Audit Report
Annex 1: Action List including opportunities for improvement and positive aspects

Order no.:**PH20130071** Client no.:**218964-01**
Client:**National Food Authority (NCR-CDO)**

Management Service

Comments

An audit cannot cover each and every detail of the management system.Therefore, there may still be nonconformities not addressed by the auditors in the closing meeting or the audit report.Audit results are always evaluated on the basis of the following classification:

Nonconformities (NC):	Failure to fulfil one or more requirements of the management system standard or a situation that raises significant doubt about the ability of the client's management system to achieve its intended outputs. (Classification:**Major** nonconformities). • Corrections (immediate solution) of the audit finding are to be implemented • The causes of the identified nonconformities shall be analyzed • **Corrective actions for the causes of the nonconformities shall be effectively implemented prior to the decision on certificate issue/renewal** • The auditor generally verifies the effectiveness of corrective action in an on-site re-audit unless verification is possible on the basis of submitted new documentation.
Minor nonconformities (MiN):	In individual cases some of the requirements of the management-system standard are not fulfilled completely.However, this does not jeopardize the effectiveness of the management-system element (chapter of the standard). (Classification:**Minor** nonconformities). • Corrections (immediate solution) of the audit finding are to be implemented • The causes of the identified nonconformities shall be analyzed • **The lead auditor is to be informed of the intended corrective actions for the causes of the nonconformities within 14 days prior to the decision on certificate issue/renewal** • The lead auditor evaluates the submitted corrective actions and confirms acceptance thereof. The implementation of the corrective actions will be verified in the next audit.
Opportunities for improvement (I):	Aspects that would lead to management system optimization with respect to a requirement of the standard. (Basic requirement for the identification and recording of **opportunities for improvement is** that the **requirements of the standard regarding the process element** have been fulfilled but that there are still areas for potential improvement of system effectiveness and efficiency.Implementation by the organization is recommended.)
Positive aspects (P):	Positive aspects of the management system meriting special mention

All elements of the standard in each clause of the standard were found to be "in conformity/effective" except for those elements of the standard for which this action list includes nonconformities or minor nonconformities.

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The following table shall be used for all findings recorded by the audit team during an audit (certification, change, repeat, sample, special or surveillance)

Nonconformities:

Clause no.	Process	Findings		Results of root cause analysis*	Intended correction and corrective action (CA)* (incl. due dates and responsible)	Evaluation of CA (to be completed by auditor)		
		Description (to be completed by auditor)	Type NC/MiN	(to be completed by client in case of NC and MiN)	(to be completed by client)	Date	Effective (E) / Accepted (A)**	Evidence provided (only for NC findings)***
8.2.2	Internal Audit	Opportunities for improvement are classified as observations based on Internal Audit Procedure NFA-CDO/QSP-OM.03 Rev. 2 8/1/2016. However, almost all observations raised during the internal audit for 2017 suggest lapses to requirements. Improper classification resulted in identifying preventive actions instead of corrective actions to address non-conformity.	MiN	The auditors evaluated findings that have an indirect or minimal effect in the implementation of a process as an observation while issues that directly affect the process implementation were classified as a non-conformance	**Immediate solution for the correction of the finding:** Findings/Observation that deviate from a process were elevated to Non-conformance. **Corrective Action to eliminate the cause:** The auditors to be more cautious in indentifying audit findings to ensure correct classification. Continuous education through training will be done to enhance skills as internal quality auditors. **Target Date:** February 2018 **Person-in-charge:** Internal Quality Auditors/QMR			

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Clause no.	Process	Findings		Results of root cause analysis*	Intended correction and corrective action (CA)* (incl. due dates and responsible)	Evaluation of CA *(to be completed by auditor)*		
		Description *(to be completed by auditor)*	**Type** *NC/MiN*	*(to be completed by client in case of NC and MiN)*	*(to be completed by client)*	**Date**	**Effective (E) / Accepted (A)****	**Evidence provided** (only for NC findings)***
6.2.1	HR / Competence Requirements	There is no process to monitor validity of professional memberships/ certifications which are part of qualification requirements. CIP: The required certification for Pest Applicator of Mr. Arnel Bertulfo on file is already expired at the time of promotion. ID# 102012-28 Expired Jan 24. 2014	MiN	Failure to verify the requirements submitted by Mr. Arnel O. Bertulfo at the NFA-Regional Administrative Office.	**Immediate solution for the correction of the finding:** Issued an Intra-Office Memo to the following: a) Mr. Bertulfo, requiring him to submit an updated Certification ID. b) All employees with professional membership / certifications to submit an updated copy of their licenses / ID's to the Administrative and General Services Section. **Corrective Action to eliminate the cause:** Created a report designed to monitor the validity of Employee's Professional Membership / Certifications. **Target Date:** January 15, 2018 **Person-in-charge:** Administrative Officer III			

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		Description *(to be completed by auditor)*	**Type** *NC/MiN*	*(to be completed by client in case of NC and MiN)*	*(to be completed by client)*	**Date**	**Effective (E) / Accepted (A)****	**Evidence provided** (only for NC findings)***
6.2.2	Training	There is no system to ensure that planned trainings which have not materialized from the previous year are carried over to the following year.	MiN	The Administrative Section failed to evaluate CDO employees training needs for 2018.	**Immediate solution for the correction of the finding:** a) Revision of the Training Policis and Procedure NFA-CDO/QSP-AG.02, to include "Evaluate prior year trainings which have not actualized and include in the current TNA if found essential to employee's professional growth". b) Updated the Summary of Training Needs Analysis Survey for CY 2018. **Corrective Action to eliminate the cause:** Created a report designed to evaluate employee's training needs for their professional growth. **Target Date:** January 15, 2018 **Person-in-charge:** Administrative Officer III			

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Clause no.	Process	Findings		Results of root cause analysis*	Intended correction and corrective action (CA)* (incl. due dates and responsible)	Evaluation of CA *(to be completed by auditor)*		
		Description *(to be completed by auditor)*	**Type** *NC/MiN*	*(to be completed by client in case of NC and MiN)*	*(to be completed by client)*	**Date**	**Effective (E) / Accepted (A)****	**Evidence provided** (only for NC findings)***
8.5.1	PISO	Requirements needed for Registration and Renewal of Licenses as per Revised Rules and Regulations are not strictly enforced. CIP: 1) Control # 1395-1-11369 with missing TIN and Proof of Filipino Citizenship 2) Control # 1391-1-0665 With missing TIN 3) Glen Mangulabnan with missing ITR or Certificate of Registration since 2016. This is a potential Major NC if not addressed during the next audit.	MiN	The Provincial Industry Services Office failed to strictly implement the "No requirements, No processing of application/renewal" Policy.	**Immediate solution for the correction of the finding:** A letter was sent to the concerned grains businessment to complet them to submit their defficiency requirement and a re-inspection was done to verify if their grains business were still operational. a) Mindaya Manabilang - a Filipino citizen as indicated in her application dated 11/21/17, still awaiting submission of TIN. b) Camille Andrea B. Capulong - submitted TIN on January 12, 2018. c) Glen Mangulabnan – ceased operation since March 2017. **Corrective Action to eliminate the cause:** The Provincial Industry Services Office shall strictly implement the "No requirements, No processing of application/renewal" Policy. **Target Date:** January 10, 2018 **Person-in-charge:** PISO Chief and Staff			

Note 1: Root cause analysis and corrective action are only mandatory for NC or MiN findings.

* see "Guideline for Corrective Actions Acceptance" at end of document for further assistance

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** The intended corrections and implemented corrective actions have to be verified. The Auditor shall evaluate “Effective” (E) in the case of NC and ”Accepted” in the case of corrections for MiN findings, if appropriate.

******* A NC requires a re-audit, during which the corrective actions are evaluated for effectiveness.

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Opportunities for improvement and positive aspects::

Clause no.	Process	Findings		Action for optimization *(optional for client to fill out)*		
		Description *(to be completed by auditor)*	**Type** *I/P*	**Action**	**Responsible**	**Date**
		Finding:				

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General

If Minor nonconformities identified in the last audit are not closed in an acceptable manner, they must be rated as Nonconformities (re-audit required).

Information on findings management in sampling and multi-site certification

The management representative of the central office must check whether systematic corrective actions to close a root causecan be applied in a preventive manner to other affected sites. This is required for findings from internal and external audits.

In sampling certification, the TMS auditor will select and audit other sites in the next audit cycle and consequently cannot verify on site the effectiveness of the corrective actions from the last audit cycle.

Given this, during the next internal audits carried out at the sites concerned, the management representative of the central office must verify on site the effectiveness/acceptance of the corrective actions taken to address **Nonconformities**, **Minor nonconformities** and **Opportunities for improvement**, if any.

The results must be recorded and submitted to the TMS auditor at the next audit to ensure the auditor can verify the effectiveness of the corrective actions initiated.

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Guideline for Corrective Actions Acceptance

Objective: The purpose of this section is to provide a consistent set of criteria for the development, acceptance and implementation of corrective action responses. These guidelines apply to all standards on the basis of the ISO 17021 (i.e. QMS, EMS, AMS, ENMS). They are intended for TÜV-SÜD auditors and audited organizations to help them understand how nonconformities should be addressed.

1. Was correction to eliminate existing finding completed?

Describe corrections for NC and MiN taken under "Intended correction and corrective action".
e.g.: Completed missing internal audits; Conducted supplier evaluations; Segregated nonconforming material, etc.
Provide evidence that actions were planned, taken and are effective.

2. Have the appropriate root causes been identified?Consider the following:

- what caused the actual nonconformity (for NC and MiN) (occurrence of systematic failure)?
- what allowed the problem to occur without being detected internally?
- which part of the organization's processes failed to address this issue or is the organization lacking a specific process, method, etc.?
- is the nonconformity also applicable/found in other sites (in case of multi-site and sampling certification)?

The cause shall not be a repeat or a rewording of the nonconformity statement nor of the objective evidence.
e.g.: apply the 5-Why method for root cause analysis

3. Has a corrective action been determined for each identified root cause?Each root cause must have at least one identified corrective action that eliminates / addresses the specific cause(s) and prevents recurrence of the nonconformity.
In the case of multi-sites and sampling certification, verify if the corrective action can be applied in other sites as well.

4.Has appropriate evidence been provided to verify that actions taken have been implemented and are effective?

It is the responsibility of the organization to provide evidence of internal verification of the corrective action(s), or a plan to do so. The Lead Auditor will provide due dates for submitting evidence of implementation. This could vary depending on the circumstances and standards involved.