

## THIRD DIVISION

[ G.R. No. 233316, November 04, 2020 ]

**SUSANA P. BAUZON, PETITIONER, VS. MUNICIPALITY OF  
MANGALDAN, PANGASINAN, REPRESENTED BY MAYOR BONA FE  
DE VERA-PARAYNO, RESPONDENT.**

### R E S O L U T I O N

**INTING, J.:**

*No less than the Constitution declares that public office is a public trust. A public servant is expected to exhibit, at all times, the highest degree of honesty and integrity, and is accountable to all those he or she serves. Public officers, specifically those in custody of public funds like herein petitioner, are held to the highest standards of ethical behavior and are expected to uphold the public interest over personal interest at all times. It is in this spirit that this Court conveys its deep disdain for all those whose actions betray the trust and confidence reposed in public officers, and those who attempt to conceal wrongdoing through misdirection and blatantly belated explanations.*<sup>[1]</sup>

This is a Petition for Review on *Certiorari*<sup>[2]</sup> filed pursuant to Rule 45 of the Rules of Court seeking to reverse and set aside the Decision<sup>[3]</sup> dated March 20, 2017 and the Resolution<sup>[4]</sup> dated July 4, 2017 of the Court of Appeals (CA) in CA-G.R. SP No. 139707. The assailed Decision affirmed the Decision No. 140931<sup>[5]</sup> dated December 5, 2014 and the Resolution No. 1500279<sup>[6]</sup> dated March 3, 2015 of the Civil Service Commission (CSC) which dismissed Susana P. Bauzon (petitioner) for Grave Misconduct.

#### *The Antecedents*

On April 4, 2012, the Office of the Municipal Mayor of Mangaldan, Pangasinan (respondent) received the Audit-Observation Memorandum (AOM) No. Mang. 2012-021 dated February 13, 2012 from the Commission on Audit (COA), Office of the Audit Team Leader, Audit Group E. It stated that the payrolls and other liquidation documents pertaining to the 2011 cash advances of the Assistant Municipal Treasurer amounting to P29,362,148.95 were not submitted for post-audit. On April 19, 2012, respondent received another AOM stating its observation that, in the course of its post-audit on the disbursement and payroll accounts, some of the basic requirements in respondent's disbursement process were not complied with.<sup>[7]</sup>

The COA Regional Office No. 1 then issued several AOM, Notices of Suspension, and Notices of Disallowance against respondent, including the Notices of Disallowance relative to cash advances for the payrolls for the months of January to March 2011, May to December 2011, and January to March 2012. The Notices of Disallowance indicated that Marilyn D. Gonzales (Gonzales), Evelyn L. Bernabe (Bernabe) and

petitioner were liable as accountable officer, internal auditor, and the official directly responsible for check preparation, respectively. The folders for disallowed payrolls disclosed that the total amount in obligation requests and payrolls were altered and increased to reflect an incorrect bigger sum. A total of P1,959,155.00 was later returned to respondent per Bernabe's letter to the Provincial Auditor dated May 3, 2012 and the official receipts from the municipal government. In the meantime, petitioner and Bernabe appealed before the Office of the Regional Director in San Fernando City, La Union, the various Notices of Disallowance issued by the COA auditors.<sup>[8]</sup>

On May 15, 2012, then Mayor Herminia A. Romero (Mayor Romero) filed with the Civil Service Commission Regional Office No. I (CSCRO I) a Complaint<sup>[9]</sup> for Grave Misconduct and Gross Dishonesty, Disgraceful and Immoral Conduct, and Conduct Prejudicial to the Best Interest of the Service against Helen A. Aquino (Aquino), Gonzales, Bernabe and petitioner.

After preliminary investigation, Atty. Engelbert Anthony D. Unite, Director IV of CSCRO I issued Resolution No. FC-2012-046<sup>[10]</sup> finding *prima facie* case against Gonzales, Bernabe, and petitioner; while in Decision No. 2012-065, he dismissed the charge against Aquino. The motion for reconsideration of Decision No. 2012-065<sup>[11]</sup> dated August 28, 2012 filed by Mayor Romero was denied for lack of merit through a Resolution No. 12-00047<sup>[12]</sup> dated September 28, 2012. Formal investigation ensued thereafter.

#### *Ruling of the CSCRO I*

On June 26, 2014, the CSCRO I issued Decision No. 14-0066<sup>[13]</sup> finding Bernabe, Gonzales, and petitioner guilty of Grave Misconduct and dismissed them from service with all the accessory penalties attached thereto. The decretal portion of the Decision reads:

WHEREFORE, premises considered, Marilyn D. Gonzales, Evelyn L. Bernabe, and Susana P. Bauzon, Assistant Municipal Treasurer; Municipal Accountant, and Municipal Treasurer, respectively, of the Municipal Government of Mangaldan, Pangasinan, are hereby found GUILTY of Grave Misconduct Accordingly, they are meted the penalty of DISMISSAL with all accessory penalties or inherent disabilities pursuant to the Revised Rules on Administrative Cases in the Civil Service.<sup>[14]</sup>

The CSCRO I held: that the failure of Bernabe and petitioner to notice, bring out, or do something about the irregularities committed by Gonzales give credence to her admissions and statements in her comment and counter-affidavit; that the disallowed payrolls readily show that the total amount was altered and increased, paving the way for the illegal check padding; that it was unbelievable that Bernabe and petitioner were unable to notice such alterations perpetrated for almost the entire year of 2011 and the early months of 2012;<sup>[15]</sup> that under the circumstances, Gonzales committed irregularities in the preparation of illegally padded checks, while Bernabe and petitioner show their acquiescence thereto by failing to perform their duties of safeguarding the finances of respondent; and that such omission was highly inexcusable.<sup>[16]</sup>

Unperturbed, petitioner filed a petition for review before the CSC proper.

### *Ruling of the CSC*

On December 5, 2014, the CSC affirmed<sup>[17]</sup> Decision No. 14-0066 of the CSCRO I finding substantial evidence to hold petitioner guilty of Grave Misconduct. The pertinent portions thereof state:

Bauzon stated in her Answer that the payrolls prepared by the Office of the Municipal Accountant together with the obligation requests and other supporting documents, were transmitted to the Office of the Treasurer. The Office of the Treasurer then forwards the payrolls to the Office of the Mayor for approval. The approved payrolls were returned to the Office of the Treasurer which prepared the cash advance vouchers and checks. At this point, Bauzon had the duty to verify the amount stated in the cash advance vouchers against the summary of the payrolls to be paid. It must be emphasized that before Bauzon come up with the summary of the payrolls, she also has to examine the payrolls involved and she has all the opportunity to see the alteration in the total amount indicated therein. As Municipal Treasurer, she has the obligation to verify the correctness of such altered amount because it is her primary duty to take custody of and exercise proper management of the funds of the Municipal Government of Mangaldan, Pangasinan. Also, her office is the one directly responsible for the preparation of checks. Thus, Bauzon cannot claim that only Gonzales is the accountable officer for the amount disallowed in audit considering that she has direct supervision over Gonzales, the Assistant Municipal Treasurer.

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In this case, Bauzon deliberately failed to observe the irregularities committed by Gonzales as admitted by the latter in her Counter-Affidavit and Comment. The disallowed payrolls indisputably show that the total amount was altered and increased that led to the legal padding of checks. As the Municipal Treasurer, Bauzon cannot deny that she has a hand in such alterations perpetrated in several payrolls from 2011 to 2012, taking into consideration that Gonzales is under her direct supervision.<sup>[18]</sup>

Petitioner moved for a reconsideration,<sup>[19]</sup> but the CSC denied it in Resolution No. 1500279<sup>[20]</sup> dated March 3, 2015. She thus filed a petition for review before the CA.

### *Ruling of the CA*

In the Decision<sup>[21]</sup> dated March 20, 2017, the CA affirmed the ruling of the CSC. According to the CA, petitioner's failure to take custody of and exercise proper management of respondent's funds not only constitute violation of Republic Act No. (RA) 7160,<sup>[22]</sup> it likewise reflects poorly on her capacity as Municipal Treasurer. Despite the knowledge of her duties and responsibilities, she failed to properly exercise the duties of her office. The CA discussed:

As treasurer of the municipality, Bauzon should perform her responsibilities diligently, faithfully, and efficiently. Bauzon should exercise the highest degree of care over the custody, management, and disbursement of municipal funds. Even if Bauzon may have justified that, as part of their standard operating procedures, and before she signs a check for a cash advance voucher, the corresponding cash advance vouchers upon which checks are based have passed several other offices; still, Bauzon cannot discount the fact that she failed to diligently verify the correctness of the amounts indicated therein. Considering that Bauzon has a duty to exercise proper management of the municipal funds and that it is her office which is directly and ultimately responsible for the preparation of the checks (and not to mention the amount of money involved), the sum-total of evidence clearly shows that Bauzon took a light stance of such responsibilities and, in the process, flagrantly disregarded established rules. Her grave misconduct paved the way for the commission of more fraud against and consequent damage to, the Municipality of Mangaldan.

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We are not convinced that Bauzon's responsibilities can so easily be shifted to her subordinates because of the system she had instituted for the efficient management of cash disbursement in the Treasurer's Office. Notwithstanding such system of apportioning the tasks in Treasurer's Office, it should be noted that Bauzon remained to be the head of such office. Hence, Bauzon's subordinates remained under her direct supervision and control. As discussed elsewhere, Bauzon's failure to ensure the correctness of the amounts indicated by her subordinates in the documents she signs demonstrates her wanton and deliberate disregard for the demands of public service.<sup>[23]</sup>

Undaunted, petitioner filed a Motion for Reconsideration,<sup>[24]</sup> but the CA denied it in a Resolution<sup>[25]</sup> dated July 4, 2017.

Hence, this petition for review filed by petitioner arguing that respondent failed to discharge its burden of proving the fact that she committed the acts complained of.

In its Comment<sup>[26]</sup> on the other hand, respondent argues that the liability of petitioner was duly established by substantial evidence, both testimonial and documentary. It prays that the subject petition be dismissed for being patently dilatory and unmeritorious.<sup>[27]</sup>

### *The Issues*

#### I.

WHETHER THE CA COMMITTED REVERSIBLE ERROR IN AFFIRMING DECISION NO. 14-0066 DATED DECEMBER 5, 2014 AND RESOLUTION NO. 1500279 DATED MARCH 23, 2015 OF THE CSC; AND

## II.

### WHETHER THE CA ERRED IN FINDING AND HOLDING THAT PETITIONER IS GUILTY OF GRAVE MISCONDUCT.

#### *Ruling of the Court*

The petition lacks merit.

Primarily, the grounds raised by petitioner regarding the appreciation of the evidence by the CSC and the CA are inevitably questions of fact which are beyond the ambit of the Court's jurisdiction in a petition for review on *certiorari*. It is not the Court's task to go over the proofs presented before CSC and the CA to ascertain if they were appreciated and weighed correctly, most especially when, as in this case, the CA and the CSC were uniform in their findings and conclusions.<sup>[28]</sup> Although it is widely held that this rule of limited jurisdiction admits of exceptions, none exists or is even alleged as existing, in the present case.

Misconduct generally means wrongful, improper or unlawful conduct motivated by a premeditated, obstinate or intentional purpose. It is a transgression of some established and definite rule of action, a forbidden act, a dereliction of duty. Qualified by the term "gross", it means conduct that is "out of all measure beyond allowance; flagrant; shameful; such conduct as is not to be excused."<sup>[29]</sup>

The evidence on record demonstrates a pattern of negligence and gross misconduct on the part of the petitioner that fully satisfies the standard of substantial evidence. Substantial evidence is such amount of relevant evidence that a reasonable mind might accept as adequate to support a conclusion. In the case at bench, as the CA pointed out, petitioner's failure to take proper custody of and exercise proper management of the funds of the Municipality of Mangaldan not only constitute violation of applicable laws,<sup>[30]</sup> but also reflect poorly on the government. Indeed, her omission provided ripe opportunity for fraud and corruption.

This is not the first time that a government employee was dismissed from service for Gross Misconduct.

In *Gonzales v. Civil Service Commission*,<sup>[31]</sup> the Court dismissed petitioner Carlos R. Gonzales (petitioner Gonzales) on the ground of his dishonesty and gross misconduct. Through their gunner, petitioner Gonzales and the branch manager of Casino Filipino-Davao City violated the table and time limits of Philippine Amusement and Gaming Corporation (PAGCOR) officers. Petitioner Gonzales accompanied one Quintin Llorente to the treasury window as an alleged applicant for accommodation of checks despite knowing that the true applicant was a certain Castillo who only had P20,000.00 in her bank account. Petitioner Gonzales facilitated the accommodation of the checks by making it appear that the checks had the clearance of the proper officers. But even assuming that he had the authority to make such facilitation, he could not have validly done it since he was not on official duty at that time. His acts, the Court held, constituted fraud or deceit. He deliberately flouted the rule of law, standards of behavior, and established procedures. He even used his influence and position for his own benefit and to the prejudice of PAGCOR. As such, he was correctly held liable for dishonesty and gross