

SOCIAL SECURITY SYSTEM, PETITIONER, VS. MA. FE F. ISIP, RESPONDENT.

G.R. NO. 165417. April 03, 2007

Ponente: CORONA, J.

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CORONA, J.:

The Social Security System (SSS) assails the June 21, 2004 decision[1] and September 22, 2004 resolution[2] of the Court of Appeals in CA-G.R. SP No. 81255 in this petition for review on certiorari.[3]

In October 1995, SSS Assistant Administrator for Luzon Atty. Julian R. Cortes created a task force to investigate individuals suspected of granting fraudulent claims processed and paid in the Bacoar, Cavite Branch of the SSS. After reviewing the claim folders, the task force discovered that 247 claims were erroneously processed. It also found that the personnel most likely involved in the processing and payment of wrongful or fraudulent claims were respondent Ma. Fe F. Isip, chief of the Benefits Section of the SSS branch office in Bacoar, Cavite, and Dr. Victor Nicodemus, medical officer in the same branch office.

Respondent was formally charged with grave misconduct, conduct prejudicial to the best interest of the service and violation of office rules and regulations. She was also placed under preventive suspension while her case was under investigation.

Respondent vehemently denied having a hand in the processing and settlement of any fraudulent claims and maintained her innocence of the charges against her. She asserted that the claims passed through regular procedure and proper channels. The claims were duly verified before they were submitted to her for approval. In approving claims, she relied on the report and recommendation of those who conducted the preliminary evaluation.

In a decision dated December 2, 1999, the SSS held respondent guilty of seven counts of gross misconduct as well as five counts of violation of office rules and regulations and ordered her dismissal from the service. Respondent moved for reconsideration but it was denied.

Respondent appealed to the Civil Service Commission (CSC) but the CSC dismissed her appeal and affirmed the SSS decision. The CSC also denied respondent's motion for reconsideration.

Undeterred, respondent elevated the case to the Court of Appeals. On June 21, 2004, the Court of Appeals rendered the assailed decision. While it held that respondent could not totally avoid responsibility for her acts, the appellate court ruled that she was not directly liable for the violations or irregularities committed in relation to the approval of erroneous or fraudulent claims. She relied on the preliminary evaluation and report of her subordinates on the presumption that they performed their duties in the regular course. Moreover, there was no evidence of corruption, clear intent to violate the law or flagrant disregard of established rules on the part of respondent. In fact, there was no allegation that she benefited from any of the approved questionable claims. Accordingly, the Court of Appeals granted respondent's petition in part, found her guilty of simple misconduct

and ordered her suspension from office for six months without pay. The dispositive portion of the decision read:

WHEREFORE, the petition is PARTLY GRANTED. The court finds petitioner, Ma. Fe Isip, Chief of the Benefits Section, Social Security System, Bacoor Branch, Cavite, guilty of simple misconduct and suspends her from office for six (6) months without pay effective immediately upon receipt hereof. Her attention is also called to be more prudent and circumspect in executing her duties, otherwise, a repetition of the same or similar acts in the future will be dealt with more severely.

SO ORDERED.[4]

The SSS received a copy of the Court of Appeals' decision on June 30, 2004 but it filed a motion for reconsideration only on August 13, 2004. The Court of Appeals denied SSS' motion for reconsideration:

The last day to file motion for reconsideration in this case is July 15, 2004. This period is non-extendible pursuant to the ruling of the Supreme Court in *Habaluyas Enterprises, Inc. vs. Japson*, 142 SCRA 208; *Secretary of Agrarian Reform vs. Tropical Homes, Inc.*, 362 SCRA 115. The motion for reconsideration questioning our decision dated June 21, 2004 was filed on August 13, 2004 beyond the fifteen (15) days period to file the said motion.

WHEREFORE, foregoing considered, the motion for reconsideration filed by [the SSS] for lack of merit is DENIED.

SO ORDERED.[5] (emphasis supplied)

Hence, this petition.

The SSS claims that the Court of Appeals should have overlooked the delay in the filing of its motion for reconsideration as it was a mere technicality and should have resolved the motion on the merits. Respondent, on the other hand, contends that not only should the petition be denied but also that she be awarded back wages considering that the SSS has not reinstated her despite her having served her suspension.

We deny the petition.

THE COURT OF APPEALS DECISION IS ALREADY FINAL AND EXECUTORY

The belated filing of the motion for reconsideration rendered the decision of the Court of Appeals final and executory. A judgment becomes "final and executory" by operation of law. Finality becomes a fact when the reglementary period to appeal lapses and no appeal is perfected within such period.[6] As a consequence, no court (not even this Court) can exercise appellate jurisdiction to review a case or modify a decision that has become final.[7]

When a final judgment is executory, it becomes immutable and unalterable. It may no longer be modified in any respect either by the court which rendered it or even by this Court. The doctrine is founded on considerations of public policy and sound practice that, at the risk of occasional errors, judgments must become final at some definite point in time.[8]

The doctrine of immutability and inalterability of a final judgment has a two-fold purpose: (1) to avoid delay in the administration of justice and thus, procedurally, to make orderly the discharge of judicial business and (2) to put an end to judicial controversies, at the risk of occasional errors, which is precisely why courts exist. Controversies cannot drag on indefinitely. The rights and obligations of every litigant must not hang in suspense for an indefinite period of time.[9]

The only recognized exceptions to the doctrine of immutability and unalterability are the correction of clerical

errors, the so-called nunc pro tunc entries which cause no prejudice to any party and void judgments.[10] This case does not fall under any of these exceptions.

RESPONDENT IS NOT ENTITLED TO BACK WAGES

Respondent's stance is similarly barred by the final and executory character of the appellate court's decision. Respondent cannot be allowed to take contradictory positions or to adopt a double standard. She cannot assert that the Court of Appeals decision is already final, executory and therefore binding on the SSS and, at the same time, claim that the decision can still be modified in her favor in connection with her prayer for the award of back wages and separation pay. Since neither the SSS nor respondent filed an appeal of the Court of Appeals decision within the prescribed period, the decision attained finality, bound both parties, conclusively adjudicated their respective rights and duties and settled the controversy between them with the force and effect of res judicata.

Furthermore, respondent has no right to back wages because she was in fact not completely exonerated.[11] Payment of back wages during the period of suspension or dismissal of a civil servant who is subsequently reinstated is proper only if: (1) he is found innocent of the charges and (2) the suspension or dismissal is unjustified.[12] None of these circumstances obtains here.

WHEREFORE, the petition is hereby DENIED.

Costs against petitioner.

SO ORDERED.

Puno, C.J., Quisumbing, Ynares-Santiago, Sandoval-Gutierrez, Carpio, Austria-Martinez, Carpio-Morales, Callejo, Sr., Azcuna, Tinga, Chico-Nazario, Garcia, Velasco, Jr., and Nachura, JJ., concur.

[1] Penned by Associate Justice Eugenio S. Labitoria (retired) and concurred in by Associate Justices Jose L. Sabio, Jr. and Jose C. Mendoza of the Special Fifth Division of the Court of Appeals; rollo, pp. 27-32.

[2] Denying the motion for reconsideration of SSS. Penned by Associate Justice Eugenio S. Labitoria (retired) and concurred in by Associate Justices Jose L. Sabio, Jr. and Jose C. Mendoza of the Special Fifth Division of the Court of Appeals; id., pp. 51-52.

[3] Under Rule 45 of the Rules of Court.

[4] Supra note 1.

[5] Supra note 2.

[6] *Vlason Enterprises v. Court of Appeals*, 369 Phil. 269 (1999).

[7] *Secretary of Agrarian Reform v. Tropical Homes, Inc.*, 414 Phil. 389 (2001).

[8] *Mayon Estate Corporation v. Altura*, G.R. No. 134462, 18 October 2004, 440 SCRA 377.

[9] *Ginete, et al. v. Court of Appeals*, 357 Phil. 36 (1998).

[10] *Ramos v. Ramos*, 447 Phil. 114 (2003).

Void judgments may be classified into two groups: (1) those rendered by a court without jurisdiction to do so and (2) those obtained by fraud or collusion. (*Legarda v. Court of Appeals*, 345 Phil. 80 (1997))

[11] *Brugada v. Secretary of Education, Culture and Sports*, G.R. Nos. 142332-43, 31 January 2005, 450 SCRA 224.

[12] *Id.*

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