



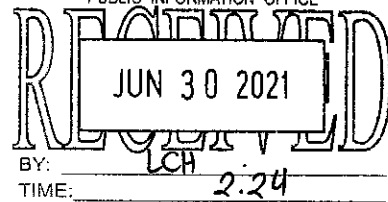
Republic of the Philippines

Supreme Court

Manila

EN BANC

SUPREME COURT OF THE PHILIPPINES
PUBLIC INFORMATION OFFICE



RENATO B. PADILLA AND
MARIA LOUISA PEREZ-
PADILLA,

Petitioners,

G.R. No. 244815

Present:

PERALTA, C.J.,
PERLAS-BERNABE,
LEONEN,
CAGUIOA,
GISMUNDO,
HERNANDO,
CARANDANG,
LAZARO-JAVIER,
INTING,
ZALAMEDA,
LOPEZ, M.,
DELOS SANTOS,
GAERLAN,
ROSARIO, and
LOPEZ, J., JJ.

- versus -

COMMISSION ON AUDIT,

Respondent.

Promulgated:

February 2, 2021

June 30 2021

X-----X

DECISION

DELOS SANTOS, J.:

This is a Petition for *Certiorari*¹ under Rule 64 in relation to Rule 65 of the Rules of Court assailing Decision No. 2017-484² dated December 28, 2017 of the Commission on Audit (COA). The COA Corporate Government Sector (COA-CGS) affirmed Notice of Disallowance (ND) No. PICCI-13-

¹ *Rollo*, pp. 3-18.

² *Id.* at 19-27.

001-(12)³ dated December 6, 2013 disallowing the grant of Performance-Based Bonus (PBB) to the employees of the Philippine International Convention Center, Inc. (PICCI) in the year 2012 in the amount of ₱840,000.00. The COA Proper, however, modified the ND insofar as the persons liable for the return of the disallowed amount.

The Facts

On December 19, 2012, the PICCI Board of Directors (BOD) approved the grant of PBB for the year 2012 to all PICCI employees at ₱10,000.00 each or in the total amount of ₱840,000.00. The PBB was given in recognition of the successful hosting of the events at the Philippine International Convention Center (PICC), especially the 45th Annual Meeting of Asian Development Bank Board of Governors held on May 2-5, 2012.⁴

On March 21, 2013, the Audit Team Leader (ATL) and the Supervising Auditor (SA) issued Audit Observation Memorandum No. PICCI-2012-05 noting that the grant of the PBB did not comply with Executive Order (E.O.) No. 80⁵ dated July 20, 2012 and its implementing guidelines, particularly Memorandum Circular No. 2012-01⁶ dated August 13, 2012 and Memorandum Circular No. 2012-03⁷ dated November 12, 2012.⁸

In its Comment, PICCI maintained that while it is a government corporation, the Department of Budget and Management (DBM) has no jurisdiction over it because its budget is not part of the General Appropriations Act (GAA).⁹

On December 6, 2013, the ATL and the SA issued the ND disallowing the payment of the PBB and declared that it constitutes an irregular transaction under COA Circular No. 2012-003¹⁰ dated October 29, 2012. They ordered the settlement of the disallowed amount by the following

³ Id. at 29-30.

⁴ Id. at 20.

⁵ Directing the Adoption of a Performance-Based Incentive System for Government Employees.

⁶ Guidelines on the Cascading of Department Performance Targets in Line with Executive Order No. 80 issued by the Inter-Agency Task Force (IATF) on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems (Administrative Order No. 25, Series of 2011).

⁷ Guidelines on Determining Eligibility and Ranking Bureaus, Delivery Units, and Individuals Based on Performance in Line with the Grant of Performance-Based Bonus (PBB) in FY 2012 issued by the IATF on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems (Administrative Order No. 25, Series of 2011) <https://www.coa.gov.ph/phocadownload/userupload/Issuances/Circulars/Circ2012/COA_C2012-003.pdf> (visited November 25, 2020).

⁸ Supra note 4.

⁹ Id.

¹⁰ Updated Guidelines for the Prevention and Disallowance of Irregular, Unnecessary, Excessive, Extravagant and Unconscionable Expenditures.

persons: (1) Renato B. Padilla, General Manager of the PICCI who approved the payment; (2) Maria Louisa Perez-Padilla, Officer-In-Charge of the Accounting Department who certified the availability of funds and the completeness of the supporting documents; and (3) all PICCI employees who received the PBB.¹¹

The Ruling of the COA-CGS

On June 30, 2015, the COA-CGS rendered Decision No. 2015-05 with the dispositive portion as follows:

WHEREFORE, premises considered, the instant appeal is hereby DENIED. Accordingly, the subject Notice of Disallowance on the grant of Performance-Based Bonus to officers and employees of PICCI in the total amount of [P]840,000.00 is hereby AFFIRMED.¹²

The COA-CGS opined that the PICCI is subject to the authority of the DBM since it is a wholly-owned subsidiary of the Bangko Sentral ng Pilipinas (BSP) which falls under the jurisdiction of the DBM pursuant to Annex B of Memorandum Circular No. 2012-01.¹³ It held that the PICCI failed to meet the conditions and criteria set by Memorandum Circular No. 2012-01 and Memorandum Circular No. 2012-03. Thus, the grant of PBB to PICCI officers and employees lacks basis and amounts to an irregular expenditure. Finally, the COA-CGS noted that the petitioners' failure to observe the directive of E.O. No. 80 and its implementing guidelines cannot be deemed a mere lapse consistent with the presumption of good faith. For their patent disregard of the applicable rules and regulations, petitioners and all the recipients of the PBB were found liable to return the disallowed amount.¹⁴

The Ruling of the COA Proper

On December 28, 2017, the COA Proper rendered Decision No. 2017-484 with the dispositive portion as follows:

WHEREFORE, premises considered, the Petition for Review of Mr. Renato B. Padilla, et al., Philippine International Convention Center, Inc. (PICCI), Pasay City, of Commission on Audit Corporate Government Sector-Cluster 1 Decision No. 2015-05 dated June 30, 2015 is DENIED for lack of merit. Accordingly, Notice of Disallowance (ND) No. PICCI-13-001-(12) dated December 6, 2013, on the payment of Performance-Based Bonus (PBB) to PICCI employees for calendar year 2012

¹¹ Supra note 3.

¹² *Rollo*, p. 36.

¹³ *Id.* at 33.

¹⁴ *Id.* at 35.

amounting to [P]840,000.00, is AFFIRMED with MODIFICATION. The passive recipients of the disallowed PBB are not required to refund the amount received in good faith, but the approving/certifying/authorizing officers of the benefits named in the ND shall remain liable for the total disallowance and the Board of Directors (BOD) shall be solidarily liable with them.

The Supervising Auditor is directed to issue a Supplemental ND to the members of the BOD who authorized the grant of the PBB.¹⁵

The COA agreed with the COA-CGS that as a wholly-owned subsidiary of the BSP, the PICCI's budget is subject to DBM's review.¹⁶ It ratiocinated that the PICCI follows the classification of its parent company, the BSP. Under Annex B of Memorandum Circular No. 2012-01, BSP is listed as one of the GOCCs falling under the jurisdiction of the DBM. It noted the conditions for eligibility for the grant of PBB provided in Section 4.0 of Memorandum Circular No. 2012-03, which petitioners failed to satisfy. It emphasized that the employees' mere participation in and contribution to the hosting of the events held at the PICC do not merit the grant of the PBB since other projects and outputs should be taken into consideration in measuring the PICCI's performance for the year.¹⁷

The COA reminded that the disbursement of public funds must always conform to and comply with the existing rules and regulations, to which business judgment rule must yield. It rejected the petitioners' claim of good faith and concluded that the petitioners are presumed to have knowledge of the legal infirmities in the grant of said bonus. This is because E.O. No. 80 and its implementing rules have clearly set forth the guidelines and limitations on the grant of the PBB, and yet petitioners failed to observe the same.¹⁸

Ultimately, the COA held that the petitioners are solidarily liable for the total amount of the disallowance as their acts paved the way for the payment of the PBB.¹⁹ It likewise ordered that the members of the BOD who authorized the grant of the PBB be issued a supplemental ND. Meanwhile, the COA ruled that the passive recipients or payees of the disallowed PBB are not required to refund the amounts since they had no part in the approval of the transactions and received the same in good faith.²⁰

¹⁵ Id. at 25-26.

¹⁶ Id. at 22.

¹⁷ Id. at 22-23.

¹⁸ Id. at 24.

¹⁹ Id.

²⁰ Id. at 25.

Arguments of the Parties

Petitioners argue that the COA committed grave abuse of discretion when it sustained the disallowance of the PBB for the following reasons:

1. PICCI is not covered by E.O. No. 80 and its implementing guidelines since its parent company, the BSP, enjoys fiscal autonomy under Section 1 of Republic Act (R.A.) No. 7653;²¹
2. PICCI is not within the jurisdiction of the DBM since it does not derive its budget from the GAA, but from the BSP;²² and
3. The COA failed to show “dishonest purpose” or “moral obliquity” so as to constitute bad faith on the part of the petitioners when they approved the payment and certified the availability of funds and completeness of supporting documents for the grant of the PBB.²³

The COA, through the Office of the Solicitor General, maintains that:

1. The PICCI’s budget is subject to DBM’s review, it being a wholly-owned subsidiary of the BSP;²⁴
2. Since PICCI does not fall under the legislative or judicial branches of the government, it is deemed part of the executive branch and is, therefore, required to comply with the directives issued by the President such as E.O. No. 80 and its implementing guidelines;²⁵ and
3. The approving/certifying/authorizing officers of PICCI should be held personally and solidarily liable for the full amount of the disallowed PBB in view of Section 16 of the 2009 Rules and Regulations on Settlement of Accounts.²⁶

The Issues

I.

Whether or not the COA acted with grave abuse of discretion when it ruled that E.O. No. 80 and its implementing guidelines apply to PICCI.

²¹ The New Central Bank Act.

²² *Rollo*, p. 12.

²³ *Id.* at 14.

²⁴ *Id.* at 51.

²⁵ *Id.* at 52.

²⁶ *Id.* at 55.

II.

Whether or not the COA acted with grave abuse of discretion when it found that the petitioners did not act in good faith when they approved and/or certified the grant of the PBB.

The Ruling of the Court

The petition is meritorious. The PICCI is not covered by E.O. No. 80.

The PBB is a top-up bonus given to the employees based on their performance and contributions to the accomplishment of the overall targets and commitments of the department or government agency to which they belong.²⁷ It is a component of the Performance-Based Incentive System (PBIS) introduced in 2012 to motivate higher performance and greater accountability in the public sector and ensure the accomplishment of commitments and targets under the five Key Result Areas²⁸ laid down in E.O. No. 43, Series of 2011²⁹ and the Philippine Development Plan 2011-2016.³⁰

The adoption of the PBIS for government employees is embodied in E.O. No. 80³¹ which was issued to address the need for: (1) rationalization of the incentive system in government;³² (2) reinforcement of performance

²⁷ Executive Order No. 80, Sec. 1(b).

²⁸ Sec. 2. Key Result Areas of our Social Contract.

- a. Transparent, accountable, and participatory governance – to institutionalize open, transparent, accountable, and inclusive governance;
- b. Poverty reduction and empowerment of the poor and vulnerable – to translate the gains from good governance into direct, immediate and substantial benefits for the poor;
- c. Rapid, inclusive, and sustained economic growth – to achieve rapid economic expansion that generates jobs and livelihood for and increase the income of the poor while moving away from the boom-and-bust cycle of the economic performance of the past;
- d. Just and lasting peace and the rule of law – to attain a just, comprehensive, and lasting peace within the bounds of our law; and
- e. Integrity of the environment and climate change adaptation and mitigation – to promote sustainable natural resource utilization and climate change adaptation and mitigation strategies and measures among national government agencies, the local government units (LGUs) and their respective communities, the general public, and other stakeholders.

To achieve focus and optimal impact given the available resources of Government, all departments and agencies shall orient their programs, projects, and activities towards the pursuit of these five (5) key result areas.

Furthermore, the government shall engage key stakeholders such as the LGUs, the legislative and judicial branches of government, and the private sector, particularly the business and civil society, in pursuit of our Social Contract with the Filipino People. <<https://www.officialgazette.gov.ph/2011/05/13/executive-order-no-43-s-2011/>> (visited November 25, 2020).

²⁹ Pursuing our Social Contract with the Filipino People through the Reorganization of the Cabinet Clusters.

³⁰ It is the development framework adopted by the administration of then President Benigno S. Aquino III (President Aquino III) that seeks to address poverty, create massive development opportunities, and achieve inclusive growth; see <<https://www.officialgazette.gov.ph/section/historical-papers-documents/philippine-development-plan-2011-2016/>> (visited November 25, 2020).

³¹ Issued on July 20, 2012 by President Benigno S. Aquino III.

³² E.O. No. 80, First Whereas clause.

monitoring and appraisal systems;³³ and (3) improvement of service delivery by the bureaucracy by recognizing and rewarding exemplary performance in the public sector.³⁴ E.O. No. 80 covers all departments, agencies, state universities and colleges, and GOCCs that remain under the jurisdiction of the DBM.³⁵

Petitioners *posit* that the disallowance has no legal basis since PICCI is not covered by E.O. No. 80. COA, on the other hand, counters that the implementing guidelines of E.O. No. 80 specify the PICCI's parent company, the BSP, as one of the GOCCs covered by E.O. No. 80. Thus, the PICCI is also covered by said E.O.

The PICCI is a government corporation, wholly-owned by the BSP, that manages and operates the PICC, the premiere facility in hosting for local and international conventions, meetings, exhibitions, and social events. On July 23, 1974, the Central Bank of the Philippines, now the BSP, was authorized to establish an International Conference Center suitable for the holding of international conferences, meetings, and the like by virtue of Presidential Decree (P.D.) No. 520, Series of 1974.³⁶ Sections 1 and 2 of P.D. No. 520 provide:

Sec. 1. The provisions of general and special laws to the contrary notwithstanding, the Central Bank of the Philippines is hereby authorized to establish an International Conference Center suitable for the holding of international conferences, meetings and the like. For this purpose, it is likewise authorized to acquire a suitable site upon which to construct such buildings and physical facilities as are deemed necessary for its proper operation.

Sec. 2. In order for the International Conference Center to enjoy autonomy of operation, separate and distinct from that of the Central bank, the latter is hereby authorized to organize a corporation to be known as the Manila International Conference Center which will manage and operate the former, the capital of which shall be fully subscribed by the Central Bank.

The governing powers and authority of the corporation shall be vested in, and exercised by, a Board of Directors composed of the Central Bank Governor as Chairman, the Senior Deputy as Vice Chairman, and five other members to be designated by the Monetary Board.

The Board of Directors shall promulgate the rules and regulations in a Code of By-Laws which shall be passed by the affirmative vote of majority plus one of all members, governing the Manila International

³³ Id., Second Whereas clause.

³⁴ Id., Third Whereas clause.

³⁵ Id. at Sec. 6.

³⁶ Authorizing the Central Bank of the Philippines to Construct an International Conference Center Building, Acquire a Suitable Site for the Purpose, Organize Corporation which will Manage and Administer the Said Center and for other Purposes.

Conference Center, providing for, among other things, the organization, regular, special and annual meetings of the Board, its officers, and their powers and duties. Amendment thereto shall likewise be made by a similar vote of the members at any meeting of the Board duly convened.

The International Conference Center was later named as the PICC pursuant to P.D. No. 710, Series of 1975.³⁷

As a wholly-owned subsidiary of BSP, the PICCI receives its annual budget for capital expenditures and operational expenses from the BSP. The PICCI's approved budget from the BSP is accounted under "Due from PICCI" for capital expenditures and under "Advances to PICCI" for operational expenses. The PICCI's balance sheet accounts (assets, liabilities, and equity) are consolidated line by line of like items with the BSP. The income and expenses are integrated under two summary accounts in this manner: "Miscellaneous Income-PICCI" and "Miscellaneous Expenses-PICCI".³⁸ The PICCI is governed by a BOD with the BSP Governor as Chairman and the BSP Deputy Governor as the Vice-Chairman, and five other members designated by the Monetary Board (MB).³⁹ Under Section 5 of P.D. No. 520, the BSP Governor, as chairman of the BOD, is required to submit to the MB at the end of every calendar year an annual report containing the activities of the PICCI and showing clearly its exact financial condition, the sources of all receipts, and the purpose of all disbursements. Thus, while PICCI is a distinct and separate entity from its parent company, it is undeniable that it is part of the operations of the BSP.

There is no existing law, implementing rules and regulations, or guidelines declaring that PICCI is covered by E.O. No. 80 or that it falls under the jurisdiction of the DBM. But Annex B of Memorandum Circular No. 2012-01 recognizes the BSP as a GOCC under the jurisdiction of DBM, together with research institutions,⁴⁰ economic zone authorities,⁴¹ and local water districts. It bears stressing, however, that the BSP enjoys fiscal and administrative autonomy under its charter. Section 1 of R.A. No. 7653 reads:

³⁷ Naming the International Conference Center Building to be Constructed by Central Bank under Presidential Decree No. 520 dated July 23, 1974, as the Philippine International Convention Center. <<https://www.officialgazette.gov.ph/1975/05/27/presidential-decree-no-710-s-1975/>>(visited November 25, 2020).

³⁸ <<https://www.bsp.gov.ph/Pages/AboutTheBank/AuditedFinancialStatements/2011FS/Notes.pdf>>, pp. 11-12 (visited November 26, 2020).

³⁹ Section 2 of P.D. No. 520.

⁴⁰ Research institutions under the jurisdiction of the DBM are: Lung Center of the Philippines, National Kidney and Transplant Institute, Philippine Center for Economic Development, Philippine Children's Medical Center, Philippine Heart Center, Philippine Institute for Development Studies, and Philippine Rice Research Institute.

⁴¹ Economic zone authorities under the jurisdiction of the DBM are: Aurora Pacific Economic and Freeport Zone Authority, Authority of Freeport Area of Bataan, Cagayan Economic Zone Authority, Philippine Economic Zone Authority, Subic Bay Metropolitan Authority, and Zamboanga City Special Economic Zone Authority.

Sec. 1. *Declaration of Policy.* – The State shall maintain a central monetary authority that shall function and operate as an independent and accountable body corporate in the discharge of its mandated responsibilities concerning money, banking and credit. In line with this policy, and considering its unique functions and responsibilities, the central monetary authority established under this Act, **while being a government-owned corporation, shall enjoy fiscal and administrative autonomy.** (Emphasis supplied)

The fiscal autonomy of the BSP accentuates its role as the country's independent central authority. The MB then is granted the authority to adopt an annual budget for and authorize such expenditures by the BSP as are in the interest of its effective administration and operations in accordance with the applicable laws and regulations.⁴² Since the MB adopts an annual budget for the BSP and, as a matter of course, the PICCI, it is incongruous, if not absurd, to place the BSP under the jurisdiction of the DBM and subject its budget to the DBM's review and approval.

“The power to appropriate belongs to Congress, while the responsibility of releasing appropriations belongs to the DBM.”⁴³ But this does not hold true for the BSP. The BSP does not receive its budget from the national government through the GAA. In stark contrast with other government agencies, the BSP is not reliant on Congress for budgetary appropriation. It is the MB which crafts the BSP's annual budget to ensure the effective administration and operations of the BSP and its subsidiaries.

Obviously, the conclusion that the BSP is not within the jurisdictional ambit of the DBM runs counter to Annex B of Memorandum Circular No. 2012-01. The Court can only find one plausible explanation for this seeming inconsistency. It appears that the Inter-Agency Task Force (IATF) which prescribed the implementing guidelines in Memorandum Circular No. 2012-01 placed the BSP under the jurisdiction of the DBM simply because it is expressly excluded from the coverage of R.A. No. 10149,⁴⁴ otherwise known as the “GOCC Governance Act of 2011.” Interestingly, the “GOCCs under the jurisdiction of DBM” listed in Annex B are the same government entities found in Section 4 of R.A. No. 10149 quoted hereunder:

Sec. 4. *Coverage.* – This Act shall be applicable to all GOCCs, GICPs/GCEs, and government financial institutions, including their subsidiaries, but **excluding the Bangko Sentral ng Pilipinas, state universities and colleges, cooperatives, local water districts, economic zone authorities and research institutions:** *Provided,* That in economic zone authorities and research institutions, the President shall appoint one-

⁴² REPUBLIC ACT NO. 7653, Sec. 15(d).

⁴³ *Civil Service Commission v. Department of Budget and Management*, 517 Phil. 440, 443 (2006).

⁴⁴ An Act to Promote Financial Viability and Fiscal Discipline in Government-Owned or -Controlled Corporations and to Strengthen the Role of the State in its Governance and Management to Make them More Responsive to the Needs of Public Interest and for other Purposes.

third (1/3) of the board members from the list submitted by the GCG.
(Emphasis and underscoring supplied)

Equally telling that in Memorandum Order No. 2012-09⁴⁵ issued by the Governance Commission for GOCCs (GCG), the PICCI is classified as a GOCC excluded from the coverage of R.A. No. 10149 and, ultimately, from the jurisdiction of the GCG. Hence, while generally, GOCCs, including government instrumentalities exercising corporate powers and government financial institutions, fall under the jurisdiction of the GCG,⁴⁶ the BSP and its subsidiary PICCI are unequivocally excluded from the GCG's authority. But this is not to say that the BSP and its subsidiary PICCI necessarily come under the jurisdiction of the DBM. To the mind of the Court, we would be trampling on the BSP's fiscal and administrative autonomy if we go by such logic.

Offices vested with fiscal autonomy such as the BSP cannot be compelled to observe and adhere to the guidelines and principles governing the PBB scheme under E.O. No. 80. Even Section 8⁴⁷ of E.O. No. 80 cites that they are merely encouraged to adopt the provisions of the E.O. in determining the employees' eligibility to the PBB. We see no reason why this ratiocination should not be applied to PICCI which obtains its budget from the BSP for capital expenditures and operational expenses.

It is well to clarify that the autonomy and independence granted to the BSP by its charter do not, in any way, advocate the exercise of unbridled discretion in the adoption of its budget. In the same vein, the PICCI, as BSP's subsidiary, cannot seek refuge behind the shield of fiscal autonomy of its parent company to justify the grant of a bonus or incentive *sans* eligibility standard and criteria. Settled is the rule that the PICCI is subject to the review and audit of the COA.⁴⁸ Even though the PICCI does not receive its budget from the national government funds through the GAA, the PICCI's approved budget is still public in character which should be properly accounted for in accordance with the existing auditing rules and regulations.

In the instant case, the PICCI's grant of the PBB should have been audited and reviewed by the COA *vis-à-vis* the criteria and conditions set by the PICCI's BOD or the MB, as the case may be. Surely, the PICCI adopted a definite yardstick to monitor and measure the performance of its employees as to whether they have adequately met the PICCI's operational

⁴⁵ Classifying the Philippine International Convention Center, Inc. (PICCI) as Excluded from the Coverage of R.A. No. 10149.

⁴⁶ REPUBLIC ACT NO. 10149, Sec. 3(o).

⁴⁷ **Sec. 8. Applicability to the Legislative and Judicial Branches and Other Offices vested with Fiscal Autonomy.** The Congress, Judiciary, Constitutional Commissions and the Office of the Ombudsman are encouraged to adopt the provisions of this EO to be eligible to the PBB. (Emphasis and underscoring supplied)

⁴⁸ *Tetangco, Jr. v. Commission on Audit*, G.R. No. 244806, September 17, 2019.

plans, commitments, and overall targets for 2012. For their part, petitioners could have presented documents showing the PICCI's own performance indicators and monitoring system tailor-fitted to its operations as BSP's subsidiary instead of simply reasoning that the ₱840,000.00 PBB was released to the officers and employees "in recognition of the successful hosting of significant and prestigious events" at the PICCI.⁴⁹

In *Manila International Airport Authority v. Commission on Audit*,⁵⁰ we have held that generally, deference is given to COA decisions and resolutions as a matter of general policy, not only on the basis of the doctrine of separation of powers, but also in recognition of the COA's expertise on the laws it was entrusted to enforce. As a constitutional office and guardian of public funds and properties, the COA's exclusive authority to disallow irregular, unnecessary, excessive, extravagant, or unconscionable expenditures or uses of government funds and properties cannot be overemphasized. The Court, however, may intervene to correct an assailed decision or resolution when the COA, in the exercise of its authority, acted without or in excess of jurisdiction, or with grave abuse of discretion, as in this case where the disapproval in audit has no basis in law and jurisprudence.

The fact that the ND is bereft of legal foundation brings us to Rule 1 of the Rules on Return in the recent case of *Madera v. Commission on Audit*:⁵¹ "[i]f a Notice of Disallowance is set aside by the Court, no return shall be required from any of the persons held liable therein."⁵² The obligation to return is civil in nature, one that is based on the loss incurred by the government because of the transaction.⁵³ There is no showing that the grant of the PBB strained the government coffers in this case. The PICCI was issued an ND for failure to comply with the conditions imposed in the implementing guidelines of E.O. No. 80, when it need not subscribe to said E.O. in the first place. Hence, the petitioners, as approving and certifying officers, cannot be held civilly liable for the PBB released to the PICCI employees.

WHEREFORE, in view of the foregoing reasons, the Court **GRANTS** the Petition for *Certiorari* of petitioners Renato B. Padilla and Maria Louisa Perez-Padilla and **REVERSES** and **SETS ASIDE** the Commission on Audit Decision No. 2017-484 dated December 28, 2017. Accordingly, the Court **LIFTS** the Notice of Disallowance No. PICCI-13-001-(12) dated December 6, 2013. All the persons held liable in said Notice of Disallowance shall not be required to return the Performance-Based

⁴⁹ *Rollo*, p. 20.

⁵⁰ G.R. No. 218388, October 15, 2019.


⁵¹ G.R. No. 244128, September 8, 2020.

⁵² *Id.*

⁵³ *Id.*

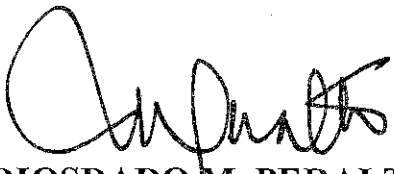
Bonus granted to the employees of the Philippine International Convention Center, Inc. in the year 2012 in the total amount of ₱840,000.00.


SO ORDERED.




EDGARDO L. DELOS SANTOS
Associate Justice

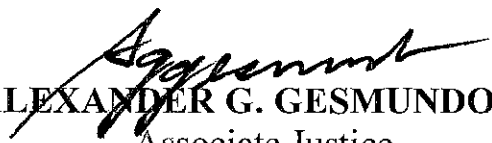
WE CONCUR:

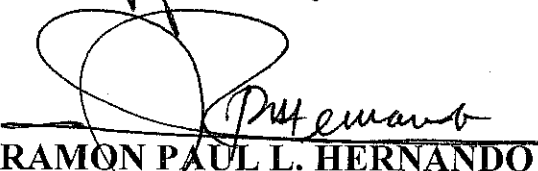

DIOSDADO M. PERALTA
Chief Justice


ESTELA M. PERLAS-BERNABE
Associate Justice



MARVIC M.V.F. LEONEN
Associate Justice


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

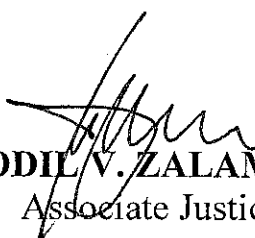

ALEXANDER G. GESMUNDO
Associate Justice

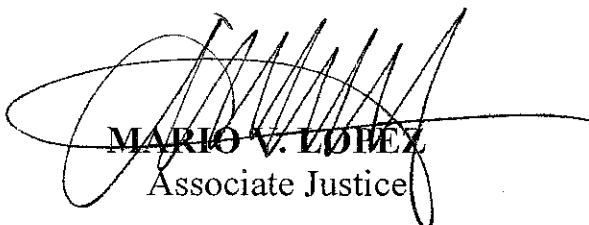

RAMON PAUL L. HERNANDO
Associate Justice



ROSMARID D. CARANDANG
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 R. ROSARIO
Associate Justice


JHOSEP Y. LOPEZ
Associate Justice

CERTIFICATION

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 the Court.


DIOSDADO M. PERALTA
Chief Justice

Certified True Copy

ANNA-LI R. PAPA-GOMBIO
Deputy Clerk of Court En Banc
OCC En Banc, Supreme Court