



EXECUTIVE ORDER NO. 4
Series of 2023

CREATING THE PROPERTY INVENTORY, APPRAISAL AND DISPOSAL COMMITTEE OF THE PROVINCIAL GOVERNMENT OF DAVAO ORIENTAL, PROVIDING FOR ITS COMPOSITION, DUTIES AND FUNCTIONS, AND FOR OTHER PURPOSES

WHEREAS, it is the declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with laws and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The responsibility to take care that such policy is faithfully adhered to rests directly with the chief or head of the government agency concerned. (*Sec. 2, P.D. No. 1445*);

WHEREAS, in local governments, supply and property management is one such responsibility primarily vested on and exercised by the local chief executive (LCE) through a cycle consisting of several phases — procurement, utilization (custodianship), and disposal (destruction or sale);

WHEREAS, pursuant to the above-cited Act, the Commission on Audit (COA) issued Circular No. 92-386 prescribes *the rules and regulations on supply and property management in the local government units (LGUs) by providing for an improved system of procurement, care, utilization, custody, and disposal of its supplies and property*;

WHEREAS, Sec. 156, Rule 20, Title IV thereof, provides that *the LCE shall require an annual physical inventory of all supplies or property of the LGU to be conducted by a Committee, while relatedly, Section 124, Chapter 7, Vol. I of the Manual on the New Government Accounting System (NGAS) for LGU states that the LCE shall require periodic physical inventory of supplies or property, physical count of inventory items by type conducted semestraly, and physical count of PPE by type made annually*,

WHEREAS, COA Circular No. 2020-006 sets forth *the guidelines and procedures on inventory taking, recognition of those found at station and disposition for non-existing / missing property, plant and equipment (PPE) items for one-time cleansing of PPE accounts of government agencies to establish PPE balances that are verifiable as to existence, condition and accountability, which shall be conducted by an Inventory Committee created by the Head of Agency for the purpose*;

WHEREAS, Section 1 of Executive Order No. 888 and COA Circular No. 89-296 states that *the full and sole authority and responsibility for the divestment or disposal of property and other assets owned by the national, corporate and LGUs including its subsidiaries, shall be lodged in the heads of the departments, bureaus and offices or governing bodies or managing heads of concerned entities*;

WHEREAS, the provisions under Title V of COA Circular No. 92-386 establishes the general policy, procedures and systems governing the disposal activities or the proper disposition of government property that are unserviceable, obsolete, confiscated/forfeited/seized, abandoned, excess or surplus to its needs, or junk/scrap materials and equipment;

WHEREAS, the Dept. of Budget and Management (DBM) issued the Manual on the Disposal of Government Property by virtue of National Budget Circular (NBC) No. 405 dated January 28, 1992, which stipulates, among others, the creation of a Disposal Committee;

NOW, THEREFORE, I, CORAZON T. NUÑEZ-MALANYAON, Governor of the Province of Davao Oriental, by virtue of the powers vested in me by pertinent laws, do hereby ORDER the following:

SECTION 1. *Creation and Composition.* – The Property Inventory, Appraisal and Disposal Committee (PInADisCo) of the Provincial Government of Davao Oriental is hereby created and shall have the following composition, namely:

Chairman	:	Maria Gracia M. Tiago, RN Provincial Administrator, PAdO
1 st Vice-Chairman	:	Mario L. Gentiles, MPA, GA Provincial General Services Officer, PGSO
2 nd Vice-Chairman	:	Engr. Maria Eleonor R. Serrano, CE OIC-Provincial Assessor, PASSO
3 rd Vice-Chairman	:	Atty. Lady Hope J. Macayra Provincial Legal Officer, PLO

Members:

Hon. Joselito B. Villademos
Chairman, SP Committee on Infrastructure
Emelia C. Barrera, CPA, MPA
Provincial Accountant, PACCO
Freddie C. Bendulo, REB, MPA
Prov'l Planning & Dev't Coordinator, PPDO
Mr. Romeo A. Kwan Tiu, CPA
Asst. Provincial Treasurer, PTO
Engr. Esteban T. Silvosa, Jr., CE
Motorpool In-Charge, PEO

Observer: **COA Provincial Auditor**

During their initial gathering, the members of the PInADisCo shall determine internal matters such as the schedule and frequency of their meetings, determination of quorum, and the like, so as to establish order and system in the conduct thereof.

SECTION 2. *Duties and Functions.* – Except for the procurement phase, the duties and functions of the PInADisCo shall cover all the other phases of the supply and property management cycle in the LGUs.

Property Inventory: The 1st Vice-Chairman shall be the responsible/accountable officer for this function of the PInADisCo, and shall assume the lead role in the performance of its duties and tasks.

The Committee shall conduct an actual physical count or inventory of all property, plant and equipment (PPE) of the Provincial Government of Davao Oriental at least once a year, which shall be witnessed by the COA Provincial Auditor (or duly-authorized representative). For this purpose, it shall be the duty of the Provincial General Services Office (PGSO) to inform and invite the Provincial Auditor of the scheduled inventory to be undertaken.

It shall be responsible for the actual count to ascertain the existence, completeness and condition of all PPEs owned by the PLGU. The condition of the PPEs shall be indicated clearly, such as: in good condition, needing repair, unserviceable, obsolete, junk/scrap, no longer needed, not used since purchase, and others.

In relation to the conduct of physical count for the one-time cleansing of PPE account balances of government agencies, the Committee shall observe the guidelines/procedures prescribed by the COA for the purpose, per Circular No. 2020-006 dated January 31, 2020, which is hereby adopted and made a part of this Order as Annex "A".

After the physical inventory, the Committee shall reconcile the results of the activity with the property and accounting records of the Provincial Accountant's Office (PACCO). Any discrepancies or losses which may be discovered as a result of the inventory shall be immediately and appropriately addressed pursuant to applicable laws and issuances.

Upon completion of the physical count, the Committee shall prepare the Report on Physical Count on Property, Plant and Equipment (RPCPPE), using the prescribed format under the Accounting Manuals. The inventory report shall be certified correct by the Committee, attested by witnesses from COA and/or IAS, subject to the approval of the Provincial Governor.

Property Appraisal: The 2nd Vice-Chairperson shall be the responsible/accountable officer for this function of the PInADisCo, and shall assume the lead role in the performance of its duties and tasks.

The Committee shall conduct appraisal either to (a) establish valuation of the inventory or determine unit value/cost of the articles/items counted or the total cost of an asset, or to (b) attain more realistic valuations to ensure that the PLGU recovers a fair return from the disposal of its properties.

In relation to item (a), the Committee shall follow the appraisal procedure provided under paragraphs 6.2.11 and 6.2.12(a) and (b) of COA Circular No. 2020-006 (Annex "A").

In relation to item (b), the Committee shall observe the Revised Guidelines on Appraisal of Government Properties except Real Estate, Antique Property and Works of Art prescribed by the COA via Memorandum No. 98-569-A dated Aug. 5, 1998, which is hereby adopted and made a part of this Order as Annex "B". The PInADisCo shall conform its appraisal activities in accordance with the following three (3) procedures, to wit:

- Conduct ocular inspection of the unserviceable, obsolete, confiscated/forfeited/seized, abandoned, excess or surplus to its needs, or junk/scrap materials and equipment to be appraised to assess its physical condition and determine condition ratings.
- Seek price reference information.
- Compute the appraised value by following the revised formulae on appraisal of gov't properties, except real estate, antiques and works of art.

Property Disposal: The 3rd Vice-Chairperson shall be the responsible/accountable officer for this function of the PInADisCo, and shall assume the lead role in the performance of its duties and tasks.

The Committee, through the Provincial General Services Officer, shall file an application for disposal to the COA Auditor, supported with appropriate documents.

The COA Auditor shall inspect the items and determine whether the items are with or without value and forwards his/her recommendation to the Provincial Governor, who shall then endorse the same to the Committee.

The Committee shall recommend to the Provincial Governor the mode of disposal as appropriate and deemed most advantageous to the Provincial Government, and thereafter supervise the public auction to sell the unserviceable property found to be valuable to the highest bidder. The Awardee/Highest Bidder shall pay, claim and withdraw the property.

It shall furnish the COA Auditor with the schedule or notice of opening of bids and the condemnation/destruction of government property, when applicable, a at least five (5) days before the scheduled time.

In carrying out its duties and tasks relative to this function, the PInADisCo shall be guided by COA Circular No. 92-386 dated October 20, 1992, which prescribed the rules/regulations on property and supply management in the LGUs, particularly Title V, Rules 21-29, Sections 162-193 thereof on Disposal of Supplies or Property. The cited provisions of the Circular is hereby adopted and made a part of this Order as Annex "C".

SECTION 3. *Technical Working Group and Secretariat.* – In the pursuit of its duties and functions, the Committee may formulate their own rules, guidelines and procedures, which shall be approved by the Provincial Governor and disseminated. The PInADisCo is authorized to form its own Technical Working Group (TWG) and/or Secretariat, to assist in the prompt conduct of its affairs.

The Secretariat shall handle administrative matters and provide support services to the Committee, including but not limited to, preparing/disseminating of notice of meetings, taking down and generating minutes of meetings, resolutions, letters and other forms of correspondence, producing/reproducing and disseminating documents and reports pertinent to the property inventory, appraisal and disposal activities of the Committee. It shall also be the central repository of all PInADisCo documents and records, and as such, shall be responsible for the safekeeping and systematic filing thereof.

The TWG shall provide technical or specialized assistance/support to the Committee in the conduct of inventory, appraisal/valuation of disposable properties, and disposal thereof through public auction. It shall be composed of at least five (5) but not more than seven (7) members, subject to the sound discretion of the Committee members.

To the extent possible, members of the TWG shall be sourced out from existing personnel of the Provincial Government, their selection to which shall be based on the knowledge, skill and familiarity required by the functions of the Committee.

The Committee shall submit the names of its recommended provincial employees as Secretariat and TWG members, for approval of the Provincial Governor and issuance of appropriate designation order.

SECTION 4. *Funding and Operating Costs.* – All costs to be incurred in Committee operations including the payment of honoraria, incidental and other expenses to its members, and its Secretariat and TWG, shall be taken from available funds of the Provincial Government, subject to the usual accounting and auditing rules and regulations.

SECTION 5. *Separability Clause.* – If any provision of this Executive Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 6. *Repealing Clause.* – All previous issuances or parts thereof, inconsistent with the provisions of this Order are hereby repealed, amended and modified accordingly.

SECTION 7. *Effectivity.* – This Executive Order shall take effect immediately.

DONE in the City of Mati, Province of Davao Oriental, Philippines, this 19 day of January, in the year of Our Lord, Twenty Hundred and Twenty-Three.


CORAZON T. NUNEZ-MALANYAON
Governor