


RWANDA FOOD AND DRUGS AUTHORITY		Department/Division/ Directorate	Administration and HR
Document Type: Standard Operating Procedure			Doc. Number : DFC/SOP/00
	Title: ASSET DISPOSAL	Revision Number :	
		Revision Date: :	
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		Review Due Date :	

1.0 Purpose

This SOP provides guidance and clear instructions on how Rwanda FDA shall deal with Asset that have been in service for a long time. Such Asset, if kept in the asset register may end up becoming a financial liability due to high costs of maintenance and/or repair. Implementation of the SOP aligns with ORGANIC LAW ON STATE FINANCES AND PROPERTY NO 12/2013/OL OF 12/09/2013

2.0 Scope

This SOP covers tasks that result in setting a value that has been under use by Rwanda FDA at a specified point in time when it is considered appropriate to remove it from the institution's Asset register. It also covers the proceeding steps following from this point that result in the sale of the Asset to the interested buyer

4.0 Definitions and Abbreviations

- SOP: Standard Operating Procedure
- Rwanda FDA: Rwanda Food and Drugs Authority


5.0 Responsibility

Director of Administration and Human Resources is responsible for the implementation of this SoP.

6.0 Principles

- **When to dispose an asset:** In accounting, Asset are amortized at 20% every year. However, the net value of the Asset after 5 years is not zero. The Asset may be considered as old but still holds considerable value given our context – particularly when service and maintenance to the Asset was done according to the manufacturers' recommendations. This SOP proposes that Rwanda FDA asset will be considered as old after ten years after it is manufactured and in service.
- **Who handle the task:** Disposing of Rwanda FDA assets is done by an internal valuation committee (that serves a 3-year non-renewable) composed of:
 - Director of Finance Unit
 - The officer in charge of logistics who also shall serve as the secretary to the committee
 - Three more Rwanda FDA staff appointed by the CBM

Title/ Name	Author	Checked by			Authorized by	Page 1 of 5
	QMS Specialist	HoD/ FDAR	HoD/ FDIS	CFO	Director General	
Signature & Date						

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- **In case internal valuation committee needs more capacity:** On some occasions when, certain knowledge to dispose of a particular Rwanda FDA asset requires particular knowledge, that particular required skill or knowledge shall be outsourced from either public or private operators who have superior knowledge about the asset to dispose.
- **Methods of disposal:** State private assets shall be sold by public auction but other methods may be used, depending on the nature of the tender, quantity of items to be auctioned, their financial value, national security, public health and environmental aspects. They include the following:
 - Bidding through sealed envelopes;
 - Direct negotiations;
 - Exchange; and
 - Reselling to the original seller.
- Determining asset value shall be based on:
 - Book value
 - Value of the asset on the market
 - Nature of the asset to be sold

7.0 Distribution

- 7.1 Director General
- 7.2 Heads of Departments
- 7.3 Chief of Finance Office
- 7.4 Division Managers, Directors

8.0 Reference


- 8.1. ORGANIC LAW ON STATE FINANCES AND PROPERTY NO 12/2013/OL OF 12/09/2013.
- 8.2. LAW N° 50/2008 OF 09/09/2008 DETERMINING THE PROCEDURE FOR DISPOSAL OF STATE PRIVATE ASSETS

9.0 Materials and equipment

Approved SOP and related laws


10.0 PROCEDURES

	Author	Checked by			Authorized by	Page 2 of 5
Title/ Name	QMS Specialist	HoD/ FDAR	HoD/ FDIS	CFO	Director General	
Signature & Date						

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Steps Stage	Task/ activity	Time/ duration	Responsibilit y of	Data sources; tools, forms and templates
1	Identification of asset to be disposed of.	One week	Logistic Office/ end user division	Asset register, Public Finance Manual
2	Submitting list of assets to be disposed for CBM approval	2 days	Director of Administration and Human Resources / Chief of Finance	List of asset to be disposed
3	Sharing the list of disposable asset with valuation committee	3 days	CBM	List of asset to be disposed, Valuation request
4	Reviewing the list of assets to be dispose with a focus as to whether in-house knowledge to handle the task exists. If in-house knowledge is available, then the process will continue	1 days	valuation Committee	List of asset to be disposed,
	If skills are lacking, with approval of CBM; external valuers will be outsourced using the appropriate procurement method.	One month	Procurement Office	Tender request, available budget, ToR and Technical specifications,
5	Auction Advertisement	5 days	Procurement Office	Approved list of disposable asset
6	Selecting an auctioneer who will announce and	immediate	Auctioning	Public Finance

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		HoD/ FDAR	HoD/ FDIS	CFO		
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Steps Stage	Task/ activity	Time/ duration	Responsibilit y of	Data sources; tools, forms and templates
	receive offers in an open auction		Committee	Management
7.	<p>The successful Bidder pays the total amount to Rwanda FDA bank account.</p> <p>If specified in the notice, a cheque payment of 10% may be accepted and the rest shall be paid as indicated in the notice (not more than 7 calendar days)</p>	As per the advert notice	Internal Committee for auctioning	Advert notice
8.	<p>Contract signature between bidder and Rwanda FDA FOR the ownership transfer.</p> <p>Uncollected items will be handled according related laws</p>	As per the advert notice	CFO Director of Finance Unit DAHR	Advert notice
9.	Submit the list of auctioned assets to Rwanda FDA finance office Administration office	5 days after the auction	Internal Committee for auctioning	Public Finance Management
10.	Update the asset register and revenue reconciliation	One day	Logistic/Accountant	Bank statement, approved list of auctioned asset.

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11.0 Document Revision History

Date of revision	Revision number	Author(s)	Changes made and/or reasons for revision
16/11/2020	0	QMS Specialist	First issue



RWANDA FDA

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