

**OFFICE OF THE COURT ADMINISTRATOR, COMPLAINANT, VS.
LARRIZA P. BACANI, CLERK OF COURT IV, MUNICIPAL TRIAL
COURT IN CITIES, MEYCAUAYAN, BULACAN, RESPONDENT.**

A.M. No. P-12-3099. January 15, 2013

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PER CURIAM:

This administrative case stemmed from a financial audit of the books of accounts of the Municipal Trial Court in Cities of Meycauayan, Bulacan (MTCC Meycauayan) conducted by the audit team from the Office of the Court Administrator (OCA) on 16 January 2012. The audit covered the accountabilities of: (1) Clerk of Court IV Larriza P. Bacani^[1] (Bacani) from September 1996 to August 2008, from April 2009 to October 2009, and from September 2010 to January 2012; and (2) Cashier I Veiner P. Villafuerte (Villafuerte) from September 2008 to March 2009 and from November 2009 to August 2010.

The audit sought to reconcile the books of accounts of Bacani, who was on frequent leave of absence due to travel abroad. During the audit, Villafuerte acted as Officer-in-Charge as Bacani was on leave from 13 to 16 January 2012 due to travel abroad.

Thereafter, the audit team submitted the following findings:^[2]

(1)

During the preliminary cash count, the total cash on hand was only P12,441.50 when it should have been P23,507.00. Thus, there was a cash shortage of P11,065.50. As the Officer-in-Charge at that time, Villafuerte was asked to explain in writing the cash shortage. On 16, 18 and 19 January 2012, Villafuerte made piece-meal restitutions totalling P23,507.00.

(2)

Upon inventory of used and unused official receipts, two unused booklets of official receipts, with series numbers 6242001-6242050 and 8839451-8839500, were unaccounted.

(3)

On the Fiduciary Fund (FF), the audit team found a shortage of P2,000.00 due to double withdrawal on 5 September 2001 and 21 November 2002 of the cash bond posted for Criminal Case No. 2000-775 under O.R. No. 9890088. Furthermore, a High Yield Savings Account (HYSA) existed containing FF collections, contrary to OCA Circular No. 23-2009.^[3] Upon instruction from the audit team, Bacani closed the HYSA with an amount of P2,959,576.09 and transferred the same to the existing FF account on 2 February 2012.

(4)

On the Sheriff's Trust Fund (STF), the audit team advised Bacani to withdraw the outstanding STF collections totalling P61,920.00 from the FF account and to open a new separate savings account for STF collections. On 8

February 2012, Bacani complied.

(5)

On the Judiciary Development Fund (JDF), Bacani incurred a shortage of P425.00 upon audit for the periods: September to December 1996, October to November 2004, and February 2005.

(6)

On the General Fund (Old), Bacani erroneously deposited P8,947.00 to this account which amount pertains to the Special Allowances for the Judiciary Fund (SAJF). Upon accounting, a shortage of P6.00 was noted.

(7)

On SAJF, Bacani incurred a final accountability of P1,385.20 due to the net result of her over deposit of P714.80 in November 2004 and under remittance of P2,100.00 in January and February 2005.

(8)

On the Mediation Fund (MF), the audit team found a shortage of P5,000.00 due to lack of deposit slips as proofs of remittances for the months of November and December 2004. Because Bacani failed to produce the deposit slips, she opted to deposit the amount on 24 February 2012.

(9)

The audit team further reported that the collections for the General Fund, JDF and SAJF were not deposited on time, causing a total of P5,161.73 unearned interest, to wit:

For the General Fund (Old):

Month/ Year

Number of
days delayed

Amount

Unearned
Interest

June 2002

67

3,811

42.56

July 2002

63

8,215

86.26

August 2002

174

7,184

208.34

September 2002

173

6,610

190.59

October 2002

113

3,216

60.57

November 2002

86

2,452

35.15

December 2002

58

3,276

31.67

January 2003

41

5,570

38.06

February 2003

70

5,150

60.08

March 2003

50

5,144

42.87

April 2003

75

3,836

47.95

May 2003

87

4,574

66.32

June 2003

73

5,768

70.18

July 2003

117

3,932

76.67

August 2003

150

5,093

127.33

September 2003

120

7,724

154.48

October 2003

174

1,498

43.44

November 2003

144

545

13.08

TOTAL

83,598

1,395.58

For the JDF:

Month/ Year

Number of days delayed

Amount

Unearned Interest

June 2002

67

37,079

414.05

July 2002

63

41,581

436.60

August 2002

174

32,601

945.43

September 2002

144

36,815

883.56

October 2002

113

23,314

439.08

TOTAL

171,390

3,118.72

For SAJF:

Month/ Year

Number of days delayed

Amount

Unearned Interest

January 2004

115

5,701

109.27

February 2004

121

6,265

126.34

March 2004

118

3,386

66.59

April 2004

90

1,682

25.23

May 2004

93

4,137

64.12

June 2004

63

2,773

29.12

July 2004

40

2,984

19.89

January 2005

136

9,126.40

206.87

TOTAL

36,054.40

647.43

(10)

Finally, the audit team observed that (a) there was poor filing system; (b) the prescribed Legal Fees Form was not used; (c) only one Legal Fees Form was used for a number of cases; (d) there was no certification at the end of each month; and (e) the form “original signed” for court orders was being used when refunding cash bonds, when the order should be manually signed by the Judge.

In her letter dated 24 February 2012, Bacani explained that she did not notice the delays in deposits of collections due to her workload. She added that when she is on leave, she delegates her functions to Villafuerte who attends to voluminous transactions being the Officer-in-Charge and Cashier at the same time. On the shortages in collections, Bacani admitted her accountabilities. On 24 February 2012, she deposited the total amount of P8,816.20 for her shortages in the: (a) JDF of P425.00, (b) General Fund of P6.00, (c) SAJF of P1,385.20, (d) MF of P5,000.00, and (e) FF of P2,000.00.

On 27 February 2012, Villafuerte explained in his letter that during the preliminary cash count, the alleged P11,065.50 shortage was in a steel cabinet, although he could not find it upon demand by the audit team. Villafuerte claimed that thereafter on the same day, he found the money inserted and stapled in one of the folders inside the steel cabinet. He then deposited the total collections. He explained that his additional functions as Officer-in-Charge affected his functions as Cashier.

In a Memorandum dated 3 October 2012 addressed to the Office of the Chief Justice, the audit team made the following recommendations, which the OCA adopted:

(1) this report be DOCKETED as a regular administrative matter against Ms. LARRIZA P. BACANI, Clerk of Court IV, Municipal Trial Court in Cities, Meycauayan City, Bulacan, and she be FINED in the amount of Five Thousand Pesos (P5,000.00) for failure to deposit her collections on time thereby depriving the government of the supposed interest that should have been earned from such collections;

(2) Ms. LARRIZA P. BACANI, Clerk of Court IV, Municipal Trial Court in Cities, Meycauayan City, Bulacan, be DIRECTED to:

(2.a) PAY and DEPOSIT to the Judiciary Development Fund (JDF) the total amount of Five Thousand One Hundred Sixty One Pesos and 73/100 (P5,161.73), representing the interest earned, computed using the legal rate of six percent (6%) interest per annum, for not remitting the collections of the following funds on time, to wit:

FUND

Total Delayed
Deposit

Total Unearned Interest at 6%
per annum

JDF

171,390.00

3,118.72

GF

83,598.00

1,395.58

SAJF

36,054.40

647.43

TOTAL

291,042.40

5,161.73

(2.b) ACCOUNT for the missing official receipts issued by the Court to the Municipal Trial Court in Cities, Meycauayan City, Bulacan, with series nos.

- 6242001-6242050

- 8839451-8839500

(2.c) STERNLY WARNED that a repetition of any of the infractions committed [i.e. (a) not remitting the court's collections on time that deprived the Court of the interest that should have been earned if the collections were deposited on time and (b) for not orderly safekeeping and safeguarding of (sic) the court's files and records which resulted to the lost (sic) of some deposit slips and official receipts] shall be dealt with more severely;

(3) Mr. VEINER [P.] VILLAFUERTE, Cashier I, Municipal Trial Court in Cities, Meycauayan City, Bulacan, be STERNLY WARNED that a repetition of not depositing the court's collections on time, shall be dealt with more severely;

(4) Hon. CECILIA SANTOYO-TALAPIAN, Executive Judge, Municipal Trial Court in Cities, Meycauayan City, Bulacan, be DIRECTED to strictly MONITOR the financial transactions of the court and be REMINDED that she shall be held equally liable for the infractions committed by employees under her supervision. (Emphasis in the original)

The Court finds the report of the OCA well-taken except as to the penalty.

Clerks of court are the chief administrative officers of their respective courts.[4] They perform a sensitive function as designated custodians of the court's funds, revenues, records, properties, and premises.[5] Being the custodians of court funds and revenues, clerks of court have the duty to immediately deposit the various funds received by them to the authorized government depositories for they are not supposed to keep funds in their

custody.[6] SC Administrative Circular No. 3-2000 mandates that all fiduciary collections shall be deposited immediately by the Clerk of Court concerned, upon receipt thereof, with the Land Bank of the Philippines, the authorized government depository bank.[7] SC Circular No. 50-95 further provides that “all collections from bailbonds, rental deposits, and other fiduciary collections shall be deposited within twenty-four (24) hours by the Clerk of court concerned, upon receipt thereof, with the Land Bank of the Philippines.” Their failure to faithfully perform their duties and responsibilities make them liable for any loss or shortage of such funds.[8]

Without a doubt, Bacani has been remiss in the performance of her duties as Clerk of Court of MTCC Meycauayan. She violated SC Administrative Circular No. 3-2000 and SC Circular No. 50-95 by not remitting the court’s collections on time, thus, depriving the court of the interest that could have been earned if the collections were deposited on time. Furthermore, Bacani incurred shortages in her remittances although she restituted the amount.

In Re: Report on the Financial Audit conducted in the Municipal Trial Court (MTC), Sta. Cruz, Davao del Sur,[9] the Court held that the failure of accountable public officers to turn over on time cash deposited with them constitutes gross neglect of duty and gross dishonesty. These grave offenses are punishable with dismissal even for the first offense although it was not imposed in that case due to respondent’s death.

In Office of the Court Administrator v. Anacaya,[10] the Court ruled that Anacaya’s acts of incurring shortages in his remittances and of failing to deposit timely his judiciary collections constitute gross neglect of duty. No protestation of good faith can override the mandatory observance of court circulars which are aimed to promote full accountability of public funds.[11] Even restitution of the amount of the shortages does not exempt respondent from the consequences of his wrongdoing.¹²

In the present case, Bacani’s failure to deposit on time her cash collections and her shortages in the remittances of collections amount to gross neglect of duty and dishonesty. Furthermore, her delegation of responsibilities to Villafuerte does not detract from her responsibility as Clerk of Court. She is an accountable officer on whom trust of the highest order is reposed, being primarily in charge of the court’s funds.[13] As chief administrative officer, she is further charged with administrative supervision over court personnel as well as with the efficient recording, filing, and management of court records.[14] Consequently, her frequent delegation of her tasks to Villafuerte, non-compliance with the SC Circulars, and poor court management, causing cash shortages and loss of deposit slips and official receipts, show that she can no longer fulfill the heavy demands of her position.

Under Section 52-A, Rule IV of the Uniform Rules on Administrative Cases in the Civil Service, dishonesty and gross neglect of duty amount to grave offenses punishable by dismissal even when committed for the first time.[15] In Concerned Employees of the Municipal Trial Court of Meycauayan, Bulacan v. Paguio-Bacani,[16] Bacani was found guilty of dishonesty for falsifying her Daily Time Records and leaving the country without the requisite travel authority. In imposing the penalty of suspension from service for one (1) year without pay, with a warning that a repetition of the same or similar offense would be dealt with more severely, the Court considered that:

Although dishonesty through falsification of DTRs is punishable by dismissal, such an extreme penalty cannot be inflicted on an errant employee such as herein respondent, especially so in cases where there exist mitigating circumstances which could alleviate her culpability. Respondent has been Branch Clerk of Court for about ten (10) years and this is her first administrative complaint. The OCA recommended that respondent be suspended from the service for one (1) year without pay, with a warning that a repetition of the same or similar act will be dealt with more severely.

Considering that the circumstances in Bacani’s earlier case are no longer present in this case, we impose the

extreme administrative penalty of dismissal on Bacani. As for Villafuerte, he immediately complied with the OCA audit team's directive to deposit the amount covering the shortages after being apprised of the shortages. Since this is Villafuerte's first administrative case and he carried the responsibility of Officer-in-Charge and Cashier at the same time while Bacani was on leave, we adopt the OCA's recommendation as to him.

Time and again, this Court has stressed that the behavior of those charged with the administration of justice, from the judge to the most junior clerk, is circumscribed with a heavy responsibility.[17] Their conduct must be guided by utmost propriety and decorum at all times, in order to merit and maintain the public's respect for and trust in the Judiciary.[18] The Court will not tolerate any conduct, act or omission on the part of those who will violate the norm of public accountability and diminish or tend to diminish the faith of the people in the Judiciary.[19]

WHEREFORE, the Court finds Larriza P. Bacani, Clerk of Court IV, Municipal Trial Court in Cities, Meycauayan City, Bulacan, GUILTY of dishonesty and gross neglect of duty, for which she is DISMISSED from the service with forfeiture of all retirement benefits, except accrued leave credits, and with prejudice to re-employment in the government, including government-owned or controlled corporations.

Veiner P. Villafuerte, Cashier I, Municipal Trial Court in Cities, Meycauayan City, Bulacan, is STERNLY WARNED that a repetition of not depositing the court's collections on time shall be dealt with more severely.

Executive Judge Cecilia Santoyo-Talapian of the Municipal Trial Court in Cities, Meycauayan City, Bulacan, is DIRECTED to strictly MONITOR the financial transactions of the court; otherwise, she can be held equally liable for the infractions committed by employees under her supervision.

SO ORDERED.

Serenio, C.J., Carpio, Velasco, Jr., Leonardo-De Castro, Peralta, Bersamin, Del Castillo, Abad, Villarama, Jr., Perez, Mendoza, Reyes, Perlas-Bernabe, and Leonen, JJ., concur.
Brion, J., on leave.

[1] In *Concerned Employees of the Municipal Trial Court of Meycauayan, Bulacan v. Paguio-Bacani*, A.M. No. P-06-2217, 30 July 2009, 594 SCRA 242, Bacani was referred to as Larizza Paguio-Bacani.

[2] Memorandum for Court Administrator Jose Midas P. Marquez dated 3 October 2012.

[3] "4. All existing time deposit and high-yielding savings accounts of the court for the fiduciary fund shall immediately be closed and only one savings account shall be maintained."

[4] *Office of the Court Administrator v. Elumbaring*, A.M. No. P-10-2765, 13 September 2011, 657 SCRA 453, 462.

[5] *Id.*

[6] *Office of the Court Administrator v. Cruz*, A.M. No. P-11-2988, 12 December 2011, 662 SCRA 8, 11, citing *Report on the Financial Audit on the Books of Accounts of Mr. Delfin T. Polido*, 518 Phil. 1 (2006).

[7] 3. Systems and Procedures. — x x x x

(c) 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 for the account of the Judiciary Development Fund, Supreme Court, Manila — SAVINGS ACCOUNT No. 0591-0116-34 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.

[8] Office of the Court Administrator v. Elumbaring, supra note 4, citing Office of the Court Administrator v. Caballero, A.M. No. P-05-2064, 2 March 2010, 614 SCRA 21.

[9] A.M. No. 05-2-41-MTC, 508 Phil. 143 (2005).

[10] A.M. No. P-11-2956, 8 February 2012. (Unsigned Resolution)

[11] Id., citing Office of the Court Administrator v. Cuachon, A.M. No. P-06-2179, 12 January 2011, 639 SCRA 278.

[12] Id.; Office of the Court Administrator v. Caballero, supra note 8.

[13] Office of the Court Administrator v. Marcelo, A.M. No. P-06-2221, 5 October 2010, 632 SCRA 129, 135.

[14] Re: Report on the Judicial Audit and Physical Inventory of Cases in the MCTC Sara-Ajuy- Lemery, Iloilo, 514 Phil. 41, 47 (2005).

[15] Section 52, Rule IV of the Revised Uniform Rules on Administrative Cases in the Civil Service provides:

Section 52. Classification of Offenses. – Administrative offenses with corresponding penalties are classified into grave, less grave or light, depending on their gravity or depravity and effects on the government service.

A. The following are grave offenses with their corresponding penalties:

1. Dishonesty - 1[st] Offense - Dismissal
2. Gross Neglect of Duty - 1[st] Offense - Dismissal

[16] Supra note 1, at 257-258.

[17] Office of the Court Administrator v. Cruz, supra note 6, at 12; Office of the Court Administrator v. Elumbaring, supra note 4, at 465.

[18] Office of the Court Administrator v. Cruz, supra note 6, citing In Re: Delayed Remittance of Collections of Teresita Lydia R. Odtuhan, 445 Phil. 220 (2003).

[19] Office of the Court Administrator v. Cruz, supra note 6, citing Office of the Court Administrator v. Banag, A.M. No. P-09-2638, 7 December 2010, 637 SCRA 18.

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