

**EUFEMIO C. DOMINGO, CELSO D. GANGAN, PACASIO S. BANARIA,
SOFRONIO B. URSAL, ALBERTO P. CRUZ, MARIA L. MATIB, RACHEL
U. PACPACO, ANGELO G. SANCHEZ, AND SHERWIN A. SIP-AN,
PETITIO...**

G.R. NO. 161065. April 15, 2005

Ponente: SANDOVAL-GUTIERREZ, J.

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SANDOVAL-GUTIERREZ, J.:

Judicial power is the power to hear and decide cases pending between parties who have the right to sue in courts of law and equity.[1] Corollary to this dictum is the principle of locus standi of a litigant. He who is directly affected and whose interest is immediate and substantial has the standing to sue. Thus, a party must show a personal stake in the outcome of the case or an injury to himself that can be redressed by a favorable decision in order to warrant an invocation of the court's jurisdiction and justify the exercise of judicial power on his behalf.

Assailed in this petition for certiorari is the legality of Resolution No. 2002-05 of the Commission on Audit (COA) providing for Organizational Restructuring Plan. The above-named petitioners basically alleged therein that this Plan is intrinsically void for want of an enabling law authorizing COA to undertake the same and providing for the necessary standards, conditions, restrictions, limitations, guidelines, and parameters. Petitioners further alleged that in initiating such Organizational Restructuring Plan without legal authority, COA committed grave abuse of discretion amounting to lack or excess of jurisdiction.

At this point, it is pertinent to state that the COA is a quasi-judicial body and that its decision, order or ruling may be brought to the Supreme Court on certiorari by the aggrieved party.[2]

Petitioners Eufemio C. Domingo, Celso C. Gangan, Pascasio S. Banaria are retired Chairmen, while Sofronio B. Ursal, and Alberto P. Cruz are retired Commissioners of COA. All claim "to maintain a deep-seated abiding interest in the affairs of COA,"[3] especially in its Organizational Restructuring Plan, as concerned taxpayers.

The other petitioners are incumbent officers or employees of COA. Maria L. Matib and Angelo G. Sanchez are State Auditor III and State Auditor II, respectively, assigned to the Cordillera Administrative Region (CAR). Prior to the implementation of the questioned COA Organizational Restructuring Plan, they were Resident Auditors and later Audit Team Leaders. Petitioner Rachel U. Pacpaco is a State Auditor III assigned to CAR and a Team Supervisor, while petitioner Sherwin A. Sipi-an is a State Auditor I also assigned at the CAR. These petitioners claim that they were unceremoniously divested of their designations/ranks as Unit Head, Team Supervisor, and Team Leader upon implementation of the COA Organizational Restructuring Plan without just cause and without due process, in violation of Civil Service Law. Moreover, they were deprived of their respective Representation and Transportation Allowances (RATA), thus causing them undue financial prejudice.

Petitioners now invoke this Court's judicial power to strike down the COA Organizational Restructuring Plan for being unconstitutional or illegal.

Initially, for our resolution is the issue of whether petitioners have the legal standing to institute the instant petition.

Petitioners invoke our ruling in *Chavez v. Public Estates Authority*,^[4] *Agan, Jr. v. Philippine International Air Terminals Co., Inc.*,^[5] and *Information Technology Foundation of the Philippines v. Commission on Elections*^[6] that where the subject matter of a case is a matter of public concern and imbued with public interest, then this fact alone gives them legal standing to institute the instant petition. Petitioners contend that the COA Organizational Restructuring Plan is not just a mere reorganization but a revamp or overhaul of the COA, with a “spillover effect” upon its audit performance. This will have an impact upon the rest of the government bodies subject to its audit supervision, thus, should be treated as a matter of transcendental importance. Consequently, petitioners’ legal standing should be recognized and upheld.

Respondents, through the Office of the Solicitor General (OSG), counter that petitioners have no legal standing to file the present petition since following our ruling in *Kilusang Mayo Uno Labor Center v. Garcia, Jr.*,^[7] they have not shown “a personal stake in the outcome of the case” or an actual or potential injury that can be redressed by our favorable decision. Petitioners themselves admitted that “they do not seek any affirmative relief nor impute any improper or improvident act against the said respondents” and “are not motivated by any desire to seek affirmative relief from COA or from respondents that would redound to their personal benefit or gain.” It is clear then that petitioners failed to show any “present substantial interest” in the outcome of this case, citing *Kilosbayan v. Morato*.^[8] Nor may petitioners claim that as taxpayers, they have legal standing since nowhere in their petition do they claim that public funds are being spent in violation of law or that there is a misapplication of the taxpayers’ money, as we ruled in *Dumlao v. Comelec*.^[9]

Petitioners’ reliance upon our rulings in *Chavez*,^[10] *Agan, Jr.*,^[11] and *Information Technology Foundation*^[12] is flawed.

In *Chavez*, we ruled that the petitioner has legal standing since he is a taxpayer and his purpose in filing the petition is to compel the Public Estate Authority (PEA) to perform its constitutional duties with respect to: (a) the right of the citizens to information on matters of public concern; and (b) the application of a constitutional provision intended to insure the equitable distribution of alienable lands of the public domain among Filipino citizens. The thrust of the first is to compel PEA to disclose publicly information on the sale of Government lands worth billions of pesos, as mandated by the Constitution and statutory law. The thrust of the second is to prevent PEA from alienating hundreds of hectares of alienable lands of the public domain, thereby compelling it to comply with a constitutional duty to the nation. We held that these matters are of transcendental public importance.^[13]

In *Agan, Jr.*, we held that petitioners have legal standing as they have a direct and substantial interest to protect. By the implementation of the PIATCO contracts, they stand to lose their source of livelihood, a property right zealously protected by the Constitution. Such financial prejudice on their part is sufficient to confer upon them the requisite locus standi.^[14]

In *Information Technology Foundation*, there were two reasons why petitioners’ standing was recognized. First, the nation’s political and economic future virtually hangs in the balance, pending the outcome of the 2004 elections. Accordingly, the award for the automation of the electoral process was a matter of public concern, imbued with public interest. Second, the individual petitioners, as taxpayers, asserted a material interest in seeing to it that public funds are properly used.

Here, petitioners have not shown any direct and personal interest in the COA Organizational Restructuring Plan. There is no indication that they have sustained or are in imminent danger of sustaining some direct injury as a

result of its implementation. In fact, they admitted that “they do not seek any affirmative relief nor impute any improper or improvident act against the respondents” and “are not motivated by any desire to seek affirmative relief from COA or from respondents that would redound to their personal benefit or gain.” Clearly, they do not have any legal standing to file the instant suit.

We are well aware of the averments of petitioners Matib, Pacpaco, Sanchez, and Sipi-An that they were demoted and unceremoniously divested of their previous designations as Unit Head, Team Supervisor, or Team Leader; that they were deprived of their RATA; that they were relegated to being mere Team Members, entitled to only a reimbursable transportation allowance; and that they were denied due process.

Such averments lack merit. Actually, they were not demoted. Under Section 11, Rule VII of the Omnibus Rules Implementing Book V of the Administrative Code of 1987, a demotion is the movement from one position to another involving the issuance of an appointment with diminution in duties, responsibilities, status, or rank which may or may not involve reduction in salary.[15] A demotion by assigning an employee to a lower position in the same service which has a lower rate of compensation is tantamount to removal, if no cause is shown for it.[16]

Here, there have been no new appointments issued to Matib, Pacpaco, Sanchez, and Sipi-An under the COA Organizational Restructuring Plan. Thus, their contention that they have been demoted is baseless.

Moreover, the change in their status from COA auditors (receiving monthly RATA) to COA auditors (receiving only reimbursable RATA) cannot be attributed to the COA Organizational Restructuring Plan but to the implementation of the Audit Team Approach (ATAP), pursuant to COA Resolution No. 96-305 dated April 16, 1996.

Under the ATAP, an audit team, not a resident auditor, is deployed to conduct an audit. An audit team may be composed of two (2) or more members under an Audit Team Leader. Whenever practicable, an Audit Team Supervisor supervises at least three (3) audit teams. The composition of an audit team is not permanent. Hence, an Audit Team Member may be designated or assigned as an Audit Team Leader for one assignment and subsequently as a Team Member in another engagement. The designation depends upon the position or rank of the one who is designated as an Audit Team Leader. Thus, a State Auditor III who may have been assigned as an Audit Team Leader in one engagement may find himself relegated to being an Audit Team Member in another engagement, if a State Auditor IV or State Auditor V is designated as the Audit Team Leader.

Pursuant to the COA Organizational Restructuring Plan, the COA issued Memorandum No. 2002-034[17] providing for the guidelines regarding the payment of RATA, thus:

- All holders of State Auditor IV position shall be entitled to fixed commutable RATA wherever they are assigned.
- Henceforth, only State Auditors IV shall be assigned as new Unit Heads or Team Leaders.
- State Auditors below State Auditor IV assigned as Unit Heads or Team Leaders who have been receiving fixed RATA shall continue to be designated as such and to receive the RATA until relieved of the designation for incompetence, inefficiency, or misconduct.

All others who collect RATA on reimbursable basis, including those paid on a daily basis under COA Resolution No. 99-007 dated June 7, 1999, are likewise entitled thereto.

Matib, Pacpaco, Sanchez, and Sipi-An are not qualified to be Audit Team Leaders or to receive fixed monthly RATA since none of them holds the rank or position of State Auditor IV. But this does not mean that they are not entitled to receive reimbursable RATA if they are designated as Audit Team Leaders. It is clear from the text of

the said COA Memorandum that the principle of non-diminution of benefits has been upheld.

Thus, in the implementation of the COA Organizational Restructuring Plan, we fail to see how petitioners could have sustained personal injury as they have not shown to have a personal stake therein. Accordingly, they are wanting in legal standing to institute the instant petition. Corollarily, we find no reason to delve into the constitutionality or legality of the COA Organizational Restructuring Plan.

WHEREFORE, the petition is DISMISSED. No pronouncement as to costs.

SO ORDERED.

Davide, Jr., C.J., Puno, Panganiban, Quisumbing, Ynares-Santiago, Carpio, Austria-Martinez, Corona, Carpio-Morales, Callejo, Sr., Azcuna, Tinga, Chico-Nazario, and Garcia, JJ., concur.

[1] *Lamb v. Phipps*, 22 Phil. 456, 559 (1912).

[2] Article IX-A of the Constitution.

[3] Rollo at 5.

[4] 433 Phil. 506 (2002)

[5] G.R. Nos. 155501, 155547, 155661, May 5, 2003, 402 SCRA 612, 679

[6] G.R. No. 159139, January 13, 2004, 419 SCRA 141.

[7] G.R. No. 125381, December 23, 1994, 239 SCRA 386.

[8] G.R. No. 118910, July 17, 1995, 236 SCRA 540.

[9] G.R. No. 52245, January 22, 1980, 95 SCRA 392.

[10] *Supra* note 4 at 526-527.

[11] *Supra* note 5 at 644.

[12] *Supra* note 6 at 158-159.

[13] *Supra* note 3, at 526-527.

[14] *Supra* note 4 at 644.

[15] *Fernando v. Sto. Tomas*, G.R. No. 112309, July 29, 1994, 234 SCRA 546, 552.

[16] *Department of Transportation and Communication v. Civil Service Commission*, G.R. Nos. 89325-26, 90033, October 3, 1991, 202 SCRA 340, 344, citing *Floreza v. Ongpin*, 182 SCRA 692 (1990).

[17] Rollo at 329.

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