



Republic of the Philippines
 Supreme Court
 Manila

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SUPREME COURT OF THE PHILIPPINES
 PUBLIC INFORMATION OFFICE

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RE: FINAL REPORT ON THE
 FINANCIAL AUDIT CONDUCTED
 IN THE MUNICIPAL CIRCUIT
 TRIAL COURT, VALLADOLID-
 SAN ENRIQUE-PULUPANDAN,
 NEGROS OCCIDENTAL

A.M. No. 20-06-18-MCTC

Present:

PERALTA, C.J.,
 PERLAS-BERNABE,
 LEONEN,
 CAGUIOA,*
 GESMUNDO,
 HERNANDO,
 CARANDANG,
 LAZARO-JAVIER,
 INTING,
 ZALAMEDA,
 LOPEZ,
 DELOS SANTOS,**
 GAERLAN,
 BALTAZAR-PADILLA,*** JJ.

Promulgated:

September 29, 2020,

X-----X

RESOLUTION

INTING, J.:

For consideration is the Final Report¹ dated January 16, 2020 on the financial audit conducted on the books of accounts of Mr. George E. Santos (Santos), Mr. Ignacio D. Denila (Denila), and Mr. John O. Negroprado (Negroprado) of the Municipal Circuit Trial Court (MCTC), Valladolid-San Enrique-Pulupandan, Negros Occidental.

* On official leave.

** On official leave.

*** On leave.

¹ See Memorandum dated January 31, 2020, *rollo*, pp. 1-10.

For reference, the table below shows the designation, accountability period, and status of employment of Santos, Denila, and Negroprado:

Accountable Officer	Designation	Accountability Period	Status of Employment
Santos	Court Interpreter/ Officer-in-Charge (OIC)	1 September 1991 to 31 October 1994; and 1 September 2001 to 30 April 2003.	Retired- Compulsorily effective 24 November 2012.
Denila	Clerk of Court II	1 November 1994 to 31 August 2001	Resigned effective 30 April 2003.
Negroprado	Clerk of Court II	1 May 2003 to 30 April 2013	Still in the service ²

The financial audit was conducted due to Negroprado's failure to submit his monthly financial reports over the following funds maintained by the MCTC: (1) Fiduciary Fund (FF); (2) Sheriff's Trust Fund; (3) Judiciary Development Fund (JDF); (4) Special Allowance for the Judiciary Fund (SAJF); (5) Mediation Fund (MF); and (6) Clerk of Court General Fund-Old (COCGF-Old) and General Fund-New. This resulted in the withholding of his salaries effective April 24, 2009 and his exclusion from the payroll beginning January 2010 to the present.

A. For the FF

The audit of the Court's FF account showed a balance of ₱342,100.00 as of April 30, 2013. However, the balance of the Court's FF account in the Land Bank of the Philippines (LBP), Bacolod Branch, Savings Account No. 0421-2704-73 was only ₱89,600.00 disclosing a shortage of ₱252,500.00 *viz.*:

² *Id.* at 1.

Total Collections (May 1, 2006 to April 30, 2013)	₱ 1,390,023.50
Less: Valid Withdrawals (same period)	<u>1,047,923.50</u>
Unwithdrawn Fiduciary Fund as of April 30, 2013	<u>₱ 342,100.00</u>
Total Unwithdrawn Fiduciary Fund as of 30 April 2013	₱ 342,100.00
Less: LBP Bacolod Branch under Savings Account No. 0421-2704-73 as of April 30, 2013	105,155.80
Less: Unwithdrawn Interest	15,555.80
Adjusted Bank Balance	₱ <u>89,600.00</u>
Balance of Accountability	<u>₱ 252,500.00³</u>

The accountability of ₱252,500.00 pertains to Mr. Negroprado which was only settled on January 3, 2019.

B. For the JDF

A financial audit of the JDF also disclosed a shortage of ₱71,932.50 as shown in the table below:

Total Collections (September 1, 1991 to April 30, 2013)	₱ 281,180.06
Less: Total Remittance (same period)	<u>209,247.56</u>
Balance of Accountability	₱ <u>71,932.50⁴</u>

The breakdown of the ₱71,932.50 JDF shortage is as follows:

Accountable Officer	Period Covered	Collections	Deposits	Balance of Accountability (over remittance)
Santos	9/1991 to 10/1994	₱ 8,285.00	₱ 5,490.00	₱ 2,795.00
<i>Restitution-10/9/2008</i>			2,795.00	(2,795.00)
	9/2001 to 4/2003	₱ 7,876.00	₱ 7,770.00	106.00

³ *Id.* at 3. Underscoring omitted.

⁴ *Id.* at 4.

<i>Restitution-10/9/2008</i>			780.00	(780.00)
		₱ 16,161.00	₱ 16,835.00	₱ (674.00)
Denila	11/1994 to 8/2001	₱ 29,152.00	₱ 49,850.00	₱ (20,698.00)
		₱ 29,152.00	₱ 49,850.00	₱ (20,698.00)
Negroprado	5/2003 to 5/2008	₱ 154,775.16	₱ 118,094.76	₱ 36,680.40
<i>Restitution-6/25/2008</i>			10,000.00	(10,000.00)
	6/2008 to 4/2013	81,091.90	14,467.80	66,624.10
Total		₱ 235,867.06	₱ 142,562.56	₱ 93,304.50
Grand Total		₱ 281,180.06	₱ 209,247.56	₱ 71,932.50 ⁵

As could be gleaned from the foregoing, Denila and Santos had excess remittances on the JDF Account. The over remittance made by Denila in the amount of ₱20,698.00 and the ₱674.00 over remittance made by Santos were intended to be deposited to the COCGF-Old. While Denila and Santos had excess remittances, Negroprado incurred a shortage in the amount of ₱93,304.50 which he restituted only on January 3, 2019.

C. For the SAJF

The audit of the SAJF likewise disclosed that Negroprado had an accountability balance of ₱152,105.50, to wit:

Total collections (April 1, 2004 to April 30, 2013)	₱	468,425.42
Less: Total Remittances		<u>316,319.92</u>
Balance of Accountability	₱	152,105.50 ⁶

On January 3, 2019 and November 5, 2019, Negroprado deposited the amount of ₱152,105.30 and ₱0.20, respectively, to settle his accountability on the SAJF account.

⁵ *Id.* at 4-5.

⁶ *Id.* at 5.

D. For the MF

The audit further disclosed that Negroprado incurred an accountability balance of ₱44,000.00 in the MF, to wit:

Total Collections (October 1, 2005 to April 30, 2013)	₱ 71,500.00
Less: Total Remittance	<u>27,500.00</u>
Balance of Accountability	₱ 44,000.00 ⁷

The ₱44,000.00 shortage on the MF was only settled by Negroprado on January 3, 2019.

E. For the COCGF-Old

The audit of the COCGF-Old showed that Denila, Santos, and Negroprado had an accountability balance of ₱21,478.00 on the account.

After examination, it was discovered that ₱20,698.00 of the ₱21,478.00 shortage was due to Denila's excess deposit to the JDF. Also, Santos' ₱647.00 shortage in the COCGF-Old was also due to his over remittance to the JDF. While Denila and Santos' accountabilities were merely due to their inadvertent excess remittances to the JDF account, Negroprado actually incurred shortage on the COCGF-Old account in the amount of ₱106.00 which he restituted on July 19, 2019.

Collectively, Negroprado incurred shortages on the various judiciary funds in the sum of ₱542,015.80.

On December 4, 2015, Negroprado submitted to Atty. Gilda A. Sumpo, then Chief Judicial Staff Officer, Accounting Division, Financial Management Office (FMO), Office of the Court Administrator (OCA), his explanation that he was forced to use the collections of the Court to sustain the needs of his family. He added that due to his low take-home pay, he incurred loans from the Supreme Court Loan Association and the Government Service Insurance System to pay off his loans for the hospitalization of his three minor children due to dengue fever.

⁷ *Id.* at 6.

Recommendation of the OCA

In the Memorandum dated January 31, 2020, the OCA found Negroprado to have violated Administrative Circular No. 35-2004, as amended, dated August 20, 2004, and OCA Circular No. 113-2004 dated September 16, 2004. The OCA recommended that Negroprado be fined with the amount of ₱25,000.00 and with a stern warning that a repetition of the same offense will be dealt with more severely.

The OCA, likewise, recommended that the FMO, OCA be directed to: release the withheld salaries and allowances of Negroprado; and deduct therefrom the Fine of ₱25,000.00.

The Court's Ruling

Time and again, the Court has stressed that the behavior of all employees and officials involved in the administration of justice—from judges to the most junior clerks—is circumscribed with a heavy responsibility. Their conduct must be guided by strict propriety and decorum at all times.⁸

OCA Circular No. 113-2004 dated September 16, 2004 mandates that the Monthly Reports of Collections and Deposits for the JDF, SAJ, and FF should be sent not later than the 10th day of each succeeding month to the Chief Accountant, Accounting Division, FMO, OCA.

Moreover, Administrative Circular No. 35-2004, as amended, dated August 20, 2004 requires that the daily collections of funds in the Regional Trial Court, Metropolitan Trial Court, Municipal Trial Court in Cities, Municipal Trial Court, MCTC, Shari'a District Court and Shari'a Circuit Court should be deposited everyday with the nearest LBP branch, or if depositing daily is not possible, deposits for the fund shall be at the end of every month, provided, however, that whenever collections for the fund reach ₱500.00, it shall be deposited immediately even before the period above-mentioned.

Being a court personnel holding the position Clerk of Court II, Negroprado was expected to comply with the foregoing circulars by faithfully submitting his monthly reports and by remitting his judiciary

⁸ *Atty. Bacbac-Del Isen v. Molina*, 761 Phil. 596, 605 (2015).

collections accordingly. However, Negroprado failed to do so. Record shows that Negroprado incurred shortages on his FF, JDF, SAJF, and MF collections on the following amounts:

- 1) FF collections from May 1, 2006 to April 30, 2013 in the sum of ₱252,500;
- 2) JDF collections from May 2003 to April 2013 in the sum of ₱93,304.50;
- 3) SAJF collections from April 1, 2004 to April 30, 2013 in the sum of ₱152,105.50;
- 4) MF collections from October 1, 2005 to April 30, 2013 in the sum of ₱44,000;

The above shortages were restituted by Negroprado on January 3, 2019. Also, Negroprado incurred a ₱106.00 shortage on his COCGF-Old collections from May 2003 to November 10, 2003. He was able to retribute it on July 19, 2019.

Being the custodians of court funds and revenues, clerks of court have always been reminded of their duty to immediately deposit the various funds received by them to the authorized government depositories pursuant to Administrative Circular No. 35-2004,⁹ as amended, dated August 20, 2004; and to timely submit their Monthly Report of Collections, Deposits, and Withdrawals conformably with OCA Circular No. 113-2004¹⁰ dated September 16, 2004. For the delayed deposit of his judiciary collections and the late submission of his financial reports, Negroprado was indubitably remiss in his duties as branch Clerk of Court II of the MCTC.

⁹ As culled from the Memorandum dated January 31, 2020, *id.* at 8-9:

“In the RTC, MeTC, MTCC, MTC, MCTC, SDC and SCC. – The daily collections for the Fund in these courts shall be deposited everyday with the nearest LBP branch, or if depositing daily is not possible, deposits for the Fund shall be at the end of every month, provided, however, that whenever collections for the Fund reach P500.00, the same shall be deposited immediately even before the period above-indicated.”

¹⁰ Office of the Court Administrator Circular No. 113-2004 provides:

1. The Monthly Reports of Collections and Deposits for the Judiciary Development Fund (JDF), Special Allowance for the Judiciary (SAJ) and Fiduciary Fund (FF) shall be:

- 1.1. Certified correct by the Clerk of Court
- 1.2. Duly subscribed and sworn to before the Executive/Presiding Judge
- 1.3. Sent not later than the 10th day of each succeeding month to —
The Chief Accountant
Accounting Division
Financial Management Office
Office of the Court Administrator
Supreme Court of the Philippines
Taft Avenue, Ermita
Manila

When asked to explain, Negroprado readily admitted that he was forced to use the collections of the Court to sustain the needs of his family. He added that due to his low take-home pay, he incurred loans from the Supreme Court Loan Association and the Government Service Insurance System to pay off his loans for the hospitalization of his three minor children due to dengue fever. For this, the OCA recommended that Negroprado be fined with ₱25,000.00 and be sternly warned that a repetition of the same offense will be dealt with more severely.

In determining the applicable penalty, the Court had, in the past, mitigated the administrative penalties imposed on erring judicial officers and employees. This is consistent with the precedent where this Court refrained from imposing the actual administrative penalties prescribed by law or regulation in the presence of mitigating factors.¹¹

In *Office of the Court Administrator v. Former Clerk of Court Jamora, et al.*,¹² Clerk of Court Angelita A. Jamora was found liable for her failure to timely deposit her judiciary collections. She explained that the delay in the restitution of her shortages in the sum of ₱124,267.60 were caused by financial difficulties. She explained that she was the sole income earner of her family because her husband had a disability, and that they had four children who were still studying. Observing that it was her first administrative case; that she fully restituted the amounts involved; and that she held two positions at the same time, the Court tempered its decision and reduced her penalty to a fine of ₱10,000.00.

Likewise, in *Office of the Court Administrator v. Viesca*¹³ (*Viesca*), Clerk of Court II Remedios R. Viesca was found liable for Gross Neglect of Duty, Grave Misconduct, and Serious Dishonesty because she misappropriated her judiciary collections in the aggregate amount of ₱529,738.50, and for her non-submission of her monthly financial reports. Notably, the Court, upon motion for reconsideration, lowered down her penalty from dismissal to a fine of ₱50,000.00 through the application of the following mitigating circumstances: (1) 34 years of government service; (2) that she was already 68 years old; (3) remorse by fully cooperating with the audit team during the investigation of her infractions; and (4) full restitution of the total amount of shortage.

¹¹ See *Office of the Court Administrator v. Former Clerk of Court Jamora, et al.*, 698 Phil. 610, 614 (2012)

¹² *Id.*

¹³ 819 Phil. 582 (2017).

Indeed, while the Court is duty-bound to sternly wield a corrective hand to discipline its errant employees and to weed out those who are undesirable, the Court also has the discretion to temper the harshness of its judgment with mercy,¹⁴ especially in this time where employment and the economy face catastrophe because of the pandemic.

In this case, the Court takes into consideration Negroprado's full restitution of his collections leaving no outstanding accountabilities. The Court also notes that he fully cooperated with the audit team during the investigation of his infractions by submitting his Monthly Report of Collections, Deposits, and Withdrawals without any irregularities, tampering, or falsifications. To the Court's mind, these acts amount to remorse and taking full responsibility for the infractions he committed, and thus, may be duly appreciated in imposing a penalty.

All told, for Negroprado's failure to immediately deposit the various judiciary funds received by him, in violation of Administrative Circular No. 35-2004, as amended; and for his failure to timely submit his Monthly Report of Collections, Deposits, and Withdrawals, in contravention of OCA Circular No. 113-2004, the Court ADOPTS the recommendation of the OCA that Negroprado must be held administratively liable by a Fine. However, the Court finds the recommended Fine of ₱25,000.00 insufficient and instead imposes upon him the Fine of ₱50,000.00, conformably with *Viesca*, to be deducted from the withheld salaries to be released to him.

WHEREFORE, the Court **RESOLVES** to **ADOPT** and **APPROVE** the recommendation of the Office of the Court Administrator with **MODIFICATION** in that a **FINE** of ₱50,000.00 be imposed on Mr. John O. Negroprado, Clerk of Court II of the Municipal Circuit Trial Court, Valladolid-San Enrique-Pulupandan, Negros Occidental, with a **STERN WARNING** that a repetition of the same or similar acts shall be dealt with more severely.

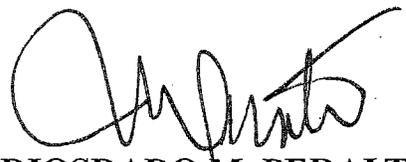
The Finance Division, Financial Management Office, Office of the Court Administrator is **DIRECTED** to deduct the fine of ₱50,000.00 from the withheld salaries to be released to Mr. John O. Negroprado.

¹⁴ *Office of the Court Administrator v. Judge Chavez, et al.*, 815 Phil. 41, 46 (2017), citing *Judge Baculi v. Ugale*, 619 Phil. 686, 692 (2009).

SO ORDERED.


HENRI JEAN PAUL B. INTING
Associate Justice

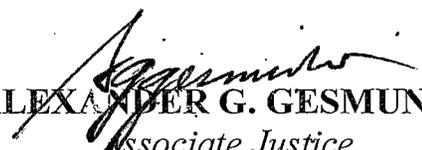
WE CONCUR:

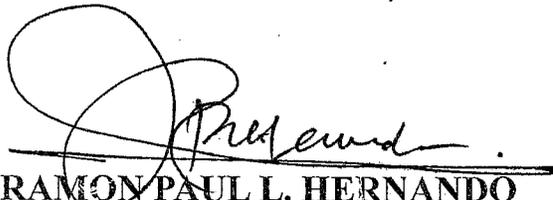

DIOSDADO M. PERALTA
Chief Justice

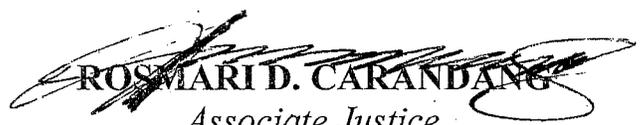

ESTELA M. PERLAS-BERNABE
Associate Justice


MARVIC M.V.F. LEONEN
Associate Justice

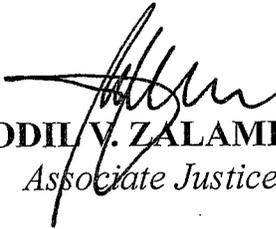
(On official leave)
ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

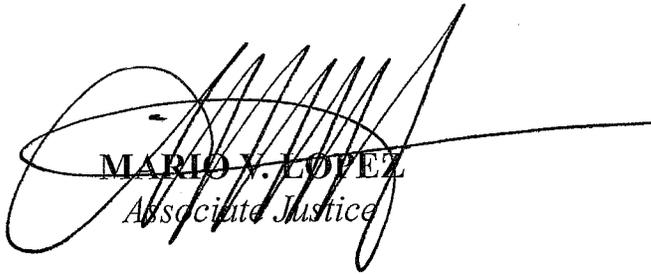

ALEXANDER G. GESMUNDO
Associate Justice


RAMON PAUL L. HERNANDO
Associate Justice


ROSMARI D. CARANDANG
Associate Justice


AMY C. LAZARO-JAVIER
Associate Justice


RODIL V. ZALAMEDA
Associate Justice

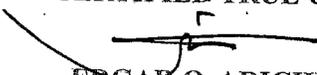

MARIO X. LOPEZ
Associate Justice

(On official leave)
EDGARDO L. DELOS SANTOS
Associate Justice


SAMUEL H. GAERLAN
Associate Justice

(On leave)
PRISCILLA J. BALTAZAR-PADILLA
Associate Justice

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EDGAR O. ARICHETA
Clerk of Court En Banc
Supreme Court