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

Order no.: 724608775 Client no.: 314147-01
Client: Philippine Carabao Center at UPLB

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.

Order no.: 724608775 Client no.: 314147-01
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Management Service

Action List

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)***
	PCC UPLB BM Gonzales							
6.1.1	Actions to address risks (and opportunities)	**Finding**: Internal and external issues relevant to the quality management system of the organisation were not considered in determining risks that need to be addressed, e.g. *Renewal of Memorandum of Partnership and Cooperation with UP System*, *intervention of politician, limited plantilla items and positions for ICS personnel* **Supporting audit evidence**: Risks and Opportunities Assessment – Business Processes – PCCUPLB-QMQF-11 October 2019 – January 2020	MiN	The internal and external issues mentioned in the description were initially identified but were later removed. The management interpreted that these issues are not controlled by the Center and therefore, should not be enrolled.	**Immediate solution for the correction of the finding:** Enroll on or before March 31, 2020, the following in risks that need to be addressed: 1. Renewal of Memorandum of Partnership and Cooperation with UP System; 2. Intervention of politician; 3. Limited plantilla items and positions for ICS personnel **Corrective Action to eliminate the cause:** The risks to be addressed should include all issues including those that cannot be controlled by the Center on or before March 31, 2020			

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

Order no.: 724608775 Client no.: 314147-01
Client: Philippine Carabao Center at UPLB

Management Service

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)***
7.5.3	Control of Documented Information	**Finding**: Lapses in the accomplishment of *receiving/ issuance logbook* (PCCUPLB-DCQF-03 **Supporting audit evidence**: 1. Only four (4) controlled copies were reproduced and released to the concerned process owners based on the distribution list in *Document Registration/ Revision Form* (*Center Director, QMR, Admin, LA*) but there were seven (7) signatories in the *issuance logbook* (*CD, QMR, LA, AFSS, CBED, GIPD, RDD*), who are not all the intended recipients.	MiN	Different set of documents/controlled copies were issued at the same time. Some sections had unintentionally signed even though they are not listed in the distribution list because the issuance/retrieval logbook has 7 pre-printed signatories (*CD, QMR, LA, AFSS, CBED, GIP, R&D*). The DCO failed to double check the logbook.	The signatories in the issuance/retrieval logbook that are not listed in the distribution list will be removed. The DCO will revise the issuance/retrieval logbook to simplify the form and for better monitoring of the distributed controlled copies on or before March 31, 2020.			
	Institutional Herd							
7.1.3	GIP	**Finding:** It could not be established that preventive maintenance activities were subjected for various operating equipment at GIP. **Supporting audit evidence:** No evidence presented for the following equipment : - 2 units choppers - Hay baler - Manure spreader - Milking machines - Etc.	MiN	The head of the institutional herd failed to maintain preventive maintenance plan for the equipment due to neglect of responsibility.	The farm superintendent will create and use a preventive maintenance plan for all farm equipment and implement used for operation on or before March 31, 2020. This will also reflect the maintenance activities being done in each equipment.			
	Milka Krem Site							

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Order no.: 724608775 Client no.: 314147-01
Client: Philippine Carabao Center at UPLB

Management Service

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)***
8.5.2	Stores	**Finding:** It was noted that no expiration date or Best Before date was indicated on the packaging materials of meat products. **Supporting audit evidence:** For all the meat products, what is written instead on the provided space for this information is the weight of the product	MiN	The expiry date on the sausage packaging was not indicated because these products are kept frozen and very fast moving. The stocks do not last longer that 2 months after production.	Expiry date will be written on the sausage packaging starting the year 2020.			

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

** 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.

Audit Report
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Order no.: 724608775 Client no.: 314147-01
Client: Philippine Carabao Center at UPLB

Management Service

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**
	HQ					
9.1.1	CBED	**Finding:** To be checked during next visit the description of the monitoring frequency of services rendered by CBED such as Bull Loan monitoring.	I (Action item)	Bull monitoring schedule will be created.	Process owner	Jan. 30, 2020
9.1.3/ 10.2	CBED	**Finding:** To ensure that all unmet targets are subjected to thorough root cause analysis and corrective actions. Case in point, an unmet target of not meeting # of clients of IEC, 1600 target vs.actual of 857 needs more in depth root cause analysis.	I (Action item)	All unmet targets will be subjected to root cause analysis and corrective actions.	Process owner	March 31. 2020
6.1	Various Areas	**Finding:** Although review of the effectiveness of the actions taken in the Risk & Opportunities Assessment is conducted, the Residual Risk columns provided for this purpose was not filled-up. This will be checked during the next visit.	I (Action item)	The residual risk columns will be filled up on the next re-assessment of risk and opportunities for all area.	Process owners	March 31, 2020
8.3	Research & Development	**Finding:** To be checked during next visit a list of on-going researches that are not yet completed. Currently, the available list is only for the completed research.	I (Action item)	The list of researches will include the on-going studies.	R&D Coordinator	March 31, 2020
6.2.1	Vehicle/ Equipment Maintenance	There may be a need to revise the target or frequency of vehicle maintenance based on the requirement or recommendation of auto repair/service shop. Otherwise, set target will not be met.	I (**action item**)	The frequency of vehicle maintenance will be reviewed and revised according to recommendation.	Vehicle maintenance staff	March 31, 2020
7.1.4	Dairy Processing	Efforts in seeking pest control provider were noted. Compliance with regulatory requirement AO No. 153, Current Good Manufacturing Practices, e.g. Pest Control remains to be an action item and implementtaion will be checked during the next audit.	I (**action item**)	Pest control budget was increased for 2020 to proceed with procurement.	Building maintenance Staff	March 31, 2020
7.5.3	Control of documented information	**Finding:** The organisation may want to consider giving some time for the distribution of controlled copies to the intended recipients, i.e. sampled revised document with Effectivity date of December 23, 2019 but actual issuance or receiving was on December 26, 2019	I	The distribution of controlled copies will be reviewed in the Control for Documented Procedure and will be revised if necessary.	DCO	March 31, 2020

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

Order no.: 724608775 Client no.: 314147-01
Client: Philippine Carabao Center at UPLB

Management Service

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**
9.2.2	Internal audit	**Finding**: There may be a need to review and familiarise with the standard clauses and their applicability to the audited process(es), i.e. audit evidences related to bull loan monitoring cited against Clause 8.4.2 Control of externally provided processes, products and services – Type and extent of control	I (**action item**)	Workshop for internal quality auditors will be conducted to familiarize with the standard clauses and applicability to audited processes.	Internal Quality Auditors	March 31, 2020
9.3.1/ 9.3.2	Management Review	**Finding**: The organisation is encouraged to ensure that risk assessment for all business processes are conducted prior to management review so as to consider and include them as one of the inputs, i.e. may not be able to capture re-assessment of risks in January 2020 in the October 2019 management review. The organisation is also encouraged to conduct management review at planned intervals, i.e. management review in 2018 conducted on May 2018 and in 2019 on October 2019	I (**action item**)	Risk assessment will be done before Management Review Meeting	ISO team	May 31, 2020
	Institutional Herd					
8.1/ 8.5.2	Genetic improvement Program	The organisation may want to consider checking on chemicals/reagents with no assigned expiration date/ '*use within five years once opened*' statement.	I	Chemical bottles and packaging will be labelled with the date it was opened to monitor the length of time.	GIP Staff	March 31, 2020
6.2.1	Genetic Improvement Program	**Finding:** May consider to include ADG and BCS as one of the quality objectives at GIP.	I	ADG and BCS will be monitored every month.	GIP Division	Feb. 29, 2020
6.1	Genetic Improvement Program	**Finding:** To be checked during next visit the review the statements of the opportunities in the Risk & Opportunities Assessment. As defined by the standard, opportunities can lead to the adoption of new practices, launching new products, opening new markets, addressing new customers, building partnerships, using new technology and other desirable and viable possibilities to address the organization's or its customers' needs. The Opportunities were described as ''Mortality less than 10%'', ''Increase ADG & BCS of 3-4'',	I (Action item)	The risk and opportunities with regards to the practices of the Institutional Herd and GIP Division will be refined.	GIP Coordinator	Feb. 29, 2020
	Milka Krem Site					
7.5	Stores	**Finding:** To be check during next audit the control of some forms used at the site, case in point, Statement of Account form and Summary of Daily Sales Report-Consignment form	I (Action item)	The forms will be enrolled.	Process owner	March 31, 2020

Order no.: 724608775 Client no.: 314147-01
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Management Service

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 cause can 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.

Order no.: 724608775 Client no.: 314147-01
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Management Service

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.