

FE D. LAYSA, IN HER CAPACITY AS REGIONAL DIRECTOR OF THE DEPARTMENT OF AGRICULTURE, REGIONAL FIELD UNIT NO. 5, PETITIONER, VS. COMMISSION ON AUDIT AS REPRESENTED BY IT COMMISSIO...

G.R. No. 128134. October 18, 2000

Ponente: PURISIMA, J.

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PURISIMA, J.:

Petition for Certiorari assailing the Decision of the Commission on Audit (COA) of November 12, 1996, which affirmed the Special Audit Office (SAO) Report dated April 21, 1994 covering the Fishery Sector Program Fund of the Department of Agriculture (DAR) Regional Office No. V, Pili, Camarines Sur for the period 1991-1992.

Records show that on April 26, 1993, COA directed an audit of the Fishery Sector Program Fund of the DAR Regional Office No. V, in Pili, Camarines Sur, specifically transactions relating to: (a) the purchase of equipment; (b) training and catering services; and (c) accounts payable.

As a result of the audit, the special audit team submitted its report (SAO Report), replete with adverse findings and observations against the DAR Regional Office No. V, viz:

- Transactions amounting to P3,247,494 relating to the purchase of equipment, training and catering services, construction of patrol boats, floating guard house and fish sanctuary markers were not subjected to bidding and were not covered with proper contracts and purchase orders, in violation of COA Circular No. 78-84, to the damage and prejudice of the government;
- Charges to accounts payable were not founded on valid claims in violation of Section 46 of PD No. 1177;
- Purchases of base and portable radio communications equipment were made without securing first the purchasers' and dealers' permits from the National Telecommunications Commission (NTC) in violation of Act No. 3846, otherwise known as the "Radio Control Law";
- Honoraria for the first semester were paid without an appropriation for the purpose.[1]

On the basis of the aforesaid special audit team's findings and observations, the SAO Report, among others, recommended the refund of the disallowed/excessive disbursements and the filing of administrative cases against the officers and/or employees involved in the said irregularities.

On August 4, 1993, the herein petitioner Fe D. Laysa, then Regional Director of the DAR Regional Field Unit No. V, submitted her Comment or "justification for the audit findings"[2] as follows:

- Their invitation to prospective bidders of motorcycles were disseminated not through publication in a newspaper of general publication but through postings in conspicuous places and thru personal delivery to known dealers in the locality;

- Sealed canvass was the only means resorted to procure scuba diving equipments because according to Mr. Francisco Ombao, this type of equipment is not obtainable in the locality and no supplier in Manila is willing to participate in a formal bidding if it will be held in the Regional Office;
- VHS Editing Recorder was procured thru direct purchase from a distributor in Manila but this was done after ensuring that no other outlet for said equipment was selling at a lower price;
- Trainings for Scuba Diving, with package deals for instructions, board and lodging, transportation and other facilities were procured thru negotiated contracts with one Atty. Jose Yap because no other outfit in Bicol has the expertise and capability to undertake this specialized training.

DAR Regional Office No. V and Atty. Jose Yap agreed to a 25% increase in the training fee because there was a dramatic increase of prices from 1991 to 1992.

While there were no available funds from regular releases for these trainings, the above expenditures were charged against FSP funds because they support the FSP objectives;

- Management, through oversight, failed to secure the required tax receipts and requests sufficient time for this;
- Two cross visits (batch of scuba diving training) which were part of CY 1992 Work and Financial Plan were carried out in February and May of 1993 due to volume of work and weather conditions;
- Their failure to secure purchase permit from NTC for communications equipment as well as to check on the dealer's permit to purchase was admittedly an oversight, being their first time to procure this equipment;
- Their payment of honoraria was made in the belief that the submitted Work and Financial Plan for 1991 which provided personal services (honoraria) of P636,000.00 would be approved like in the previous year, 1990;
- Their awarding the purchase contract to Annabel General Merchandise, which quoted P18,000.00 and P9,000.00 for base and portable radios, respectively, instead of to AMU Import/Export which quoted P15,200.00 and P8,000.00, respectively, was most advantageous to the government because immediate available repair, warranty and registration of the units were also included in the offer.

On April 21, 1994, after the Review Panel found the SAO Report to be in order, COA Chairman Celso D. Gangan directed the Director of COA, Regional Office No. V, to bring the proper charges before the Office of the Ombudsman against the petitioner and other officials and employees involved in the irregularities.

The petitioner appealed the findings of the special audit team to the COA en banc but in its decision[3] dated November 12, 1996, COA denied the appeal.

Unable to accept the said decision, petitioner brought the present petition for certiorari, imputing grave abuse of discretion on the part of COA. Petitioner, in the main, asserts that the findings and recommendations of the SAO were made without fully appreciating the Fishery Sector Program which is a special program relating to research and development. Bureaucratic adherence to prescribed rules and procedures stifles research and development activities; petitioner pointed out. According to petitioner, since the Fishery Sector Program is funded, not by the regular or general appropriations but by the Asian Development Bank and the Overseas Economic Cooperative Fund of Japan, the generally stringent rules governing appropriations should not be strictly construed in the operation of subject program.

In its Comment, the Office of the Solicitor General agreed with COA that the petitioner and other officials and employees had violated COA rules and regulations.

The petition is without merit.

Petitioner is well aware of the agency's non-compliance with pertinent COA rules and regulations on the bidding process, submission of certain documents to support claims for disbursements, and charging of accounts on valid claims, reasoning out that after all, the government's best interest did not suffer.[4]

The responsibility for state audit is vested by the Constitution in the COA.

Under the Constitution, the COA "xxx 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 xxx".[5] In the exercise of its broad powers, particularly its auditing functions, the COA is guided by certain principles and state policies to assure that "government funds shall be managed, expended, utilized in accordance with law and regulations, and safeguarded against loss or wastage xxx with a view to ensuring efficiency, economy and effectiveness in the operations of government."[6]

As can be gleaned from the foregoing provisions of the Constitution, verification of whether officials of the agency properly discharged their fiscal responsibilities and whether the agency complied with internal auditing controls in the collection and/or disbursement of government funds, are parts of the functions of the COA. Given the COA findings in this case which were substantiated by evidence, the COA correctly decided to file the charges against the petitioner and the other officers and employees involved, leaving the ultimate resolution of the question (whether or not their handling of government funds fell short of pertinent COA rules and regulations) to be made after trial.

Findings of quasi-judicial agencies, such as the COA, which have acquired expertise because their jurisdiction is confined to specific matters are generally accorded not only respect but at times even finality if such findings are supported by substantial evidence, as in the case at bar.[7] In this era of clogged court dockets, the need for specialized administrative boards or commissions with special knowledge, experience and capability to hear and determine promptly disputes on technical questions or essentially factual matters, subject to judicial review in case of grave abuse of discretion, is imperative.[8]

WHEREFORE, the Decision of the COA is AFFIRMED and the Petition DISMISSED for lack of merit. No pronouncement as to costs.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Bellosillo, Melo, Puno, Vitug, Kapunan, Mendoza, Panganiban, Quisumbing, Pardo, Buena, Gonzaga-Reyes, Ynares-Santiago, and De Leon, Jr., JJ., concur.

[1] Annex "C", Rollo, pp. 26-29.

[2] Rollo, pp. 20-25. [3] Annex "A" Rollo, p. 17.

[4] Rollo, pp. 43- 45.

[5] Sec. 2 (1) Art. IX-D, 1987 Constitution

[6] Sec. 7 Government Accounting and Auditing Manual, Vol. I; Sec. 2, 25 (1) PD 1445 cited in *Osmena vs. COA*, 238 SCRA 463, 469.

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