

## EN BANC

[ G.R. No. 217948, January 12, 2016 ]

### ALMA G. PARAISO-ABAN, PETITIONER, VS. COMMISSION ON AUDIT, RESPONDENT.

#### R E S O L U T I O N

##### REYES, J.:

Alma G. Paraiso-Aban (petitioner) comes to this Court on Petition for *Certiorari* under Rule 64, in relation to Rule 65, of the Rules of Court, with Prayer for Immediate Issuance of Temporary Restraining Order<sup>[1]</sup> seeking to nullify the Decision<sup>[2]</sup> of the Commission on Audit (COA) dated November 5, 2012 in Decision No. 2012-188, as well as its Resolution<sup>[3]</sup> dated February 27, 2015 in COA CP Case No. 2012-175, which denied her request for exclusion from liability under the COA's Notice of Disallowance (ND) No. 2010-07-084-(1996) dated July 28, 2010.<sup>[4]</sup>

##### Facts

During the 11<sup>th</sup> Congress (1998 to 2001), the Senate's Committees on Accountability of Public Officers and Investigations and on National Defense and Security held various hearings to investigate the alleged anomalous acquisitions of land by the Armed Forces of the Philippines Retirement and Separation Benefits System (AFP-RSBS) in Calamba, Laguna and Tanauan, Batangas. Acting on resolutions passed by the said Senate committees, the Deputy Ombudsman for the Military and Other Law Enforcement Offices on April 29, 2004 requested the COA to conduct an audit of the past and present transactions of the AFP-RSBS.<sup>[5]</sup>

Thus, per COA Legal and Adjudication Office Order No. 2004-125 dated December 29, 2004, a special audit team (SAT) was constituted, which found that in August 1996 the AFP-RSBS purchased from the Concord Resources, Inc. (Concord) four (4) parcels of land located in Calamba, Laguna with a total area of 227,562 square meters, but that the purchase was covered by two deeds of sale for different amounts; and, that the sale which was registered with the Register of Deeds (RD) of Calamba indicated a total price of P91,024,800.00 and bore the signatures of both vendor and vendee, whereas the deeds of sale found in the records of the AFP-RSBS, which was executed by Concord alone and which was entered in the books of accounts of AFP-RSBS, showed that the AFP-RSBS actually paid P341,343,000.00 for the lots, or a difference of P250,318,200.00.<sup>[6]</sup>

The SAT issued Audit Observation Memorandum Nos. 2005-01<sup>[7]</sup> and 2005-02, which were received by AFP-RSBS on October 12, 2005 and October 20, 2005, respectively. It elicited no response from the latter,<sup>[8]</sup> hence, its conclusion that for all legal intents the true deed of sale was the one filed with the RD.

On July 28, 2010, the SAT issued ND No. 2010-07-084-(1996) for P250,318,200.00 representing the excess in the price paid for the above lots. It named the petitioner, then the Acting Head of the Office of Internal Auditor of the AFP-RSBS, as among the persons liable for the said disallowance, on the basis of her participation in the transaction through her "verifying the correctness of payment."<sup>[9]</sup> The other persons found liable and also named in the ND were Elizabeth C. Liang, President of Concord, for representing Concord, and receiving payment for the land; Jesus S. Garcia, Treasurer of Concord, for representing Concord; Jose S. Ramiscal, Jr., President of AFP-RSBS, for approving the payment for the land; and Oscar O. Martinez, Vice President-Comptroller of AFP-RSBS, for recommending the approval of the said payment.<sup>[10]</sup>

The petitioner appealed to the COA Proper (COA *en banc*), where she reiterated that she had no knowledge of the above transactions prior to her department's conduct of the post-audit; that the payments had been made by the AFP-RSBS even before her verification and approval; that the documents supporting the payments were found to be complete; that until the COA audit she was not aware that there were two versions of the deeds of sale, nor did she have knowledge why two versions of the deeds of sale were executed; that she did not benefit in any way from the transaction; and, that she signed "verified correct" on the vouchers in good faith and only after the post-audit by the Audit Staff, Marilou R. Narzabal (Narzabal), and the review by the Head of the Financial Audit Branch, Dahlia B. Pena (Pena), which were undertaken several months after the payments were released to Concord.<sup>[11]</sup>

On November 5, 2012, the COA *en banc* denied the petitioner's request for exclusion from liability under ND No. 2010-07-084-(1996).<sup>[12]</sup> On February 27, 2015, the COA *en banc* also denied her motion for reconsideration.<sup>[13]</sup>

Hence, this petition for *certiorari*.

### **Ruling of the Court**

The petition is devoid of merit.

The Court finds no grave abuse of discretion on the part of the COA in rendering its assailed decision, which disregarded the petitioner's defense that she had no knowledge of the above transaction, or of the two versions of the deed of sale, prior to her post-audit, or that the payments for the lots were made long before she signed "verified correct" after completing the post-audit process and finding the supporting documents to be complete, or that she did not benefit from the transaction in any way.

It is well to be reminded that the exercise by COA of its general audit power is among the mechanisms of check and balance instituted under the 1987 Constitution on which our democratic form of government is founded.<sup>[14]</sup> Article IX-D, Section 2(1) of the 1987 Constitution provides that the COA has "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." Corollary to the COA's audit power, Section 2(2) of Article IX-D

further provides:

Sec. 2(2). The Commission shall have **exclusive** authority, subject to the limitations in this Article, to define the scope of its audit and examination, establish the techniques and methods required therefor, and 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.** (Emphasis supplied)

In a recent case, *Delos Santos v. COA*,<sup>[15]</sup> wherein the Court upheld the COA's disallowance of irregularly disbursed Priority Development Assistance Fund, the Court explained that:

At the outset, it must be emphasized that **the CoA is endowed with enough latitude to determine, prevent, and disallow irregular, unnecessary, excessive, extravagant or unconscionable expenditures of government funds.** It is tasked to be vigilant and conscientious in safeguarding the proper use of the government's, and ultimately the people's, property. **The exercise of its general audit power is among the constitutional mechanisms that gives life to the check and balance system inherent in our form of government.**

Corollary thereto, it is the general policy of the Court to sustain the decisions of administrative authorities, especially one which is constitutionally-created, such as the CoA, **not only on the basis of the doctrine of separation of powers but also for their presumed expertise in the laws they are entrusted to enforce.** Findings of administrative agencies are accorded not only respect but also finality when the decision and order are not tainted with unfairness or arbitrariness that would amount to grave abuse of discretion. It is only when the CoA has acted without or in excess of jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction, that this Court entertains a petition questioning its rulings, x x x.<sup>[16]</sup> (Citation omitted and emphasis supplied)

By reason of their special knowledge and expertise over matters falling under their jurisdiction, administrative agencies are in a better position to pass judgment thereon, and their findings of fact are generally accorded great respect, if not finality, by the courts. Such findings must be respected as long as they are supported by substantial evidence, even if such evidence is not overwhelming or even preponderant. It is not the task of the appellate court or this Court to once again weigh the evidence submitted before and passed upon by the administrative body and to substitute its own judgment regarding the sufficiency of the evidence.<sup>[17]</sup> It is only when the agency has acted without or in excess of jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction, that this Court entertains a petition questioning the agency's rulings.<sup>[18]</sup>