

Title:

Eleanor Dela Cruz et al. vs. Commission on Audit

Facts:

The case involved 20 petitioners who were members of the Board of Directors of the National Housing Authority (NHA) from 1991 to 1996. They contested a Notice of Disallowance issued by the NHA Resident Auditor, which was upheld by the Commission on Audit (COA). This notice disallowed the payment to the petitioners of their representation allowances and per diems totaling P276,600.00 for the period from August 19, 1991, to August 31, 1996.

Following the issuance of COA Memorandum No. 97-038, which was based on a Supreme Court ruling that declared unconstitutional the allowance for Cabinet members, their deputies and assistants, or their representatives to hold other offices with compensation, the NHA Resident Auditor identified payments made to petitioners (as alternates of Cabinet members on the NHA Board) as contrary to this directive. The petitioners appealed to the COA, arguing that the ruling did not apply to them since they held positions lower than those of Assistant Secretaries and that their acting roles were not within the scope of the constitutional ban. However, the COA dismissed their appeal, leading to this petition for certiorari to the Supreme Court.

Issues:

1. Whether the petitioners, as alternates of Cabinet members to the NHA Board, are entitled to representation allowances and per diems despite the constitutional prohibition against Cabinet members, their deputies, or assistants from holding any other office with compensation.
2. Whether the COA committed grave abuse of discretion in upholding the Notice of Disallowance against the petitioners.

Court's Decision:

The Supreme Court dismissed the petition, holding that since the principal officers (Cabinet members as ex-officio members of the NHA Board) are prohibited from receiving additional compensation for their service, so too are their designated alternates such as the petitioners. The Court emphasized that allowing the petitioners to receive additional compensation would effectively give them rights superior to those of their principals, which is legally untenable. The Court found no grave abuse of discretion on the part of the COA.

Doctrine:

The doctrine established in this case reinforces the principle that positions held in an ex-officio capacity by government officials, as mandated by law and required by the functions of their primary offices, do not entitle them—or their alternates—to receive additional compensation. The prohibition is rooted in the constitutional directive that aims to prevent public officials from receiving multiple compensations in violation of their primary duties.

Class Notes:

- The Supreme Court interprets the constitutional prohibition against holding dual or multiple offices to apply to ex-officio positions when such roles come with additional compensation.
- In cases where government officials or their representatives hold positions by virtue of their primary office, they are not entitled to receive extra compensation for duties performed in these capacities.
- Legal Statute Reference: Section 13, Article VII of the 1987 Constitution, Civil Liberties Union vs. Executive Secretary, and Anti-Graft League of the Philippines, Inc. rulings.
- The principle of “no additional compensation” is applied strictly to prevent any circumvention of the constitutional ban against multiple offices with compensation.

Historical Background:

This case underscores the judicial reiteration of constitutional mandates concerning government officials’ compensation to curb potential abuse of power and public resource misallocation. It highlights the rigid interpretation of constitutional provisions aimed at maintaining the integrity of public service compensation, especially in light of past practices that sought additional remuneration for roles technically within their scope of duties but constitutionally restricted.