

THIRD DIVISION

[A.M. No. P-10-2818 (Formerly A.M. No. 10-4-54-MTC), November 15, 2010]

**OFFICE OF THE COURT ADMINISTRATOR, COMPLAINANT, VS.
GREGORIO B. SADDI, CLERK OF COURT, MTC, SASMUAN,
PAMPANGA, RESPONDENT.**

D E C I S I O N

VILLARAMA, JR., J.:

This administrative matter stemmed from a financial audit conducted by the Court Management Office on the cash and accounts of the Clerk of Court and OIC/Clerks of Court of the Municipal Trial Court (MTC), Sasmuan, Pampanga, covering the period September 1, 2007 to October 31, 2009. The examination was prompted by the request of Judge Janice R. Yulo-Antero, Acting Presiding Judge therein, for an urgent financial audit of MTC, Sasmuan, Pampanga.

In a Memorandum^[1] dated March 26, 2010, the audit team reported to Court Administrator Jose Midas P. Marquez, that it was able to account for 12 booklets and 103 pieces of unused official receipts as of the audit cut-off date, October 31, 2009. The cash count conducted on November 9, 2009 revealed no shortage or overage. No shortage was likewise noted during the period of accountability of the OIC/Clerks of Court Albert M. David and Nelia U. Lacsa. Shortages were only discovered for the periods of accountability of Clerk of Court Gregorio B. Saddi from October 24, 2007 to December 31, 2007 and July 11, 2008 to August 31, 2009.

In particular, the audit team computed a shortage because Saddi failed to deposit collections in the following court funds: **P20,105.00** in the Judiciary Development Fund (JDF), **P33,352.20** in the Special Allowance for the Judiciary Fund, **P16,000.00** in the Sheriff's Trust Fund, **P65,100.00** in the Fiduciary Fund, and **P12,000.00** in the Mediation Fund, or a total of **P146,557.20**. Saddi received a copy of the Memorandum dated November 27, 2007, which required him to explain in writing why no administrative charge should be filed against him for the delay in remitting the collections, but he did not comply. A previous audit of MTC-Sasmuan, Pampanga also revealed that Saddi had previously incurred a shortage of P217,367.00 for the period of November 1, 2003 to August 31, 2007, although he later restituted the amount in full on October 5, 2007.

The audit team further reported that Saddi did not prepare and submit monthly financial reports of his collections to the Court in violation of OCA Circular No. 113-2004.^[2] Thus, the audit team recommended that Saddi be held liable for gross neglect of duties, dishonesty as an accountable officer in charge of collecting money belonging to the court, and for violating SC Administrative Circular No. 5-93,^[3] as amended by Administrative Circular No. 3-2000, and SC Circular No. 50-95.^[4]

The audit team also disclosed that in a letter dated January 4, 2010, Judge Yulo-Antero informed Executive Judge Pamela Ann A. Maximo that Saddi had issued a handwritten receipt on August 25, 2009 for the amount of P500.00 which he received as execution fee from the plaintiff in Civil Case No. 794. He failed to issue the necessary writ of execution pending appeal and was ordered by Judge Yulo-Antero on November 9, 2009, to explain in writing why he only issued a handwritten receipt. Saddi, however, submitted no explanation.

Further, the audit team called the Court Administrator's attention to an earlier administrative case involving Saddi, docketed as A.M. No. 07-10-260-MTC.^[5] In said case, the Court resolved to drop Saddi from the rolls effective January 2, 2007 for having been absent without official leave (AWOL). The Court later granted Saddi's motion for reconsideration and resolved, instead, to suspend him for two months for absenteeism with a stern warning that a repetition of the same or similar act shall be dealt with more severely.

Despite the Court's warning, however, Saddi incurred further absences without official leave. In a letter dated October 23, 2009 addressed to Executive Judge Pamela Ann A. Maximo, Judge Yulo-Antero disclosed that Saddi did not report to work from September 2, 2009 to October 9, 2009. Again, he offered no explanation for his absences. Hence, Judge Yulo-Antero recommended that Saddi be dropped from the rolls.

Upon the foregoing facts, the audit team recommended that:

1. This report be docketed as a regular administrative complaint against Mr. Gregorio B. Saddi, Clerk of Court, MTC, Sasmuan, Pampanga for dishonesty, gross neglect of duty and grave misconduct;

2. **MR. GREGORIO B. SADDI**, Clerk of Court, be **DIRECTED** within ten (10) days from receipt of notice to:

2.1. **RESTITUTE** the shortages incurred on the following funds:

Special Allowance for the

Judiciary Fund	P 33,352.20	Schedule 1
Judiciary Dev't. Fund	20,105.00	Schedule 2
Sheriff's Trust Fund	16,000.00	Schedule 3
Fiduciary Fund	65,100.00	Schedule 4
Mediation Fund	<u>12,000.00</u>	Schedule 5

Total **P 146,557.20**

2.2. **PAY** a **FINE** of **TEN THOUSAND PESOS (P10,000.00)** for the delayed remittances of his collections which should

have earned interest if the same were remitted on time;

2.3. **PAY** Five Hundred Pesos (P500.00) for deposit to the JDF Account pertaining to the amount collected from the plaintiff in Civil Case No. 794 for the payment of execution fee wherein no writ of execution pending appeal was issued; and

2.4. **SUBMIT** to the Fiscal Monitoring Division, FMO-OCA the copies of the machine validated deposit slips, all within ten (10) days from receipt of notice as proof of compliance in items 2.1 and 2.3.

3. **MR. GREGORIO B. SADDI** 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 or controlled [corporations] or in case of failure to restitute the shortages amounting to P146,557.20 and P500.00, including fine of P10,000.00, the money value of his accrued leave credits shall be applied to his accountabilities dispensing with the usual documentary requirements;

4. **FINANCIAL MANAGEMENT OFFICE, OFFICE OF THE COURT ADMINISTRATOR** be **DIRECTED**

4.1. to **APPLY** the computed Terminal Leave Pay Benefits of [Mr.] Gregorio B. Saddi to the shortages found on [his] books of accounts in the order of priority as follows:

<i>Fund</i>	<i>Amount</i>	<i>For Deposit/ Payable to</i>
Fiduciary Fund	P 65,100.00	Fiduciary Fund Acct. of MTC- Sasmuan
Sheriff's Trust Fund	16,000.00	STF Account of MTC-Sasmuan
Special Allowance for the Judiciary Fund	33,352.20	SAJF Account
Judiciary Dev't. Fund	20,105.00	JDF Account
Mediation Fund	<u>12,000.00</u>	MF Account
Total	<u>P146,557.20</u>	

4.2. to **INFORM** the Fiscal Monitoring Division, Court Management Office, Office of the Court Administrator on the action taken [thereon] so the said Office can finalize this audit on the accountabilities of Mr. Saddi and likewise advise the incumbent Clerk of Court [of the] procedure on how or when to deposit the amount deducted from the Terminal leave Pay of Mr. Saddi;

5. **MS. NELIA U. LA[C]SA and MR. ALBERT M. DAVID**, OIC-Clerk of Court and former OIC-Clerk of Court, respectively, be **CLEARED** of their financial accountability as of October 31, 2009 is concerned; and

6. Acting Presiding Judge **JANICE R. YULO-ANTERO** be **DIRECTED** to **STRICTLY MONITOR** the financial transactions of MTC, Sasmuan, Pampanga in strict adherence to the issuances of the Court to avoid the incurrance of violations committed by Mr. Gregorio B. Saddi 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 her command/supervision.^[6]

On March 26, 2010, the Court Administrator issued a Memorandum^[7] to the Chief Justice adopting *in toto* as the OCA's recommendation, the recommendations of the audit team.

We sustain the findings and recommendation of the OCA.

The OCA correctly found cause to hold Saddi administratively liable for the following infractions: (1) incurring a cash shortage due to undeposited collections in the amount of P146,557.20 during his period of accountability; (2) failure to prepare a monthly report of his collections; (3) issuing a handwritten receipt in the amount of P500.00 as payment for the execution fee in Civil Case No. 794; and (4) going on AWOL from September 2, 2009 to October 9, 2009. For all these, Saddi gave no explanation.

Clerks of court, as the chief administrative officers of their respective courts, must act with competence, honesty and probity in accordance with their duty of safeguarding the integrity of the court and its proceedings. They are judicial officers entrusted to perform delicate functions with regard to the collection of legal fees, and as such, are expected to implement regulations correctly and effectively. As custodians of court funds, they are constantly reminded to deposit immediately the funds which they receive in their official capacity to the authorized government depositories for they are not supposed to keep such funds in their custody.

In particular, SC Administrative Circular No. 3-2000 provides for the duty of the clerk of court to receive JDF collections in their respective courts, issue the proper receipt therefor and maintain a separate cash book properly marked as "CASH BOOK FOR JUDICIARY DEVELOPMENT FUND." The clerk of court shall deposit such collections every day and render the proper Monthly Report of Collections and Deposits for said Fund within 10 days after the end of every month.

Collection shall be deposited in the designated depository bank, the Land Bank of the Philippines (LBP) or its branches. In the absence of an LBP branch, Postal Money Orders payable to the Chief Accountant, OCA, shall be purchased from the local post office and sent to the latter for deposit to the JDF Savings Account. The daily collections for the Fund shall be deposited every day with the nearest LBP branch for the account of the JDF or, if depositing daily is not possible, deposits for the Fund shall be made at the end of every month, provided, however, that