

## THIRD DIVISION

**[ A.M. No. P-09-2721 (Formerly A.M. No. 09-9-162-MCTC), February 16, 2010 ]**

### REPORT ON THE FINANCIAL AUDIT CONDUCTED ON THE BOOKS OF ACCOUNTS OF THE MUNICIPAL CIRCUIT TRIAL COURT, MONDRAGON-SAN ROQUE, NORTHERN SAMAR.

## D E C I S I O N

### PERALTA, J.:

This administrative matter arose from the financial audit conducted by the Financial Audit Team on the books of accounts of Pompeyo G. Gimena, Clerk of Court II of Municipal Circuit Trial Court (MCTC), Mondragon-San Roque, Northern Samar, covering the period from July 1, 1985 to March 31, 2009, to verify whether the amounts collected were correctly and completely recorded in the books and, thereafter, deposited in the Land Bank of the Philippines (LBP) within the prescribed period.

In the Memorandum<sup>[1]</sup> for the Court Administrator, the audit team made the following observation and evaluation. Thus,

Based on the available documents presented to the audit team, the following are our significant findings and observations:

#### **I. Cash Count on April 15, 2009 disclosed a shortage of P40.00 as shown below:**

Denominations	Quantity	Amount
P1,000.00	55	P55,000.00
500.00	48	24,000.00
200.00	42	8,400.00
100.00	72	7,200.00
50.00	2	100.00
<b>Total</b>		<b>P94,700.00</b>

#### **SUMMARY OF CASH COUNT ON APRIL 15, 2009**

Total	Undeposited	P94,740.00
Collections		
Total	Cash	P94,700.00
Items		
<b>Balance</b>	<b>of</b>	<b><u>P 40.00</u></b>
<b>Accountability</b>		

The cash presented were for the undeposited collections of the following

accounts:

<b>Name of Fund</b>	<b>Date</b>	<b>OR No.</b>	<b>Amount</b>
JDF [Judiciary Development Fund]	Aug. 20, 2008 to April 14, 2009	6936764 to 6800; 6851 to 6950; 6937051 to 7100; 7151 to 7167	P 6,133.00
SAJF [Special Allowance for the Judiciary Fund]	Aug. 20, 2008 to April 14, 2009	6936830 to 6850; 6501 to 6550; 6937001 to 7150; 7201 to 7216	P12,607.00
MF [Mediation Fund]	Mar. 26 to April 11, 2009	6936953 to 6954	1,000.00
FF [Fiduciary Fund]		2716963	25,000.00
		2716959	25,000.00
		2716964	25,000.00
<b>Total</b>			<b>P94,740.00</b>

Aside from the shortage of P40.00 during cash count, Mr. Pompeyo G. Gimena did not deposit on time the collections on Fiduciary Fund, Special Allowance for the Judiciary Fund, Judiciary Development Fund and Mediation Fund with the authorized depository bank, the Land Bank of the Philippines, pursuant to the guidelines set forth in Circular No. 50-95 dated October 11, 1995 and Administrative Circular No. 35-2004 dated August 20, 2004, respectively.

The cash on hand representing undeposited collections from August 20, 2008 to April 14, 2009 are enumerated in detail for each fund and its corresponding number of months/days of delayed in the remittance to the respective accounts.

**For the Judiciary Development Fund:**

<b>Date of Collections</b>	<b>O.R. Number</b>	<b>Amount</b>	<b>Period of Delay</b>
Aug. 20 to 31, 2008	6936764 to 6785	P308.00	7 months & 15 days
September 2008	6786 to 6800 & 6851	249.00	6 months & 15 days
October 2008	6852 to 6871	1,314.00	5 months &

			15 days
November 2008		318.00	5 months & 15 days
December 2008		900.00	4 months & 15 days
January 2009		450.00	3 months & 15 days
February 2009		896.00	2 months & 15 days
March 2009		1,208.00	1 month & 15 days
April 2009		490.00	
Total		P6,133.00	

**For the Special Allowance for the Judiciary Fund:**

<b>Date of Collections</b>	<b>OR Number</b>	<b>Amount</b>	<b>Period of Delay</b>
Aug 20 to 27, 2008	6936830 to 6835		
September 2008	6836 to 6850 & 6936501 to 6502	P592.00	7 months & 15 days
October 2008	6503 to 6521	1,086.00	5 months & 15 days
November 2008	6522 to 6532	682.00	5 months & 15 days
December 2008	6533 to 6550 & 6937001 to 7004	2,115.00	4 months & 15 days
January 2009	7005 to 7034	1,050.00	3 months & 15 days
February 2009	7035 to 7050 & 7101 to 7122	2,104.00	2 months & 15 days
March 2009	7123 to 7150	2,992.00	1 months & 15 days
April 1 to 14, 2009	6937201 to 7216	1,510.00	
		P12,607.00	

**For the Fiduciary Fund:**

<b>Date of Collections</b>	<b>O.R. Number</b>	<b>Amount</b>	<b>Period of Delay</b>
11/8/2007	2716963	P25,000.00	1 year, 4 months & 15 days
11/8/2007	2716959	25,000.00	1 year, 4 months & 15 days
11/16/2007	2716964	25,000.00	1 year, 4 months & 15 days

On April 27, 2009, Mr. Pompeyo G. Gimena submitted his explanation to the delayed remittance of undeposited collections of cash on hand totaling to P94,700.00. According to him, it is his practice to deposit/remit the cash collections whenever he makes his monthly reports. He admitted that he was negligent in making the report on time, resulting in the delay of remittance of Judiciary Development Fund and Special Allowance for the Judiciary Fund collections. He also opted not to deposit the cash bond collections of election protest collection to the Municipal Treasurer's Office (MTO) for reason that it is the source of all expenses in case of revision as provided by the Rules of Procedures in Election Contest (Annex "B").

We find the explanation of Mr. Gimena on his failure to deposit to the MTO the cash collections amounting to P75,000.00 in election protest cases and the JDF and SAJF collections unmeritorious. He kept the cash collections in election protest cases in his personal possession for almost one year. The P75,000.00 collections in election protest cases were part of the P150,000.00 he collected in November 2007. The other half P75,000.00 was deposited in November 2007 to the MTO under MTO OR Nos. 1230960 to 962 as shown in the attached photocopy of the Certificate of Deposits issued by the MTO (Annex "C").

The undeposited collections of cash on hand could have earned interest to the JDF/SAJF had he not kept the amount in his personal possession. He is allowed to purchase Postal Money Orders (PMOs) from the Local Post Office payable to the Chief Accountant, Accounting Division, FMO-OCA for the JDF and SAJF collections or the nearest Land Bank situated in Catarman, Northern Samar which is approximately fifteen kilometers away from the court.

On April 15, 2009 the Team advised Mr. Gimena to deposit the amount of P12,607.00 to the Special Allowance for the Judiciary Fund as provided for under Sec. 21 (g) of the Amended Administrative Circular No. 35-2004 which he complied on that day. Furthermore, he was advised to deposit P6,133.00 and P75,000.00 to the JDF account & Fiduciary Fund, respectively, which he complied also on the same day (Annexes "D" & "E").

## **II. INVENTORY OF USED AND UNUSED OFFICIAL RECEIPTS:**

All two hundred thirty (230) booklets of Accountable Forms No. 51 (Official Receipts) requisitioned by the court from the Property Division, OCA were fully accounted for.

There were fifteen (15) booklets and one hundred forty five (145) pieces of official receipts which remained unused as of April 15, 2009, to wit:

<b>Name of Accountable Form</b>	<b>Inclusive Serial Numbers</b>	<b>Quantity</b>

Unallocated	6937251 to 8000	15 booklets
JDF	6937168 to 7200	33 pieces
SAJF	6937217 to 7250	34 pieces
FF	2716969 to 7000	32 pieces
MF	6936955 to 7000	46 pieces
<b>Total</b>		<b>15 booklets and 145 pieces</b>

**Hereunder are the audit computations for each judiciary fund based on the available documents presented to the team:**

**III. For the JUDICIARY DEVELOPMENT FUND (JDF):**

There was a total cash shortage of **Nine Thousand One Hundred Sixty One (P9,161.00)**, which was restituted on April 21, 2009 (Annex "F").

Total Collections (July 1, 1985 to March 31, 2009)	P337,044.60
Less: Total Remittance (same period)	<u>328,025.15</u>
Balance of Accountability - Shortage	P 9,019.45
Less: Restitution on April 21, 2009	<u>9,161.00</u>
<b>Over-remittance</b>	<b><u>(P141.55)</u></b>

The shortage was due to under-remittance of collections of the following period:

<b>Period</b>	<b>Collection</b>	<b>Deposit</b>	<b>Short/(Over)</b>
1985 to 1996	P33,431.00	P32,015.00	P1,416.00
1997 to 2001	85,932.00	82,665.00	3,267.00
2002 to 2004	124,269.60	122,010.40	2,259.20
2005 to 2006	54,990.00	52,442.25	2,547.75
2007 to March 2009	38,422.00	38,892.50	(470.50)
<b>Total</b>	<b>P337,044.60</b>	<b>P328,025.15</b>	<b>P9,019.45</b>

**IV. For the SPECIAL ALLOWANCE FOR THE JUDICIARY FUND (SAJF):**

There was a total cash shortage of **Two Thousand One Hundred Twenty One & 50/100 (P2,121.50)**, which was restituted on April 21, 2009 (Annex "G").

**SCOPE OF AUDIT - November 11, 2003 to March 31, 2009**

Total Collections (Nov. 11, 2003 to March 31, 2009)	P157,791.30
Less: Total Remittance (same Period)	<u>155,669.80</u>
Balance of Accountability - shortage	P 2,121.50
Less: Restitution on April 21, 2009	<u>2,121.50</u>
<b>Balance of Accountability</b>	<b><u>P 0.00</u></b>