

EN BANC

[A.M. No. 20-06-18-MCTC, September 29, 2020]

RE: FINAL REPORT ON THE FINANCIAL AUDIT CONDUCTED IN THE MUNICIPAL CIRCUIT TRIAL COURT, VALLADOLID-SAN ENRIQUE-PULUPANDAN, NEGROS OCCIDENTAL

R E S O L U T I O N

INTING, J.:

For consideration is the Final Report^[1] dated January 16, 2020 on the financial audit conducted on the books of accounts of Mr. George E. Santos (Santos), Mr. Ignacio D. Denila (Denila), and Mr. John O. Negroprado (Negroprado) of the Municipal Circuit Trial Court (MCTC), Valladolid-San Enrique-Pulupandan, Negros Occidental.

For reference, the table below shows the designation, accountability period, and status of employment of Santos, Denila, and Negroprado:

| Accountable Officer | Designation | Accountability Period | Status of Employment |
|---------------------|---|---|--|
| Santos | Court Interpreter/Officer-in-Charge (OIC) | 1 September 1991 to 31 October 1994; and 1 September 2001 to 30 April 2003. | Retired-Compulsorily effective 24 November 2012. |
| Denila | Clerk of Court II | 1 November 1994 to 31 August 2001 | Resigned effective 30 April 2003. |
| Negroprado | Clerk of Court II | 1 May 2003 to 30 April 2013 | Still in the service ^[2] |

The financial audit was conducted due to Negroprado's failure to submit his monthly financial reports over the following funds maintained by the MCTC: (1) Fiduciary Fund (FF); (2) Sheriffs Trust Fund; (3) Judiciary Development Fund (JDF); (4) Special Allowance for the Judiciary Fund (SAJF); (5) Mediation Fund (MF); and (6) Clerk of Court General Fund-Old (COCGF-Old) and General Fund-New. This resulted in the withholding of his salaries effective April 24, 2009 and his exclusion from the payroll beginning January 2010 to the present.

A. For the FF

The audit of the Court's FF account showed a balance of P342,100.00 as of April 30, 2013. However, the balance of the Court's FF account in the Land Bank of the Philippines (LBP), Bacolod Branch, Savings Account No. 0421-2704-73 was only P89,600.00 disclosing a shortage of P252,500.00 viz.:

| | |
|--|-----------------------------------|
| Total Collections (May 1, 2006 to April 30, 2013) | P1,390,023.50 |
| Less: Valid Withdrawals (same period) | <u>1,047,923.50</u> |
| Unwithdrawn Fiduciary Fund as of April 30, 2013 | <u>P342,100.00</u> |
| | |
| Total Unwithdrawn Fiduciary Fund as of 30 April 2013 | P342,100.00 |
| | |
| Less: LBP Bacolod Branch under Savings Account No. 0421-2704-73 as of April 30, 2013 | 105,155.80 |
| | |
| Less: Unwithdrawn Interest | 15,555.80 |
| Adjusted Bank Balance | <u>P89,600.00</u> |
| Balance of Accountability | <u>P252,500.00</u> ^[3] |

The accountability of P252,500.00 pertains to Mr. Negroprado which was only settled on January 3, 2019.

B. For the JDF

A financial audit of the JDF also disclosed a shortage of P71,932.50 as shown in the table below:

| | |
|---|-----------------------------------|
| Total Collections (September 1, 1991 to April 30, 2013) | P281,180.06 |
| Less: Total Remittance (same period) | <u>209,247.56</u> |
| Balance of Accountability | <u>P 71,932.50</u> ^[4] |

The breakdown of the P71,932.50 JDF shortage is as follows:

| Accountable Officer | Period Covered | Collections | Deposits | Balance of Accountability (over remittance) |
|------------------------------|-------------------|--------------|--------------|---|
| Santos | 9/1991 to 10/1994 | P 8,285.00 | P 5,490.00 | P 2,795.00 |
| <i>Restitution-10/9/2008</i> | | | 2,795.00 | (2,795.00) |
| | 9/2001 to 4/2003 | P 7,876.00 | P 7,770.00 | 106.00 |
| <i>Restitution-10/9/2008</i> | | | 780.00 | (780.00) |
| | | P 16,161.00 | P 16,835.00 | P (674.00) |
| Denila | 11/1994 to 8/2001 | P 29,152.00 | P 49,850.00 | P (20,698.00) |
| | | P 29,152.00 | P 49,850.00 | P (20,698.00) |
| Negroprado | 5/2003 to 5/2008 | P 154,775.16 | P 118,094.76 | P 36,680.40 |
| <i>Restitution-6/25/2008</i> | | | 10,000.00 | (10,000.00) |

| | | | | |
|-------------|---------------------|-----------------|-----------------|-------------------------------|
| | 6/2008 to 4/2013 | 81,091.90 | 14,467.80 | 66,624.10 |
| Total | | P 235,867.06 | P 142,562.56 | P 93,304.50 |
| Grand Total | | P 281,180.06 | P 209,247.56 | P 71,932.50 ^[5] |

As could be gleaned from the foregoing, Denila and Santos had excess remittances on the JDF Account. The over remittance made by Denila in the amount of P20,698.00 and the P674.00 over remittance made by Santos were intended to be deposited to the COCGF-Old. While Denila and Santos had excess remittances, Negroprado incurred a shortage in the amount of P93,304.50 which he restituted only on January 3, 2019.

C. For the SAJF

The audit of the SAJF likewise disclosed that Negroprado had an accountability balance of P152,105.50, to wit:

| | |
|---|-----------------------------|
| Total collections (April 1, 2004 to April 30, 2013) | P 468,425.42 |
| Less: Total Remittance | <u>316,319.92</u> |
| Balance of Accountability | P 152,105.50 ^[6] |

On January 3, 2019 and November 5, 2019, Negroprado deposited the amount of P152,105.30 and P0.20, respectively, to settle his accountability on the SAJF account.

D. For the MF

The audit further disclosed that Negroprado incurred an accountability balance of P44,000.00 in the MF, to wit:

| | |
|---|----------------------------|
| Total Collections (October 1, 2005 to April 30, 2013) | P 71,500.00 |
| Less: Total Remittance | <u>27,500.00</u> |
| Balance of Accountability | P 44,000.00 ^[7] |

The P44,000.00 shortage on the MF was only settled by Negroprado on January 3, 2019.

E. For the COCGF-Old

The audit of the COCGF-Old showed that Denila, Santos, and Negroprado had an accountability balance of P21,478.00 on the account.

After examination, it was discovered that P20,698.00 of the P21,478.00 shortage was due to Denila's excess deposit to the JDF. Also, Santos' P647.00 shortage in the COCGF-Old was also due to his over remittance to the JDF. While Denila and Santos' accountabilities were merely due to their inadvertent excess remittances to the JDF account, Negroprado actually incurred shortage on the COCGF-Old account in the amount of P106.00 which he restituted on July 19, 2019.

Collectively, Negroprado incurred shortages on the various judiciary funds in the sum of P542,015.80.

On December 4, 2015, Negroprado submitted to Atty. Gilda A. Sumpo, then Chief Judicial Staff Officer, Accounting Division, Financial Management Office (FMO), Office of the Court Administrator (OCA), his explanation that he was forced to use the collections of the Court to sustain the needs of his family. He added that due to his low take-home pay, he incurred loans from the Supreme Court Loan Association and the Government Service Insurance System to pay off his loans for the hospitalization of his three minor children due to dengue fever.

Recommendation of the OCA

In the Memorandum dated January 31, 2020, the OCA found Negroprado to have violated Administrative Circular No. 35-2004, as amended, dated August 20, 2004, and OCA Circular No. 113-2004 dated September 16, 2004. The OCA recommended that Negroprado be fined with the amount of P25,000.00 and with a stern warning that a repetition of the same offense will be dealt with more severely.

The OCA, likewise, recommended that the FMO, OCA be directed to: release the withheld salaries and allowances of Negroprado; and deduct therefrom the Fine of P25,000.00.

The Court's Ruling

Time and again, the Court has stressed that the behavior of all employees and officials involved in the administration of justice—from judges to the most junior clerks—is circumscribed with a heavy responsibility. Their conduct must be guided by strict propriety and decorum at all times.^[8]

OCA Circular No. 113-2004 dated September 16, 2004 mandates that the Monthly Reports of Collections and Deposits for the JDF, SAJ, and FF should be sent not later than the 10th day of each succeeding month to the Chief Accountant, Accounting Division, FMO, OCA.

Moreover, Administrative Circular No. 35-2004, as amended, dated August 20, 2004 requires that the daily collections, of funds in the Regional Trial Court, Metropolitan Trial Court, Municipal Trial Court in Cities, Municipal Trial Court, MCTC, Shari'a District Court and Shari'a Circuit Court should be deposited everyday with the nearest LBP branch, or if depositing daily is not possible, deposits for tit fund shall be at the end of every month, provided, however, that whenever collections for the fund reach P500.00, it shall be deposited immediately even before the period above-mentioned.

Being a court personnel holding the position Clerk of Court II, Negroprado was expected to comply with the foregoing circulars by faithfully submitting his monthly reports and by remitting his judiciary collections accordingly. However, Negroprado failed to do so. Record shows that Negroprado incurred shortages on his FF, JDF, SAJF, and MF collections on the following amounts:

- 1) FF collections from May 1, 2006 to April 30, 2013 in the sum