



Republic of the Philippines  
**Supreme Court**  
Manila

**FIRST DIVISION**

**THE OFFICE OF THE COURT OF  
ADMINISTRATOR,**  
Complainant,

**A.M. No. P-11-3006**  
[Formerly A.M. No. 11-9-105-  
MTCC]

Present:

- versus -

SERENO, *CJ*, Chairperson,  
LEONARDO-DE CASTRO,  
BERSAMIN,  
VILLARAMA, JR., and  
REYES, *JJ*.

**MA. THERESA G. ZERRUDO,**  
Clerk of Court, Municipal Trial  
Court in Cities, Iloilo City,  
Respondent.

Promulgated:

**OCT 23 2013**

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**RESOLUTION**

**SERENO, *CJ*:**

This is an administrative case filed by the Office of the Court Administrator (OCA) against Ma. Theresa G. Zerrudo (hereinafter Respondent Zerrudo), Clerk of Court for the Municipal Trial Courts In Cities (MTCC), Iloilo City.

**THE AUDIT FINDINGS**

On 4 May 2009, the OCA initiated a financial audit in view of an anonymous letter it received from concerned Office of the Clerk of Court (OCC) employees of MTCC-Iloilo City, alleging that respondent Zerrudo misappropriated court funds. The scope of the audit covered financial transactions from 12 September 2007 to 30 April 2009. The report contains the following findings:

- 1) Shortage amounting to ₱54,531.20;

- 2) Failure to present to the Financial Audit Team during the cash count the amount of ₱436,450.00 representing the undeposited Fiduciary Fund collections as of 30 April 2009;
- 3) Failure to deposit on time the Fiduciary Fund collections covering the period 3 March 2009 to 29 April 2009, amounting to ₱436,450.00; and
- 4) Failure to submit liquidation documents of the Sheriff's Trust Fund cash advance amounting to ₱35,000.00.

On 15 September 2009, then Court Administrator Jose P. Perez directed respondent to settle the shortage amounting to ₱54,531.20. The latter complied with the directive on 27 November 2009. Respondent also admitted her shortcomings to the OCA.

On account of another letter from a concerned employee dated 1 April 2010, the OCA ordered the conduct of another financial audit on allegations that respondent had misappropriated judiciary fund collection for her personal benefit. The scope of the second audit covered the period May 2009 to April 2010. The following shortages were noted by the audit team:

<b>Fund</b>	<b>Collections</b>	<b>Deposits</b>	<b>Shortage</b>
Fiduciary Fund	₱3,083,014.00	₱2,571,832.00	₱511,182.00
Sheriff's Trust Fund	₱ 417,000.00	₱ 395,000.00	₱ 22,000.00
Judiciary Development Fund	₱1,994,161.55	₱1,855,712.45	₱ 138,449.10

Based on the above findings, the OCA issued a Memorandum directing respondent to reconstitute the shortages found by the audit team and to furnish the Fiscal Monitoring Division, Court Management Office, OCA, copies of proofs of the settlements.

Respondent, in her Answer dated 31 May 2011, admitted her infractions and explained that the delay in her compliance was due to the death of her mother-in-law and the serious illness suffered by her son. She alleged that the shortages incurred as of 30 April 2010 were already settled. In response, the audit team noted that there were still discrepancies in the computations of respondent and emphasized that even after the audit, she continued to fail to deposit her collections promptly.<sup>1</sup>

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<sup>1</sup> Fourth page of the OCA report (no pagination).

On 5 September 2012, another audit was conducted by the OCA covering the financial transactions from May 2010 to August 2012. The audit team reported the following findings:

<b>Fund</b>	<b>Beginning Balance</b>	<b>Collections</b>	<b>Deposits</b>	<b>Shortage</b>
Fiduciary Fund	₱511,182.00	₱7,175,089.80	₱7,668,271.88	₱ 17,999.92
Sheriff's Trust Fund	₱ 20,000.00	₱1,394,800.00	₱1,396,300.00	₱ 18,500.00
Judiciary Development Fund	₱138,449.10	₱3,828,978.70	₱3,852,961.45	₱ 114,466.35

The team noted again that respondent had still incurred delay in the remittance of collections to the Fiduciary Fund, Special Allowance for the Judiciary Fund and Judiciary Development Fund (JDF) accounts.

#### **OUR RULING**

After a thorough and judicious examination of the case records, we adopt the findings of the OCA.

The 2002 Revised Manual for Clerks of Court, Circular No. 50-95 dated 11 October 1995 requires all Clerks of Court to submit to the Chief Accountant of this Court a quarterly report on the Court Fiduciary Fund. A copy of the report must be furnished to the OCA, indicating the outstanding balance maintained with the depository bank or local treasurer. The report should also indicate the date, nature and amount of all deposits and withdrawals within that period.

Administrative Circular No. 3-2000 dated 15 June 2000 requires that the daily collections for the Judicial Development Fund (JDF) must be deposited every day with the nearest Land Bank branch through a designated account number to which the deposit shall be made. If a daily deposit is not possible, the administrative circular instructs that the deposits be made at the end of every month, provided that if the JDF collection reaches ₱500, the money shall be deposited immediately before the period indicated.

The strict guidelines provided by the above-cited circulars emphasize the importance and the seriousness of the duty imposed upon Clerks of Courts, who manage and secure the funds of the Court. We have considered mere delay by the Clerks of Court or cash clerks in remitting the funds collected as gross neglect of duty or as grave misconduct. Thus, serious penalties were meted out to erring employees as illustrated in the cases cited by the OCA in its subject Memorandum.

We find that respondent Zerrudo has been remiss in her duty to promptly remit cash collections and to account for the shortages of court funds under her care. The OCA findings are not bereft of factual support, as shown by the following instances in which respondent was guilty of committing delays and incurring shortages:

In the instant case, respondent's failure to promptly remit cash collections and to account [for] shortages of court funds was discovered during the first financial audit on 24 May 2009, covering the transactions from 12 September 2007 to 30 April 2009; second audit on 27 May 2010 covered the transactions from 1 May 2009 to 30 April 2010, while the third audit on 6 September 2012, covered the transactions from 1 May 2010 to 31 August 2010. Despite the previous directives of the Court, respondent has repeatedly failed to faithfully perform her duties and responsibilities as custodian of courts funds which compromised the integrity of the judiciary in the eyes of the public.<sup>2</sup>

We understand the misfortunes experienced by respondent, such as the affliction suffered by her son and the demise of her mother-in-law. However, these do not constitute extenuating circumstances in those instances when respondent was remiss in her duties. She should be reminded that her duties and responsibilities as Clerk of Court are imbued with public trust; thus, she is expected to discharge them with utmost competence. In *OCA v. Nini*,<sup>3</sup> we had explained the duties and responsibilities of a Clerk of Court, especially in administering court funds, as follows:

Settled is the role of clerks of court as judicial officers entrusted with the delicate function with regard to collection of legal fees. They are expected to correctly and effectively implement regulations relating to proper administration of court funds. Clerks of court perform a delicate function as designated custodians of the court's funds, revenues, records, properties, and premises. As such, they are generally regarded as treasurer, accountant, guard, and physical plant manager thereof. It is also their duty to ensure that the proper procedures are followed in the collection of cash bonds. Clerks of court are officers of the law who perform vital functions in the prompt and sound administration of justice. Their office is the hub of adjudicative and administrative orders, processes and concerns. Hence, in case of a lapse in the performance of their sworn duties, the Court finds no room for tolerance and is then constrained to impose the necessary penalty to the erring officer. xxx Indeed, the Court zealously aims to safeguard the people's faith in the Judiciary by improving the route by which justice is served. Certainly, an officer who constantly bleats about the complexity of his responsibilities resultantly neglects his duties. Such an officer does not aid in the Judiciary's goal and must then bear the appropriate penalty.

It is hereby emphasized that it is the duty of clerks of court to perform their responsibilities faithfully, so that they can fully comply with

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<sup>2</sup> OCA Memorandum dated 7 January 2013, p. 6, signed by Jose Midas P. Marquez, Court Administrator, Raul Bautista Villanueva, Deputy Court Administrator and Marina B. Ching, OCA, Chief of Office, Court Management Office.

<sup>3</sup> A.M. No. P-11-3002, (Formerly A.M. No. 11-9-96-MTCC), 11 April 2012.

the circulars on deposits of collections. They are reminded to deposit immediately with authorized government depositaries the various funds they have collected because they are not authorized to keep those funds in their custody. The fact that the collected amounts were kept in the safety vault does not reduce the degree of defiance of the rules.

Respondent herself admitted that she has been remiss in her duties and we note her candid admissions of her infractions. However, the subject OCA report also noted that even after the financial audits were conducted, she continued to commit the same infractions. To our mind, this indicates her failure to perform her duties faithfully and with competence, as expected of a Clerk of Court. We cannot emphasize enough the seriousness of her responsibilities in administering and securing the funds collected. The malfeasance of respondent Zerrudo in this case is tantamount to defrauding her fellow employees as some of those funds, by law, help augment the salaries of judicial employees.

The administration of these funds entails strict compliance with the rules and guidelines provided by this Court through its concerned offices. All responsible officers are expected to follow strictly such guidelines and noncompliance therewith is sanctioned. These stringent rules were crafted to underscore an exacting duty of compliance imposed upon court personnel tasked in handling the funds of the judiciary.


Based on the evidence on record, we hereby **ADOPT** the findings and recommendations of the OCA as follows:

1) To **SUSPEND INDEFINITELY Mrs. Ma. Theresa G. Zerrudo**, Clerk of Court IV, Office of the Clerk of Court, MTCC, Iloilo City, for repeatedly committing infractions resulting in shortages and undeposited court collections, pending resolution of A.M. No. P-11-3006 (*Office of the Court Administrator v. Ma. Theresa G. Zerrudo, Clerk of Court, MTCC, Iloilo City [formerly A.M. No. 11-9-105-MTCC (Re: Final Report on the Financial Audit conducted at the Municipal Trial Court in Cities, Iloilo City)]*);

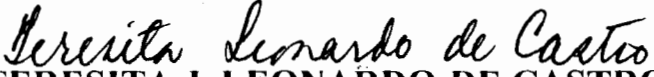
2) **Hon. Ma. Theresa E. Gaspar, Executive Judge**, MTCC, Iloilo City, is **DIRECTED** to designate an officer-in-charge/accountable officer in the Office of the Clerk of Court, MTCC, Iloilo City, vice Mrs. Ma. Theresa G. Zerrudo; and

3) The **Fiscal Monitoring Division**, Court Management Office, OCA, is **DIRECTED** to conduct a final audit on the cash accountabilities of Mrs. Ma. Theresa G. Zerrudo, COC IV, MTCC, Iloilo City, to determine her final accountability until the effectivity date of her suspension and to **SUBMIT** their findings within a period of 60 days from receipt of this Resolution.

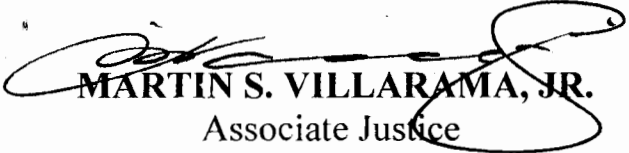
**SO ORDERED.**

  
**MARIA LOURDES P. A. SERENO**  
Chief Justice, Chairperson

WE CONCUR:

  
**TERESITA J. LEONARDO-DE CASTRO**  
Associate Justice

  
**LUCAS P. BERSAMIN**  
Associate Justice

  
**MARTIN S. VILLARAMA, JR.**  
Associate Justice

  
**BIENVENIDO L. REYES**  
Associate Justice