

FIRST DIVISION

[A.M. No. P-15-3298 [Formerly A.M. No. 10-11-120-MTC], February 04, 2015]

**RE: REPORT ON THE FINANCIAL AUDIT CONDUCTED AT THE
MUNICIPAL TRIAL COURT, BALIUAG, BULACAN**

R E S O L U T I O N

SERENO, C.J.:

This is an administrative matter stemming from a financial audit conducted at the Municipal Trial Court in Baliuag, Bulacan, on the books of accounts of Ms. Anita S. Cruz, former Clerk of Court; Ms. Adelina A. Ramirez and Ms. Emilia A. Miranda, Officers-in-Charge (OICs)/Clerks of Court of said court, covering the period 1 March 1985 to 31 July 2008.

On 11 March 2009, the Audit Team issued a Financial Audit Report^[1]. It directed, among others, Ms. Cruz to explain in writing why she should not be held administratively liable for the late remittances of collections for the Fiduciary Fund account, which had accumulated to P1,230,780; and Ms. Miranda to restitute the shortage in the amount of P980,234 and to explain in writing why she should not be administratively dealt with for the shortages incurred for the different fund accounts.

On 11 and 13 March 2009, two separate Memoranda^[2] was mailed to the abovementioned court personnel.

In her letter^[3] dated 28 April 2009, Ms. Cruz explained that the delay in the remittances of Fiduciary Fund collections amounting to P1,230,780, as of September 2004, admittedly occurred when she lost track of her duties as accountable officer because of family problems and health conditions. She recounted that her mother died of cancer in December 2000. In June 2001, her uncle, who acted as her father, also died of lung cancer. The following year, in April, her brother died of acute leukemia. In May of same year, her father-in-law also succumbed to cancer of the pancreas. In April 2003, her husband died due to heart attack. In 2004, Ms. Cruz herself was diagnosed with colon cancer. Attached to her letter were the Death Certificates of her family members.

On 10 February 2008, Ms. Cruz retired from the service.^[4]

With respect to Ms. Miranda, she failed to comply with the directives addressed to her through Memorandum dated 13 March 2009, which was reiterated in another Memorandum dated 24 September 2009.^[5] In a letter^[6] dated 11 March 2010, Ms. Miranda filed her resignation as Court Interpreter, effective immediately due to health reasons.

On 15 October 2010, the Office of the Court Administrator (OCA) issued a Memorandum^[7] with the following recommendations:

1. This report be docketed as a regular administrative complaint against MS. EMILIA A. MIRANDA, former OIC-Clerk of Court, Municipal Trial Court, Baliuag, Bulacan, for dishonesty, gross neglect of duty, and grave misconduct; and against Ms. Anita Cruz for failure to deposit her collections on time depriving the court of the interest earned if the same were deposited on time;
2. The DIRECTIVE to Ms. EMILIA A. MIRANDA, former OIC-Clerk of Court, be REITERATED within ten (10) days from receipt of notice to:

2.1. RESTITUTE the shortages incurred on the following funds:

<i>Fund</i>	<i>Amount</i>	
Fiduciary Fund	P565,000.00	Schedule 2
Special Allowance for the Judiciary Fund	83,036.40	Schedule 1
Mediation Fund	315,500.00	Schedule 3
Judiciary Development Fund	7,754.00	Schedule 4
Victim's Compensation Fund	730.00	Schedule 5
Legal Research Fund	<u>8,213.60</u>	<u>Schedule 6</u>
Total	<u>P980,234.00</u>	

2.2. SUBMIT to the Fiscal Monitoring Division, FMO-OCA, the copies of machine validated deposit slips, all within ten (10) days from receipt of notice as proof of compliance in items 2.1.

3. Ms. EMILIA A. MIRANDA be DISMISSED from the service for gross dishonesty, gross neglect of duty, and grave misconduct with forfeiture of all benefits except accrued leave credits and with prejudice to reemployment in any branch or instrumentality of the government, including government-owned and -controlled corporation[s] or in case of failure to restitute the shortages amounting to ₱980,234, including fine of ₱20,000, the money value of her accrued leave credits shall be applied to her accountabilities dispensing with the usual documentary requirements;
4. FINANCIAL MANAGEMENT OFFICE, OFFICE OF THE COURT ADMINISTRATOR be DIRECTED to:

4.1. PROCESS the terminal leave pay benefits of Ms. Emilia A. Miranda dispensing with the usual documentary requirements and to APPLY to the shortages found on her books of accounts in the order of priority as follows:

<u>Fund</u>	<u>Amount</u>	
Fiduciary Fund	P565,000.00	Schedule 2
Special Allowance for the Judiciary Fund	83,036.40	Schedule 1
Mediation Fund	315,500.00	Schedule 3
Judiciary Development Fund	7,754.00	Schedule 4
Victim's Compensation Fund	730.00	Schedule 5
Legal Research Fund	<u>8,213.60</u>	Schedule 6

Total**P980,234.00**

- 4.2. RELEASE the amounts pertaining to Fiduciary Fund to incumbent Clerk of Court, Municipal Trial Court, Baliuag, Bulacan, for deposit to the Fiduciary Fund Account; and
- 4.3. INFORM the Fiscal Monitoring Division, Court Management Office, Office of the Court Administrator, on the action taken thereon so the said Office can finalize their audit on the books of accounts of the Municipal Trial Court, Baliuag, Bulacan and they can coordinate/communicate with the incumbent Clerk of Court.
5. The Employees Leave Division, Office of Administrative Services, Office of the Court Administrator (OCA) is DIRECTED to COMPUTE the balance of the earned leave credits of Ms. Emilia A. Miranda and FORWARD the same to the Finance Division, Financial Management Office, OCA, together with the official service record, certification of leave credits, and Notice of Salary Adjustment (NOSA) for the processing of terminal leave pay benefits of Ms. Miranda which would be applied to her shortages;
6. Ms. ADELINA A. RAMIREZ, former OIC-Clerk of Court, Municipal Trial Court, Baliuag, Bulacan be CLEARED of her financial accountability as of July 31, 2008 is concerned;
7. Ms. ANITA S. CRUZ, former Clerk of Court, be DIRECTED to PAY a FINE of Ten Thousand Pesos (P10,000.00) within ten (10) days from receipt of notice for the delayed remittances of her collections which should have earned interest if the same were remitted on time;
8. Presiding Judge CORAZON A. DOMINGO-RAÑOLA be DIRECTED to STRICTLY MONITOR the financial transactions of Municipal Trial Court, Baliuag, Bulacan, in strict adherence to the issuances of the Court to avoid the incurrence of violations committed by Ms. Emilia A. Miranda and Ms. Anita S. Cruz and institute reforms that will strengthen the internal control system in the management of judiciary funds otherwise she will be held equally liable for the infractions committed by the employees under the command/supervision.

We affirm the recommendations of the OCA, with modification.

Being designated as acting Clerk of Court or OIC, Ms. Miranda had the duties and responsibilities of a Branch Clerk of Court. As such, it was her duty to collect and receive, by herself or through a duly appointed cashier, all monies in payment of all legal fees; as well as to receive deposits, fines, and dues. A Clerk of Court, or an acting Clerk of Court, has the duty to ensure full compliance with the circulars of this Court and the Court Administrator on deposits or collections of court funds.^[8]

Clerks of Court perform a delicate function as designated custodians of the court's funds, revenues, records, properties, and premises. As such, they are generally regarded as treasurer, accountant, guard, and physical plant manager thereof.^[9] It is the duty of the Clerks of Court to faithfully perform their duties and responsibilities. They are the chief administrative officers of their respective courts.