




AGRICULTURAL CREDIT POLICY COUNCIL QUALITY MANUAL

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INTRODUCTION

This **QMS Manual** defines and clarifies policies, systems, and procedures adopted to implement and continually improve the Quality Management System (QMS) of the **Agricultural Credit Policy Council**.

This QMS Manual, together with associated documents mentioned hereto, aims to:

- Describe the basic elements of the QMS of the ACPC and serve as reference in its implementation and continual improvement;
- Inform the internal and external stakeholders and enable them to observe and implement the QMS that is being maintained at the ACPC; and
- Serve as reference and guide for newly-hired personnel and make them familiar and appreciate the ACPC's QMS.

This Manual is intended to be used by all the units of the Agricultural Credit Policy Council.

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AGENCY PROFILE

A. History and Mandates

The Agricultural Credit Policy Council (ACPC) was created in 1986 by virtue of Executive Order 113 to synchronize all agri-credit policies and programs in support of the Department of Agriculture (DA) priority programs. It was also tasked to monitor and evaluate the economic soundness of all evaluate the credit programs. It became an attached agency of DA through Executive Order No. 116. It was mandated to administer the Comprehensive Agricultural Loan Fund (CALF) through Administrative Order No.5.

In 1992, the role of ACPC was expanded by RA 7607, the Magna Carta of Small Farmers assigning it to conduct special projects to promote innovative financing schemes for small farmers, and to orchestrate institution building programs for agricultural finance institutions, cooperatives, coop banks, agri-corporations and small borrowers to improve their access to credit.

The Agricultural Modernization Act (AFMA), RA 8435 paved the way for ACPC to carve its niche in a liberalized and globalized environment. In support of AFMA, ACPC was tasked to develop the design of the Agro-Industry Modernization Credit and Financing Program on the AMCFP which is the only credit pipeline for agriculture and fisheries under the law. Subsequently, the ACPC was tasked to oversee the implementation of the AMCFP as per AMCFP Guidelines (ACPC Council Resolution No. 01-1999).


In 2016, the DBM approved the creation of a new Accreditation and Certification Division in ACPC with 3 plantilla positions in support of ACPC's added mandate to certify the eligibility of bonds and other debt securities and accredit non-bank rural financial institutions (NBRFIs) pursuant to Republic Act No. 10000 (a.k.a the Agri-Agra Reform Credit Act of 2009) and its I.R.R. and Department of Agriculture (DA) - Special Order 605 of 2011.

ACPC's functions were further expanded in scope and coverage in relation to the implementation of nationwide access to fast, convenient and affordable credit for small farmers and fisherfolks which is ACPC's sole responsibility to ensure that credit funds being infused by the National Government are directly utilized by the intended small farmers and fisherfolks-beneficiaries in support of the DA food security programs.

B. Integration with The Department of Agriculture

Through the Executive Order 116, s. 1987, the Presidential Committee on Agricultural Credit and Technical Board for Agriculture Credit were merged into the Agricultural Credit Policy Council and attached to the Department of Agriculture (formerly the Ministry of Agriculture).

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C. Vision

The ACPC is the institution on agri credit and program development that promotes a sustainable and effective delivery of financial services to the countryside.

D. Core Values

The ACPC has seven (7) core values that will guide its officers and employees in the execution of their tasks. The following are:

1. Clear Organizational Direction - carry out programs and activities that will contribute to the achievement of the organization's defined vision, mission and goals.
2. Unity and Cohesion - support and implement mutually agreed upon activities, and individually and collectively uphold the integrity of the organization.
3. Challenges and Opportunities - welcome challenges and view these as opportunities for individual growth and for further developing the organization.
4. Consultation and Communication – employ open communication and feedback mechanisms to ensure that the activities and programs are relevant and responsive to the needs of our staff and clientele
5. Support, Trust and Appreciation – give support to colleagues and strive towards a work environment characterized by mutual trust and where individual's contribution is given due recognition
6. Commitment – pledge to give the best efforts to deliver quality and timely output
7. Excellence/Skillfulness – develop, hone and use individual God-given talents and skills for the good of our fellowmen and our agency

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ORGANIZATIONAL STRUCTURE

In 2013, the organizational structure of ACPC was rationalized pursuant to Executive Order No. 366 dated 04 October 2004. Under the rationalized structure, the following four Staff-level units (a.k.a. Directorates) and divisions were retained:

1. Policy, Planning, Program Development and Advocacy Staff
 - Policy and Planning Division
 - Program Development Division
 - Advocacy Division
2. Program Monitoring and Information Systems Management Staff
 - Monitoring Division
 - Information Systems Management Division
3. Fund Management Staff
 - Fund Recovery Division
 - Assets Disposition Division
4. Administrative, Financial and Management Staff
 - Administrative Division
 - Financial and Management Division

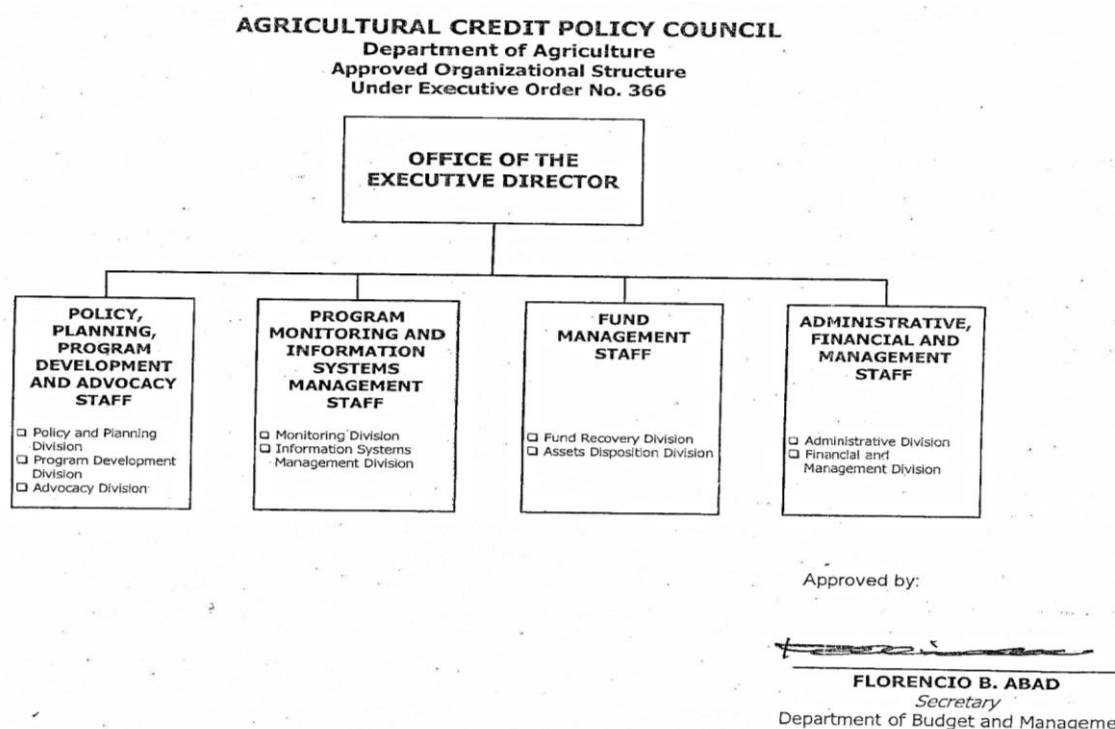



Figure 1: Approved Rationalized Structure

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On the other hand, the Public Affairs and Communication Division was added in accordance to Special Order No. 89 series of 2017 under the Office of the Executive Director.

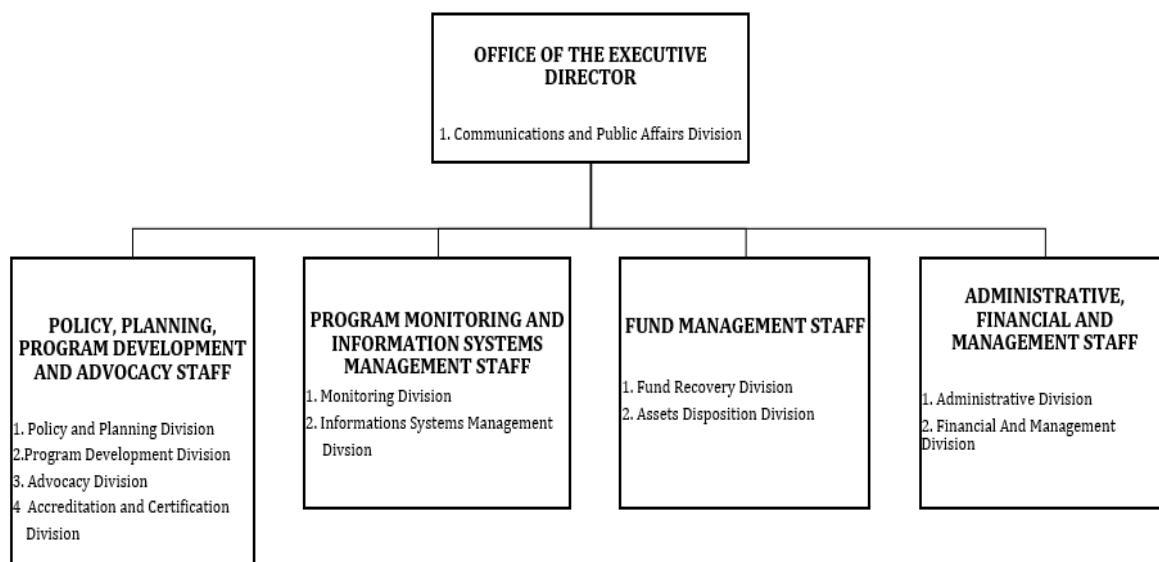



Figure 2: Organizational Structure including CPAD and ACD

Attachment

Annex 1: Approval of Accreditation and Certification Division

Annex 2: Amendment to the Creation of an internal Communications and Public Affairs Division (CPAD) and Delineating its Functions and Personnel

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A. Functional Descriptions

1. Office of the Executive Director (OED)

The Office of the Executive Director (OED) is responsible in the overall execution of the programs, projects, activities and policy decisions of the ACPC Council and provides overall leadership, supervision, and guidance to ensure coordination and efficient implementation of all activities within the agency. It initiates and facilitates regular Council meetings to report the accomplishments and recommends to the DA Secretary and the ACPC Council members appropriate agricultural credit policies and programs, and prepares reports and documents of all programs with agricultural credit and financing components. The OED ensures that the organizational structure, corresponding personnel, and other necessary resources are adequate and capable to accomplish the tasks assigned by the Council.

a. Communications and Public Affairs Division (CPAD)


The Agricultural Credit Policy Council (ACPC) undertakes various activities aimed at: facilitating and maximizing credit program outreach among small farmers and fishers; and promoting and generating greater awareness, understanding, acceptance, and support for credit policies and programs for agriculture and fisheries. The Secretary of the Department of Agriculture (DA) issued a directive for ACPC to conduct massive information dissemination on the available financing programs for small farmers and fishers – such as the Production Loan Easy Access (PLEA) and the Survival and Recovery (SURE) Assistance Program.

CPAD undertakes various advocacy activities aimed at promoting and generating greater awareness, understanding, acceptance, and support for agriculture and fisheries credit policies and programs. This is done through credit program orientation and credit-matching seminar-workshops, press releases, development and dissemination of information, education and communication (IEC) materials, conferences, road shows, exhibits and through ACPC's website.

Services Provided

- Production and dissemination of ACPC print, audio-visual information, education and communication (IEC) materials;
- Development and implementation of public affairs and advocacy programs that facilitate access and generate broader participation in agri-financing programs, promote ACPC research outputs and agri-finance policies and elicit feedback and action from farmers, fisherfolk, policy makers and other stakeholders. Such activities include credit program orientation and credit-matching seminar-workshops, conferences, roadshows, and exhibits;

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- Implementation of communication and advocacy activities to promote agri-finance policies and programs and strengthen linkages between lenders and borrowers to improve access to financing;
- Oversee the agri-credit desks in the regional field offices and those in the provinces;
- Establishment and supervision of the activities of the R-LoFTs and P-LoFTs
- Documentation of DA-ACPC programs and activities.

2. Policy, Planning, Program Development & Advocacy Staff


The ACPC Policy, Planning, Program Development & Advocacy Staff (PPPDAS) is responsible for the formulation and implementation of the ACPC research agenda, conduct of research studies included thereat and advocacy of agricultural/rural finance policies, programs, and legislation aimed at increasing the flow of credit to agriculture; formulation of agricultural/rural short and long plans and initiate, coordinate, integrate and report the same; and conceptualization, design, and packaging of financing programs, and innovative financing schemes projects that promote sustainable access to credit by the small farmers and fisherfolk.

b. Policy Research Division

Conduct policy research studies to come up with timely and reliable recommendations on appropriate credit policies and programs for the agriculture and fisheries sector, and spearhead planning activities to operationalize strategies and interventions that would increase access of small farmers and fisherfolk to sustainable financial services.

Services Provided

- Conduct policy and action research studies on matters concerning agricultural and rural finance (credit, guarantee and insurance);
- Review and make recommendations on the socio-economic soundness of proposed programs, legislation, and other policies that aim to increase the flow of credit to agriculture;
- Provide technical support to program implementation and policy development;
- Conduct of planning and assessment activities including operational and strategic planning workshops to clearly map out the agency's annual work and financial plan and targets and assess the agency's physical performance; and

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- Initiate, coordinate, integrate and report the short, medium and long-term agriculture and rural finance plans, agency work and financial plans, and agency performance.

c. Program Development Division (PDD)


The Program Development Division (PPD) is responsible for the design and development of innovative schemes, financing and credit programs supported under the Agro-Industry Modernization Credit and Financing Program (AMCFP) and/or other funding sources. The PDD ensures that new financing schemes (innovations) are identified, pilot tested or field validated and special financing programs that promote improved and sustainable access to credit by the small farmers and fisherfolk are developed and implemented.

The Division is also tasked to facilitate the pilot-testing/implementation of innovative financing schemes (IFS) and credit programs developed through government financial institutions and other partner financial institutions in consonance with the AMCFP framework. The division ensures that the programs are implemented in accordance with the design and set goals and objectives and that relevant credit experiences are documented as reference for possible enhancement of programs that are developed and implemented.

Services Provided:

- Initiate/undertake the identification, conceptualization, design, and development of innovative financing schemes projects that tests/validates their applicability for wider adoption/replication;
- Develop and package proposals for financing programs/projects that improve credit access of small farmers and fisherfolk for funding support (local or foreign);
- Conduct consultation activities such as meetings/round table discussions, inter-agency conferences, seminars and workshops with government and private financial institutions as well as with the other various stakeholders of the agriculture and fishery sectors in the identification, and development of agri-financing programs and projects;
- Undertake case studies to document best practices among the projects/programs implemented;
- Facilitate the Implementation of innovative financing schemes developed;

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- Conduct periodic monitoring of programs and projects being implemented or pilot-tested in collaboration with the M&E Division and partner institutions;
- Prepare and submit periodic reports on program/project performance and accomplishments as well as the Division's monthly, quarterly, semestral and annual accomplishment reports;
- Recommends ways and means to address operational issues and concerns to enhance the performance of programs and projects being implemented;
- Coordinate with other units of the ACPC and/or or other agencies/units of the Department of Agriculture to ensure that the goals and objectives of the programs/projects are efficiently and effectively implemented;
- Recommends to the ACPC approving authority ways and means to address operational issues and concerns to enhance the performance of programs and projects being implemented.

d. Advocacy Division/ Institutional Capacity Building


Oversees the conduct of Institutional Capacity Building (ICB) programs and activities for cooperatives, non – government organizations (NGOs) and people's organizations, e.g., education and training, operation of information centers, etc. and those institutions tasked to deliver credit services to the basic sectors. The ICB programs strengthen fund Management of the countryside financial institutions(CFIs).

Services Provided

- Conduct of relevant training, seminars/ workshops
- Lakbay-Aral or exposure trips to showcase successful cases of finance, savings and business development methodologies
- Coaching, consultancy and technical assistance services to beneficiary organizations.

e. Accreditation and Certification Division

The Agricultural Credit Policy Council (ACPC) is the duly authorized agency of the Department of Agriculture (as per DA Special Order 605) in the certification of eligibility of bonds and other debt securities and in the accreditation of non-bank rural financial institutions (NBRFIs) under Republic Act No. 10000 (Agri-Agra Reform Credit Act of 2009) and its implementing rules and regulations. Investment in bonds and other debt

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securities, and in non-bank rural financial institutions by banks are some of the alternative forms of compliance allowed under RA 10000.

Services Provided

- Accreditation of non-bank rural financial institutions (RFIs) in which banks can invest or lend;
- Determination of the eligibility of the following securities: (i) bonds issued by the Development Bank of the Philippines (DBP) and Landbank of the Philippines (LBP), the proceeds of which shall be used for on-lending to the agriculture and agrarian reform sector, and (ii) other debt securities, the proceeds of which shall be used to finance activities identified under Section 23 of RA 8435;
- Certification of accredited non-bank RFIs and eligible debt securities;
- Reporting and transmission of list of specific eligible debt securities and list of accredited non-bank RFIs to the Bangko Sentral ng Pilipinas (BSP) (Section 10 of IRR) at the start of every quarter, or as often as necessary;
- Performance of other related tasks pursuant to the implementation of the provisions of RA 10000 and its IRR (e.g. monitoring of the use of proceeds of eligible debt securities and wholesale lent funds as alternative compliance by banks to ensure that they benefit the law's intended clients, conduct of orientation seminars about RA 10000, accreditation of debt securities and non-bank RFIs, safe-keeping of documents, development of schemes that would increase participation of private banks through loans or investments in the AMCFP activities as an alternative mode of compliance).


3. Program Monitoring and Information System Management Staff

a. Monitoring Division

The Monitoring Division (MD) shall develop and implement monitoring system and tool for the purpose of ensuring the operational effectiveness of programs and projects.

b. Information Systems and Management Division

The mandate of the Information Systems Management Division is to develop, manage, and maintain the agency's data, information systems requirements, and ICT infrastructure and resources. The division is also tasked to develop and apply innovative ICT solutions in ACPC's various systems and processes and to implement and closely monitor ACPC's data security measures in compliance with

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the Data Privacy Act of 2012 (R.A. 10173) and the Cybercrime Prevention Act of 2012 (R.A. 10175).


3. Fund Management Staff

The Fund Management Staff (FMS) handles fund recovery and corrective measures to support the viability of the financial assistance program extended to small farmers and fishfolks. It is also responsible for the formulation of guidelines on the management and disposition of assets foreclosed resulting from unpaid obligations of borrowers. for the identification, consolidation, and recovery of credit program funds into the Agro-Industry Modernization Credit and Financing Program (AMCFP), and the collection and its remittance to the AMCFP Treasury Account. In addition, it is also responsible for the management and disposal of assigned assets as payment of unpaid obligations of borrowers. Specifically, the Staff's functions are as follows:

1. Develop and implement strategies to ensure the collection of funds from rationalized directed credit programs (DCPs), including the CALF and other on-going programs under the AMCFP;
2. Undertake measures for increasing the AMCFP fund base and adopt other liquidity and risk cover mechanisms to its financing activities/programs;
3. Direct the administration, maintenance and management of the disposition of properties acquired by the Agency via foreclosure proceedings, dacion en pago and other modes of property acquisition;
4. Direct the development and implementation of strategies to ensure collection of funds from the rationalized DCPs for consolidation into the AMCFP;
5. Consolidate the loanable funds of phased-out DCPS into the AMCFP;
6. Provide inputs in the design of systems and procedures to promote the effective and efficient delivery of credit funds;
7. Monitor fund utilization and compliance of participating financial institutions with the AMCFP operating guidelines; and
8. Conduct regular operation and financial validation of funded projects and recommend appropriate action based on the results of the validation.

a. Fund Recovery Division

The Fund Recovery Division (FRD) is responsible in implementing the collection strategies developed by the ACPC in relation to previous funds already extended by the Agency prior to the issuance of the policy relative to limiting of lending services to GFIs, as well as those extended by the GFIs, the collection or recovery of which is performed by the ACPC consistent with the policies and guidelines approved by the Council.

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Services provided


- Undertake collection of loans from all (terminated, pre-terminated, and on-going) agricultural credit programs;
- Update the inventory of all credit programs for consolidation into the AMCFP;
- Develop strategies for fund recovery, filing of cases in court, entering into out-of court settlements, asset foreclosure and all other reasonable means to collect; and
- Review and formulate guidelines on the recovery of funds.

b. Assets Disposition Division (ADD)

The Assets Disposition Division (ADD) was created to formulate guidelines on the disposition of assets foreclosed resulting from unpaid obligations of borrowers. Its main function is the management and disposal of various assets composed of real properties, and receivables with attached collaterals, assigned through Deeds of Assignment or Dacion en Pago Agreements executed by either the Philippine Deposit Insurance Corporation (PDIC) or financial institutions as payment of outstanding obligations of borrower-banks. The staff handles both management and custodianship of all legal and other documents covering such assignments, including the disposal or sale of properties, or collection of loans with attached collateral.

Services provided

- File claims with PDIC in relation to outstanding accounts of banks placed under PDIC receivership;
- Evaluate and validate documents submitted by the PDIC and banks, and coordinates with various government agencies to establish ACPC's rights over the assigned assets;
- Conduct ocular inspection of assigned properties to determine the physical condition and landscape, and exact location and boundaries;
- Ensure that the assigned properties are maintained, secured, and improved, if necessary;
- Computes the selling price of assigned properties, and outstanding balances of assigned receivables;
- Inform and negotiate with the previous owners or interested buyers for the sale of assigned properties, and with borrowers for the settlement of their obligations, and evaluates their plans of payment;
- Inform the general public about the available properties for sale through posting in the ACPC website, and coordinating with the concerned government offices such as the Land Registration Authority and Provincial and/or Municipal Assessors' Offices for the posting of notices in their respective office/s;

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- Undertake direct collection from buyers and borrowers;
- Facilitate the release of land titles to buyers, and collaterals to borrowers, after acceptance of full payment;
- Evaluate and recommend accounts for legal action.

4. Administrative, Financial and Management Staff

The Administrative, Financial and Management Staff or AFMS is in charge of ensuring a responsive and efficient delivery of support services in terms of human and financial resources management, assets and properties, and efficient procurement, storage and distribution of supplies to ensure the smooth operation of the ACPC. This staff/directorate is subdivided into two (2) divisions with four (sections).

a. Administrative Division

The ACPC Administrative Division is in charge of the identification, formulation/design, and implementation of policies, procedures, and innovative practices on manpower recruitment, selection, and placement; a sound performance appraisal system; benefits, awards and incentives; career tracking; and the promotion of employee welfare in general.

Services Provided

- Issuance of Official personnel documents
- Issuance of certificate of employment/service record
- Issuance of certificate of engagement
- Issuance of ACPC Clearance for retirement purposes
- Issuance of clearance for resigns
- Storage and distribution of supplies to ensure the smooth operation of the ACPC
- Request for payment of honoraria
- Purchase requisition and stock withdrawal
- Provisions of venue for meetings or conferences

b. Financial and Management Division

The ACPC Financial and Management Division is responsible for the provision of financial management services to all units and divisions of the agency and other government regulatory bodies. It provides financial advisory and oversight functions to ensure compliance to government issuances pertaining to accounting, auditing, budget and other financial matters.


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Services Provided

- Develop, improve and implement policies and rules pertaining to financial management, including the accounting and budgetary methods and procedures;
- Prepare various financial reports and budget plans, monitor budget execution, and submit required reports and plans in a timely manner;
- Process requests for cash advances, billings and payment of claims.

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SCOPE AND COVERAGE

A. Scope

Agricultural/Rural Finance Policy Research and Formulation; Planning; Development of Innovative Financing Schemes; Institutional Capacity Building; Accreditation and Certification; Monitoring; Fund Management; Communications and Public Affairs; Information Systems Management; Finance and Administrative Services

B. Process Map

The ACPC high level process map is divided into three groups of processes, namely:

- Management Processes – those that are needed for oversight and governance of ACPC's quality management system.
- Operations Processes – those that are needed to realize the planned activities in performing processes and allow ACPC to deliver the intent of the output of the operations.
- Support Processes – those that are needed to manage the resources necessary to ensure the satisfactory performance of the Operations Processes.

Conceptually, these three groups of processes are working together to transform the clients' requirements into client satisfaction. The Management Processes set directions, policies and plans for the operations to perform and deliver the desired outputs and organizational outcomes. During the strategic planning and target setting, the management identifies internal and external issues through SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis.

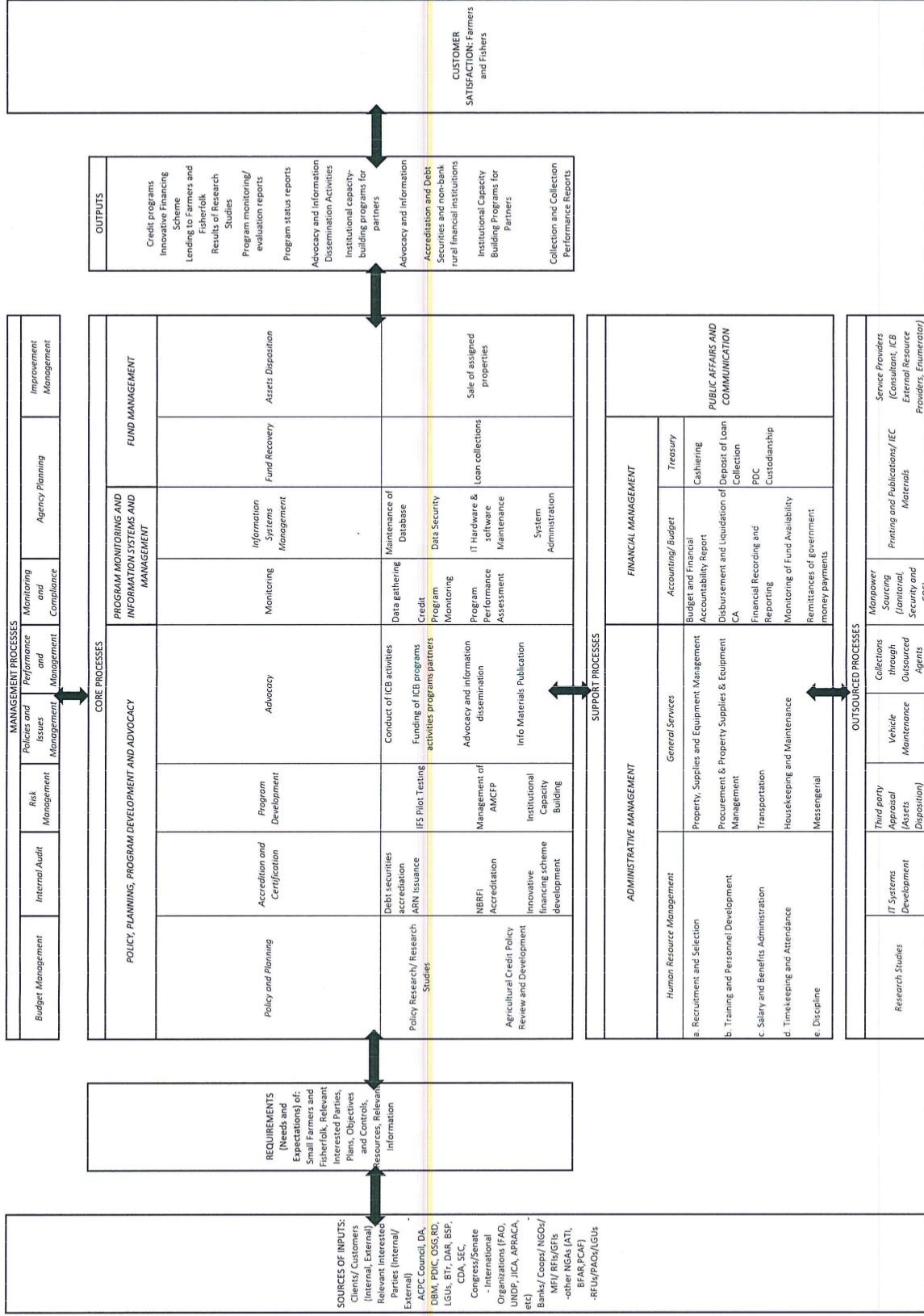
The operations processes deliver outputs to clients, i.e. statistical data and civil registration services. Controls of the inputs, processes and outputs are applied by the concerned offices to ensure timely, relevant, and accessible statistics, and efficient civil registration services.

The support processes provide the necessary administrative and logistical support to the operations for the effective delivery of statistical and registration services. Both the operations and support processes communicate feedback and reports to the management for proper monitoring and implementation of appropriate corrective action.

The clients together with the interested parties, even outside the organization, are crucial factors in ACPC's QMS. Their requirements and issues are taken into consideration in the planning activities of the organization. Their feedback and satisfaction are also being monitored and measured as inputs to the management's review of the ACPC's performance. These data are also used for continual improvement of the system, processes, and products and services.


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QMS BUSINESS PROCESS MODEL



Approved:
 Evelyn Almara Barolola
 Executive Director

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QUALITY POLICY

The Management maintains the Quality Policy, which ensures the satisfaction of the ACPCs clients and other interested parties, and compliance with statutory and regulatory requirements relative to the statistics operations and civil registration services. This policy is communicated to ensure that it is understood and applied at all levels of the organization. Comprehension of the Quality Policy is verified through, but not limited to, Internal Quality Audits, Management Reviews and during staff meetings.

The Management is responsible for ensuring that the quality policy is appropriate to its mandate and provides framework for establishing and reviewing quality objectives and goals. This is reviewed periodically to ensure continuing suitability to its mandate and thrusts, including the requirements and needs of its clients.




Republic of the Philippines
Department of Agriculture
AGRICULTURAL CREDIT POLICY COUNCIL

ACPC QUALITY POLICY STATEMENT

The Agricultural Credit Policy Council is the premier institution in pursuing innovations in rural and agricultural finance by providing timely, responsive, sustainable and effective credit policies and programs for small farmers and fisherfolk and their organizations through a process-based Quality Management System and continual improvement in the following:

1. Determining organizational targets and success indicators to measure timeliness and quality of services;
2. Adhering to stakeholders', administrative, and legal requirements.
3. Conducting policy and action research studies to develop evidence-based innovative credit policies and programs schemes for the agriculture and fisheries sector;
4. Overseeing the implementation of the Agro-Industry Modernization Credit and Financing Program (AMCFP) and ensuring that credit funds are available and accessible to small farmers and fisherfolk;
5. Facilitating capacity-building programs and activities for countryside financial institutions, including cooperatives and other people's organizations, as well as small farmers and fisherfolk;
6. Conducting advocacy and information dissemination activities to promote and generate greater awareness, understanding, and support for agri-credit policies and ACPC programs;
7. Accrediting debt securities and non-bank rural financial institutions pursuant to the implementation of RA 10000 or the Agri-Agra Reform Credit Act of 2009;
8. Enhancing operational efficiency through the adoption of information technology solutions, and
9. Maintaining rules-based governance and commensurable support to ACPC operations.


Jocelyn Alma R. Badiola
Executive Director


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RISK IDENTIFICATION AND PLANNING GUIDELINES

A. Definition of Terms

| | |
|-------------------------|--|
| Issues | Internal and external issues, as well as issues of interested parties; should be stated with adjective |
| Risk | Effect of uncertainty |
| Opportunity | Can lead to the adoption of new practices, launching new products, opening new markets, addressing new clients, building partnerships, using new technology and other desirable and viable possibilities to address the organization's or its customers' needs |
| Consequence to Outputs | Possible impact to the quality of outputs |
| Consequence Rating | Measures of impact of the consequence; Refer to criteria for consequence |
| Likelihood Rating | Measures the probability of occurrence of the consequence |
| Risk/Opportunity Rating | Measures the need for action using the criteria for action matrix |
| Action Priority | Measures whether the risk should be treated or not; whether opportunity should be pursued or not |
| Action Plan | Plan of activities that will prevent the occurrence of the risk or that will maximize the benefits of the opportunity |
| Timelines | Period covered that the action plan shall be implemented |

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B. Criteria for Consequence

| | Rate | Risk (Negative consequence) | Opportunity |
|---------------|------|--|---|
| Insignificant | 1 | Minimal (no customer complaint) or no impact | No perceived value for improvement and sustainability |
| Minor | 2 | Minor impact (noticeable effect, minor customer complaint) | Pursuing the opportunity will slightly improve QMS and sustainability |
| Significant | 3 | Moderate impact (customer complaints resulting in claim) | Pursuing the opportunity will considerably improve QMS and sustainability |
| Major | 4 | Major impact (catastrophic, recall, fatality, costly compensation, legal action) alternatives available | Pursuing the opportunity will highly improve QMS and sustainability |
| Catastrophic | 5 | Major impact (catastrophic, recall, fatality, costly compensation, legal action) no alternatives available | Pursuing the opportunity will greatly improve QMS and sustainability |

C. Criteria for Likelihood

| | Rate | Likelihood – Risk | Likelihood - Opportunity |
|-----------------|------|---|---|
| Rare | 1 | Not known to happen | No chance of success within the next 12 months |
| Unlikely | 2 | Low occurrence of 1 x a year | 1-25% chance of success within the next 12 months |
| Possible | 3 | Known to happen, occurrence of 1 per quarter | 26-50% of success within the next 12 months |
| Likely | 4 | Very likely to happen, occurrence of more than 1 time per quarter | 51-75% of success within the next 12 months |
| Certain | 5 | Highly likely to happen, occurrence of 1 time per month. | >75% success within the next 12 months |

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D. Risk Rating Matrix

| | | | | | | |
|-------------------|-----------------|----------------------|--------------|--------------------|--------------|---------------------|
| LIKELIHOOD | Rare | 1 | 2 | 3 | 4 | 5 |
| | Unlikely | 2 | 4 | 6 | 8 | 10 |
| | Possible | 3 | 6 | 9 | 12 | 15 |
| | Likely | 4 | 8 | 12 | 16 | 20 |
| | Certain | 5 | 10 | 15 | 20 | 25 |
| | | Insignificant | Minor | Significant | Major | Catastrophic |
| | IMPACT | | | | | |


E. Criteria for Action

| Risk/Opportunity Rating | PRIORITY | MANAGEMENT'S DECISION | |
|------------------------------------|-----------------|---|---------------------------------------|
| | | RISK | OPPORTUNITY |
| 10-25 | HIGH | Take immediate appropriate action to eliminate the risk | Pursue the opportunity |
| 5-9 | MEDIUM | More frequent monitoring of performance/complaints | May consider pursuing the opportunity |
| 1-4 | LOW | No action required | No action required |

Attachment:

Risk Registry and Action Plan

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CONTROL OF DOCUMENTS

1.0 Purpose

The purpose of this procedure is to ensure that all documents needed for the quality management system are kept up-to-date and are readily available for use by those who need them.

2.0 Scope

This procedure applies to all internal and external documents identified by the organization as required by the quality management system.


3.0 References

Control of Records

4.0 Definition of Terms

| | |
|---------------------|--|
| Document | <p>Information and its supporting medium.</p> <p>The medium can be paper, electronic or optical computer disc, photograph or a combination thereof.</p> <p>Levels of internal documents:</p> <ul style="list-style-type: none"> • Level 1: QMS Manual and QMS Procedures • Level 2: ACPC-Wide Documents • Level 3: Division/Unit/Office Level Documents |
| Internal Document | A document generated by the ACPC |
| External Document | A document received by the ACPC from external sources |
| Uncontrolled Copy | A document copy not subject to further document control after it is issued |
| Document Masterlist | A list that identifies the documents required by the quality management system |
| Originator | ACPC officials and staff who create/revise a document. Quality Management Representative (QMR) for Level 2 internal documents |

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Approving Authority

Top-level management who are authorized to approve documents (Management Committee and Executive Committee)

5.0 Procedure Details

| Ref. No. | Key Activities | | Responsible | Reference Document/ Record |
|----------|-----------------------------|--|---|--|
| 5.1 | Create or revise document | <ul style="list-style-type: none"> Create a new document Revise an existing document | Originator | -- |
| 5.2 | Review and approve document | <ul style="list-style-type: none"> Review and approve document | Approving authority | Signed document/s |
| 5.3 | Register documents | <ul style="list-style-type: none"> Register internal and external document to Document Masterlist for the document code (ACPC-Division-Sequential Number) and to Document Tracking System (DTS) and logbook for tracking number (DivisionYear-Month-Sequential Number) Update document masterlist for unregistered documents | Unit Document Controller Officer (UDCO) | Document Masterlist DTS Logbook of Internal and External Documents |


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|-----|---|--|---|---------------------------------|
| 5.4 | Distribute document | <ul style="list-style-type: none"> • Preparation of documents for distribution and filing of master copy • Distribution of prepared documents and secure acknowledgement receipt through signing on the UDCO Logbook or Routing Slip | DCO and UDCO Document Receiver | Signed Logbook/ Routing Slip |
| 5.5 | Storage, Protection and Retrieval of Documented Information | <ul style="list-style-type: none"> • Store hard copy where they can be protected from physical deterioration, loss and damage due to environmental conditions. • Electronic copies are stored in a secured server inside the backup area. Only authorized personnel shall have access to these copies. | For Levels 1-2 - Document Control Officer For Level 3 – Unit Document Control Officers ISMD for provision of file server | DTS Logbook |
| 5.6 | Archive obsolete copy | <ul style="list-style-type: none"> • Archive obsolete master copy of document and recycle the paper of other obsolete copies | For Levels 1-3 - Document Control Officer For Level 4 – Unit Document Control Officers | Control of Records Procedure |

The procedure for control of QMS documents and other documents for ACPC-wide use is similar to that for internal documents, except that the QMR reviews and approves the document instead of the Division Head.

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Blank forms and report layouts are subject to this document control procedure as these are designed, developed, distributed for use and/or revised. Filled-out/ accomplished forms and completed reports are considered as records and subject to the Control of Records procedure.

5.1 Creation/ Revision of Document

5.1.1 Document originator prepares the document or revises the document as a result of review of procedures and systems.

5.2 Document Review and Approval

5.2.1 Review and approval ensures that the documents are appropriate to the needs of the organization in general, and the intended use of the document in particular.


5.2.2 Review and approving authorities depend on the type of document, which is outlined as follows:

| Document | Originator | Review | Approval |
|-------------------------------|----------------------|-----------------------------------|--------------------|
| QMS Manual and QMS Procedures | Officers and Staff | Quality Management Representative | Executive Director |
| ACPC-Wide Documents | Management Committee | Executive Director | |
| Unit/Office Level Documents | Officers and Staff | Division Chief | Director Concerned |

5.2.3 Review and approval of old reference manuals considers the need for revisions, to make them current in terms of content and format.

5.2.4 All documented procedures are reviewed every three (3) years to assess the adequacy, suitability and appropriateness in response to the continual improvement of the QMS.

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- 5.2.5 Old reference manuals (e.g. documentation prior to implementation of the ISO 9001 QMS retrieved from general circulation (pending final disposition) may be reused subject to registration as a controlled document. Registration to DTS is prepared to obtain approval for reuse.


5.3 Registration of Documents

- 5.3.1 New documents as well as revisions to existing documents are registered in a document masterlist by the Unit Document Control Officer to ensure proper control.
- 5.3.2 External documents are registered in a DTS by the Unit Document Control Officer.
- 5.3.3 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).

5.4 Distribution of Documents

- 5.4.1 A master copy of each internal document is retained by the Document Controller until revised.
- 5.4.2 The copy of the external document submitted/ received for registration is considered the master copy, and is retained by the Document Control Officer for Level 1-2 documents and Unit Document Control Officers for Level 3 documents
- 5.4.3 Controlled copies of documents are photocopied from master copies, and stamped "Controlled Copy" in blue ink, prior to distribution to copyholders. Copyholders sign on the logbook/ routing slip to acknowledgement receipt of their respective copies.

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5.5 Archiving of Obsolete Master Copy

5.5.1 Obsolete master copy is stamped “Obsolete Copy” in red ink to prevent unintended use. Refer to Control of Records Procedure for the retention and disposition schedule.


5.5.2 Other obsolete controlled copies of documents are strike out and recycled for use.

6.0 Attachment

6.1 Document Masterlist

6.2 Routing Slip

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CONTROL OF RECORDS

1.0 Purpose

The purpose of this procedure is to ensure that all records generated by the quality management system are properly maintained and are readily available for use by those who need them.

2.0 Scope

This procedure applies to records required by ISO 9001 as well as records identified by the organization as required for the effective management and control of processes.

3.0 References


Control of Documents

National Archives of the Philippines (NAP) Guidelines

4.0 Definition of Terms

| | |
|------------------|---|
| Record | <p>A document stating results or providing evidence of activities performed</p> <p>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 (Control of Documents Procedure).</p> <p>Records may use different media, including paper, electronic or optical computer disc, photograph or a combination thereof.</p> |
| Active Records | <p>Records that are currently being maintained, used and controlled. These records are normally kept in desk/workstation drawers or nearby filing cabinets, shelves or racks for easy access and retrieval.</p> |
| Inactive Records | <p>Records that are very rarely or no longer referred to. These records have already served their purpose but must be kept just the same for legal requirements or some compelling reasons. They are only destroyed the moment their retention periods have expired.</p> |

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| | |
|------------------------------|---|
| 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 it is the remain 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. |

5.0 Procedure Details

| Ref. No. | Key Activities | | Responsible | Reference Document/ Record |
|----------|--------------------------------------|--|-----------------------|--|
| 5.1 | Collect and identify records | <ul style="list-style-type: none"> Collect records Ensure identification of records Establish a filing system | UDCO Process Owner | |
| 5.2 | Store and protect records | <ul style="list-style-type: none"> Store properly Protect records appropriately | UDCO Process Owner | |
| 5.3 | Retrieve and maintain active records | <ul style="list-style-type: none"> Update NRI Maintain properly the active records | UDCO Process Owner | <ul style="list-style-type: none"> National Records Inventory (NRI) Logbooks |
| 5.4 | Maintenance and disposal | <ul style="list-style-type: none"> Update NRI Turnover inactive records Digitization of records | UDCO | <ul style="list-style-type: none"> NRI |

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5.1 Collection and Identification

- 5.1.1 Records are identifiable through any or combination of the following information, as appropriate:
 - a. Title of Record
 - b. Date(s)
 - c. Document Number
 - d. Name of signatory/ies
- 5.1.2 Records are collected upon availability from their source, for appropriate filing by the UDCO or concerned Process Owner.
- 5.1.3 In case of erasure or correction, the corrected data are countersigned by the employee who corrected it.
- 5.1.4 All records are signed by authorized personnel. The reviewer ensures that said records are legible and contain sufficient information as basis for its endorsement or approval. Hence, records without the signature of approving authorities except e-copies are considered “unofficial”.

5.2 Storage and Protection

- 5.2.1 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 digital 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.

5.3 Retrieval and Retention

- 5.3.1 For easy retrieval, filing cabinets, shelves, boxes, magazine files, folders, and envelopes are labeled. Likewise, the National Records Inventory is maintained indicating information, such as Records Series Title and Description, Period Covered, Location of Records, etc.

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5.3.2 Records borrowed by other offices or workgroups are traced using logbooks.

5.4 Maintenance and Disposal

- 5.4.1 Maintenance and disposal of records are done in accordance with the Records Retention and Disposition Schedule.
- 5.4.2 For easier safekeeping, permanent records may be converted to e-files, except for records that require original copy bearing authentic signatures.

6.0 Attachment

6.1 NAP - Records Retention and Disposition Schedule

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INTERNAL QUALITY AUDIT

1.0 Purpose

The ACPC shall conduct internal audits at planned intervals to provide information on whether the quality management system conforms to the ACPC's own requirements for its quality management system, and the ISO 9001: 2015; and whether the quality management system is effectively implemented and maintained.

Further, the internal quality audit procedure describes the procedure and resource requirements for the objective evaluation of the effectiveness of the established quality management system of ACPC; and defines the system for the planning, preparation, execution, follow-up, and reporting of IQA activities in determining if the Quality Management System (QMS) conforms to the planned arrangements, to the requirements of ISO 9001:2015 and to the established QMS; and if the QMS is effectively implemented and maintained.

2.0 Scope

The procedure applies to ACPC that includes the processes as identified in the Process Map in page 15 of the Quality Manual.

3.0 References

Corrective Action Procedure (CAP)


Control of Nonconformity Procedure

Control of Documented Information Procedure

4.0 Definition of Terms

| | |
|-----------------|---|
| Auditee | Organization being audited |
| Auditor | Person who conducts an audit |
| Audit Team | One or more persons conducting an audit, supported if needed by technical experts. |
| Audit Programme | Set of one or more audits planned for a specific timeframe, directed towards a specific purpose |
| Audit Plan | Description of the activities and arrangements for an audit |
| Audit Checklist | A set of variables which serves as a guide to an auditor |

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|-----------------------------------|---|
| Audit Criteria | Set of policies, procedures, or requirements used as a reference against which objective evidence is compared |
| Audit Evidence | Records, statements of facts or other information, which are relevant to the audit criteria and verifiable |
| Audit Finding | Results of the evaluation of the collected audit evidence against audit criteria |
| Conformity (C) | Fulfillment of a requirement |
| Nonconformity (NC) | A non-fulfillment of a requirement |
| Opportunity for Improvement (OFI) | A situation or process that may lead to potential nonconformity |
| Corrective Action (CA) | Action to eliminate the cause of a nonconformity and to prevent recurrence |
| Corrective Action Procedure (CAP) | Procedure done to ensure that causes of detected nonconformities are eliminated in order to prevent recurrence. |
| Request for Action (RFA) | A tool/form used to record the audit findings and the corresponding root cause analysis and appropriate actions taken to address it |
| IQA Committee | The QMS Internal Audit Team formed to oversee the IQA implementation |

5.0 Procedure


| Ref. No. | Key Activities | | Responsible | Reference Document/ Record |
|----------|---|---|---------------------------------|---|
| 5.1 | Plan for the QMS Internal Audit Team (Clause 5.4) | <ul style="list-style-type: none"> • Prepare the Audit Plan • Initiate the conduct of the unplanned audit • Disseminate the Audit Plan • Communicate the Audit Itinerary and Audit Criteria & Scope | QMR and QMS Internal Audit Team | Audit Plan Audit itinerary List of Internal Quality Auditors Notification of Audit |

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| 5.2 | Select and manage audit team (Clause 5.5.4) | <ul style="list-style-type: none"> • Refer to the required skills and knowledge • Enhance the Auditors' competence | Quality Management Representative (QMR) | Auditor Training Certificates Pool of Auditors |
| 5.3 | Prepare for the Internal Quality Audit (IQA) (Clause 6.3) | <ul style="list-style-type: none"> • Review the applicable documents • Develop Audit Checklist | QMS Internal Audit Team | Audit Checklist |
| 5.4 | Conduct the IQA (Clause 6.4) | <ul style="list-style-type: none"> • Conduct opening meeting • Interview the auditees • Review documents and records • Record facts and evidence • Inform the auditee the audit findings and its classification • Raise to the QMR/Executive Director the unresolved issues • Conduct closing meeting | QMS Internal Audit Team QMR | Audit Checklist |

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|-----|--------------------------------------|---|---|---|
| 5.5 | Reporting the IQA (Clause 6.5) | <ul style="list-style-type: none"> • Document the findings • Assign control numbers and recording in RFA Registry • Issue the RFA • Conduct root-cause analysis • Determine and implement CAP • Submit accomplished RFA | QMR | RFA Audit Summary Report Control of Nonconforming Outputs Procedure Corrective Action Procedure (CAP) RFA Logbook |
| 5.6 | Appropriate action (Clause 6.6) | <ul style="list-style-type: none"> • Management of area being audited • PO/auditee shall take appropriate correction and corrective action without undue delay, in reference with ACPC's CAP | Process Owner/auditee | RFA CAP |
| 5.7 | Verifying Actions Taken (Clause 6.7) | <ul style="list-style-type: none"> • Verify actions taken • Monitor the verification | QMS Internal Audit Team Division Chief/RDs/ RSO Heads concerned | Corrective Action RFA RFA Logbook |

5.1 Planning for the IQA

5.1.1 The Audit Programme for the 12-month period is prepared by the Audit Team Head and approved by the QMR before the start of a calendar year. Each QMS process is audited at least twice a year.

5.1.2 Whenever necessary, unplanned IQA may be initiated by the QMR based on, but not limited to the following:

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- a. unusual increase of quality-related problems
- b. introduction of new services
- c. major changes in QMS, personnel, and processes
- d. as per client's request

5.1.3 Copies of the Audit Programme are disseminated to the Office of the Executive Director (OED), Office of the Deputy Executive Director (DED) and Divisions, through a memorandum from the QMR.

5.1.4 The Audit Plan is communicated through a memorandum from the QMR to all concerned offices at least two weeks prior to the activity. The communication includes the following:

- a. Purpose
- b. IQA scope
- c. Offices to be audited and auditee
- d. Assigned Audit Team
- e. Date and time of the IQA

5.2 Selection and Management of QMS Internal Audit Team


5.2.1 Acceptance of candidate auditors into the auditor pool and selection of auditors for specific assignments consider the following audit competencies:

- a. The personal attributes of the auditor include ethical, open-minded, diplomatic, observant, perceptive, versatile, tenacious, decisive, self-reliant, acting with fortitude, open to improvement, culturally sensitive, and collaborative.
- b. Knowledge on auditing concepts and methodologies
- c. Auditing skills
- d. Knowledge on ISO 9001 requirements and the QMS of the organization vis-à-vis audit requirements of the auditee.

5.2.2 Auditor performance is reviewed considering the following:

- a. Feedback from the QMS Internal Audit Team leader, other auditors and the auditee
- b. The quality of audit checklists and audit reports

5.2.3 The competencies and performance of auditors are periodically evaluated to identify training and development needs. The QMS Internal Audit Team Leader coordinates with the Administrative, Financial and Management

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Division (AFMD) thru the Personnel Section to plan and implement training and development program for auditors.

5.2.4 The pool of auditors is maintained by the QMS Internal Audit Team.

5.3 Preparing for the IQA

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

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

5.4 Conducting the IQA

5.4.1 The IQA Head starts with an opening meeting to reconfirm audit schedule, audit objective, and audit participants.

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

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

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

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

5.4.6 If not resolved at this level, the issue may be raised to the QMR/Agency Head.

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

5.5 Reporting the IQA

5.5.1 Audit findings are documented on the Request for Action (RFA) form and Audit Summary Report.

5.5.2 Control Numbers are assigned to the RFA for monitoring purposes. These are recorded in the RFA logbook maintained by the QMS Internal Audit Team.

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5.5.3 The RFA with the Audit Summary Report are issued to the auditee three working days after the closing meeting. The auditee acknowledges and signs the RFA.

5.6 Appropriate Correction

5.6.1 The auditee with the unit head determines and implements appropriate corrective action in accordance to Control of Corrective Action Procedure. The auditee returns the accomplished RFA to the IQA Head within 7 working days.

5.7 Verifying Actions Taken

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

5.7.2 The Office of the Executive Director (OED), Office of the Deputy Executive Director (ODED), and Divisions shall ensure that root cause analysis is conducted and monitored in accordance with the Corrective Action Procedure. They shall also ensure effectiveness of actions taken.


6.0 Attachments

6.1 Audit Programme

6.2 Audit Plan

6.3 Audit Checklist

6.4 Audit Summary Report

| | | | |
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CONTROL OF NON-CONFORMING OUTPUTS

1.0 Purpose

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.

2.0 Scope

This procedure applies to the outputs of ACPC.

3.0 References

Corrective Action Procedure

Guidelines for Monitoring and Measuring Customer Satisfaction.

4.0 Definition of Terms

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 ACPC.

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

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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 | <p>Individual/office whom/where the process being performed is where the NC is detected</p> <p>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.</p> |

5.0 Procedure Details


| Ref. No. | Key Activities | | Responsible | Reference Document/ Record |
|----------|--|--|---------------|----------------------------------|
| 5.1 | Identify nonconforming product/service | <ul style="list-style-type: none"> Detect nonconforming product/service | Process Owner | Applicable Issuance or Procedure |

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| Ref. No. | Key Activities | | Responsible | Reference Document/Record |
|----------|---|--|---------------|--|
| | | <ul style="list-style-type: none"> Receive citizen feedback on NC product/service | | |
| 5.2 | Determine and apply initial disposition | <ul style="list-style-type: none"> Isolate NC product, and/or temporarily stop process/service delivery, following the control of NC matrix Provide initial response to client feedback, as needed | Process Owner | Control of Nonconformity Matrix, Applicable Issuance or Procedure |
| 5.3 | Determine and apply final disposition | <ul style="list-style-type: none"> Review the nonconforming product/service situation and approve final disposition Obtain product concession, correct NC product, scrap product, or restart service delivery following the control of NC matrix Provide final response to client feedback, as needed | Unit Head | Applicable Issuance or Procedure, Control of Nonconformity Matrix |

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| Ref. No. | Key Activities | | Responsible | Reference Document/Record |
|----------|-------------------------|--|---------------|--|
| 5.4 | Apply corrective action | <ul style="list-style-type: none"> Prepare a Request for Action (RFA) | Process Owner | Request for Action (RFA), Corrective Action Procedure |

5.1 Identifying Nonconforming Product/Service

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

5.1.2 The possible nonconformities may occur in the following areas, but not limited to:

a. Management Process (absence of communication protocol, lack or delayed provision of needed resources).

b. Core Processes

c. Support Processes (Absence of preventive maintenance schedule, delivery of products/ materials which are noncompliant to purchase request specifications)


5.1.3 Nonconforming products/services may also be detected externally by the customer/citizen through feedback or complaints.

5.1.4 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.

5.2 Determining and Applying Initial Disposition

5.2.1 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.

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

- i. Tagging or marking the product to identify it as nonconforming (e.g. clear marking of ERROR)
- ii. Segregating the product and storing it in a location designated for nonconforming products to prevent it from being mixed with conforming product (e.g. obsolete documents are archived in a separate cabinet)
- iii. Providing special treatment to prevent further damage
- iv. Retrieving or withdrawing the nonconforming product from the client
- v. Temporarily discontinuing the nonconforming service


5.2.3 When the nonconforming product/service is detected just prior to the customer/citizen or at any time thereafter, the customer citizen shall be informed of the nonconforming product/service

5.3 Determining and Applying Correction

5.3.1 Final disposition is meant to correct the problem so that the product/service is made to conform to requirements, or if it cannot be made to conform, is prevented from unintended use or delivery.

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

- i. Rework - action on a product to make it conform to requirements.
- ii. Regrade - alteration of the grade of a nonconforming product in order to make it conform to requirements differing from the initial ones.
- iii. Repair - action on a nonconforming product to make it acceptable for the intended use.
- iv. Scrap - action on a nonconforming product to preclude its originally intended use. This may include recycling or destruction.

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- v. Concession - obtaining permission (from the Unit Director/ Division Chief and/or the customer) to use or release a product that does not conform to specified requirements.
- vi. Re-evaluations/re-testing to demonstrate conformity to specifications (after repair, regrade, or rework).
- vii. Adjusting an ongoing service.
- viii. Restarting a service that has been temporarily discontinued.
- ix. Redirecting to other services or service providers.

5.3.3 Final disposition may require the approval of the Unit Director and/or Division Chief, depending on the gravity of the situation and its cost implications.

5.3.4 Final disposition is recorded through the Incident Report to provide traceability and evidence of actions taken and data may be used for analysis and continual improvement of the process.


5.4 Applying Corrective Action

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

- i. the nonconforming product/service is identified via a customer/citizen complaint
- ii. monitoring shows that nonconforming product/service are recurring
- iii. the 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. the nonconforming product/service represents legal implications to the organization, the customer/citizen, or both

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

5.5 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


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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.

6.0 Attachment

6.1 Control of Nonconformity Matrix

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CORRECTIVE ACTION

1.0 Purpose

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

2.0 Scope

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

3.0 References


Internal Quality Audit

Control of Nonconforming Outputs

4.0 Definition of Terms

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


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5.0 Procedure Details

| Ref. No. | Key Activities | | Responsible | Reference Document/ Record |
|----------|---|--|-------------------|---|
| 5.1 | Review detected and potential nonconformity | <ul style="list-style-type: none"> Receive and review the Request for Action Identify concerned staff who will be involved in corrective action | Process Owner | Request for Action (RFA) |
| 5.3 | Determine the cause of nonconformity | <ul style="list-style-type: none"> Conduct root cause analysis | Process Owner | RFA |
| 5.4 | Determine and implement the action needed | <ul style="list-style-type: none"> Develop, plan and recommend corrective actions Approve corrective actions Implement corrective actions | Process Owner | RFA |
| 5.5 | Review corrective action taken | <ul style="list-style-type: none"> Review the implementation status and evaluate the effectiveness of corrective actions | Management QMR | RFA, Corrective Action Status Report |

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5.1 Reviewing Nonconformity

5.1.1 The corrective action procedure is triggered by Request for Action 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)

5.1.1 The initial review of the Request for Action considers:

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


5.1.2 The Division Chief 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.

5.2 Determining the Cause of Nonconformity

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

5.2.2 Rootcause 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

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- 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

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

5.3 Determining and Implementing Corrective Actions

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

5.3.2 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.

5.4 Reviewing the Status of Corrective Actions

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

5.4.2 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.

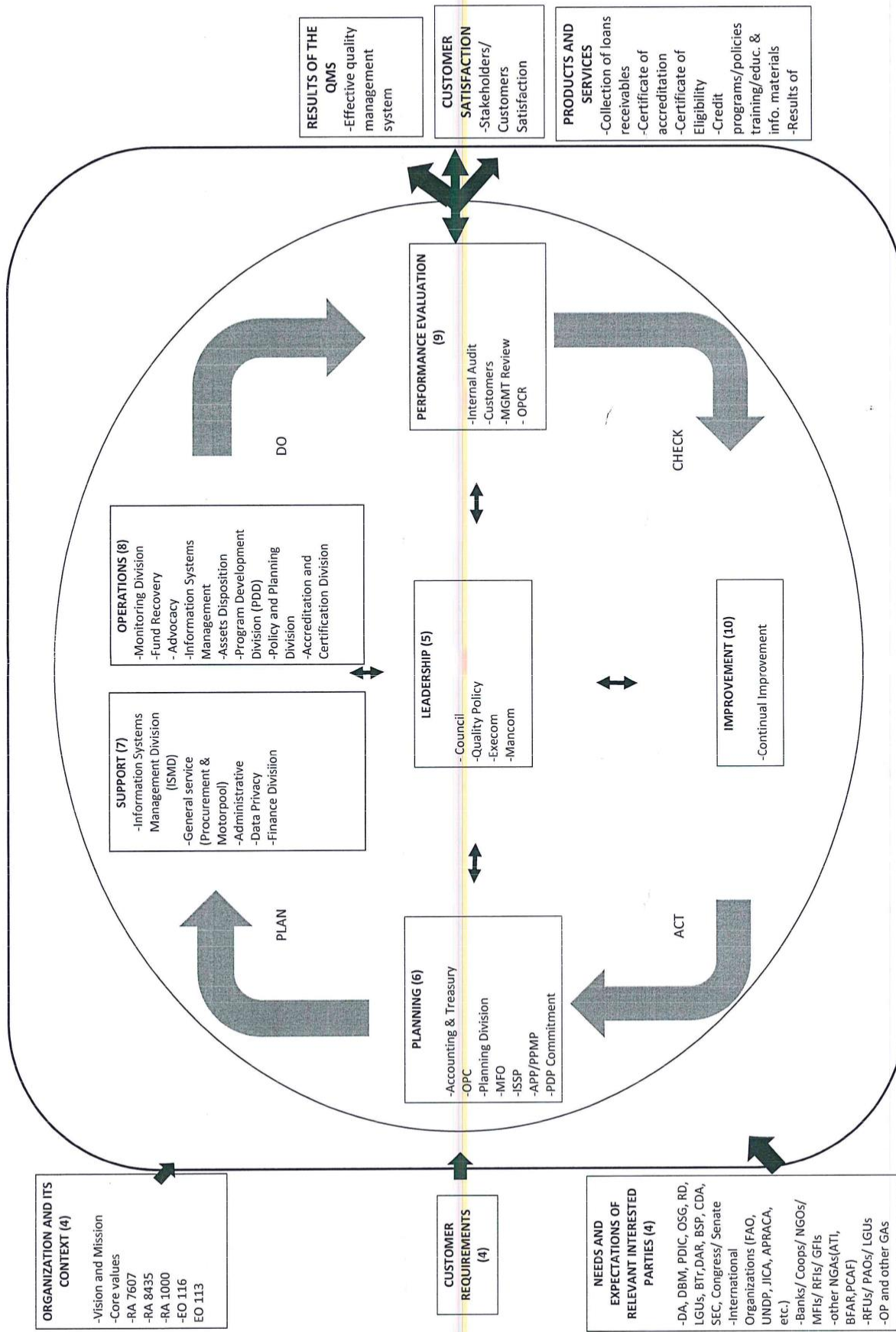
5.4.3 Corrective actions are collectively reviewed by the Management Committee (under management review). Depending on the nature of the solution and the associated nonconformity, monitoring and review continues for at least 6 months after implementation, after which the corrective action is deemed completed.

6.0 Attachment

6.1 Request for Action

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QMS PDCA CYCLE FOR ACPQ



Approved by:

Alma R. Badiola
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 Executive Director

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