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

Order no.: 724608723 Client no.: 119576-01
Client: PHILIPPINE CARABAO CENTER, National Headquarters and Gene Pool

Management Service

Comments

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

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

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

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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)***
ISO 9001								
8.6/ 9.1.1	Dairy Processing	**Findings:** It could not be established that the weekly microbiolological tests for the final products is being consistently implemented **Supporting Evidence:** No evidence that microbiological test was conducted for all outputs for Dec. 23, 2019.	MiN					

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<table>
<tr><th rowspan="2">Clause no.</th><th rowspan="2">Process</th><th colspan="2">Findings</th><th rowspan="2">Results of root cause analysis*

(to be completed by client in case of NC and MiN)</th><th rowspan="2">Intended correction and corrective action (CA)* (incl. due dates and responsible)

(to be completed by client)</th><th colspan="3">Evaluation of CA
(to be completed by auditor)</th></tr>
<tr><th>Description
(to be completed by auditor)</th><th>Type
NC/MiN</th><th>Date</th><th>Effective (E) / Accepted (A)**</th><th>Evidence provided (only for NC findings)***</th></tr>
<tr><td>6.2.1/ 10.2</td><td>Various Areas</td><td>Findings:
It could not be established that root cause analysis and corrections/ corrective action are being initiated for unmet targets.
Supporting audit evidence:
At Technical Services:
<table>
<tr><th>Objectives</th><th>Target</th><th>Actual</th></tr>
<tr><td>Continuing education of in-houes staff</td><td>5</td><td>2 (40% only)</td></tr>
<tr><td>Value of animals traded (Male)</td><td>1,527,750</td><td>1,430,000 (93.6% only)</td></tr>
</table>
At Planning
<table>
<tr><th>Objectives</th><th>Target</th><th>Actual</th></tr>
<tr><td>ROI of Institutional Herd</td><td>10% or Breaken ven</td><td>-33.66 for 2019
-32.96 for 2018</td></tr>
<tr><td>ROI of PMOs (Processing and Marketing Outlet)</td><td>25% or better</td><td>14.66 %</td></tr>
</table></td><td>MiN</td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

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Clause no.	Process	Findings		Results of root cause analysis*	Intended correction and corrective action (CA)* (incl. due dates and responsible)	Evaluation of CA (to be completed by auditor)		
		Description (to be completed by auditor)	Type NC/MiN	(to be completed by client in case of NC and MiN)	(to be completed by client)	Date	Effective (E) / Accepted (A)**	Evidence provided (only for NC findings)***
8.5.2	Semen bank	**Findings:** It was noted that actual tags of the semen identification actually stored in the cylinder tanks do not match with the semen identification in the computer database. **Supporting Evidence:** Tank # 60, tag at point 5 describes 2GP11115, however at computer data base, semen ID was 2GP10003 and 2CM13046 (stored in the canister last 2014 and 2015)	MiN					
8.5.1/ 10.2	Gene Pool	**Findings:** It could not be established that treatment was conducted for the animals tested positive with Surra **Supporting Evidence:** Animals 2GP16093 and AL13065 tested last May 31, 2019 with positive Surra results and 2GP16003 tested last June 3, 2019.	MiN					
10.2.1	Non-conformity and Corrective Action	**Finding:** It could not be ensured that causes of the nonconformity was determined for SIR No. 2019_LGB_01 issued on May 27, 2019. **Supporting audit evidence:** SIR No. 2019_LGB_01 issued on May 27, 2019.	MiN					

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		Description *(to be completed by auditor)*	**Type** *NC/MiN*	*(to be completed by client in case of NC and MiN)*	*(to be completed by client)*	**Date**	**Effective (E) / Accepted (A)****	**Evidence provided** (only for NC findings)***
ISO 14001								
8.1	PCO	**Findings:** It was noted that some entries in the SMR were.not accurate. **Supporting Evidence:** SMR for the 3rd and 4th quarter of 2019, the figures were just copied and pastes thus, the carry-over wastes from the previous quarter was not reflected in the succeeding quarter.	MiN					
OHSAS 18001								
4.3.1	HIRADC	**Finding:** **Milking Calves Barn:** Use of power sprayer was not included in the Risk Assessment Form in the care and Management of Calves as it was an equipment with moving parts. **Supervisor's Near-Miss/Accident Investigation Report** -It could not be ensured that the HIRADC was reviewed after the eye injury incident in Gene Pool. The presented HIRADCS was last reviewed in March 1, 2019 and the incident took place last May 3, 2019. **Supporting audit evidence:** -Actual visit on site. -Supervisor's Near-Miss/Accident Investigation Report	MiN		**Immediate solution for the correction of the finding:** **Corrective Action to eliminate the cause:**			

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Clause no.	Process	Findings		Results of root cause analysis*	Intended correction and corrective action (CA)* (incl. due dates and responsible)	Evaluation of CA (to be completed by auditor)		
		Description (to be completed by auditor)	Type NC/MiN	(to be completed by client in case of NC and MiN)	(to be completed by client)	Date	Effective (E) / Accepted (A)**	Evidence provided (only for NC findings)***
4.4.6	Operational Control – Facility Tour (Milking Calves Barn)	**Finding:** Operational control could not be ensured in terms of machine guarding for moving parts for the power sprayer used in the Milking Carves Barn, belt of said equipment does not have guarding. **Supporting audit evidence:** Actual visit on site.	MiN		**Immediate solution for the correction of the finding:** **Corrective Action to eliminate the cause:**			
4.4.6	Dairy Production	**Finding:** The implementation of controls for the different operations and activities associated with the identified hazards is inadequate. **Supporting audit evidence:** The ff: minor lapses were evidently seen. -Intercom telephone no. 104 do not have dial tone. -evacuation plan (cannot easily locate the actual location of the person) -there is seen extended pipe lines located in the hallway near cheese are without safety or warning signages. -control panel on the receiving area do not have electrical safety signage. -electrical outlet located in the entrance going to production do not have cover.	MiN					
ISO 14001/OHSAS 18001 Common								

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Clause no.	Process	Findings		Results of root cause analysis*	Intended correction and corrective action (CA)* (incl. due dates and responsible)	Evaluation of CA (to be completed by auditor)		
		Description *(to be completed by auditor)*	**Type** *NC/MiN*	*(to be completed by client in case of NC and MiN)*	*(to be completed by client)*	**Date**	**Effective (E) / Accepted (A)****	**Evidence provided** (only for NC findings)***
4.4.2 / 7.2	Training Evaluation	**Finding:** The records of evaluation for the effectiveness of the training conducted was not evident during the time of audit. **Supporting audit evidence:** Training conducted for the ff: -course on safe driving conducted last 1/30&31/2019 -Supervisory effectiveness for improved Quality & Environment section conducted last 3/28/2019	MiN					

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.

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Opportunities for improvement and positive aspects::

Clause no.	Process	Findings		Action for optimization *(optional for client to fill out)*		
		Description *(to be completed by auditor)*	**Type** *I/P*	**Action**	**Responsible**	**Date**
ISO 9001						
8.6/ 9.1.1	Dairy Processing	**Findings:** • May consider to have standard sample reference for the interpretation of sedimentary test results for Slight Presence and Significant Presence as basis for judgment during incoming inspection..	I (Action item)			
7.2	HR/ Training	**Findings:** To be checked during next visit the following: 1. To review the conduct of TNIA defined once every 3 years , may consider the once every two years recommended by consultant. 2. To provide a column for the gap and a column for the recommendation of intervention to close the gap.	I (action item)			
9.1.1	Technical	**Findings:** May consider to record the status of animals being monitored on a quarterly basis even if no activity was conducted on them as evidence that these were actually being monitored as per schedule.	I			
6.2.1	Gene Pool	**Findings:** To be checked during next visit the final monitoring scheme for the target of 10% Calf Mortality.	I (Action item)			
ISO 14001						
		None.				
OHSAS 18001						
		None.				

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.

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

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

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

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Guideline for Corrective Actions Acceptance

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

1. Was correction to eliminate existing finding completed?

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

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

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

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

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

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

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