on why the party-litigant failed to comply with the rules and by a justification for the requested liberal construction.

In this case, the records are bereft of any explanation for private respondent's failure to question the disallowances before the COA Commission Proper. He merely insists on the availability of judicial relief with the RTC after the lapse of the reglementary period. Certainly, this Court cannot countenance private respondent's absurd interpretation of the rules

<sup>48</sup> See *Aratuc v. Commission on Elections*, G.R. Nos. L-49705-09, 08 February 1979, 177 Phil. 205 (1979) [Per J. Barredo]; *Dario v. Mison*, G.R. No. 81954, 8196, 85335, 86241, 08 August 1989, 257 Phil. 84 (1989) [Per J. Sarmiento]; *Oriondo v. COA*, G.R. No. 211293, 04 June 2019 [Per J. Leonen].

<sup>49</sup> *Id.*



without transgressing settled principles in administrative and procedural law. To allow litigants to bypass quasi-judicial bodies, and in this case, a constitutional commission, would not only be a gross disrespect to their mandate, but also unduly subject courts to further clogging of dockets.

In any event, the circumstances of the case do not qualify as one of the exceptions to the general rule on COA's primary jurisdiction over money claims against the government, *viz*: (a) where there is estoppel on the part of the party invoking the doctrine; (b) where the challenged administrative act is patently illegal, amounting to lack of jurisdiction; (c) where there is unreasonable delay or official inaction that will irretrievably prejudice the complainant; (d) where the amount involved is relatively small so as to make the rule impractical and oppressive; (e) where the question involved is purely legal and will ultimately have to be decided by the courts of justice; (f) where judicial intervention is urgent; (g) when its application may cause great and irreparable damage; (h) where the controverted acts violate due process; (i) when the issue of non-exhaustion of administrative remedies has been rendered moot; (j) when there is no other plain, speedy and adequate remedy; (k) **when strong public interest is involved**<sup>50</sup>; and, (l) in quo warranto proceedings.

Private respondent cites public welfare, advancement of public policy, and broader interests of justice to justify his recourse to the RTC. However, he miserably failed to establish how a belated judicial review of the NDS would advance the interests of public policy and/or justice.

Neither is this Court convinced of the RTC's ratiocination that the issue on private respondent's personal liability is purely a legal issue best to be determined in a full-blown trial.<sup>51</sup> In *Madera v COA*,<sup>52</sup> determination of liability to return the disallowed amounts is not purely a legal issue, but would also require determination of good faith of the parties. Good faith, or the lack of it, is a question of intention. In ascertaining intention, courts are necessarily controlled by the evidence as to the conduct and outward facts by which alone the inward motive may, with safety, be determined.<sup>53</sup>

It is true that in the past, this Court upheld the courts' jurisdiction over money claims against the government if they involve interpretation of the Constitution<sup>54</sup>, determination of contractual rights and obligations<sup>55</sup>, or if

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<sup>50</sup> Emphasis ours.

<sup>51</sup> *Rollo*, p. 63.

<sup>52</sup> G.R. No. 244128, 08 September 2020 [Per J. Caguioa].

<sup>53</sup> *Philippine National Bank v. Vila*, G.R. No. 213241, 01 August 2016, 792 Phil. 86 (2016) [Per J. Perez].

<sup>54</sup> *Parreño v. COA*, G.R. No. 162224, 07 June 2007, 551 Phil. 368 (2007) [Per J. Carpio].

<sup>55</sup> *Republic v. Lacap*, G.R. No. 158253, 02 March 2007, 546 Phil. 87 (2007) [Per J. Austria-Martinez].

there was unreasonable delay and official inaction on the part of COA.<sup>56</sup> However, private respondent's petitions did not raise the same issues and merely dwelt on the supposed impropriety of the NDs.

*The assailed NDs have become final and executory*

This Court, likewise, notes that private respondent is seeking to modify an already final and executory disallowance by COA's provincial government auditors. Section 48 of Presidential Decree No. (PD) 1445<sup>57</sup> lays down the procedure to appeal notices of disallowance issued by agency auditors, viz:

*Appeal from decision of auditors.* — Any person aggrieved by the decision of an auditor of any government agency in the settlement of an account or claim may **within six months** from receipt of a copy of the decision appeal in writing to the **Commission**. (Emphasis supplied)

During this stage of the proceedings, the concerned government agency or official has the opportunity to prove the validity of the expense or disbursement. If the appeal is denied, a petition for review may be filed before the COA Commission Proper. Should the same result in an adverse ruling, the aggrieved party may file a petition for *certiorari* before this Court to assail the decision of the COA Commission Proper.<sup>58</sup>

In this case, private respondent admits that he failed to file the appeal within the reglementary period set forth under Section 48 of PD 1445.<sup>59</sup> He claims, however, that he may still seek relief from the courts.

Private respondent is mistaken. He should have explained the supposed propriety of the provincial government's disbursements in an appeal before the COA Commission Proper within the reglementary period. His failure to comply with the requirements of Section 48 of PD 1445 rendered the provincial auditor's notices of disallowances final and executory.<sup>60</sup>

<sup>56</sup> *Vigilar v. Aquino*, G.R. No. 180388, 18 January 2011, 654 Phil. 755 (2011) [Per J. Sereno].

<sup>57</sup> Government Auditing Code of the Philippines.

<sup>58</sup> *Maritime Industry Authority v. Commission on Audit*, G.R. No. 185812, 13 January 2015, 750 Phil. 288 (2015) [Per J. Leonen].

<sup>59</sup> *Rollo*, p. 548.

<sup>60</sup> See *Mamaril v. Domingo*, G.R. No. 100284, 13 October 1993 [Per J. Quiason]; *Creser Precision Systems Inc. v. COA*, G.R. No. 143803, 17 November 2005, 511 Phil. 629 (2005) [Per J. Garcia].

The NDs subject of this petition were issued from November to December 2012. Clearly, when private respondent filed his two (2) petitions for *certiorari* and prohibition on 15 October 2014 with the RTC, the six (6)-month reglementary period had already lapsed. Indeed, the COA rightfully issued 31 March 2014 Notices of Finality of Decision. Under Section 1 of Rule XIII of the COA Rules of Procedure:

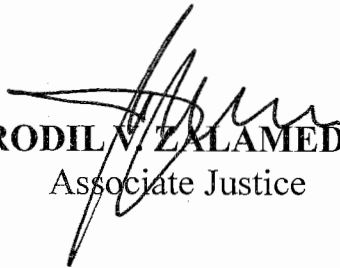
Section 1. Execution shall issue upon a decision that finally disposes of the case. Such execution shall issue as a matter of right upon the expiration of the period to appeal therefrom if no appeal has been fully perfected.

Given that the disallowances have become final and executory, the RTC could no longer alter the same. It should have dismissed private respondent's petitions.

The doctrine of immutability of judgments bars courts from modifying decisions that have already attained finality, even if the purpose of the modification is to correct errors of fact or law,<sup>61</sup> and whether it be made by the court that rendered it or by the Highest Court of the land. Any act which violates this principle must immediately be struck down.<sup>62</sup>

**WHEREFORE**, the petition is **GRANTED**. The petitions docketed as Special Civil Action Nos. P-155-2014 and P-156-2014 before Branch 33, Regional Trial Court of Pili, Camarines Sur are hereby **DISMISSED**. Accordingly, COA Notices of Disallowances Nos. 2012-100-024, 2012-100-25, 2012-100-26, 2012-100-37, 2012-100-40, 2012-100-39, 2012-100-041, 2012-100-42, 2012-100-43, 2012-100-044 are hereby **AFFIRMED** and declared **FINAL** and **EXECUTORY**. Accordingly, execution may be issued against the persons identified in the aforesaid notices of disallowances.

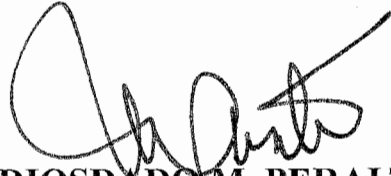
**SO ORDERED.**

  
**RODIL V. ZALAMEDA**  
Associate Justice

<sup>61</sup> *Republic v. Fetalvero*, G.R. No. 198008, 04 February 2019 [Per J Leonen].

<sup>62</sup> *Gadrinab v. Salamanca*, G.R. No. 194560, 11 June 2014, 736 Phil. 279 (2014) [Per J Leonen].


**WE CONCUR:**



**DIOSDADO M. PERALTA**  
Chief Justice

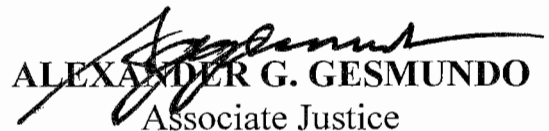


**ESTELA M. PERLAS-BERNABE**  
Associate Justice

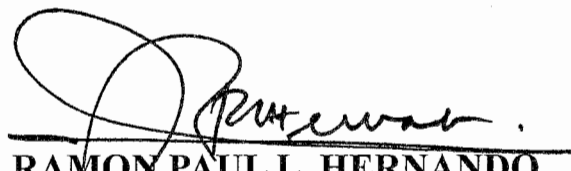


**MARVIC M.V.F. LEONEN**  
Associate Justice

(On official leave)  
**ALFREDO BENJAMIN S. CAGUIOA**  
Associate Justice



**ALEXANDER G. GESMUNDO**  
Associate Justice




**RAMON PAUL L. HERNANDO**  
Associate Justice

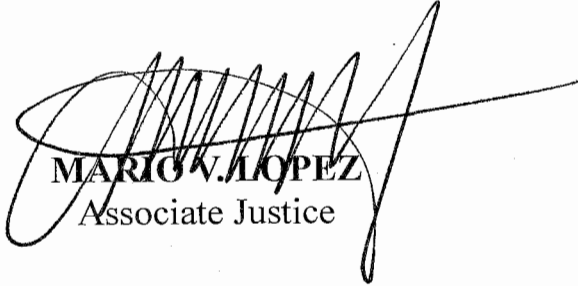


**ROSMARI D. CARANDANG**  
Associate Justice

(On official leave)  
**AMY C. LAZARO-JAVIER**  
Associate Justice

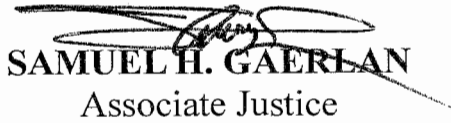


**HENRI JEAN PAUL B. INTING**  
Associate Justice

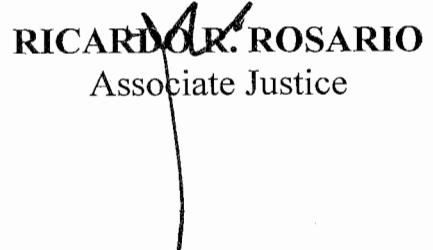


**MARIO V. LOPEZ**  
Associate Justice

(On official leave)  
**EDGARDO L. DELOS SANTOS**  
Associate Justice



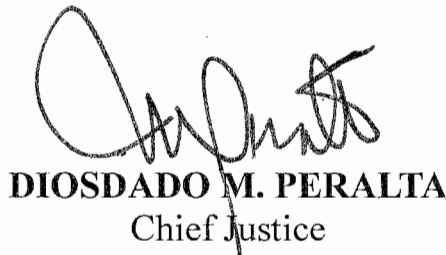
**SAMUEL H. GAERLAN**  
Associate Justice



**RICARDO R. ROSARIO**  
Associate Justice

**CERTIFICATION**

Pursuant to the Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court.



**DIOSDADO M. PERALTA**  
Chief Justice

Certified True Copy  
*Anna-Li R. Papa-Comerio*  
**ANNA-LI R. PAPA-COMERIO**  
Deputy Clerk of Court En Banc  
OCC En Banc, Supreme Court