

JUDITH B. CAMPOS, ASUNCION S. MANINGAS, IRENEA D. NUEVA, ADA P. VALDEZ, MARIBEL T. SALAZAR, PENAFRANCIA V. DIZON, AND SHEILA D. RODRIGUEZ, PETITIONERS, VS. COMMISSION ON AUDIT, ...*G.R. Nos. 253454 and 253551, December 03, 2025*

Ponente: CAGUIOA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-nos-253454/>**CAGUIOA, J.:**

Before the Court are two consolidated Petitions for Certiorari[1] under Rule 64, in relation to Rule 65, of the Rules of Court, seeking the reversal of: (a) Decision No. 2016-260[2] dated September 26, 2016, which approved Commission on Audit (COA) National Government Sector (NGS)-Cluster 7 Decision No. 2013-005[3] dated November 21, 2013 and COA NGS-Cluster 7 Decision No. 2014-006[4] dated May 27, 2014; and (b) Decision No. 2020-323[5] dated January 31, 2020, which affirmed Decision No. 2016-260, of the COA. The assailed COA Decisions disallowed the amount of PHP 302,161,498.58 relative to the payment made by petitioners Judith B. Campos (Campos), Asuncion S. Maningas (Maningas), Irene D. Nueva (Nueva), Ada P. Valdez (Valdez), Maribel T. Salazar (Salazar), Penafrancia V. Dizon (Dizon), and Sheila D. Rodriguez (Rodriguez; petitioners in G.R. No. 253454; Campos et al.) to petitioner Amalgamated Motors Philippines, Inc. (petitioner in G.R. No. 253551; AMPI; collectively, petitioners).

The Facts

On July 4, 1984, the Republic of the Philippines (Republic), through the Bureau of Land Transportation (BLT), now Land Transportation Office (LTO), and AMPI entered into a "Contract for the Supply, Production, & Delivery of Three-Year Issue Driver[s] Licenses & Identification Cards"[6] (Original Contract). The agreement was governed by a Build-Operate-Transfer (BOT) framework that required AMPI to install all necessary facilities and deliver up to four million licenses over four years. Upon completion, AMPI was contractually obligated to transfer all assets used in the project to the government.

These obligations are explicitly outlined in Sections 2.03 and 2.04 of the Original Contract, which state:

2.03

As part and parcel of the undertaking of AMPI, AMPI shall, upon completion of the Contract under Section 9 of the Contract Conditions, Annex "E", cede, assign[,] and deliver to BLT the building, equipment, facilities, furniture, and all miscellaneous paraphernalia used in the production of said driver[s] licenses and identification cards and in the operation and maintenance of the base line data system, as specified and enumerated in Sections 3 and 5 of the Contract Conditions, Annex "E" and in the Breakdown of Cost Estimates, Annex "I".

Said building, equipment, facilities, furniture, and all miscellaneous paraphernalia, used in the production of driver[s] licenses and identification cards and in the operation and maintenance of the base line data system,

shall be, upon prior inspection by BLT, in serviceable condition, and shall be delivered together with all warranties, plans, instructions, contracts, titles, manuals, evidences of ownership and other documents used in relation to, or pertaining to the project. Throughout the period of this Contract, AMPI shall, every six months, provide BLT the list of equipment, facilities, furniture, supplies, materials, and all miscellaneous items used in the production of driver[s] licenses and identification cards and in the operation and maintenance of the base line data system.

2.04

AMPI shall provide a training program for BLT personnel during the entire period of this Contract, as specified in Section 11.04 of the Contract Conditions, Annex "E". AMPI shall start its training programs for BLT personnel not later than the fourth month after the start of mobilization. AMPI shall also prepare and provide manuals for all equipment supplied and for all phases and aspects of the operation and maintenance of the system. All such programs and manuals shall be subject to the review and approval of BLT, prior to implementation.[7] (Emphasis supplied)

The turnover obligation is expressly reiterated in Section 9 of the Contract Conditions,[8] which provides:

Section 9 Contract Period

The period of the contract shall extend over four (4) years from the date of the completion of the mobilization period or the production and delivery of four million (4,000,000) driver[s] licenses, whichever shall come later. At the end of such period, all building, facilities, equipment, furniture[,] and other paraphernalia supplied by AMPI under this Contract to produce license cards, identification cards and to operate and maintain the computerized base line data system, shall accrue to BLT. AMPI shall, at such time, transfer all titles to BLT, free from any liens or liabilities. All supplies, remaining at the end of the Contract period, shall be sold by AMPI to BLT at the prevailing prices, at cost.[9] (Emphasis supplied)

After the expiration of the Original Contract, the Republic, through the Department of Transportation and Communication (DOTC, now Department of Transportation or DOTr), and AMPI entered into several supplemental agreements and extension contracts on August 24, 1989,[10] January 5, 1990,[11] January 6, 1992,[12] and in August 1997.[13]

On December 18, 1998, a new extension agreement was executed, providing for a four-year term or until the delivery of 10 million driver's licenses and 10 million identification cards, whichever came later.[14]

As an addendum to the extension contract of December 18, 1998, a Supplemental Agreement[15] dated September 22, 2000 was executed, which provided for the installation of additional equipment and for the supply of an additional six million driver's licenses, again under a BOT framework:

LTO and AMPI have agreed that AMPI will install equipment, such as Computer, Printing Machine Model Data Card IC4, Digital Cameras and other related [equipment] to produce the Ten (10) Minute Driver's License and to cause the upgrading of the site, installation of air conditioning units and similar equipment at a cost of ONE MILLION FIVE HUNDRED THOUSAND PESOS (P1,500,000.00) per agency or with a total investment of ONE HUNDRED THIRTY MILLION PESOS (P130,000,000.00) on BOT scheme[.]

[A]s consideration of the same, AMPI will be authorized to supply, produce[,] and deliver, an additional SIX MILLION [6,000,000] driver's license[s], over and above the present existing contract.[16] (Emphasis supplied)

In 2003, Republic Act No. 9184, or the Government Procurement Reform Act, was enacted requiring government procurement to be done primarily through competitive public bidding. In view thereof, the contract for the supply

of driver's licenses between LTO and AMPI was no longer renewed or extended to comply with the bidding requirement under Republic Act No. 9184.[17]

By May 2006, AMPI had completed the supply, production, and delivery of six million driver's licenses under the last Supplemental Agreement dated September 22, 2000.[18] Despite the non-renewal of the contract since its expiration in 2006, AMPI continued to supply and deliver driver's licenses to LTO contrary to their agreement under the BOT scheme, which required AMPI to transfer the facility to LTO for the latter to operate it on its own. Likewise, no document can be found to show that LTO demanded for AMPI to comply with its obligation under the BOT scheme.[19]

From June 2006 to September 2006, AMPI billed LTO for the delivery of 738,503 driver's licenses in the amount of PHP 124,613,925.19, but it could not be processed and paid by LTO in the absence of another extension contract to serve as legal basis for the payment.[20]

To resolve the impasse, LTO sought guidance from DOTC.[21] On November 7, 2006, then DOTC Assistant Secretary Cesar V. Sarmiento submitted a Memorandum for the Secretary,[22] finding that AMPI is legally entitled to the payment of its services under the equitable principle of quantum meruit. It was noted in the aforesaid Memorandum that the supply, production, and delivery of driver's licenses for due issuance by LTO to qualified drivers are imbued with public interest.[23]

Thereafter, then DOTC Secretary Leandro R. Mendoza (Secretary Mendoza) issued a Memorandum[24] also dated November 7, 2006, addressed to LTO Assistant Secretary Reynaldo I. Berroya (Assistant Secretary Berroya), for LTO to favorably act upon AMPI's claim for payment of driver's licenses and identification cards, as well as to immediately commence the procurement of the said licenses and identification cards in adherence to Republic Act No. 9184.

Relying on the Memorandum dated November 7, 2006 of DOTC Secretary Mendoza, LTO eventually released payments to AMPI amounting to PHP 500,903,948.33 for deliveries made in 2012 and PHP 239,104,501.88 for deliveries from January to June 2013.[25] These payments, totaling PHP 740,008,450.21, were disbursed even though there was no new contract, and no public bidding had taken place.

On February 4, 2013, Audit Observation Memorandum (AOM) No. 13-005 was issued, noting that there was no legal basis for AMPI's continued delivery of driver's licenses to LTO, as the contract for the production of driver's licenses had not been renewed since its expiration in 2006.[26] In response to the AOM, LTO informed COA that DOTC scheduled the procurement process through public bidding to begin within the second quarter of 2013 and the draft of the terms of reference was already being reviewed.[27]

After the audit of the disbursement vouchers on the payments made by LTO to AMPI, Notice of Disallowance (ND) Nos. 2013-001(12)[28] and 2013-002(13)[29] both dated August 30, 2013 (subject NDs) in the amounts of PHP 500,903,948.33 for calendar year 2012 and PHP 239,104,501.88 for the months of January to June 2013, respectively, or a total of PHP 740,008,450.21, were issued based on the following grounds: (a) no public bidding was conducted for the supply and delivery of identification type driver's licenses in violation of Section 2 of the Revised Implementing Rules and Regulations (IRR) of Republic Act No. 9184; (b) absence of a valid and enforceable contract between LTO and AMPI; and (c) the disbursements were irregular as defined under Section 3.1 of COA Circular No. 2012-003 dated October 29, 2012.[30]

The following persons were found liable for the transactions under the subject NDs.

Name

Position/Designation

Nature of
Participation in the
Transaction

Virginia P. Torres

Assistant Secretary

Approval of payments

Judith B. Campos

Officer-in-Charge (OIC), License Section

Recommending the preparation of documents for the payments

Asuncion S. Maningas

Chief, Accounting Section

Certification of the availability of cash and that documents were complete and proper

Irenea D. Nueva

OIC, Finance and Management Division

Signed on the Box for Noted by: in the ObR

Ada P. Valdez

OIC, Budget Section

Certified the availability of allotment and obligated for the purpose (Box B of the ObR)

Maribel T. Salazar

Chief, Administrative Division

Certified that charges to appropriation/allotment necessary, lawful; and supporting documents valid, proper, and legal (Box A of the ObR)

Penafrancia V. Dizon[31]

Accountant III

Pre-audit of the disbursements

Sheila D. Rodriguez

Accountant II

Pre-audit of the disbursements

AMPI

Payee

Received payments

Campos et al. and AMPI separately appealed the subject NDs before the COA NGS-Cluster 7.

COA NGS-Cluster 7 Ruling

In its Decision No. 2013-005 dated November 21, 2013, COA NGS-Cluster 7 resolved AMPI's appeal and reduced the disallowed amount from PHP 740,008,450.21 to such amount less actual cost incurred by AMPI for the delivery of driver's licenses. It held that notwithstanding the absence of a valid and enforceable contract, AMPI is entitled to payment or compensation for the supply, production, and delivery of driver's license cards based on the equitable principle of quantum meruit. Hence, COA NGS-Cluster 7 ordered AMPI to submit to the COA auditor, for verification, evidence of costs incurred.[32]

In Decision No. 2014-006 dated May 27, 2014, COA NGS-Cluster 7 resolved the appeal of Campos et al. It affirmed the disallowance, reiterating that while AMPI may be entitled to compensation under the principle of quantum meruit, LTO had no authority to release public funds absent a valid and enforceable contract. It further ruled that reliance on the DOTC Secretary's Memorandum dated November 7, 2006, could not cure the lack of legal basis for payment, especially since the directive covered only a limited period and expressly required adherence to Republic Act No. 9184. Thus, the disbursements made by Campos et al. were deemed irregular and the involved officials were held liable.[33]

The dispositive portion of the COA NGS-Cluster 7 Decision No. 2014-006 reads:

WHEREFORE, premises considered, the herein appeal is DENIED. The subject NDs are AFFIRMED WITH MODIFICATION consistent with our ruling embodied in NGS Cluster 7 Decision No. 2013-005 dated [November 21,] 2013. Accordingly, ND Nos. 2013-001(12) and 2013-002(13) both dated [August 30,] 2013 in the amounts of [PHP] 500,903,948.33 and [PHP] 239,104,501.88[,] respectively, or a total of [PHP] 740,008,450.21, are offset and reduced by the actual amount of costs incurred by AMPI in the supply, production[,] and delivery of driver's license cards.

This decision, however, is not final and is subject to automatic review by the Commission Proper, pursuant to Section 7, Rule V of the 2009 Revised Rules of Procedure of the Commission on Audit.[34] (Emphasis in the original)

COA Ruling

By way of automatic review, COA, in its Decision No. 2016-260 dated September 26, 2016, upheld the COA NGS-Cluster 7 Decision Nos. 2013-005 and 2014-006. The dispositive portion of which reads:

WHEREFORE, premises considered, [COA NGS-]Cluster 7 Decision Nos. 2013-005 dated November 21, 2013 and 2014-006 dated May 27, 2014 are hereby APPROVED. Accordingly, [ND] Nos. 2013-001(12) and 2013-002(13) both dated August 30, 2013, in the amounts of [PHP] 500,903,948.33 and [PHP] 239,104,501.88, respectively, or a total of [PHP] 740,008,450.21, are reduced by [PHP] 437,846,951.63, or a net disallowance of [PHP] 302,161,498.58. [LTO] is also directed to require [AMPI] to immediately transfer the operation and management of the driver's license facilities to . . . LTO as provided under the [BOT] contract between LTO and AMPI as well as all buildings, facilities, equipment, furniture, and other paraphernalia supplied by AMPI under said contract.

The Prosecution and Litigation Office, Legal Services Sector, this Commission, is hereby directed to forward

the case to the Office of the Ombudsman for investigation and filing of appropriate charges, if warranted, against the persons liable for the transaction.[35] (Emphasis in the original)

COA held that the disallowance of payments made by LTO to AMPI was proper. It emphasized that the Original Contract between LTO and AMPI was a BOT agreement, which required AMPI to transfer all buildings, equipment, and facilities to LTO at the end of the contract period. The last Supplemental Agreement dated September 22, 2000 reaffirmed this arrangement.[36]

Moreover, COA found that AMPI's billings from January 2012 to June 2013 included, on top of the fee of PHP 97.45, additional charges for foreign exchange and wage adjustments, as well as 12% value-added tax (VAT). These terms were no longer applicable after the expiration of the contract. COA also noted that the correct VAT rate for government contractors is only 5%, pursuant to Revenue Regulations No. 4-2007.[37]

COA, thus, found irregularity in the continued supply of licenses by AMPI, as the BOT arrangement was not complied with, and LTO did not even demand such compliance. Nonetheless, it recognized that AMPI had rendered services since 2006 and could be compensated under the principle of quantum meruit to prevent unjust enrichment.[38]

In view of the violations of the BOT agreement and the seemingly disadvantageous nature of the contract and its implementation to the government, COA ordered the referral of the case to the Office of the Ombudsman for investigation and the filing of appropriate charges, if warranted, against the persons liable for the transaction.[39]

Aggrieved, AMPI filed a Motion for Partial Reconsideration[40] on October 25, 2016. Except for Virginia P. Torres (Torres), Campos et al. likewise filed a Motion for Reconsideration[41] on November 11, 2016.

However, COA denied the two separate Motions and issued COA Decision No. 2020-323 dated January 31, 2020. It emphasized that the principal BOT contract between LTO and AMPI, which required AMPI to train LTO personnel and to turn over all facilities and equipment at the end of the contract term, remained valid and binding, notwithstanding the subsequent extensions.[42]

COA also rejected Campos et al.'s argument that they acted in good faith and merely followed the instructions of DOTC officials. Pursuant to Section 106 of Presidential Decree No. 1445,[43] accountable officers are not relieved from liability unless they notify their superiors in writing of the illegality of the transaction. Campos et al. failed to show such notification, and were, thus, held solidarily liable based on their certifications that enabled the disallowed payments.[44]

Hence, the Petition for Certiorari under Rule 64 of the Rules of Court with prayer for the issuance of temporary restraining order (TRO) and/or writ of preliminary injunction (WPI) filed by Campos et al. in G.R. No. 253454 and the Petition for Certiorari under Rule 64, in relation to Rule 65, of the Rules of Court filed by AMPI in G.R. No. 253551.

In G.R. No. 253454, Campos et al. argue that COA acted with grave abuse of discretion amounting to lack or excess of jurisdiction in disallowing the payments made to AMPI for the production and delivery of driver's licenses. They maintain that the payments were made in furtherance of LTO's mandate to issue driver's licenses and in pursuit of public interest and policy. As such, the expenses should not have been declared irregular or illegal.[45] They further contend that even assuming procedural defects in the procurement process, the payments to AMPI were justified under the principle of quantum meruit, considering that AMPI had already rendered services to the government.[46]

Campos et al. also claim that they cannot be faulted for failure to conduct public bidding, as they were bound to comply with the WPI issued by the Regional Trial Court (RTC) of Quezon City dated February 16, 2011, which

restrained the DOTC-Special Bids and Awards Committee (SBAC) from proceeding with the bidding.[47] They emphasize that they merely relied on and followed the legal and procedural guidelines issued by DOTC in processing AMPI's claims for payment. According to them, these actions should be taken in good faith.[48]

In support of their application for a TRO and/or WPI, Campos et al. aver that there is a clear and urgent necessity to protect their right to life and to earn a livelihood, especially in light of the socioeconomic difficulties brought about by the COVID-19 pandemic. They assert that enforcing the assailed COA decisions would compel them to pay the disallowed amount of PHP 302,161,498.58. Campos et al. claim that this amount far exceeds their accumulated salaries and benefits from long years of government service, and compliance would render them unable to provide even for their families' basic needs.[49]

In G.R. No. 253551, AMPI argues that it is entitled to payment for services actually rendered, asserting that it delivered driver's licenses in good faith even after the expiration of the contract. It questions COA's disallowance of PHP 302,161,498.58, claiming that the entire amount of PHP 740,008,450.21 was directly used for the production, supply, and delivery of driver's licenses. AMPI maintains that it cannot be faulted for its continued supply and delivery of licenses, particularly in the absence of any demand from LTO for it to cease operations or to comply with the turnover obligations under the BOT agreement.[50]

Similar to Campos et al., AMPI contends that the subject NDs should be lifted, as they were issued in violation of COA Circular Nos. 2009-006 and 2012-003.[51]

In its Consolidated Comment,[52] COA asserts that it did not commit grave abuse of discretion amounting to lack or excess of jurisdiction when it disallowed the payments made to AMPI. It emphasized that the disallowed payments violated applicable laws, rules, regulations, and public policy, and were, thus, properly declared irregular and illegal.[53] It stressed that it even reduced the disallowance to PHP 302,161,498.58 based on the actual costs incurred by AMPI for the production and supply of driver's licenses from January to December 2012 and January to June 2013.[54]

COA further argues that Campos et al. should be held accountable for their respective roles in facilitating the illegal payments, and that their reliance on the WPI issued by the RTC of Quezon City is misplaced, given that the writ was lifted and reversed by the Court of Appeals (CA) in its Decision dated September 28, 2012.[55] Similarly, their invocation of the DOTC Secretary's Memorandum dated November 7, 2006 to justify the payments made in 2012 and 2013 is inaccurate and misleading.[56]

COA also maintains that the subject NDs were valid and were issued in accordance with COA Circular Nos. 2009-006 and 2012-003.[57] Finally, it contends that Campos et al. are not entitled to a TRO or a WPI.[58]

In their Reply,[59] Campos et al. merely echo the arguments raised in their Petition, specifically: (a) that the disallowed payments were not made in violation of laws, rules and regulations, and public policy, but rather to enable LTO to continue providing a necessary service to the public; (b) that they acted in good faith in making the payments to AMPI; and (c) that COA committed grave abuse of discretion in disallowing the payments to AMPI, as LTO had paid AMPI for the supply, production, and delivery of driver's licenses based on the principle of quantum meruit.[60]

In its Reply,[61] AMPI insists that it is entitled to the full amount of PHP 740,008,450.21. It likewise reiterates that the government did not suffer any loss, as it allegedly benefited and even profited from the contract.[62]

The Issues

The issues in the present consolidated cases are the following:

1)

Whether COA committed grave abuse of discretion amounting to lack or excess of jurisdiction in disallowing the payments made to AMPI.

2)

Whether the subject NDs were validly issued in accordance with COA Circular Nos. 2009-006 and 2012-003.

3)

Whether Campos et al. may be held solidarily liable for the return of disallowed payments made to AMPI for the production and delivery of driver's licenses from 2012 to 2013, given the absence of a valid and subsisting contract and public bidding as required under Republic Act No. 9184.

4)

Whether AMPI is entitled to full payment of PHP 740,008,450.21 for the production, supply, and delivery of driver's licenses after the expiration of the BOT agreement in May 2006.

Ruling of the Court

The Court resolves to partly grant the Petition filed by Campos et al. and dismiss the Petition filed by AMPI.

In resolving petitions that assail the actions of COA, the Court is guided by long-standing principles that recognize the breadth of COA's constitutional mandate and the limited scope of judicial review over its determinations. As the Court explained:

COA is endowed with enough latitude to determine, prevent, and disallow irregular, unnecessary, excessive, extravagant[,] or unconscionable expenditures of government funds. It is tasked to be vigilant and conscientious in safeguarding the proper use of the government's, and ultimately the people's, property. The exercise of its general audit power is among the constitutional mechanisms that gives life to the check and balance system inherent in our form of government.

Corollary thereto, it is the general policy of the Court to sustain the decisions of administrative authorities, especially one which is constitutionally-created, such as . . . COA, not only on the basis of the doctrine of separation of powers but also for their presumed expertise in the laws they are entrusted to enforce. Findings of administrative agencies are accorded not only respect but also finality when the decision and order are not tainted with unfairness or arbitrariness that would amount to grave abuse of discretion. It is only when . . . COA has acted without or in excess of jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction, that this Court entertains a petition questioning its rulings. There is grave abuse of discretion when there is an evasion of a positive duty or a virtual refusal to perform a duty enjoined by law or to act in contemplation of law as when the judgment rendered is not based on law and evidence but on caprice, whim, and despotism.[63] (Citations omitted)

In this case, the Court finds that COA did not commit any grave abuse of discretion when it affirmed the propriety of the disallowance of payments made to AMPI. Accordingly, AMPI, as the payee, is liable to return the amounts it received.

However, the Court finds that Campos et al., who merely processed the payments in the ordinary course of their

functions and without evident bad faith or gross negligence, should be excused from solidary liability.

LTO and AMPI entered into a BOT type of agreement. The COA did not gravely abuse its discretion in affirming the subject NDs

The Court finds that the issuance of the subject NDs was proper in light of the parties' contractual arrangement under a BOT scheme.

The Original Contract executed between LTO and AMPI was clearly in the nature of a BOT agreement. As defined under Section 2(b) of Republic Act No. 7718[64] or the BOT Law, a BOT project entails not only the construction and operation of a facility at the proponent's expense, but also its eventual transfer to the government agency concerned at the end of the agreed term. Republic Act No. 7718 specifically contemplates arrangements in which the supplier or operator is required to transfer ownership of the facility and its systems to the government, along with the provision of technology transfer and personnel training. Section 2(b) of Republic Act No. 7718 reads:

Sec. 2. Definition of Terms. – The following terms used in this Act shall have the meanings stated below:

....

(b) Build-operate-and-transfer - A contractual arrangement whereby the project proponent undertakes the construction, including financing, of a given infrastructure facility, and the operation and maintenance thereof. The project proponent operates the facility over the fixed term during which it is allowed to charge facility users appropriate tools, fees, rentals, and charges not exceeding those proposed in its bid or as negotiated and incorporated in the contract to enable the project proponent to recover its investment, and operating and maintenance expenses in the project. The project proponent transfers the facility to the government agency or local government unit concerned at the end of the fixed term which shall not exceed fifty (50) years: Provided, That in case of an infrastructure or development facility whose operation requires a public utility franchise, the proponent must be Filipino or, if a corporation, must be duly registered with the Securities and Exchange Commission and owned up to at least sixty percent (60%) by Filipinos.

The build-operate-and-transfer shall include a supply-and-operate situation which is a contractual arrangement whereby the supplier of equipment and machinery for a given infrastructure facility, if the interest of the Government so requires, operates the facility providing in the process technology transfer and training to Filipino nationals. (Emphasis supplied)

These core obligations were explicitly reflected in the Original Contract and Supplemental Agreement dated September 22, 2000 between AMPI and LTO. The relevant provisions under the Original Contract between LTO and AMPI are restated:

2.03

As part and parcel of the undertaking of AMPI, AMPI shall, upon completion of the Contract under Section 9 of the Contract Conditions, Annex "E", cede, assign[,] and deliver to BLT the building, equipment, facilities, furniture, and all miscellaneous paraphernalia used in the production of said driver[s] licenses and identification cards and in the operation and maintenance of the base line data system, as specified and enumerated in Sections 3 and 5 of the Contract Conditions, Annex "E" and in the Breakdown of Cost Estimates, Annex "I".

Said building, equipment, facilities, furniture, and all miscellaneous paraphernalia, used in the production of driver[s] licenses and identification cards and in the operation and maintenance of the base line data system,

shall be, upon prior inspection by BLT, in serviceable condition, and shall be delivered together with all warranties, plans, instructions, contracts, titles, manuals, evidences of ownership and other documents used in relation to, or pertaining to the project. Throughout the period of this Contract, AMPI shall, every six months, provide BLT the list of equipment, facilities, furniture, supplies, materials, and all miscellaneous items used in the production of driver[s] licenses and identification cards and in the operation and maintenance of the base line data system.

2.04

AMPI shall provide a training program for BLT personnel during the entire period of this Contract, as specified in Section 11.04 of the Contract Conditions, Annex "E". AMPI shall start its training programs for BLT personnel not later than the fourth month after the start of mobilization. AMPI shall also prepare and provide manuals for all equipment supplied and for all phases and aspects of the operation and maintenance of the system. All such programs and manuals shall be subject to the review and approval of BLT, prior to implementation.[65] (Emphasis supplied)

The foregoing provisions covered not just the turnover of assets such as buildings, equipment, and systems, but also AMPI's responsibility to provide technical training and operational manuals to ensure LTO's capability to independently operate the driver's license system upon completion of contract. These contractual obligations were not only outlined in the main body of the Original Contract, but were also expanded in its annexed Contract Conditions, thus:

Section 9 Contract Period

The period of the contract shall extend over four (4) years from the date of the completion of the mobilization period or the production and delivery of four million (4,000,000) driver[s] licenses, whichever shall come later. At the end of such period, all building, facilities, equipment, furniture[,] and other paraphernalia supplied by AMPI under this Contract to produce license cards, identification cards and to operate and maintain the computerized base line data system, shall accrue to BLT. AMPI shall, at such time, transfer all titles to BLT, free from any liens or liabilities. All supplies, remaining at the end of the Contract period, shall be sold by AMPI to BLT at the prevailing prices, at cost.[66] (Emphasis supplied)

Crucially, the contract required AMPI to eventually transfer ownership and control of the buildings, equipment, and systems to the government, specifically BLT, the predecessor of LTO. This is consistent with the "transfer" requirement under Section 2(b) of Republic Act No. 7718. The obligation to provide a comprehensive training program and operational manuals for government personnel further supports the conclusion that the arrangement was designed to equip LTO with the capability to independently manage the system after the expiration of the term.

The last Supplemental Agreement dated September 22, 2000 reaffirmed the BOT nature of the arrangement, thus:

AMPI will install equipment, such as Computer, Printing Machine Model Data Card IC4, Digital Cameras and other related [equipment] to produce the Ten (10) Minute Driver's License and to cause the upgrading of the site, installation of air conditioning units and similar equipment at a cost of ONE MILLION FIVE HUNDRED THOUSAND PESOS ([PHP] 1,500,000.00) per agency or with a total investment of ONE HUNDRED THIRTY MILLION PESOS ([PHP] 130,000,000.00) on BOT scheme[.]

[A]s consideration of the same, AMPI will be authorized to supply, produce[,] and deliver, an additional SIX MILLION [6,000,000] driver's license, over and above the present existing contract.[67] (Emphasis supplied)

The foregoing provision likewise leaves no doubt that the agreement was structured as a BOT project. AMPI

committed to invest a significant amount at PHP 130,000,000.00 for the acquisition and installation of equipment necessary to upgrade LTO's capacity to produce driver's licenses. In return, AMPI was granted the right to produce and supply an additional volume of six million licenses, thereby enabling it to recover its investment through the proceeds of government transactions. This mirrors the core features of a BOT scheme, which include private capital investment, a right of operation to recoup costs, and a final obligation to transfer the facility and operations to the government.[68] Furthermore, the express reference to the arrangement as being "on [a] BOT scheme"[69] under the Supplemental Agreement dated September 22, 2000 confirms that the parties themselves intended to be bound by the principles and framework of Republic Act No. 7718.

By May 2006, AMPI had completed delivery of both the original and supplemental volumes of driver's licenses under the contract dated December 18, 1998 and Supplemental Agreement dated September 22, 2000. At that point, its investment obligations under the BOT framework had been fulfilled. In accordance with the contract, AMPI should have already turned over the driver's license system, including all facilities and operations, to LTO. Instead, AMPI continued supplying and producing licenses beyond the agreed term, without entering into a new contract and without participating in a competitive procurement process. Effectively, AMPI maintained control over a government infrastructure without legal basis, frustrating the very essence of the BOT model.

Hence, the Court agrees with the findings of COA that AMPI's continued operations beyond the expiration of its BOT agreement were irregular. COA observed that AMPI did not comply with the turnover obligation under the BOT arrangement, despite having completed the contract volumes as early as May 2006.[70]

That there was no formal demand from LTO requiring AMPI to turn over the system[71] does not negate AMPI's contractual obligations. Under the BOT agreement, the duty to transfer is not contingent on demand, but arises automatically upon expiration of the term of the contract. This obligation is explicitly stated in the Original Contract. The language used is unequivocal: "AMPI shall, upon completion of the Contract . . ., cede, assign[,] and deliver to [LTO] the building, equipment, facilities, furniture, and all miscellaneous paraphernalia . . ."[72] The use of the term "shall" ordinarily connotes an imperative and underscores the mandatory character of the turnover.[73]

The Court likewise rejects petitioners' assertion that the obligation to turn over the driver's license system and its facilities had been waived or abandoned in the supplemental agreements executed after the Original Contract. Petitioners contend that subsequent extensions in 1997, 1998, and 2000 no longer included the turnover provision, implying a mutual intention to dispense with this requirement.[74]

This argument is untenable.

A close reading of the supplemental agreements reveals no express waiver or abrogation of AMPI's obligation to transfer the facilities to LTO. The Original Contract was not superseded in a manner that removed its core conditions. Rather, the parties merely entered into extensions and addenda which expanded the scope of performance, such as authorizing the delivery of additional license cards or upgrading of equipment. The essential terms of the BOT framework, particularly the turnover of facilities, training of LTO personnel, and transfer of operational control, remained firmly embedded in the original agreement and were not contradicted by the subsequent instruments. In fact, to emphasize once more, the last Supplemental Agreement dated September 22, 2000 expressly reiterated that the arrangement was being implemented under a BOT scheme.

The Court likewise rejects the argument that Republic Act No. 7718 is inapplicable to the contractual arrangement between LTO and AMPI by reason of the Original Contract having been executed in 1984.

While it is true that the Original Contract was perfected before the enactment of Republic Act No. 7718 in 1994,

the parties themselves continued to renew and expand their agreement through several supplemental contracts, including those executed in 1992, 1997, 1998, and 2000. These extensions and addenda were executed during a period when the BOT Law was already in full force and effect. Hence, even if the 1984 agreement predated Republic Act No. 7718, the later iterations of the contract were clearly subject to the governing legal framework at the time of their execution.

This timeline is crucial. By the time of the 1992 extension, Republic Act No. 6957,[75] or the precursor to Republic Act No. 7718, had already taken effect. Republic Act No. 6957, which introduced the BOT scheme, was enacted in 1990. Its amendatory law, Republic Act No. 7718, came into effect in 1994. Therefore, when AMPI and LTO entered into the Supplemental Agreement in 2000, they were doing so under a legal regime that already required the fulfillment of the BOT obligations, including the eventual turnover of facilities and systems to the government.

Thus, petitioners cannot now claim that Republic Act No. 6957, as amended by Republic Act No. 7718, is inapplicable, or that they were under no obligation to comply with its core mandates, when they even expressly invoked the BOT framework in the Supplemental Agreement dated September 22, 2000, and continued to act under its terms long after the law had already taken effect.

Accordingly, the Court concludes that AMPI's continued operation and receipt of public funds beyond 2006, despite the expiration of its BOT contract and its failure to fulfill key turnover and training obligations, were irregular. These circumstances fully justify the issuance of the subject NDs.

The subject NDs are not contrary to COA Circular No. 2009-006 or the Rules and Regulations on Settlement of Accounts (RRSA)

Petitioners insist that the subject NDs are baseless since they did not comply with COA Circular No. 2009-006[76] dated September 15, 2009. They claim that the subject NDs failed to follow the RRSA because (a) they did not specify the amount of damage sustained by the government, (b) they were not signed by the supervising auditor, and (c) the payee's liability was baseless.[77]

These arguments lack merit.

First, petitioners' insistence that the absence of a specific amount of "damage" to the government should render the subject NDs void is based on a misunderstanding of what constitutes recoverable loss under the RRSA. Petitioners rely on Section 16.1 of the RRSA, which states that the liability of public officers and other persons for audit disallowances shall be determined on the basis of (1) the nature of the disallowance/charge; (2) the duties and responsibilities of the officers concerned; (3) the extent of their participation in the disallowed transaction; and (4) the amount of damage or loss to the government.[78] They claim that since the assailed COA decisions do not state a definite amount of damage suffered by the government from AMPI's delivery of the licenses, no such loss can be presumed.

As clarified in *Madera v. COA*,[79] the amount of damage or loss suffered by the government in the disallowed transaction may be deemed attributable to payees by their mere receipt of the disallowed funds. This loss incurred by the government corresponds to the amounts received by the payees.[80]

In this case, as correctly ruled by COA, the damage suffered by the government consists of two interrelated benefits that were lost. First, the profits that should have accrued in its favor had AMPI complied with its obligation to transfer the license production facilities to LTO in 2006. Second, the damages which LTO may claim for AMPI's continued operation of the facilities in violation of the BOT agreement, particularly its failure to turn over said facilities as required.[81]

That the government may have profited from each license transaction is not a defense because what matters is that such profit should have been realized by the government itself, through LTO's own operations as mandated by the Original Contract and reiterated in the last Supplemental Agreement dated September 22, 2000. In other words, the disallowed amount represents the cost that the government should not have paid AMPI had the latter fulfilled its obligation to transfer the driver's license production facilities to LTO. The benefit that should have accrued to the government, which is the ability to operate the licensing facilities itself and retain the associated revenue, was clearly undermined.

The second component of damage as found by COA is also supported by Article 1170 of the Civil Code, which provides that those who fail to comply with their obligations are liable for damages.[82] By continuing to operate and profit from the license system beyond the agreed term, AMPI usurped revenues that should have flowed to LTO. Petitioners' claim that the government still earned something from the transactions misses the point entirely. The benefit should have accrued wholly to the government under its own operations, and not be shared with a private party which had long overstayed the bounds of its contractual authority.

As aptly emphasized in the COA NGS-Cluster 7 Decision No. 2013-005, the absence of a valid, written contract exposed the government to serious disadvantage:

The Philippine Government was thereby deprived of its rights to obtain a fair and reasonable price for the goods and services it had paid. It was likewise deprived of any of its rights which may be pursued only under written contract. The lack or failure to conduct public bidding or any alternative methods of procurement allowed by laws, rules[,] and regulations puts the government at a disadvantageous position. It opens the floodgates of overpricing of goods and services, favoritism, anomalous practices[,] and corruption in governmental agencies.[83]

The lack of a valid contract and proper procurement process deprives the government of legal protections and remedies, weakens transparency, and undermines accountability. The disallowance in this case, thus, stands not only on the basis of the actual amounts paid to AMPI, but also on the broader harm suffered by the government due to AMPI's continued operations outside of a valid legal framework.

Second, the Court does not agree with petitioners' contention that the subject NDs are invalid due to the alleged failure of the audit team leader and supervising auditor to sign the subject NDs, citing Section 10.2 of RRSA, which requires that such NDs be signed by both officials.

Section 10.2 of RRSA reads:

SECTION 10. NOTICE OF DISALLOWANCE (ND)

. . . .

10.2

The ND shall be addressed to the agency head and the accountant; served on the persons liable; and shall indicate the transaction and amount disallowed, reasons for the disallowance, the laws/rules/regulations violated, and persons liable. It shall be signed by both the Audit Team Leader and the Supervising Auditor. A sample ND is shown in Annex 3. (Emphasis supplied)

As noted by COA, the subject NDs were issued by the audit team leader, who also held the concurrent position of acting supervising auditor for the audit team pursuant to COA Office Order No. 2013-018 dated January 11, 2013.[84] This dual capacity fully explains why the subject NDs bore only the signature of the audit team leader. The RRSA does not prohibit such concurrent designation, nor does it require the same person to sign twice in separate capacities. In such a case, a single signature suffices, as the audit team leader was acting in both

capacities in full compliance with the RRSA. Therefore, the subject NDs are not defective.

Third, the Court rejects the claim of petitioners that the latter cannot be held liable as payee, since under Section 16.1.5[85] of the RRSA, a payee of an expenditure shall be held personally liable where the disallowance was due to its failure to submit supporting documents and where the auditor is convinced that the transaction did not occur or has no basis in fact.[86]

This reading, however, unduly constrains the scope of the provision and misconstrues its intent. While Section 16.1.5 of the RRSA provides a specific example of when a payee may be held liable, it is not an exclusive enumeration of such grounds. The liability of a payee is not limited to instances of fabricated transactions or missing documentation. A payee may also be held liable where the payments received were irregularly disbursed, or where the transaction lacked legal basis. To hold otherwise would allow entities to unjustly enrich themselves at the expense of public funds simply because they delivered a service or product, even if there was lack of competitive public bidding. In this case, AMPI received public funds despite the absence of a valid and subsisting contract and lack of public bidding in clear violation of Republic Act No. 9184. The mere delivery of driver's license cards does not cure this fundamental legal defect.

Campos et al. cannot rely on the writ of preliminary injunction to justify LTO's continued dealings with AMPI

Campos et al. argue that the disallowance is unwarranted because LTO had, in fact, initiated public bidding procedures as early as 2008, including the creation of SBAC, posting of bid invitations, and the holding of a pre-bid conference. They further contend that LTO was constrained to halt the bidding process following the issuance of a WPI by the RTC of Quezon City on February 16, 2011, which legally prevented LTO from proceeding with public bidding. On this basis, they insist that LTO's continued engagement with AMPI outside of competitive bidding should not be faulted.[87]

The argument fails to persuade the Court.

The facts Campos et al. cite betray their own narrative. As they admit, the Original Contract with AMPI had already expired as early as 2006. Even assuming that LTO intended to pursue a procurement process thereafter, the earliest actions taken, namely, the creation of SBAC and the initiation of procurement planning, occurred only in 2008, two years after the contract had lapsed. A pre-bid conference was held only in 2010, and the writ of preliminary injunction was issued by the RTC only in 2011, five years after the expiration of AMPI's authority to produce driver's licenses. The injunction, therefore, cannot be used to justify LTO's failure to conduct public bidding. LTO had ample opportunity to complete the procurement process before the writ was issued.

It must be stressed that public bidding is important because it helps protect public funds by ensuring that government contracts are awarded fairly and transparently through open competition, thus:

By its very nature, public bidding aims to protect public interest by giving the public the best possible advantages through open competition. Thus, competition must be legitimate, fair and honest. In the field of government contract law, competition requires not only bidding upon a common standard, a common basis, upon the same thing, the same subject matter, and the same undertaking, but also that it be legitimate, fair and honest and not designed to injure or defraud the government. An essential element of a publicly bid contract is that "all bidders must be on equal footing, not simply in terms of application of the procedural rules and regulations imposed by the relevant government agency, but more importantly, on the contract bidden upon. Each bidder must be able to bid on the same thing."

As pointed out by the Court in *Agan*, if the winning bidder is allowed to later include or modify certain provisions in the contract awarded such that the contract is altered in any material respect, then the essence of fair competition in the public bidding is destroyed. A public bidding would be a farce if, after the contract is

awarded, the winning bidder may modify the contract and include provisions which are favorable to it that were not previously made available to the other bidders. The government cannot enter into a contract with the highest bidder and incorporate substantial provisions beneficial to him, not included or contemplated in the terms and specifications upon which the bids were invited.

Aside from protecting public interest by giving the public the best possible advantages through open competition, "[a]nother self-evident purpose of public bidding is to avoid or preclude suspicion of favoritism and anomalies in the execution of public contracts." Such bias or partiality and irregularities may be validly presumed if, as in this case, after a contract has been awarded, the parties carry out changes or make amendments thereto which gives the winning bidder an edge or advantage over the other bidders who participated in the bidding, or which makes the signed contract unfavorable to the government. Thus, there can be no substantial or material [change to the parameters of the project, including the essential terms and conditions] of the contract bidden upon, after the contract award.[88] (Citations omitted, emphasis supplied)

More importantly, Campos et al.'s reliance on the RTC's WPI is patently misleading.

In its Decision[89] dated September 28, 2012, the CA in CA-G.R. SP No. 125203, reversed and set aside the RTC's Orders dated February 16, 2011 and June 1, 2012 and dissolved the WPIs issued pursuant to said Orders. The CA ruled that AMPI is not entitled to the writ of injunction because it does not have a clear and unmistakable right that must be protected. AMPI was not even considered a qualified bidder at that time. It was merely a prospective one.

Despite the CA's clear pronouncement in September 2012, Campos et al. mistakenly continued to process the payments to AMPI in 2012 and 2013, after the injunction had been lifted. In other words, the CA had already nullified the writ as of September 28, 2012. Disbursements made beyond that date can no longer be justified by its supposed existence.

Notably, after the Petition for Certiorari was filed by Campos et al., the Court affirmed the CA's ruling in the 2022 case of *AMPI v. Secretary Roxas*,[90] stating that AMPI's "participation in the bidding process and its concomitant rights remain just that—as a prospective bidder. [AMPI's] right, for purposes of the preliminary injunction, is not clear and unmistakable. It is not a right in esse. At best, [AMPI's] right was merely speculative." [91] The Court likewise emphasized that AMPI's rights as a bidder does not automatically vest upon mere purchase of the bidding documents. It could not claim an actual, clear, and positive right based on its status as a prospective bidder.[92]

Accordingly, the Court finds no merit in Campos et al.'s defense, as their reliance on the writ is not only misleading, but also untenable. The injunction was erroneously issued as found by the CA and the Court, and more importantly, AMPI's rights as merely a potential bidder were never vested. The disallowance stands.

The subject disbursements are irregular within the meaning of COA Circular No. 2012-003

Petitioners argue that the subject disbursement should not be deemed irregular because it does not appear in Annex "A" of COA Circular No. 2012-003[93] dated October 29, 2012, which lists specific cases of irregular transactions. They assert that the absence of the disbursement to AMPI from Annex "A" implies that the transaction cannot be classified as irregular based on the principle of *expressio unius est exclusio alterius*. [94]

The Court does not agree.

Under COA Circular No. 2012-003, irregular expenditures are not defined by enumeration alone, but by their character:

3.1

Definition

The term "irregular expenditure" signifies an expenditure incurred without adhering to established rules, regulations, procedural guidelines, policies, principles or practices that have gained recognition in laws. Irregular expenditures are incurred if funds are disbursed without conforming with prescribed usages and rules of discipline. There is no observance of an established pattern, course, mode of action, behavior, or conduct in the incurrence of an irregular expenditure. A transaction conducted in a manner that deviates or departs from, or which does not comply with standards set is deemed irregular. A transaction which fails to follow or violates appropriate rules of procedure is, likewise, irregular.

3.2

Cases that are considered "Irregular" Expenditures or Uses of Government Funds and Property are presented in Annex "A." (Emphasis in the original)

The enumeration in Annex "A" of COA Circular No. 2012-003 serves as a non-exhaustive list of examples of irregular transactions. It is not intended to be a comprehensive or exclusive enumeration of all possible irregularities. The fact that a particular payment does not appear in Annex "A" does not preclude it from being deemed irregular. Interpreting COA Circular No. 2012-003 otherwise would lead to an illogical outcome such that any irregularity not included in Annex "A," no matter how blatant, would be immune from disallowance. That would undermine the constitutional mandate of COA to prevent misuse of public funds. Hence, the controlling factor in determining whether an expenditure is irregular is the definition provided under item 3.1 of COA Circular No. 2012-003.

Furthermore, it is crucial to recognize that the nature of irregularities is dynamic and may evolve beyond the examples listed in Annex "A." The focus should be on the nature of the expenditure in relation to the established definition of irregularity, rather than solely relying on its inclusion or exclusion from the list of examples in Annex "A." Indeed, item 8.1 of COA Circular No. 2012-003 recognizes that the lists of irregular, unnecessary, excessive, extravagant, or unconscionable (IUEEU) expenditures in the annexes are not exhaustive. It provides that:

8.1

Need/Justification

As the lists of IUEEU expenditures cannot exhaust the situations which are deemed such, there is a need to set up a system whereby a list of disallowed expenditures peculiar to an agency or a class/category shall be made using a self-propelling or time-adjusting mechanism such that a case declared IUEEU expenditure in a particular situation/sector is, likewise, deemed IUEEU expenditure in other cases/sectors similarly situated.

The foregoing provision clearly allows for the classification of expenditures as irregular even if not expressly listed, so long as the circumstances fall within the general definition under item 3.1. In this case, the continued payment to AMPI despite the absence of a valid contract, non-compliance with Republic Act No. 9184, and failure to transfer facilities under the BOT agreement are clear deviations from established rules and standards. These acts squarely fall within the definition of irregular expenditures, regardless of their omission from Annex "A."

Thus, the Court finds that the payments made to AMPI after the expiration of the last extension contract are irregular, having been disbursed in violation of Republic Act No. 9184 and in the absence of any enforceable contract.

Campos et al. should not be held solidarily liable to return the disallowed amount. Good faith absolves them from refund

Having settled the propriety of the disallowance, the Court now delves into the issue of civil liability for the return of the disallowed amount.

In determining whether an approving, certifying, or an authorizing officer is liable for the return of a disallowed amount involving unlawful or irregular government contracts, the Court applies the yardstick laid down in *Torreta v. COA*:^[95]

1.

If a Notice of Disallowance is set aside by the Court, no return shall be required from any of the persons held liable therein.

2.

If a Notice of Disallowance is upheld, the rules on return are as follows:

a.

Approving and certifying officers who acted in good faith, in regular performance of official functions, and with the diligence of a good father of the family are not civilly liable to return consistent with Section 38 of the Administrative Code of 1987.

b.

Pursuant to Section 43 of the Administrative Code of 1987, approving and certifying officers who are clearly shown to have acted with bad faith, malice, or gross negligence, are solidarily liable together with the recipients for the return of the disallowed amount.

c.

The civil liability for the disallowed amount may be reduced by the amounts due to the recipient based on the application of the principle of quantum meruit on a [case-to-case] basis.

d.

These rules are without prejudice to the application of the more specific provisions of law, COA rules and regulations, and accounting principles depending on the nature of the government contract involved.^[96] (Emphasis supplied)

The above guidelines in *Torreta* were a recalibration of the rules of return in *Madera* to specifically account for

the peculiarities of government procurement contracts of goods or services.[97] The rules of return in Madera are applicable in such procurement cases only insofar as paragraphs 2a and 2b are concerned which deals with the determination of who are liable for the disallowed amount.[98]

As a general rule, a public officer has in his or her favor the presumption that he or she has regularly performed his or her official duties and functions. However, this protection is not absolute. Sections 38 and 39 of the Administrative Code of 1987 provide:

SECTION 38. Liability of Superior Officers. — (1) A public officer shall not be civilly liable for acts done in the performance of his official duties, unless there is a clear showing of bad faith, malice or gross negligence.

. . . .

SECTION 39. Liability of Subordinate Officers. — No subordinate officer or employee shall be civilly liable for acts done by him [or her] in good faith in the performance of his [or her] duties. However, he [or she] shall be liable for willful or negligent acts done by him [or her] which are contrary to law, morals, public policy and good customs even if he [or she] acted under orders or instructions of his [or her] superiors. (Emphasis supplied)

In *Abellanosa v. COA*,[99] the Court explained that the civil liability of public officers must be premised on a finding that they acted beyond the scope of their official duties, particularly through bad faith, malice, or gross negligence:

The need to first prove bad faith, malice, or gross negligence before holding a public officer civilly liable traces its roots to the State agency doctrine — a core concept in the law on public officers. From the perspective of administrative law, public officers are considered as agents of the State; and as such, acts done in the performance of their official functions are considered as acts of the State. In contrast, when a public officer acts negligently, or worse, in bad faith, the protective mantle of State immunity is lost as the officer is deemed to have acted outside the scope of his [or her] official functions; hence, he [or she] is treated to have acted in his [or her] personal capacity and necessarily, subject to liability on his [or her] own.[100] (Citation omitted)

While the Court finds unmeritorious Campos et al.'s reliance on the DOTC Secretary's Memorandum, as basis for the continued payments to AMPI from 2012 to 2013, the Court nonetheless rules that they acted in good faith in the performance of their respective duties.

As shown by the LTO's Briefing Memorandum[101] dated October 31, 2006 addressed to DOTC, the specific request made pertained only to the settlement of AMPI's collectibles for the period June to September 2006, amounting to PHP 124,613,925.19. LTO admitted therein that there was no existing contract at the time and that it was unable to process the claim "due to the absence of contract and/or other documents, which will serve as the legal basis for payment." [102] The relevant portion of the LTO Briefing Memorandum reads:

2.

The production and delivery of six (6) million pieces of drivers licenses pursuant to the September 2000 contract has been fulfilled by AMPI in June 2006 and ha[d] already been paid for by LTO.

3.

LTO received AMPI's billing for the period covering June to September 2006 in the total amount of One Hundred Twenty[-]Four Million Six Hundred Thirteen Thousand Nine Hundred Twenty[-]Five Pesos and 19/100 ([PHP] 124,613,925.19) or a total of 738,503 pieces of drivers licenses which it actually delivered to . . . LTO.

4.

LTO is unable to process aforecited claims due to the absence of contract and/or other documents, which will serve as the legal basis for payment.

5.

A Briefing Memoranda dated August 2, 2006 . . . and October 3, 2006 . . . were submitted to the Honorable Secretary relative to . . . AMPI's billing for the months of June to August 2006 requesting specific guidance.

6.

[To date], LTO has yet to receive any communication from . . . DOTC on the matter. However, since services were rendered by AMPI, it is recommended that payment be made, subject to existing law and the pertinent accounting and auditing rules and regulations.[103] (Emphasis supplied)

It was in response to this limited inquiry that then DOTC Secretary Mendoza directed then LTO Assistant Secretary Berroya to favorably consider the payment of AMPI's claim, subject to validation. The said DOTC Secretary's Memorandum relied upon by Campos et al. reads:

This refers to the attached Memorandum of the DOTC-Legal Service dated [November 7,] 2006 on the subject with which this office concurs.

In view thereof, you are hereby directed to favorably consider and act upon the claim for payment of driver's licenses and identification cards by [AMPI] subject to actual number delivered and duly validated.

You are hereby further directed to immediately commence the procurement of the said licenses and identification cards adhering strictly to the provisions of the Implementing Rules and Regulations of [Republic Act] No. 9184 (Government Procurement Reform Act) and GPPB Resolution No. 04-2006 taking into account its existing contracts with other service providers.

For compliance.[104] (Emphasis supplied)

Contrary to Campos et al.'s claim, the tenor of the DOTC Secretary's Memorandum was confined to services already rendered and billed by AMPI for the period June to September 2006. DOTC's favorable action was limited to that billing period and was premised on AMPI's prior delivery of license cards. The clear context, as borne by the exchange of communications between LTO and DOTC, shows that the directive did not contemplate future or recurring payments beyond that period, much less six years later.

Crucially, the DOTC Secretary's Memorandum also instructed LTO to "immediately commence the procurement of the said licenses," thereby signaling that any succeeding transactions should already be subjected to competitive bidding. This further confirms that DOTC did not intend to authorize continuous payment to AMPI under the lapsed BOT arrangement. The intent of the directive was curative and transitional, which was to address a pending demand based on completed deliveries, and not to regularize or extend a contract that had already expired. Consequently, the payments made in 2012 and 2013, which were several years after the expiration of the contract, fall outside the scope of the DOTC Secretary's Memorandum, and cannot be justified by it.

To put it simply, Campos et al.'s reliance on the DOTC Secretary's Memorandum in facilitating the release of payment to AMPI was misplaced. That memorandum clearly pertained to deliveries made in 2006 and instructed compliance with Republic Act No. 9184 for future procurements. As the subject payments involve deliveries

made between 2012 and 2013, long after the expiration of the contract, it is evident that they erred in treating the DOTC Secretary's Memorandum as a continuing legal basis for payment.

Nevertheless, such error in interpretation does not, without more, constitute bad faith or gross negligence. *Lumayna v. COA*[105] teaches that mistakes made by public officers in the exercise of their duties, even if ultimately incorrect, are not actionable unless tainted with malice or gross negligence amounting to bad faith:

Under prevailing jurisprudence, mistakes committed by a public officer are not actionable, absent a clear showing that he was motivated by malice or gross negligence amounting to bad faith. It does not simply connote bad moral judgment or negligence. Rather, there must be some dishonest purpose or some moral obliquity and conscious doing of a wrong, a breach of a sworn duty through some motive or intent, or ill will. It partakes of the nature of fraud and contemplates a state of mind affirmatively operating with furtive design or some motive of self-interest or ill will for ulterior purposes.[106] (Emphasis supplied)

Good faith is a state of mind denoting honesty of intention, and freedom from knowledge of circumstances which ought to put the holder upon inquiry; an honest intention to abstain from taking any unconscientious advantage of another, even through technicalities of law, together with absence of all information, notice, or benefit or belief of facts which render transaction unconscientious. As elucidated above, every public official is entitled to the presumption of good faith in the discharge of official duties. Absent any showing of bad faith or malice, there is likewise a presumption of regularity in the performance of official duties.[107]

The following circumstances support the finding that Campos et al. should not be held solidarily liable for the disallowed amount for being in good faith.

First, Campos et al. acted under the impression that the continued deliveries by AMPI, which were neither refused nor repudiated by LTO itself, could be lawfully processed and paid for on a quantum meruit basis as previously allowed. There is no showing that they acted with fraudulent intent or conscious indifference to the legal requirements of procurement. On the contrary, the records show that their certifications were based on actual deliveries made by AMPI, supported by documentation, and in furtherance of the LTO's continuing mandate to issue driver's licenses.

From June 2006 onward, AMPI continued to deliver driver's licenses notwithstanding the absence of a contract. LTO accepted these deliveries without objection. While the DOTC Secretary's Memorandum endorsed payment on the basis of quantum meruit only for deliveries made at that time, the fact that there was no directive to repudiate or reject subsequent deliveries gave Campos et al. a reasonable belief that the continued engagement was aboveboard. The silence and continued operational reliance on AMPI's services gave the unmistakable impression of tacit approval from higher authorities.

Notably, under Article 23 of the Original Contract, it was the responsibility of BLT (now LTO) to designate specific personnel to inspect the delivered licenses at the licensing centers. These inspections were to be conducted through ocular verification of compliance with the required specifications.[108] This contractual duty makes it clear that Campos et al. were not tasked with physical inspection or acceptance of the deliveries. They reasonably relied on the fact that delivery acceptance had already been undertaken by the designated field personnel. In other words, acceptance of deliveries fell within the responsibility of separate LTO personnel, not Campos et al., whose roles were limited to accounting and finance-related certifications.

In line with this arrangement, the records show that each disbursement voucher processed by Campos et al. was supported by the following attachments: (1) AMPI's Billing; (2) Briefing Memorandum; (3) Inspection Report; (4) Unit Cost Computation; and (5) Computation of Payment.[109] While the Inspection Reports themselves were not included in the records, the Briefing Memorandum,[110] signed by petitioner Campos as officer-in-charge of

the Licensing Section, expressly referenced License Production Transmittal Reports "duly accepted and signed by the various Transportation District Officers." These reports quantified the finished licenses delivered and amount due for a given period, and served as the basis for recommending preparation of payment documents.

Indeed, COA found that AMPI had delivered the license cards and incurred documented costs, prompting COA to apply the equitable principle of quantum meruit and reduce the disallowed amount by PHP 437,846,951.63 representing actual cost incurred by AMPI from January 2012 to June 2013. This recognition of actual benefit to the government further underscores that Campos et al. were not authorizing patently fictitious or fraudulent payments, but were instead facilitating payment for services already rendered and used by the agency.

Second, the obligation to transfer the buildings, equipment, and facilities under the BOT arrangement was incumbent upon AMPI itself. Under the clear terms of the Original Contract, AMPI was required to cede, assign, and deliver the relevant assets to BLT (now LTO) upon completion of the contract. In fact, this duty was not made conditional upon any formal demand by LTO. Thus, AMPI's failure to turn over the system at the end of the contract period constitutes a breach of its contractual undertaking, regardless of whether LTO formally demanded compliance. The relevant clause in the Original Contract is clear:

2.03

As part and parcel of the undertaking of AMPI, AMPI shall, upon completion of the Contract under Section 9 of the Contract Conditions, Annex "E", cede, assign[,] and deliver to BLT the building, equipment, facilities, furniture, and all miscellaneous paraphernalia used in the production of said driver[']s licenses and identification cards and in the operation and maintenance of the base line data system, as specified and enumerated in Sections 3 and 5 of the Contract Conditions, Annex "E" and in the Breakdown of Cost Estimates, Annex "I".[111] (Emphasis supplied)

Campos et al. had no role in enforcing or negotiating the turnover obligation. Their functions were limited to their official designations as accountants, section chiefs, and officer-in-charge of various units of LTO such as the Licensing Section, Accounting Section, Finance and Management Division, Budget Section, and Administrative Division. There is no indication that they held the authority to issue policy directives, initiate enforcement of the BOT obligations, or negotiate with AMPI on behalf of the agency.

As borne by the records, Campos et al.'s participation were confined to processing payments for services already delivered. They did not benefit from the transaction, nor was there any indication of collusion or personal interest. In short, the failure to enforce AMPI's turnover obligation cannot be attributed to Campos et al. who merely acted within the scope of their functions.

Finally, in Madera, the Court adopted certain circumstances or badges for the determination of whether an authorizing officer exercised the diligence of a good father of a family:

To ensure that public officers who have in their favor the un rebutted presumption of good faith and regularity in the performance of official duty, or those who can show that the circumstances of their case prove that they acted in good faith and with diligence, the Court adopts Associate Justice Marvic M.V.F. Leonen's (Justice Leonen) proposed circumstances or badges for the determination of whether an authorizing officer exercised the diligence of a good father of a family:

[. . .] For one to be absolved of liability the following requisites [may be considered]: (1) Certificates of Availability of Funds pursuant to Section 40 of the Administrative Code, (2) In-house or Department of Justice legal opinion, (3) that there is no precedent disallowing a similar case in jurisprudence, (4) that it is traditionally practiced within the agency and no prior disallowance has been issued, [or] (5) with regard [to] the question of law, that there is a reasonable textual interpretation on its legality.

Thus, to the extent that these badges of good faith and diligence are applicable to both approving and certifying officers, these should be considered before holding these officers, whose participation in the disallowed transaction was in the performance of their official duties, liable. The presence of any of these factors in a case may tend to uphold the presumption of good faith in the performance of official functions accorded to the officers involved, which must always be examined relative to the circumstances attending therein.[112] (Emphasis supplied, citations omitted)

Here, badges (4) and (5) are present and support a finding of good faith on the part of Campos et al.

One. The continued payment to AMPI after the expiration of the contract in 2006 was akin to a practice that had become institutionalized within LTO by virtue of its continuation for six years without interruption. In the same vein, the agency continued to receive and use AMPI's services without objection. Significantly, there had been no prior COA disallowance for similar transactions in the years following the contract's expiration in 2006. The subject NDs were issued only in 2013, a full seven years later.

Given this backdrop, it was not unreasonable for Campos et al. to believe that the continued engagement of AMPI, whose services were not only utilized, but also essential to LTO's operations, was tacitly accepted and aligned with agency practice. DOTC itself had previously authorized payment to AMPI under the principle of quantum meruit. Holding Campos et al. liable in the absence of bad faith or gross negligence, despite the government's actual benefit from the transaction, would be to penalize them for a policy failure not of their own making. Further, they processed payments based on actual deliveries and documentary submissions by AMPI. Notably, there is no finding of overpricing, fictitious delivery, or misuse of public funds. AMPI's services were fully utilized and integrated into the operations of LTO, and the government derived continuous benefit from them.

Two. The DOTC Secretary's Memorandum dated November 7, 2006 directed LTO to "favorably consider and act upon" AMPI's claims "subject to actual number delivered and duly validated" while at the same time instructing LTO to commence procurement under Republic Act No. 9184. This directive, however, did not explicitly order the cessation of deliveries or the suspension of payments pending procurement. The Court cannot conclude, therefore, that their interpretation of the DOTC Secretary's Memorandum dated November 7, 2006 was egregiously wrong amounting to gross recklessness or malice on their part. In the context of LTO's operational mandate to issue driver's licenses and absent any contrary instruction from higher authorities, Campos et al. could reasonably interpret the DOTC Secretary's Memorandum dated November 7, 2006 as legal authority to continue processing AMPI's claims. This squarely falls within the "reasonable textual interpretation" badge of good faith recognized in *Madera*.

As emphasized in *Secretary Montejo v. COA*,[113] it would be unfair to penalize public officials based on "overly stretched and strained interpretations" of rules which, at the time, were not readily capable of clear application. If any ambiguity in the legal framework is only clarified years later, as in this case with the 2013 disallowances, it should apply only prospectively. To hold otherwise would be counterproductive and unjust, particularly where the officers involved acted in honest belief and with diligence in the discharge of their official functions.

Aside from the foregoing considerations, the individual roles of Campos et al. further reinforce their non-liability. For some of them, their actions did not involve the exercise of discretion over the legality of the payments to AMPI or the procurement process involved.

Section 16 of RRSA provides the following:

SECTION 16. DETERMINATION OF PERSONS RESPONSIBLE/LIABLE

16.1

The Liability of public officers and other persons for audit disallowances/charges shall be determined on the basis of (a) the nature of the disallowance/charge; (b) the duties and responsibilities or obligations of officers/employees concerned; (c) the extent of their participation in the disallowed/charged transaction; and (d) the amount of damage or loss to the government[.]

....

16.1.2

Public officers who certify as to the necessity, legality[,] and availability of funds or adequacy of documents shall be liable according to their respective certifications. (Emphasis supplied)

In the case of *Alejandrino v. COA*,^[114] the Court determined that the two officers (the Head of Human Resources and Administration as well as the Acting Treasurer) were not liable to return the disallowed amount based on their respective functions and extent of participation. The Acting Treasurer, in particular, certified and approved the check voucher and certified the availability of funds, which the Court determined to be ministerial duties, thus:

In the case of *MWSS v. COA* and *Uy v. MWSS and COA*, We held that although petitioners were officers of MWSS, they had nothing to do with policy-making or decision-making for the MWSS, and were merely involved in its day-to-day operations. Therein, the petitioners who were department/division managers, Officer-in-Charge — Personnel and Administrative Services and the Chief of Controllorship and Accounting Section were not held personally liable for the disallowed amounts, to quote:

COA has not proved or shown that the petitioners, among others, were the approving officers contemplated by law to be personally liable to refund the illegal disbursements in . . . MWSS. While it is true that there was no distinct and specific definition as to who were the particular approving officers as well as the respective extent of their participation in the process of determining their liabilities for the refund of the disallowed amounts, we can conclude from the fiscal operation and administration of . . . MWSS how the process went when it granted and paid out the benefits to its personnel.

We note that in this case, petitioners' participation in the disallowed transactions were done while performing their ministerial duties as Head of Human Resources and Administration, and Acting Treasurer, respectively. Petitioner *Alejandrino*'s main function is the administration of human resources and personnel services, while petitioner *Pasetes* certified and approved the check voucher and certified the availability of funds as the acting treasurer. It has not been shown that petitioners acted in bad faith as they were merely performing their official duties in approving the payment of the lawyers under the directive of PNCC's executive officers. Petitioners, although officers of PNCC, could not be held personally liable for the disallowed amounts as they were not involved in policy-making or decision-making concerning the hiring and engagement of the private lawyers and were only performing assigned duties which can be considered as ministerial.^[115] (Emphasis supplied, citation omitted)

Thereafter, in *Celeste v. COA*,^[116] the Court applied the ruling in *Alejandrino* and concluded that the officers who were merely performing ministerial duties are not liable to return the disallowed amount:

From the above, it is immediately apparent that *Buted* and *De Leon* were merely performing ministerial functions not related to the legality or illegality of the disbursement of CNAI.

....

In this case, that Buted was merely performing a ministerial duty when he certified the availability of funds is evident, and was admitted by COA. He could not have refused to certify the availability of funds if that were factually true, and nothing in the records would indicate otherwise.

....

Hence, insofar as the disallowances in this case are anchored on the illegality of granting CNAI to managerial employees — and not on the availability of funds nor adequacy of documents — during the subject periods, Buted and De Leon acted in good faith and cannot be held liable for the amounts disallowed.[117] (Emphasis supplied, citation omitted)

To determine Campos et al.'s respective liabilities, each of their participation in the questioned disbursements must be assessed based on their roles, certifications, and nature of duties. Here, Campos et al. acted in the following capacities:

Name

Position/Designation

Nature of
Participation in the
Transaction

Virginia P. Torres

Assistant Secretary

Approval of payments

Judith B. Campos

OIC, License Section

Recommending the preparation of documents for the payments

Asuncion S. Maningas

Chief, Accounting Section

Certification of the availability of cash and that documents were complete and proper

Irenea D. Nueva

OIC, Finance and Management Division

Signed on the Box for Noted by: in the ObR

Ada P. Valdez

OIC, Budget Section

Certified the availability of allotment and obligated for the purpose (Box B of the ObR)

Maribel T. Salazar

Chief, Administrative Division

Certified that charges to appropriation/allotment necessary, lawful; and supporting documents valid, proper, and

legal (Box A of the ObR)

Penafrancia V. Dizon

Accountant III

Pre-audit of the disbursements

Sheila D. Rodriguez

Accountant II

Pre-audit of the disbursements

The Court finds that the officers involved may be categorized into two groups: (1) the approving and/or certifying officers, i.e., Torres, Salazar, Dizon, and Rodriguez; and (2) the officers who performed ministerial duties, i.e., Campos, Maningas, Nueva, and Valdez.

Petitioner Campos merely recommended the preparation of documents related to the disbursement. There is no showing that her recommendation constituted an attestation of their legality. Her participation appears to be limited to initiating documentation only.

Petitioner Maningas certified the availability of cash and that the documents were complete and the disbursements proper, which function does not involve discretion over whether the transaction is valid under Republic Act No. 9184 or whether the service provider was duly contracted through a lawful process. There is likewise no evidence on record to show that Maningas participated in the decision to forego public bidding, or that she knew of any defect that would render the payment irregular. Absent such evidence, she cannot be presumed to have knowledge of irregularity. Accordingly, the Court finds that Maningas, in certifying the completeness of documents and availability of cash, was merely performing ministerial duties.

For petitioners Valdez and Nueva, there is even less basis for liability. Valdez's role was limited to certifying allotment was available and obligated for the purpose indicated in the obligation request, which is a task that does not involve any legal evaluation of the underlying obligation. Nueva's participation, meanwhile, was purely notational. Neither officer had the mandate, nor were they expected, to determine whether AMPI's services were validly procured or legally payable. No evidence suggests that either Valdez or Nueva acted with bad faith or gross neglect in affixing their signatures.

Hence, the foregoing officers must be excused from solidary liability for the return of the disallowed amount. Their roles in the payment to AMPI were merely ministerial and did not involve the determination of the legality and propriety of the disallowed amount. To restate, the disallowance of the subject disbursements was anchored on two principal grounds: (1) failure to comply with the requirement of competitive bidding under Republic Act No. 9184 and its IRR; and (2) the absence of a valid and subsisting contract between LTO and AMPI at the time of payment. Notably, the record is bereft of any indication that the foregoing officers were responsible for, or had direct involvement in, either of these fundamental deficiencies. As in *Development Bank of the Philippines v. COA*,^[118] good faith may be appreciated where public officers acted without knowledge of any circumstance or information which would render the transaction illegal or unconscientious. They merely performed ministerial tasks based on the continued operational use of AMPI's services by LTO. Their actions did not call for the exercise of discretion or legal interpretation, and they had no authority to question, stop, or restructure LTO's continued reliance on AMPI.

As to petitioner Salazar, whose nature of participation involved the act of certifying that the charges were necessary and lawful, and that supporting documents were valid, the Court likewise absolves her from liability.

While her certification arguably entailed a higher degree of responsibility than the others, given that she attested to the lawfulness of the charges, Salazar made the certification based on actual deliveries, existing documentation, the DOTC Secretary's Memorandum dated November 7, 2006, and the continuing acceptance of AMPI's services by LTO.

Similarly, petitioners Dizon and Rodriguez participated in the disallowed transactions through their pre-audit of the disbursement vouchers. Under COA Circular No. 81-162[119] dated July 1, 1981 pre-audit requires ensuring that the proposed expenditure is in compliance with the appropriation law and other laws and regulations, such as Republic Act No. 9184. Hence, their functions required judgment and evaluation, which are not mere ministerial acts. Even so, like Salazar, Dizon, and Rodriguez made their assessments in the context of established practices, continued service delivery; and the perceived legal cover provided by the DOTC Secretary's Memorandum dated November 7, 2006.

Following the ruling in Lumayna, the mistaken belief of Salazar, Dizon, and Rodriguez, absent malice or gross neglect, is not actionable.[120] Their actions must be appreciated in the context of an institutional practice that was never repudiated or corrected by higher management.

COA cites Section 106 of Presidential Decree No. 1445 and faults Campos et al. for failing to issue a written notice of illegality to their superiors. However, this argument is misplaced.

Section 106 reads:

Section 106. Liability for acts done by direction of superior officer. No accountable officer shall be relieved from liability by reason of his [or her] having acted under the direction of a superior officer in paying out, applying, or disposing of the funds or property with which he [or she] is chargeable, unless prior to that act, he [or she] notified the superior officer in writing of the illegality of the payment, application, or disposition. The officer directing any illegal payment or disposition of the funds or property shall be primarily liable for the loss, while the accountable officer who fails to serve the required notice shall be secondarily liable. (Emphasis supplied)

In *Luspo v. People*,[121] the Court held an accountable officer liable under Section 106 after he disregarded disbursement, auditing, and accounting policies and merely mechanically affixed his signature without requiring any supporting documentation. The officer in *Luspo* had control and supervision over funds, and facilitated the illegal payment of checks without contracts, vouchers, or requisitions. His failure to issue a written protest to his superior, as required by Section 106, rendered him liable.

This is far from the situation in the present case.

Campos et al. did not process payments without documentation, nor did they disregard standard procedures. On the contrary, AMPI's claims for payment were supported by records of actual deliveries. They did not act mechanically or negligently, nor did they have control over the decision to engage AMPI. Their functions were mostly ministerial and were carried out in the ordinary course of processing claims.

As discussed above, their continued processing of AMPI's billings was likewise supported by a reasonable textual interpretation of the DOTC Secretary's Memorandum dated November 7, 2006, which did not categorically prohibit further payments. This further supports their good faith under the Madera framework and precludes the application of Section 106 of Presidential Decree No. 1445 in this case.

What is more, the payments were made after AMPI had rendered services continuously for years. Notably, while the contract expired in 2006, the subject NDs were issued only in 2013, or seven years later. At the time the transactions were processed, there was no clear basis for Campos et al. to suspect any irregularity that would have

triggered a duty to protest in writing.

Thus, Luspó is inapplicable. Section 106 of Presidential Decree No. 1445 does not require subordinate officers to second-guess management decisions where the payments are not facially illegal. It applies only where the illegality is so evident that continued participation of subordinate officers would constitute gross negligence or bad faith. That is not the case here. As such, the invocation of Section 106 finds no footing in this context.

In fine, Campos et al. have sufficiently established their defense of good faith. Thus, they cannot be held solidarily liable for the return of the disallowed amount.

At this juncture, the Court notes that the subject NDs had already attained finality as to Torres, who was then the assistant secretary of the LTO and the approving officer in the disallowed transactions. Torres passed away in January 2016^[122] prior to both the issuance of Decision No. 2016-260 on September 26, 2016 and the filing of the Motion for Reconsideration by Campos et al. on November 11, 2016. Consequently, no motion for reconsideration before the COA was filed on her behalf, and the subject NDs became final and executory as to her.

However, the principle of immutability of judgment admits several exceptions: (1) the correction of clerical errors; (2) the so-called nunc pro tunc entries which cause no prejudice to any party; (3) void judgments; and (4) whenever circumstances transpire after the finality of the decision rendering its execution unjust and inequitable. The Court has further allowed the relaxation of the rule on finality of judgments in order to serve substantial justice, taking into account: (1) matters of life, liberty, honor, or property; (2) the existence of special or compelling circumstances; (3) the merits of the case; (4) a cause not entirely attributable to the fault or negligence of the party favored by the suspension of the rules; (5) a lack of any showing that the review sought is merely frivolous and dilatory; and (6) the other party will not be unjustly prejudiced thereby.^[123]

Torres's case squarely falls within those exceptions. It would be the height of injustice to blindly yield to the principle of immutability and leave the estate of Torres solidarily liable for a substantial amount while allowing the exoneration of Campos et al. on grounds of good faith. Her actions were performed in good faith and in accordance with what was, at the time, the prevailing course of conduct within the LTO.

Likewise, the Court in *Arias v. Sandiganbayan*^[124] recognized that "heads of offices have to rely to a reasonable extent on their subordinates and on the good faith of those who prepare bids, purchase supplies, or enter into negotiations."^[125] If Campos et al. are excused for relying on what they believed was a valid quantum meruit arrangement and continued government acquiescence, then the same presumption of good faith and official regularity should be afforded to Torres. There is no showing that she acted with bad faith or gross negligence. On the contrary, her approval was based on the same set of documents, practices, and operational demands that guided her subordinates. Hence, despite procedural lapse, the Court rules that this decision should likewise apply to Torres, and her estate must be absolved from liability on the same grounds of good faith as Campos et al.

COA was correct in reducing the disallowed amount based on computation of actual costs incurred

The Court affirms that AMPI, as the payee and direct recipient of the disallowed public funds, is obligated to return the amounts it received, consistent with the doctrine that "payees who receive undue payment, regardless of good faith, are liable for the return[,]" subject to the application of the principle of quantum meruit.^[126]

The Court, in *Torreta*, explained the principle of quantum meruit and the conditions under which it was applied:

Quantum [meruit] literally means "as much as he deserves." Under this principle, a person may recover a reasonable value of the thing he [or she] delivered or the service he [or she] rendered. The principle also acts as a device to prevent undue enrichment based on the equitable postulate that it is unjust for a person to retain

benefit without paying for it. The principle of quantum [meruit] is predicated on equity. In the case of *Geronimo v. COA*, it has been held that "the [r]ecovery on the basis of quantum [meruit] was allowed despite the invalidity or absence of a written contract between the contractor and the government agency." In *Dr. Eslao v. COA*, the Court explained that the denial of the contractor's claim would result in the government unjustly enriching itself. The Court further reasoned that justice and equity demand compensation on the basis of quantum meruit. Thus, in applying this principle, the amount in which the petitioners together with the other liable individuals shall be equitably reduced.[127] (Emphasis supplied, citations omitted)

In *Torreta*, the Court acknowledged the technicalities involved in fixing the amount that should ultimately be returned by the persons solidarily liable under the ND. Accordingly, the Court remanded the case to the COA for the determination of amount of liability of therein petitioners, applying the generally accepted accounting rules and COA rules and regulations.

AMPI contends that the disallowance of PHP 302,161,498.58 amounts to grave abuse of discretion on the part of the COA, claiming that the full amount of PHP 740,008,450.21 corresponds to the actual cost of producing, supplying, and delivering of 4,954,396 driver's licenses received and distributed by LTO. AMPI acknowledges that COA recognized its entitlement under the principle of quantum meruit, but faults COA for mechanically deducting standard business expenses such as payroll, taxes, utilities, and rent. It asserts that these were actual costs incurred and should not have been excluded. AMPI further claims that COA's use of a "simple arithmetical process" to determine actual cost failed to reflect the equitable nature of quantum meruit and, thus, constituted grave abuse of discretion.[128]

The Court is not persuaded.

As made clear in *Bodo v. COA*,[129] while quantum meruit may justify the retention of the reasonable value of benefits conferred to the government under an invalid contract, it is COA, and not this Court, that is empowered to make the factual and technical determinations as to the extent of such reasonable value. In *Bodo*, the Court explained:

In this case, we find that quantum meruit may indeed operate to reduce the civil liability of petitioner, and of Villasin, et al., as well, for the disallowed transaction. However, due to Our limitations as a court of law, We leave to COA the final determination of up to how much such liability could be reduced.

It is settled that Bals Enterprises already made delivery of liquid fertilizers under its contract with Barugo. The municipality acknowledged such delivery through an Inspection and Acceptance Report dated [May 20,] 2004, and even distributed the fertilizers to the beneficiary farmers. These circumstances tell that Barugo already benefited from the fertilizers delivered by Bals Enterprises and, therefore, the principle of quantum meruit finds application.

Thus, despite the invalidity of its contract with Barugo, Bals Enterprises should be deemed entitled to retain the "reasonable value" of its deliveries to Barugo. The determination of such value, however, is a factual one that necessarily requires an inquiry as to the exact number of liquid fertilizers delivered by Bals Enterprises, as well as setting a fair and reasonable unit price for each liter of fertilizer that may or may not be consistent with the unit price stated in the contract. Clearly, this is a technical determination that COA is more equipped to undertake.

The total sum that Bals Enterprises is entitled to retain, as may be determined by COA, should then be deducted from the disallowed amount of [PHP] 1,950,000.00. The difference is the final civil liability of petitioner and his solidary co-debtors.[130] (Emphasis supplied, citations omitted)

Indeed, the Court, in *Bodo*, remanded the case precisely so that COA could perform a factual determination of the reasonable value of the goods delivered.

The principle in *Bodo* was reiterated in the case of *Puentevella v. COA*,^[131] where the Court likewise applied quantum meruit to reduce therein petitioner's liability and that of his non-appealing co-respondent. The Court clarified that the rehabilitation of Paglaum Stadium, as well as the repairs and refurbishments of the sports facilities, were undertaken and delivered in time for the conduct of the 23rd Southeast Asian Games. Despite the impropriety of the contract with the different contractors and suppliers, the Court determined that they are still entitled to retain the reasonable value of their deliveries and services. The Court clarified, however, that the determination of such value is factual in nature and beyond the province of the Court to undertake. Hence, the case was remanded to COA for the determination of the proper amount of civil liability.

The same, however, cannot be said here. By contrast, in the present consolidated Petitions, COA had already exercised this function. A detailed cost evaluation was conducted by COA's special audit team, which reviewed AMPI's submitted documents and determined that out of the reported PHP 454,559,935.67 in actual costs, only PHP 391,586,804.75 were found to be validly documented and directly attributable to the production and delivery of the driver's license cards. Additionally, COA made appropriate deductions of PHP 33,042,962.07 and PHP 13,217,184.81, representing the 5% VAT and 2% expanded withholding tax already remitted to the Bureau of Internal Revenue by LTO. These deductions resulted in a net disallowance of PHP 302,161,498.58, the validity of which is now questioned. Far from being arbitrary, this figure reflects a reasoned exercise of COA's audit discretion and a technical determination that falls squarely within its competence.

In effect, COA partially reduced the total disallowed amount of PHP 740,008,450.21 by PHP 437,846,951.63, arriving at a net disallowance of PHP 302,161,498.58. This reduction, according to COA, corresponds to the reasonable costs incurred by AMPI for the production, supply, and delivery of driver's licenses to LTO.^[132]

To emphasize, where payment is based on quantum meruit, the amount of recovery would only be the reasonable value of the thing delivered or services rendered regardless of any agreement as to value.^[133] Here, COA, through its special audit team, meticulously sifted through AMPI's cost submissions and allowed recovery up to the amount duly supported by valid documents, proof of payment, and for being directly attributable to the delivery of license cards. Items such as advertising, capital expenditures, donations, and water were reasonably disallowed for lack of relevance or supporting documents. The report of the special audit team states:^[134]

[P]er documents submitted by AMPI, it incurred actual costs of [PHP] 454,559,935.67 for the production, supply[,] and delivery of 4,954,396 license cards.

....

After examination, analysis[,] and verification/validation made by the Team, audit exceptions were communicated to the AMPI through ... LTO. AMPI's comments were evaluated and meritorious explanations were considered in the preparation of the report.

Out of the [PHP] 454,559,935.67 actual cost claimed to have [been] incurred by AMPI from January 2012 to June 2013, only [PHP] 391,586,804.75 were supported with valid documents and/or proof of payments, and considered to be directly attributable and/or related to the production, supply[,] and delivery of ID type Driver's License, as follows:

Item

No.

Nature of

Expenditure

Claim of

AMPI

Allowed

Disallowed

1 Ads and Signs

623,960.34

283,043.68

340,916.66

2 Brokerage

1,020,289.84

1,020,289.84

3 Business Permit, Taxes[,] and Licenses

734,089.43

572,462.37

161,627.06

4 Cable Subscription

1,452,584.08

1,452,584.08

5 Capital Expenditures

44,574,538.07

44,574,538.07

6 Cash Advances

1,707,439.95

1,707,439.95

7 Communication

8,834,943.13

8,259,462.33

575,480.80

8 Depreciation

12,805,751.75

8,384,734.97

4,421,016.78

9 Donations

525,000.00

525,000.00

10 Electricity

1,013,001.28

954,238.13

58,763.15

11 Employee Benefits

7,977,603.49

7,876,492.10

101,111.39

12 Expendable Tool and Materials

398,658.60

398,658.60

13 Freight

5,061,832.34

5,061,832.34

14 Legal Fees

708,509.69

708,509.69

15 Supplies and Materials

238,564,681.35

238,564,681.35

16 Office Supplies

465,538.02

465,538.02

17 Payroll

83,121,463.58

79,332,574.29

3,788,889.29

18 Petty cash

1,121,952.07	
1,121,952.07	
19 Professional fees	
300,000.00	
300,000.00	
20 Rent	
21,884,940.60	
14,096,306.28	
7,788,634.32	
21 Repairs and Maintenance	
196,723.25	
196,723.25	
22 Services and Maintenance	
20,829,281.41	
20,829,281.41	
23 Water	
637,153.40	
637,153.40	
Total	
454,559,935.67	
391,586,804.75	
62,973,130.92	

Further, the Court sustains COA's disallowance of capital expenditures in the amount of PHP 44,574,538.07 in item five above, representing the cost of printers, laminators, computers, and other hardware and software purchased by AMPI in 2012. As found by COA, these constitute capital assets that must be accounted for not as outright expenses, but subject to depreciation over their estimated useful life.[135]

Pursuant to Section 27 of the Government Accounting Manual (GAM), Volume I, all property, plant, and equipment, except land and heritage assets, shall be depreciated.[136] The GAM provides that the cost of fixed assets must be allocated on a systematic basis over their estimated useful life through depreciation, and that such depreciation "shall be recognized as expense unless it is included in the carrying amount of another asset." [137]

In this case, COA correctly found that the PHP 44,574,538.07 worth of equipment purchased by AMPI were capital expenditures that must be capitalized and then amortized or depreciated over their estimated useful life, not reimbursed in full. As the assets remained under AMPI's ownership and were used across several periods, only the corresponding depreciation expense, and not the entire acquisition cost, may be charged as a reasonable

cost incurred for the production and delivery of license cards. To do otherwise would unjustly shift the burden of AMPI's capital investments to the government, contrary to the cost allocation rules mandated in the GAM.

Accordingly, the Court affirms COA's technical determination that only the depreciation expense, as found under Item No. 5 of the special audit team's cost evaluation, is allowed.

Moreover, it bears noting that these capital expenditures were made in 2012 and were only formally endorsed to DOTC Secretary in February 2013.[138] In fact, the endorsement itself was expressly qualified with the statement that "[a]ny improvement and upgrade that AMPI [would] be authorized to make shall be for its own expense without additional cost on the part of the LTO and the general public and without prejudice to the conduct of public bidding [to be] subsequently undertaken by the DOTC [or] LTO on a regular contract basis." [139] This language makes clear that AMPI undertook the upgrades at its own risk and could not later recover the full capital costs from public funds.

AMPI, however, argues that COA committed grave abuse of discretion in affirming its earlier computation in the Decision No. 2016-260. AMPI cites COA's later pronouncement in the Decision No. 2020-323 stating that "the related depreciation expense under Item No. 8 is allowed as the cost incurred in the production and delivery of license cards." [140] It faults COA for allegedly failing to adjust the computation accordingly and for merely adopting the previous calculation in its entirety. [141]

The Court disagrees.

Contrary to AMPI's assertion, there was no need for a recomputation. The very depreciation expense under Item No. 8 which AMPI claims was overlooked had already been considered in the audit and incorporated into the computation approved in the Decision No. 2016-260. The special audit team determined that of the PHP 12,805,751.75 claimed by AMPI as depreciation, only PHP 8,384,734.97 was supported by valid documentation and directly attributable to the production and delivery of license cards. This amount was thus, allowed as part of the cost. The remaining portion was disallowed.

When COA reiterated in its Decision No. 2020-323 that "only the related depreciation expense under Item No. 8 is allowed," it did not signal a need for recomputation, but merely affirmed the principle it had already applied and quantified in the Decision No. 2016-260. AMPI's claim is therefore based on a misreading of COA's Decision No. 2020-323 and cannot be sustained.

The Court likewise finds unmeritorious AMPI's assertion that it is entitled to recover the entire amount of PHP 740,008,450.21 on the basis of its delivery of 4,954,396 driver's license cards at an average price of PHP 149.39 each. AMPI highlights that LTO charged PHP 350.00 per license to the public and that the government purportedly realized a profit of approximately PHP 200.00 per card without incurring any cost. [142] However, such argument is legally insufficient to warrant full payment of the disallowed amount.

To emphasize, the issue at hand is not whether the government profited, but whether AMPI was entitled to receive the entire amount of PHP 740,008,450.21 despite the absence of a valid contract and public bidding. The mere fact that AMPI delivered services to LTO, does not operate to correct the fact that AMPI did so despite the expiration of its contract with LTO. Quantum meruit is an equitable remedy, and the recovery of funds under it is limited to the reasonable value of services proven to have been rendered at the expense of AMPI.

AMPI's reliance on the government's profit per card confuses the nature of the government's regulatory authority with a commercial transaction. The PHP 350.00 fee paid by the public is a regulatory fee set by the government for the issuance of a driver's license. It does not establish a right in AMPI to claim the difference between that amount and its invoice. The Court cannot countenance the view that because the government charged a higher

amount, AMPI is automatically entitled to the full billed amount regardless of compliance with Republic Act No. 9184 and the absence of a valid contract.

Moreover, AMPI's claim to full recovery is belied by COA's own findings. In disallowing the full invoiced amount, and to reiterate for clarity, AMPI continued to deliver and supply driver's license cards to LTO without due regard to the fact that all the facilities for the production were already owned by LTO, and that LTO was supposed to operate the system on its own.

Additionally, COA observed that the unit price billed by AMPI for the period January 2012 to June 2013 included, on top of the base fee of PHP 97.45, an additional foreign exchange adjustment equivalent to 45% of the unit cost, a wage adjustment of 50%, and a 12% VAT. These add-ons were based on terms found in the Original Contract, which had long expired.[143] These findings confirm the necessity of COA's adjustment based on actual, verified cost.

In sum, AMPI cannot insist on recovering the full PHP 740,008,450.21 merely by asserting volume of delivery or the fact of government benefit. To sustain AMPI's claim would not only amount to a duplication of what COA through its special audit team had already done, but would effectively have the Court usurp COA's constitutional function. In the absence of grave abuse of discretion, which has not been demonstrated, the Court must accord deference to COA's technical evaluation.

ACCORDINGLY, the Petition for Certiorari filed by petitioners Judith B. Campos, Asuncion S. Maningas, Irene D. Nueva, Ada P. Valdez, Maribel T. Salazar, Penafrancia V. Dizon, and Sheila D. Rodriguez in G.R. No. 253454 is PARTLY GRANTED. The Petition for Certiorari filed by Amalgamated Motors Philippines, Inc. in G.R. No. 253551 is DISMISSED. The Decision No. 2016-260 dated September 26, 2016 and Decision No. 2020-323 dated January 31, 2020 of the Commission on Audit are AFFIRMED with MODIFICATION in that Virginia P. Torres, petitioners Judith B. Campos, Asuncion S. Maningas, Irene D. Nueva, Ada P. Valdez, Maribel T. Salazar, Penafrancia V. Dizon, and Sheila D. Rodriguez named in the Notice of Disallowance Nos. 2013-001(12) and 2013-002(13) both dated August 30, 2013, are ABSOLVED from the solidary obligation to return the disallowed amount of PHP 302,161,498.58.

As for petitioner Amalgamated Motors Philippines, Inc., being the recipient of the disallowed amount, it is ORDERED to REFUND the sum of PHP 302,161,498.58.

SO ORDERED.

Gesmundo, C.J., Leonen, S.J., Hernando, Lazaro-Javier, Inting, Zalameda, Gaerlan, Rosario, Dimaampao, Marquez, Singh, and Villanueva, JJ., concur.

J. Lopez, J., on official leave but left a concurring vote.

Kho, Jr., J., on official business.

[1] Rollo (G.R. No. 253454), pp. 56-99; rollo (G.R. No. 253551), pp. 3-37.

[2] Rollo (G.R. No. 253551), pp. 38-50. Signed by Chairperson Michael G. Aguinaldo and Commissioners Jose A. Fabia and Isabel D. Agito.

[3] Id. at 386-398. Signed by Director IV Cecilia B. Camon of the COA NGS Cluster 7-Public Works, Transport and Energy.

[4] Id. at 399-408. Signed by Director IV Cecilia B. Camon of the COA NGS Cluster 7-Public Works, Transport and Energy.

- [5] Id. at 51-66. Signed by Chairperson Michael G. Aguinaldo and Commissioners Jose A. Fabia and Roland C. Pondoc.
- [6] Id. at 70-97.
- [7] Id. at 75-76.
- [8] Id. at 217-265.
- [9] Id. at 260.
- [10] Id. at 302-304.
- [11] Id. at 305-318.
- [12] Id. at 319-331.
- [13] Rollo (G.R. No. 253454), pp. 418-420.
- [14] Id. at 427-431.
- [15] Id. at 432-434.
- [16] Id. at 432-433.
- [17] Id. at 61.
- [18] Rollo (G.R. No. 253551), p. 41.
- [19] Id.
- [20] Id. See also rollo (G.R. No. 253454), p. 62.
- [21] Rollo (G.R. No. 253454), id.
- [22] Id. at 438-442.
- [23] Id. at 440-441.
- [24] Id. at 437.
- [25] Id. at 64.
- [26] Rollo (G.R. No. 253551), p. 41.
- [27] Id.
- [28] Rollo (G.R. No. 253454), pp. 100-102.
- [29] Id. at 103-105.
- [30] Id. at 101, 103-104.
- [31] For ND No. 2013-001(12) only.
- [32] Rollo (G.R. No. 253551), p. 398.
- [33] Id. at 406-408.
- [34] Id. at 408.

[35] Id. at 48-49.

[36] Id. at 44-45.

[37] Id. at 45-46.

[38] Id. at 46.

[39] Id. at 48.

[40] Id. at 354-368.

[41] Rollo (G.R. No. 253454), pp. 133-139.

[42] Rollo (G.R. No. 253551), pp. 54-56.

[43] Government Auditing Code of the Philippines (1978).

[44] Rollo (G.R. No. 253551), pp. 62-63.

[45] Rollo (G.R. No. 253454), pp. 66-69.

[46] Id. at 76-81.

[47] Id. at 81-82.

[48] Id. at 85-87.

[49] Id. at 89-90.

[50] Rollo (G.R. No. 253551), pp. 18-20.

[51] Id. at 30-31.

[52] Id. at 467-505.

[53] Id. at 481-489.

[54] Id. at 492-496.

[55] Id. at 496-497.

[56] Id. at 497-498.

[57] Id. at 498-501.

[58] Id. at 501-503.

[59] Rollo (G.R. No. 253454), pp. 746-770.

[60] Id. at 752-764.

[61] Rollo (G.R. No. 253551), pp. 552-576.

[62] Id. at 564-570.

[63] *Delos Santos v. COA*, 716 Phil. 322, 332-333 (2013) [Per J. Perlas-Bernabe, En Banc].

[64] An Act Amending Certain Sections of Republic Act No. 6957, Entitled "An Act Authorizing the Financing, Construction, Operation, and Maintenance of Infrastructure Projects by the Private Sector, and for Other

Purposes" (1994).

[65] Rollo (G.R. No. 253551), pp. 75-76.

[66] Id. at 260.

[67] Rollo (G.R. No. 253454), pp. 432-433.

[68] Republic Act No. 7718 (1994), sec. 2(b), as amended.

[69] Rollo (G.R. No. 253454), p. 433.

[70] Rollo (G.R. No. 253551), p. 46.

[71] Id.

[72] Id. at 75.

[73] See *Gachon v. Devera, Jr.*, 340 Phil. 647, 656 (1997) [Per J. Panganiban, Third Division].

[74] Rollo (G.R. No. 253454), p. 73; rollo (G.R. No. 253551), pp. 22-23.

[75] An Act Authorizing the Financing, Construction, Operation, and Maintenance of Infrastructure Projects by the Private Sector, and for Other Purposes (1990).

[76] Prescribing the Use of the Rules and Regulations on Settlement of Accounts.

[77] Rollo (G.R. No. 253454), pp. 87-88; rollo (G.R. No. 253551), pp. 30-31.

[78] COA Circular No. 006-09 (2009). (Emphasis supplied)

[79] 882 Phil. 744 (2020) [Per J. Caguioa, En Banc].

[80] Id. at 810-811.

[81] Rollo (G.R. No. 253551), p. 58.

[82] Art. 1170. Those who in the performance of their obligations are guilty of fraud, negligence, or delay, and those who in any manner contravene the tenor thereof, are liable for damages. (Emphasis supplied)

[83] Rollo (G.R. No. 253551), p. 390.

[84] Id. at 389.

[85] 16.1.5 The payee of an expenditure shall be personally liable for a disallowance where the ground thereof is his failure to submit the required documents, and the Auditor is convinced that the disallowed transaction did not occur or has no basis in fact.

[86] Rollo (G.R. No. 253454), p. 88; rollo (G.R. No. 253551), p. 31.

[87] Rollo (G.R. No. 253454), pp. 81-84.

[88] *Power Sector Assets and Liabilities Management Corp. v. Pozzolanic Philippines, Inc.*, 671 Phil. 731, 753-755 (2011) [Per J. Perez, Second Division].

[89] *Roxas II v. Hon. Cajigal*, penned by Associate Justice Florito S. Macalino, and concurred in by Associate Justices Sesinando E. Villon and Socorro B. Inting of the Seventeenth Division, Court of Appeals, Manila. A copy of the CA Decision is available at <https://services.ca.judiciary.gov.ph/csisver3-war/> (last accessed on September

19, 2025).

[90] 924 Phil. 505 (2022) [Per J. Lopez, J., Second Division].

[91] Id.

[92] Id. at 516.

[93] Updated Guidelines for the Prevention and Disallowance of Irregular, Unnecessary, Excessive, Extravagant, and Unconscionable Expenditures.

[94] Rollo (G.R. No. 253454), pp. 68-72; rollo (G.R. No. 253551), p. 31.

[95] 889 Phil. 1119 (2020) [Per J. Gaerlan, En Banc].

[96] Id. at 1149.

[97] Villafuerte, Jr. v. COA, 900 Phil. 530, 547 (2021) [Per J. Zalameda, En Banc].

[98] Torreta v. COA, *supra*, at 1147.

[99] 890 Phil. 413 (2020) [Per J. Perlas-Bernabe, En Banc].

[100] Id. at 428.

[101] Rollo (G.R. No. 253454), pp. 435-436.

[102] Id. at 436.

[103] Id.

[104] Id. at 437.

[105] 616 Phil. 929 (2009) [Per J. Del Castillo, En Banc].

[106] Id. at 945.

[107] Menzon v. COA, 892 Phil. 336, 353-354 (2020) [Per J. Gaerlan, En Banc].

[108] Rollo (G.R. No. 253551), p. 92.

Article 23 of the Original Contract reads:

INSPECTION PRIOR TO ACCEPTANCE

The BLT shall designate specific personnel to inspect the driver licenses and inspection cards delivered by AMPI at the licensing centers. The inspections shall be carried out by ocular testing whether the product complies with the specifications and warranties.

[109] COA records (G.R. No. 253454), p. 59, Disbursement Voucher dated June 24, 2013 for finished and delivered licenses for the period May 24 to June 20, 2013.

[110] Id. at 113, Briefing Memorandum for Hon. Virginia P. Torres, LTO's Assistant Secretary dated June 24, 2013 for finished and delivered licenses for the period May 24 to June 20, 2013.

[111] Rollo (G.R. No. 253551), p. 75.

[112] Madera v. COA, *supra* note 79, at 797-798.

[113] 837 Phil. 193 (2018) [Per J. Peralta, En Banc].

- [114] 866 Phil. 188 (2019) [Per J. Carandang, En Banc].
- [115] Id. at 207-208.
- [116] 904 Phil. 199 (2021) [Per J. Caguioa, En Banc].
- [117] Id. at 211, 213, 214.
- [118] 827 Phil. 818 (2018) [Per J. Gesmundo, En Banc].
- [119] Delineating the Duties and Responsibilities of the Head and the Assistant Head of the Auditing Unit with Respect to the Pre-Audit and Post-Audit of Accounts.
- [120] Lumayna v. COA, supra note 105.
- [121] 658 Phil. 79 (2011) [Per J. Nachura, Second Division].
- [122] Ex-LTO chief Virgie Torres dies, RAPPLER, January 2, 2016, available at <https://www.rappler.com/philippines/117749-virgie-torres-dies/> (last accessed on September 18, 2025).
- [123] Estrella v. COA, 910 Phil. 372, 389 (2021) [Per J. Lopez, M., En Banc]. (Emphasis in the original)
- [124] 259 Phil. 794 (1989) [Per J. Gutierrez, Jr., En Banc].
- [125] Id. at 801.
- [126] Menzon v. COA, supra note 107, at 353.
- [127] Torreta v. COA, supra note 95, at 1148-1149.
- [128] Rollo (G.R. No. 253551), pp. 25-29.
- [129] 912 Phil. 174 (2021) [Per J. Rosario, En Banc].
- [130] Id. at 186-187.
- [131] 927 Phil. 230 (2022) [Per J. Dimaampao, En Banc].
- [132] Rollo (G.R. No. 253551), p. 60.
- [133] Melchor v. COA, 277 Phil. 801, 815 (1991) [Per J. Gutierrez, Jr., En Banc].
- [134] Rollo (G.R. No. 253551), pp. 46-47.
- [135] Id. at 60.
- [136] Government Accounting Manual, Volume I, Chapter 10, sec. 27(b).
- [137] Government Accounting Manual, Volume I, Chapter 10, sec. 27.
- [138] Rollo (G.R. No. 253551), p. 60.
- [139] Id.
- [140] Id.
- [141] Id. at 29.
- [142] Id.

[143] Id. at 45.

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