

LAGUNA LAKE DEVELOPMENT AUTHORITY, PETITIONER, VS. THE COMMISSION ON AUDIT EN BANC, RESPONDENT.

G.R. No. 211341. November 27, 2018

Ponente: REYES, A., JR., J.

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REYES, A., JR., J.:

The Facts and The Case

To rationalize the compensation of government employees, the Congress enacted in 1989 Republic Act No. 6758 (R.A. No. 6758), or the Compensation and Position Classification Act of 1989. Section 12 of the law directed the consolidation of allowances and additional compensation already being enjoyed by employees into their standardized salary rates, but exempting therefrom certain additional compensation from such consolidation. Section 12 of R.A. No. 6758 provides:

Section 12. Consolidation of Allowances and Compensation. - All allowances, except for representation and transportation allowances, clothing and laundry allowances; subsistence allowance of marine officers and crew on board government vessels and hospital personnel; hazard pay; allowances of foreign service personnel stationed abroad; and such other additional compensation not otherwise specified herein as may be determined by the DBM, shall be deemed included in the standardized salary rates herein prescribed. Such other additional compensation, whether in cash or in kind, being received by incumbents only as of July 1, 1989 not integrated into the standardized salary rates shall continue to be authorized.

The Department of Budget and Management (DBM) issued Corporate Compensation Circular No. 10 (DBM CCC No. 10) dated October 2, 1989 to implement R.A. No. 6758. Paragraph 5.5 of DBM CCC No. 10 specified the allowances and fringe benefits that are not considered integrated in the basic salary rates of employees, while Paragraph 5.6 made the payment of such other additional allowances and fringe benefits not considered excluded from the basic salary rate after November 1, 1989 illegal. Paragraphs 5.5 and 5.6 of DBM CCC No. 10 provide:

5.5 Other allowances/fringe benefits not likewise integrated into the basic salary and allowed to be continued only for incumbents as of June 30, 1989 subject to the condition that the grant of the same is with appropriate authorization either from the DBM, Office of the President or legislative issuances are as follows:

- 5.5.1 Rice Subsidy;
- 5.5.2 Sugar Subsidy;
- 5.5.3 Death Benefits other than those granted by the GSIS;
- 5.5.4 Medical/Dental/Optical allowances/Benefits;
- 5.5.5 Children's Allowance;
- 5.5.6 Special Duty Pay/Allowance;
- 5.5.7 Meal Subsidy;
- 5.5.8 Longevity Pay; and
- 5.5.9 Teller's Allowances.

5.6 Payment of other allowances/fringe benefits and all other forms of compensation granted on top of basic salary, whether in cash or in kind, not mentioned in Sub-paragraphs 5.4. and 5.5 above shall be discontinued

effective November 1, 1989. Payment made for such allowances/fringe benefits after said date shall be considered as illegal disbursement of public funds.

In 1992 and 1993, petitioner Laguna Lake Development Authority (LLDA) granted fringe benefits in the form of rice subsidy, meal, children, and medical allowances in the amount of P346,422.42 to its employees hired after June 30, 1989 pursuant to Memorandum Order of October 7, 1992. Christmas Bonuses representing two months salary were also given to the employees in both years.[1] In 1994, the LLDA Board issued Resolution No. 16[2] granting P10,000.00 Silver Anniversary Incentive pay to all its officials and employees. In the same year, the LLDA Board issued Resolution No. 24[3] granting Year-End Economic Amelioration pay equivalent to one month basic salary to all its officials and employees. However, these benefits and allowances were disapproved by the LLDA Corporate Auditor. The Notice of Disallowances (ND) and Notice of Suspensions (NS) issued by the Corporate Auditor state:

- ND Nos. 94-03-002 and 94-03-003 both dated March 8, 1994 amounting to P114,645.00 and P231,777.42, respectively, which were issued on the payment of rice, meal, children and medical allowances to LLDA officials and employees, for being violative of Paragraph 5 of Department of Budget and Management (DBM) Corporate Compensation Circular (CCC) No. 10 dated October 2, 1989.

- ND Nos. 94-10-008 and 94-12-12 dated October 25, 1994 and December 29, 1994, respectively, amounting to P683,094.04 and P691,728.48 or a total of P1,374,822.52, which were issued on various disbursements, specifically the grant of two (2) months Christmas Bonus, for being in violation of Republic Act (RA) No. 6686 and DBM National Compensation Circular (NCC) No. 66 dated September 12, 1991, which provide that government officials and employees shall be entitled to Christmas Bonus equivalent only to one (1) month basic salary and a cash gift of P1,000.00.

- NS No. 96-03-005 dated March 1, 1996, amounting to P1,870,000.00, which required the submission of legal basis for the grant of Anniversary Incentive Pay of P10,000.00 each to LLDA officials and employees pursuant to LLDA Board Resolution No. 16, series of 1994.

- NS No. 96-03-006 dated March 5, 1996 for the amount of P839,003.00 which required the submission of legal basis on the grant of year-end Economic Amelioration for the year 1994, as the same is not allowed under the provisions of DBM CCC No. 10.

There being no submission of the requested documents, NS Nos. 96-03-005 and 96-03-006 matured into disallowances. However, no NDs were issued therefor.[4]

On February 20, 1998, LLDA moved for reconsideration, which was denied by the Commission on Audit-Corporate Audit Office II (COA-CAO II) in a 1[st] Indorsement dated April 20, 1998.[5] In concurring with the disallowances made by the LLDA Corporate Auditor against the LLDA, COA-CAO II ruled in this wise:

1. The rice subsidy, meal, children and medical allowances granted to LLDA employees from 1992 to 1993 were properly disallowed for being violative of Paragraph 5.5 of DBM CCC No. 10.
2. The grant of 1992 and 1993 Christmas Bonus equivalent to two months per year were properly disallowed for being violative of paragraph 1 of National Compensation Circular No. 66 dated September 12, 1991 which allows payment of only one month basic salary and P1,000.00 cash gift as year-end benefits.
3. The grant of the Silver Anniversary Incentive Pay was properly disallowed for being violative of Paragraph 5.6 of DBM CCC No. 10.
4. The Year-End Economic Amelioration pay was properly disallowed for lack of legal basis in its grant.[6]

In a letter[7] dated August 19, 1998, the LLDA appealed the said disallowances. It informed COA-CAO II that it

had already discontinued the grant of additional benefits and allowances to its employees and effected monthly deductions from the salaries of those concerned as settlement thereof starting December 1997. It, however, implored that the discontinuance of the continuous grant of the subject benefits and allowances be considered as the total settlement of the Corporate Auditor's NOs and the total amount deducted from the salaries of the said employees be refunded to them.

In a 2nd Indorsement dated September 3, 1998, COA-CAO II issued Decision No. 98-002[8] denying the appeal. It held that the disallowances and charges must be settled through the submission of the required explanation/justification and/or documentation by the persons determined by the auditor to be liable therefor, or by the payment of the amount disallowed in audit, and not simply by discontinuing their grant. On the matter of refund, COA-CAO II stated that the grants were disallowed for being contrary to law. Thus, any monetary liability sought to be condoned fell beyond the ambit of its authority to consider. The pertinent portion of the Decision reads:

On the first issue, it is informed that disallowances and charges shall have to be settled through submission of the required explanation/justification and/or documentation by the person or persons determined by the auditor to be liable therefor; or by payment of the amount disallowed in audit; or by such other applicable and legal modes of extinguishment of obligation as provided under Section 18 of the Manual on Certificate of Settlement and Balances.

On the second issue, refund of the amounts already deducted from the salaries of the concerned employees in settlement of previous disallowances tantamounts to condonation of a settled liability which, pursuant to Section 36 of P.D. 1445, is vested exclusively in the Commission on Audit. The instant case, however, pertains to disallowances for non-compliance with law, i.e. entitlement of the benefits, which is a matter of legal authority and, hence, not within the ambit of Section 36 of P.D. 1445. It is further informed that the opinion/existing policy of the Department of Budget and Management referred to by the General Manager as basis for seeking refund of the amounts deducted from the concerned employees' salaries, cannot be considered as legal basis therefor.[9]

Disagreeing with the COA-CAO II Decision, the LLDA appealed the same to respondent COA En Banc (COA) invoking the ruling in *De Jesus v. Commission on Audit*.^[10] In the said case, the High Court ruled that the non-publication in the Official Gazette or a newspaper of general circulation of DBM CCC No. 10 rendered it ineffective.^[11] For this reason, the LLDA asked that COA-CAO II Decision be set aside and the disallowed fringe benefits and allowances be allowed to pass in audit.^[12]

On August 10, 2012, respondent rendered Decision No. 2012-129^[13] denying the appeal and affirming the COA-CAO II Decision. In the said Decision, the respondent held that while it may be true that the High Court declared DBM CCC No. 10 ineffective by reason of its non-publication, the same does not affect the illegality of the questioned allowances granted to LLDA officials and employees. It explained:

Hence, notwithstanding the non-publication of DBM CCC No. 10, the subject NDs can be validated by Section 12 of RA No. 6758, the law implemented by DBM CCC No. 10. Section 12 enumerates the exclusions from the standardized salary rates as follows:

- representation and transportation allowances (RATA);
- clothing and laundry allowances;
- subsistence allowance of marine officers and crew on board government vessels;
- subsistence allowance of hospital personnel;

- hazard pay;
- allowances of foreign service personnel stationed abroad; and
- such other additional compensation not otherwise specified in Section 12 as may be determined by the DBM.

Under item (7) above, the DBM was authorized to identify other allowances and benefits that may be granted on top of the standardized salary rates. Pursuant thereto, the DBM issued CCC No. 10 dated October 2, 1989. Considering that the disallowed fringe benefits, two-month Christmas Bonus, anniversary and amelioration allowances are not enumerated under Section 12 of RA No. 6758, these were deemed integrated into the standardized salary rates. Hence, the fringe benefits and allowances were the proper subject of disallowances based on Section 12 of RA No. 6758, notwithstanding the SC declaration of the nullity of DBM CCC No. 10.[14]

On December 13, 2012, a Notice of Finality of Decision[15] was issued by the respondent rendering the COA Decision No. 2012-129 final and executory.

On August 29, 2013, the LLDA moved for the reconsideration of COA Decision No. 2012-129. The same, however, was denied by COA in a Resolution dated December 6, 2013 for being filed out of time.[16]

Aggrieved, the LLDA is now before this Court via the present Petition for Certiorari alleging grave abuse of discretion on the part of COA in denying its motion for reconsideration and for ruling that the disallowance of the subject fringe benefits can be validated under Section 12 of R.A. No. 6758 notwithstanding the non-publication of DBM CCC No. 10, its implementing rules.

Meanwhile, or on June 30, 2014, COA issued an Order of Execution enjoining the petitioner to withhold the salaries of its concerned employees for the settlement of the subject disallowance, prompting the petitioner to ask this Court to issue a temporary restraining order (TRO).[17]

Arguments of the Parties

The LLDA contended that COA Decision No. 2012-129 did not become final and executory because it never received a copy of the said decision. As proof, it presented the envelope and registry return receipt which clearly show that a copy of the decision that was sent via registered mail to its Pasig office was returned to sender for the reason, Moved Out.[18] The LLDA admitted that it failed to inform COA of its change of address. It explained that due to the length of time it took COA to resolve the appeal it filed way back on May 20, 1999, the LLDA overlooked to inform COA of its present address. Notwithstanding such oversight, the LLDA stated that it had every reason to believe that the latter could not have been unaware that it moved to another location given that COA has its own resident COA Auditor stationed at LLDA's office wherever it may be situated. Thus, it was grave abuse of discretion on the part of COA to consider its motion for reconsideration to have been filed out of time and to deny it for such reason.

The LLDA also insisted that the fringe benefits granted to its employees in 1992 to 1994 were valid for two reasons. First, it was granted pursuant to the authority of LLDA through the Board Resolutions enacted by its Board of Directors. Under its charter, it had the authority to grant additional benefits to its employees. Second, R.A. No. 6758, the law upon which COA based its decision to disallow the grant of the subject fringe benefits had no leg to stand on in light of the decision of the Court in *De Jesus v. Commission on Audit* that DBM CCC No. 10, the implementing rule of R.A. No. 6758, was ineffective due to its non-publication. The LLDA argued that R.A. No. 6758 cannot be enforced and be made the basis of the disallowance without DBM CCC No. 10 because Section 23 of the said law clearly instructs the DBM to first prepare and issue the necessary guidelines before the law may be implemented. Even assuming that the disallowance of the subject benefits had been proper, LLDA should not be made to refund the same because they received the benefits in good faith.[19]

To justify its motion for the issuance of a TRO, the LLDA contended that it will suffer irreparable injury if it is immediately made to reimburse the amount of the disallowed benefits even before the Court has the opportunity to rule on the present petition especially so that the benefits had been received in good faith.[20]

For its part, COA countered that LLDA no longer had the authority to grant its employees the disallowed benefits because R.A. No. 6758 effectively repealed its charter that had previously exempted it from the coverage of Salary Standardization Law and the Civil Service Rules on Compensation.

COA likewise insisted on the validity of Section 12 of R.A. No. 6758. Contrary to the view of LLDA, respondent asseverated that the invalidity of an accessory legislation such as the implementing rules should not affect the validity of the principal legislation upon which the accessory legislation was based. In other words, even if the implementing rules such as DBM CCC No. 10 was rendered ineffective because of its lack of publication, its ineffectivity will not necessarily result to the invalidity of R.A. No. 6758 upon which DBM CCC No. 10 was based. The implementing rules are applicable only to that portion of Section 12 of R.A. No. 6758 which the legislature left to the DBM to determine what other benefits should be excluded from the integrated salary rates. As to the benefits that the Congress expressly enumerated as items that could be given on top of the integrated salary items, namely: (a) representation and transportation allowances; (b) clothing and laundry allowances; (c) subsistence allowance of marine officers and crew on board government vessels; (d) subsistence allowance of hospital personnel; (e) hazard pay; and (f) allowances of foreign service personnel stationed abroad, the same are self-executory and therefore no longer require implementing rules before they may be enforced or granted. Considering that the disallowed fringe benefits, two-month Christmas Bonus, anniversary and amelioration allowances do not fall under Section 12 of R.A. No. 6758, it may necessarily be presumed that they are deemed integrated into the standardized salary rates of the employees of the LLDA. Hence, properly disallowed.

COA added that the defense of good faith is not available to LLDA to free itself from the duty of refunding the disallowed benefits. The fact that the LLDA immediately effected deductions from the monthly salaries of the concerned employees as soon as the subject benefits they received were disallowed, and even before COA had issued a Certificate of Execution ordering the refund of the same, is an implicit acknowledgment of the fact that the benefits granted to its employees were indeed unauthorized and illegal.[21]

Anent the motion for the issuance of a TRO, COA countered that the same is not warranted under the circumstances obtaining in this case. It reiterated that the subject fringe benefits and allowances were issued in clear violation of R.A. No. 6758. Good faith could not be appreciated in favor of LLDA given that R.A. No. 6758 was already in full force and effect when it granted to its employees the disallowed benefits and allowances.[22]

The Ruling of the Court

A petition for certiorari under Rule 65 will prosper only if grave abuse of discretion is alleged and proved to exist.[23] The phrase "grave abuse of discretion" implies a capricious and whimsical exercise of judgment equivalent to lack of jurisdiction, or the exercise of power in an arbitrary or despotic manner by reason of passion or personal hostility; or in a manner so patent and gross as to amount to an evasion of positive duty enjoined or to act at all in contemplation of law.[24] Mere abuse of discretion is not enough - it must be grave.[25] Moreover, such gravity must be amply demonstrated since the jurisdiction of the tribunal, no less, will be affected.[26] In other words, grave abuse of discretion is a circumstance beyond the legal error committed by a decision-making agency or entity in the exercise of its jurisdiction; this circumstance affects even the authority to render judgment.[27] To be clear, certiorari is a remedy narrow in its scope and inflexible in character; it is not a general utility tool in the legal workshop.[28] Therefore, a review of the COA's final judgments and final orders or resolutions brought before this Court under Rule 65 as provided in Section 2[29] of Rule 64 should be limited within the specific parameters required in resolving petitions for certiorari.

On the Validity of LLDA's Grant of Additional Allowances

To have a clear understanding of the relevant issuances involved in the instant petition, the Court recapitulates the salient portion of Section 12 of R.A. No. 6758 as well as Paragraphs 5.5 and 5.6 of DBM CCC No. 10 as follows:

Section 12 of R.A. No. 6758

Section 12. Consolidation of Allowances and Compensation. - All allowances, except for representation and transportation allowances; clothing and laundry allowances; subsistence allowance of marine officers and crew on board government vessels and hospital personnel; hazard pay; allowances of foreign service personnel stationed abroad; and such other additional compensation not otherwise specified herein as may be determined by the DBM, shall be deemed included in the standardized salary rates herein prescribed. Such other additional compensation, whether in cash or in kind, being received by incumbents only as of July 1, 1989 not integrated into the standardized salary rates shall continue to be authorized. (Emphasis supplied)

Paragraphs 5.5 and 5.6 of DBM CCC No. 10

5.5 Other allowances/fringe benefits not likewise integrated into the basic salary and allowed to be continued only for incumbents as of June 30, 1989 subject to the condition that the grant of the same is with appropriate authorization either from the DBM, Office of the President or legislative issuances are as follows:

- 5.5.1 Rice Subsidy;
- 5.5.2 Sugar Subsidy;
- 5.5.3 Death Benefits other than those granted by the GSIS;
- 5.5.4 Medical/Dental/Optical allowances/Benefits;
- 5.5.5 Children's Allowance;
- 5.5.6 Special Duty Pay/Allowance;
- 5.5.7 Meal Subsidy;
- 5.5.8 Longevity Pay; and
- 5.5.9 Teller's Allowance.

5.6 Payment of other allowances/fringe benefits and all other forms of compensation granted on top of basic salary, whether in cash or in kind, not mentioned in Sub-paragraphs 5.4. and 5.5 above shall be discontinued effective November 1, 1989. Payment made for such allowances/fringe benefits after said date shall be considered as illegal disbursement of public funds. (Emphasis supplied)

From the foregoing section of the statute and salient portions of the circular, the following obvious inferences can be deduced, to wit:

1)

All allowances already received by civil service employees which are not part of the exceptions enumerated in Section 12 shall be deemed included or integrated in the prescribed standardized salary rates.

2)

Representation and transportation allowances, clothing and laundry allowances, subsistence allowance of marine officers and crew on board government vessels and hospital personnel, hazard pay, and allowances of foreign service personnel stationed abroad are excluded in the prescribed standardized salary rates.

3)

Other compensation, allowances or benefits not specified in Section 12 may be excluded in the salary of and additionally received by government officers and employees as determined by the DBM.

4)

Rice subsidy, sugar subsidy, death benefits not granted by the GSIS, medical/dental/optical allowances/benefits, children's allowance, special duty pay/allowance, meal subsidy, longevity pay, and teller's allowances were excluded by the DBM in the prescribed standardized salary rates of GOCC officers and employees.

5)

Additional allowances and benefits may continuously be received by GOCC officers and employees provided that they are incumbents when R.A. No. 6758 became effective on July 1, 1989; have been receiving the said benefits at such time, and the allowances and benefits are not among those integrated into the standardized salary rates.

6)

Only those GOCC officers and employees who were incumbent as of July 1, 1989 pursuant to R.A. No. 6758 (not June 30, 1989 as provided by DBM CCC No. 10) are entitled to receive the additional benefits of rice subsidy, sugar subsidy, death benefits not granted by the GSIS, medical/dental/optical allowances, children's allowance, special duty pay, meal subsidy, longevity pay, and teller's allowance.

7)

GOCC officers and employees who were appointed or hired after July 1, 1989 are not entitled to receive the additional benefits of rice subsidy, sugar subsidy, death benefits not granted by the GSIS, medical/dental/optical allowances, children's allowance, special duty pay, meal subsidy, longevity pay, and teller's allowance because the same are deemed integrated into their salaries.

8)

Allowances and benefits not mentioned in Section 12 of R.A. No. 6758 and Section 5.5 of DBM CCC No. 10 and previously paid to GOCC officers and employees on top of their salaries are to be discontinued effective November 1, 1989 and all payments of these unmentioned allowances and benefits after said date are considered as illegal disbursements of public funds.

With the foregoing inferences as parameters in mind, the Court proceeds to determine whether LLDA's grant of rice subsidies, medical benefits, children's allowances, meal subsidies, and Christmas bonuses in 1992 and 1993 as well as the Silver Anniversary Incentive Pay and the Year--End Economic Amelioration Pay in 1994 to employees hired after June 30, 1989 is illegal.

The answer is in the affirmative.

A cursory reading of Section 12 of R.A. No. 6758 will instantly reveal that it does not include rice subsidies, medical benefits, children's allowances, and meal subsidies among those which may be paid on top of the salaries of government officials and employees. Although the same benefits have been allowed by DBM to be paid to GOCC employees on top of their salaries as provided in Paragraph 5.5 of DBM CCC No. 10, it is clear in the same circular that these benefits may only be enjoyed by GOCC employees who were incumbents as of July 1, 1989. Here, LLDA failed to show that its concerned employees already hold office as of July 1, 1989 or earlier. Moreover, the Christmas Bonuses, Silver Anniversary Incentive Pay, and Year-End Economic Amelioration Pay are not mentioned in Section 12 of R.A. No. 6758 and are not likewise included by the DBM as among the allowed benefits and allowances that may be enjoyed by the employees apart from their standardized salary rates. For these reasons, the COA's decision cannot be considered to have been tainted with grave, or even simple, abuse of discretion because it was just applying the law along the lines and in contemplation of R.A. No. 6758 and

DBM CCC No. 10.

Besides, it does not matter that DBM CCC No. 10 was ineffective at the time material to this case and was re-issued and submitted for publication only in 1999[30] to rectify the lack of publication observed in the De Jesus ruling or after the aforementioned benefits were already given to petitioner's employees. The Court En Banc in *Gutierrez v. Department of Budget and Management*,[31] had explained that the general rule of integration means that all allowances are deemed integrated into the standardized salary rates except: (1) representation and transportation allowances; (2) clothing and laundry allowances; (3) subsistence allowance of marine officers and crew on board government vessels; (4) subsistence allowance of hospital personnel; (5) hazard pay; (6) allowances of foreign service personnel stationed abroad; and (7) such other additional compensation not otherwise specified in Section 12 as may be determined by the DBM. Here, it was clarified that items (1) to (6) of Section 12 of R.A. No. 6758 are self-executing provisions while item (7) needs "amplification" or determination by the DBM "since one cannot simply assume what other allowances were excluded from the standardized salary rates." Stated differently, items (1) to (6) do not need any duly-enacted implementing rule from the DBM in order to be validly executed. As for item (7), there is a need for the DBM to determine what these other allowances or benefits are to be given to government officers and employees on top of their standardized salary rates.[32] Thus, it stands to reason that the subject fringe benefits and allowances were correctly disallowed since they fall under the general rule of integration of all allowances envisioned under Section 12 of R.A. No. 6758. Stated otherwise, considering that DBM CCC No. 10 was unenforceable at the time the subject benefits were granted to the concerned employees of LLDA, the enumerated exclusions in items (1) to (6) remain exclusive. The disallowed fringe benefits and allowances not being among those enumerated exclusions are deemed incorporated in the standardized salary rates of the employees under the general rule of integration. As it stands, there is nothing in respondent's decision which this Court may equate to being capricious, whimsical or despotic enough to nullify the former's authority to disallow the subject allowances and benefits.

Furthermore, the LLDA's argument that it had the authority under its charter to grant its employees additional benefits cannot be sustained in light of Section 16 of R.A. No. 6758 which effectively repealed its corporate charter which exempts it from the coverage of the Standardization Salary Law and Civil Service Rules on Compensation. Section 16 of R.A. No. 6758 provides:

Section 16. Repeal of Special Salary Laws and Regulations. All laws, decrees, executive orders, corporate charters, and other issuances or parts thereof, that exempt agencies from the coverage of the System, or that authorize and fix position classification, salaries, pay rates or allowances of specified positions, or groups of officials and employees or of agencies, which are inconsistent with the System, including the proviso under Section 2, and Section 16 of Presidential Decree No. 985 are hereby repealed.

It is necessary that before such a repeal is deemed to exist that it be shown that the statutes or statutory provisions deal with the same subject matter and that the latter be inconsistent with the former. There must be a showing of repugnancy clear and convincing in character. The language used in the latter statute must be such as to render it irreconcilable with what had been formerly enacted. An inconsistency that falls short of that standard does not suffice. What is needed is a manifest indication of the legislative purpose to repeal. More specifically, a subsequent statute, general in character as to its terms and application, is not to be construed as repealing a special or specific enactment, unless the legislative purpose to do so is manifest. This is so even if the provisions of the latter are sufficiently comprehensive to include what was set forth in the special act.[33]

In order to achieve the very purpose why R.A. No. 6758 was enacted, repeal of the corporate charter of the petitioner becomes imperative. This has also been the pronouncement of the Court En Banc in *Philippine International Trading Corporation v. Commission on Audit*. [34] It held:

Our rules on statutory construction provide that a special law cannot be repealed, amended or altered by a subsequent general law by mere implication; that a statute, general in character as to its terms and application, is not to be construed as repealing a special or specific enactment, unless the legislative purpose to do so is manifested; that if repeal of particular or specific law or laws is intended, the proper step is to so express it.

In the case at bar, the repeal by Section 16 of RA 6758 of all corporate charters that exempt agencies from the coverage of the System, was clear and expressed necessarily to achieve the purposes for which the law was enacted, that is, the standardization of salaries of all employees in government owned and/or controlled corporations to achieve "equal pay for substantially equal work." Henceforth, PITC should now be considered as covered by laws prescribing a compensation and position classification system in the government including RA 6758. This is without prejudice, however, as discussed above, to the non--diminution of pay of incumbents as of July 1, 1989 as provided in Section 12 and 17 of said law.[35] (Emphasis supplied)

With the repeal of its corporate charter which excludes it from the coverage of R.A. No. 6758, the disallowance of the subject fringe benefits and allowances finds support under Section 12 of R.A. No. 6758. Clearly, the COA acted in contemplation of law when it correctly applied R.A. No. 6758 in disallowing the subject benefits.

On the Finality of the COA Decision:

It is the responsibility of a party to inform the court of the change of his address to enable him to receive the said resolution or order in the event the court orders that an order or resolution be served on him.[36] This is recognized in Section 3, Rule 7 of the Rules of Court. In the case of quasi--judicial proceedings before the COA, the 2009 Revised Rules of Procedure of the Commission on Audit (COA Rules) does not have a direct provision regarding a party's obligation to inform the Commission of any change in address. Nonetheless, pursuant to the suppletory character of the Rules of Court to the COA Rules,[37] the duty of the party or counsel pertaining to changes of address is applicable to COA's quasi-judicial proceedings.

In this case, the COA cannot be expected to keep track of LLDA's change of address especially so when LLDA itself said that its office had moved to different locations several times.[38] It is incumbent upon the latter to act with prudence and update the former of any change in its situation, be it its address, the general manager representing its interest in the case at bar, and such other development in the case. It cannot sit idly by and await the outcome of its case, and then pass the blame to others when something not to its liking happens. This is because it is not the duty of the COA resident auditor to inform its principal that the agency where he is stationed moved to another location. If the LLDA is truly serious in advancing its cause, it should have taken a more active part in monitoring its case's progress from start to finish. It should have undertaken concrete efforts to have the change of its office address reflected in the case records of the subject disallowance proceedings. The LLDA's failure to inform the COA of its present address constitutes inexcusable neglect; hence, such omission or neglect shall not stay the finality of COA Decision No. 2012-129.

On LLDA's Legal Standing to Question the COA's Decision:

Locus standi or legal standing has been defined as a personal and substantial interest in a case such that the party has sustained or will sustain direct injury as a result of the governmental act that is being challenged.[39] It requires a personal stake in the outcome of a controversy.[40] Thus, a party will be allowed to litigate only when: (a) he can show that he has personally suffered some actual or threatened injury because of the allegedly illegal conduct of the government; (b) the injury is fairly traceable to the challenged action; and (c) the injury is likely to be redressed by a favorable action.[41] However, legal standing may be brushed aside when the matter in question

is of transcendental importance, of overreaching significance to society, or of paramount public interest.[42] It may also be brushed aside when serious constitutional questions are raised.[43]

In the case at hand, LLDA cannot take up the cudgels for its employees and seek for a refund of the latter's disallowed benefits already returned to the public's coffers. It has no interest in the case for it did not sustain any direct monetary injury caused by the COA's disallowance of the subject allowances and fringe benefits-its employees did. It does not stand to be substantially benefited or directly injured by the outcome of this case whether the COA's acts of disallowing the subject allowances and benefits are upheld or nullified. More importantly, LLDA or its affected employees never demonstrated that the core issues of this dispute were of transcendental importance, of overreaching significance to society, or of paramount public interest. Neither did they raise any serious constitutional questions to successfully bypass the requirement of legal standing. Therefore, the Court is bound to deny the petition for certiorari as a matter of course.

On the Propriety of LLDA's Application for the Issuance of a TRO

A writ of preliminary injunction and a TRO are injunctive reliefs and preservative remedies for the protection of substantive rights and interests. An application for the issuance of a writ of preliminary injunction and/or TRO may be granted upon the filing of a verified application showing facts entitling the applicant to the relief demanded.

Essential to granting the injunctive relief is the existence of an urgent necessity for the writ in order to prevent serious damage. A TRO issues only if the matter is of such extreme urgency that grave injustice and irreparable injury would arise unless it is issued immediately. Under Section 5, Rule 58 of the Rules of Court, a TRO may be issued only if it appears from the facts shown by affidavits or by the verified application that great or irreparable injury would be inflicted on the applicant before the writ of preliminary injunction could be heard.

Thus, to be entitled to the injunctive writ, petitioners must show that (1) there exists a clear and unmistakable right to be protected; (2) this right is directly threatened by an act sought to be enjoined; (3) the invasion of the right is material and substantial; and (4) there is an urgent and paramount necessity for the writ to prevent serious and irreparable damage.[44] Also, a writ of preliminary injunction is issued to preserve the status quo or the last actual, peaceable, and uncontested situation which precedes a controversy.[45]

In this case, the LLDA has failed to convincingly demonstrate that it would suffer grave injustice and irreparable injury if the Order of Execution issued by COA is not restrained, especially in light of the pronouncement of this Court that the questioned Decision had not been issued with grave abuse of discretion. Besides, even before the COA issued the said Order, the LLDA had been effecting monthly deductions from the salaries of those concerned as settlement of the NDs issued. Suffice it to state that injunction would not lie where the acts sought to be enjoined had already become *fait accompli*,[46] as there is no more status quo that will be preserved by the issuance of the TRO.

WHEREFORE, premises considered, the petition is DISMISSED. The assailed Decision No. 2012-129 dated August 10, 2012 and the Resolution dated December 6, 2013 are AFFIRMED. The prayer for the issuance of a Temporary Restraining Order is also DENIED for being moot and academic.

SO ORDERED.

Carpio, (Acting C. J.), Bersamin, Del Castillo, Perlas-Bernabe, Leonen, Caguioa, A. Reyes, Jr., Gesmundo, and

Hernando, JJ., concur.

Peralta, J., on official business.

Jardeleza,[*] J., no part.

Tijam, J., on official business.

[*] No part, due to prior participation as Solicitor General.

[1] Rollo, pp. 25-26, as cited in COA Decision No. 2012-129. See also: p. 54.

[2] Id. at 70.

[3] Id. at 71.

[4] Id. at 26.

[5] Id. at 33-35.

[6] Id.

[7] Id. at 48-49.

[8] Id. at 50-51.

[9] Id.

[10] 355 Phil. 584 (1998).

[11] Id. at 591.

[12] Rollo, pp. 52-53.

[13] Id. at 25-30.

[14] Id. at 28-29.

[15] Id. at 57-59.

[16] Id. at 31.

[17] Id. at 120-127.

[18] Id. at 79-80.

[19] Id. at 8-21; 188-189.

[20] Id. at 120-127.

[21] Id. at 112.

[22] Id. at 136-143.

[23] Beluso v. Commission on Elections, 635 Phil. 436, 443 (2010).

[24] Nightowl Watchman & Security Agency, Inc. v. Lumahan, 771 Phil. 391, 406 (2015).

[25] Tan v. Spouses Antazo, 659 Phil. 400, 404 (2011).

[26] Ysidoro v. Justice Leonardo-De Castro, 681 Phil. 1, 17 (2012).

[27] *Inocentes v. People*, 789 Phil. 318, 326 (2016).

[28] *San Miguel Foods, Inc. v. Hon. Laguesma*, 331 Phil. 356, 376 (1996).

[29] Section 2. Mode of review. - A judgment or final order or resolution of the Commission on Elections and the Commission on Audit may be brought by the aggrieved party to the Supreme Court on certiorari under Rule 65, except as hereinafter provided.

[30] *Philippine International Trading Corporation v. Commission on Audit*, 368 Phil. 478, 491 (1999).

[31] 630 Phil. 1, 14 (2010).

[32] See also: G.R. No. 187257, *Republic v. Hon. Cortez*, February 7, 2017 and August 8, 2017 (on Motion for Reconsideration).

[33] *Villegas v. Subido*, 148-B Phil. 668, 675-676 (1971).

[34] *Supra* note 30.

[35] *Id* at 493.

[36] *Garrucho v. Court of Appeals*, 489 Phil. 150, 156-157 (2005).

[37] Section 1, Rule XV of the 2009 REVISED RULES OF PROCEDURE OF THE COMMISSION ON AUDIT.

[38] *Rollo*, p. 10.

[39] *Galicto v. President Aquino III*, 683 Phil. 141, 170 (2012).

[40] *Atty. Lozano v. Speaker Nograles*, 607 Phil. 334, 342 (2009).

[41] *Tolentino v. Commission on Elections*, 465 Phil. 385, 402 (2004).

[42] *Biraogo v. The Philippine Truth Commission of 2010*, 651 Phil. 374, 441 (2010).

[43] *De Castro v. Judicial and Bar Council*, 629 Phil. 629, 683-684 (2010).

[44] *Australian Professional Realty, Inc. v. Municipality of Padre Garcia, Batangas*, 684 Phil. 283, 292 (2012).

[45] *Spouses Laus v. Optimum Security Services, Inc.*, 780 Phil. 412, 419-420 (2016).

[46] *Id.* at 421; *Spouses Marquez v. Spouses Alindog*, 725 Phil. 237, 251 (2014).

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