

LETICIA A. ALIMARIO, PETITIONER, VS. THE HONORABLE COMMISSION ON AUDIT, RESPONDENT.*G.R. No. 105883. June 25, 1993*

Ponente: CRUZ, J.

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The petitioner's complaint is not unfamiliar to the Court. She is being required to account for alleged transactions long past and of which the government itself has no record.

After serving in the government for 43 years, petitioner Leticia A. Alimario retired on November 17, 1989, when she reached the age of 65. She was then Section Chief of the Billing Unit, Collection Branch of the Bureau of Internal Revenue (BIR), Region No. 4-C, San Pablo City.

The processing of her retirement papers was delayed when the Accounting Division of the BIR National Office refused to issue her national clearance. The reason given was incomplete supporting papers in her monthly reports from June 4, 1973 to May 9, 1974, when she was the Acting Accountable Officer of the Administrative Branch, Revenue Region No. 9 (later re-numbered as Region 4-C).[1]

On April 2, 1990, Carmelita S. J. Pascual, Assistant Chief of the Revenue Accounting Division (RAD) of the BIR National Office, informed the petitioner that her subsidiary ledger for documentary and science stamps accountabilities as District Collection Supervisor of San Pablo City had an outstanding ledger balance of P6,010.00 and P165,308.50, respectively.[2] She was advised to submit any document that would offset that balance. However, the petitioner could only present copies of (a) Regional Travel Assignment Order No. 2-74 dated May 3, 1974, where it was stated that she was being transferred to the Office of Collection Agent, San Pablo City and that Francisco P. Evasco was assuming her position in the administrative branch;[3] (b) a Memorandum Receipt dated May 13, 1974, signed by Evasco, which showed that the petitioner submitted to him the working sheets of the documentary and science stamps from May 1 to 10, 1974 as well as the monthly report of accountability for the period of June 1973 to April 1974;[4] and (c) a clearance, issued by Evasco on May 13, 1974, to the effect that she had no money and property accountabilities as of that date.[5]

It appeared that the official records of the COA in San Pablo City for the period 1970-1980, which included the file of reports and certificate of settlement of Alimario, were burned with the termite-infested warehouse where they were stored. This was the report made by Rodolfo C. Sy, State Auditor for San Pablo City. Armando A. Duran, Chief of the BIR Accountable Forms Division (AFD), certified that the AFD had no records of issuances for documentary and science stamps prior to January 1, 1974 and that the earliest report from Revenue Region No. 4-C, San Pablo City, was made in June 1975.[6]

Acting on this certification, BIR Deputy Commissioner Victor A. Deoferio, Jr. recommended to the COA the approval of Alimario's request to condone or write off her unaccounted and outstanding ledger balances in science and documentary stamps in the amounts of P137,601.00 and P28,010.00, respectively.[7]

State Auditors Teresa F. Demetillo and Alipio S. Bernardo, Jr., in separate indorsements,[8] approved Alimario's request to write off the P137,601.00 unrecorded requisition of science stamps but opined that the amount of P28,010.00 representing the outstanding balance of documentary stamps should be deducted from her terminal leave pay.

Meanwhile, in order to expedite the release of her retirement pay, the petitioner agreed to the deduction of the amount of P28,010.00 from her terminal leave pay without prejudice to her right to appeal an adverse judgment of the COA.

On April 3, 1991, the COA rendered its Decision No. 1815[9] adopting the recommendations of Demetillo and Bernardo thus:

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In view of the representations herein made and the favorable recommendation contained in the preceding 1st and 2nd Indorsements dated November 23, 1990 and December 5, 1990, respectively, this Commission interposes no objection to the herein request that the unaccounted balance in the subsidiary ledger of science stamps amounting to P137,601.00 be taken up as unrecorded requisition of stamps and that the shortage of P28,010.00 representing outstanding balance of documentary stamps be deducted from the terminal leave pay of Ms. Leticia A. Alimario pursuant to Section 37 of P.D. 1445.

Accordingly, a journal voucher may now be drawn to adjust the books of the agency concerning the shortage of P28,010.00 and the overage of P137,601.00 with these papers as supporting documents, furnishing a copy thereof to that office for record and audit purposes.

In its Decision No. 2332 dated June 3, 1992, the COA denied Alimario's motion for reconsideration.[10]

The petitioner is now seeking the reversal of these two decisions and the refund of the P28,010.00 withheld from her. She avers that the said decisions are not supported by substantial evidence and that the COA merely relied on the recommendations of State Auditors Demetillo and Bernardo.

Did the COA err in deducting the amount of P28,010.00 from the petitioner's terminal leave pay?

The Solicitor General manifested his support for the petition and suggested that the COA be given an opportunity to defend its decisions.

In its Comment, respondent COA explains the difference between "overage" and "shortage" thus:

A shortage occurs when the recorded accountability of an accountable officer is more than what is actually on hand at the time of the examination – the shortage being the difference between the two. The shortage is then required to be restituted by the accountable officer. On the other hand, overage takes place when the amount actually on hand at the time of the examination exceeds the recorded accountability. The overage which is represented by the excess is receipted for and taken up as government funds.

The respondent Commission says that the P28,010.00 in documentary stamps should be deducted from the petitioner's terminal leave pay because it is a "shortage." However, it appears that the COA's classification of said amount as a shortage (and the P137,601.00 as an overage) has no foundation. No record exists to prove that Alimario is responsible for the unaccounted balances. The sole basis of the COA in this regard is the April 2, 1990 notice of Carmelita S. J. Pascual. However, the balances mentioned therein, to wit, P6,010.00 in documentary stamps and P165,308.50 in science stamps, do not correspond to the amounts claimed from the petitioner.

By contrast, there are four points in favor of the petitioner that justify her claim for relief.

The first is the clean slate given her by her successor in office, Francisco P. Evasco, in 1974,[11] after she had

submitted all the documents and records which were in her possession at that time.

The second is the declaration made by San Pablo City State Auditor Rodolfo C. Sy on September 12, 1990, that (a) the official records of his office for the years 1970-1980 had been disposed of by burning because the bodega where they were stored had been destroyed by termites; (b) the file of reports as well as certificates of settlement requested by the national office were among those documents; and (c) efforts exerted to locate any other reference had failed.[12]

Third, Armando Duran, chief of the Accountable Forms Division of the BIR, certified that his division had no available records of issuances for documentary and science stamps prior to January 1, 1974, and that the earliest monthly report of accountabilities of Revenue Region No. 4-C, San Pablo City, was dated June 1975.[13]

Finally, on October 11, 1990, BIR Deputy Commissioner Victor A. Deoferio, Jr. recommended that the unaccounted balances of Alimario be condoned or written off from the books of the BIR, without distinguishing between the P137,601.00 in science stamps and the P28,010.00 in documentary stamps.[14]

The latter amount was first termed a "shortage" by State Auditor Demetillo in her first indorsement of Alimario's case. State Auditor Bernardo, in his second indorsement, made no mention of the term but reiterated Demetillo's recommendation that the said amount be deducted from the petitioner's terminal leave pay.[15] These recommendations became the basis of the disputed decisions of the COA.

It is evident that the COA Decisions Nos. 1815 and 2332 were reached without any supporting evidence. The cardinal rule is that any decision or ruling promulgated by an administrative body must have something to support itself.[16] The evidence required before such tribunals is substantial evidence or that evidence which a reasonable mind might accept as adequate to support a conclusion.[17] In the case at bar, there is not only a lack of substantial evidence but there is in fact a total absence of any evidence that can support the assailed decisions of the COA.

The Court notes that it took the government all of 17 years before confronting the petitioner with the alleged shortage. Considering the time that has elapsed, we appreciate why she could not make a convincing refutation of the claimed liability. Assuming she originally had records to disprove it, it is not unlikely that she had lost or disposed of them by this time as she had no reason to suppose that anything was amiss and that she would be called to an accounting after all these years. We feel that if anyone is to blame, it is the government itself for its faulty records management. It is unfair, to say the least, to hold the petitioner liable now for its own inability to prove its claim against her.

ACCORDINGLY, the petition is GRANTED and the challenged decisions of the Commission on Audit are hereby SET ASIDE. The respondent is DIRECTED to immediately return to the petitioner the amount of P28,010.00 unlawfully deducted from her terminal leave pay. No costs.

SO ORDERED.

Narvasa, C.J., Feliciano, Bidin, Griño-Aquino, Regalado, Davide, Jr., Romero, Nocon, Bellosillo, Melo, and Quiason, JJ., concur.

Padilla, J., on leave.

[1] Annex "C", Rollo, p. 30.

[2] Annex "D", Rollo, p. 32.

- [3] Annex "I", Rollo, p. 38.
- [4] Annex "F", Rollo, p. 35.
- [5] Annex "J", Rollo, p. 39.
- [6] Annex "M", Rollo, p. 42.
- [7] Annex "N", Rollo, p. 43.
- [8] Annexes "O" and "P", Rollo, pp. 44-45.
- [9] Rollo, p. 5.
- [10] Ibid., p. 6.
- [11] Annex "J", supra.
- [12] Annex "L", Rollo, p. 41.
- [13] Annex "M, supra.
- [14] Annex "N", supra.
- [15] Annexes "O" and "P", supra.
- [16] Ang Tibay v. Court of Industrial Relations, 69 Phil. 635.
- [17] Anscor Transport and Terminals, Inc. v. NLRC, 190 SCRA 147.

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