Republic of the Philippines
Supreme Court
Manila

EN BANC

SOCIAL SECURITY SYSTEM,
Petitioner,

-versus-

COMMISSION ON AUDIT,
Respondent.

G.R. No. 259862

Present:

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

Promulgated:
May 21, 2024

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RESOLUTION

SINGH, *J.*:

This is a Petition for Review on *Certiorari*[1] (**Petition**) under Rule 64 filed by the Social Security System (**SSS**) seeking to annul and set aside the December 17, 2021 Decision[2] of the Commission on Audit (**COA**) Commission Proper (**CP**) in Decision No. 2021-425. The COA CP approved the April 5, 2016 Decision[3] of the COA Cordillera Administrative Region (**COA CAR**) in Decision No. 2016-014, which affirmed the disallowance of

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1 *Rollo*, pp. 3–31.

2 *Id.* at 32–42. Penned by Chairperson Michael G. Aguinaldo and Commissioner Rolando C. Pondoc and attested by Commission Secretary Bresilo R. Sabaldan of the Commission on Audit (COA) Commission Proper, Commonwealth Avenue, Quezon City.

3 *Id.* at 146–157. Penned by Regional Director Joseph B. Anacay of the COA Cordillera Administrative Region, Benguet.

the grant of Collective Negotiation Agreement (**CNA**) incentives to the rank-and-file employees of the SSS-Luzon North Cluster, while modifying the total disallowed amount on account of computational error.

The Facts

In 2012, the SSS-Luzon North Cluster received three Notices of Disallowance (**ND**) in relation to CNA incentives paid to its rank-and-file employees between 2005 and 2008, specifically:

ND No.	Benefit Subject of Disallowance	Amount (PHP)
2012-001-(2008)[4]	Additional CNA Incentives for 2008	3,626,505.53
2012-002-(2010)[5]	CNA Incentives from January 2005 to December 2008	16,612,484.21
2012-003-(2005-2008)[6]	Additional CNA Incentives for 2008	464,264.34
TOTAL		PHP 20,703,254.08

The COA CAR disallowed the CNA incentives due to the following reasons:

Firstly, the grant of incentives was contrary to Sections 5.7 and 7.1 of the Department of Budget and Management (**DBM**) Budget Circular (**BC**) No. 2006-01[7] in that there were excessive accruals of cash incentives for the years 2006 to 2008, which were then made the basis for paying additional cash incentives after revaluation of further savings made in 2009.[8]

Secondly, there were violations of Section 2 of Public Sector Labor-Management Council (**PSLMC**) Resolution No. 02, Series of 2003,[9] and of Sections 5.0, 6.1, 6.1.2 and 7.1.1 of DBM BC No. 2006-01.[10] In the disallowed grant, all the savings out of the Maintenance and Other Operating Expenses (**MOOE**) was the basis for computing the 80% allocation for cash incentives although these were not conclusively generated out of cost-cutting measures, as one of the conditions for the grant of cash incentives, and as identified in the CNA.[11]

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4 *Id.* at 57–62, Notice of Disallowance, Dated April 13, 2012.
5 *Id.* at 63–69, Notice of Disallowance, Dated April 17, 2012.
6 *Id.* at 70–78, Notice of Disallowance, Dated April 17, 2012.
7 DBM Budget Circular No. 2006-01 (2006), Grant of Collective Negotiation Agreement (CNA) Incentive.
8 *Rollo*, pp. 57, 63, and 70.
9 PSLMC Resolution No. 02 (2003). Grant of Collective Negotiation Agreement (CNA) Incentive for Government Owned or Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs).
10 DBM Budget Circular No. 2006-01 (2006), Grant of Collective Negotiation Agreement (CNA) Incentive.
11 *Rollo*, pp. 57, 63, and 70.

Lastly, the COA Audit Team found that Section 6.1.3 of the DBM BC No. 2006-01[12] was also not followed because the maximum allocation of 80% out of the savings from MOOE was made the basis for computing cash incentives even if benefits in other forms were already being enjoyed by the rank-and-file employees.[13]

In addition to the three reasons stated, the COA CAR also disallowed the grant of CNA incentives for the year 2005 in ND No. 2012-002-(2010) because this form of incentive was not provided in the CNA[14] for this period, and thus, contrary to Section 5.1 of the DBM BC No. 2006-01.[15] Similarly, the conditions for the grant set in Section 3 of PSLMC Resolution No. 02, Series of 2003,[16] were not met in 2005 and 2007, which resulted in the irregular or excessive disbursement.[17]

The assailed NDs also required the return of the disallowed amounts by the recipients, the certifying officers, and the approving officers. Other than the payees, the persons determined to be liable in the various transactions were Luis V. Olais, for approving the payment; Myrna C. Lacsamana, for certifying that the supporting documents are proper and legal; and Daniel T. Caput, for certifying that funds are available.[18]

The series of NDs were issued by the COA Audit Team after the SSS Head Office Supervising Auditor issued a Memorandum, dated January 2, 2012,[19] recommending the disallowance of similar and related transactions relative to the CNA incentives paid for the calendar years 2005 to 2008, which were not in accordance with the DBM Budget Circular No. 2006-1 and PSLMC Resolution No. 2, s. 2003.[20]

The SSS appealed the NDs separately to the COA CAR, raising the following arguments:

> 1. *The CNA Incentive for 2005 was clearly provided in a Supplemental CNA* where it was agreed that an amount of PHP 20,000.00 be paid as CNA incentive to each employee as of December 31, 2004; hence, lawfully granted to the rank-and-file employees of the SSS Luzon North Cluster. Section 5.0 paragraph 5.1 of DBM [Budget Circular] No. 2006-1 explicitly allows the grant of CNA Incentive as long as it is provided for in the CNA or in the supplement thereto. [The Social Security

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12 DBM Budget Circular No. 2006-01 (2006), Grant of Collective Negotiation Agreement (CNA) Incentive.

13 *Rollo*, pp. 57, 63, and 70.

14 *Id.* at 63.

15 DBM Budget Circular No. 2006-01 (2006), Grant of Collective Negotiation Agreement (CNA) Incentive.

16 PSLMC Resolution No. 2 (2003). Grant of Collective Negotiation Agreement (CNA) Incentive for Government Owned or Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs).

17 *Rollo*, p. 63.

18 *Id.* at 58–62, 64–69, and 71–78.

19 *Id.* at 146.

20 *Id.* at 58–62, 64–69, and 71–78.

Commission (SSC)], in its Resolution No. 259-s. 2005[,] dated July 6, 2005, approved and confirmed said Supplemental CNA];

2. The grants [sic] of CNA Incentive for 2005 and 2007 were in accordance with Section 3 of PSLMC Resolution No. 2, s. 2003. *Savings from operating expenses have been computed to be more than enough to pay the approved recommended CNA Incentive.* The actual operating income met the targeted operating income in the Corporate Operating Budget (COB);

3. The *excessive accrual was not the basis for the grant of additional CNA Incentives* for [Calendar Years] 2006, 2007[,] and 2008 *but on account of the additional savings* identified by the SSS rank-and-file employees union, ACCESS and the Management Panels, *out of the unimplemented/partially completed projects* that were not considered by the... SSS Budget Department in its initial computation of savings. Although DBM [Budget Circular] No. 2006-1 provides for the one-time payment of the CNA incentive at the end of the year, *there is certainly no prohibition on the staggered or further payment of the said benefit on [sic] the succeeding year, upon computation of additional savings* by the [Government Owned or Controlled Corporation / Government Financial Institution] concerned;

4. *The grant of the CNA Incentive was based on cost-cutting measures, properly identified in the CNA* under [Article IV, Sections 2 and 3] of the 2003 and 2007 CNA providing for provisions on productivity, streamlining of systems and cost-cutting measures. Moreover, austerity measures as part of its streamlining measures were implemented through Office Order No. 161-P;

5. The *maximum allocation of 80% out of the savings from the MOOE*, as basis for computing cash incentive, *is in accordance with Section 6.1.3 of DBM BC No. 2006-1;*

6. The *grant of additional 2008 CNA Incentive to separated rank and file employees is valid and lawful*, as in 2008, they are [sic] still permanent employees of the SSS and considered as members of the [Collective Negotiation Unit];

7. *Payment of Agency Fee is clearly allowed* under [Article III, Section 5] of the CNA for 2005 to 2008, which provides that SSS shall make automatic payroll deductions from non-union members of the negotiating unit who accept, receive[,] and enjoy the benefits provided for under the CNA;

8. SSS is governed by the law creating it, [Republic Act] No. 1161, as amended by [Republic Act] No. 8282. *The decision of the SSC to grant CNA Incentive [sic] was clearly an exercise of statutory prerogative to adopt, from time to time, a budget of expenditures* including salaries of personnel, against all funds available to the SSS under [Republic Act] No. 1161; and

9. The *Notices of Disallowance were not adequately established by evidence* as they were issued without any attached evidence,

documentary or otherwise, amply informing the Appellant of the basis of such disallowance.[21] (Emphasis supplied)

The Ruling of the COA CAR

The COA CAR rendered Decision No. 2016-014,[22] dated April 5, 2016, which denied all the appeals. In its ruling, the COA CAR weighed each of the arguments raised by the SSS and found them devoid of merit. As to the lack of basis of the CNA Incentives for 2005, the COA CAR held that no evidence was adduced to prove supplemental CNA document for 2005 and thus concluded that the document is non-existent. It was clear from the records that no CNA Incentives were provided for in 2005. Moreover, the COA CAR declared that the justification proffered by the SSS for the release of the 2005 incentives pertained to a different grant, and not the CNA Incentives covered by the disallowance.[23]

As to the grant of additional CNA Incentives for 2005 and 2007, the COA CAR found that the required conditions for their grant were not complied with. For 2005, contrary to its assertion, the actual operating income of the SSS did not meet the targeted income in the Corporate Operating Budget (**COB**). On the other hand, in 2007, while the SSS claimed that their actual operating income met their targeted income, it was shown after audit by the COA that the revenues which were not recurring in nature should not have been included, and therefore the SSS similarly failed to meet its target. Hence, for both years, the grant of additional CNA Incentives was irregularly done.[24]

The COA CAR also did not lend credence on the claim of the SSS that the payment of the additional CNA Incentives from 2006 to 2008 was computed based on savings from unimplemented programs, activities, and projects as allegedly allowed by law. As savings from previous years, the SSS argues, were computed in succeeding years, additional incentives may be paid to the rank-and-file employees referring to the relevant year when these savings were generated. The COA CAR, however, pointed out that there is no legal basis for this claim that savings to be used for CNA incentives can also be generated from unimplemented projects. The computation used by the SSS was also found to be not in conformity with the conditions required by the DBM that these savings must be from cost-cutting measures, and not from excessive accruals.[25]

The COA CAR also rejected the interpretation that the government budget rules allow for the payment of CNA incentives more than once a year

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21 *Id.* at 149–150.
22 *Id.* at 146–157.
23 *Id.* at 151.
24 *Id.* at 151–152.
25 *Id.* at 152–153.

and in a staggered manner, as argued by the SSS, because the limitation to a CNA Incentive as a one-time end-of-year benefit per year under review, is considered mandatory.[26]

Relatedly, the justification invoked by the SSS that there were cost-cutting measures implemented that resulted in the generation of savings which led to the grant of CNA incentives, also failed to convince the COA CAR. The COA CAR explained that the CNA, did not identify which cost-cutting measures would be the basis for the incentives. The COA CAR also pointed out that the practice by the SSS of supposedly staggering the payment of CNA incentives was because of the unexpected re-computation of savings in succeeding years which showed that indeed there were no specific and real cost-cutting measures identified or agreed upon in the CNA.[27]

Moreover, the usage of the 80% rate in computing how much of the savings from the MOOE may be used for the CNA Incentives was also improper according to the COA CAR, as this rate was not shown to be stated and agreed upon in the CNA. This is in violation of the budget rules.[28]

As to the assailed disallowances, which included those paid to separated employees and covering the administrative fees or agency fees, the COA CAR ruled that since the entire grant of the assailed benefits were considered irregular, the disallowance must also include those pertaining to former employees who received them, as well as the administrative or agency fees related to the disallowed payments.[29]

Finally, the COA CAR found the position taken by the SSS regarding its corporate powers under Republic Act No. 1161,[30] as amended by Republic Act No. 8282,[31] is flawed. The COA CAR emphasized that the law did not grant the SSS absolute discretion to fix the compensation and allowances of its employees, or in the way it manages and disposes of the funds it holds in trust.[32]

In conclusion, COA CAR affirmed the assailed NDs as having been adequately supported by evidence,[33] but modified the disallowed amount in ND No. 2012-003-(2005-2008) from PHP 464,264.34 to PHP 459,981.36 to correct the error in computation. The dispositive portion of the Decision reads:[34]

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26 *Id.* at 153–154.
27 *Id.* at 154.
28 *Id.* at 155.
29 *Id.*
30 Republic Act No. 1161 (1954), Social Security Act of 1954.
31 Republic Act No. 8282 (1997), Social Security Act of 1997.
32 *Rollo,* p. 156.
33 *Id.* at 156–157.
34 *Id.* at 155.

> In view of the foregoing, the appeals are hereby DENIED and Notices of Disallowance Nos. **12-001-(2008)**[,] dated April 13, 2012[,] and **12-002-(2010)**[,] dated April 17, 2012, amounting to [PHP] 3,626,505.53 and [PHP] 16,612,484.21, respectively are hereby AFFIRMED and the refund of said amount[s] are required. While **ND No. 2012-003-(2005-2008)**[,] dated April 17, 2012[,] is also AFFIRMED with a modification as to the amount of disallowance which is decreased from [PHP] 464,264.34 to [PHP] 459,981.36. The refund of the modified amount is likewise required.[35] (Emphasis in the original)

The Ruling of the COA CP

On automatic review, the COA CP rendered its Decision No. 2021-425,[36] dated December 17, 2021, which approved in full the COA CAR decision including the modification in the total amount of disallowance.[37] The COA CP also concurred with the COA CAR in its disquisition on the substantial issues raised by the SSS.[38]

The COA CP added that the officials responsible for the SSC resolutions that granted the CNA incentives may also be held jointly and severally liable for the subject total amount of disallowance. The COA CP ruled that the participation of the members of the Board of Directors, that issued the various resolutions relating to the disallowed grant of CNA Incentives, as authorizing persons, should also be evaluated to determine their liability.[39]

The dispositive portion of the COA CP Decision reads:

> **WHEREFORE**, premises considered, Commission on Audit Cordillera Administrative Region Decision No. 2016-014[,] dated April 5, 2016, which denied the appeals of Social Security System (SSS), on the grant of Collective Negotiation Agreement incentives to the rank-and-file employee of SSS-North Luzon Cluster for calendar years 2005 to 2008, and reduced the amount of disallowance, is hereby **APPROVED**. Accordingly, Notice of Disallowance (ND) Nos. 2012-001-(2008) dated[,] April 13, 2002, and 2012-002-(2010)[,] dated April 17, 2012[,] in the amounts of [PHP] 3,626,505.53 and [PHP] 16,612,484.21, respectively, are hereby **AFFIRMED**, while ND No. 2012-003-(2005-2008) dated April 17, 2012 is **AFFIRMED with MODIFICATION**, in that the amount of disallowance is reduced from [PHP] 464,264.34 to [PHP] 459,981.36.
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> The Supervising Auditor and the Audit Team Leader are hereby directed to evaluate the participation of the members of the Social Security Commission in the issuance of the various resolutions on the grant of the

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35 *Id.* at 157.
36 *Id.* at 32–41.
37 *Id.* at 39.
38 *Id.* at 40.
39 *Id.*

> CNA incentives and issue a supplemental ND against them, if warranted. (Emphasis in the original).[40]

Hence, the SSS filed this Petition before the Court seeking to set aside the COA CP Decision, annul the assailed NDs, and declare the recipients as well as the certifying and approving officers as free from liability to refund the disallowed amounts. To support its Petition, the SSS reiterated the arguments it raised before the COA.

The Issue

Did COA commit grave abuse of discretion when it affirmed the assailed NDs?

The Ruling of the Court

The Petition must fail.

At the outset, it must be emphasized that Rule 64 petitions assailing COA decisions are limited to a review by this Court of jurisdictional errors or claims of grave abuse of discretion.[41] This regard by the Court for the decisions of administrative authorities, especially those which are constitutionally created, such as the COA, is underpinned by the doctrine of separation of powers, as well as the recognition of the presumed expertise in the laws these administrative bodies are entrusted to enforce.[42]

The Court explained in *Madera v. COA*[43] that grave abuse of discretion exists when the assailed decision or resolution is not based on law and the evidence, but on caprice, whim, and despotism, thus:

> The Constitution vests the broadest latitude in the COA in discharging its role as the guardian of public funds and properties. In recognition of such constitutional empowerment, the Court has generally sustained the COA's decisions or resolutions in deference to its expertise in the implementation of the laws it has been entrusted to enforce. Thus, the Constitution and the Rules of Court provide the remedy of a petition for certiorari in order to restrict the scope of inquiry to errors of jurisdiction or to grave abuse of discretion amounting to lack or excess of jurisdiction committed by the COA. For this purpose, *grave abuse of discretion means that there is, on the part of the COA, an evasion of a positive duty or a virtual refusal to perform a duty enjoined by law or to act in contemplation of law*, such as when the assailed decision or resolution rendered is not based on law

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40 *Id.* at 40–41.

41 *Social Security System v. Commission on Audit*, G.R. No. 231391, June 22, 2021 [Per J. Inting, *En Banc*] at 5–6. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

42 *Philippine Health Insurance Corporation v. Commission on Audit,* G.R. No. 258100, September 27, 2022 [Per J. Zalameda, *En Banc*] at 6. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

43 *Madera v. Commission on Audit*, 882 Phil. 744 (2020) [Per J. Caguioa, *En Banc*].

> and the evidence but on caprice, whim[,] and despotism.[44] (Emphasis supplied, citations omitted).

This case must then be weighed against the same standard.

The Court finds that this Petition failed to prove that the COA committed grave abuse of discretion in affirming the assailed NDs. Hence, the Petition must be dismissed.

The disallowances by the COA of the CNA Incentives were proper

This is not the first time that the Court has passed upon judgment on disallowances made by the COA pertaining to these related transactions by the SSS in granting CNA Incentives from 2005 to 2008.

In the 2020 case of *SSS v. COA* ***(2020 Decision)***,[45] the assailed were disallowances ordered by COA on the grant of CNA Incentives to the rank-and-file employees of SSS Western Mindanao Division. In that case, the CNA Incentives were also granted purportedly based on a Supplemental CNA. In affirming the COA findings, the Court then ruled that the grant of the CNA incentives from 2005 to 2008 patently lacked legal basis and violated auditing rules and regulations.[46]

The Court also found in the 2020 Decision that the SSS failed to adduce evidence that the amounts given as CNA Incentives actually came from savings generated from its identified cost-cutting measures, as mandated by DBM BC No. 2006-1 and PSLMC Resolution No. 2, Series of 2023.[47] Furthermore, the Court held that the SSS failed to show compliance with the condition that the actual operating income should meet the targeted income in the COB as approved by the DBM.[48]

Thus, the Court ruled:

> Verily, therefore, the disallowance of the CNA incentives here cannot be faulted, nay, tainted with grave abuse of discretion. On this score, [SSS's] claim that there were consultations and negotiations which took place among the stakeholders such as the SSS Employees Union Panels, DBM, and PSLMC prior to the approval of the disallowed incentives and that SSC had actually authorized similar grants in the past is a bare allegation devoid of any probative weight. *The truth is petitioner has not belied the*

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44 *Id.* at 783.
45 *Social Security System v. Commission on Audit*, 887 Phil. 439 (2020) [Per J. Lazaro-Javier, *En Banc*].
46 *Id.* at 452.
47 *Id.* at 458.
48 *Id.* at 458–459.

> *finding of COA that there was in fact nothing in the duly executed CNA for 2005 to 2008 providing for such cash incentives.*
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> Indubitably, therefore, **for lack of legal basis** and for **failure to comply** with DBM BC No. 2006-1 and PSLMC Resolution No. 2, Series of 2003, the Court upholds the Notice of Disallowance No. 2012-03 against the CNA incentives granted and paid to petitioner's employees in the total amount of P9,333,319.66.[49] (Emphasis supplied).

A second case decided by the Court in 2021, *SSS v. COA* (***2021 Decision***),[50] also involved related disallowances. In that case, the COA disallowed the grant of CNA incentives to employees in the SSS Central Visayas Division for lacking legal basis and for not being in accordance with the DBM BC No. 2006-01 and PSLMC Resolution 2, Series of 2003.[51]

In the 2021 Decision, the Court found that the COA did not commit any grave abuse of discretion when it disallowed the grant of the incentives based on the following grounds: (1) the cash incentives granted for 2005, 2006, and 2007 were not provided in the CNA; (2) excessive accruals of cash incentives for 2006, 2007 and 2008 were made the basis for paying additional cash incentives; (3) no conclusive proof was shown that the savings from the MOOE from 2005 to 2009 were generated out of cost-cutting measures; and (4) one of the conditions under Section 3 of the PSLMC Resolution No. 2, Series of 2003 was not met, making the disbursement irregular or excessive.[52]

Citing the 2020 Decision, the Court held in the 2021 Decision that the disallowed CNA grants did not meet the conditions required by law, thus:

> In the recent case of *Social Security System v. Commission on Audit*, the Court upheld the Notice of Disallowance against the Collective Negotiation Agreement incentives granted to petitioner's employees for lack of legal basis and failure to comply with the rules in the grant of incentives, specifically: (1) the Social Security Resolution authorizing its grant was inexistent; (2) its grant was not part of a duly executed Collective Negotiation Agreement for 2005-2008, in violation of Section 5.1 of [DBM] Budget Circular No. 2006-1; (3) Sections 5.6.1, 5.7 and 6.1.3 of [DBM] Budget Circular No. 2006-1 were violated when petitioner granted a pre-determined amount of P20,000.00, breaching its apportionment of savings by using 80% of it for 2005-2007; (4) there was no evidence that the amounts given came from savings, in violation of Section 7.1.1. of [DBM] Budget Circular No. 2006-1 and Public Sector Labor-Management Council Resolution No. 2, series of 2003; and (5) the conditions under Public Sector Labor-Management Council Resolution No. 2, series of 2003 were not complied with.

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49 *Id.* at 459.

50 *Social Security System v. Commission on Audit*, G.R. No. 224182, March 2, 2021 [Per J. Leonen, *En Banc*].

51 *Id.* at 13–14. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

52 *Id.*

> Similarly, in this case, [COA] found violations of Sections 2 and 3 of Public Sector Labor-Management Council Resolution No. 2, series of 2003, Administrative Order No. 135, and Sections 5.1, 5.7 and 7.1 of [DBM] Budget Circular No. 2006-1[.][53]

The Court will not depart from the foregoing rulings, and reaches the same conclusion in this case. Central to the subject disallowances here is the violation of the provisions of DBM BC No. 2006-01 and PSLMC Resolution No. 2, Series of 2003.

Issued on February 1, 2006, the DBM BC No. 2006-1[54] prescribes the policy and procedural guidelines on the grant of CNA incentives. The relevant provisions are:

> 4.0 Definition of Terms
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> 4.1 The *CNA Incentive shall refer to the cash incentive in whatever form provided for in CNAs and supplements thereto*, which were granted pursuant to PSLMC Resolution No. 04, s. 2002 or PSLMC Resolution No. 02, s. 2003, or the rationalized cash incentive to be granted on or after the effectivity of this Circular to the government employees concerned who have contributed either in productivity or cost savings in an agency, in fulfillment of the commitments in the CNAs or supplements thereto. It excludes such other items that are negotiable, in cash or in kind, listed under Section 2, Rule XII, PSLMC Resolution No. 02, s. 2004, and non-negotiable concerns specified in PSLMC Resolution No. 04, s. 2002 and PSLMC Resolution No. 02, s. 2003.[55]
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> . . . .
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> 5.0 Policy Guidelines
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> 5.1 The *CNA Incentive in the form of cash may be granted to employees covered by this Circular, if provided for in the CNAs or in the supplements thereto*, executed between the representatives of management and the employees' organization accredited by the [Civil Service Commission] as the sole and exclusive negotiating authority agent for the purpose of collective negotiations with the management of an organizational unit listed in Annex "A" of PSLMC Resolution No. 01, s. 2002, and as updated.
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> 5.2 The grant of the CNA Incentive may be extended to employees under items 4.2.2 and 4.2.3 hereof *who contributed to agency productivity and implementation of cost-cutting measures identified in the CNAs or supplements thereto*, in line with the equal protection clause of the 1987 Constitution, provided they are assessed and have

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53 *Id.* at 11–12, citing *Social Security System v. Commission on Audit*, 887 Phil. 439 (2020) [Per J. Lazaro-Javier, *En Banc*].

54 DBM Budget Circular No. 2006-01 (2006). Grant of Collective Negotiation Agreement (CAN) Incentive.

55 *Id.* at 2.

paid the corresponding agency fees pursuant to PSLMC Resolution No.1, s. 1993.

5.3 Such *CNA Incentive shall refer to those provided in CNAs and supplements thereto which were signed on or after* the effectivity of PSLMC Resolution No. 04, s. 2002 and PSLMC Resolution No. 02, s. 2003, or signed and ratified by a majority of the general membership on or after the effectivity of PSLMC Resolution No. 02, 2004, "Approving and Adopting the Amended Rules and Regulations Governing the Exercise of the Right of Government Employees to Organize."[56]

. . . .

5.7 The *CNA Incentive for the year shall be paid as a one-time benefit after the end of the year, provided that the planned programs/activities/projects have been implemented and completed* in accordance with the performance targets for the year.[57]

. . . .

6.0 Procedural Guidelines

6.1 An Employees' Organization – Management Consultative Committee or a similar body composed of designated representatives from the management and the accredited employees' organization shall review the agency's financial records and report of operations at the end of the fiscal year, and *shall arrive at a consensus* on the following items:

6.1.1 The guidelines/criteria to be followed in the grant of the CNA Incentive;

6.1.2 The *total amount of unencumbered savings at the end of the year which were realized out of cost-cutting measures identified in the CNAs and supplements thereto*, and which were the results of the joint efforts of labor and management;

6.1.3 The apportioned amounts of such savings shall cover the following items:

"Fifty percent (50%) for CNA Incentive

Thirty percent (30%) for improvement of working conditions and other programs and/or to be added as part of the CNA Incentive, as may be agreed upon in the CNA

Twenty percent (20%) to be reverted to the General Fund for the national government agencies or to the General Fund of the constitutional commissions, state universities and colleges, and local

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56 *Id.* at 3.
57 *Id.* at 5.

> government units concerned, as the case may be;" or for [Government Owned and Controlled Corporations] and [Government Financial Institutions], the twenty percent (20%) is to be retained and "to be used for the operations of the agency to include among others, purchase of equipment critical to the operations and productivity improvement programs"[58]

. . . .

7.0 Funding Source

7.1 The CNA Incentive shall be *sourced solely from savings from released Maintenance and Other Operating Expenses (MOOE) allotments for the year under review,* still valid for obligation during the year of payment of the CNA, subject to the following conditions:

7.1.1 *Such savings were generated out of the cost-cutting measures identified in the CNAs and supplements thereto*[.][59] (Emphasis supplied, citations omitted)

Meanwhile, PSLMC Resolution No. 2, Series of 2003,[60] approved on May 19, 2003, laid down the following conditions for the grant of CNA Incentives:

> Section 2. *The CNA must include*, among others, provisions on improvement of income and productivity, streamlining of systems and procedures, and *cost cutting measures that shall be undertaken by both the management and the union* so that the operations of the [Government Owned or Controlled Corporation (GOCC)]/[Government Financial Institution (GFI)] can be undertaken at a lesser cost.
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> Section 3. The CNA Incentive may be granted if all the following conditions are met by the GOCC/GFI:
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> a) *Actual operating income at least meets the targeted operating income in the Corporate Operating Budget (COB) approved by the Department of Budget and Management (DBM)*/Office of the President for the year; For the GOCCs/GFIs, which by the nature of their functions consistently incur operating losses, the current year's operating loss should have been minimized or reduced compared to or at most equal that of prior year's level[.]
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> . . . .
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> Section 4. For purposes of this Resolution, the following terms are defined as follows:

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58 *Id.* at 5–6.

59 *Id.* at 7.

60 PSLMC Resolution No. 2 (2003). Grant of Collective Negotiation Agreement (CNA) Incentive for Government Owned or Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs).

. . . .

> b) *Actual operating income* – refers to gross income/revenues generated from the exercise of the corporation's regular functions as mandated by law. This *excludes revenues not recurring in nature*, such as interest income, proceeds from the sale of scrap, and/or obsolete equipment, material and/or real estate assets, which sale is *not the main function of the corporation.*[61] (Emphasis supplied)

Measured against these administrative guideposts, the Court finds that the COA did not commit grave abuse of discretion in affirming the disallowances.

Firstly, the disallowed incentives in 2005 were not supported either by a valid CNA or a supplemental CNA. The SSS claims that the CNA incentive from 2005 was granted under a Supplemental CNA between the SSS and the Alert & Concerned Employees for Better SSS (ACCESS), the negotiating agent of the rank-and-file employees.[62] The release of the incentive was, in turn, authorized by SSC Resolution No. 259-s.2005,[63] dated July 6, 2005, which states that:

> RESOLVED, That the Commission approve, as it hereby approves, the Supplemental Collective Negotiation Agreement (CNA) between the Social Security System and the Alert & Concerned Employees for Better SSS (ACCESS) *providing for the grant of Twenty Thousand Pesos ([PHP] 20,000.00)*, payable in [two] tranches, as CNA Incentive to each employee covered within the collective negotiating unit as of 31 December 2004 and who has at least [three] months prior service in the SSS;
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> . . . .
>
> RESOLVED, FURTHER, That the Commission approve, as it hereby approves, *the partial implementation of the CNA Incentive in the amount of Ten Thousand Pesos ([PHP] 10,000.00) in July 2005*, the payment of the balance to be determined at a later date. The total estimated amount of [PHP] 80.8 M needed for the grant of CNA Incentive of [PHP] 20,000[.00] shall be sourced from the 2005 Contingency Fund. (Emphasis supplied)[64]

The SSS did not submit a copy of the alleged Supplemental CNA in its appeals before the COA and in this Petition; however, the SSS argues that the

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61 *Id.*
62 *Rollo*, p. 12.
63 *Id*, at 79–80.
64 *Id*, at 79.

SSC would not have expressly mentioned the Supplemental CNA if there was none.[65]

The COA CAR, affirmed by the COA CP, already resolved this question. Instead of submitting the original copy of the Supplemental CNA in question, the SSS offered only an allegation and an implication based on reference from another document to prove the Supplemental CNA's existence.[66] Such failure to show the original evidence despite repeated opportunity to do so, erodes the cause of the SSS. Moreover, the COA CAR also pointed out that under ND No. 2012-002-(2010),[67] which disallowed the grant of the 2005 CNA Incentives, the amounts referred to are PHP 30,000.00[68] and an additional PHP 10,000.00.[69] These are not the amounts covered by the alleged Supplemental CNA as referred to by SSC Resolution No. 259-s.2005, which only refers to an amount of PHP 20,000.00 payable in two tranches and with partial implementation in July 2005. The only supposed documentary support of the SSS for the 2005 incentives is therefore inexistent.

Clearly, the disallowed incentives in 2005 are without any support as correctly determined by the COA.

Secondly, the CNA Incentives in 2005 and 2007 were given despite the failure by the SSS during those years to have an actual operating income that meets the target operating income in the COB approved by the DBM.

For the incentives of 2005, the COA CAR pointed out that the target operating income was PHP 60,420,000.00 but the actual revenue was only PHP 59,799,616,316.00, which means that the SSS missed its target by 1.03% or PHP 620,383,684.00.[70] In answer to the findings of the COA CAR, the SSS merely referred to SSC Resolution No. 105-s.2006,[71] which stated that "[m]anagement has agreed to the payment of CNA Incentive Award considering that the SSS has an outstanding financial performance for 2005. Moreover, savings from operating expenses have been computed to be more than enough to pay the approved recommended CNA Incentive Award."[72]

The self-assessment of the SSS that it has outstanding financial performance is a mere claim that cannot simply replace the requirement of the rules that the target operating income in the COB approved by the DBM must be met.[73] It is striking that the SSS did not offer any proof of this "outstanding financial performance." Neither will the assertion that there is enough savings

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65 *Id*, at 12.
66 *Id*, at 151.
67 *Id*, at 63–69.
68 *Id*, at 65–69.
69 *Id.*
70 *Id*, at 151–152.
71 *Id*, at 81–82.
72 *Id.* at 81.
73 *Id*, at 14.

from operating expenses to cover the grant of incentives cure the substantial irregularity of the actions of the SSS.[74]

On the other hand, for the 2007 incentives, while the nominal actual operating income met the targeted operating income on the strength of the sale of the SSS's shares in San Miguel Corporation (**SMC**), the COA CAR did not consider this as fairly computed. In the SSS's view, although the sale of SMC shares may be considered as an extraordinary gain, it should be regarded as part of its usual revenues since the sale was in accordance with its mandate under its charter.[75] According to the COA CAR, however, it could not consider the revenue from the sale of SMC shares as part of the actual operating income in 2007. The COA CAR cited Section 4, PSLMC Resolution No. 02, Series of 2003, which defines actual operating income as gross revenue generated from the exercise of the corporation's regular functions as mandated by law and excludes revenue not recurring in nature.[76] The COA CAR, thus, correctly considered that the extraordinary nature of the sale of the SMC stocks, a fact that SSS agreed with,[77] proves that the sale was not recurring in nature. This conclusion is further buttressed by the fact that the sale of the SMC shares was not considered by the SSS in the estimation of its targeted operating income in the approved COB.[78]

Thus, the incentives granted in 2005 and 2007 both failed to fulfill the requirements under the law for their grant.

Thirdly, the CNA, which was used as basis for the incentives from 2006 to 2008, failed to identify the cost-cutting measures to be implemented, and neither did the SSS prove that savings were validly generated from these purported measures. Instead, the SSS improperly based the grant of CNA Incentives on excessive accruals of cash incentives over the period from unimplemented programs, activities, or projects.

The SSS claimed that the payment of cash incentives for 2006 to 2008 was made on account of the additional savings identified by ACCESS and the Management Panels born out of unimplemented or partially completed projects that were not considered by the SSS in its initial computation of savings.[79]

Additionally, SSS contends that the language of the CNA that granted the additional incentives identified cost-cutting measures that were complied with. The CNA provision referred to by SSS states that:

> Sec. 2. The CNA must include, among others, provisions on improvement of income and productivity, streamlining of systems and

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74 *Id.*
75 *Id*, at 14–15.
76 *Id*, at 152.
77 *Id*, at 15.
78 *Id*, at 152.
79 *Id*, at 16.

> procedures, and cost cutting measures that shall be undertaken by both the management and the union so that the operations of the GOCC/GFI can be undertaken at a lesser cost.[80]

However, as correctly pointed out by COA, the reliance of the SSS on the CNA provisions on union participation in promoting efficiency and cooperation and achieving high performance and member-focused satisfaction by improving total quality service, are general provisions that cannot be equated as cost-cutting measures.[81]

The contention of the SSS that the savings were from unimplemented or partially completed projects also cannot be equated to cost-cutting measures. The fact that the SSS had to recompute additional savings show that indeed there were no specific cost-cutting measures identified which would have made the calculation of savings easily accomplished.[82]

Fourthly, there is also no basis to allow the maximum allocation of 80% of the savings in computing CNA Incentives for the SSS rank-and-file employees because the additional 30% has not been shown to have been included or agreed upon in the actual CNA document.

The SSS argues that it was its clear intention to include the additional 30% of the savings in computing the CNA Incentives to reach the maximum allocation of 80%.[83] However, as the COA explained, this intention must be agreed upon in the CNA, and must appear in the CNA document, which is not the case here.[84] The SSS failed to submit evidence to prove otherwise.

Finally, the SSS violated DBM BC No. 2006-01 when it paid the CNA Incentives for 2005 to 2008 on a staggered basis, making two payments before the end of each year corresponding to the erroneously computed incentives from the previous year.

The SSS maintained that while DBM BC No. 2006-01 provides for a one-time payment of the CNA incentive, there is no prohibition against staggered payments in the succeeding year upon computation of additional savings.[85] But as correctly held by COA, this contention of the SSS is without merit as Section 5.7 of DBM BC No. 2006-01 mandates that the CNA Incentive shall be paid as a one-time benefit at the end of each year. The use of word "shall" has no hint of any vagueness as to allow the provision to be interpreted as merely being optional.[86]

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80 *Id*, at 19–20.
81 *Id*, at 154.
82 *Id*. at 153.
83 *Id*, at 21–22.
84 *Id*, at 155.
85 *Id*, at 18.
86 *Id*, at 153.

Verily, the COA was correct to disallow the grant of the subject CNA Incentives.

It is also opportune at this time to remind the SSS of its duty under the law and the nature of the funds under its care. The Court held in *SSS v. COA*,[87] that,

> This Court has been very consistent in *characterizing the funds being administered by SSS as a trust fund for the welfare and benefit of workers and employees in the private sector*. In *United Christian Missionary v. Social Security Commission* we were unequivocal in declaring the funds contributed to the Social Security System by compulsion of law as funds belonging to the members which were merely held in trust by the government, and resolutely *imposed the duty upon the trustee to desist from any and all acts which would diminish the property rights of owners and beneficiaries of the trust fund.* Consistent with this declaration, it would indeed be very reasonable to construe the authority of the SSC to provide for the compensation of SSS personnel in accordance with the established rules governing the remuneration of trustees –
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> > . . . the modern rule is to give the trustee a reasonable remuneration for his skill and industry . . . In deciding what is a reasonable compensation for a trustee the court will consider the amount of income and capital received and disbursed, the pay customarily given to agents or servants for similar work, the success or failure of the work of the trustee, any unusual skill which the trustee had and used, the amount of risk and responsibility, the time consumed, the character of the work done (whether routine or of unusual difficulty) and any other factors which prove the worth of the trustee's services to the cestuis ....The court has power to make extraordinary compensation allowances, but will not do so unless the trustee can prove that he has performed work beyond the ordinary duties of his office and has engaged in especially arduous work.[88] (Emphasis supplied; citations omitted)

Thus, it is incumbent upon the SSS to ensure that all salaries, benefits, and incentives granted by it are always reasonable and with legal basis so that the funds, which it only holds in trust, will be devoted to its primary purpose of servicing workers and employees from the private sector.[89] The SSS cannot hide behind its charter to wield its statutory grants imprudently.

Determining the liability of identified recipients and approving and certifying officers to return disallowed amounts

While the propriety of the disallowances, which is subject of this case, has been conclusively determined, the liability of the identified recipients and

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87 *Social Security System v. Commission on Audit*, 433 Phil. 946 (2002) [Per J. Bellosillo, *En Banc*].
88 *Id.* at 962–963.
89 *Social Security System v. Commission on Audit*, 794 Phil. 387, 400 (2016) [Per J. Mendoza, *En Banc*].

the approving and certifying officers in the subject NDs must nevertheless be modified in light of prevailing jurisprudence.

In *Madera,*[90] the Court clarified the rules on return of disallowed amounts, thus:

> 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. Approving and certifying officers who are clearly shown to have acted in bad faith, malice, or gross negligence are, pursuant to Section 43 of the Administrative Code of 1987, solidarily liable to return only the net disallowed amount which, as discussed herein, excludes amounts excused under the following Sections 2c and 2d.
>
> c. Recipients – whether approving or certifying officers or mere passive recipients – are liable to return the disallowed amounts respectively received by them, unless they are able to show that the amounts they received were genuinely given in consideration of services rendered.
>
> d. The Court may likewise excuse the return of recipients based on undue prejudice, social justice considerations, and other bona fide exceptions as it may determine on a case-to-case basis.[91]

Nevertheless, in applying the *Madera* rules, the ultimate analysis of each case would still depend on the facts presented. Hence, the surrounding circumstances shall still be determined on a case-to-case basis.[92]

The transactions covered by the subject disallowances in this case are similar to previous cases where the Court ruled that the recipients, the approving officers, and the certifying officers were solidarily liable to return the disallowed amounts.

In the 2020 Decision,[93] the Court found that good faith could not be applied on behalf of the approving and certifying officials who allowed the grant of the CNA Incentives, and held them jointly and severally liable for the disallowed amounts. The Court considered their acts, which allowed for the

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90 *Madera v. Commission on Audit,* 882 Phil. 744 (2020) [Per J. Caguioa, *En Banc*].

91 *Id.* at 817–818.

92 *Philippine Health Insurance Corporation v. Commission on Audit,* G.R. No. 258424, January 10, 2023 [Per J. Lopez, J., *En Banc*] at 21. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

93 *Social Security Commission v. Commission on Audit*, 887 Phil. 439, 469–470 (2020) [Per J. Lazaro-Javier, *En Banc*].

illegal grant of the incentives, as being characterized by gross negligence amounting to bad faith.

In the same Decision, the Court held the employees who received the incentives as liable to return the amounts as it is evident that such incentives were granted to the employees despite the absolute lack of legal basis and breach of auditing rules and regulations.[94]

Ruling similarly, in the 2021 Decision,[95] the Court also held that none of the exceptions to the rules of return apply that would exempt the recipients or the approving and certifying officers from refunding the disallowed amounts, thus,

> In the recent case of Social Security System v. Commission on Audit, this Court held the certifying and approving officers jointly and severally liable to return the disallowed amounts received by the individual employees, upon a finding of the officers' patent disregard of existing rules and lack of legal basis in granting the Collective Negotiation Agreement incentives. The recipient employees were also ordered to return the incentives they unduly received, on the grounds of unjust enrichment and *solutio indebiti*.
>
> In the present case, none of the requisites as enumerated in Madera exist to absolve the approving and certifying officers, as well as the recipient employees from liability on the amounts disbursed. Instead, like in the similar and recent case of Social Security System, the approving and certifying officers granted the Collective Negotiation Agreement incentives in patent violation of Public Sector Labor-Management Council Resolution No. 2, series of 2003, Administrative Order No. 135, and Budget Circular No. 2006-1. Thus, the recipient employees of the Collective Negotiation Agreement incentives have no valid claim to the benefits they received, and accordingly, received the benefits at the expense of the government.[96] (Citation omitted)

Here, the grant of the various incentives from 2005 to 2008 were either made without legal basis or were based on the SSS's inexcusably flawed interpretation of the existing laws and budgeting rules. The COA was, therefore, correct in upholding the solidary liability of the approving officers.

However, in a later case of *Philippine Health Insurance Corporation v. COA*,[97] the Court clarified that when certifying officers merely guaranteed the availability of appropriations and determined the completeness of the supporting documents for such disbursements, without a showing of any bad faith on their actions, these certifying officers cannot be held personally liable for the disallowed benefits.

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94 *Id.* at 471.

95 *Social Security System v. Commission on Audit*, G.R. No. 224182, March 2, 2021 [Per J. Leonen, En Banc].

96 *Id.* at 23-24. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

97 G.R. No. 250089, November 9, 2021 [Per J. Lopez, J., *En Banc*] at 30–31. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

Furthermore, the Court has also characterized the acts of treasurers certifying the availability of funds and supporting documents as ministerial duties, absent any bad faith, as they have nothing to do with policy-making or decision-making, and were merely involved in day-to-day operations. In the absence of showing that they acted in bad faith in the performance of their official duties, they cannot be held personally liable for the disallowed amounts.[98]

In this case, Daniel T. Caput merely certified that funds were available. Hence, consistent with case law, his participation is considered merely ministerial.

On the other hand, Luis V. Olais approved the payment, while Myrna C. Lacsamana certified that the supporting documents were proper and legal. Given the fiduciary nature of the duty of the SSS over the funds under its care, good faith alone cannot excuse their errors. It behooves upon them, as officers of the SSS, to be beyond reproach in the handling of such funds. These approving and certifying officers, therefore, cannot hide behind the presumption of regularity in the performance of their duties to shield them from liability for the patently irregular and excessive grant of CNA incentives.

Finally, as to the recipients of the disallowed incentives, in *Abellanosa v. COA*,[99] the Court provided supplemental guidelines to the *Madera* Rules on Return to clarify that in order to fall within the exception in Rule 2c, i.e., amounts genuinely given in consideration of services rendered, (a) the personnel incentive or benefit must first have proper basis in law but is only disallowed due to irregularities that are merely procedural in nature; and (b) the personnel incentive or benefit must have a clear, direct, and reasonable connection to the actual performance of the payee-recipient's official work and functions for which the benefit or incentive was intended as further compensation.[100]

The SSS' grant of the CNA incentives disallowed by the COA in this case have been conclusively shown to be irregular and without basis in law, and thus, not meeting the first requisite for the exemption.

Furthermore, it is also settled in jurisprudence that a person's receipt of an amount, the disbursement of which is illegal or irregular and has been disallowed, is considered to have been by mistake. Thus, the recipient has the

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98 *Perez v. Aguinaldo*, G.R. No. 252369, February 7, 2023 [Per J. Inting, *En Banc*] at 9–10 (This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.), citing Alejandrino v. Commission on Audit, 866 Phil. 188, 207–208 (2019) [Per J. Carandang, *En Banc*].

99 *Abellanosa et al v. Commission on Audit and National Housing Authority,* 890 Phil. 413, 429 (2020) [Per J. Perlas-Bernabe, *En Banc*].

100 *Id.* at 430.

obligation to return what they have received in error, pursuant to the principle of *solutio indebiti*.[101]

While the Court may also determine in a proper case other circumstances that warrant excusing the return despite the application of *solutio indebti*, such as when undue prejudice will result from requiring payees to return or where social justice or humanitarian considerations are attendant,[102] such justifications cannot overcome the prudence expected by law over the management of the SSS fund. The Court has been consistent in this view.[103] To rule otherwise, and excuse the recipients from returning the irregular disbursements, is to defeat the high standard that the law expects regarding the management of the SSS fund.[104]

In sum, the disallowed benefits lack a valid legal basis and are contrary to prevailing laws, rules, and jurisprudence, and as such, cannot be considered as genuinely given. Such defect is not merely procedural as it goes into the validity of the benefit or allowance itself. There are also no social justice or humanitarian considerations that justify an exemption.[105]

Consistent with the prevailing jurisprudence, the Court therefore finds that the identified recipients in the assailed NDs are liable to return the covered amounts that they received. Furthermore, the approving and certifying officers are held solidarily liable to refund the disallowed amounts. The certifying officer who only certified as to the availability of funds shall not be held jointly and severally liable to return the disallowed CNA incentives.

ACCORDINGLY, the Petition is **DISMISSED**. The Decision of the Commission on Audit in Decision No. 2021-425, dated December 17, 2021, is **AFFIRMED WITH MODIFICATION** in that Daniel T. Caput is not solidarily liable to refund the disallowed amounts.

SO ORDERED.

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101 *Philippine Health Insurance Corporation v. Commission on Audit,* G.R. No. 222129, February 2, 2021 [Per J. Inting, *En Banc*] at 9. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

102 *Madera v. Commission on Audit,* 882 Phil. 744,816 (2020) [Per J. Caguioa, *En Banc*].

103 *Social Security System v. Commission on Audit*, G.R. No. 224182, March 2, 2021 [Per J. Leonen, *En Banc*]. *Social Security System v. Commission on Audit*, 887 Phil. 439 (2020) [Per J. Lazaro-Javier, *En Banc*].

104 *Social Security System v. Commission on Audit*, 794 Phil. 387 (2016) [Per J. Mendoza, En Banc].

105 *Philippine Health Insurance Corporation v. Commission on Audit,* G.R. No. 258424, January 10, 2023 [Per J. J. Lopez., *En Banc*] at 22. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

MARIA FILOMENA D. SINGH
Associate Justice

WE CONCUR:

ALEXANDER G. GESMUNDO
Chief Justice

MARVIC M.V.F. LEONEN
Senior Associate Justice

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

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Associate Justice

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Associate Justice

ANTONIO T. KHO, JR.
Associate Justice

CERTIFICATION

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

ALEXANDER G. GESMUNDO
Chief Justice