

****Title:****

Department of Foreign Affairs vs. Commission on Audit

****Facts:****

1. ****Initial Disallowances:****

- ****September 24 - October 27, 2008:**** COA Resident Auditor in DFA issued 19 Notices of Disallowances (NDs) totaling P33,038,107.61 for terminal leave benefits.
- ****Reasons for Disallowances:**** Overpayment of leave benefits beyond 360 days, and incorrect deduction methods violating the Foreign Service Act.
- ****November 27, 2008:**** 20 NDs issued to Philippine Embassy in London personnel for P7,221,324.94 due to incorrect foreign exchange conversions violating Executive Order No. 461.

2. ****Appeals and Procedural Posture:****

- ****DFA Appeals:**** DFA personnel appealed the NDs to COA.
- ****February 12, 2009:**** Resident Auditor returned the appeals due to non-payment of filing fees imposed by COA Resolution No. 2008-005.
- ****Motion to Suspend Implementation:**** DFA filed a motion before COA to suspend the Resolution, arguing unconstitutional inclusion of filing fees and vagueness.

3. ****COA Decisions:****

- ****September 22, 2009 - Decision No. 2009-089:**** COA denied DFA's motion for suspension and asserted constitutionality and clarity of the Resolution.
- ****October 21, 2010 - Decision No. 2010-090:**** COA denied DFA's motion for reconsideration and reiterated the jurisdictional nature of filing fees, denying any due process violation.

4. ****Petition to Supreme Court:**** DFA filed a Petition for Certiorari and Prohibition under Rule 65, challenging the COA Resolutions and Decisions as unconstitutional.

****Issues:****

1. ****Constitutional Validity:**** Whether the COA Resolution No. 2008-005, imposing filing fees, violated Article IX-A, Section 6 of the Constitution.
2. ****Due Process Violation:**** Whether the requirement to pay filing fees before an appeal can be heard undermines due process rights.

3. **Procedural Clarification:** Whether the computation and application of filing fees under the Resolution were ambiguous.

Court's Decision:

1. **On Constitutional Validity:**

- **Collegial Body Decision:** The Supreme Court held that an en banc decision does not necessitate the full membership but rather acts as a collegial decision, sanctioning the Resolution's promulgation by the two members present.

- **Rule-Making Authority:** COA's power to impose filing fees was confirmed as essential for quasi-judicial operations, aligning with practices in judicial bodies.

2. **On Due Process Violation:**

- **No Denial of Due Process:** The Court ruled that procedural requirements like filing fees are acceptable limitations. Due process was maintained as DFA had the opportunity to respond to AOMs before NDs.

- **Appeals not a Constitutional Right:** The Court reiterated that the right to appeal is a statutory privilege and not an inherent right, subjecting it to procedural restrictions and fees.

3. **On Procedural Clarification:**

- **Filing Fees Computation Clarity:** The Court found the Resolution's provisions on fee computation clear, stipulating one filing fee per appeal, assessed on the aggregate amount of disallowed transactions.

- **Agency Payment:** An agency may pay filing fees in lump sum on behalf of employees, subject to the P10,000 cap, thus simplifying the payment process.

Doctrine:

- **Collegial Body Decision:** An en banc decision refers to a collective decision of the body, not necessarily full membership.

- **Filing Fees as Procedural Limitation:** The requirement to pay filing fees as a condition for appeal does not violate due process rights and is compatible with judicial practices.

- **Statutory Privilege of Appeal:** The right to appeal is not an inherent constitutional right but a privilege granted by statute, thus subject to reasonable procedural requirements.

Class Notes:

1. **Constitutional Commissions:** Each commission en banc has rule-making powers but must act as a collegial body.
2. **Due Process in Administrative Proceedings:** Requires an opportunity to be heard; procedural fees do not constitute a violation.
3. **Filing Fees:** An allowable and often necessary procedural step in both judicial and quasi-judicial forums.
 - **Legal Statutes Cited:**
 - 1987 Constitution, Article IX-A, Section 6
 - Rules of Court provisions on filing fees

Historical Background:

- **System of Rotating Commission Members:** Designed to ensure continuity and reduce periods of single-member commissions.
- **COA's Regulatory Evolution:** Reflects the need to cover adjudication costs and streamline appeals, responding to operational deficits under previous rules.
- **Precedent Cases:** Reinforces the interpretation of "en banc" and the procedural acceptance of filing fees, drawing analogies from both local and international judicial practices.