

**[ADMINISTRATIVE ORDER NO. 228, December
07, 1953]**

**REMOVING MR. FERNANDO T. FUENTES FROM OFFICE AS
PROVINCIAL TREASURER OF PALAWAN**

This is an administrative case against Provincial Treasurer Fernando T. Fuentes of Palawan who is charged with serious irregularities which supposedly contributed, directly or indirectly, to the commission by his cashier, Manuel B. Doce, of a million-peso defalcation in that province.

1. As first charge, it is alleged that the respondent permitted the issuance to Cashier Manuel B. Doce of excessive quantities of official receipts, thereby enabling him to use more than one book at a time and to make it difficult for the respondent and the provincial auditor or their representatives to verify thoroughly his accountable forms.

An examination of the papers shows that Cashier Doce was issued at close intervals of time official receipt books much in excess of his current needs, having been given from March 13, 1950, to April 5, 1951, a total of 100 books, when his yearly average need was only 70 books. That only two of the eight issues were approved by the respondent beforehand does not erase the fact that the six others were issued by his office and that the total quantity issued was far in excess of Doce's needs. Prudence would dictate that only as many receipt books as are immediately needed should be issued at a time—not necessarily 20 books—to minimize, if not prevent entirely, the withholding of collections by the issuance of receipts from different sets and not accounting for them, as it actually happened in the case of Cashier Doce.

The fact that the office of the provincial auditor failed to see that Cashier Doce had overstocked himself with general receipt forms and to verify properly the receipts issued by him cannot relieve or even mitigate respondent's responsibility for his failure to duly and constantly supervise his cashier's official actuations. Provincial treasurers are primarily and immediately liable under the law and regulations for any loss the Government may suffer from laxity or inadequacy of their supervision over their cashiers.

2. It is also charged that respondent never verified the entries in Doce's cashbook nor counted and required the monthly transfer of the cash in his possession as provided in the regulations.

Although it is not wholly obligatory for the provincial treasurer to verify daily and in person the cash in the possession of his cashier, but may entrust the same to his deputy, and that the verification of entries in the cashier's cashbook is one of the normal functions of the provincial auditor, yet it is incumbent upon the provincial treasurer to see to it occasionally and at irregular intervals that his deputies do their

duties well and not just satisfy himself with directing his assistants to check the cashier's account without ascertaining whether his instructions are faithfully and properly complied with. That respondent's omission to require the physical transfer to him at the end of every month of the cash in the cashier's possession did not contribute to the commission by Doce of malversation does not relieve him of responsibility for non-compliance with the regulations.

3. It is further alleged that during the period from June 30 to July 31, 1950, Cashier Doce had an average daily cash balance of more than P600,000, the excess of which over his bond the respondent failed to get and keep in his possession; that on February 21, 1951, respondent transferred to Doce P150,000 representing national collections for remittance to the Treasurer of the Philippines which amount was returned to him by Doce on April 7, 1951, thereby permitting the latter to keep in his possession said amount of P150,000 over and above his bond; and that respondent failed to take any administrative action against Doce for his failure to make said remittance as intended.

Respondent's explanation as to what his cash balances of over P600,000 for the period in question consisted of may be true, although he should have submitted certified copies of his daily cash reports for the corresponding period to prove his statement. There is no merit, however, in his claim that under Memorandum Circular No. 36, dated January 11, 1947, of the General Auditing Office, Cashier Doce could hold cash without limit as said memorandum circular refers to corporations and instrumentalities owned or controlled by the Government. That the non-collection of the cash in excess of Doce's bond did not contribute to the malversation committed by the latter is clearly beside the point.

Cashier Doce was in Manila from February 22 to March 1, 1951, to deposit funds and liquidate his accounts. When he returned to Palawan, evidently he was not required to settle the P150,000 received by him as cash advance. Respondent's failure to demand of Doce on accounting thereof from March 1 to April 7, 1951, is inexcusable, regardless of whether the amount was covered by his bond or not. While the provincial auditor may have a share of the responsibility in this case, the greater share falls on the respondent who is primarily accountable for the funds. Even if the auditor failed to discover the irregularity and bring it to his attention, respondent could not have failed to notice the return of the cash advance when he signed the special journal voucher therefor, considering the big amount involved. He should then have taken proper administrative action against Doce for his failure to make the remittance intended.

4. It is finally alleged that through ignorance, toleration and negligence on the part of the respondent, Cashier Doce was able to delay accounting of amounts received by him, permitting him to make temporary use thereof for his personal ends; and that through respondent's negligence Doce succeeded in embezzling the huge sum of P958,864.25.

Respondent's explanation hereon is far from satisfactory. A careful provincial treasurer could not have failed to note the late accounting of any collection by the date of issuance of the receipts covering the same, which would appear not to be consecutive, with those issued the same day. The alleged oversight happened so many times that respondent cannot escape the charge of ignorance and negligence.