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|  | DEPARTMENT OF TRADE AND INDUSTRY | | Code | FM-IQA-06 |
| | INTERNAL AUDIT REPORT | | Revision No. | 1 |
| | FOR CY [YEAR] | | Effective Date | 01 Jul 2022 |

| INTERNAL AUDIT REPORT | AUDIT DATE | REPORT # |
|---|----------------|----------|
| | July 4-6, 2022 | 1 |
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SCOPE:

1. 12 Core Process, Top Management and Support Processes
2. Shall cover transactions and activities from January 1 to June 30, 2022

OBJECTIVES:

1. To determine conformance of DTI CARAGA to the One DTI Quality Management System and the requirements of ISO 9001:2015, organizational requirements, and statutory and regulatory requirements.
2. To determine areas for improvement in all processes.
3. To identify best practices of DTI CARAGA.

CRITERIA:

1. ISO 9001:2015 standard
2. Quality Manual
3. Strategic Plans relevant to the process to be audited
4. ONE DTI QMS Procedures, Work Instructions, Policies and Guidelines
5. Statutory and Regulatory Requirements Related to the process to be audited

AUDIT RESULT (State Level of Conformance)

| ISO Clause No. | No. of Sub-Clauses* | | | | | | | CONFORMITY | NONCONFORMITIES |
|---------------------------------------|---------------------|------|------|-----|-----|-----|-----|------------|-----------------|
| Clause 4. Context of the Organization | 4.1 | 4.2 | 4.3 | 4.4 | | | | 8 | 0 |
| Clause 5. Leadership | 5.1 | 5.2 | 5.3 | | | | | 2 | 0 |
| Clause 6. Planning | 6.1 | 6.2 | 6.3 | | | | | 17 | 0 |
| Clause 7. Support | 7.1 | 7.2 | 7.3 | 7.4 | 7.5 | | | 46 | 0 |
| Clause 8. Operation | 8.1 | 8.2 | 8.3 | 8.4 | 8.5 | 8.6 | 8.7 | 17 | 0 |
| Clause 9. Performance Evaluation | 9.1 | 9.2 | 9.3 | | | | | 8 | 0 |
| Clause 10. Improvement | 10.1 | 10.2 | 10.3 | | | | | 5 | 0 |
| Total | 103 | | | | | | | 103 | 0 |
| LEVEL OF CONFORMITY % | 100% | | | | | | | 100% | 0% |

AUDIT CONCLUSIONS

Wherefore, based on the internal audit conducted, we the DTI MIMAROPA National Internal Quality Auditors, hereby **CONFIRMS** that **DTI CARAGA Regional Office, including its five (5) Provincial Offices'** quality management system is **suitable, adequate, effective and aligned** to the ONE DTI QMS in reference to ISO 9001:2015 requirements subject to the determined areas for improvement.

KEY POSITIVE AUDIT FINDINGS:

- Created Electronic Finance and Administrative System (E-FAST) that completely track and provide relevant and quick information on FAD matters (Clause 10.3)
- The focal person uses social media to invite and pre-register MSMEs in google forms to gauge and meet the target number of participants. (Clause 10.3)
- Initiated creation of infographics containing simplified FOI Process, coverage and exceptions, and also FOI vs ARTA checklist to guide readers to easily identify if the request is FOI or ARTA related. (Clause 10.3)

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NOTABLE OPPORTUNITES FOR IMPROVEMENT:

- Although Management Review is conducted on planned interval, the frequency was not in accordance with One DTI's Quality Manual Clause 3.6.1. DTI CARAGA conducts semi-annual MR which as per QM should be quarterly (Clause 9.1.1)
- The issues and concerns raised pertaining to the lack of resources (fully depreciated motor vehicle), personnel compliment (absence of IT personnel, Admin. Officer in POs doing one-man-team of all FAD functions and lack of CPD personnel in RO/POs) and harmonization of process per One DTI vs ARTA, should be documented in their planning tools (Risk and Opportunities Register, SWOT, Stakeholder's Analysis) (Clause 7.1.1, 7.1.2).
- The 2022 Annual Procurement Plan presented do not have the PAP Code (1st column) & Budget Officer's signature as evidence that it has undergone review for availability of funds or inclusion to GAA prior approval of the Head of Procuring Entity (Clause 7.5.2)
- ONE DTI requires compliance with RPEC Guidelines in the evaluation of training proposals for funding. Based on the Guidelines, the organization shall create a Proposal Evaluation Committee (PEC) both in the regional and provincial office. DTI CARAGA shall issue office order on designation of the proposal evaluation committee in the regional and provincial office and shall maintain proposal evaluation sheet for monitoring. (Clause 8.1)
- It would be helpful to indicate in the Post Activity Report if all the objectives indicated in the project proposal were met, including the implementation of the Risk Management Plan (Clause 9.1)
- It is recommended that the organization may consider in its risk management plan the possible transmission of COVID-19 in the conduct of physical trade fair. This would help implement actions to address the risk through strict compliance with minimum health protocols throughout the conduct of the activity (Clause 6.1).
- Maintenance Plan for Infrastructure should be prepared every end of current year covering the period for the following year based on One DTI Guidelines (GL-GAS-04, Aug. 31, 2021). While based on interview with the Auditee, Maintenance Plan for Infrastructure of Agusan del Sur was prepared on January 2022 (Clause 8.1)

NONCONFORMITIES


| NO. | ISO CLAUSE | PROCESS/AREA SEEN | AUDIT FINDINGS |
|-----|------------|-------------------|----------------|
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |

| # | Audit Summary Per Clause (Considering All Areas) | | | | Findings |
|-----|--|---|-----|----|----------|
| | OFI | C | PNC | NC | |
| 4 | Context of the Organization (Clauses 4.1, 4.2, 4.3, 4.4) | | | | |
| 4.1 | 0 / 6 / 0 / 0 | | | | OFI |
| 4.2 | 0 / 2 / 0 / 0 | | | | C |
| 4.3 | 0 / 0 / 0 / 0 | | | | PNC |
| 4.4 | 2 / 0 / 0 / 0 | | | | NC |
| 5 | LEADERSHIP (Clauses 5.1, 5.2, and 5.3) | | | | |
| 5.1 | 2 / 2 / 0 / 0 | | | | |


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|------|---|--|
| 5.2 | 4 / 7 / 0 / 0 | |
| 5.3 | 0 / 0 / 0 / 0 | |
| 6 | PLANNING (Clause 6.1, 6.2, 6.3) | |
| 6.1 | 2 / 7 / 0 / 0 | |
| 6.2 | 7 / 16 / 0 / 0 | |
| 6.3 | 0 / 0 / 0 / 0 | |
| 7 | SUPPORT (CLAUSE 7.1, 7.2, 7.3, 7.4, 7.5) | |
| 7.1 | 2 / 14 / 0 / 0 | |
| 7.2 | 1 / 14 / 0 / 0 | |
| 7.3 | 0 / 5 / 0 / 0 | |
| 7.4 | 0 / 1 / 0 / 0 | |
| 7.5 | 5 / 12 / 0 / 0 | |
| 8 | OPERATIONS (CLAUSE 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7) | |
| 8.1 | 3 / 8 / 2 / 0 | |
| 8.2 | 2 / 2 / 0 / 0 | |
| 8.3 | 0 / 2 / 0 / 0 | |
| 8.4 | 0 / 1 / 0 / 0 | |
| 8.5 | 0 / 1 / 0 / 0 | |
| 8.6 | 0 / 1 / 0 / 0 | |
| 8.7 | 1 / 0 / 0 / 0 | |
| 9 | PERFORMANCE EVALUATION (CLAUS 9.1, 9.2, 9.3) | |
| 9.1 | 7 / 6 / 0 / 0 | |
| 9.2 | 0 / 1 / 0 / 0 | |
| 9.3 | 1 / 1 / 0 / 0 | |
| 10.1 | IMPROVEMENT | |
| 10.1 | 2 / 0 / 0 / 0 | |
| 10.2 | 0 / 1 / 0 / 0 | |
| 10.3 | 1 / 5 / 0 / 0 | |

| SPECIFIC FINDINGS PER PROCESS/AREA | |
|---|--|
| MANAGEMENT PROCESS: TOP MANAGEMENT | |
| Conformances: <ul style="list-style-type: none"> (Clause 4.1) Staff awareness on the One DTI QMS is established through the various activities of the DTI CARAGA which includes the following: <ul style="list-style-type: none"> - Recitation of the Quality Policy during meetings and flag raising ceremonies - Posting of the Quality Policy at strategic areas of the office - Continuing trainings for the One DTI QMS (Clause 4.2) The DTI CARAGA Management has the strategic planning guide (One DTI Standard Planning tool) in crafting and identification of the interested parties, needs and expectation and issues/concerns which includes strategic directions, stakeholder analysis, SWOT analysis, outcome, quality objectives, risk register & performance monitoring (Clause 5.1.1) Takes accountability for the effectiveness of the QMS, ensures that the quality policy and objectives are established and integrated the QMS to the operation, promoting process approach and risk-based thinking, ensures that resources are available despite the limited budget support from the head office. Specifically, DTI CARAGA, in order to augment the lacking resources undertakes the following actions: | |

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| <p>1. Multi-tasking of staff/ personnel; 2. Partnership with LGU's and private companies; and 3. Tapping from other program funds</p> <p>However, access of CPD fund from ROG is disconnected. Hence, CPD was very grateful with the Strategic Initiative Fund (SIF) provided with the help of Asec. Caberte.</p> <ul style="list-style-type: none"> (Clause 5.1.2) Ensures that customer and legal requirements are determined, understood and met, and providing customer satisfaction feedback to all its process and operation. DTI CARAGA created a Quality Improvement Team to ensure customer focus. (Clause 9.3) Ensures the regular conduct of Management Review to ensure continuing suitability, adequacy, effectiveness and alignment of its QMS with the strategic direction of DTI. <p>Opportunities for Improvement:</p> <ul style="list-style-type: none"> (Clause 9.1.1) Although Management Review is conducted on planned interval, the frequency was not in accordance with One DTI's Quality Manual Clause 3.6.1. DTI CARAGA conducts semi-annual MR which as per QM should be quarterly. (Clause 7.1.1, 7.1.2) The issues and concerns raised pertaining to the lack of resources (fully depreciated motor vehicle), personnel compliment (absence of IT personnel, Admin. Officer in POs doing one-man-team of all FAD functions and lack of CPD personnel in RO/POs) and harmonization of process per One DTI vs ARTA, should be documented in their planning tools (Risk and Opportunities Register, SWOT, Stakeholder's Analysis) <p>Potential Nonconformities:</p> <ul style="list-style-type: none"> None <p>Nonconformities:</p> <ul style="list-style-type: none"> None |
| <p>CORE PROCESS: ACCREDITATION OF SERVICE AND REPAIR SHOPS</p> <p>Conformances:</p> <ul style="list-style-type: none"> (Clause 7.3) Well informed on the whole process At the time of the audit, the auditee manifested familiarity on the processing of application for accreditation of service and repair enterprises. (Clause 7.5) Presented complete documentary evidences Based on the samples presented, the Queenkrist Refrigeration and Air-conditioning Parts and Services documents are attached: Duly Notarized Application and Warranty/ Undertaking; Business Name Registration; Organizational Chart; List of Employees, Company profile; Bio Data of employees; NC II Certificate; List and pictures of Tools; Shop lay-out; Picture of Shop; Copy of Insurance Policy; Order of payments; Official Receipts and Customer Satisfaction Feedback. <p>The auditee also presented, his designation as Permit and Licensing Officer under Provincial Office Order No. 01-10 dated January 4, 2021.</p> <p>Opportunities for Improvement:</p> <ul style="list-style-type: none"> None <p>Potential Nonconformities:</p> <ul style="list-style-type: none"> None <p>Nonconformities:</p> <ul style="list-style-type: none"> None |
| <p>CORE PROCESS: ISSUANCE OF BMBE REGISTRATION</p> <p>Conformances:</p> <ul style="list-style-type: none"> (Clause 7.3) Well informed on the whole process The auditee was very well aware of the process relative to BMBE Registration. She was informed and knowledgeable on the core process from objectives, targets and accomplishments as presented. She has |

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| <p>been handling the process since July 1, 2021 (Provincial Office Order No. 2021-019) and have attended various trainings and competencies.</p> |
| <ul style="list-style-type: none"> (Clause 7.5) Presented complete documentary evidences The auditee also presented an internal template which they have been using in order to track the timeliness of the process. <p>Opportunities for Improvement:</p> <ul style="list-style-type: none"> None <p>Potential Nonconformities:</p> <ul style="list-style-type: none"> None <p>Nonconformities:</p> <ul style="list-style-type: none"> None |
| CORE PROCESS: CONSUMER COMPLAINTS HANDLING |
| <p>Conformances:</p> <ul style="list-style-type: none"> (Clause 7.3) Well informed on the whole process The auditee was aware about the process of consumer complaint resolution as she was able to discuss the process in compliance to the standards. (Clause 7.5) Presented complete documentary evidences She presented complete documents in handling complaints with the filing of consumer complaint of Meraflor P. Alexander against Mindanao Motor Business Ventures form with the agreements and customer satisfaction feedback. 18 consumer complaints were reported as of June 2022 as evident on the PGS and OO submitted. <p>Opportunities for Improvement:</p> <ul style="list-style-type: none"> None <p>Potential Nonconformities:</p> <ul style="list-style-type: none"> None <p>Nonconformities:</p> <ul style="list-style-type: none"> None |
| CORE PROCESS: PRICE MONITORING |
| <p>Conformances:</p> <ul style="list-style-type: none"> (Clause 7.3) Well informed on the whole process The auditee showed high level of competence and awareness on with the whole process. (Clause 7.5) Presented complete documentary evidences She also presented documents on the issuance of Letter of Inquiry including response from the establishments. Price monitoring was also submitted to Local Price Coordinating Council. <p>Opportunities for Improvement:</p> <ul style="list-style-type: none"> None <p>Potential Nonconformities:</p> <ul style="list-style-type: none"> None <p>Nonconformities:</p> <ul style="list-style-type: none"> None |
| CORE PROCESS: CONSUMER ADVOCACY |
| <p>Conformances:</p> <ul style="list-style-type: none"> The organization conducts consultation with clients and consumer organizations in order to determine specific demand for information that will be prioritized on consumer advocacy. Consultation and letter requests from clients serve as input during their planning wherein annual targets on performance |

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indicators are being set. Risks and opportunities, including actions to address these are clearly identified during planning (Clause 6.1, 8.3, 8.6).

- Sample of risks identified: Unprotected consumers due to lack of information on consumer rights. Actions to address this includes intensifying social media campaign. Social media posting, particularly in facebook has been proven an effective method of consumer advocacy. Reactions to facebook posting is also regularly monitored by CPD staff. No negative feedback has been recorded (Clause 6.1, 8.3).
- The organization has monthly monitoring of quality objectives that are consistent with the quality policy and organizational requirements, measurable, and enhances customer satisfaction (Clause 6.2, 8.5). As of the 1st semester, the organization achieved 72% of its annual target on number of consumer advocacy initiatives undertaken, 65% on the number of consumer education and information materials produced, and 100% on the percentage of clients who rated DTI advocacy initiatives as satisfactory or better.
- Pre-test and Post-test are also used to measure the effectiveness of the consumer advocacy initiatives undertaken (Clause 6.2).
- The organization ensures that all Department Orders, other necessary information and updates on consumer related activities are acquired/accessed by all CPD staff (Clause 7.1.6).

Opportunities for Improvement:

- The Risk Register presented for a face-to-face activity only includes power interruption and non-attendance of invited participants. The office shall consider the risk of possible transmission of COVID-19 in the conduct of the face-to-face activity. This would help implement actions to address the risk through strict compliance with minimum health protocol throughout the conduct of the activity (Clause 6.1).
- During the activity entitled "Organizational Meeting of BNPC retailers in San Jose last May 19, 2022", only 24 participants responded to the CSF survey or 80% of the total number of participants. However, based on the Client Satisfaction Feedback Procedure with effectivity date on April 20, 2022, retrieval rate or the required number of respondents should be 90% for face-to-face activity. The organization shall ensure that at least 90% of its total number of participants have answered the CSF survey for face-to-face activities and 51% for online activities (Clause 8.1, 8.2, 8.7, 10.1).
- It would be helpful to also indicate in the Post Activity Report if all the objectives indicated in the project proposal were met (Clause 6.2), including the implementation of the Risk Management Plan (Clause 9.1, 10.1).

Potential Nonconformities:

- None

Nonconformities:

- None

QMS PROCESS: CONTROL OF DOCUMENTS

Conformances:

- Process owners are competent in terms of appropriate education, training or experience on the control of documents (Clause 7.2)
- An in-house online orientation for control of documents and records including other general and core processes was conducted on May 2021 (Clause 7.3).
- The presented masterlist of documents and records of RO and all POs was updated as of June 30, 2022. (Clause 7.5)
- A record borrowers' logbook is available. No entry yet as of July 5, 2022. (Clause 7.5.3)

Opportunities for Improvement:

- None

Potential Nonconformities:

- None

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Nonconformities:

- None

CORE PROCESS: BUSINESS COUNSELING

Conformances:

- The organization has quarterly monitoring of the effectiveness of risks and opportunities identified (evident through its Risk register) such as the conduct of coaching and mentoring to newly hired staff since there is tendency of high turnover of Contract of Service staff (Clause 6.1)
- Computation of turn-around time is included in BC log sheet of provinces. Actions taken in the BC forms were also provided within the prescribed time (Clause 8.1, 8.2).
- The Provincial Office has monthly monitoring of quality objectives that are consistent with the quality policy and organizational requirements, measurable, and enhances customer satisfaction (Clause 6.2, 8.5). As of the 1st semester, the organization achieved more than 50% of its annual target on MSMEs assisted and 100% of clients who rated DTI assistance as satisfactory or better.
- The organization has 100% retrieval rate in Client Satisfaction Feedback, with a total of 482 clients. The account person also ensures updated monthly monitoring of the process cycle and CSF (Clause 9.1).
- Good observation/best practice: The organization is using a coding system from the business counseling form to BC log in order to organize the list of clients assisted. It is useful in traceability, particularly on the type of assistance and actions taken for a specific client request (Clause 10.3)

Opportunities for Improvement:

- The Post Activity Report presented pertaining to the conduct of 2021 DTI-PDI Level 0 Planning cum Year-end Assessment on November 23, 2021 has no CSF rating from Negosyo Centers/business counselors who were capacitated on information about Financing (P3) and PPG. It would be helpful if the organization will always maintain documented information on the CSF results of internal clients (Clause 6.2.1)

Potential Nonconformities:

- None

Nonconformities:

- None


SUPPORT PROCESS: COMMUNICATION

Conformances:

- Process owners are competent in terms of appropriate education, training or experience on the communication process. (Clause 7.2)
- RO provides communications flowchart for their incoming and outgoing communications through MSSD Notes No. 03-01, s. 2022. (Clause 7.4)
- RO, including provinces of Agusan Del Sur and Agusan Del Norte are using Trello system for tracking of incoming documents. (Clause 7.5)

Opportunities for Improvement:

- Although Records Officer have e-logbook for monitoring of incoming and outgoing communications through google drive, it is recommended to have a log book/ hard copy for monitoring of incoming and outgoing communications. It will be helpful in case of slow or no internet connections and/or power interruptions. (Clause 7.5)
- The organization may consider designating an alternate Records Officer in order to ensure continuity of the process in case the current Records Officer is on leave or on official travel. (Clause 7.1.2)

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Potential Nonconformities:

- None

Nonconformities:

- None

SUPPORT PROCESS: PROCUREMENT AND SUPPLIER EVALUATION

Conformances:

- The auditee exhibits and possesses the necessary knowledge and competence required to perform the job based on evidences presented and response to interview questions, in compliance to Clause 7.2 (Competence) and 7.1.6 (Organizational knowledge).
- The procurement process is guided by the documented procedure and the regulatory requirements of RA 9184. Compliance has been generally demonstrated as maintained and controlled. Sampled records shared were as follows: Notice of BAC Meeting, PhilGEPS Posting, Invitation to Bid, Checklist of Technical and Financial Documents, Bid Evaluation, Notice of Lowest Calculated Bid, BAC Resolution, Notice of Award, Purchase Order, Notice to Proceed, 2022 APP and Supplemental APP. (Clause 7.5)
- Monitoring report is in place to ensure that procurement process is carried out in a timely manner. (Clause 8.5.1)
- Suppliers' performance evaluation was done. They were rated as to conformity to specification, timeliness of delivery and after sales services. All of the suppliers' performances are excellent for the first semester of 2022. (Clause 8.4, 9.1)

Opportunities for Improvement:

- The 2022 Annual Procurement Plan presented do not have the PAP Code (1st column) & Budget Officer's signature as evidence that it has undergone review for availability of funds or inclusion to GAA prior approval of the Head of Procuring Entity. (Clause 7.5.2)

Potential Nonconformities:

- None

Nonconformities:

- None


SUPPORT PROCESS: SYSTEM MAINTENANCE

Conformances:

- System Maintenance Plan is available but to be implemented at 2nd Sem of 2022 on a quarterly schedule. The plan includes specific activities to be done on the IT equipment such as enabling and checking firewall; checking event, history and virus logs; checking of scan schedule times; clearing of quarantined items; and ensuring anti-virus updates. (Clause 6.2)
- The auditee exhibits and possesses the necessary knowledge and competence required to perform the job based on evidences presented and response to interview questions, in compliance to Clause 7.2 (Competence) and 7.1.6 (Organizational knowledge).

Opportunities for Improvement (SYSTEMIC):

- Under Clause 4.4.1 (e), the organization shall assign responsibilities and authorities for a specific process. The DTI CARAGA has designated one of its Trade and Industry Development Specialist (TIDS) as IT personnel doing IT stuff on top of his duties as TIDS. However, multitasking can negatively affect the work quality and focus of the staff assigned. Thus, Regional and Provincial Offices still recognize the importance of having a permanent IT plantilla position for the organization since we rely heavily upon technology to do our day-to-day work while living the new normal.

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Potential Nonconformities (SYSTEMIC):

- Under Clause 8.1 (b.1) the organization shall plan, implement and control the process. To comply to this requirement, One DTI QMS should have a documented procedure for System Maintenance specifically for Regional and Provincial Offices to provide consistency, mitigate risk, heighten employee engagement, simplify training, and retain process knowledge. Lack of documented, standard procedures leads to repeated mistakes and continuing inefficiencies at significant costs to the organization.

Nonconformities:

- None

QMS PROCESS: INTERNAL AUDIT, NONCONFORMITY AND CORRECTIVE ACTION

Conformances:

- In compliance with One DTI Internal Audit Plan set by the over-all IQA, DTI CARAGA was audited last year by NIQA of DTI R5 raising 8 RFIs. In accordance with the requirements of ISO 9001:2015 Clause 10.2, the IQA of DTI CARAGA SATISFACTORY COMPLIED by immediately taking action to control and correct them, evaluated the need for action to eliminate the causes of non-conformities, implemented action needed, reviewed the effectiveness of action taken, and updated the corresponding risks. These were all adequately provided and evidenced by DTI CARAGA IQA monitoring sheet and the related filled out RFIs. Accordingly, 3/8 RFIs were still open subject for continuing review and evaluation as to the effectiveness of the action taken.
- For the third- party auditors, no non-conformity was raised. DTI CARAGA has no separate IQA conducted as of this audit. They relied only with the NIQA as required by One DTI QMS in accordance with the requirements of ISO 9001:2015 Clause 9.2 and 7.3 of DTI Quality Manual (QM)

Opportunities for Improvement:

- Internal Audit results and Non-Conformity & Corrective Action shall form part of the QUARTERLY management review meetings as provided under DTI QM 3.6.2. and 3.6.3. DTI CARAGA, as at the time of audit, is only doing a semi-annual MR. The IQA shall provide the necessary agenda (inputs) and the results of the review (outputs) on the conduct of the regular QUARTERLY Management Review. (Clause 9.3)

Potential Nonconformities:

- None

Nonconformities:

- None


CORE PROCESS: BUSINESS NAME REGISTRATION

Conformances:

- Strategic plan, such as Quality Objective, SWOT, Stakeholders analysis, Risk and Opportunities Register was evidently established and maintained as a documented information as required by ISO 9001:2015 Clause 6.2 (Planning) in relation to Clause 4 (Context of the Organization).
- As to the requirements of Clauses 7.2 (Competence) and 7.1.6 (Organizational knowledge), the auditee exhibits and possesses the necessary knowledge and competence required on the basis of appropriate education, training and experience as BNR processor and collecting officer.
- As to Clause 8.1 (Operation), the plan, implementation and control of the process needed to meet the requirements of the provision of the BNR service was satisfactory performed. As a result, its process objective set of at least 90% of BN applications processed within 15 minutes was achieved (660/660 or 100% actual accomplishment).

Opportunities for Improvement:

- Although quality objective as to the processing of the BNR was established, the requirement of QMS as to continual improvement and enhancement of customer satisfaction was not included. (Clause 9.1)

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- ISO 9001:2015 Clause 6.2.1 (a and d) provides that quality objectives shall be consistent with the quality policy and relevant not just to conformity of products and services but also includes enhancement of customer satisfaction. Hence, under Clause 5.2.1 (d) Top Management was required to establish Quality policy that includes a commitment to continual improvement of which One DTI complied. However, quality objective set does not include the requirement as such. It is therefore suggested that another quality objective as to customer satisfaction or any objective pertaining to continual improvement be established. (Ex. Percentage of customer "satisfied")

Potential Nonconformities:

- None

Nonconformities:

- None

SUPPORT PROCESS: HUMAN RESOURCE

Conformances:

- Process owners are competent in terms of appropriate education, training or experience on the human resource processes. (Clause 7.2)
- RO uses prescribed CSC forms from the publication of vacancy up to appointments like Position Request Form, Report of Appointment Issued (RAI), etc. (Clause 7.5)
- Applicant/s for the vacant position are well informed on the result of hiring process (of every step) through letters. (Clause 8.2)
- Risk and opportunities are documented on risk register with updated risk monitoring for the second quarter 2022. (Clause 7.5)
- HRMO has monitoring tool for vacant positions. (Clause 7.5)
- For training and development, process implemented in the office is in order. (Clause 7.2)
- CSF are being evaluated within one week after the conduct of training. (Clause 9.1)

Opportunities for Improvement:

- None

Potential Nonconformities:

- None

Nonconformities:

- None

CORE PROCESS: ISSUANCE OF SALES PROMO PERMIT

Conformances:

- Strategic plan, such as Quality Objective, SWOT, Stakeholders analysis, Risk and Opportunities Register was evidently established and maintained as a documented information as required by ISO 9001:2015 Clause 6.2 (Planning) in relation to Clause 4.1 (Context of the Organization).
- As to the requirements of Clauses 7.2 (Competence) and 7.1.6 (Organizational knowledge), the auditee exhibits and possesses the necessary knowledge and competence required on the basis of appropriate education, training and experience as Sales Promotion permit processing officer.
- As to Clause 8.1 (Operation), the plan, implementation and control of the process needed to meet the requirements of the provision of the issuance of Sales Promotion permit service was satisfactory performed. As a result, its process objective set of at least 99% of sales promotion permit issued within prescribed time was achieved (10/10 or 100% actual accomplishment).

Opportunities for Improvement (SYSTEMIC; to be raised in the Over-all QMR and IQA Chair):

- Although quality objective as to the processing of the Sales Promo Permit was established, the requirement of QMS as to continual improvement and enhancement of customer satisfaction was not included.

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| <p>ISO 9001:2015 Clause 6.2.1 (a and d) provides that quality objectives shall be consistent with the quality policy and relevant not just to conformity of products and services but also includes enhancement of customer satisfaction. Hence, under Clause 5.2.1 (d) Top Management was required to establish Quality policy that includes a commitment to continual improvement of which One DTI complied. However, quality objective set does not include the requirement as such.</p> <p>It is therefore suggested that another quality objective as to customer satisfaction or any objective pertaining to continual improvement be established. (Ex. Percentage of customer "satisfied")</p> | |
| 2. | <p>The quality objective and plan provide 1-day processing of sales promotion permit whereas it is 3 days as per One DTI process.</p> <p>ISO 9001:2015 Clause 5.1.1 (b) in relation to (Clause 6.2.2 (a) provides that quality objectives shall be compatible with the strategic direction of the organization as to what will be done.</p> <p>It is therefore suggested that the quality objective as to turn around time of processing be compatible with what was set by One DTI.</p> |
| 3. | <p>The current sales promo logbook, as part of monitoring, analysis and evaluation tools of the process do not contain the receiving date of application.</p> <p>ISO 9001:2015 Clause 9.1 in relation to Clause 7.5. provides that the organization shall determine monitoring, measurement, analysis and evaluation as to the performance and effectiveness of the QMS which must be available and suitable for use, where and when it is needed and controlled as to access, retrieval and use.</p> <p>It is therefore suggested that the logbook, as documented information, to contain the receiving date for suitability of use or may devise some other tool as monitoring, measurement, analysis and evaluation tool on the attainment of objectives.</p> |
| <p>Potential Nonconformities:</p> <ul style="list-style-type: none"> • None | |
| <p>Nonconformities:</p> <ul style="list-style-type: none"> • None | |
| QMS PROCESS: CUSTOMER SATISFACTION | |
| <p>Conformances:</p> <ul style="list-style-type: none"> • The organization conducts review and monitoring of the Client Satisfaction Feedback of all core processes and includes it in the Management Review discussion in the provincial and regional level. (Clause 9.1.2) • Online CSF is also being used in webinars and online workshops, consistent with the updated form in ONE DTI as of April 20, 2022. All the responses are also encoded in pertinent Responses sheet. (Clause 9.1.1) • The preparation of CSF Action Plan was evident. Actions to be taken have complete details for timetable, persons responsible, and resources needed. (Clause 7.5.2) | |
| <p>Opportunities for Improvement:</p> <ul style="list-style-type: none"> • ISO 9001:2015 requires that the organization shall deal with non-conforming outputs during or after the provision of services (Clause 8.7). The organization conducted an Orientation on ONE DTI QMS CSF Procedure, Forms, Tabulation, and Analysis on May 31, 2022. One client rated the activity as dissatisfactory due to short duration of the activity. Action plan was immediately prepared by the focal person and division concerned, without raising RFI. It would be helpful if the organization will also raise an RFI in case of any non-conforming output. It would serve as documented information for proper conduct of Root Cause Analysis and monitoring of implementation of corrective action. | |

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Potential Nonconformities (Systemic):

- PR-CSF-01 requires at least 90% retrieval rate for walk-in/face-to-face clients. Agusan del Norte Provincial Office has 86.21% retrieval rate for core process of Trade and Industry Information and 78.18% retrieval rate for conduct of training in April. The organization shall immediately conduct review and analysis of the CSF tabulation and raise an RFI as necessary, so as to ensure that the requirement of ONE DTI ISO is complied. (Clause 8.7)

Nonconformities:

- None

CORE PROCESS: TRADE AND INDUSTRY INFORMATION

Conformances:

- Established objectives and targets for this process is 100% of FOI requests received is acted upon within the prescribe period of time, and 90% customer satisfaction. Result of performance monitoring shows that targets were consistently achieved for the 1st Sem of 2022. (Clause 8.1)
- Process requirement is defined and documented in PR-TII-01 "Provision of Trade and Industry Information". This process is in accordance as well to the requirement of DTI FOI Guidelines. Process implementation is confirmed done based on the process cycle time from the receipt of request, evaluation, and release of the needed trade and industry information. Also, the organization has ensured adherence to the requirement of Data Privacy Act of the Philippines. Sample taken is a letter request dated February 2, 2022. (Clause 6.2)

Notable Conformance:

- Initiated creation of infographics containing simplified FOI Process, coverage and exceptions, and also FOI vs ARTA checklist to guide readers to easily identify if the request is FOI or ARTA related. (Clause 10.3)

Opportunities for Improvement:

- FOI report should be submitted to KMIS on time in a quarterly basis. On the time of audit, last submission of FOI report was on 2021. (Clause 5.1.2)

Potential Nonconformities:

- None

Nonconformities:

- None

SUPPORT PROCESS: PROVISION OF MAINTENANCE OF IT EQUIPMENT – PREVENTIVE & CORRECTIVE MAINTENANCE

Conformances:

- DTI CARAGA is compliant to Clause 4.2 (Context of the Organization) and Clause 6.1 (Planning), as evidently seen in their established and documented strategic plan, which includes Quality Objective, SWOT Analysis, Stakeholders Analysis, and Risk Registers.
- The auditee exhibits and possesses the necessary knowledge and competence required to perform the job based on evidences presented and response to interview questions, in compliance to Clause 7.2 (Competence) and 7.1.6 (Organizational knowledge).
- A developed plan for Preventive and Corrective Maintenance of IT Equipment (network & computer work stations) is in place. A logbook/record of all IT Preventive and Corrective Maintenance activities is also in place. (Clause 6.2)

Opportunities for Improvement (SYSTEMIC):

- Under Clause 4.4.1 (e), the organization shall assign responsibilities and authorities for a specific process. The DTI CARAGA has designated one of its Trade and Industry Development Specialist (TIDS) as IT personnel doing IT stuff on top of his duties as TIDS. However, multitasking can negatively affect

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the work quality and focus of the staff assigned. Thus, Regional and Provincial Offices still recognize the importance of having a permanent IT plantilla position for the organization since we rely heavily upon technology to do our day-to-day work while living the new normal.

Potential Nonconformities (SYSTEMIC):

- Under Clause 8.1 (b.1) the organization shall plan, implement and control the process. To comply to this requirement, One DTI QMS should have a documented procedure for Preventive & Corrective Maintenance of IT Equipment specifically for Regional and Provincial Offices to provide consistency, mitigate risk, heighten employee engagement, simplify training, and retain process knowledge. Lack of documented, standard procedures leads to repeated mistakes and continuing inefficiencies at significant costs to the organization.

Nonconformities:

- None

SUPPORT PROCESS: FINANCE – PROCESSING OF CLAIMS

Conformances:

- Strategic plan, such as Quality Objective, SWOT, Stakeholders analysis, Risk and Opportunities Register was evidently established and maintained as a documented information as required by ISO 9001:2015 Clause 6.2 (Planning) in relation to Clause 4.1 (Context of the Organization).
- As to the requirements of Clauses 7.2 (Competence) and 7.1.6 (Organizational knowledge), the auditee exhibits and possesses the necessary knowledge and competence required on the basis of appropriate education, training and experience as Chief Accountant.
- As to Clause 8.1 (Operation), the plan, implementation and control of the process needed to meet the requirements of the service was satisfactory provided. As a result, its process objective set of at least 90% of claims process within 3 working days was achieved (1,139/1,139 or 100% actual accomplishment).

Notable Conformance: Created Electronic Finance and Administrative System (E-FAST) that completely track and provide relevant and quick information on FAD matters. (Clause 10.3)

Opportunities for Improvement (SYSTEMIC):

- Although quality objective as to the processing claims was established, the requirement of QMS as to continual improvement and enhancement of customer satisfaction was not included.

ISO 9001:2015 Clause 6.2.1 (a and d) provides that quality objectives shall be consistent with the quality policy and relevant not just to conformity of products and services but also includes enhancement of customer satisfaction. Hence, under Clause 5.2.1 (d) Top Management was required to establish Quality policy that includes a commitment to continual improvement of which One DTI complied. However, quality objective set does not include the requirement as such.

It is therefore suggested that another quality objective as to customer satisfaction or any objective pertaining to continual improvement be established. (Ex. Percentage of customer "satisfied")

- May consider providing the set of checklists to the end users/ clients processing claims as the checklist currently provided is limited to the use of processors within the FAD. (Clause 8.2.1)

Potential Nonconformities:


- None

Nonconformities:

- None

CORE PROCESS: CONDUCT OF TRAINING

Conformances:

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- The organization conducts Training Needs Analysis to assess the needed competency of target MSMEs and participants, particularly during Program Year-end Assessment and Planning. Actions to address risks and opportunities are also identified during planning (Clause 6.1, 6.2).
- PGS Scorecard contribution such as MSMEs assisted under OTOP Next Gen is indicated in the project proposal. The focal person also includes in the risk assessment the possibility of unexpected attendees to avoid shortage in meals and supplies prepared which may subject to DTI to spend beyond approved budget. (Clause 6.1)
- The organization ensures the conduct of pre-test and post-test to measure the level of knowledge and understanding of participants prior to and after the training. The results are also included in the Post Activity Report. (Clause 9.1)

Notable Conformance: The focal person uses social media to invite and pre-register MSMEs in google forms to gauge and meet the target number of participants. (Clause 10.3)

Opportunities for Improvement:

- ONE DTI requires compliance with RPEC Guidelines in the evaluation of training proposals for funding. Based on the Guidelines, the organization shall create a Proposal Evaluation Committee (PEC) both in the regional and provincial office. DTI CARAGA shall issue office order on designation of the proposal evaluation committee in the regional and provincial office and shall maintain proposal evaluation sheet for monitoring. (Clause 8.1)
- It would be helpful to indicate in the Post Activity Report if all the objectives indicated in the project proposal were met (Clause 6.2), including the implementation of the Risk Management Plan (Clause 9.1).
- It is recommended that the organization consider other indicators/quality objectives such as CSF in the process performance monitoring for training, aside from the existing success measures of MSME created and improved, in order to also monitor the participants' assessment of the training conducted. To the Planning and Management Service, there should be consideration on DTI regional/provincial offices' additional success measures/indicators in the performance monitoring based on the requirements needed to be measured per process. (Clause 9.1)

Potential Nonconformities:

- None

Nonconformities:


- None

CORE PROCESS: MONITORING AND ENFORCEMENT OF FAIR TRADE LAWS

Conformances:

- Strategic plan, such as Quality Objective, SWOT, Stakeholders analysis, Risk and Opportunities Register was evidently established and maintained as a documented information as required by ISO 9001:2015 Clause 6.2 (Planning) in relation to Clause 4.1 (Context of the Organization).
- As to the requirements of Clauses 7.2 (Competence) and 7.1.6 (Organizational knowledge), the auditee exhibits and possesses the necessary knowledge and competence required on the basis of appropriate education, training and experience as FTL monitor and enforcer.
- The monitoring and measurement resources are also calibrated and adequately maintained to ensure continuing fitness for their purpose as required by Clause 7.1.5.1
- As to Clause 8.1 (Operation), the plan, implementation and control of the process needed to meet the requirements of the FTL monitoring and enforcement service was satisfactory provided. As a result, its process objective set of at least 85% of firms monitored compliant with FTL was achieved (449/449 or 100% actual accomplishment).

Opportunities for Improvement:

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- At the time of audit, the Auditee cannot provide actual instance on the issuance of NOV considering that within the given audit period of January to June 2022, no Notice of Violation was issued by the monitoring and enforcement team. Although the Auditee comprehensively provided presentation of the complete process with examples/ exhibits, the audit cannot completely provide the necessary findings on the matter. (Clause 7.5.3)
- The audit will be more effective, if possible, that the organization provides an Auditee who can share the actual experience on the whole process as at the given audit period to verify the actual implementation/ execution of the process. (Clause 7.2)

Potential Nonconformities:

- None

Nonconformities:

- None

CORE PROCESS: CONDUCT OF TRADE FAIR

Conformances:

- Planning for trade fair is included in the monthly meeting agenda for OTOP Next Gen Program. In the pre-planning session of Buy CARAGA By CARAGA: 2022 Balangay Edition Trade Fair last May 15-21, 2022, proper committee were assigned as well as discussion on best practices in the national trade fairs that can be applied in the regional trade fair. Actions to address risks and opportunities are also identified and monitored (Clause 6.1, 6.2).
- Strengthening partnership with Local Government Units (LGUs) are also being practiced wherein DTI POs are able to request counterpart funding for provincial trade fairs (Clause 8.1)
- Total sales generated amounted to PhP1,875,570.00 vs. target of PhP500,000.00. Client Satisfaction Feedback also has 95% retrieval rate and 96.53% at least satisfactory rating (Clause 6.2).

Opportunities for Improvement:

- It is recommended that the organization may consider in its risk management plan the possible transmission of COVID-19 in the conduct of physical trade fair. This would help implement actions to address the risk through strict compliance with minimum health protocols throughout the conduct of the activity. (Clause 6.1)

Potential Nonconformities:

- None

Nonconformities:


- None

SUPPORT PROCESS: FINANCE – PREPARATION OF REPORTS

Conformances:

- Strategic plan, such as Quality Objective, SWOT, Stakeholders analysis, Risk and Opportunities Register was evidently established and maintained as a documented information as required by ISO 9001:2015 Clause 6.2 (Planning) in relation to Clause 4.1 (Context of the Organization).
- As to the requirements of Clauses 7.2 (Competence) and 7.1.6 (Organizational knowledge), the auditee exhibits and possesses the necessary knowledge and competence required on the basis of appropriate education, training and experience as Budget Officer.
- As to Clause 8.1 (Operation), the plan, implementation and control of the process needed to meet the requirements of the service was satisfactory provided. As a result, its process objective set of 100% of reports submitted within 10 working days of the following month was achieved (7/7 or 100% actual accomplishment).

Opportunities for Improvement (SYSTEMIC):

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- Although quality objective as to the preparation of reports was established, the requirement of QMS as to continual improvement and enhancement of customer satisfaction was not included. (Clause 9.1.2, 10.3)

- ISO 9001:2015 Clause 6.2.1 (a and d) provides that quality objectives shall be consistent with the quality policy and relevant not just to conformity of products and services but also includes enhancement of customer satisfaction. Hence, under Clause 5.2.1 (d) Top Management was required to establish Quality policy that includes a commitment to continual improvement of which One DTI complied. However, quality objective set does not include the requirement as such. It is therefore suggested that another quality objective as to customer satisfaction or any objective pertaining to continual improvement be established. (Ex. Percentage of customer "satisfied")

Potential Nonconformities:

- None

Nonconformities:

- None

SUPPORT PROCESS: PROVISION OF MAINTENANCE OF INFRASTRUCTURE

Conformances:

- The auditee exhibits and possesses the necessary knowledge and competence required to perform the job based on evidences presented and response to interview questions, in compliance to Clause 7.2 (Competence) and 7.1.6 (Organizational knowledge).
- Maintenance of service vehicles has been evidenced by Maintenance Plan which shows BLOWBAGA is carried out by the driver prior to use. It also indicates schedule of maintenance for tire replacement, change oil, engine tune up, replacement of battery, aircon cleaning, waxing, lubrication of wheel bearing, registration and insurance. (Clause 6.2)
- Maintenance Plan for office infrastructure is also in place which includes the following: replacement of worn out ceiling and walls, installation of new lightings, painting works and fabrication of new cabinets (Clause 6.2)

Opportunities for Improvement:

- Maintenance Plan for Infrastructure should be prepared every end of current year covering the period for the following year based on One DTI Guidelines (GL-GAS-04, Aug. 31, 2021). While based on interview with the Auditee, Maintenance Plan for Infrastructure of Agusan del Sur was prepared on January 2022. (Clause 8.1)
- Post Repair Inspection Report presented with incomplete fill up (no Job Order No, Invoice No, Date & amount). (Clause 7.5.2)

Potential Nonconformities:

- None


Nonconformities:


- None

SUPPORT PROCESS: PROVISION OF MAINTENANCE OF WORK ENVIRONMENT

Conformances:

- The organization ensure that infrastructure necessary for the operation of its processes to achieve conformity of services are determined, provided and maintained. Established quality objectives and targets for maintenance are 100% implementation of Preventive Maintenance Plan and 100% Request for Repairs are acted upon. (Clause 7.1.3)
- Maintenance of offices/facilities has been evidenced by Office Cleaning Daily Schedule. (Clause 7.1.3)

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| <ul style="list-style-type: none"> The auditee exhibits and possesses the necessary knowledge and competence required to perform the job based on evidences presented and response to interview questions, in compliance to Clause 7.2 (Competence) and 7.1.6 (Organizational knowledge). | | |
| Opportunities for Improvement: <ul style="list-style-type: none"> None | | |
| Potential Nonconformities: <ul style="list-style-type: none"> None | | |
| Nonconformities: <ul style="list-style-type: none"> None | | |
| DIVERGING OPINIONS, IF ANY: <ul style="list-style-type: none"> None | | |
| OPPORTUNITIES FOR IMPROVEMENT ON THE NEXT AUDIT: <ul style="list-style-type: none"> Participation / provision of capacity-building initiatives to increase number of qualified auditors. | | |
| Prepared By: | | |
|  HAZE BERLENE P. PUNO AOV/Management Audit Analyst III Audit Team Leader | BRENDA B. CORVERA, CESO V Assistant Regional Director Quality Management Representative | GAY A. TIDALGO, CESO IV Regional Director |