

May 28, 2010

MR. ESPERATO DEL SOCORRO  
Municipal Treasurer  
Municipal Hall  
Ronda, Cebu

Dear Mr. del Socorro:

This has reference to your letter dated May 28, 2010, requesting legal opinion on the unliquidated cash advances of local government officials and employees. As you reported, the sangguniang bayan of Ronda passed and approved a resolution directing you not to release the salaries of municipal officials and employees who have unliquidated cash advances.

It is provided in Section 179 of the Government Accounting and Auditing Manual that failure of accountable officer to liquidate his cash advance within the prescribed period shall constitute a valid cause for the withholding of the his salary or appropriate administrative action. In connection therewith, the Commission on Audit has issued a memorandum circular which empowers and imposes an obligation on the accountant to withhold the salary of an official or employees whose cash advances have remained unliquidated beyond the period provided by the rules. Hence, even without any directive, the accountant can withhold the salaries of local officials and employees who have unliquidated cash advances.

As regards the resolution of the sangguniang bayan of Ronda, it is not the proper party or body to issue such directive or order. It must be emphasized that the treasurer and the accountant are under the executive branch of the local government unit. They report to the local chief executive. On cash advances, it is provided in Section 183 of the Government Accounting and Auditing Manual that it shall be the responsibility of the head of the agency to ensure the proper granting, utilization and liquidation of all cash advances.

Truly yours,

PEDRO A. NOVAL, JR  
Regional Director