	Housing and Land Use Regulatory Board
	Internal Quality Audit Procedure

REVISION HISTORY

Revision Number	Originator	Details of Revision	Approval Date	Effectivity Date
0	Wilmer V. Aquino	Original Issue	NOV 2 7 2017	DEC 0 4 2017

Prepared by:	Reviewed by:	Approved by:
Wilmer V. Aquino IQA Team Leader	**Atty. Arturo M. Dublado** Director - PPG / QMS Manager	**Atty. Lloyd Christopher A. Lao** Chief Executive Officer and Commissioner
Date: NOV 1 6 2017	Date: NOV 2 0 2017	Date: NOV 2 7 2017

1.0   SCOPE:

1.1   This documented information encompasses the examination and evaluation of the adequacy and effectiveness of the entire Quality Management System (QMS) of HLURB.

2.0   OBJECTIVE:

2.1   The purpose of this documented information is to establish and maintain an effective Internal Quality Audit process relating to ISO 9001:2015.

3.0   REFERENCES:

3.1   ISO 9001:2015 - Quality Management System Requirements

3.2   ISO 19011:2011 - Guidelines for Auditing Management System

4.0   DEFINITION OF TERMS:

| TERMS	DEFINITIONS
Internal Quality Audit	An independent appraisal function established by the management to conduct a systematic and a documented process of obtaining evidence and evaluating it objectively and to determine the extent where criteria are fulfilled.
IQA Auditor	A member of the IQA Team who conducts an audit.
Auditee/s	The Process Owner/s, Unit/Group/Division Heads and Regional Field Officers who are being audited.
Audit Plan	Refers to the document that provides for the arrangement of a set of one or more audits; planned for a specific time frame and directed towards a specific purpose, as well as, the criteria, scope, frequency and methods to be employed in the audit.
Audit Schedule	Refers to the document that sets forth the processes to be audited, the auditors, the auditee/s and the time and date of the audit.

Audit Scope	Refers to the extent and boundaries of an audit. It generally includes a description of the physical locations, organizational units, activities and processes as well as the time period covered by the audit.
Opening Meeting	Refers to the activity conducted prior to the actual audit, where the auditee/s is informed of the objective and scope of the audit.
Audit Criteria	Refers to set of policies, procedures, or requirements, used as reference against which Audit Evidence is compared.
Audit Evidence	Refers to records, statements of facts or other information, which are sufficient, relevant and reliable to Audit Criteria of which reasonable conclusions and recommendations are based. It can be qualitative or quantitative.
Audit Findings	Refer to results of the evaluation of the collected Audit Evidence against Audit Criteria.
Closing Meeting	Refers to the activity where the consolidated Audit Findings are presented by the IQA Team Leader to the auditee/s.
Non-Conformity (NC)	A situation or service that does not conform to standards set by HLURB QMS and ISO 9001. Non-conforming services are classified as either Minor or Major Non-conformity.
Major Non-Conformity	Total breakdown of the system controlled or procedures failure to conform the requirements.
Minor Non-Conformity	Any non-conformity which does not adversely affect the performance of the QMS.
Opportunity for Improvement (OFI)	A recommendation or suggestion to address an error or lapse in the system.
Request for Action (RFA)	A form used to keep record of NCs/OFIs and the corresponding root cause analysis and actions taken to address it.

5.0 PROCESS FLOW:

5.1   Internal Quality Audit Procedure

QMS Manager / CEO	IQA Team Leader	Auditor/s
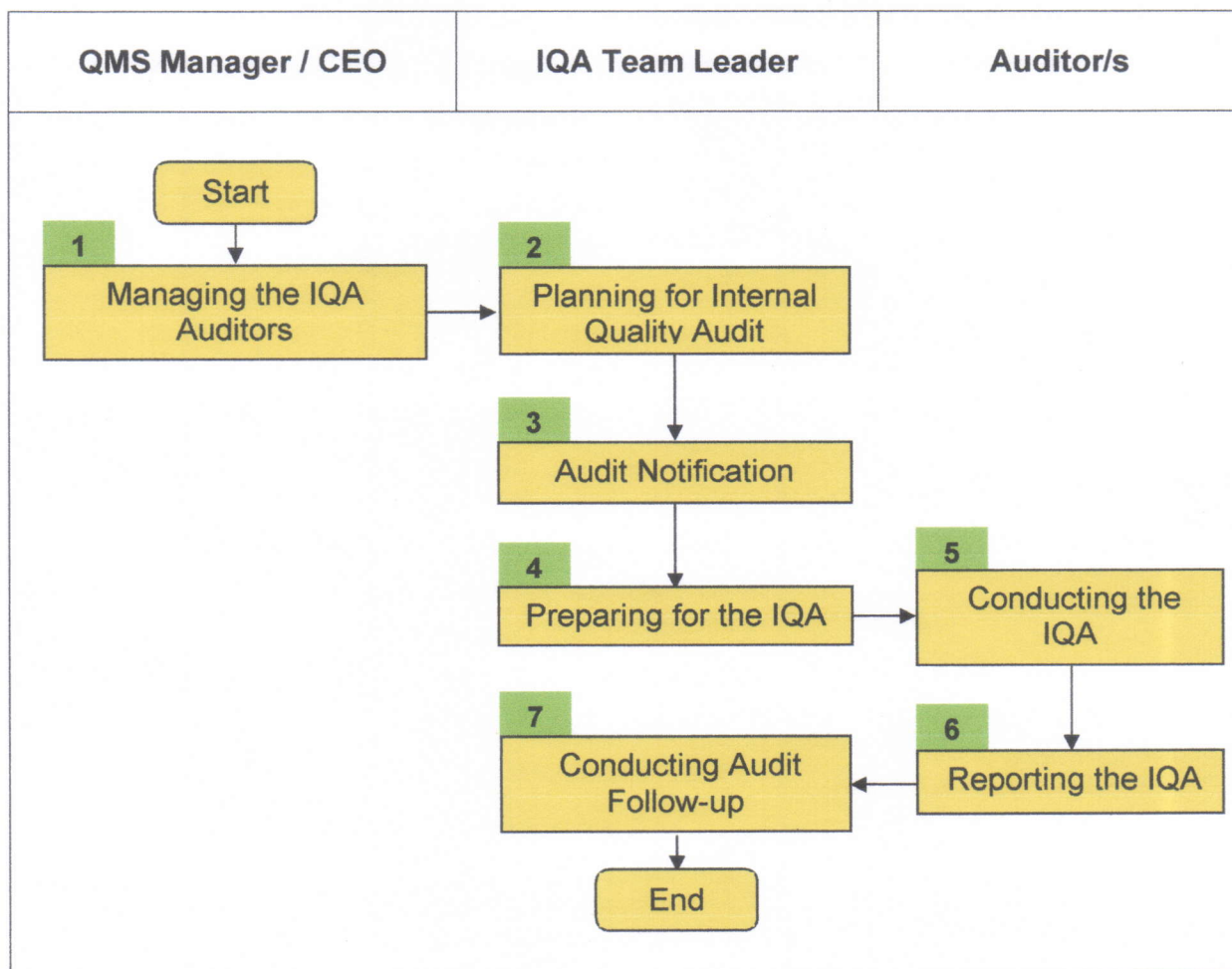
6.0   PROCEDURE DETAILS:

6.1   Managing the IQA Auditors

6.1.1   The agency shall constitute an Auditors Pool comprising of representatives from different units, groups, and divisions who were trained in Quality Management System and Internal Quality Audit. The Auditors Pool will be the interim IQA Team of HLURB. The list of auditors shall be continually enhanced by the QMS Manager.

6.1.2   A permanent employee of the agency may qualify and be designated as IQA Auditor provided he/she meets the following requirements:

    6.1.2.1   Has a bachelor's degree;

    6.1.2.2   Has at least one (1) year of work experience in the agency;

    6.1.2.3   Has received at least eight (8) hours or relevant training in Internal Quality Audit; and,

    6.1.2.4   Has received at least twenty-four (24) hours of training in Quality Management System (QMS).

6.1.3   The QMS Manager shall recommend an IQA Team Leader which shall be approved by Top Management.

6.1.4   Maintenance of Auditors Pool. There shall also be a continual enhancement of auditing competencies through various capacity building activities such as refresher courses on IQA and QMS and formal trainings for both prospective and current auditors.

6.1.5   After each IQA, the QMS Manager shall evaluate the performance of IQA Team.

6.2   Planning for the Internal Quality Audit (IQA)

6.2.1   **Preparation of the Audit Plan**. The IQA Team Leader shall prepare the Audit Plan before the start of the calendar year taking into consideration the status and importance of the processes and areas to be audited, and the results of previous audits. The Audit Plan shall make sure that each process, group or unit will be audited at least twice every year.

6.2.2   **Review and Approval of the Audit Plan.** The QMS Manager shall review the Audit Plan and endorse to the Chief Executive Officer (CEO) for approval. The CEO shall approve the Audit Plan.

6.2.3   **Preparation of Audit Schedule**. The IQA Team shall prepare an Audit Schedule based on the approved Audit Plan. It shall include:

    6.2.3.1   Scope and objective of the audit;

    6.2.3.2   Units/Groups/Divisions to be audited and the name of the auditee;

6.2.3.3   IQA Auditor assigned;

6.2.3.4   Date and time of audit; and,

6.2.3.5   Duration of audit.

6.2.4   The IQA Team Leader shall ensure that auditors will not be assigned to audit their own process unit/group/division.

6.2.5   Copies of the Audit Plan and Audit Schedule are disseminated to all concerned heads of units/groups/divisions and Regional Field Offices or Process Owners through a Memorandum issued by the CEO.

6.2.6   In addition to the scheduled IQA, the CEO may instruct the IQA Team to conduct a spot IQA. Decisions for initiating spot IQA shall be based on any the following conditions and/or considerations:

6.2.6.1   Unusual increase of quality related problems;

6.2.6.2   Introduction of new services;

6.2.6.3   Major changes on the QMS, personnel, and processes; and,

6.2.6.4   Client's request.

6.2.7   **Preparation of Audit Checklist**. The IQA Team shall prepare an Audit Checklists prior to the conduct of the audit and shall be based on the scope and objective of the audit and the Quality Management System. Auditors shall review and study the standards, Quality Procedures, Standard Operating Procedures and non-conformity noted on the previous audits.

6.3 Audit Notification

6.3.1   The IQA Team Leader shall notify the unit/group/division and Regional Field Offices to be audited at least two (2) weeks prior to the scheduled IQA through a Memorandum signed by the CEO.

6.4 Preparing for the IQA

6.4.1   The IQA Team Leader shall call for a meeting involving the members of IQA Team to review applicable ISO documents such as standards, Quality Manual, Quality Procedures, Standard

Operating Procedures. A workshop may be conducted by the IQA Team Leader to obtain a comprehensive understanding of HLURB's QMS, structures and operations.

6.4.2   An IQA Checklist shall be prepared for each process or activity identified in the Audit Schedule. It will take into account the scope, objectives, and the information gained from the review of various ISO documents and HLURB processes and non-conformity noted on the previous audit.

6.4.3   The Audit Checklist shall be approved by the IQA Team Leader.

6.4.4   The Audit Checklist contains criteria for auditing. The criteria are used flexibly as a guide rather than a questionnaire.

6.5   Conducting the IQA

6.5.1   **Opening Meeting**. An Opening Meeting is conducted prior to actual audit to provide details on the IQA schedule, objectives, purpose of the audit, assigned auditors and auditees. The auditees are expected to participate in the Opening Meeting.

6.5.2   **Auditing**. The presence of the auditee is required during the Audit Proper. The Audit Proper must have the following activities:

   6.5.2.1   Establishment of facts by interviewing the auditee/s or other personnel, reviewing documents, observing processes, and verifying records;

   6.5.2.2   Recording of facts to the Audit Checklist as evidence of the audit;

   6.5.2.3   Evaluation of facts to determine the objective evidence of the Audit Findings;

   6.5.2.4   Classification of Audit Findings as to Conformity (C), Major Non-Conformity (Major NC), Minor Non-Conformity (Minor NC) or Opportunities for Improvement (OFI); and,

   6.5.2.5   Identification of NC shall conform to Control of Non-Conforming Services and Corrective Action Procedure.

6.5.3   **Closing Meeting**. A Closing Meeting, facilitated by the IQA Team Leader, is conducted to present the consolidated Audit Findings. During the Closing Meeting the auditees and other parties

responsible for the functions or processes which have been audited are given the opportunity to confirm or deny such findings.

6.5.3.1   Records of attendance shall be kept.

6.5.3.2   As appropriate, the following should be explained to the auditees in the Closing Meeting:

         6.5.3.2.1   Advising that the Audit Evidence collected was based on a sample of the information available;

         6.5.3.2.2   The method of reporting;

         6.5.3.2.3   The process of handling of Audit Findings and possible consequences;

         6.5.3.2.4   Presentation of the Audit Findings in such a manner that they are understood;

         6.5.3.2.5   Acknowledged by the auditee and the Top Management; and,

         6.5.3.2.6   Any related post-audit activities such as issuance of RFAs, preparation of actions, implementation and monitoring of Corrective Actions.

6.5.3.3   Any diverging opinions regarding the Audit Findings between the IQA Team and the auditee should be discussed and, if possible, resolved. If not resolved, this should be recorded on the Audit Report and discussed further during Management Review.

6.5.4   Audits are confidential and discussion should be restricted to management directly responsible for the process being audited unless they have given agreement to broaden the discussion.

6.6   Reporting the IQA

6.6.1   Audit Findings are documented on the Request for Action (RFA) form issued to the auditee for correction, root-cause analysis and corrective action plan.

6.6.2   The IQA Team Leader should report the audit results in accordance with the audit programme procedures.

6.6.3 The Audit Report should provide a complete, accurate, concise and clear record of the audit, and should include or refer to the following:

6.6.3.1 The Audit Objectives;

6.6.3.2 The Audit Scope, particularly identification of the organizational and functional units or processes audited;

6.6.3.3 Identification of the auditee/s;

6.6.3.4 Identification of IQA Team and auditee's participants in the audit;

6.6.3.5 The dates and locations where the audit activities were conducted;

6.6.3.6 The Audit Criteria;

6.6.3.7 The Audit Findings and related evidences; and,

6.6.3.8 A statement on the degree to which the Audit Criteria have been fulfilled.

6.6.4 Make recommendations in a form of Opportunity for Improvements (OFI) which are appropriate and relevant.

6.6.5 Acknowledge the action taken, or proposed by the Top Management during the Closing Meeting.

6.6.6 An Audit Summary Report is prepared by the IQA Team Leader and submitted to the QMS Manager for approval.

6.6.7 Results of Internal Quality Audits are discussed and presented during Management Review.

6.6.8 To provide evidence of a systematic audit and for useful references, the IQA Team Leader maintains all relevant records of concluded IQA.

6.6.9 Documentation of RFAs shall follow the Non-Conforming Services and Corrective Action Procedure.

6.6.10 Review and approval of actions for non-conformity shall follow the Non-Conforming Services and Corrective Action Procedure.

6.7   Conducting Audit Follow-up

6.7.1   Audit follow-up shall be conducted by the Audit Team Leader.

6.7.2   RFAs shall be deemed "Closed" once the proposed action plans/activities are successfully implemented. "Closed" RFAs shall be kept by the IQA Team Leader.

6.7.3   Actions to address OFIs are recommended but not required.

7.0   ATTACHMENTS:

HLURB.IQA.001.00	Audit Plan
HLURB.IQA.002.00	Audit Schedule
HLURB.IQA.003.00	Audit Checklist
HLURB.IQA.004.00	Auditors Pool
HLURB.IQA.005.00	Request for Action Form
HLURB.IQA.006.00	Auditors Performance Evaluation Form
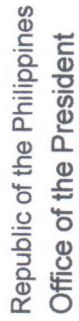
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HOUSING AND LAND USE REGULATORY BOARD
Lupong Nangangasiwa sa Pabahay at Gamit ng Lupa

AUDIT PLAN

Frequency: _____

Coverage: _____

Date Prepared: _____

Plan □   Actual ■

Item No.	Unit/Group/Division Process	Process Owner	Audit Schedule												Remarks
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	

Prepared by:

IQA Team Leader
Date: _____

Reviewed by:

QMS Manager
Date: _____

Approved by:

Chief Executive Officer and Commissioner
Date: _____

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AUDIT SCHEDULE

Audit Date/s: _____

Audit Scope:

Audit Objectives:

Item No.	Unit/Group/Division Process	Auditee	IQA Auditor	Date of Audit	Duration	Remarks

Prepared by:

IQA Team Leader
Date: _____

Reviewed by:

QMS Manager
Date: _____

Approved by:

Chief Executive Officer and Commissioner
Date: _____

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AUDIT CHECKLIST

Auditee/s:	Unit/Group/Division Process:	Page ___ of _____

Audit Type:				Date of Audit:	Duration		IQA Auditor/s
	☐	☐	☐		Start	End	
	IQA	Follow-up	Spot				

Item No.	**Audit Criteria** (Define the requirement that must be satisfied i.e. customer requirements, regulatory requirements, process requirements, ISO 9001 requirements, etc.)	**Auditor's Notes /** **Objective Evidence** (Describe your observations on the extent of conformance with the specified requirements)	**Results/Remarks**

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IQA AUDITORS POOL

Item No.	Name	Unit/Group/Division Process	Position	Certification Date	Remarks

Prepared by:

_____
QMS Manager
Date:

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HLURB.IQA.005.00

REQUEST FOR ACTION

Source of RFA: INTERNAL		NC Type: ☐ Major ☐ Minor

Internal Feedback/Concern	Interested Parties:	
☐ Process/System Deviation	☐ Customer Complain	RFA No.:
☐ Nonconforming Product and Service	Customer Name:	Requesting Unit/Group/Div.:
☐ Non-attainment of Targets	☐ External Audit	Responsible Unit/Group/Div.:
☐ Oppurtunity for Improvement		Issue Date:
☐ Internal Audit		Due Date:
		NOTE: Five (5) Working Days from Issue Date

Changes to Management System		Update Objective Target and Plan (OTP)		Issued by:
☐ Yes	☐ No	☐ Yes	☐ No	Approved by:

For Audit, kindly state affected ISO Standard & Clause:

DESCRIPTION OF FEEDBACK/PROBLEM:

CONSEQUENCE OR EFFECT OF THE RECEIVED FEEDBACK/CONCERN (to the next processes or end-user)

CORRECTION ACTION: (Immediate action to contain the received feedback/concern/problem and minimize the effect, must be identified within 24 hours)	Implementation Date:
	Responsible:

DEFINE ROOTCAUSE (investigate and analyze root cause with Cause & Effect Diagram, Why why analysis etc.)

CORRECTIVE ACTION: (Eliminate the root cause of the received feedback/concern to avoid recurrence)	Implementation Date:
	Responsible:
	Approved by:

VERIFICATION OF CORRECTIVE ACTION (To be fill-in by the Internal Auditor)
NOTE: Verification of Corrective Action for the internal feedback/concern/problem and audit is fourteen (14) working days while for interested party customer feedback and supplier feedback is seven (7) working days from the implementation date.

Result of 1st Follow-up:	Verified by:
☐ Implemented ☐ Partially Implemented ☐ Not Implemented	Date:
Result of 2nd Follow-up:	Verified by:
☐ Implemented ☐ Partially Implemented ☐ Not Implemented (issue another CAR)	Date:

EFFECTIVENESS: (To be fill-in by the Unit/Group/Division Head)	Verified by:
☐ Effective Comments:	
☐ Not Effective	Date:

EFFECTIVENESS: (To be fill-in by the Internal Auditor)	Verified by:
☐ Effective (Closed) Comment:	
☐ Not Effective	
(Open - Needs re-investigation and issue another RFA) DC:_____	Date:

MASTER FILE

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Lupong Nangangasiwa sa Pabahay at Gamit ng Lupa

HLURB.IQA.006.00

Auditors Performance Evaluation

Criteria	Rating	Remarks/Comment
1.0 Planning		
1.1 Conform with the Audit Program / Plan		
1.2 Sufficient documents review and preparation		
1.3 Complete and appropriate checklist		
1.4 Timeliness in submitting checklist		
(30) Total		
2.0 Audit Proper		
2.1 Knowledge on systems, processes and procedures		
2.2 Adequate interview		
2.3 Implement audit techniques well		
2.4 Present in all audit meetings		
(30) Total		
3.0 Reporting		
3.1 Accurate and fair statements of Audit Findings		
3.2 Timeliness in preparation of Audit Report		
3.3 Timeliness in preparation and follow up of RFA		
3.4 Timeliness in verification and closing of RFA		
3.5 Timeliness in evaluating effectiveness of RFA		
(40) Total		
Overall Result:		

Rating Scale:

Below 75%	-	Needs Improvement
76 - 80%	-	Satisfactory
81 - 90%	-	Very Satisfactory
91 - 100%	-	Excellent Performance

Name of Auditor: Evaluated by:

Areas Audited: Date Evaluated: