

## **EN BANC**

**[ A.M. No. P-09-2598 (Formerly A.M. No. 08-3-65-MCTC), February 12, 2009 ]**

### **REPORT ON THE FINANCIAL AUDIT CONDUCTED IN THE MCTC- MADDELA, QUIRINO**

#### **D E C I S I O N**

##### **PER CURIAM:**

This administrative case arose from a letter dated 19 May 2006 of Hon. Josephine B. Gayagay, then Acting Presiding Judge of the Municipal Circuit Trial Court (MCTC), Maddela-Nagtipunan, Quirino, addressed to the Court Administrator, informing the Court of the continuous absence without leave (AWOL) of Mrs. Francisca B. Dueñas, Clerk of Court II, of the same court, since 19 April 2006. Also, Judge Gayagay requested an immediate audit of Mrs. Dueñas's accountabilities since no report of her financial transactions have been submitted since 2005.

On 14 March 2007, the First Division of this Court issued a Resolution dropping Mrs. Dueñas from the rolls and declaring her position vacant, thus:

It appearing from the records that Ms. Francisca B. Dueñas failed to submit her daily time records (DTRs)/bundy cards since April 2006 up to present and did not file any application for leave, the Court resolves:

- (1) to DROP Ms. Francisca B. Dueñas from the rolls effective 19 April 2006 for having been on Absence Without Official Leave [AWOL] since said date pursuant to Sec. 63, Rule XVI of the Omnibus Rules on Leave, as amended by Resolution No. 99-1885 dated August 23, 1999;
- (2) to INFORM Ms. Dueñas of her separation from the service at the address appearing on her 201 file, that is, Diduyon, Maddela, Quirino; and
- (3) to declare her position as Clerk of Court VACANT.

On 26 June 2006, Deputy Court Administrator Jose P. Perez confirmed the designation of Mrs. Evelyn P. Cadavis, Court Interpreter I, as Officer-in-Charge effective 19 April 2006.

A checklist of requirements dated 16 June 2006 was sent to Mrs. Dueñas, along with a directive for her to submit the documents needed to update her records as an accountable officer of the MCTC. Accordingly, a financial audit team was formed to examine all the records/documents for all funds of the MCTC for the period 1 January 1997 up to 31 January 2007.

During the internal control evaluation, the financial audit team asked for summation of the duties and responsibilities of the personnel involved in the collection and disbursement of funds of the MCTC.

In her compliance, Mrs. Cadavis informed the team that after her designation as Officer-in-Charge, she only issued receipts for the Judiciary Development Fund (JDF) and Special Allowance for the Judiciary Fund (SAJF) collections. The cash bonds for the Fiduciary Fund were duly deposited with and receipted by the Municipal Treasurer's Office of Maddela, Quirino. No disbursement/withdrawal of collections was made from the Fiduciary Fund during Mrs. Cadavis's period of accountability, from 19 April 2006 up to 31 January 2007.

Based on the documents presented, the financial audit team submitted the following report on the result of the audit it conducted on the books of accounts of Mrs. Dueñas (for the period 1 January 1997 to 18 April 2006) and Mrs. Cadavis (for the period 19 April 2006 to 31 January 2007):

#### **A. Cash Count Examination**

As of examination date, the court has unremitted collections amounting to One Hundred Pesos (P100.00) broken down to these funds: a) Judiciary Development Fund - P19.20; and b) Special allowance for the Judiciary Fund - P80.80. Both amounts were deposited to their respective accounts on 5 March 2007.

#### **B. Missing Booklets of Official Receipts**

The inventory of used and unused official receipts revealed that two (2) booklets of official receipts remain unaccounted. The following official receipts were not presented to the team as of audit date, to wit:

<b>SERIAL NUMBERS</b>	<b>FUND USED</b>	<b>PERIOD COVERED</b>
17509251-300	JDF	1/7/03- 1/28/03
12883201-250	Fiduciary Fund	2/20/01-2/21/06

The following official receipts were unused as of cash count examination:

<b>SERIAL NUMBERS</b>	<b>QUANTITY</b>
4912601- 4913000	7 booklets
4913601- 4914000	8 booklets
4912571- 4912600	30 pcs.
4913561- 4913600	40 pcs.
<b>TOTAL</b>	<b>15 bkts. &amp; 70 pcs.</b>

It was observed that aside from the official receipts requisitioned from the Property Division, [Office of the Court Administrator (OCA)], the court also made use of twenty (20) booklets of official receipts from the Municipal Treasurer's Office for JDF and SAJF collections covering the period February 2005 to January 2006. Also, one (1) booklet bearing serial numbers 4912901-4912950 was borrowed and properly turned-over to the Regional Trial Court, Maddela, Quirino.

#### **C. JUDICIARY DEVELOPMENT FUND**

Mrs. Dueñas (1/1/97 to 4/18/06)

Total Collections ----- P 135,241.90  
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Less: Total Remittances ----- 131,033.40  
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Shortage ----- P 4,208.50  
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i. Delayed remittance of collections

Audit findings revealed that Mrs. Dueñas belatedly deposited the collections for JDF to its account. Starting year 2003, remittances were made several months after the date of collection, thus depriving the court of interests that should have been earned had the collections been deposited prudently. Also, collections were not remitted in full, indicating that Mrs. Dueñas misappropriated the collections for her personal use. Below is the summary of the delayed remittances:

PERIOD COVERED	AMOUNT COLLECTED	DATE REMITTED	AMOUNT REMITTED
July-Sept 2003	P 8,406.00	9/15/03 & 9/30/03	P 8,279.00
Jan-May 2004	15,407.00	5/18/04 & 5/27/04	15,293.00
June-Aug 2004	9,446.00	8/4/04	7,922.00
Nov 2005-Feb 2006	3,986.60	2/2/06	980.00

Although, Mrs. Dueñas submitted monthly reports during the periods mentioned, it did not reflect any deposit for the said months. Instead, an accumulated deposit was made months after, which include collections for the previous months.

Mrs. Cadavis (4/19/06 to 1/31/07)

Total Collections ----- P 16,615.00  
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Less: Total Remittances ----- 16,813.20  
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Over-remittance ----- P (198.20)  
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Over-remittance of collections amounting to P198.20 shall accrue to the account of the National Government.

**D. GENERAL FUND**

Mrs. Dueñas (1/1/97 to 11/10/03)

Total Collections ----- P 47,629.90  
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Less: Total Remittances ----- 47,741.90  
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Over-remittance ----- P (112.00)  
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The over-remittance amounting to P112.00 shall accrue to the account of the National Government.

#### **E. SPECIAL ALLOWANCE FOR THE JUDICIARY FUND**

Mrs. Dueñas (11/11/03 to 4/18/06)

Total Collections ----- P 62,425.40  
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Less: Total Remittances ----- 48,222.60  
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Shortage ----- P 14,202.80  
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##### **i. Delayed remittance of collections**

Similarly, delayed remittances were evidently observed in this fund. Collections accumulated and were deposited months after. Likewise, collections were not remitted in full, indicative of misappropriation of collections. Below is the summary of the delayed remittances.

PERIOD COVERED	AMOUNT COLLECTED	DATE REMITTED	AMOUNT REMITTED
Jan-May 2004	2,238.00	5/24/04 & 5/27/04	2,207.00
June-Aug 2004	1,205.00	8/4/04	830.00
Jan-Apr 2006	13,536.80	5/12/06	2,181.60

##### **ii. Non-submission of Monthly Reports**

Aside from the considerable delays in the remittances of collections, Mrs. Dueñas did not submit reports of collections and deposits for the said fund. The subsidiary ledger maintained by the Accounting Division, Financial Management Office, OCA shows that no monthly reports were submitted for the period December 2005 to March 2006.

Mrs. Cadavis (4/19/06 to 1/31/07)

Total Collections ----- P 44,285.00  
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Less: Total Remittances ----- 44,324.00  
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Over-remittance ----- P (39.00)  
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Over-remittance of collections amounting to P39.00 shall accrue to the account of the National Government.

#### **F. FIDUCIARY FUND**

Mrs. Dueñas (1/1/97 to 4/18/06)

The court's Fiduciary Fund was last audited on 31 December 1996 and found

no shortages and overages. For this audit period, the determination of collections was based solely on the cash books and monthly reports, since the triplicate copies of official receipts (for the period 20 February 2001 to 21 February 2006, or a period of 5 years) were found to be missing. To determine the withdrawals, the team was left with no choice but to base it on the available records of lawful court orders and acknowledgement receipts. Some withdrawals made on this account were not duly supported by court orders.

After examining and verifying evidential documents/records gathered by the team, initial audit findings revealed a shortage amounting to FOUR HUNDRED FOURTEEN THOUSAND ONE HUNDRED SIXTY FOUR PESOS & 82/100 (P414,164.82), computed as follows:

Total Collections (inclusive of the cash Withdrawn from MTO and deposited at the LBP, Cabarroguis Branch amounting to P44,700.00) -----	P 880,000.00
Less: Lawful withdrawals -----	<u>465,600.00</u>
<b>Balance of Unwithdrawn Fiduciary Fund -----</b>	<b>414,400.00</b>
Balance of Unwithdrawn Fiduciary Fund ---	414,400.00
Balance per bank as of 4/30/06 under LBP SA #0731-0345-16 -----	<u>235.18</u>
<b>Shortage -----</b>	<b><u>P414,164.82</u></b>

Of the said shortage, the following amounts can be deducted upon presentation/submission of the supporting documents, i.e., lawful court orders and acknowledgement receipts to support the withdrawals of the cash bonds reported as withdrawn. In case the said documents will be submitted, the balance of Unwithdrawn Fiduciary Fund would amount to ONE HUNDRED FORTY NINE THOUSAND NINE HUNDRED PESOS (P149,900.00), broken down as follows:

Balance of Unwithdrawn Fiduciary Fund ---P	414,400.00
<b>Less: Withdrawals with NO supporting documents (subject for compliance)</b>	
Withdrawn cash bonds with no court orders -----	---
	P 7,000.00*
Withdrawn cash bonds with no acknowledgment receipts ----	--
	247,500.00**
Withdrawn cash bonds with no court order & acknowledgment receipts ----	P <u>264,500.00</u>
	--- <u>10,000.00***</u>
<b>Unwithdrawn Fiduciary Fund 4/18/06 P</b>	<b><u>149,900.00</u></b>