



DILG REGION V
**QUALITY
PROCEDURE (QP)**

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PROCEDURE TITLE	DISPOSAL OF UNSERVICEABLE PROPERTIES THRU AUCTION SALE	
SCOPE	This process starts from the receipt of Inventory and Inspection Report of Unserviceable properties (IIURP)/Waste Material Report (WMR) by the Chief Administrative Officer/Program Manager from the Regional Inventory Committee up to the dropping in the Books of Accounts in Accounting and Inventory Reports of the disposed properties.	
PURPOSE	To provide for standard procedure on how to dispose the unserviceable properties thru Auction Sale pursuant to Section 79 of PD 1445.	
PROCESS DESCRIPTION		
INPUT	PROCESS	OUTPUT
Inventory and Inspection Report of Unserviceable properties (IIURP)/Waste Material Report (WMR) Regional Inventory Committee	<div style="border: 1px solid black; padding: 10px; text-align: center;">Disposal of Unserviceable Properties thru Auction Sale</div>	Updated RPCPPE and FS Accounting and GSS
DESCRIPTIVE STATEMENT: After the conduct of the physical count of fixed assets and supplies, material and equipment, the Regional Inventory Committee comes up with a report of unserviceable properties and the waste material report. Disposal Committee takes charge in the disposal of the unserviceable properties.		

Step No.	Responsible Personnel	PROCESS/ACTIVITY	Details	References
1	Regional Inventory Committee	Prepare the Inventory and Inspection Report of Unserviceable Properties (IIRUP)	Prepare Inventory and Inspection Report of Unserviceable Property (IIRUP) for semi-expendable materials and equipment and non-expendable supplies, or Waste Material Report (WMR) for expendable materials, supplies and consumables including spare parts, empty containers and remnants from destroyed or damaged fixed assets. Provide a copy of the IIRUP/WMR to Chief, FAD of the Regional Office/ Program Managers of the Provincial Offices.	IIRUP WMR
2	Chief, FAD/Program Managers	Recommend to Regional Director/Provincial Director (RD/PD) the disposal of the unserviceable properties	Review, evaluate and verify the IIRUP/WMR Prepare Memorandum For RD/PD recommending approval to dispose the unserviceable properties with the IIRUP/WMR as attachments	Memo



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3	RD/PD	Issue Regional/Provincial Order creating a Disposal Committee, Appraisal Committee, Bids and Awards Committee for Disposal, and Disposal Secretariat	<p>* Issue Regional/Provincial Order creating the Disposal Committee, Appraisal Committee, Bids and Awards Committee for Disposal and Disposal Secretariat</p> <p>Direct the Disposal Committee to take charge of the disposal of the unserviceable properties</p> <p>Direct the Appraisal Committee to assist the Disposal Committee to inspect, classify, take photos in two (2) angles and appraise the value of the Unserviceable properties</p> <p>Direct the Bids and Awards Committee for disposal to determine the winning bidder</p> <p>Direct the Disposal Secretariat to document all proceedings in the sale of the unserviceable properties.</p> <p>Turn-over the IIRUP/WMR to Disposal Committee</p>	Regional/Provincial Order with functions and responsibilities of each committee
4	Chairman of the Disposal Committee	Convene the members of the committees	<p>Determine the series of activities in connection with the sale of unserviceable properties.</p> <p>Prepare the Proposed Schedule or Plan of Activities</p> <p>Submit for approval of RD/PD the Proposed Schedule or Plan of Activities</p>	
5	RD/PD	Approve or Disapprove the Plan or Schedule of Activities	<p>Approve recommended the Schedule or Plan of activities.</p> <p>(If disapproved, the Disposal Committee recommends other schedule/time lines).</p>	
6	Chairman of Disposal Committee	Convene the members of the Committees	Convene the committees and orient the committees regarding the scheduled/planned series of activities	
7	Disposal Committee	Conduct of inspection	<p>With the assistance of Appraisal Committee:</p> <p>Conduct the inspection of unserviceable properties</p> <p>Classify the unserviceable properties according to the following: -Equipment</p>	Appraisal Report is prepared by the Appraisal Committee and Approved by the Disposal Committee

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			<ul style="list-style-type: none">-IT ; like computers, CPU-Furniture and Fixtures-Laptops, etc <p>Take photos of the unserviceable properties in two (2) angles</p> <p>Appraise the value of the unserviceable properties</p> <p>Prepare and submit the Appraisal Report to RD/PD</p>	
8	Disposal Committee	Furnish COA with Schedule or Plan of Activities	<p>Furnish COA of the approved Schedule or Plan of Activities with an invitation for a COA representative to be present during the conduct of the series of activities</p> <p>Provide the following attachments to the Schedule/Plan of Activities furnished to COA:</p> <ul style="list-style-type: none">-IIRUP/WMR-Appraisal Report-Photos of unserviceable properties <p><i>(Note: The schedule of Opening of Bid shall be at least 5 days after the COA has been notified of the schedule).</i></p>	
9	BAC Secretariat	Post Notice of Auction Sale	<p>Post the Notice of Auction Sale in three (3) conspicuous places for the period of three (3) days.</p> <p>Send letters notifying prospective buyers regarding the scheduled auction sale.</p>	*Notice of Auction Sale
10	BAC Secretariat	Receive Bids	<p>* Receive sealed bid proposals during the scheduled date of the conduct of auction sale</p> <p><i>(Note: If the Auction Sale failed, The Notice of Auction Sale should be posted for another three (3) days. Negotiation may be resorted by the Disposal Committee with a prospective buyer after the conduct of Auction Sale failed for the second time)</i></p>	*Bid proposal
11	Bids and Awards Committee for Disposal	Opening of Bids	<p>Administer the opening of bids with the assistance of BAC Secretariat.</p> <p>Evaluate the bid offers</p> <p>Determine the highest bidder</p>	<p>Abstract of Bids to be signed by the Members of BAC for Disposal</p> <p>Minutes to be prepared by the BAC Secretariat</p>

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				and Approved by the Chairman of the BAC for Disposal
12	Disposal Committee	Recommendation of Highest Bidder	<p>Declare the highest bidder.</p> <p>Recommend to RD/PD through the issuance of Resolution the sale of the unserviceable properties to the highest bidder</p>	* Resolution that recommends the sale of the unserviceable properties to the Highest Bidder
13	RD/PD	Approve the Resolution	Approve the Resolution.	
14	BAC Secretariat	Prepare Notice of Award	<p>Prepare Notice of Award to the highest bidder*</p> <p>Endorse to RD/PD for approval</p> <p>Transmit to the highest bidder the Notice of Award</p>	Notice of Award
15	Cashier	Receive cash from winning bidder	<p>Issue Official Receipt for the cash received from the winning bidder</p> <p>(At Provincial Offices: Provincial Director requests the Regional Cashier to receive and issue an Official Receipt for the cash to be collected)</p> <p>Deposit the collection on the following day in Trust Account of the office.</p> <p>Prepare Collection and Deposit Report at the end of the month</p> <p>Forward to Accounting Section the Collection and Deposit Report</p>	<p>*Official Receipt</p> <p>* Collection and Deposit Report</p>
16	Disposal Committee	Issue Memorandum to Accountant Regional Inventory Committee and designated Regional Property Custodian	<p>At Regional Office</p> <p>-Issue Memorandum to :</p> <p>1) Regional Accountant to prepare the corresponding Journal Entry for the disposal of unserviceable properties</p> <p>2) Regional Inventory Committee to recognize the sale of unserviceable properties by dropping the disposed properties in the Report of Physical Count of Property, Plant and Equipment</p> <p>3) Regional Property Custodian to update the Property Cards</p> <p>At the Provincial Office</p>	<p>Attachments of the Memorandum:</p> <p>-Copy of Approved Resolution</p> <p>-Copy of Notice of Award</p> <p>-Copy of Official Receipt</p>

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			Issue Memorandum to 1) Regional Accountant to prepare the corresponding Journal Entry for the disposal of unserviceable properties 2) Regional Inventory Committee to recognize the sale of unserviceable properties by dropping the disposed properties in the Report of Physical Count of Property, Plant and Equipment 3) Regional Property Custodian to update the Property Cards (Note: The Memorandum should be coursed through the RD/PD)	
17	BAC Secretariat	Maintain file	Maintain file of all the documents in connection with the disposal of the unserviceable properties	

Definition of Terms:

1. Inventory and Inspection Report of Unserviceable Property (IIRUP)-a report prepared by the Property Unit as basis to record dropping from the books the unserviceable properties carried in the Property, Plant and Equipment Accounts
2. Waste Material Report (WMR) - a report of all waste materials such as destroyed spare parts and other materials considered scrap due to replacement.
3. Expendable - that may be consumed, spent or used-up such as supplies
4. Non-Expendable - that which cannot be consumed, spent or used-up such as equipment

Legal Basis:

Manual for Disposal of Unserviceable Properties

Prepared By	Reviewed By	Approved By
 NARCISA M. CLAVERON Administrative Officer V Process Owner	 ALFREDO L. SALLAN Chief-FAD Regional QMR	 ATTY. ARNALDO E. ESCOBAR JR, CESO V Assistant Regional Director Top Management

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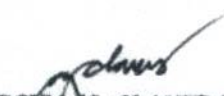

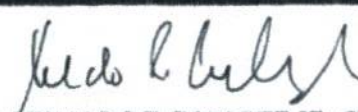
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**QUALITY
OBJECTIVE (QO)**

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OFFICE	Finance and Administrative Division
QUALITY PROCEDURE TITLE	DISPOSAL OF UNSERVICEABLE PROPERTIES THRU AUCTION SALE

Function	Key Performance Indicators (KPI)			Frequency of Monitoring Results	Responsible for Monitoring	Applicable Documents (e.g. Tracker, Monitoring Log Sheet, Summary Log Sheet, Report, Memo, etc.)
	Objective	Target	Indicator/Formula (If applicable)			
Facilitates the disposal of unserviceable properties	To dispose all unserviceable properties in accordance with Government Auditing and Accounting Rules and Regulations	90% of unserviceable properties are disposed with 90% accuracy	1) Number of items identified as unserviceable disposed Divided by Total number of items identified as unserviceable multiplied by 100% 2) Accuracy Rating: 0 AOM/NS/ND - 100% 1 AOM/NS/ND - 90% 2 AOM/NS/ND - 80% 3 AOM/NS/ND - 70%	Annually	CAO	IIRUP

Prepared By:	Reviewed By:	Approved By:
 NARCISA M. CLAVERON Admin. Officer V	 ALFREDO L. SALLAN Chief-FAD	 ATTY. ARNALDO E. ESCOBAR JR, CESO V Assistant Regional Director
Process Owner	Deputy QMR	Regional QMR

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DILG REGION V
**PROCESS QUALITY
EVALUATION (QME)**

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OFFICE	Finance and Administrative Division		
PROCEDURE TITLE	DISPOSAL OF UNSERVICEABLE PROPERTIES THRU AUCTION SALE		
OBJECTIVE STATEMENT	To dispose all unserviceable properties in accordance with Government Auditing and Accounting Rules and Regulations		
CURRENT PERIOD			
	INDICATORS	Results	Remarks
	Objective No. 1 : To dispose all identified unserviceable properties		
A	No. of Items sold		
B	No. of Identified Unserviceable Properties		
C	Formula: $A/B \times 100\%$ Target Result : 90%		
D	Gap Analysis: (In case the objective is not met, put your analysis why it is not met)		
	Objective No. 2: To dispose the properties in accordance with Government Auditing and Accounting Rules and Regulations in accordance with Government Auditing and Accounting Rules and Regulations		
A	Number of AOM/NS/ND issued by COA		
B	Accuracy Rating: Accuracy Rating: 0 AOM/NS/ND - 100% 1 AOM/NS/ND - 90% 2 AOM/NS/ND - 80% 3 AOM/NS/ND - 70%	Target Results: 90%	

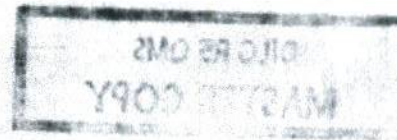
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C Gap Analysis: (In case the objective is not met, put your analysis why it is not met)



Note: For unmet targets of two (2) consecutive periods, concerned Deputy QMR initiate correction and corrective action using the Corrective Action Report (CAR) and attach it to this form.

Prepared By	Reviewed By	Approved By
 NARCISA M. CLAVERON Administrative Officer V Process Owner	 ALFREDO L. SALLAN CAO, FAD Chief Deputy QMR	 ATTY. ARNALDO E. ESCOBAR CESO V Assistant Regional Director Regional QMR

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FREQUENCY OF MONITORING: ANNUALLY

CURRENT PERIOD:**Total**

Result

Prepared By

Approved By _____

NARCISA M. CLAVERON

Administrative Officer V

Process Owner

ATTY./ARNALDO E. ESCOBÉR JR. CESO V

Assistant Regional Director

Regional QMR

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Name of Bureau/Service/Division: FAD/GSS

MASTERLIST OF RETAINED DOCUMENTED INFORMATION (MRDI)

DOCUMENT CODE	DOCUMENT TITLE	CUSTODIA N	LOCATION	FILING SYSTEM		RETENTION PERIOD			DISPOSAL
				FOLDER	SCHEME	ACTIVE	STORAGE	TOTAL	
Control of Document Procedure									
QP-R05-GSS-55	Committee on Disposal	GSS Unit	QMS Shelf 1	Compliance Report	By date	2 yrs	2 yrs	4 yrs	Auction sale
Process Performance Monitoring and Measurement Procedure									
FM-QP-R05-FAD-55-01	Log Sheet	GSS Unit	QMS Shelf 1	Log Sheet	By date	2 yrs	2 yrs	4 yrs	Auction sale
QME-QP-R05-FAD-55	Quality Monitoring and Evaluation	GSS Unit	QMS Shelf 1	QME	By date				
Management Review Procedure									
Memorandum COA Circular 86-264	Guidelines on Disposal of Assets	GSS Unit	QMS Shelf 1	Memorandum Circular	By date	2 yrs	2 yrs	4 yrs	Auction sale
Executive Order 309	Creation of Disposal Committees and Secretariat	GSS Unit	QMS Shelf 1	Executive Order	By date	2 yrs	2 yrs	4 yrs	Auction sale

Prepared by:	Noted by:
 NARCISA M. CLAVERON Administrative Officer V Process Owner	 ATTY. ARNALDO E. ESCOBAR JR, CESO V Assistant Regional Director Regional QMR

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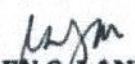
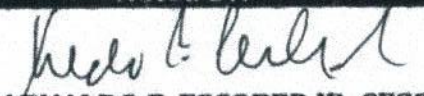
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Name of Bureau/Service/Division: **FAD/GSS**

MASTERLIST OF MAINTAINED EXTERNAL DOCUMENTED INFORMATION (MMEDI)

DOCUMENT CODE	DOCUMENT TITLE	REVISION/EDITION					
Disposal of Unserviceable Properties thru Auction Sale							
COA Circular 86-264	Guidelines on the Disposal						
Excecutive Order 309	Creation of Disposal Committee and secretariat						

Prepared by:	Noted by:
 EDEN S. LANUZA Information Officer I Regional Document Controller	 ATTY. ARNALDO E. ESCOBAR JR, CESO V Assistant Regional Director Regional QMR

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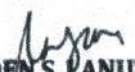
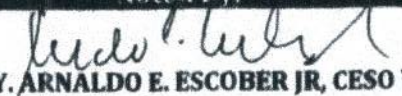
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DOCUMENT CODE	DOCUMENT TITLE	REVISION					
		00	01	02	03	04	05
Disposal of Unserviceable Properties thru Auction Sale							
Regional Order	Constitution of Disposal Committee						
Letter to the Regional Accountant	Letter Informing the list of items disposed for dropping it to the books						
Advertisement	Advertising the conduct of disposal						

Prepared by:	Noted by:
 EDEN S. LANUZA IT Officer I	 ATTY. ARNALDO E. ESCOBAR JR, CESO V Assistant Regional Director
Regional Document Controller	Regional QMR

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DILG REGIONAL OFFICE V
RISK REGISTER (OBJECTIVE RISK ASSESSMENT)

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DIVISION **FINANCE AND ADMINISTRATIVE DIVISION**
PROCEDURE TITLE **DISPOSAL OF UNSERVICEABLE PROPERTIES THRU AUCTION SALE**

OBJECTIVE	RELEVANT ISSUE(S)	RELEVANT INTERESTED PARTIES (refer to IP Matrix for Requirements)	POTENTIAL RISK or OPPORTUNITY	RISK TRIGGER (N/A FOR OPPORTUNITY)	CONSEQUENCE (RISK) / BENEFIT (OPPORTUNITY)	EXISTING RISK CONTROL MEASURE (N/A FOR OPPORTUNITY)	RISK ASSESSMENT					RISK CONTROL PLAN/ OPPORTUNITY MANAGEMENT PLAN NO. (For Significant Risk/Opportunity)
							IMPACT	LIKELIHOOD	RATING	RISK / OPPORTUNITY LEVEL (S, NS)	TYPE OF ACTION	
To dispose all unserviceable properties in accordance with the Government Auditing and Accounting Rules and Regulations	High appraisal value of the unserviceable properties	Disposal Committee	Limited bidders	The unserviceable properties cannot be recycled	Not all unserviceable properties are disposed	Review of the appraised value of unserviceable properties	2	4	8	NS	Maintain and sustain the existing control	

RISK ASSESSMENT:	RISK RATING	RISK LEVEL	RISK DESCRIPTION	ACTION REQUIRED
IMPACT: 1-Insignificant; 2-Minor; 3-Moderate; 4-Major; 5-Extreme	1 - 7	Low	Not Significant (NS)	No further action required (Maintain and sustain the existing control)
LIKELIHOOD: 1-Rare; 2-Unlikely; 3-Moderate; 4-Likely; 5-Almost Certain	8 - 9	MODERATE	Not Significant (NS)	Alert level (Maintain and sustain the existing control)
Risk/Opportunity Rating = Impact X Likelihood	10 - 25	High	Significant (S)	Control (e.g. Avoid or Treat/ Mitigate, Transfer, Terminate)

Prepared by: NARCISA M. CLAVERON Administrative Officer V Process Owner	Reviewed by: ALFREDO T. SALLAN Chief-FAD Risk Review Committee Head	Approved by: ATTY. ARNALDO E. ESCOBAR, JR., CESO V Assistant Regional Director Regional QMR
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RISK REGISTER (PROCESS RISK ASSESSMENT)

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DIVISION

FINANCE AND ADMINISTRATIVE DIVISION

PROCEDURE TITLE

DISPOSAL OF UNSERVICEABLE PROPERTIES THRU AUCTION SALE

PROCESS STEP (Based on the procedure's key process steps)	POTENTIAL RISK	RISK TRIGGER	CONSEQUENCE (Positive or Negative)	EXISTING RISK CONTROL MEASURE	RISK ASSESSMENT					
					IMPACT	LIKELIHOOD	RATING	RISK / OPPORTUNITY LEVEL (S, NS)	TYPE OF ACTION	RISK CONTROL PLAN / OPPORTUNITY MANAGEMENT PLAN NO. (For Significant Risk/Opportunity)
Appraise the value of the unserviceable properties	The Appraisal Committee has no knowledge on how to appraise the value of unserviceable properties	Members of the Appraisal Committee	The unserviceable properties may be given an inappropriate value	Appraisal Committee are required to attend an orientation on how appraise the unserviceable properties	3	3	9	NS	Maintain and sustain the existing control	

RISK ASSESSMENT:	RISK RATING	RISK LEVEL	RISK DESCRIPTION	ACTION REQUIRED
IMPACT: 1-Insignificant; 2-Minor; 3-Moderate; 4-Major; 5-Extreme	1 - 7	LOW	Not Significant	No further action required (Maintain and sustain)
LIKELIHOOD: 1-Rare; 2-Unlikely; 3-Moderate; 4-Likely; 5-Almost Certain	8 - 9	MODERATE	Not Significant	Alert level (Maintain and sustain the existing control)
Risk Rating = Impact X Likelihood X Detection	10 - 25	HIGH	Significant	Control (e.g. Avoid or Treat/Mitigate, Transfer,

Prepared by:	Reviewed by:	Approved by:
 NARCISA M. CLAVERON Administrative Officer V Process Owner	 ALFREDO T. SALLAN Chief-FAD Risk Review Committee Head	 ATTY. ARNALDO E. ESCOBAR, JR., CESO V Assistant Regional Director Regional QMR

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