

## **COMMISSION ON AUDIT RESOLUTION NO. 95-208 March 28, 1995**

WHEREAS, in the past the Commission on Audit (hereinafter referred to as this Commission) had been emphasizing only the audit of expenditures and uses of funds and property;

WHEREAS, this was partly due to the ambiguous provisions of Sec. 28 of the Government Auditing Code of the Philippines (1978) which cast doubt on the authority of this Commission to examine the books, papers, and documents filed by taxpayers in the custody of government agencies, particularly those kept by the Bureau of Internal Revenue;

WHEREAS, these doubts on the legality and authority of this Commission to audit revenues and receipts have been completely expunged with the adoption of the 1987 Philippine Constitution which provides, as far as relevant, as follows:

1. "The Commission on Audit shall have the power, authority, and duty to examine, audit, and settle all accounts pertaining to the revenue and receipts of, and expenditures or uses of funds and property, owned or held in trust by, or pertaining to, the Government, or any of its subdivisions, agencies, or instrumentalities, including government-owned and controlled corporations xxx. " (Sec. 2[1] Art. IX-D, Philippine Constitution.)

2. "The Commission shall have exclusive authority, subject to the limitations in this Article, to define the scope of its audit and examination, establish the techniques and methods required therefor, and promulgate accounting and auditing rules and regulations xxx. "(Sec. 2[2], Ibidem.)

3. "No law shall be passed exempting any entity of the Government or its subsidiary in any guise whatever, or any investment of public funds from the jurisdiction of the Commission on Audit. " (Sec. 3; Ibid.)

WHEREAS, in the recent decision of the Supreme Court in the case of Narciso E. Mamaril vs. Eufemio C. Domingo, G.R. No. 100284 promulgated on October 13, 1993, the following pronouncements have been expressed:

1. "As can be gleaned from the xxx provisions of the Constitution, state audit is not limited to the auditing of the accountable officers and the settlement of accounts, but includes accounting functions and the adoption in the audited agencies of internal controls to see to it, among other matters, that the correct fees and penalties due the government are collected.

"The verification of the correctness of the evaluation and computation of the fees and penalties collectible under the Land Transportation Law (R.A. No. 4136) are parts of the functions of the COA, which examines and audits revenue accounts. "(The Government Auditing Code of the Philippines, P.D. No. 1445, Sec. 60).

2. "xxx Nonetheless, if there are errors or mistakes in the performance of a public officer of his duties which result in an under collection of

fees due to the Government, said officer becomes civilly liable, regardless of whether he acted without malice or gross negligence."

WHEREAS, the present leadership of this Commission is convinced that government audit should emphasize both the audit of revenues and receipts, as well as the audit of expenditures and uses of public funds and property;

NOW THEREFORE, UPON MOTION OF COMMISSIONER SOFRONIO B. URSAL DULY SECONDED, BE IT RESOLVED as it is hereby resolved, that this Commission hereby asserts its power, authority, and duty to examine, audit, and settle all accounts pertaining to the revenues and receipts of all government agencies and subdivisions, including those of the Bureau of Internal Revenue, the Bureau of Customs, the government-owned and/or controlled corporations, and all local government units;

RESOLVED, FURTHERMORE, to enjoin all COA Directors and Auditors to observe the mandate of this Resolution and report to this Commission any official or employee of the Government who shall refuse to submit to the prescribed audit process or who shall obstruct the implementation of the same.

RESOLVED, FINALLY, to instruct the Commission Secretary to disseminate copies of this Resolution to the Heads of Departments, Bureaus, Offices and Agencies of the Government, as well as all local government units, and government-owned and/or controlled corporations.

PROMULGATED on this 28th day of March 1995.

**(SGD.) CELSO D. GAÑGAN, Chairman**  
**(SGD.) ROGELIO B. ESPIRITU, Commissioner**  
**(SGD.) SOFRONIO B. URSAL, Commissioner**