PHILIPPINE COCONUT AUTHORITY

Quality Management System

PROCEDURES MANUAL

Revision: 0
Issued on October 1, 2017

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0	Oct. 1,2017	Original issue.	Governing Board

I. Control of Documented Information

Revision and Approval

This procedure is released and approved as follows.

Rev.	Date	Nature of Changes	Approved By
0	Oct. 1,2017	Original issue.	Governing Board

Summary

This procedure defines the requirements for the creation, review, approval, distribution, use and revision of PCA quality management system documents and records.

This procedure applies to documents which instruct PCA staff on how to carry out activities and tasks and records of implementation. This includes manuals, procedures, forms and instructional sheets or posters. Documents outside of this scope do not require control.

The following definitions are important for a clear understanding of this procedure:

Document	Information and its supporting medium. The medium can be paper, electronic or optical computer disc, photograph or a combination thereof.
Record	A document stating results or providing evidence of activities performed Records can be used to document traceability and to provide evidence of verification, preventive action, and corrective action. Generally records need not be under revision control. Records may use different media, including paper, electronic or optical computer disc, photograph or a combination thereof.
Internal Document	A document generated by the PCA

External Document	A document received by the PCA from external sources
Uncontrolled Copy	A document copy not subject to further document control after it is issued
Document Master list	A list that identifies the documents required by the quality management system
Originator	Unit/ Section/ Division Head who creates/revises a document
Process Owner	Unit where the records are generated or individual who generates the records
Records Disposition Schedule	A listing of records series by organization showing, for each record series, the period of time that it remained in the office area, in the storage (inactive) area, and its preservation or destruction
Retention Period	Refers to the specific period of time established and approved by the National Archives of the Philippines as the life span of records, after which they are deemed ready for permanent storage or destruction.

1.0. Procedure

1.1. Creation of Documents

Documents are created by an appropriate subject matter expert.

All internal documents are created as soft files (MS Word®, etc.); it is recommended that files of a similar type follow the format of other documents in that type.

Draft versions must then be sent to the appropriate approver(s) for review and approval. A Document Tracking Sheet (DTS) is attached to the document to trace the review and approval of the created/ revised document.

Original releases of documents are given a revision indicator of “0”.

1.2. Review and Approval

The PCA QMS documents may only be approved by the Board. Other documents are to be approved In accordance with Corporate Order on Delegation of Authority and issuances of Supervising Agencies,

Where a document has been revised, the document originator indicates the nature of revision in the DTS. The revised text in the document is identified by italics.

New documents as well as revisions to existing documents are registered in a document master list by the Document Controller to ensure proper control.

The Document Controller will maintain a binder of most current hardcopy versions of documents. Any previous hardcopies in this binder are to be discarded or filed in an obsolete document file.

The Document Controller will maintain a computer folder for the latest soft copy versions of document. This file set must be on a server subject to data backup.

The Document Controller will cause the posting of new or revised documents into the PCA website converting the released versions to a non-editable file format.

Any previous soft versions are then moved to a separate folder identified for obsolete documents which are kept for historical purposes.

2. Distribution of Documents

Controlled documents will be available via the PCA website for all employees. This document is UNCONTROLLED when downloaded and printed.

The Document Controller will maintain a list of where controlled hardcopy documents are to be distributed. The Document Controller will be responsible for distributing updated copies of such controlled hardcopies to proper locations. Controlled hardcopies shall be stamped CONTROLLED in blue ink on the first page, to distinguish them from uncontrolled documents or photocopies.

Controlled hardcopies may not be altered or modified by users, and must remain legible and readily identifiable. This includes hand mark-ups by unauthorized personnel. The only exception to this rule is for Forms.

Controlled hardcopies may not be photocopied, unless for the purposes of sending to a recipient who is authorized to receive uncontrolled versions of PCA documents. The only exception to this rule is for Forms.

3. Re-Evaluation

Documents must be reviewed by the original author or another subject matter expert or top management every three years.

The Document Controller will ensure that re-evaluation is conducted and that documents are updated if required. The Document Controller will maintain a record of document re-evaluations, to identify when documents are due for re-evaluation.

If a document is determined to require updating, the changes shall be made and a new version issued per the rules below.

If a document is determined not to require updating, no action on the document is necessary.

4. Revising Documents

Changes to documents go through the same steps as original issue, except that their revision level is advanced upon approval.

Only authorized personnel may change documents, although any employee can request a change to their department head. Forms do not require a revision history table.

Any changes to documents that require customer or regulatory authority review and approval shall be submitted accordingly, and not implemented until such approval is obtained.

5. Controlling Documents of External Origin

External documents are registered in a logbook by the Records Officer.

External documents received electronically (e.g. via e-mail) is printed to facilitate registration (and subsequent review and distribution). Documents received by fax and printed initially on fax thermal paper is photocopied (thermal paper printouts fade in time).

External documents for non-critical use, such as user manuals, reference books, marketing materials, and supplier directories are not controlled.

6. Forms

Forms are a special kind of document that may be photocopied as needed.

A softcopy of each approved form must be sent to the Document Controller for inclusion in the document master list.

7. Records

Records are identifiable through any or combination of the following information, as appropriate:

a. Title of Record

b. Date(s)

c. Barcode

d. Document Number

e. Name of signatory/ies

In case of erasure or correction, the corrected data are countersigned by the employee who corrected it.

Records are kept in appropriate locations to minimize physical deterioration, damage, and loss. For protection purposes, the following practices are observed:

a. Use of expanded folders/envelopes and/or ring binders;
b. Placed in magazine files and stored in shelves or steel cabinets to prevent wear and tear;
c. Regular back-up of permanent and archival records including databases; and
d. Access restriction, through password (this pertains only to soft copy and other security measures) to prevent unauthorized use.

Maintenance and disposal of records are done in accordance with the Records Retention and Disposition Schedule.

Prepared by:	Approved by:
NAME	**NAME**
Position	Position

II. Management Review Procedure

Revision and Approval

Rev.	Date	Nature of Changes	Approved By
0	Oct. 1, 2017	Original issue.	Governing Board

Summary

This procedure defines the process and methods for conducting both formal and informal management reviews of the quality management system.

The PCA Quality Management Leaders are responsible for implementation of this procedure.

Top management is responsible for attending formal management review meetings.

The following definitions are important for a clear understanding of this procedure:

PCA	Refers to the Philippine Coconut Authority
Governing Board	refer to the collegial body that exercises the corporate powers of PCA as specified in its Charter, P.D. 1468 and s prescribed in the Code of Corporate Governance issued by the Government Commission for GOCCs.
QMS Special Board Meeting	refer to the procedure held at a minimum of once a year for the conduct of Management Review
Management Review	shall refer to the procedure held periodically in reviewing the suitability, adequacy and effectiveness of the Quality Management System by Top Management and members of the PCA Governing Board

1. Procedure: Conducting Management Reviews

1.1. Top Management reviews the suitability, adequacy and effectiveness of the Quality Management System through two primary methods: a ***QMS Special Board Meeting*** **for** ***"Management Review"*** held periodically, and ongoing management activities conducted throughout the rest of the year.

1.2. The *QMS Special Board Meeting* is held at a minimum of once a year.

1.3. The minimum attendance for Management Review Meeting shall be at least four (4) members of the Governing Board and must include the Administrator. All Deputy Administrators and other employees shall attend as needed to meet the requirements of the agenda indicated below.

1.4. If any attendee is absent, draft minutes will be sent to him/her, for review and so that the person may amend the minutes with any additional inputs, notes, opinions or opportunities for improvement they may wish to add.

1.5. This review shall include assessing opportunities for improvement and the need for changes to the quality management system, including the quality policy and quality objectives.

1.6. Minutes of the meetings are taken and maintained by the Corporate Secretary. The form *QMS Special Board Meeting Minutes* can be used as a template for the record, or may be completed and filed as the finished record. The Corporate Secretary shall furnish copies thereof to the attendees of the meeting.

1.7. The Corporate Secretary shall provide a copy of final copy of the minutes of meeting to the Administrator and Corporate Planning Service for safekeeping of documents.

1.8. The QMS Special Board Meeting shall include analysis of the following inputs:

- review and updating of the risk registry;
- review and updating of the Strategic Plan;
- review and updating of process objectives, metrics and KPIs;
- review of customer feedback;
- review of the CAR system and related trends;
- review of internal and external audit results;
- review of the performance of external providers;
- review of the adequacy of resources;
- review of the effectiveness of actions taken to address risks and opportunities;
- review of opportunities for improvement;
- review of the Quality Policy for adequacy and to ensure it remains consistent with the needs of customers and the industry;
- recommendations for improvement of the quality management system;
- follow-up activities from previous Management Reviews;
- and other relevant inputs.

1.9. The *QMS Special Board Meeti*ng shall generate corrective action reports (see Corrective Action Report), or take other recorded action, as a result of review topics in an effort to improve the management system, products, processes and services, and to address resource needs.

1.10. This includes any decisions and actions related to the improvement of the effectiveness of the quality management system and its processes, improvement of product and services related to customer requirements, and resource needs.

1.11. Additional informal management review activities are also be conducted, and include:

Board meetings to monitor and evaluate the implementation of corporate strategies and policies, business plans, and operating budgets, as well as PCA's overall performance to ensure optimum results

Updating of some objectives data and trending in real time, and making such data available on the document controller for constant review. This includes service nonconformity data, CAR data, internal audit data, and customer complaints.

Meetings are held with the top management to discuss issues and problems encountered, and to ensure on-going compliance with established quality objectives.

Daily, informal meetings between the top management team and relevant employees to ensure on-going compliance with established quality objectives, as well as to manage daily processing of orders and services.

Prepared by:	Approved by:
NAME	**NAME**
Position	Position

III. Regulatory Services and Export Trade Services Procedures

Revision and Approval

Rev.	Date	Nature of Changes	Approved By
0	Oct. 1, 2017	Original issue.	Governing Board

Summary

This procedure defines the process and methods for registration of clients and application for services rendered.

The Regional Office, Assessment & Monitoring Services and the Laboratory Services are responsible for implementation of procedures.

1. Procedures

1. 1. Registration of Processors, Exporters and Exporters/Traders of Coconut Products and By-Products

This registration is required for all those engaged in and doing business using the coconut and its by-products such as among others copra buyer/dealer, whole nut buyer, coco lumber dealer/processor, coco charcoal dealer, coco coir processor.

Applicants are required to submit a duly notarized application form.

1.1.1. For New Registrants

Under the category of Processor, the following are the requirements for Corporation, aside from the notarized application form, viz: Registration Certificate issued by the Securities & Exchange Commission (SEC); Articles of Incorporation and By-Laws; Municipal Permit/License; License to Operate from the Food & Drugs Administration (FDA) for all coconut food-based products; Building plan and permit; and Feasibility Study.

For Single Proprietorship or Partnership, the following are the requirements: Properly notarized application form; Registration with DTI; Articles or Contract of Partnership; Municipal Permit/License; Building Plan and Permit; and Feasibility Study.

For Exporters/Traders of Coconut-based Products under Corporation, the following are the requirements: Properly notarized application form; Registration Certificate issued by SEC; Articles of Incorporation and By-Laws; Municipal Permit/License; and License to Operate from the Food & Drugs Administration (FDA) for all coconut food-based products.

For Single Proprietorship/Partnership under this category, the following are the requirements: Properly notarized application form; Registration with DTI; Municipal Permit/License.

For Trade Intermediaries, the following are the requirements: Properly notarized application form; Broker's License; Registration with DTI; Registration with SEC.

The whole transaction takes one to three days.

Flow of Registration

Applicant submits notarized application form together with required documents to the Regional Office. Application form and required documents are reviewed by the Agriculturist or CPRO for completeness. If application is compliant, Order of Payment is given for payment of required fee. After payment of required fee, the plant or office is inspected before issuance of Registration Certificate.

1.1.2. For Renewal of Registration

Applications are referred by the Regional Office to the Central Office - Assessment & Monitoring Services (AMS) for verification on payment by applicant of PCA fee and submission of reportorial documents. The Trade Control Examiner verifies status of company's compliance on the payment of PCA Fee and submission of reportorial requirements and if there is no obligation, makes appropriate formal communication with the Regional Office. If there are obligations of the applicant, the Trade Control Examiner prepares the Certification for signature of the AMS Manager for perusal of the Regional Offices.

The applicant pays obligation on the PCA Fee and submits to the CPRO in the Provincial Office required documents per AMS Certification. The CPRO receives and reviews documents and prepares the Order of Payment and Certificate of Registration. After payment of required registration fee, the Certificate of Registration if issued.

1.2. Registration of Coco Lumber Traders/Processors/Dealers

Applicant secures from the CPRO or Agriculturist application form and accomplishes this. The applicant submits the accomplished form, together with required documents to the CPRO/Agriculturist. The CPRO/Agriculturist reviews submission for its completeness and assesses the registration fees to be collected based on the schedule prescribed in the IRR of RA 8048.

Requirements for Single Proprietor – Domestic are the following: 1) Trade Name (DTI); 2) Mayor's Municipal License/Permit; 3) Notarized application form (Form No. AF-007) and valid ID.

For corporation – domestic the following are required: 1) Articles of Incorporation and By-Laws; 2) Registration from the Securities and Exchange Commission (SEC); 3) Municipal/Mayor's Permit; 4) PTR (BIR – Optional); 5) Notarized Application For (Form No. AF-007). Applicant pays the assessed fees.

The CPRO/Agriculturist prepares the Certificate of Registration for signature of the Regional Manager or the PCDM/Division Chief I and issued to the applicant.

1.3. Registration of Chainsaws

All chainsaw owners are required to register their chainsaws for issuance of sticker. Requirements are: DENR chainsaw registration, presentation of Chainsaw unit, and proof of ownership.

Flow of Registration

Applicant submits together with required documents letter requesting the registration of unit. PCA reviews the request and its completeness and gives Order of Payment of fee. Upon payment of required fee, Sticker and Certificate of registration are issued.

1.4. Assessment and Collection of PCA Fee

The applicant (Exporters, Pure Oil Millers, Oil Millers/Refiners, Pure Refiners, Desiccators, Oleo/Coco-chemical Producers, other manufacturers of coconut product) files and submits every Friday the following documents to the PCA Regional Office: a) Purchases; b) Domestic Sales (DS); c) Export Sales (ES); and d) Production.

Applicant pays the PCA Fee at the Regional Office. The Regional Cashier submits to Cashier in the Central Office collection of PCA Fee in IRF Form (Invoice Receipt for Fund), copy furnished the AMS.

The Central Office Cashier furnishes AMS with Daily Collection Summary of the PCA Fee.

The Regional Offices submit monthly Data Monitoring and PCA Fee Collection Summary Reports to the Assessment & Monitoring Service (AMS) covering companies' coconut products transactions in their respective area of responsibility.

The Trade Control Examiner assesses and computes the PCA due based on Purchases, DS or ES received from companies report per AO. No. 001, series of 2011 . The Examiner also analyzes PCA Fee performance based on reports submitted and reconciles Cashier's report with PCA Fee amount due, If there are found deficiencies, the AMS notifies/bills/ prepares/sends letter and Order of Payment to end-user informing deficiency re unpaid PCA Fee.

If the end-user does not respond to the letter of PCA and continue to default in payment, the AMS reviews documents and endorses to Legal Affairs Services (LAS) for appropriate legal action.

1.5. Application for Permit-to-Cut

Applicants include land owner or authorized representative with notarized written consent, controlling majority of the co-owners, duly authorized representative of a corporation, and Barangay Captain or owner of land in adjacent land that is endangered by the coconut trees.

Applicants accomplish required forms for submission to the Agriculturist. Requirements are the following; Prescribed application form, Valid identification of applicant, Proof of ownership, affidavit of non-encumbrance, and additional requirements: SPA if representative of applicant, duly approved Board Resolution for corporation, notarized consent of co-owners, *Sangguniang* Barangay Resolution/certification for endangerment for those hazardous to life and property, final conversion order issued by DAR, certification of conversion to other crops by the Department of Agriculture, affidavit of marking and identification of trees to be cut, and certificate of field planting by Barangay Chairman indicating the number of trees planted and location of planted area.

The Agriculturist examines and scrutinizes the accomplished forms and the PCDM/Division Chief I concerned signs the application.

Payment of Permit-to-Cut is made by the applicant, Official Receipt of which is issued.

The Agriculturist (CDO) inspects the site and coconut trees to be cut and verifies the authenticity of submitted documents. Posting at the barangay hall and at the site of the cutting requires seven days, one day for consultation with the concerned person or group on said cutting of coconut trees, and another day for the inspection of the site.

The Agriculturist prepares the Permit-to-Cut for signature of the PCDM. The Division Chief I/Regional Manager or the Administrator signs the PTC and this is issued to the applicant.

For 100 to 1,000 trees, the Division Chief I signs the PTC. For 1,001 to 2,500 trees, the Regional Manager is required to sign the PTC. For more than 2.500 trees, the Administrator or in the absence of the Administrator, the Chairman of the Task Force signs the PTC.

1.6. Application for Permit for Transport Coco Lumber

All those who would want to ship or transport their processed coco lumber to another site within or outside of the province where the cutting was located who are in possession of the Permit-to-Cut are required to apply for Transport Permit.

Requirements for this are the approved Permit-to-Cut, registration of the trader and vehicle driver. Fee for this is based on the type of vehicle used in transporting lumber.

Flow of the Process

The applicant is required to submit an accomplished application form with required documents. The Agriculturist reviews and evaluates submission and if there are no more questions or clarification of data, the applicant pays the required fee.

The Agriculturist prepares the Transport Permit for signature of the Division Chief. The Division Chief issues the Transport Permit.

1.7. Application for Land Inspection and Verification (CLIV) for Land Use Conversion

Land owners or their authorized representatives provided there is notarized consent can apply for this requirement. Requirements are the following; Valid ID issued by the government, proof of ownership or legal possession of affected land, notarized written consent or Special Power of Attorney (SPA) if applicant is representative, and such additional requirements that may be required by PCA.

The Agriculturist provides the set of required forms to the applicant for accomplishment and examines these for completeness. The Agriculturist issues the Order of Payment and the applicant pays the filing and inspection fee to the Division Chief I or Cashier who issues the Official Receipt.

The Agriculturist or CCDO inspects the site and verifies the authenticity of submitted documents. Consultation with concerned parties is conducted. Agriculturist prepares the Certification for Land Inspection and Verification (CLIV) for signature and endorsement by the PCDM to the Regional Manager.

The Regional Technical Staff reviews the Certification for the approval of the Regional Manager. The Certificate is returned to the provincial office which issues the same to the applicant.

1.8. Application for Export Trade Services

1.8.1. Commodity Clearances

Exporters of coconut-based products or foreign importers or other interested parties may avail of this service when requested which requirements are as follows: Export Clearance has been previously issued to the applicant, inspection and sampling of the product by a PCA inspector, laboratory analysis of samples of the product and the same has been found to be of standard quality, and payment of all the fees incidental to the inspection, sampling and laboratory analysis of the product.

1.8.2. Application of Export Clearances

Requirements for the issuance of Export Clearance are the following: Packing List, Pro-forma invoice, Export Declaration.

Flow of Issuance of Export Clearances

Client submits properly accomplished application for export clearance together with requirements.

The CPRO accepts and verifies export application and its supporting documents, computes required regulatory fees, and prepares Order of Payment. Export Clearance is issued upon payment of required fees.

1.8.3. Chemical and Microbiological Analysis of Coconut Products and By-Products

Coconut product and by-products are subjected to varied chemical and microbiological analyses, these analyses are for the following products: 1) Virgin Coconut Oil; 2) Copra; 3) Copra Cake/meal/Pellets; 4) Coconut Oil(Crude/RBD, Cochin, Hydrogenated Coconut Oil, Paring Oil, Shortening); 5) Acid Oil/Fatty Acid Distillate (FAD); 6) Desiccated Coconut; 7) Coconut Flour; 8) Coconut Sap Sugar; 9) Coconut Sap Syrup; 10) Canned Coco Milk (Gata), Coconut Juice/Coco Water in Cans or Tetrapak; 11) Coco Cream Powder, Creamed Coconut, Macapuno or Young Fruit Preserved, Frozen Coco Milk & Shredded Coconut; 12) Coconut Vinegar; 13) Cooked Acidified Nata de Coco; 14) Processed Nata de Coco (Low acid); 15) Raw Nata de Coco; 16) Coconut Shell Charcoal; 17) Coconut Peat; 18) Coconut Pith; 19) Coconut Coir; 20) Special Analysis.

Quality Management System

Management Process Matrix

Rev.	Date	Nature of Changes	Approved By
0	Oct. 1, 2017	Original issue.	Governing Board

Process	Sub-Process	Output	Responsible Offices
1. Industry Consultative Meeting	a. Making arrangements for the meeting b. Sending invitations to stakeholders c. Conduct of meeting	a. List of invitees, talking points b. Letters of invitation c. identified concerns and resolutions thereof	OFAD, CPS and OB CPS OFAD, CPS, LAS and OB
2. Management Review	a. Results of Audit and feedback from clients are prepared as inputs to the Management Review b. Conduct of Management Review	a. Audit Reports b. Recommendation to the strategic planning or to the Governing Board for policy formulation	Process Owners, IQA QMS Leaders Top Management Governing Board Team Leaders
3. Corporate & Strategic Planning	a. PCA makes arrangements for the strategic planning b. Conduct of the Planning Session	a. Inputs from the different PCA units and output of the consultative meeting b. Corporate Plan, systems that will address identified concerns of stakeholders	Concerned Units and Corporate Planning Service Corporate Planning Service/Operations Branch

4. Policy Formulation	a. Preparation of submission to the Governing Board of the draft Corporate Plan with systems to address concerns of stakeholders	a. Draft Corporate Plan	Corporate Planning Office
	b. Review by Legal Affairs Services (LAS) and Internal Audit of the draft Corporate Plan	b. Finalized Corporate Plan	LAS and IAS
	c. Submission to the Governing Board for approval	c. Recommended Corporate Plan	Office of the Administrator
	d. Approval by the Governing Board	d. Approved Corporate Plan	OCS, OFAD

Prepared by:	Approved by:
NAME	**NAME**
Position	Position

IV. Control of Non-conforming Outputs

Revision and Approval

Rev.	Date	Nature of Changes	Approved By
0	Oct. 1, 2017	Original issue.	Governing Board

Summary

The purpose of this procedure is to ensure that products and services that do not conform to the requirements are controlled to prevent their unintended use or delivery, or if delivered, to ensure that appropriate remedies are effectively taken.

The following definitions are important for a clear understanding of this procedure:

Nonconforming outputs	Outputs that do not fulfill requirements. Outputs may mean products or services. Products refer to physical items, such as reports and other documents prepared and released in conjunction with service delivery. Examples of physical products are documents like certificates issued, reports, etc. While coordination and advocacy activities are examples of services provided by the PCA. Examples of nonconforming products are inaccurate statistical data, wrong information in civil registry documents, missing documents, etc. Delayed issuance of civil registry documents, late release of statistical data and the like are nonconforming services.
Initial Disposition	Action taken to contain the nonconforming product/service and minimize its immediate effect. This may include putting the nonconforming product on hold and setting it aside, or temporarily discontinuing service delivery.

Correction	Action taken to correct the nonconforming product/service, to make it conform to requirements or otherwise prevent its unintended use or delivery. This may include reworking, regarding or scrapping of nonconforming products, or redoing the service.
Concession	Permission to use or release a product or deliver a service that does not conform to specified requirements. A concession is generally limited to the delivery of a product that has nonconforming characteristics within the specified limits for an agreed time or quantity of that product.
Corrective Action	Action to eliminate the cause of a detected nonconformity (nonconforming product/service) or other undesirable situation, and prevent recurrence.
Process Owner	Individual/office whom/where the process being performed is where the NC is detected Employee/ office responsible for the performance of a process and ensuring that objectives are realized, and that appropriate actions are carefully reviewed and approved and are taken without undue delay to eliminate nonconformities and their causes.

Nonconforming outputs can be discovered at any time, by any person or organization, including employees, the customer, regulatory authorities, etc.

1. Procedure Details

1.1 Identifying Nonconforming Product/Service

Nonconforming products/services may be detected internally by employees as they perform their functions, through observation, monitoring, inspection, verification and review.

Nonconforming products/services may also be detected externally by the client/citizen through feedback or complaints as detailed in the Guidelines for Monitoring and Measuring Customer Satisfaction.

When nonconforming products/services are detected, they shall be evaluated against requirements defined in applicable operating procedures, process guidelines, product/service guidelines, or quality plans.

1.2 Determining and Applying Initial Disposition

1.2.1. Initial disposition is meant to contain the problem so that no additional nonconforming products/services are produced or delivered, and/or prevent already nonconforming product/service from worsening.

1.2.2 The Control of Nonconformity Matrix outlines the initial specific actions which need to be taken and by who. Actions may include the following:

i. Retrieving or withdrawing the nonconforming product from the client
ii. Issuance of another pre-numbered form for replacement of the non-conforming product

1.2.3. When the nonconforming product/service is detected just prior to issuance, the client shall be informed immediately of the defect and the intent of PCA to replace the non-conforming product.

1.3 Determining and Applying Correction

Initial disposition is meant to contain the problem so that no additional nonconforming products/services are produced or delivered, and/or prevent already nonconforming product/service from worsening.

The Control of Nonconformity Matrix outlines the initial specific actions which need to be taken.

1.4. Applying Corrective Action

1.4.1 Further action shall be undertaken to prevent recurrence of the problem, when:

i. nonconforming product/service is identified via a customer/citizen complaint
ii. monitoring shows that nonconforming product/service are recurring
iii. frequency and extent of nonconforming product/service are increasing
iv. correction requires that the nonconforming product be reworked or replaced, or for the service to be restarted or redirected, incurring significant cost in time and resources
v. nonconforming product/service represents legal implications to the organization, the customer/citizen, or both

1.4.2 Further action shall be subject to the Corrective Action procedure.

1.4.3 Provisions for detecting and correcting nonconforming product/service shall be planned and outlined in the Control of Nonconformity Matrix. The plan links with controls built into the operating processes, as documented in the operating procedures, process guidelines, and product/service guidelines. The nature of nonconforming products/services and subsequent actions taken shall be captured in process and monitoring records. The plan shall be periodically reviewed for adequacy and effectiveness.

Prepared by:	Approved by:
NAME	**NAME**
Position	Position

Control of Non-conforming Matrix

Process: _____
(One matrix for each process in operations, support and management)

Nonconforming Product/Service	Initial Disposition		Correction			Reference
	Action	Responsibility	Action	Responsibility	Authority	

Prepared by:

_____
NAME
Concerned Head

Reviewed by:

_____
QMS Leader

Approved by:

_____
Governing Board/Administrator

Prepared by:	Approved by:
NAME	**NAME**
Position	Position

V. Internal Quality Audit Procedure

Revision and Approval

Rev.	Date	Nature of Changes	Approved By
0	Oct. 1, 2017	Original issue.	Governing Board

Summary

This procedure defines the process and methods for conducting internal quality management system (QMS) audits.

The **Internal Quality Audit (IQA) Team** is responsible for implementation and management of the IQA.

The following definitions are important for a clear understanding of this procedure:

Auditee	The Office or person being audited
Auditor	The person with demonstrated personal attributes and competence to conduct an audit.
Audit Team	Composed of more than one auditors led by an Audit Team Leader who are assigned to conduct an audit in a particular office and prepare necessary report of findings;
Audit Plan	A documented plan prepared prior to the conduct of audit which details activities such as where to go, what to do, when to do, and whom to see
Audit Program	A documented list of audit plans for the 12-month period
Audit Checklist	A set of variables which serves as a guide to an auditor
Audit Criteria	Set of policies, procedures, or requirements which are used as reference against which audit evidence is compared
Audit Evidence	Qualitative or quantitative record, statement of facts or other information, which is verifiable and relevant to the audit criteria
Audit Finding	Result of the evaluation of the collected audit evidence against audit criteria
Conformity	Fulfilment of a requirement
Nonconformity	A non-fulfilment of a requirement
Opportunity for Improvement	A situation or process that may lead to potential nonconformity

Corrective Action	Action taken to eliminate the cause of a detected nonconformity or other undesirable situation to prevent its recurrence
Corrective Action Report	A tool/form used to record the audit findings and the corresponding root cause analysis and appropriate actions taken to address it
IQA Team	The IQA Team is formed to oversee the IQA implementation

1. Procedure Detail

1.1. **Selection and Management of Internal Quality Audit Team**

1.1.1. Acceptance of candidate auditors into the composition of auditors and the selection of auditors for specific assignments consider the following audit competencies:

i. The personal attributes of the auditor include ethical, open-minded, diplomatic, observant, perceptive, versatile, tenacious, decisive and self-reliant

ii. Knowledge on auditing concepts and methodologies

iii. Auditing skills

iv. Knowledge on ISO 9001 requirements and the QMS of the organization vis-à-vis audit requirements of the auditee

1.1.2. Auditor performance is reviewed considering the following:

i. Feedback from the IQA team leader, other auditors and the auditee

ii. The quality of audit checklists and audit reports

iii. The competencies and performance of auditors are periodically evaluated to identify training and development needs. The **IQA** Team coordinates with the Human Resource Division to plan and implement training and development program for auditors.

1.1.3. The composition of auditors is maintained and updated by the **Internal Quality Audit Team.**

1.2. Planning for the IQA

1.2.1. The Audit Plan for the 12-month period is prepared by **the IQA Team** before the start of a calendar year. Each QMS process is audited at least once a year.

1.2.2. Whenever necessary, unplanned IQA may be initiated by the QMS Leaders based on, but not limited to the following:

i. unusual increase of quality-related problems

ii. introduction of new services

iii. major changes in QMS, personnel, and processes

iv. as per client's request

1.2.3. Copies of the Audit Plan are disseminated to all concerned Division/Department through a memorandum from the QMS Leaders.

i. purpose

ii. IQA scope

iii. Offices to be audited and auditee

iv. assigned Audit Team

v. date and time of the IQA

1.3. Preparing for the IQA

1.3.1. The Internal Quality Audit Team reviews applicable documents such as the QMS Manual, Procedures, Guidelines, Office Orders, Memorandum Orders, Special Orders and applicable statutory and regulatory laws.

1.3.2. Audit Checklists are developed based on the audit scope, objectives, and document review.

1.4. Conducting the IQA

1.4.1. The Team Leader starts with an opening meeting to reconfirm audit schedule, audit objective, and audit participants.

1.4.2. The Internal Quality Audit Team gathers data by interviewing personnel, reviewing documents, observing processes, and verifying records.

1.4.3. The Internal Quality Audit Team records facts as evidence of the audit and evaluates the same to determine the objective evidence of the audit findings.

1.4.4. The audit findings are classified as Conformity, NC or OFI. Commendations and strengths of the system are also noted.

1.4.5. If and when the auditee has unresolved issues with an audit finding, he/she may contest such before or during the closing meeting.

1.4.6. If not resolved at this level, the issue may be raised to the **Top Management.**

1.4.7. A closing meeting is conducted wherein audit findings are presented to the audited office.

1.5. Reporting the IQA

1.5.1. Audit findings are documented on the Corrective Action Report (CAR) form and Audit Summary Report.

1.5.2. Control Numbers are assigned to the CAR for monitoring purposes. These are recorded in the CAR logbook maintained by the IQA Committee.

1.5.3. The CAR with the Audit Summary Report are issued to the auditee within ten (10) working days after the closing meeting. The auditee acknowledges and signs the CAR.

1.5.4. The auditee with the unit head determines and implements appropriate corrective action in accordance with Control of Corrective Action procedures. The auditee returns the accomplished CAR to the IQA Committee.

1.6. Verifying Actions Taken

1.6.1. The auditors verify the implementation of the actions taken specified in the accomplished CAR. The results of such verification are monitored as per Corrective Action Procedure.

1.6.2. The Head of the Auditee ensures that root cause analysis is conducted and monitored in accordance with the Corrective Action Procedure. The Head of the Auditee also ensures effectiveness of actions taken.

Prepared by:	Approved by:
NAME	**NAME**
Position	Position

Audit Plan

Criteria		
Scope		
Objectives		
Audit Team	**Team Leader**	
	Members	

Audit Activities

Date	Time	Activity	Auditee	Auditors

Prepared by:	**Approved by:**
Audit Team Leader	**QMS Leader**

Audit Program

Scope												
Objectives												
Audit Schedule												
Office	**Process**	**Audit Team**	**Audit Month**									
			Jan	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**July**	**Aug**	**Sep**	**Nov**	**Dec**

Prepared by: _____ IQA Team Leader	Approved by: _____ QMS Leader

Audit Checklist

Compare the requirements of [ISO 9001 or AS9100], the [Quality Manual Doc Title] and other documentation against what employees are actually doing in everyday practice.			
Requirement Reference	**Question**	**Y/N (for N/A)**	**Evidence or Notes Sheet Ref. #**

Review previous audits for this process. Review previous [CAR Form Abbreviation]s issued against this process, or as a result of previous audits for this process. Add additional checklist questions here, based on the previous audits, [CAR Form Abbreviation]s or other documents or requirements, as you see fit.			
Requirement Reference	**Question**	**Y/N (for N/A)**	**Evidence or Notes Sheet Ref. #**

Verify the Effectiveness of the Process

Review the applicable procedure(s) for this process and answer the questions below.		
Question	**Y/N (for N/A)**	**Evidence or Notes Sheet Ref. #**
Are the procedure steps accurate and complete as compared to true practice?		
Are there sufficient check steps (inspections, tests, reviews, approvals, sign-offs, etc.) that ensure the process outputs meet requirements before passing onto the next process?		

Audit Checklist

Does the process appear to adequately meet the requirements of [ISO 9001 or AS9100] and the [Short Client Name] documentation?		
Does the process appear to adequately meet all customer or regulatory requirements?		
Indicate any problems you uncovered with the process**:**		
Provide brief details on any areas that you found were well-implemented, particularly effective or worth noting as positive traits of the process.		

Prepared by:	Approved by:
NAME	**NAME**
Position	Position

VI. Corrective Action Procedure

Revision and Approval

Rev.	Date	Nature of Changes	Approved By
0	Oct. 1, 2017	Original issue.	Governing Board

Summary

The purpose of this procedure is to ensure that causes of detected nonconformities are eliminated in order to prevent recurrence.

This procedure applies to nonconformities found in the implementation of the quality management system.

The following definitions are important for a clear understanding of this procedure:

Nonconformity	Non-fulfillment of a requirement
Corrective Action	Action to eliminate the cause of a detected nonconformity or other undesirable situation, and prevent recurrence

1.0 Procedure Details

1.1 Reviewing Nonconformity

1.1.1 The corrective action procedure is triggered by Corretive Action Report reflected in the CAR form from other processes/procedures in response to identified nonconformities from:

i. internal quality audits

ii. customer/citizen complaints (from the Monitoring and Measurement of Customer Satisfaction)

iii. qualified nonconforming outputs (from Control of Nonconforming Outputs)

iv. poor process performance results and unacceptable deviations from the organization's programs and plans (from management reviews)

1.1.2 The initial review of the Corrective Action Report considers:

i. The extent and impact of the reported nonconformity.
ii. The processes contributing to and affected by the reported nonconformity.

1.1.3 The Head of Unit identifies concerned personnel who need to be involved in corrective action. This may extend to personnel outside his/ her own department; coordination with the other concerned departments should be established.

1.2 Determining the Cause of Nonconformity

1.2.1 All occurring nonconformities are subjected to root cause analysis to be able to come up with corrective action plans.

1.2.2 Root cause analysis considers the different factors contributing to the nonconformity, including:

i. Manpower - personnel competencies and their ability to consistently perform their functions as required.

ii. Machine - the availability of appropriate tools, equipment and facilities to enable effective operations

iii. Methods - the availability and consistent application of appropriate procedures, guidelines and standards

iv. Materials - the availability of the needed materials and supplies to enable effective operations.

v. Environment – the condition of the surroundings, facilities, and work environment

1.2.3 Where several root causes are identified, they are prioritized relative to their contribution to the nonconformity

1.3 Determining and Implementing Corrective Actions

1.3.1 Based on the root causes identified, corresponding corrective action plan is developed and approved by the Division Chief.

1.3.2 Planning of corrective actions (solutions) involves the following:

i. generation of alternative solutions

ii. the selection of the best solution (from the alternatives)

iii. the identification of activities, resources, responsibilities and timeliness needed to implement the selected solution.

1.4 Reviewing the Status of Corrective Actions

1.4.1 The IQA Team reviews the root causes and corrective action plans documented in the CAR. The Committee also monitors the implementation of the action plans.

1.4.2 The implementation status and effectiveness of corrective actions is also periodically reviewed and evaluated by the concerned Division Chief; any related issues are primarily addressed.

1.4.3 Corrective actions are collectively reviewed by Top Management during management review. Depending on the nature of the solution and the associated nonconformity, monitoring and review continues for at least 6 months after implementation, after which the corrective action is deemed completed.

Prepared by:	Approved by:
NAME	**NAME**
Position	Position

Corrective Action Report

<table>
<tr><td colspan="4">Section 1 – Details of Nonconformity (To be accomplished by the Auditor/ Initiator)</td></tr>
<tr><td>Date:</td><td rowspan="3">References: (manuals, procedures, policies, ISO clauses, etc.)</td><td colspan="2">CAR Number:</td></tr>
<tr><td rowspan="2">Auditor / Initiator: _____
Signature over Printed Name</td><td></td><td>Nonconformity (Non-fulfillment of requirement)</td></tr>
<tr><td></td><td>Observation (Does not signify failure in the system but maybe enhanced)</td></tr>
<tr><td colspan="3">Details: (As a result of)

☐Internal Quality Audit☐Customer Feedback☐Other (Pls. specify) _____</td><td>Office:</td></tr>
<tr><td colspan="2">Issued by:

_____
Signature over Printed Name</td><td colspan="2">Issued to: (Office Head)

_____
Signature over Printed Name</td></tr>
<tr><td colspan="4">Description of the Nonconformity/Observation: (Include evidence)

Acknowledged by:
_____</td></tr>
<tr><td colspan="4">Section 2 – Necessary Action(s) (To be accomplished by the Auditee/ Process Owner)</td></tr>
<tr><td colspan="4">Correction: Target Completion Date:
_____</td></tr>
<tr><td colspan="4">Root Cause Analysis: Analyzed By: _____</td></tr>
</table>

Describe the necessary CorrectiveAction(s):

Approved By: _____ Target Completion Date: _____

Section 3 – Verification of Implementation and Effectiveness (To be accomplished by the Initiator)

Results of Action(s) Taken	Remarks

Verified By: _____ Verification Date: _____

Acknowledged By: _____ Next Verification Date: _____

Results of Action(s) Taken	Remarks

Verified By: _____ Verification Date: _____

Acknowledged By: _____ Next Verification Date: _____

Corrective Action Status Report

CAR No.	NC Description	Details (as a result of)	Initiator	Recipient	Date Issued	Target Date of Implementation	Verification Date/Status	
							First	Second

Prepared by:	Approved by:
NAME	**NAME**
Position	Position