



DEPARTMENT ORDER NO. DO2021-11-0018

**“CREATION OF THE DEPARTMENT OF ENERGY (DOE)
INSPECTION COMMITTEE”**

Whereas, the DOE Commission on Audit (COA) Team, pursuant to Item 18b of Audit Observation Memorandum (AOM) 2018-17 (2017) dated 06 April 2018, recommends the creation of an Inspection Committee to handle all the inspection of all the procurement of the Department of Energy (DOE);

Whereas, Section 123 of Chapter IV (Internal Control Systems) of Presidential Decree 1445 dated 11 June 1978, Internal Control Systems, defines Internal Control *as “The plan of organization and all the coordinate methods and measures adopted within an organization or agency to safeguard its assets, check the accuracy and reliability of its accounting data, and encourage adherence to prescribed managerial policies.* Likewise, Section 124 states that *“It shall be the direct responsibility of the Agency Head to install, implement, and monitor a sound system of internal control”.*

Now, therefore, for and in consideration of the aforementioned premises, the DOE Inspection Committee is hereby created.

Section 1. Composition. The DOE Inspection Committee shall be composed of the following:

- Chairman** : Division Chief – General Services Division (GSD)
- Vice Chairman** : Supervising Administrative Officer – GSD
- Members** :
1. Five (5) Members from the GSD – Supply and Property Section
 2. One (1) Member and One (1) Alternate from the Procurement Management Division
 3. One (1) Member and One (1) Alternate from Information Technology Management Services (ITMS), for Information, communication and technology-related supplies and equipment deliveries
 4. Two (2) Members and One (1) Alternate from GSD, for construction and repair of the goods and services.
 5. One (1) Member and One (1) Alternate from General Services Division for vehicle/transport-related deliveries.
 6. One (1) Member and One (1) Alternate from Energy Research Testing and Laboratory Services (ERTLS) for Laboratory Equipment and services.

7. One (1) Member and and (1) Alternate from each of the following Technical Group namely: ERDB, REMB, EPIMB, OIMB, EUMB, and EPPB

Sub-Committees Members:

- Luzon Field Office :** 8. Administrative Officer IV or V or its equivalent
9. Administrative Assistant III or Administrative Aide VI
- Visayas Field Office::** 10. Administrative Officer IV or V or its equivalent
11. Administrative Assistant III or Administrative Aide VI
- Mindanao Field Office:** 12. Administrative Officer IV or V or its equivalent
13. Administrative Assistant III or Administrative Aide VI

Section 2. A detailed set of instructions is listed based on the existing Commission on Audit (COA) rules and regulations, Government Accounting Manual (GAM) and Electronic – New Government Accounting System (E-NGAS).

1. The committee shall use the forms prescribed by the New Government Accounting System and the New GAM as revised by the COA, where appropriate;
2. The additional functions of the above personnel as part of the Inspection Committee shall form part of their performance contract/targets for the duration of their membership of at least one year or so, until they are replaced;
3. Inspection shall only be conducted during office hours, except: (a) upon issuance of explicit authorization by the undersigned, after written request by end-user units, or (b) during emergencies, when immediate inspection of the goods will prevent unnecessary delays that might result in loss of life and property;
4. All commonly-used office supplies and equipment generally procured through the PS-DBM shall also be inspected;
5. Members who are the requisitioner/end-user representatives are primarily responsible for ensuring conformity with all of the important specifications of the delivered goods and services, which are stated in their Purchase Requests/Terms of Reference;
6. Committee members shall also follow and conform to the current guidelines/procedures for inspection stipulated in the Handbook on Supply & Property Management System, in the related Quality Standard Operating Procedures, and/or the Work Instructions, and other related government policies/guidelines such as those issued by the Commission on Audit;
7. The Committee Chairperson shall have the main responsibility of ensuring that all of the Committee members are well-oriented about their functions, comply with them, and are updated about any new policy or procedural changes;

8. The Sub-Committee Members/Filed Offices shall submit copies of documents related to inspection. The documents must be duly signed by the authorized members of the committee and the Regional Commission on Audit Auditor assigned to the said field office.

Section 3. SPECIFIC FUNCTIONS AND INSTRUCTIONS:

A. For inspection done by the Committee on Goods procured through public bidding and other modes of procurement including donations and subsidies:

1. The Chairperson of the Committee shall ensure that representatives from the committee are available for inspection;
2. The Chairperson of the Committee or the Vice Chairperson or any designated member shall sign on the Inspection and Acceptance Report (IAR) in the "Inspection Box". Prior to the signing, two initials shall be required, one from the requisitioner/end-user or any representative, and the other from the appropriate provisional member per category listed above. The imprimaturs so reflected shall be construed that the items were inspected and were found to be in conformity with all the specifications. For items which must be rejected, the Chairperson must explicitly state the reason for the rejection and shall thereafter sign the report;
3. The Chairperson shall likewise request, if necessary, other personnel whose technical expertise are required in order for the Committee to arrive at sound and scientific evaluation of the specifications;
4. Before the head of the Supply Unit (Administrative Officer V) or his/her representative shall sign on the "Acceptance Box" of the Inspection and Acceptance Report, a single initial from any member of the Inspection Committee shall be required before signing, and such acceptance shall be construed as an attestation of the receipt of goods based on quantity only;
5. The end-user/requisitioner, aside from being a member of the Inspection Team, shall also be responsible for accepting goods and services together with the head of the Supply Unit;
6. Inspection shall be conducted immediately after the Supply Unit members have informed the Chairperson or any available member of the Inspection Team of the delivery of goods based on the approved appropriate documents (e.g. purchase request, abstract of canvass, bid documents, contracts, terms of reference, etc.) with approved Purchase Order/Notice of Delivery endorsed by the Procurement Team to the Supply Unit, duly served and received or signed by the supplier. Therefore, it shall be the responsibility of the Supply Unit Head to assist the Procurement Team to make necessary follow-up of the deliveries of goods. The goods shall be delivered based on the approved and served Purchase Orders/Contract, including the delivery period stipulated therein. In the absence of a written request from the supplier for an extension of delivery period which is approved by the Administrative Services Director, all approved purchases which are not delivered within the stipulated period shall be automatically cancelled, and a new purchase order/contract shall be prepared in favor of the next winning

bidder, except where the winning bidder is a lone bidder. In this case, an extension of maximum of thirty (30) days shall be allowed. Exceptions to this provision are those items procured through cash advance;

7. The Inspection and Acceptance Report prepared by the Supply and Warehouse Unit shall be accomplished by the Inspectors not later than two days after being informed of the delivery. The designated staff of the Supply Unit shall sign the "Acceptance" portion on the same working day of receipt of the returned form, and shall submit a copy of the Inspection and Acceptance report based on COA Memorandum Circular No. 83-333 to the Accounting Section, which shall then submit it to the Commission on Audit. Such submission shall be construed that the delivered items have been accepted and inspected and were found to be in accordance with the specifications;
8. A representative from the requisitioner/end user shall automatically be considered a mandatory member of the Inspection Committee and shall therefore affix his/her initial to the Inspection and Acceptance Report (IAR) below the name of the Inspector Officer. In the absence of the requisitioner/end-user, the concerned requisitioner/end-user Division Chief or any officer authorized to conduct inspection and initial in the IAR in order to facilitate the payment of claims of the suppliers;
9. The Committee shall also check that the Inspection and Acceptance Report and Certificate of Acceptance duly issued by end-user which are chronologically numbered must be dated on the actual date(s) of inspections and acceptance, respectively.

B. For the Committee on goods and job orders paid through petty cash/cash advance or reimbursement at the DOE Main:

1. In the case of job orders, cash advance or reimbursements, the end user/requisitioner shall directly inform/approach the concerned Inspection Committee/Team to request for inspection of any of the following proofs of receipt: invoices, delivery receipts, canvass, abstract of canvass, etc.

C. For inspection at the Field Offices (i.e. LFO, VFO and MFO), the signature of one inspector will suffice.

Section 4. Coordinating Instructions. The heads of the end user/requisitioner units shall ensure the availability of their representatives during the conduct of inspection and coordinate accordingly with the Inspection and Acceptance Committee, the Supply Unit, and the Procurement Team.

A Request for Action (RFA) or a Memorandum may be duly issued to any of the above staff for non-conformity.

Section 5. Separability Clause. If for any reason/s, any part of the Department Order be declared unconstitutional or invalid, no other parts or provisions hereof shall be affected thereby.

Section 6. Repealing Clause. All Department Orders, Special Orders, and other issuances inconsistent with this Department Order are hereby revoked accordingly.

Section 7. Effectivity. This Department Order shall take effect immediately and shall remain in effect unless revoked or modified accordingly.

Bonifacio Global City, Taguig City, NOV 24 2021


ALFONSO G. CUSI
Secretary



Republic of the Philippines
DEPARTMENT OF ENERGY

IN REPLYING PLS. CITE:

DOE-AGC-21006612

