

## **EN BANC**

**[ A.M. No. 01-11-291-MTC, July 07, 2004 ]**

### **RE: INITIAL REPORT ON THE FINANCIAL AUDIT CONDUCTED IN THE MUNICIPAL TRIAL COURT OF PULILAN, BULACAN**

#### **R E S O L U T I O N**

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

The auditing team that conducted an on the spot audit examination and reconciliation of the book of accounts of the Municipal Trial Court of Pulilan, Bulacan on August 13-17, 2001 reported that:

1. Mr. Tomas E. Ocampo, Clerk of Court II, had shortages in his collections in the Judiciary Development Fund (JDF) amounting to P2,036.00 and in the Clerk of Court General Fund (CCGF) amounting to P667.00; and
2. Mr. Arturo S. Batongbacal, Clerk of Court II (successor of Mr. Tomas E. Ocampo), had shortages of P53,596.00 and P26,847.00 representing the Judiciary Development Fund (JDF) and Clerk of Court General Fund (CCGF), respectively.

As to the Clerk of Court Fiduciary Funds, Mr. Arturo S. Batongbacal failed to present the much needed records and documents to finalize the audit on this account from January 1998 to present.

Former Clerk of Court Tomas E. Ocampo, who had earlier resigned from the service by reason of illness, complied with the aforesaid resolution by paying the shortages in the JDF and CCGF amounting to P2,036.00 and P667.00, respectively, on March 13, 2002 as evidenced by Supreme Court O.R. No. 15739545 for CCGF and Supreme Court O.R. No. 15740417 for JDF. Upon the recommendation of the OCA, this administrative matter insofar as Ocampo is concerned was considered closed and terminated in the Resolution of December 9, 2002.

Based on the aforesaid report of the auditing team and upon the recommendation of the OCA, the Court issued a Resolution dated January 14, 2003 which is reproduced as follows:

Administrative Matter No. 01-11-291-MTC (Re: Initial Report on the Financial Audit conducted in the Municipal Trial Court of Pulilan, Bulacan).

– Acting on the initial report on the financial audit conducted in the Municipal Trial Court of Pulilan, Bulacan, the Court Resolves to:

- A. DIRECT: (1) Mr. Tomas E. Ocampo, former Clerk of Court, MTC, Pulilan, Bulacan, to: REMIT/DEPOSIT within fifteen (15) days from notice, the shortages in their corresponding accounts on JDF and COC General Fund

amounting to Two Thousand Thirty Six Pesos (P2,036.00) and Six Hundred Sixty Seven Pesos (P667.00), respectively, and to furnish the Fiscal Monitoring Division, Court Management Office, Office of the Court Administrator, of such remittance advice/deposit slips;

- B. DIRECT Mr. Arturo S. Batongbacal, the present Clerk of Court, MTC, Pulilan, Bulacan, to: (1) RESTITUTE the shortages for the period July 2000 and July 31, 2001 in the amount of Fifty Three thousand Five Hundred Ninety Six Pesos (P53,596.00) for the JDF and Twenty Six Thousand Eight Hundred Forty Seven Pesos (P26,847.00) for COC General Fund; (2) SUBMIT within ten (10) days from notice the required documents as directed by the Fiscal Monitoring Division, this Office, in its letter dated August 24, 2001, to finalize the audit of Fiduciary Fund; and (3) EXPLAIN within ten (10) days from notice why no administrative sanction shall be imposed upon him for his failure to: (aa) remit all collections for the period covering July 2000 to July 31, 2001 on JDF and COC General Fund; (bb) record daily transactions in the official cashbooks; (cc) submit monthly reports of collections and deposits/withdrawals to the Accounting Division of the Office of the Court Administrator; and (dd) follow the circulars issued by the court in the manner of handling fiduciary funds; and
- C. DIRECT Judge Horacio T. Viola, Jr. to: (1) EXPLAIN within ten (10) days from notice why he: (aa) allowed the Process Server, Mr. Rolando Calleon to be his co-signatory in the bank transaction for Fiduciary Fund when it should be Mr. Arturo S. Batongbacal, being the appointed Clerk of Court which is in violation of Circular No. 50-95; and (bb) did not report the non-submission of Mr. Batongbacal of Monthly Report of Collections and Deposits/Withdrawals to the Accounting Division, Office of the Court Administrator; (2) RELIEVE Mr. Batongbacal as Accountable Officer and designate a competent staff in his stead; and (3) MONITOR the accountable officer to safeguard the judiciary funds; and
- D. DIRECT the Financial Management Office, to WITHHOLD the salaries and other allowance of Mr. Arturo S. Batongbacal to cover possible shortages that may be found in his Fiduciary Fund collections pending the outcome of the audit.

In compliance with said Resolution, Batongbacal, on February 15, 2002, in his letter-explanation, related in detail his predicament as to why he failed to follow the circulars in the manner of handling judiciary funds which he attributed to overwork

and lack of manpower. He likewise averred that there was no formal turnover effected by the former clerk of court and that there was no efficient recording system aggravated by the problem of termites and rodents which destroyed some documents filed in court.

As to the directive for him to reconstitute the unremitted funds, he states:

I was order (*sic*) to reconstitute the supposedly (*sic*) shortages, but to date and with all honesty I am incapable of producing such amount, besides, as I have stated in the preceding paragraph, granting even that what I have done in the transferring of funds was technically a flaw, ***said cash that I am ordered to reconstitute are handed as re-imbursements I made to litigants who have acknowledged receipt of such but was not withdrawn in the deposited Fiduciary funds of this court as they are part of the Fiduciary funds. In the course of the initial audit, and I have informed the court's auditor that there are still some documents that I have not retrieved owing to the construction being made then at the court. To date, some of those documents are retrieved and unearthed from the file in the temporary storage areas where it was (*sic*) deposited so as to effect the renovation of the court. With such documents, hopefully the records of the court's Judiciary Funds would be rectified, eventually freeing me of such shortages. That I have to resort to such and adapt (*sic*) such practice so that I won't be keeping a lot of cash in my table as the court is not equipped with a vault or protective storage for such amount.*** Incidentally, in recognition of said problem, construction of a vault is included in the Second-phase of the court's construction. Too, (*sic*) in an effort to minimize going to the Office of the Court Administrator, and spend one whole day out of the office, I have tried to remit through bank transfer the amount of some ₱69,000.00 but later I could gleaned (*sic*) that said amount, as it was not a duly supported by required documents, as it was made (*sic*) ordered deposited by the COA Auditor on the day of the audit, was not credited to my record of remittances. With such development, I again have to resort to what I think is the best given the premises. (Emphasis supplied)

Judge Viola submitted a letter-explanation dated February 16, 2002 stating that he designated Rolando Caleon, the court's process server, to be his co-signatory in the bank transaction for fiduciary funds as replacement of former Clerk of Court Ocampo who resigned by reason of disability. Allegedly, Caleon is the only staff with a vehicle needed in transporting the funds safely as the Land Bank of the Philippines is located at Baliuag, Bulacan a neighboring town around ten kilometers north and that Judge Viola was only informed very much later that Batongbacal, the appointed Clerk of Court, should be the undersigned's co-signatory. Judge Viola immediately made representations with the Land Bank relieving Caleon and designating Batongbacal as his replacement.

As to the monthly reports regarding the court's funds – collections, deposits and withdrawals, Judge Viola avers that all the while he knew his reports were up to date, but for reasons only known to Batongbacal, said reports were not submitted and the said non-submission came to his knowledge belatedly.