



QUALITY SYSTEM PROCEDURE

TITLE	INTERNAL QUALITY AUDIT
PURPOSE	To define the process of conducting efficient and effective process-based internal audit of the ICC's QMS and its processes.
SCOPE	This procedure starts from audit program preparation up to audit reporting and subsequent follow-up actions, if needed.
DEFINITION OF TERMS	<p>Internal Quality Audit Program – set of one or more audits planned by NEDA for one year and directed towards a specific purpose.</p> <p>Internal Quality Audit Plan – description of the activities, duration and arrangement for NEDA internal audit.</p> <p>Internal Quality Audit Report – a collection of audit records presenting the result of the internal audit conducted by the Internal Quality Auditor.</p> <p>Internal Quality Audit Checklist – a tool used by NEDA's Internal Quality Auditor that serves as a guide to ensure audit objectives are met for the specified scope, and every part of the audit is completed.</p> <p>Opportunities for Improvement (OFI) – an audit observation that may lead to or provide potential benefits or gains.</p> <p>Conformity – fulfillment of stakeholder's legal, NEDA and ISO 9001 requirements.</p> <p>Nonconformity (NC) – non-fulfillment of stakeholder's, NEDA and ISO 9001 requirements.</p> <p>Potential Nonconformity (PNC) – an audit observation not yet considered as a nonconformity at the time of audit but may lead to nonconformity if left in its current condition (consequential risks to the stakeholders or NEDA).</p> <p>CAR – Corrective Action Report</p> <p>IQA – Internal Quality Auditor</p>

PROCESS DESCRIPTION

This procedure defines the process of planning and conducting internal quality audit, reporting observations, recommending corrective and preventive actions and monitoring the implementation thereof.

OPERATIONAL PROCEDURE

STEP NO.	PROCESS / STEPS	DETAILS	RESPONSIBLE PERSON	REFERENCE / INTERFACE
	START			
1.	Internal Audit Program (IAP) Preparation and Approval	<ul style="list-style-type: none"> Determine the scope, audit objectives and criteria, frequency and method of audit, including manpower requirements, and timeframe for the audit. Importance of the QMS 	Internal Quality Audit (IQA) Team, Quality Management Representative	<ul style="list-style-type: none"> Internal Quality Audit Program



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		processes, changes that affect ICC Appraisal and Approval Process and results of previous audit are considered in the preparation of IAP.	(QMR)	
2.	IQA Team members selection	<ul style="list-style-type: none"> Select audit team members based on the established selection criteria. <ul style="list-style-type: none"> Education: Graduate of any 4-year course Training: Attended ISO 9001:2015 Awareness and Effective Internal Auditing Training Skills: Communication Skills, both written and verbal Experience: Must have worked in NEDA for at least one (1) year 	IQA Team Leader, QMR	<ul style="list-style-type: none"> List of Selected Internal Auditors
3.	Internal Audit Plan Preparation and Approval	<ul style="list-style-type: none"> Prepare audit plan in accordance with IAP. Assign auditors and identify auditees. 	IQA Team Leader, QMR, Undersecretary, Director	<ul style="list-style-type: none"> Internal Quality Audit Program, Internal Quality Audit Plan
4.	Communication of Audit Plan to concerned Auditees	<ul style="list-style-type: none"> Send memorandum to all the concerned auditees. 	IQA Team Leader, Concerned Auditees	<ul style="list-style-type: none"> Internal Quality Audit Plan Memorandum Email
5.	Audit Checklist Preparation	<ul style="list-style-type: none"> Prepare Audit Checklist to ensure audit requirements are complete. 	IQA Team Members	<ul style="list-style-type: none"> IQ Audit Checklists
6.	Conduct of Entry Meeting	<ul style="list-style-type: none"> Set expectations and responsibilities of parties. Discuss IQA Objectives Agreement with the timelines Solicit cooperation of both parties. This resolves questions and clarifications from the auditee 	IQA	<ul style="list-style-type: none"> Attendance sheet IQ Audit Plan IQA Checklists



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		before the start of the audit execution.		
7.	Execution of Audit Plan	<ul style="list-style-type: none">• Conduct internal audit in accordance with the audit plan and audit checklist.• Record conformities, non-conformities, potential non-conformities, items for follow-up, good points in practices and procedures, observations, and opportunities for improvements.• Review audit findings and classify them into C, OFI and NC.• Document audit execution through preparation of work papers.	IQA	<ul style="list-style-type: none">• CAR• IQ Audit Checklist• IQ Audit Plan• Work Papers• ISO Criteria
8.	Generation of Audit Findings	<ul style="list-style-type: none">• Prepare nonconformity reports using the CAR form, audit observation reports for good observations and opportunities for improvement.• CAR coding must start with the year of the audit, followed by the semester, process and observation number. (Example: 2017-1IQA-01 Observation number 1 found in the first semester IQA of 2017)	IQA Team	<ul style="list-style-type: none">• Corrective Action Report (CAR)• IQA Report Form• IQ Audit Checklist• Work Papers
9.	Conduct of Exit Meeting	<ul style="list-style-type: none">• Present audit findings and conclusions to the auditee.• Confirm the acceptance of the auditees on the NCRs, if any, and agree on the timeframe for the auditee to submit corrective action plans (CAP).	IQA, IQA Team Leader	<ul style="list-style-type: none">• Attendance Sheet• IQA Reports• CAR
10.	Audit Reports Preparation and Approval	<ul style="list-style-type: none">• Prepare three sets of the audit report to be reviewed by the IQA Head and approved by QMR.	IQA Team, QMR	<ul style="list-style-type: none">• IQA Report Form• Memorandum
11.	Distribution of Audit Reports	<ul style="list-style-type: none">• Distribute Audit Reports to concerned units.	IQA Team Leader	<ul style="list-style-type: none">• IQA Report Form• Memorandum



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				<ul style="list-style-type: none"> • Distribution List
12.	Evaluation and Analysis of Proposed Corrective Action Plans (CAP)	<ul style="list-style-type: none"> • If CA are deemed appropriate, accept CAP. Otherwise, return CAP to process owners for revision of the CAP. • Analyze NCs, OFI and generate Trend Report showing analysis of Audit Findings by ISO Clause. 	IQA Team, Process Owners	<ul style="list-style-type: none"> • CAR • CAP • NC, OFI, and CAP Monitoring Log Sheet • Trend Report
13.	CAP Implementation	<ul style="list-style-type: none"> • Execute CAP by the process owners. 	Process Owners	<ul style="list-style-type: none"> • CAP • CAR
14.	Monitoring of CAP Implementation	<ul style="list-style-type: none"> • Follow-up and Monitor status of implementation of the CAP. • Classify whether implemented, partially implemented, not implemented, or delayed implementation. • Reason for the status should be stated. 	IQA Team Leader	<ul style="list-style-type: none"> • NC, OFI, and CAP Monitoring Log Sheet • IQA Program
15.	Retain Documented Information	<ul style="list-style-type: none"> • Retrain all records generated in accordance with the Records Control Procedure 	Concerned Process Owners	<ul style="list-style-type: none"> • Records Control Procedure
16.	Review and update of IAP, if necessary.		IQA Team	<ul style="list-style-type: none"> • Updated IAP
	END			
RECORDS GENERATED		<ol style="list-style-type: none"> 1) Internal Quality Audit Program 2) List of Selected Auditors 3) Internal Quality Audit Plan 4) Memoranda 5) Duly-Accomplished IQ Audit Checklist 6) Duly-Accomplished IQA Report 7) Duly-Accomplished CAR Form 8) NCs, OFI, and CAP Monitoring Log Sheet 9) Attendance Sheet 10) Work Papers 		



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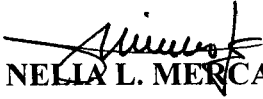


Document Code QSP-QMS-04

Date Effective 01 March 2018

Revision Number 01

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