



NATIONAL POWER CORPORATION

CORPORATE PROCEDURE

NPC-002

Document Code

CORRECTIVE ACTION

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1.0 PURPOSE

This procedure provides guidelines in:

- 1.1 reducing/eliminating the undesired effects of risks; and
- 1.2 implementing and monitoring corrective actions to eliminate the causes of detected nonconformities or other undesirable situations to prevent recurrence.

2.0 SCOPE

- 2.1 Nonconformities identified in internal and external audits, customer complaints/negative feedback, accidents/incidents, process reviews and receiving inspections

3.0 DEFINITIONS/ACRONYMS

3.1 Definitions

- 3.1.1 Audit - systematic, independent and documented process for obtaining objective audit evidence and evaluating it objectively to determine the extent to which audit criteria are fulfilled.
- 3.1.2 Consequence – outcome of an event affecting objectives which can be certain or uncertain, can have positive or negative effects on objectives and can be expressed qualitatively or quantitatively.
- 3.1.3 Corrective Action - action to eliminate the cause of nonconformity and to prevent recurrence.
- 3.1.4 Customer - person or organization that could or does receive the final product or service of NPC.
- 3.1.5 Customer Property - applies to the various instruments, devices, materials and documents used in delivering services that should be treated with confidentiality.

- 3.1.6 External Audit - second party or third-party audit conducted by customer or certifying body, respectively.
- 3.1.7 Feedback - opinions, comments and expressions of interest in a product, a service or a complaints-handling process.
- 3.1.8 Initiator - NPC personnel who initiates the issuance of CAR due to detected nonconforming condition(s).
- 3.1.9 IQA Auditor - NPC personnel with the demonstrated professional attributes and competence to conduct an audit.
- 3.1.10 Monitoring - determining the status of a system, a process, a product, a service or an activity.
- 3.1.11 Near-miss - unplanned or unexpected occurrence that does not result in personal injury and/or property damage.
- 3.1.12 Nonconformity - non-fulfillment of a requirement.
- 3.1.13 Output - result of a process that facilitates delivery of product and services.
- 3.1.14 Process Owner - individual or group of persons responsible for performing the process or work.
- 3.1.15 Product - final output of an organization that can be produced without any transaction taking place between the organization and the customer.
- 3.1.16 Risk - effect of uncertainty.
- 3.1.17 Root Cause - the most basic cause (or causes) that can reasonably be identified that management has control to fix, and when fixed, will prevent (or significantly reduce the likelihood of) the problem's occurrence/recurrence.
- 3.1.18 Root Cause Analysis - is a method of problem solving that tries to identify the root causes of faults or problems.
- 3.1.19 Verification - confirmation through the provision of objective evidence, that specified requirements have been fulfilled.

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3.2 Acronyms

- 3.2.1 CAR - Corrective Action Report
- 3.2.2 DCCO - Document Control Center Officer
- 3.2.3 DCO - Document Control Officer
- 3.2.4 FG - Functional Group
- 3.2.5 IQA - Internal Quality Audit
- 3.2.6 ISO - International Organization for Standardization
- 3.2.7 OFI - Opportunities for Improvement
- 3.2.8 NC - Nonconformity
- 3.2.9 NPC - National Power Corporation
- 3.2.10 RO - Records Officer
- 3.2.11 RCA - Root Cause Analysis

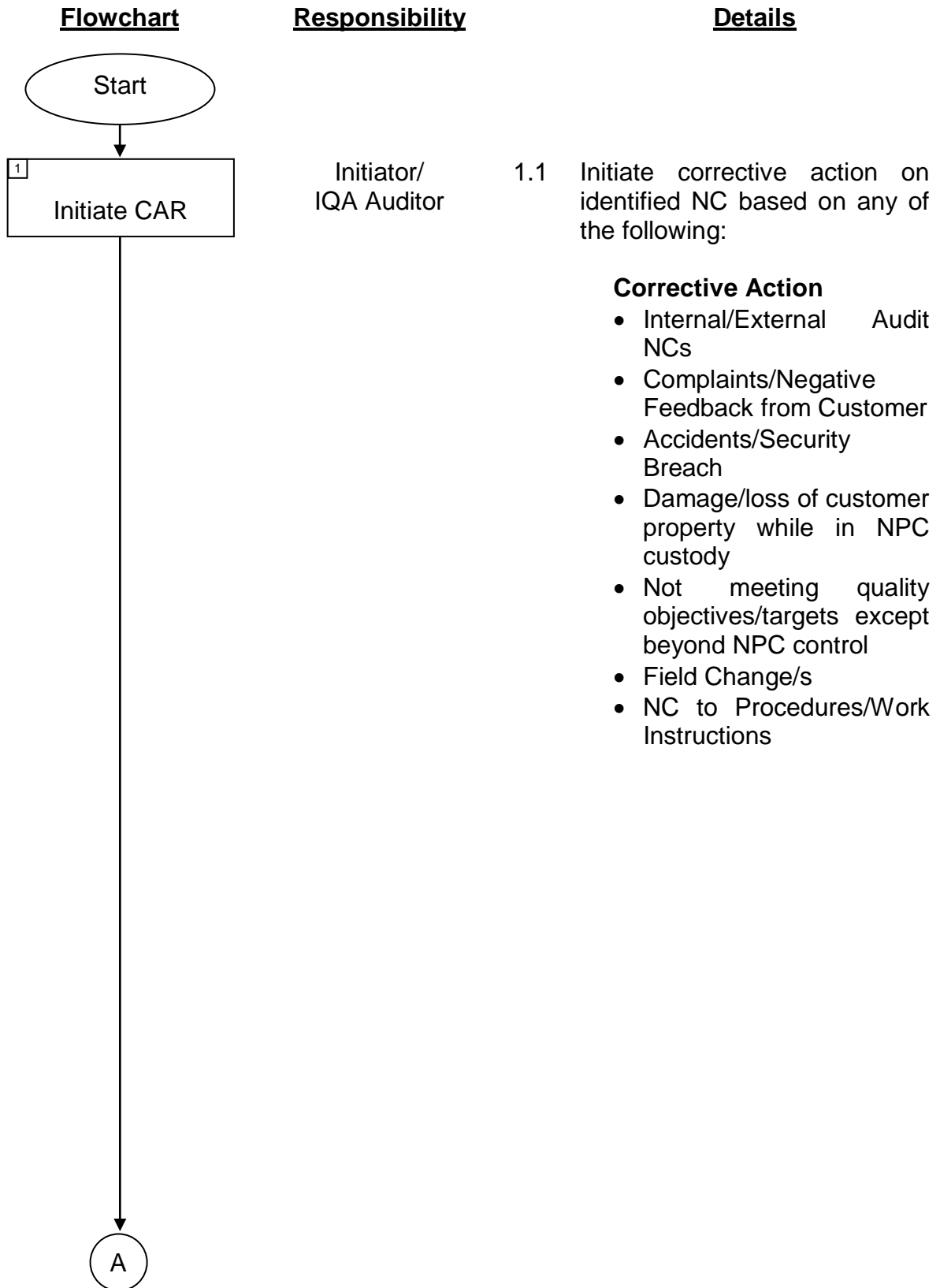
4.0 REFERENCES

- 4.1 Philippine National Standard - ISO 9000:2015 Quality Management Systems, Fundamentals and Vocabulary
- 4.2 Philippine National Standard - ISO 9001:2015 Quality Management Systems, Requirements

5.0 APPENDICES

- 5.1 NPC-002.F01, Corrective Action Report
- 5.2 NPC-002.F02, CAR Log Sheet

6.0 PROCEDURE

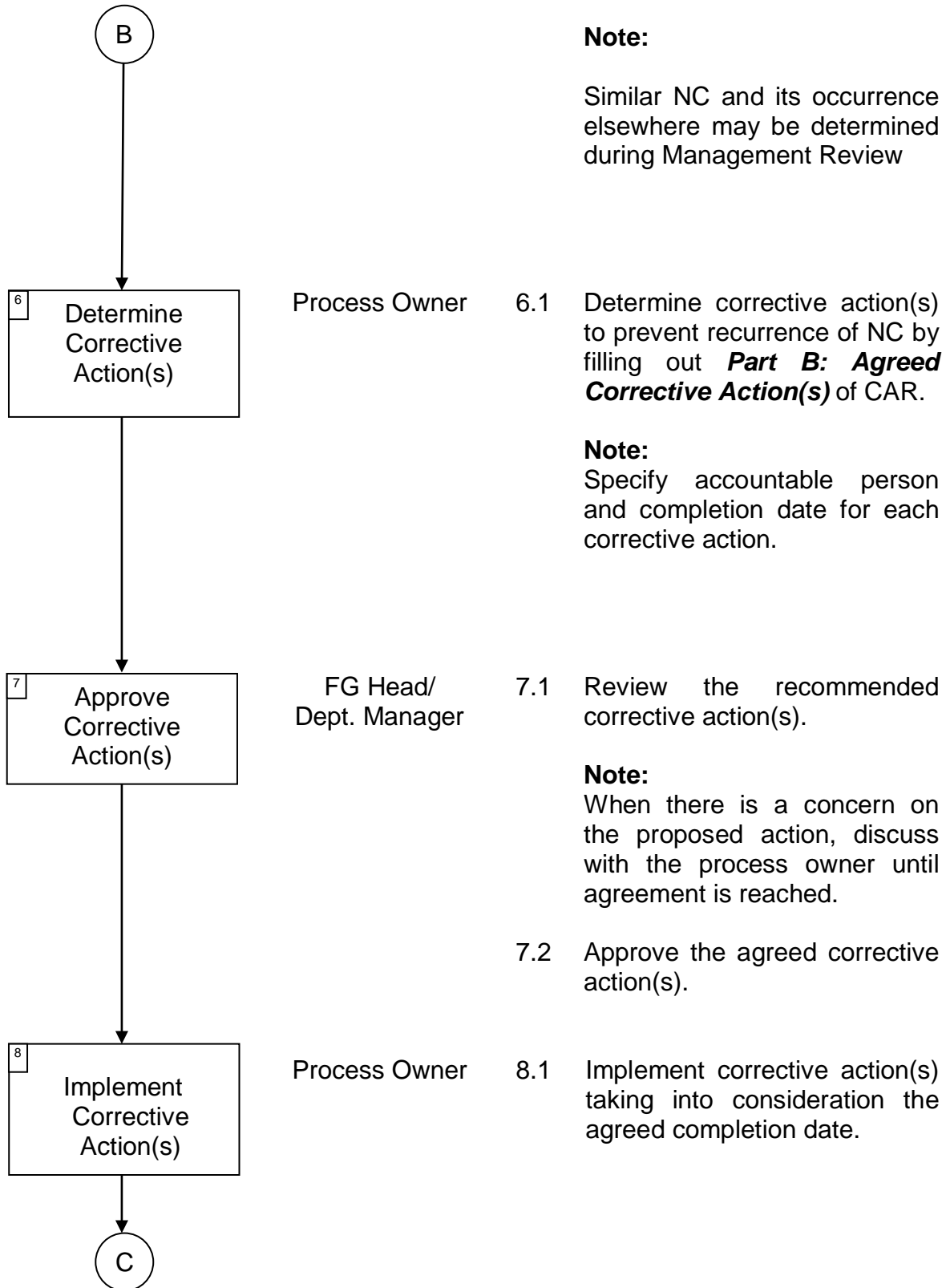


<u>Flowchart</u>	<u>Responsibility</u>	<u>Details</u>
<pre> graph TD A((A)) --> B[2 Log CAR] B --> C[3 Review, Analyze & Acknowledge CAR] C --> D[4 Indicate Immediate Action Taken] D --> E[5 Determine Root Cause] E --> B2((B)) </pre>	<p style="text-align: center;">Initiator/ IQA Auditor</p>	<p>1.2 Fill out Part A of NPC-002.F01, Corrective Action Report.</p> <p>2.1 Log CAR in NPC-002.F02, CAR Log Sheet.</p> <p>Note: CAR code number shall be in accordance with the following:</p> <p style="text-align: center;">CAR-<u>AAA</u>-<u>BBB</u> -<u>XX</u>-<u>YY</u></p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;"> <p>└─ Sequential Number</p> <p>└─ Year Generated</p> <p>└─ Initiator (Dept./Div./Unit)</p> <p>└─ IQA or FG</p> </div> </div> <p style="text-align: center;">i.e. CAR-IQA-GSD-22-01</p>
<p style="text-align: center;">3 Review, Analyze & Acknowledge CAR</p>	<p style="text-align: center;">Dept. Manager</p>	<p>3.1 Review, analyze and acknowledge the CAR.</p>
<p style="text-align: center;">4 Indicate Immediate Action Taken</p>	<p style="text-align: center;">Process Owner</p>	<p>4.1 Indicate immediate action taken to mitigate the effects of the NC by filling out Part B: Immediate Action of CAR.</p>
<p style="text-align: center;">5 Determine Root Cause</p>	<p style="text-align: center;">Process Owner</p>	<p>5.1 Conduct root cause analysis and record the result by filling out Part B: Cause of NC of CAR.</p>

Flowchart

Responsibility

Details



<u>Flowchart</u>	<u>Responsibility</u>	<u>Details</u>
<pre> graph TD C((C)) --> 9[9 Monitor Implementation] 9 --> 10[10 Verify Effectiveness] 10 --> D((D)) </pre>	<p>Initiator/ IQA Auditor</p>	<p>9.1 Monitor the status of implementation of corrective action(s) taken by filling out Part B: Status of Implementation CAR.</p> <p>Note: Status of implementation shall be monitored before the completion date.</p>
	<p>Initiator/ IQA Auditor</p>	<p>10.1 Verify the effectiveness of the implemented corrective action(s) by filling out Part C: Verification of Implementation/Close-out of CAR.</p> <p>Note:</p> <ol style="list-style-type: none"> The IQA auditor shall verify the effectiveness of the corrective action(s) taken on IQA and third party-issued NCs while the Initiator shall verify the effectiveness of corrective action(s) taken on the department-generated CAR. Verification of effectiveness shall be conducted at least three (3) months after completion date. Initiator/IQA Auditor shall recommend to the Process Owner to take further action, i.e. repeat root cause analysis, if the corrective action(s) taken are found not effective.

