



Republic of the Philippines
Supreme Court
Manila

EN BANC

RAQUEL C. MELLORIA,
Municipal Accountant, EDUARDA
A. CASADOR, Municipal
Treasurer, Municipality of Laak,
Province of Compostela Valley,
Petitioners,

G.R. No. 245894

Present:

GESMUNDO, C.J.,
LEONEN,
CAGUIOA,
HERNANDO,
LAZARO-JAVIER,
INTING,
ZALAMEDA,
LOPEZ, M.,
GAERLAN,
ROSARIO,
LOPEZ, J.,
DIMAAMPAO,
MARQUEZ,
KHO, JR., and
SINGH, JJ.

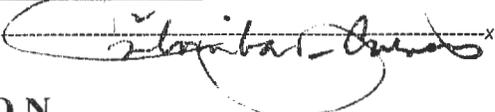
- versus -

DIRECTOR FLERIDA A.
JIMENEZ, in her capacity as
Head, Intelligence and Confidential
Funds Audit Unit, Office of the
Chairperson, and COMMISSION
ON AUDIT,

Promulgated:

Respondents.

July 11, 2023

x-----


DECISION

DIMAAMPAO, J.:

Certifying officers who were merely performing ministerial duties not related to the legality or illegality of the disbursement may be excused from the liability to return the disallowed amounts on account of good faith.



At the crosshairs of the instant Petition for *Certiorari*¹ filed by Raquel C. Melloria and Eduarda A. Casador (petitioners) are the Decision No. 2018-007² and the Resolution No. 2019-008³ of the Commission on Audit (COA).

Petitioners asseverate that the COA gravely abused its discretion in affirming Notice of Disallowance (ND) No. 2014-12-0013,⁴ which found them, together with Municipality of Laak Mayor Reynaldo B. Navarro (Mayor Navarro) and Sonia C. Quejadas (Quejadas), *solidarily* liable for the PHP 2,600,000.00 excess amount of cash advances allotted for intelligence and confidential activities of the Municipality of Laak, Compostela Valley (Municipality/Laak) for calendar year 2011.⁵

A synthesis of the material facts follows.

On May 18, 2011, the *Sangguniang Panlalawigan* of Compostela Valley passed Resolution No. 272-2011, confirming the enactment of Appropriation Ordinance No. 02, series of 2010, or the 2011 General Fund Annual Budget of the Municipality of Laak, Compostela Valley. The total appropriated budget was PHP 143,892,043.00. Therefrom, PHP 18,093,705.00 was allotted for the Municipality's peace and order programs.⁶

Out of the PHP 18,093,705.00, the amount of PHP 13,093,705.00 was allocated for human rights advocacy and community development and monitoring programs. The budgets are itemized as follows:

Human Rights Advocacy	Amount (in Philippine Pesos)
Maintenance and Other Operating Expenses – meals and snacks	100,000.00
Association of <i>Barangay</i> Captains/ <i>Barangay</i> Secretariat Services	80,000.00
Municipal Development Council	60,000.00
CDIC program	100,000.00
Women's Development Program	100,000.00
SPES Program	150,000.00
PESO	100,000.00
Tribal Development Program	320,000.00

¹ *Rollo*, pp. 8–29. Special Civil Action under Rules 64 and 65 of the Rules of Court.

² *Id.* at 76–82. The Decision dated January 15, 2018 was signed by Chairperson Michael G. Aguineldo and Commissioners Jose A. Fabia and Isabel D. Agito and attested by Director IV Commissioner Secretariat Nilda B. Plasas.

³ *Id.* at 103. The Minute Resolution dated September 27, 2018 denied the motions for reconsideration filed by petitioners Raquel C. Melloria and Eduarda A. Casador.

⁴ *Id.* at 51–53. The Notice of Disallowance No. 2014-12-0013 dated December 15, 2014 was signed by Director IV Head, Intelligence/Confidential Funds Head Unit Florida A. Jimenez.

⁵ *Id.* at 81.

⁶ *Id.* at 51, 150.

Moral Recovery	480,681.00
Aid to BHW/BNS	300,000.00
Aid to Special Barangay (honorarium/operations expenses)	1,800,000.00
Aid to DRH	650,000.00
Total	4,240,681.00⁷

Community Development and Monitoring Program	Amount (in Philippine Pesos)
Meals and snacks	100,000.00
Gasoline, oil, and lubricants	2,093,024.00
Cable, satellite, telegraph, and radio expenses	50,000.00
General Services	2,100,000.00
Repair and paint of motor vehicles	400,000.00
Insurance expenses	500,000.00
Capital Outlay	
Furniture and fixtures	115,000.00
Procurement of one unit of brand-new utility vehicle	1,600,000.00
Procurement of sound system and outdoor entertainment facilities	1,200,000.00
Construction of stalls for night market	400,000.00
Completion of water system in Kidawa (water pipes)	120,000.00
Completion of Barangay Hall in Concepcion	150,000.00
Completion of Spring Development in Naga	25,000.00
	8,853,024.00
Total	[PHP] 13,093,705.00⁸

According to Item II.2⁹ of Department of Interior and Local Government (DILG) Memorandum Circular (MC) No. 99-65, the funds appropriated for intelligence and confidential activities of a municipality should not go beyond 30% of the total annual amount allocated for peace and order efforts *or* three percent (3%) of the total annual appropriations, *whichever is lower*.

⁷ *Id.* at 51, Notice of Disallowance (ND) 2014-12-0013.

⁸ *Id.* at 52.

⁹ Item II.2 of DILG M.C. No. 99-65 (dated April 23, 1999) states:

Funds for Intelligence or Confidential purposes may be sourced from the: (a) appropriations for peace and order; or (b) total annual appropriations. Provided, that **the total annual amount appropriated for Intelligence or Confidential undertakings shall not exceed thirty percent (30%) of the total annual amount allocated for peace and order efforts or three percent (3%) of the total annual appropriations whichever is lower.** (Emphasis supplied.)

df

A controversy came down the pike when Mayor Navarro took cash advances for the Municipality's intelligence and confidential programs amounting to PHP 4,100,000.00 for the year 2011.¹⁰

The COA's Intelligence/Confidential Funds Audit Unit (ICFAU) flagged the cash advances made by Mayor Navarro pursuant to Item II.2 of DILG MC No. 99-65. Accordingly, the COA issued ND No. 2014-12-0013,¹¹ disallowing PHP 2,600,000.00 of the PHP 4,100,000.00 cash advance.

As noted by the ICFAU, the maximum budget for the Municipality's intelligence and confidential activities must be based on 30% of Laak's annual budget for peace and order efforts, the amount of which is lower than 3% of Laak's total annual budget. Consequently, the intelligence and confidential activities fund of Municipality of Laak must not exceed PHP 1,500,000.00. The ICFAU compared the following computations:¹²

Source of Funds – Annual Appropriation	Amount (in Philippine Peso)
Laak's Total Annual Budget for Calendar Year 2011	143,892,043.00
3% of Laak's Total Annual Budget	4,316,761.29

Source of Funds – Allocation for Peace and Order Program	Amount (in Philippine Peso)
Laak's Peace and Order Programs Budget for Year 2011	18,093,705.00
<i>MINUS: Non-peace and order program items</i>	<i>13,093,705.00</i>
Total amount allocated for peace and order efforts	5,000,000.00
30% of annual budget for peace and order efforts (30% of ₱5,000,000.00)	1,500,000.00¹³

Notably, in determining the basis for the maximum amount that could be spent for Laak's intelligence and confidential activities, the ICFAU *subtracted the fund allotted for human rights advocacy and community development and monitoring programs, i.e., PHP 13,093,705.00, as this does not fall under peace and order programs* defined in Item II.4 of DILG MC No. 99-65:

Disbursements from the allocation for peace and order concerns net of funds for Intelligence or Confidential undertakings shall include, but

¹⁰ *Id.* at 76, see COA Decision No. 2018-007.

¹¹ *Id.* at 51-53, Notice of Disallowance No. 2014-12-0013 dated December 15, 2014.

¹² *Id.* at 51-52.

¹³ *Id.* at 52.

g

not limited to, the following: (a) purchase of firearms and other relevant equipment; (b) payment of allowances, hospitalization benefits and training subsidies; and (c) other Maintenance and Other Operating Expenditures, in favor of the personnel of the Philippine National Police, Bureau of Fire Protection and Bureau of Jail Management and Penology.¹⁴ (Emphasis supplied)

After the fund allotted for human rights advocacy and community development and monitoring programs was subtracted from the gross budget for peace and order programs, only PHP 5,000,000.00 remained, out of which the thirty-percent-limit for intelligence and confidential activities was culled.

For the disallowance, the ICFAU identified the following persons as accountable for public funds considering their respective participation in the transaction:

Name	Position/Designation	Nature of Participation in the transaction
Reynaldo B. Navarro	Mayor	Authorized the disbursement of cash advance chargeable to confidential and intelligence funds
Sonia C. Quejadas	Municipal Budget Officer	Certified the existence of available appropriation and received the cash advance
Raquel C. Melloria	Municipal Accountant	Certified allotment obligated for the purpose
Eduarda A. Casador	Municipal Treasurer	Certified the availability of funds ¹⁵

Aggrieved, petitioners appealed to the COA Proper, but they failed to secure a reversal.¹⁶ The COA concurred with the ICFAU's finding that Laak had overdrawn its intelligence and confidential funds for the year 2011 by PHP 2,600,000.00.¹⁷ The COA decreed that the fund for human rights advocacy and community development and monitoring programs were properly subtracted by the ICFAU based on the statutory construction principle, "*casus omissus pro omisso habendus est*," which means a person, object, or thing omitted from an enumeration must be held to have been omitted intentionally. By the same token, the COA applied the doctrine of "*expressio unius est exclusio alterius*."¹⁸ Since the items under human rights advocacy and community development and monitoring programs of Laak do

¹⁴ *Id.* at 52.

¹⁵ *Id.* at 53.

¹⁶ *Id.* at 76-82, COA Decision No. 2018-007.

¹⁷ *Id.* at 78-79.

¹⁸ *Id.*

not fall under the enumerations in Item II.4 of DILG MC No. 99-65, which defines the programs that may be included under peace and program initiatives, only PHP 1,500,000.00 should have been spent by the Municipality for its intelligence and confidential activities.

Petitioners moved for reconsideration, but the COA struck down this plea in its Minute Resolution No. 2019-008.¹⁹

Petitioners remained undeterred, elevating their case before this Court *via* the instant Petition. They impute grave abuse of discretion amounting to lack or excess of jurisdiction on the part of the COA and intransigently insist that the funds allocated for human rights advocacy and community development and monitoring programs are part of the peace and order programs defined under Item II.4 of DILG MC No. 99-65.²⁰ They submit that the doctrine of *ejusdem generis* should be applied since Item II.4 of DILG MC No. 99-65 states that the enumeration of peace and order programs “*shall include, but not limited*” to the list provided.²¹ Petitioners also assert that COA is estopped from issuing ND No. 2014-12-0013, as it gave a credit notice for the 2010 and 2012 intelligence and confidential funds, including the items for human rights advocacy and community development and monitoring programs.²²

The Office of the Solicitor General (OSG) filed its Comment,²³ expostulating that the items under Laak’s human rights advocacy and community development and monitoring programs are not akin to the enumerations under the peace and order programs in Item II.4 of M.C. No. 99-65. As such, the COA did not err in issuing ND No. 2014-12-0013.²⁴ Contrary to petitioners’ claim, the OSG is of the view that the COA is not estopped from issuing the notice of disallowance notwithstanding the credit notice in favor of the Municipality for the years 2010 and 2012.²⁵

In their Reply²⁶, petitioners echo their assertions in the Petition.

Discernibly, the jugular issue posed for this Court’s disposition is whether the COA gravely abused its discretion in upholding the validity of ND No. 2014-12-0013 and in finding petitioners liable for the disallowance.

¹⁹ *Id.* at 103.

²⁰ *Id.* at 13–14, see Petition for *Certiorari*.

²¹ *Id.* at 16.

²² *Id.* at 19.

²³ *Id.* at 149–171.

²⁴ *Id.* at 157–158, see Comment of the Office of the Solicitor General.

²⁵ *Id.* at 159.

²⁶ *Id.* at 180–188, see Petitioners’ Reply to the Comment.

g

THE COURT'S RULING

Factual findings of the COA are afforded great weight by the courts.

Factual findings of administrative bodies charged with their specific field of expertise are afforded great weight by the courts, and in the absence of substantial evidence showing that such findings were made from an erroneous estimation of the evidence presented, they are deemed conclusive and binding upon this Court. In the interest of stability of the governmental structure, they should not be disturbed.²⁷ Apropos, the Court has construed the scope of a *certiorari* proceeding when what is involved is a ruling of the COA—

A Rule 65 petition is a unique and special rule because it commands limited review of the question raised. As an *extraordinary remedy*, its purpose is simply to keep the public respondent within the bounds of its jurisdiction or to relieve the petitioner from the public respondent's arbitrary acts. In this review, the Court is confined *solely* to questions of jurisdiction whenever a tribunal, board or officer exercising judicial or quasi-judicial function acts without jurisdiction or in excess of jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction.

The limitation of the Court's power of review over COA rulings merely complements its nature as an *independent constitutional body* that is tasked to safeguard the proper use of the government and, ultimately, the people's property by vesting it with power to (i) determine whether the government entities comply with the law and the rules in disbursing public funds; and (ii) disallow legal disbursements of these funds.²⁸ (Emphasis supplied)

Guided by this jurisprudential polestar, the Court once more upholds its general policy of affirming a decision rendered by an administrative agency, especially one that is constitutionally created, not only on the basis of the doctrine of separation of powers but also for their presumed expertise in the laws that they are entrusted to enforce.²⁹

The Court now proceeds to discuss the cause célèbre.

The COA did not gravely abuse its discretion, much less err, in affirming ND No. 2014-12-0013

²⁷ See *Lumayna v. Commission on Audit*, 616 Phil. 929, 940 (2009) [Per J. Del Castillo, *En Banc*].

²⁸ See *Maritime Industry Authority v. Commission on Audit*, 750 Phil 288, 307-308 (2015) [Per J. Leonen, *En Banc*].

²⁹ See *Abpi v. Commission on Audit*, 877 Phil. 362, 379 (2020) [Per J. Delos Santos, *En Banc*].

To recapitulate, the Municipality of Laak allocated a budget of PHP 18,093,705.00 for its peace and order programs. However, the ICFAU deducted therefrom items under human rights advocacy and community development and monitoring programs, as these do not fall under peace and order programs defined in Item II.4 of DILG MC No. 99-65. Consequently, the budget was reduced to PHP 5,000,000.00.

The Court could not argue more.

Item II.4 of DILG MC No. 99-65 provides that:

4. Disbursements from the allocation for peace and order concerns net of funds for Intelligence or Confidential undertakings *shall include, but not limited to*, the following: (a) **purchase of firearms and other relevant equipment**; (b) **payment of allowances, hospitalization benefits and training subsidies**; and (c) **other Maintenance and Other Operating Expenditures, in favor of the personnel of the Philippine National Police, Bureau of Fire Protection and Bureau of Jail Management and Penology**. (Emphasis and italics supplied.)

In using the terms “*shall include, but not limited to*,” Item II.4 of DILG MC No. 99-65 is not meant to be exhaustive; it may cover things not specifically indicated therein, provided that they are of similar class or import with the ones enumerated. While general words or expressions in a statute and administrative issuances are, as a rule, accorded their full, natural, and generic sense, they will not be given such meaning if they are used in association with specific words or phrases.³⁰ If a statute or an administrative issuance that describes things of particular class or kind is accompanied by words of a generic character, the generic words will usually be limited to things of a kindred nature with those particularly enumerated.³¹ This is the doctrine of *ejusdem generis* (of the same kind or specie).

Thusly, applying *ejusdem generis*, Laak may draw disbursements for peace and order concerns for as long as the expenditures are akin to, or bear similar import with, the enumerated programs under Item II.4 of DILG MC No. 99-65, *i.e.*, (a) purchase of firearms and other relevant equipment; (b) payment of allowances, hospitalization benefits, and training subsidies; and (c) other maintenance and other operating expenditures, in favor of the personnel of the Philippine National Police (PNP), Bureau of Fire Protection (BFP) and Bureau of Jail Management and Penology (BJMP).

³⁰ See *Go Tiaco y Hermanos v. Union Insurance Society of Canton*, 40 Phil. 44 (1919) [Per J. Street, *En Banc*]; See also *Chartered Bank of India v. Imperial and National Bank*, 48 Phil. 931 (1921) [Per J. Araullo, *En Banc*]; *Vera v. Judge Cuevas*, 179 Phil. 307 (1979) [Per J. De Castro, *En Banc*].

³¹ See *Sps. Lambino v. Presiding Judge, RTC Branch 172 and BPI Family Bank*, 541 Phil. 504, 510 (2007) [Per J. Callejo, Sr., Third Division]. See also *Philippine Bank of Communications v. Court of Appeals*, 323 Phil. 297 313 (1996) [Per J. Davide, Third Division].

Viewed from a judicial lens, the items under human rights advocacy and community development and monitoring programs are irrefragably not the same as those specifically enumerated in Item II.4 of DILG MC No. 99-65. Petitioners failed to prove that the items under the human rights advocacy and community development and monitoring programs are allocated to address the Municipality's peace and order concerns. For instance, under the first item in human rights advocacy, the Municipality allotted PHP 100,000.00 for "*maintenance and other operating expenses, meals and snacks*" without specifying the recipients of the meals and snacks and how these items relate to peace and order concerns. The same holds true for the second item captioned, "*Association of Barangay Captains/Barangay Secretariat Services*," which entailed a budget of PHP 80,000.00. The rest of the items in the "*human rights column*" are deficiently linked to peace and order efforts.

Meanwhile, the items under community development and monitoring programs suffer the same infirmity. Needless to state, they are remotely connected or akin to the enumerated programs in Item II.4 of DILG MC No. 99-65. Quite the contrary, petitioners' avouchment that these programs help minimize or eradicate the presence of rebels in Laak are motherhood statements, general and sweeping, wanting of substantiation and persuasive demonstration. The Court is left with no concrete basis to draw a conclusion that the items under human rights advocacy and community development and monitoring programs should be treated similarly, not even analogously, with the programs under Item II.4 of DILG MC No. 99-65.

Consequently, the Municipality has overdrawn its intelligence and confidential funds for the year 2011 by PHP 2,600,000.00. The COA properly found that the maximum budget for intelligence and confidential activities was capped at PHP 1,500,000.00, rather than PHP 4,100,000.00. This is based on the 30% of the total annual amount allocated for the peace and order efforts which is PHP 5,000,000.00, as mandated by Item II.2. of DILG MC No. 99-65.

Still and all, petitioners are not liable for the disallowance for having performed their ministerial functions in good faith.

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 though technicalities of law, together with absence of all information, notice, or benefit or belief of facts which render transaction

unconscientious.³² Indeed, a public officer is presumed to have acted in good faith in the performance of his duties. However, public officials can be held personally accountable for acts claimed to have been performed in connection with official duties where they have acted beyond their scope of authority or where there is a showing of bad faith.³³

Sections 102 and 103 of Presidential Decree No. 1445 or the *Government Auditing Code of the Philippines*³⁴ enjoin the accountability and responsibility of public officials entrusted with government funds and property, viz.:

SECTION 102. *Primary and Secondary Responsibility.*—

- (1) The head of any agency of the government is immediately and primarily responsible for all government funds and property pertaining to his agency.
- (2) Persons entrusted with the possession or custody of the funds or property under the agency head shall be immediately responsible to him, without prejudice to the liability of either party to the government.

SECTION 103. *General Liability for Unlawful Expenditures.*—

Expenditures of government funds or uses of government property in violation of law or regulations shall be a personal liability of the official or employee found to be directly responsible therefor. (Emphasis supplied.)

Appositely, Sections 38 and 39 of Book I, Chapter 9 of the 1987 Administrative Code³⁵ provide that the presumption of good faith is unavailable when there is a clear showing of gross negligence, thus:

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 in good faith in the performance of his duties.** However, he shall be liable for willful or negligent acts done by him which are contrary to law, morals, public policy and good customs even if he acted under orders or instructions of his superiors. (Emphasis supplied.)

³² See *Torreta v. Commission on Audit*, 889 Phil 1119, 1140 [Per J. Gaerlan, *En Banc*], citing *Montejo v. Commission on Audit*, G.R. 837 Phil. 193, 204 (2018) [Per J. Peralta, *En Banc*].

³³ *Id.*, citing *Velasco v. Commission on Audit*, 695 Phil. 226, 241, (2012).

³⁴ Approved on June 11, 1978.

³⁵ Approved on July 25, 1987.

Q

Jurisprudence defines *gross negligence* as negligence characterized by the want of even slight care, acting or omitting to act in a situation where there is a duty to act, not inadvertently but willfully and intentionally with a conscious indifference to consequences insofar as other persons may be affected.³⁶

With the foregoing discourse, there is a need to determine whether petitioners, who are certifying officers, acted in good faith.

Section 16.1.2 of COA Circular No. 006-09,³⁷ provides that certifying officers shall be liable in accordance to their respective certifications, viz.:

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, thus:

16.1.1 Public officers who are custodians of government funds shall be liable for their failure to ensure that such funds are safely guarded against loss or damage; that they are expended, utilized, disposed of or transferred in accordance with law and regulations, and on the basis of prescribed documents and necessary records.

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)

Further, Rule 2(a) of the rules of return, as enunciated in *Madera v. Commission on Audit*,³⁸ clarified the effect of good faith on the liability of certifying officer to refund amounts which were disallowed by the COA, thus:

In view of the foregoing discussion, the Court pronounces:

.....

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**

³⁶ See *Officers and Employees of Iloilo Provincial Government v. Commission on Audit*, G.R. No. 218383, January 5, 2021 [Per J. Zalameda, *En Banc*].

³⁷ Prescribing the Use of the Rules and Regulations on Settlement of Accounts.

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

g

return consistent with Section 38 of the Administrative Code of 1987[.] (Emphasis supplied)

In the disputed transaction, Melloria, as the municipal accountant, certified that the allotment was obligated for the purpose, while Casador, as the municipal treasurer, certified the availability of funds. It can be easily distilled that petitioners were merely performing ministerial functions not related to the legality or illegality of the disbursement. These are ministerial functions that officers must perform with respect to a given state of facts, in a prescribed manner, in obedience to the mandate of legal authority, without regard to or exercise of their own judgment.³⁹ A duty is ministerial when the same requires neither the exercise of official discretion nor judgment.⁴⁰

In *Celeste v. Commission on Audit*,⁴¹ the Court has previously held that officials whose participation is limited to certifying the availability of funds or completeness of supporting documents are presumed to have acted in good faith because they were merely attesting to facts based on their records. Also, in *Alejandrino v. Commission on Audit*,⁴² the Court explained that the certifying officers' participation in the disallowed transaction is ministerial because they could not have refused to certify to these matters if they were true. The Court ruled that officers who were only performing duties that can be considered ministerial could not be held personally liable for disallowances if they were not involved in policymaking or decision-making concerning the disallowed transaction.

Being mere certifying officers, petitioners do not appear to have a hand in deciding the upper limit of the intelligence and confidential funds or which activities could be charged against the intelligence and confidential funds, or that through the exercise of their functions as certifiers, they could have prevented the cash advances drawn by the Municipal Mayor upon whom the responsibility for the execution of the local budget is primarily vested as the local chief executive.

In précis, petitioners acted in good faith and may be excused from the solidary liability to return the disallowed amounts, consistent with Rule 2(a) of the Rules of Return in *Madera*.

THE FOREGOING DISQUISITIONS CONSIDERED, the Petition for *Certiorari* filed by petitioners Raquel C. Melloria, and Eduarda A. Casador is hereby **PARTIALLY GRANTED**. The assailed Decision Nos. 2018-007 and 2019-008 of the Commission on Audit are **AFFIRMED with MODIFICATION**.

³⁹ See *Roble Arrastre, Inc. v. Hon. Villaflores*, 531 Phil. 30, 47 (2006) [Per J. Chico-Nazario, First Division].

⁴⁰ *Id.*

⁴¹ G.R. No. 237843, June 15, 2021.

⁴² 866 Phil 188 (2021) [Per J. Carandang, *En Banc*].

J

Petitioners Raquel C. Melloria, and Eduarda A. Casador, are **EXCUSED** from returning the disallowed amounts in Notice of Disallowance No. 2014-12-0013, having acted in good faith.

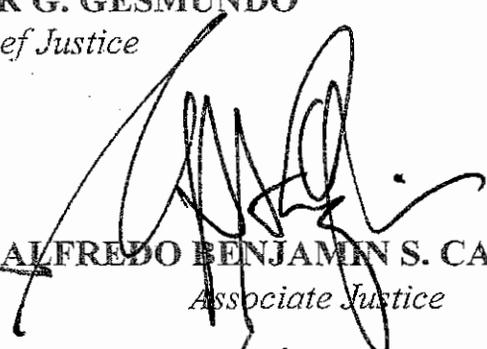
SO ORDERED.

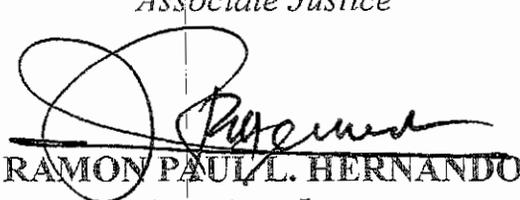

JAPAR B. DIMAAMPAO
Associate Justice

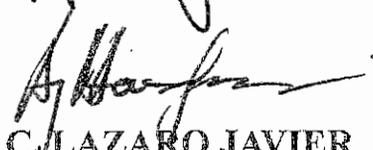
WE CONCUR:

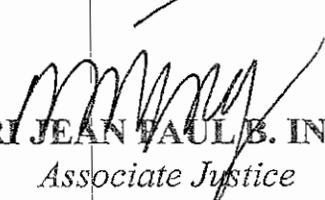

ALEXANDER G. GESMUNDO
Chief Justice

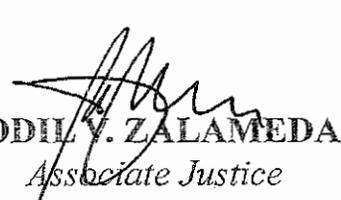

MARVIC M.V.F. LEONEN
Associate Justice

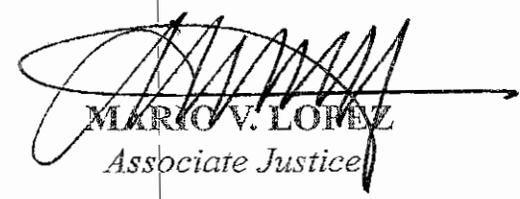

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice


RAMON PAUL L. HERNANDO
Associate Justice

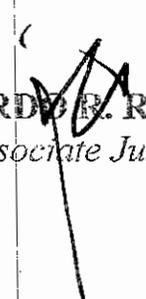

AMY C. LAZARO JAVIER
Associate Justice


HENRI JEAN PAUL B. INTING
Associate Justice

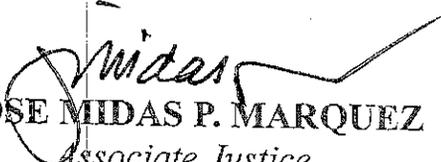

RODIL V. ZALAMEDA
Associate Justice

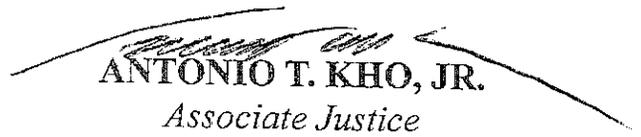

MARIO V. LOPEZ
Associate Justice


SAMUEL H. GAERLAN
Associate Justice


RICARDO B. ROSARIO
Associate Justice


JHOSEP Y. LOPEZ
Associate Justice


JOSE MIDAS P. MARQUEZ
Associate Justice


ANTONIO T. KHO, JR.
Associate Justice


MARIA FILOMENA D. SINGH
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of this Court.


ALEXANDER G. GESMUNDO
Chief Justice