Republic of the Philippines
Department of Education
REGION I
SCHOOLS DIVISION OF VIGAN CITY

04 AUG 2026

Office of the Schools Division Superintendent

DIVISION MEMORANDUM
No. 608 s. 2026

RECONSTITUTION OF THE COMPOSITION OF SDO-VIGAN CITY DISPOSAL AND APPRAISAL COMMITTEE

To: Office of the ASDS
Chief Education Supervisors (CID & SGOD)
Section and Unit Heads
Division Architect
School Heads (Public Elementary and Secondary Schools)
All Others Concerned

1. Section 79 of Presidential Decree 1445 on the "Government Auditing Code of the Philippines" states that government property which has become unserviceable for any cause or no longer needed shall, upon application of the officer accountable therefore, be inspected by the head of the agency or his duly authorized representative.

2. Further, Executive Order 309 s.1996 on the "Reconstituting the Disposal Committee Created Under EO No. 285" and Executive Order 888 s.1983 on the "Authorizing Ministers and Heads of Ministries /Agencies to Dispose of their Respective Unserviceable Equipment and Disposable Property", mandates the creation and constitution of a Disposal Committee to expedite the disposal on unserviceable equipment and property of the government to avoid further deterioration especially those exposed to the elements.

3. Subsequently, DepEd Order No. 56, s. 1997 titled "Reconstituting the DECS Disposal Committee" was issued providing support to the government policy on the creation of a Disposal Committee in all regional and division offices of the Department to expedite the disposal of unserviceable, obsolete and/or excess equipment, supplies and materials and properties.

4. In addition, Joint Circular No. 2024-1 dated January 30, 2024 of Commission on Audit (COA) and Department of Budget and Management (DBM) on the Revised Manual on the Disposal of Government Properties, and for the purpose of disposing various unserviceable equipment and waste materials of this Division.

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5. Pursuant to the above provisions of law, the Schools Division of Vigan City Disposal and Appraisal Team is reconstituted as follows:

SCHOOLS DIVISION OF VIGAN CITY
DISPOSAL and APPRAISAL COMMITTEE

NAME	DESIGNATION
Chairperson	
Annie D. Pagdilao, EdD, CESO VI	Asst. Schools Division Superintendent
Members	
Daisy A. Ancheta	Administrative Officer V
Maria Bernadette R. Sarmiento	Administrative Officer IV
Representative from Inventory Committee	
Christopher Michael T. Gasmen	Accountant III
Eric L. Tapat	Information Technology Officer I
Allan Q. Barrientos	Librarian II
DepEd Project Engineer/Architect	
Secretariat	
Giro Anthony P. Flandez	Administrative Aide VI

6. The power and functions of the Disposal and Appraisal Committee:

6.1 The Disposal and Appraisal Committee shall ensure the speedy process of disposal of properties in accordance with the relevant laws, rules and regulations in order to ensure that:

a. Continuing / carrying inventory costs of the government is eliminated;
b. Accountable employees are relieved of unnecessary and/or excess accountability; and
c. Schools Division Office of Vigan City and all public schools under this Division are effectively decongested from properties for disposal.

6.2 Specifically, the Disposal and Appraisal Committee shall undertake the following:

a. Inspect, appraise, and undertake valuation activities as a group or individually;
b. Set the final appraised value of the properties for disposal;
c. Determine the appropriate mode of disposal and recommend the same to applicable authorities as enumerated above for approval
d. Undertake the disposal proceedings for the properties, e.g conduct of public auction, condemnation/destruction of properties, among others, on an "as is, where is" basis;
e. Ensure that properties for disposal do not include materials not intended for disposal;

f. Ensure the extraction, proper storage, and security of confidential data stored in information and communications technology (ICT) or electronic equipment before disposal;
g. Perform other related functions that may be assigned by the Chairperson of the Disposal and Appraisal Committee.

7. The Secretariat of the Disposal and Appraisal Committee shall perform the following functions:

a. Provide technical and administrative support to the Disposal and Appraisal Committee;
b. Organize and make all necessary arrangements for the meetings and conferences of the Disposal and Appraisal Committee;
c. Prepare minutes of the meeting and resolutions of the Disposal and Appraisal Committee and certify the same as true and correct;
d. Receive and take custody of documents and other records and ensure that all actions undertaken by the Disposal and Appraisal Committee are properly documented;
e. Draft correspondences and other communications for review/signature of the Chairperson;
f. Manage the sale and distribution of public auction documents or any other relevant disposition documents to interested bidders, with the approval of the Chairperson of the Disposal and Appraisal Committee or its authorized representative;
g. Advertise and/or post disposal opportunities, subject to the approval of the Chairperson or its authorized representative;
h. Assist in managing the disposal process:
i. Monitor activities and milestones for proper reporting to relevant agencies when required;
j. Act as the central channel of communications for the Disposal and Appraisal Committee and bidders or buyers, and the general public; and
k. Perform other related functions that may be assigned by the Chairperson of the Disposal and Appraisal Committee.

8. Immediate dissemination of and strict compliance with this Memorandum is directed.

VILMA D. EDA, CESO V
Schools Division Superintendent

SCHOOLS DIVISION OF DEPED VIGAN CI
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BY:

References:
PD 1445, EO 888 s. 1983, EO 309 s. 1996, DepEd Order 56, s. 1997
DBM-COA JC No. 2024-1

Joint Circular No. 2024-01 (DBM-COA)

Revised Manual of the Disposal of Government Properties

PART II. DISPOSAL ACTIVITIES/PROCESSES

A. Constitution of the Disposal Committee

1.0 Organization

1.1 The heads of departments/agencies/GCs/SUCs/LGUs shall constitute a Disposal Committee in their respective organizations, which shall be composed of the following:

Chairperson	An official with a rank or function not lower than an Assistant Secretary for a Department, Director III for an agency lower than a Department, Department Manager for a GC, Department Head I for an LGU, or their equivalent for SUC
Members	Head of the department's/agency's administrative service/division, or head of the GC's/SUC's/LGU's equivalent organizational unit Head of the Property Section/Unit

The heads of regional offices (ROs) and/or field offices (FOs) shall likewise constitute their respective Disposal Committees.

1.2 Accordingly, the constitution of the Disposal Committee shall be approved by their respective authorities, as follows:

Government Entity	Approving Authority
Department, RO and/or FO under the Department	Department Secretary
Attached agency, RO and/or FO under the agency	Head of Agency or duly authorized official
GC and SUC	Governing Board or duly authorized official
LGUs	Local Chief Executive

1.3 As may be needed, additional personnel may be designated as members ofthe Disposal Committee, provided that the core composition as stated above shall be retained.

1.5 In cases where agencies are still conducting one-time cleansing of their PPEs for the purposes indicated in COA Circular No. 2020-006,[6] the Disposal Committee shall include representative/s from the previously constituted Inventory Committee, e.g., property, accounting section/unit.

2.0 **Powers and Functions of the Disposal Committee**

2.1 The Disposal Committee shall ensure the speedy process of disposal of properties in accordance with relevant laws, rules and regulations in order to ensure that:

a. Continuing/carrying inventory costs of the government is eliminated;
b. Accountable employees are relieved of unnecessary and/or excess accountability; and
c. Government offices are effectively decongested from properties for disposal.

2.2 Specifically, the Disposal Committee shall undertake the following:

a. Inspect, appraise, and undertake valuation activities as a group or individually;
b. Set the final appraised value of the properties for disposal;
c. Determine the appropriate mode of disposal and recommend the same to the applicable authorities as enumerated above for approval;
d. Undertake the disposal proceedings for the properties, e.g., conduct of public auction, condemnation/destruction of properties, among others, on an "as is, where is" basis;
e. Ensure that properties for disposal do not include materials not intended for disposal;
f. Ensure the extraction, proper storage, and security of confidential data stored in information and communications technology (ICT) or electronic equipment before disposal; and
g. Perform other related functions that may be assigned by the head of the government entity/RO/FO concerned.

2.3 The Disposal Committees of the respective government entity may develop their internal rules and procedures (IRP) subject to the approval of the applicable authorities as enumerated in the succeeding item 2.5 hereof, provided that the IRP is consistent with the provisions in this revised Manual.

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[6] Guidelines and Procedures in the Conduct of Physical Count of Property, Plant and Equipment (PPE), Recognition of PPE Items Found at

In case of inconsistencies between the revised Manual and the IRP, the provisions in the revised Manual shall prevail.

2.4 The Disposal Committee of the Central Office shall recommend to the Department Secretary, for approval, the threshold amount and/or parameters for properties of the ROs and/or FOs for disposal that shall be approved at the Department level vis-a-vis those that could be approved at the RO level.

2.5 The recommendations of the Disposal Committees for disposal shall be approved by the following:

Office	Approving Authority
NGAs • Central Office • RO and FO* • Attached Agency*	 • Department Secretary • Head of the RO concerned • Head of the Agency
GCs • Central Office • RO and FO*	 • Governing Board or its duly authorized official • Head of the RO concerned
SUCs	• Governing Board or its duly authorized official
LGUs	• Local Chief Executive concerned

**Subject to regular reporting to the Department Secretary/Head of the Agency concerned*

2.6 The Disposal Committee Chairperson shall call the meetings of the Committee and initiate the activities in the disposal process. In case of conflicts or differences among the Committee members, especially regarding appraised values, the Chairperson shall make the final decision and the recommendation shall be submitted to the head of the government entity/RO/FO for approval, as the case may be.

2.7 The members are authorized to make decisions on behalf of their respective offices during the Committee deliberations.

3.0 Disposal Committee Secretariat and Its Powers and Functions

3.1 The Committee shall be assisted by a Secretariat composed of the department/agency unit handling asset management, i.e., Property Division/Section/Unit or its equivalent.

3.2 In the absence of the aforementioned, such as in the case of ROs and FOs with a limited number of personnel, the head of the office shall assign existing employees to provide secretariat services to the Disposal Committee.

3.3 The Secretariat of the Disposal Committee shall undertake the following:

a. Provide technical and administrative support to the Disposal Committee;
b. Organize and make all necessary arrangements for the meetings and conferences;
c. Prepare the agenda for meetings, as determined by the Chairperson and based on the recommendation of the members of the Committee;
d. Prepare minutes of meetings and resolutions of the Disposal Committee and certify the same as true and correct;
e. Receive and take custody of documents and other records and ensure that all actions undertaken by the Disposal Committee are properly documented;
f. Draft correspondences and other communications for review/signature of the Chairperson;
g. Manage the sale and distribution of public auction documents or any other relevant disposition documents to interested bidders;
h. Advertise and/or post disposal opportunities;
i. Assist in managing the disposal process;
j. Monitor activities and milestones for proper reporting to relevant agencies when required;
k. Act as the central channel of communications for the Disposal Committee and bidders or buyers, and the general public; and
l. Perform other related functions that may be assigned by the Chairperson of the Disposal Committee.

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF EDUCATION, CULTURE AND SPORTS
Arroceros Avenue, Pasig City

July 28, 1997

OFFICE OF THE SECRETARY
DECS ORDER
No. 56, s. 1997

RECONSTITUTING THE DECS DISPOSAL COMMITTEES

To: Bureau Directors
Regional Directors
Schools Superintendents

1. In line with the national government's policy to expedite the disposal of unserviceable, obsolete and/or excess equipment, supplies and materials and properties of the government to avoid further deterioration, especially those exposed to the elements, a Disposal Committee is hereby organized in all the regional and division offices of the DECS, as mandated in Executive Order No. 285, s. 1995 of the President of the Philippines, entitled "Reconstituting the Disposal Committee Created Under E.O. No. 285" (copy inclosed).

2. The Reconstituted Disposal Committee shall be composed of the following:

A. Regional Office

Chairman – Regional Director
Member – Regional Administrative Officer
Member – Head, Property Unit

B. Division Office

Chairman – Schools Division Superintendent
Member – Division Administrative Officer
Member – Head, Property Unit

3. As envisioned in this Order, disposal shall refer to the manner or scheme of taking away, depriving, withdrawing of an authority, power of title. Disposal connotes divestment and/or withdrawal of such possession and title (Black's Law Dictionary, Rev. 4th Edition; Webster's New School/Office).

4. Pursuant to existing laws on the matter, the full and sole responsibility for the divestment or disposal of property and other assets owned by the DECS shall be lodged in the Disposal Committees, following the prescribed audit guidelines of the Commission on Audit (COA) as enumerated in COA Circular No. 89-296 dated January 27, 1989 (copy inclosed) and other issuances relative thereto, except Section VII on COA Role During Disposal). (Copy Inclosed)

5. Strict compliance with this Order is desired.

RICARDO T. GLORIA
Secretary

Incls.:
As stated

Reference:
None

Allotment: 1--(D.O. 50-97)

To be indicated in the Perpetual Index
under the following subjects:

COMMITTEES
LEGISLATIONS
OFFICIALS

EXECUTIVE ORDER NO. 888 March 18, 1983

AUTHORIZING MINISTERS AND HEADS OF MINISTRIES/AGENCIES TO DISPOSE OF, THEIR RESPECTIVE UNSERVICEABLE EQUIPMENT AND DISPOSABLE PROPERTY

WHEREAS, there are now existing in the various Ministries/Agencies of the Government and their respective field offices throughout the country considerable quantity of unserviceable equipment and property deteriorating and exposed to the elements;

WHEREAS, a more expeditious disposal procedure of unserviceable equipment and property deteriorating and exposed to elements;

WHEREAS, a more expeditious disposal procedure of unserviceable equipment and property is necessary in order to check further deterioration;

WHEREAS, the defunct Ministry of Public Highways has been authorized under Presidential Decree No. 147, as amended by Presidential Decree No. 494, to dispose of, all its unserviceable equipment and property;

WHEREAS, to further facilitate disposal of unserviceable equipment and property of all Ministries/Agencies of the Government, there is a need to prescribe a uniform and expeditious procedure of government property disposal;

WHEREAS, to attain this objective, there is a need to authorize all Ministers and Heads of Ministry/Agency to dispose of, all their unserviceable equipment and property in the same manner that the defunct Ministry of Public Highways has been so authorized;

EXECUTIVE ORDER NO. 309 March 8, 1996

RECONSTITUTING THE DISPOSAL COMMITTEE CREATED UNDER E.O. NO. 285

WHEREAS, Executive Order No. 285 was issued on July 25, 1987 creating the Disposal Committee in the national level to be composed of the representative of the owning agency as Chairman, with the representatives of the Commission on Audit (COA) and Department of Budget and Management (DBM) as members, and also creating the Regional Disposal Committees to be composed of the representatives of the regional owning agency as Chairman, and the representatives of the COA Regional Office and DBM Regional Office as Members;

WHEREAS, there is a need to expedite the disposal of unserviceable equipment and property of the government to avoid further deterioration, especially those exposed to the elements;

WHEREAS, COA has withdrawn from being a Member of such Disposal Committees due to the lifting of all pre-audit activities as mandated by Section 2(2), Article IX-D of the Constitution and in so doing, there is now an urgent need to reconstitute the members thereof;

WHEREAS, pursuant to the provisions of Section 10 of the General Provisions of RA. No. 8174, the disposal of unserviceable,. obsolete and/or excess equipment, supplies and materials is the responsibility of the respective owning department/agency;

NOW THEREFORE, I, FIDEL V. RAMOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and ordain the reconstitution of the Disposal Committee created in each Department, bureau, office or agency under Executive Order No. 285, as follows:

SECTION 1. Reconstitution of Disposal Committees. Pursuant to R.A. No. 8174, the Disposal Committees created under E.O. No. 888 as amended by E.O. No. 285 dated July 25, 1987 in each Department bureau, office or agency are hereby reconstituted as follows:

Chairman C A senior official with a rank not lower than the level of an Assistant Secretary for a department and Assistant Director for a bureau/agency or department manager for a GOCC.

Member C Head of the Department's administrative service or head of agency's administrative division or head of the GOCC's equivalent organizational unit.

Member C Head of the property unit.

SEC. 2. Repealing Clause. All executive orders, rules, regulations other issuances or part thereof, which are inconsistent with this Executive Order, are hereby repealed or modified accordingly.

SEC. 3. Effectivity Clause. This Executive Order shall take effect immediately.

DONE in the City of Manila, 8th day of March in the year of Our Lord, Nineteen Hundred and Ninety-Six.

Republic of the Philippines
Department of Education
REGION I
SCHOOLS DIVISION OF VIGAN CITY

2407-696

DIVISION MEMORANDUM
No. 210 s. 2024

REVISED COMPOSITION OF SDO VIGAN CITY INVENTORY COMMITTEE

TO: Assistant Schools Division Superintendent
Chief Education Supervisors
Section and Unit Heads
Division Engineer
School Heads (Public Elementary and Secondary Schools)
All Others Concerned

1. Pursuant to Section 5, General Guidelines of COA Circular No. 2020-006, entitled "Guidelines and Procedures in the Conduct of Physical Count of Property, Plant and Equipment (PPE), Recognition of PPE Items Found at Station and Disposition for Non-existing/missing PPE items, for the One-Time Cleansing of PPE Account Balances of Government Agencies" which states that:

5.1 Each government agency shall conduct physical count of all its PPE, whether acquired through purchase or donation, including those constructed by administration and found at station.

5.2 The Head of the Agency shall create and Inventory Committee composed of adequate number of members to be able to complete the physical inventory in three months or less. The Inventory Committee shall have at least one member each from the Accounting and Property Division of the Agency.

5.3 The members of the Inventory Committee shall be temporarily relieved of all their regular duties to devote their full time in the conduct of the physical inventory taking until all the same is completed.

2. Anent to this, the following personnel are hereby designated as Chairperson, Co-Chairperson and Members of the SDO-Vigan City Division Inventory Committee effective July 21, 2023.

ATTY. KIM R. TAGORDA - Chairperson
Administrative Officer V
Administrative Services

Mr. CHRISTOPHER MICHAEL T. GASMEN - Co-Chairperson
Accountant III

Ms. MARIA BERNADETTE R. SARMIENTO - Member
Administrative Officer IV (Supply)

Mr. ERIC L. TAPAT Information Technology Officer I (ICT Equipment)	-	Member
Mr. ALLAN Q. BARRIENTOS Librarian II (Learning Resources)	-	Member
Representative from Accounting Unit (TBA) Administrative Assistant III (PPEs)	-	Member
Mr. JONAS CU Administrative Aide VI (Supply)	-	Member
DepEd Project Engineer	-	Member
Administrative Officers II **Elementary, VNHSE, VNHSW, ISNHS-SHS**	-	Members
Mr. Ferdinand Flores and **Mr. Vincent Jude Rosales**	-	Secretariat
Schools Division Superintendent and **Office of the Asst. Schools Division** **Superintendent**	-	Advisers

3. The SDO Vigan City Division Inventory Committee members are expected to exercise their duties and responsibilities attached to their designation with utmost efficiency and effectiveness in accordance with existing laws, rules and regulations pertaining the inventory checking.

DUTIES AND RESPONSIBILITIES

A. Chairperson – Atty. Kim R. Tagorda
1. Supervises and facilitates physical inventory taking activities
2. Ensure that the inventory taking activities will be executed in accordance with approved Physical Inventory Plan (PIP). In case planned activities cannot be performed efficiently, he shall keep record of the alternative activities undertaken and the reason for any decision.
3. Calls for a meeting for issues and updates as necessary.
4. Supervises the duties and oversees the preparation and review of the reports assigned to the Supply Unit

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Email Address: vigan.city@deped.gov.ph
Website: www.depedvigancity.com

5. Investigates on Non-Existing / Missing PPEs, which accountability could not be established despite exhaustion of all diligent efforts to determine the last known location / office or person accountable.
6. Issues demand letter once the accountable person has been determined.
7. Submits to Accounting Section, copy furnished Supply Unit the certified copy of the investigation report and demand letter.
8. Relieves temporarily from all his duties during the conduct of the investigation.

B. Co-Chairperson – Christopher Michael T. Gasmen
1. Assists the Chairperson in the execution of physical inventory activities.
2. Reports to the Chairperson the updates of the implementation of the Physical Inventory Plan (PIP).
3. Ensures that the person accountable for non-existing/missing PPEs through verifying PARS and other available records is properly determined.
4. Certifies the List of Non-Existing / Missing PPEs
5. Supervises the duties assigned to the Accounting and reviews the Journal Entry Vouchers (JEVs) and other reports prepared by the Accounting Staff.
6. Issues certification that non-existing / missing PPEs had already exceeded their estimated useful lives.

C. Members:

C.1. Maria Bernadette R. Sarmiento
1. Leads in the inventory count of the PPEs and in the tagging of new PPE Stickers.
2. Validates the RPCPPE with the list of PPEs with PAR, list of PPEs per accountable employee and the list of PPEs located in each office.
3. Checks the prepared Property, Plant and Equipment Ledger Cards (PPELCS) with Report on Physical Count of PPE (RPCPPE)
4. Consolidates Physical Count of PPE (RPCPPE).
5. Reviews the list of unreconciled items (recorded in PPELCs but not included in RPCPPE and included in RPCPPE but unrecorded in PPELCs.
6. Conducts inventory count and ensures all items counted should be tagged with new property stickers
7. Checks the prepared RPCPPE upon completion of the physical count.
8. Checks the updated Property Cards (PCs) and ensure that all items included RPCPPE are recorded in PCs
9. Checks the prepared Inventory and Inspection Report of Unserviceable Property (IIRUP) for PPEs found unserviceable, obsolete, and/or no longer needed
10. Prepares List of Non-Existing / Missing PPEs
11. Submits to Accounting the List of Non-Existing/Missing PPEs with status/remarks and the accountable persons
12. Finalizes the RPCPPE.

13. Finalizes the list of accountable officers demanding the production of PPE he/she is accountable
14. Submits the reviewed list of personnel that still has accountability to the Legal Unit for legal actions that will be executed
15. Finalize the following:
    a. List of PPEs with PAR
    b. List of PPEs per Employee Accountability
    c. List of PPEs per Location / Office
    d. List of PPEs for Disposal
16. Temporarily relieved from all her duties until the disposition of procedures

C.2. Eric L. Tapat

1. Validates the PPE (IT Equipment) found unserviceable, obsolete, and/or no longer needed.
2. Validates the list prepared with regard to the non-existing / missing PPEs were already disposed (with IIRUP) or transferred or donated (with PTR/PAR).

C.3. Allan Q. Barrientos

1. Validates the RPCPPE with the list of PPEs with PAR, list of PPEs per accountable employee and the list of PPEs located in each office.
2. Validates the PPE found unserviceable, obsolete, and/or no longer needed.
3. Validates the list prepared with regard to the non-existing / missing PPEs were already disposed (with IIRUP) or transferred or donated (with PTR).

C.4. SDO Engineer

1. Validates the RPCPPE with the list of PPEs with PAR, list of PPEs per accountable employee and the list of PPEs located in each office.
2. Validates the PPE found unserviceable, obsolete, and/or no longer needed.
3. Validates the list prepared with regard to the non-existing / missing PPEs were already disposed (with IIRUP) or transferred or donated (with PTR).
4. Temporarily relieved from all other duties during the scheduled inventory count of their respective division/unit/section

C.5. Representative from Accounting Unit

1. Checks and verifies the prepared Property Transfer Report (PTR) for the PPEs still recorded in the Books of Accounts of the Division Office
2. Coordinates with the Supply Unit personnel for the reconciliation of PPELCS and RPCPPE.
3. Updates the PPELCS and ensure that all items included in RPCPPE are recorded in PPELCS.

4. Takes up necessary journal entry vouchers to recognize PPEs found at station not recorded in the books and establish receivable and loss accounts for Non-Existing/Missing PPEs.
5. Prepares the required supporting documents to be submitted to COA for the request to derecognize Non-Existing / Missing PPEs
6. Prepares JEV within 15 days from the receipt of decision of COA for the derecognition of Non-Existing / Missing PPEs
7. Ensures total balance of PPELCs tally with the balances of controlling PPE accounts in GL.
8. Accompanies the Supplies Officer in giving the PAR/PTR to the concerned personnel and Schools for the PPEs still booked up in the Book of Accounts of the SDO.
9. Will be temporarily relieved from her duties until the reconciliation is completed.

C.6. Jonas Cu

1. Retrieves & organizes the different files and records of Supply Unit that will be used in the reconciliation with Accounting Section.
2. Prepares the list of PPE items which are recorded in the PPELCs but not included in the RPCPPE / Physical Inventory Report as well as PPE Items which are included in the RPCPPE but not recorded in the PPELCs.
3. Execution of the following activities:
   a. Printing and Segregation of Property Acknowledgement Receipt (PAR) per employee
   b. Printing of List of Property Per Employee Accountability (LPEA)
   c. Printing of List of Property per Office (P15,000.00 and above items)
4. Prepares the different Inventory Count Forms (ICFs) for each PPE sub-major account group
5. Finalizes and prints the following reports:
   a. List of PPEs with PAR
   b. List of PPEs per Employee Accountability
   c. List of PPEs per Location / Office
   d. List of Non-Existing / Missing PPEs
6. Conduct the actual Physical Inventory Taking in the different offices in the Division Office & Schools
7. Prepares the initial draft of RPCPPE that will be reviewed and verified.
8. Updates the Property Cards (PCs)
9. Prints the new Inventory Stickers
10. Prepares the Inventory and Inspection Report of the Unserviceable Properties (IIRUP)
11. Prepares List of PPE Found at Station and submit to Accounting Section
12. Renew all Property Acknowledgement Receipts (PARs)

C.7. Administrative Officers II of Elementary, VNHSE, VNHSW, ISNHS-SHS

1. Checks the prepared Property, Plant and Equipment Ledger Cards (PPELCS) with Report on Physical Count of PPE (RPCPPE) of their respective schools
2. Consolidates Physical Count of PPE (RPCPPE) of their respective schools and forward to the Division Supply Officer.
3. Reviews the list of unreconciled items (recorded in PPELCs but not included in RPCPPE and included in RPCPPE but unrecorded in PPELCs.
4. Conducts inventory count and ensures all items counted should be tagged with new property stickers
5. Checks the prepared RPCPPE upon completion of the physical count.
6. Checks the updated Property Cards (PCs) and ensure that all items included RPCPPE are recorded in PCs
7. Checks the prepared Inventory and Inspection Report of Unserviceable Property (IIRUP) for PPEs found unserviceable, obsolete, and/or no longer needed
8. Prepares List of Non-Existing / Missing PPEs
9. Submits to Accounting the List of Non-Existing/Missing PPEs with status/remarks and the accountable persons
10. Finalizes the RPCPPE and forward to the Division Supply Officer
11. Finalizes the list of accountable officers demanding the production of PPE he/she is accountable
12. Submits the reviewed list of personnel that still has accountability to the Legal Unit for legal actions that will be executed
13. Finalize the following:
    a. List of PPEs with PAR
    b. List of PPEs per Employee Accountability
    c. List of PPEs per Location / Office
17. List of PPEs for Disposal
18. Temporarily relieved from all his duties until the disposition of procedures

C.9. Secretariat

1. Provide administrative support to the committee
2. Takes down minutes

C.10. Focal Persons in Functional Divisions/Units/Sections/Schools

1. Assists the Inventory Committee in performing physical inventory count to their respective division/unit/section/schools.
2. Temporarily relieved from all other duties during the scheduled inventory count of their respective division/unit/section/school.

4. All Division Memoranda and other related issuances, rules, regulations, and provisions, which are inconsistent with these guidelines are repealed, rescinded or modified accordingly.

5. Immediate dissemination of this Memorandum is desired.

VILMA D. EDA, CESO V
Schools Division Superintendent

SCHOOLS DIVISION OFFICE
DEPED VIGAN CITY
12 JUL 2024
RELEASED
BY:

Copy furnished:
COA, Schools Division Office of Vigan City
Vigan City, Ilocos Sur

Address: Mena Crisologo St. corner Rivero St., Brgy. IX, Vigan City, Ilocos Sur
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Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

CIRCULAR

NO : 2020 - 006
DATE: JAN 3 1 2020

TO : All Heads of Departments, Agencies, Bureaus, Commissions, Boards and Offices of the National Government; State Universities and Colleges; Local Government Units; Heads of Government-Owned or Controlled Corporations; Commission on Audit Directors, Supervising Auditors and Audit Team Leaders of the National and Local Government Sectors; and All Others Concerned

SUBJECT: Guidelines and Procedures in the Conduct of Physical Count of Property, Plant and Equipment (PPE), Recognition of PPE Items Found at Station, and Disposition for Non-existing/Missing PPE Items, for the One-Time Cleansing of PPE Account Balances of Government Agencies

1.0 RATIONALE

Property, Plant and Equipment (PPE) generally constitute a significant portion of the total assets of the government, usually comprising more than fifty percent thereof.

The existence of enormous amounts of discrepancies in PPE account balances of government agencies has become a perennial issue and caused the non-establishment of the accuracy of the PPE balances presented in the financial statements. Such condition, if not properly addressed would always cause an exception in the fairness of presentation of the financial position of government agencies and will deprive the government of reliable and useful information in decision-making and accountability for these assets.

Thus, there is a need to provide guidelines and procedures to assist government agencies in coming up with reliable PPE balances that are verifiable as to existence, condition and accountability.

2.0 COVERAGE

This Circular shall cover National Government Agencies, Local Government Units, and Government-Owned or Controlled Corporations.

3.0 PURPOSE

This Circular prescribes the guidelines and procedures on inventory taking, recognition of those found at station and disposition for non-existing/missing PPE items for the one-time cleansing of PPE accounts of government agencies to establish PPE balances that are verifiable as to existence, condition and accountability.

4.0 ACCOUNTING STANDARDS ON PPE

4.1 PPE are tangible items that are:

a. purchased, constructed, developed or otherwise acquired;
b. held for use in the production or supply of goods or services or to produce program outputs;
c. for rental to others (other than investment property);
d. for administrative purposes;
e. expected to be used during more than one reporting period; and
f. not intended for resale in the ordinary course of operations.

4.2 The cost of an item of PPE shall be recognized as asset if, and only if:

a. it is probable that the future economic benefits or service potential associated with the item will flow to the entity;
b. the cost or fair value of the item can be measured reliably;
c. beneficial ownership and control clearly rest with the government;
d. the asset is used to achieve government objectives; and
e. it meets the capitalization threshold of P15,000.

4.3 The carrying amount of an item of PPE shall be derecognized on disposal or when no future economic benefits or service potential is expected from its use or disposal.

5.0 GENERAL GUIDELINES

5.1 Each government agency shall conduct physical count of all its PPE, whether acquired through purchase or donation, including those constructed by administration and found at station.

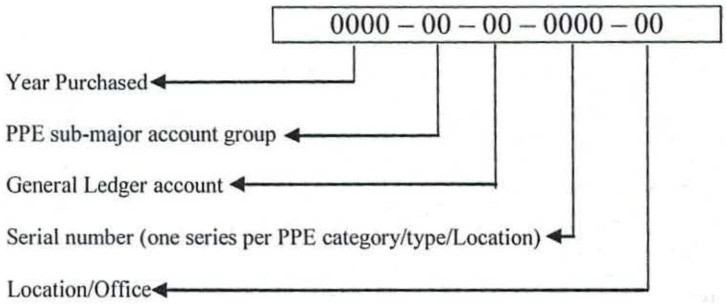
5.2 The Head of the Agency shall create an Inventory Committee composed of adequate number of members to be able to complete the physical inventory in three months or less. The Inventory Committee shall have at least one member each from the Accounting and Property Divisions/Units of the agency.

5.3 The members of the Inventory Committee shall be temporarily relieved of all their regular duties to devote their full time in the conduct of the physical inventory taking until the same is completed.

5.4 The entire inventory taking shall be witnessed by the Commission on Audit (COA) Auditor. The Audit Team Leader and/or any of his/her audit team members may be assigned for the purpose.

5.5 The Head of the Agency may also require a representative from the agency's Internal Audit Service/Unit to witness the inventory taking.

5.6 Each government agency shall adopt a uniform property identification system for PPE wherein a unique Property Number shall be assigned for each PPE item, using the following numbering system:



The codes for the PPE sub-major account group and General Ledger account correspond to those provided in the Revised Chart of Accounts prescribed under the Accounting Manuals of the respective Sectors (National, Local and Corporate).

Additional digits may be used for serial number and location/office, as necessary.

5.7 For easy identification, the Property Number shall be prominently shown in the property sticker, in addition to the following vital information on the PPE item:

a. Description of the property
b. Model Number
c. Serial Number
d. Acquisition Date/Cost
e. Person Accountable
f. Space for the validation/signature of the Inventory Committee

5.8 The Inventory Committee shall be responsible for the actual count to ascertain the existence, completeness and condition of all PPEs owned by the government agency.

5.9 In coordination with the Property Division/Unit, the Inventory Committee shall plan/strategize on how to conduct and complete the physical inventory within the prescribed period. It shall prepare a Physical Inventory Plan (PIP) containing, at the least, the specific assignments/duties of the Committee members, the cut-off date and a schedule specifying the dates and locations of the inventory taking activities from start up to the targeted completion of the physical inventory.

5.10 The PIP shall be approved by the Head of the Agency.

5.11 The Inventory Committee shall submit the approved PIP to the COA Audit Team at least ten (10) calendar days before the scheduled start of inventory taking activities.

5.12 Property records shall be updated based on the results of the physical inventory and reconciled with accounting records to come up with the reconciled balances of PPE accounts to be considered as the correct balance of the agency's PPEs.

6.0 PROCEDURAL GUIDELINES

6.1 Preliminary activities prior to the conduct of inventory taking

6.1.1 The Property Unit shall obtain the latest Report on Physical Count of PPE (RPCPPE)/Physical Inventory Report.

In the absence of the latest RPCPPE/Physical Inventory Report or if the same is determine to be undependable/unreliable, a standard form (Annex A) on the list of existing PPE shall be filled up by each office and submitted to the Property Unit for verification prior to the conduct of the actual inventory by the Inventory Committee.

6.1.2 The Accounting Unit shall update its record of acquisition/disposal/transfer of PPEs in the PPE Ledger Cards (PPELCs) and ensure that the total balance of PPELCs tally with the balances of controlling PPE accounts in the General Ledger.

6.1.3 The Property and Accounting Units shall compare the latest Report on the RPCPPE/Inventory Report with the PPELCs.

6.1.4 The Property Unit shall prepare a list of PPE items which are recorded in the PPELCs but not included in the RPCPPE/Physical Inventory Report as well as PPE items which are included in the RPCPPE but not recorded in the PPELCs.

6.1.5 Both lists and the latest RPCPPE/Physical Inventory Report shall be submitted to the Inventory Committee. These documents shall be considered as inventory working papers and shall be used by the Inventory Committee as basis in preparing the PIP.

6.2 Inventory taking

6.2.1 The Head of the Inventory Committee shall ensure that the inventory taking activities are executed in accordance with the approved PIP. In case there are planned activities/procedures that cannot be efficiently performed, he/she shall keep record of the alternative activities/procedures undertaken and the reasons for the deviation from the PIP.

6.2.2 The Inventory Committee shall use the inventory working papers provided by the Property Unit as basis for inventory taking activities, taking into consideration the capitalization threshold of P15,000.

6.2.3 The physical count shall be recorded/documented daily in a standard Inventory Count Form (ICF), using the format in Annex A of this Circular, which shall be used as the basis in the preparation of the RPCPPE after the physical count.

6.2.4 Separate ICF shall be used for each PPE sub-major account group such as Land, Land Improvements, Infrastructure Assets, Buildings and Other Structures, Machinery and Equipment, Transportation Equipment, Furniture, Fixtures and Books, etc. For ease of reconciliation, the Inventory Count Form for each PPE category/type shall be subdivided by PPE General Ledger account, e.g., Machinery and Equipment may be subdivided into Machinery, Office Equipment, Information and Communications Technology Equipment, etc. The description of accounts provided in the Chart of Accounts prescribed under the Accounting Manuals of the respective Sectors, shall be used as basis in determining the proper classification of a PPE item.

6.2.5 All PPE items counted shall be tagged with new property stickers containing the information provided under Paragraph 5.7 of this Circular.

6.2.6 The Inventory Committee shall state clearly in the ICF the condition of the PPEs, such as: in good condition, needing repair, unserviceable, obsolete, no longer needed, not used since purchase, etc.

6.2.7 PPEs found at station or items not included in the inventory working papers, but there is reasonable basis to consider the same as owned by the agency, shall likewise be included in the physical count and tagged with property stickers. These items shall be described as "found at station" which shall be indicated under the "Remarks" column of the ICF.

6.2.8 PPEs included in the inventory working papers but are not found during the physical count shall be considered as non-existing/missing PPEs per physical count. These items shall be described as "non-existing" or "missing" which shall be indicated under the "Remarks" column of the ICF.

6.2.9 Other relevant information on each PPE item shall also be stated under the "Remarks" column of the ICF.

6.2.10 Upon completion of the physical count, the Inventory Committee shall prepare the RPCPPE, using the prescribed format under the Accounting Manuals of the respective Sectors.

6.2.11 The unit value of articles/items counted shall be taken from PPELCs/Subsidiary Ledgers (SLs) or, if not available, from Property Cards or other property records.

6.2.12 In case no such information could be found in both accounting and property records such as for PPE items found at station, the unit cost/value shall be established, as follows:

a. Cost/value may be assigned by the Inventory Committee based on the market/fair value of the item. The cost/value of a similar item in the RPCPPE may also be used by the Inventory Committee.

   The market/fair value is the estimated amount for which an asset could be exchanged on the date of valuation, between knowledgeable, willing parties in an arm's length transaction; and

b. If there are items for which market/fair value could not be easily determined by the Inventory Committee, their fair value shall be determined by appraisal.

   An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognized and relevant professional qualification. For many assets, the fair value will be readily ascertainable by reference to quoted prices in an active and liquid market. For example, current market prices can be obtained for land, non-specialized buildings, motor vehicles, and many types of plant and equipment.

   If no evidence is available to determine the market value in an active and liquid market of an item of property, the fair value of the item may be established by reference to other items with similar characteristics, in similar circumstances and location. In the case of specialized buildings and other man-made structures, fair value may be estimated using depreciated replacement cost, or the restoration cost or service unit approaches. In many cases, the depreciated replacement cost of an asset can be established by reference to the buying price of a similar asset with similar remaining service potential in an active and liquid market. In some cases, an asset's reproduction cost will be the best indicator of its replacement cost.

6.2.13 The RPCPPE shall be prepared in four (4) copies to be distributed as follows:

Original - COA Auditor
Copy 2 - Accounting Division/Unit
Copy 3 - Property Division/Unit
Copy 4 - Inventory Committee

6.3 Reconciliation of inventory count per RPCPPE with property and accounting records

The Property and Accounting Units shall undertake collaborative procedures to ensure that all PPEs included in the RPCPPE are duly recorded in their respective records and that the Property Cards (PCs) maintained by the Property Unit and the PPELCs maintained by the Accounting Unit are reconciled. The reconciliation shall be completed within ten (10) days from rendition of the RPCPPE by the Inventory Committee. The following procedures shall be observed:

6.3.1 The Property Unit shall:

a. Ensure that the PCs are updated by posting all unrecorded acquisition/receipt, issue/transfer and disposal of PPE, if any;

b. Prepare a List of PPEs Found at Station for those items described as "found at station" in the RPCPPE, using the format in Annex B of this Circular, and submit to the Accounting Unit for recording in the books of accounts;

c. Prepare PCs for items of PPEs found at station;

d. Prepare a List of Non-Existing/Missing PPEs for items described as "non-existing" or "missing" in the RPCPPE as well as for those with PCs and Property Acknowledgement Receipts (PARs) on file but not included in the RPCPPE, following the format in Annex C of this Circular;

e. Follow the procedures for the disposition of non-existing/missing PPEs provided under Paragraph 7 of this Circular;

f. Work together with the Accounting Unit to reconcile the PCs with the PPELCs maintained by the Accounting Unit;

g. Renew all PARs; and

h. Prepare Inventory and Inspection Report of Unserviceable Property (IIRUP) using the format prescribed under the Accounting Manuals of the respective Sectors for all PPEs found unserviceable, obsolete and/or no longer needed.

6.3.2 The Accounting Unit shall:

a. Take up the necessary accounting entries to recognize PPEs found at station and prepare/maintain corresponding PPELCs based on the List of PPEs Found at Station;

b. Take up the necessary accounting entries to recognize loss of PPE and to set up the corresponding receivables from the concerned accountable officer/personnel, pursuant to Paragraphs 7.8 and 7.9 of this Circular;

c. Work together with the Property Unit in reconciling the PPELCs/SLs with the PCs maintained by the Property Unit;

d. Update the PPELCs as necessary in the course of reconciliation;

e. Take up the necessary accounting entries to write-off/drop from the books of accounts the remaining balances as of December 31, _____ of amounts lumped under the "Unreconciled SL", "Reconciling SL" for PPEs, and the like, which were created to facilitate the conversion of accounts from the Old Government Accounting System to the New Government Accounting System (NGAS) and/or from the manual accounting system to the Electronic New Government Accounting System (eNGAS); and

f. Ensure that the total balance of PPELCs/SLs tally with the balances of controlling PPE accounts in the General Ledger.

After completing the above reconciliation procedures, the total of the reconciled balances for each PPE account shall be established as the correct balance of PPE of the government agency as of December 31, ____.

7.0 DISPOSITION PROCEDURES FOR NON-EXISTING/MISSING PPEs

7.1 For the non-existing/missing PPEs, the Property Unit shall:

a. Verify if the PPE items were already disposed with supporting IIRUP or transferred/donated to other government agencies with supporting Property Transfer Report (PTR); and

b. Submit to the Accounting Unit the original copies of the IIRUP and PTRs for disposed and transferred PPE items, for recording in the books of accounts.

7.2 The Accounting Unit shall take up the necessary accounting entries to derecognize disposed or transferred PPEs based on original copies of the IIRUP and PTR.

7.3 The Head of the Property Unit shall be responsible in determining the person/s accountable for non-existing/missing PPEs not otherwise disposed or transferred. The accountability shall be verified from the Property Unit's file/copy of the PARs, PCs and other available property records.

7.4 If there is a pending Request for Relief for any of the non-existing/missing PPEs, such fact shall be indicated under the "Remarks" column of the list.

7.5 The Property Unit shall inform the Head of the Agency of the non-existing/missing PPEs without pending Request for Relief and shall prepare letters addressed to each concerned accountable officer/personnel demanding the production of the PPE he/she is accountable for. The accountable officer/personnel shall be given five (5) calendar days to respond to the demand letter.

7.6 The demand letters shall be signed by the Head of the Agency or designated representative and immediately issued by the Property Unit to the concerned accountable officers/personnel.

7.7 If the accountable officer/personnel was able to produce the PPE item demanded from him/her, the Property Unit shall indicate under the "Remarks" column of the List of Non-Existing PPEs that the item was "produced/presented upon demand" and, subsequently, inform the Inventory Committee of such changes in order to amend the RPCPPE.

7.8 If the accountable officer/personnel was not able to produce the PPE item, such fact shall be indicated under the "Remarks" column of the List of Non-Existing PPEs.

7.9 After gathering all the necessary information by performing the preceding procedures, the Property Unit shall submit to the Accounting Unit the List of Non-Existing/Missing PPEs, with complete information on which PPEs could not be produced upon demand and those which have pending Requests for Relief, as well as the corresponding accountable officers/personnel.

7.10 The Accounting Unit shall take up the necessary accounting entries to recognize in the books of accounts the loss of PPE and to set up the corresponding receivables from concerned accountable officers/personnel for the non-existing/missing PPEs that could not be produced upon demand. It shall likewise check if appropriate accounting entries were already taken up recognizing the loss of PPE and setting up of accountability for those with pending Requests for Relief; otherwise, it shall effect the necessary accounting entries.

The amount to be set up as receivables over the loss of depreciable assets shall be based on depreciated replacement cost, which is replacement cost (current market price) less accumulated depreciation calculated on the basis of replacement cost.

7.11 If there are non-existing/missing PPEs for which accountability could not be established despite exhaustion of all diligent efforts, the following procedures shall be followed:

a. The Head of the Agency shall cause the conduct of an investigation to determine the last known location/office where the missing PPE items were issued/installed, person accountable, circumstances of the loss, and the persons responsible for the loss, among others;

b. If accountability/responsibility over the missing PPE was pinpointed after investigation, demand shall be made from the accountable personnel to produce the item or pay the depreciated replacement cost thereof;

c. The Accounting Unit shall be furnished the certified copy of the investigation report and demand letter to be used as basis to recognize loss of PPE and to set up the corresponding receivables from the concerned accountable officer/personnel; and

d. If accountability/responsibility over the missing PPE could not be pinpointed after investigation, authority for derecognition thereof from the books of accounts may be requested from the COA, in accordance with Paragraph 8 of this Circular. Pending the grant of authority by the COA, the said PPEs shall remain in the books of accounts.

8.0 PROCEDURES IN THE DERECOGNITION OF NON-EXISTING/MISSING PPEs WITHOUT AVAILABLE RECORD OF ACCOUNTABILITY

8.1 Non-existing/missing PPEs without available record of accountability shall be derecognized from the books of accounts only upon the grant of specific authority by the COA.

8.2 The Head of the Agency shall file the request for authority to derecognize non-existing/missing PPEs to the COA Audit Team Leader (ATL) and/or Supervising Auditor (SA), if the following conditions are met:

a. The PPE has already exceeded its estimated useful life, hence, its carrying value is equivalent to its residual value.

The estimated useful life of PPEs shall refer to the estimation made by the government agency on its PPEs, if any, as disclosed in its Notes to Financial Statements for the immediately preceding year, otherwise, to use the Estimated Useful Life of PPE by classification provided under COA Circular No. 2003-007 dated December 11, 2003; and

b. Accountability/responsibility over the missing PPE could not be pinpointed after the conduct of investigation for the purpose.

8.3 The request shall be supported with the following documents:

a. List of Non-Existing/Missing PPEs and their carrying values certified by the Heads of the Property Unit and the Accounting Unit and approved by the Head of the Agency;

b. Certification by the Head of the Accounting Unit that the non-existing/missing PPEs had already exceeded their estimated useful lives; and

c. Certified copy of the report of investigation conducted pursuant to Paragraph 7.9 of this Circular.

8.4 Upon receipt of the request, the ATL and the SA shall assign a reference number, verify and validate the submitted documents and decide on the requests for authority to derecognize non-existing PPEs for amounts not exceeding P100,000.00 per PPE item within fifteen (15) working days from receipt thereof.

8.5 In case the basis for denial of the request by the ATL and the SA is failure to comply with the conditions and requirements under Paragraphs 8.1 and 8.2, the Head of the Agency may refile the request for derecognition before the ATL and the SA provided that the basis for denial has been satisfactorily complied. The ATL and the SA shall decide on the request within fifteen (15) working days from receipt thereof.

8.6 The Head of the Agency may appeal from the decision of the ATL and the SA to the COA Cluster Director (CD)/Regional Director (RD) who has jurisdiction over the government agency under audit within fifteen (15) working days from receipt of the decision. The CD/RD shall decide on the appeal within fifteen (15) working days from receipt thereof. The decision of the CD/RD on the appealed request is final and non-appealable.

8.7 For amounts exceeding P100,000.00 per PPE item, the ATL and the SA shall forward the request and the entire records to the CD/RD, together with their comments and recommendations, within fifteen (15) working days from receipt thereof.

8.8 The CD/RD shall review the entire records of the requests and shall decide on amounts involving more than P100,000.00 but not exceeding P1,000,000.00 per PPE item within fifteen (15) working days from receipt thereof.

8.9 In case the basis for denial of the request for derecognition by the CD/RD is failure to comply with the conditions and requirements under Paragraphs 8.1 and 8.2, the Head of the Agency may refile the request for derecognition before the CD/RD provided that the basis for denial has been satisfactorily complied. The CD/RD shall decide on the request within fifteen (15) working days from receipt thereof.

8.10 The Head of the Agency may appeal from the decision of the CD/RD to the Assistant Commissioner (AC) of the Sector within fifteen (15) working days from receipt of the decision. The AC shall decide on the appeal within fifteen (15) working days from receipt thereof. The decision of the AC on the appealed request is final and non-appealable.

8.11 For amounts exceeding P1,000,000.00 per PPE item, the CD/RD shall forward the request and the entire records together with his/her recommendation to the AC of the Sector within fifteen (15) working days from receipt thereof.

8.12 The AC of the Sector shall review the entire records of the requests and shall decide on amounts exceeding P1,000,000.00 per PPE item within fifteen (15) working days from receipt thereof.

8.13 In case the basis for denial of the request for derecognition by the AC of the Sector is failure to comply with the conditions and requirements under Paragraphs 8.1 and 8.2, the Head of the Agency may refile the request for derecognition before the AC provided that the basis for denial has been satisfactorily complied. The AC shall decide on the request within fifteen (15) working days from receipt thereof.

8.14 The Head of the Agency may appeal from the decision of the AC of the Sector to the Commission Proper (CP) within fifteen (15) working days from receipt of the decision. Filing fee is required at the rate prescribed under the 2009 Revised Rules of Procedures of the COA. The decision of the CP is final and non-appealable.

8.15 The Accountant shall:

a. Prepare a Journal Entry Voucher within fifteen (15) working days upon receipt of the decision granting the authority to derecognize PPEs, for approval of the Head of the Agency, effect the necessary accounting entries in the books of accounts, and enter the acquisition cost of the derecognized PPEs and their carrying values in the Registry of Derecognized PPEs (RDPPE), using the format in Annex D of this Circular;

b. Submit the JEV to the COA ATL, supported with the certified copies of the approved request for derecognition including the records/documents pertaining thereto;

c. Keep as permanent file, the RDPPE as well as the copy of the approved request for derecognition including the records/documents pertaining thereto; and

d. Provide appropriate disclosure on the derecognized PPEs in the Notes to the Financial Statements.

9.0 ACCOUNTING ENTRIES AND DISCLOSURE IN THE NOTES TO THE FINANCIAL STATEMENTS

9.1 The illustrative accounting entries for the recognition of PPEs found at station, recognition of loss of PPEs, writing-off/dropping from the books of accounts the remaining balances amounts lumped under the unreconciled SLs of PPEs, and derecognition of non-existing/missing PPEs are shown in Annex E.

9.2 Disclosures on PPE in the Notes to the Financial Statements shall include information on:

a. The total amount of non-existing/missing PPEs included in the PPE balance, supported with breakdown as to sub-major PPE account group, together with the following additional information, as applicable:

i. A request for authority for derecognition has been filed and still pending with the COA stating the date of filing thereof, or, still to be filed; and/or

ii. The amount and breakdown of derecognized PPEs which were transferred to the RDPPE based on the authority of derecognition granted by COA; and

b. PPEs found at station which are still needing appraisal, supported with breakdown as to sub-major PPE account group.

10.0 SUNSET PROVISIONS

After the cut-off date set by the Inventory Committee in the PIP, the Accounting and Property Units of government agencies shall ensure that the proper accounting and reporting procedures for all acquisition/receipt/issue/transfer/disposal of PPEs pursuant to the Accounting Manuals of respective Sectors, and other relevant laws, rules and regulations are strictly followed. This Circular is issued for **one-time cleansing** of PPE account balances; thus, in no case shall the herein procedures be used to further derecognize non-existing/missing PPEs and/or cleanse subsequent discrepancies or unreconciled balances in PPE accounts.

11.0 EFFECTIVITY

This Circular shall take effect immediately.

COMMISSION ON AUDIT
OFFICE OF THE COMMISSION SECRETARIAT

MICHAEL G. AGUINALDO
Chairperson

JOSE A. FABIA
Commissioner

ROLAND C. PONDOC
Commissioner

Annex A

Agency Name

Inventory Count Form

PPE Account Group: ____________________

Sheet No. ____ of ____

Article/Item	Description	Old Property No. assigned	New Property No. assigned (To be filled up during validation)	Unit of Measure	Unit Value	Quantity per Property Card	Quantity per Physical Count	Location/ Whereabouts	Condition	Remarks
Note: For PPE items without Property No., provide in the "Remarks" column other information such as Serial No./Model No./ brief description that can be useful during the reconciliation process										

Prepared by:

Printed Name and Signature
Concerned Inventory Committee Member

Reviewed by:

Printed Name and Signature
Chairman, Inventory Committee

Date:

____

Annex B

Agency Name

List of PPEs Found at Station

PPE Account Group: ____________________

Article/Item	Description	New Property No. assigned	Person Accountable	Unit Cost/Value	Total Cost/Value	Remarks

Prepared by:

Printed Name and Signature
Property Personnel

Date:

____

Reviewed by:

Printed Name and Signature
Head, Property Unit

Annex C

Agency Name
List of Non-Existing/Missing PPEs

PPE Account Group: ____________________

Article/Item	Description	Old Property No.	Person Accountable	Unit Cost/Value	Total Cost/Value	Remarks

Prepared by:

Printed Name and Signature
Property Personnel

Date:

____

Reviewed by:

Printed Name and Signature
Head, Property Unit

9

Annex D

Agency Name
Registry of Derecognized PPEs (RDPPE)

Reference		PPE Account	Description of PPE	Cost	Accumulated Depreciation	Accumulated Impairment Losses	Carrying Value	Authority (indicate date of grant)	File Index
Date	No.								

Annex E

Illustrative Accounting Entries:

1. *Recognition of PPEs found at station:*

Account Title	Debit	Credit
Technical and Scientific Equipment	xxx	
Accumulated Surplus/Deficit		xxx
To recognize technical equipment found at station.		

2. *Recognition of loss of PPE and setting up accountability of accountable officer*

Account Title	Debit	Credit
Loss of Assets	xxx	
Accumulated Depreciation - Office Equipment	xxx	
Accumulated Impairment Losses - Office Equipment	xxx	
Office Equipment		xxx
To recognize loss of office equipment.		
Due from Officers and Employees	xxx	
Other Deferred Credits		xxx
To set up accountability of accountable officer for lost office equipment.		

3. *Writing-Off/Dropping of remaining balances of unreconciled SL for PPEs*

Account Title	Debit	Credit
Accumulated Surplus/Deficit	xxx	
Office Equipment		xxx
To write-off remaining balance of unreconciled SL for Office Equipment		

4. *Derecognition of non-existing/missing PPEs with authority from COA*

Loss of Assets	xxx	
Accumulated Depreciation - Office Equipment	xxx	
Accumulated Impairment Losses - Office Equipment	xxx	
Accumulated Depreciation - Medical Equipment	xxx	
Accumulated Impairment Losses - Medical Equipment	xxx	
Office Equipment		xxx
Medical Equipment		xxx
To derecognize office equipment and medical equipment with authority from COA.		