



NQA MANAGEMENT SYSTEMS SURVEILLANCE2 PROCESS AUDIT REPORT

LBP (Land Bank of the Phils.) Insurance Brokerage Inc.

VISIT NUMBER:

7

**DATE OF OPENING
MEETING:**

29/12/2023

**THIS REPORT HAS
BEEN PREPARED BY:**

REGIONAL ASSESSOR:

Rhoda Vi B. Demesa

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APPLICABLE STANDARD(S):

ISO 9001:2015 Quality Management System





AUDIT REPORT PART A - EXECUTIVE SUMMARY

Client Information

Primary Contact:	Melvin Barnes
Address:	12/F SYCIP Law Centre, 105 Paseo De Roxas, Legaspi Village, Makati City, 1209 Philippines
Contact Tel:	+632 840-4108
Contact Email:	melvin.barnes@lbp-insurance.com

Billing Contact:	Mr. Melvin Barnes
Billing Tel:	+632 840-4108
Billing Email:	melvin.barnes@lbp-insurance.com

Audit Conducted at:	Head Office <small>(multi-site certification)</small> <input type="checkbox"/>	Participating / Temporary Site <small>(multi-site certification)</small> <input type="checkbox"/>	Single Site Certification <input checked="" type="checkbox"/>
Audit Conducted as:	Fully On-Site <input checked="" type="checkbox"/>	Split On-Site / Remote <input type="checkbox"/>	Fully Remote <input checked="" type="checkbox"/>

System integration (integrated audits only):	N/A
Additional information on integration (if required):	N/A
Certificate expiry date(s):	
Required changes to EAC or NQA Codes applied:	No changes required

	At this location	Across all locations (Multisite)
Total employees	78 (26 JO+52Employees)	N/A
Repetitive or parallel workers		
Energy engaged employees		
Energy consumption		
Energy uses		
Energy sources		

Energy data only applicable for ISO 50001 audits. Further guidance available in ASR 47:2.1

The date of the next audit is:	28/11/2024 to 28/11/2024
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AUDIT REPORT PART A - EXECUTIVE SUMMARY

Audit Information

Audit duration (in days):	2.0md
Scope of certification:	Provision of Insurance Brokering and Claims Processing Scope is appropriate.

Confirmation that audit objectives have been fulfilled: All objectives met.

If no, which objectives have not been met. Note that customers with installation/service activities within their scope must receive a minimum of one on-site visit once per cycle. Failure to achieve this may result in this activity being removed from the client's scope of certification.

NQA Audit Team		Client	Position	Attendance
Lead Assessor	Rhoda Vi B. Demesa (LA)	Melvin D. Barnes	ISO Coordinator- LIBI-Auditor	Opening and Closing
Member 1	Teresita Aquino (A)	Renalyn Caneja	IT Specialist-LIBI-Auditor	Opening and Closing
Member 2	NA	Marites Ravelo	Finance Account Specialist II	Opening and Closing
		Meeriesan B. Pador	LIBI-Auditor	Opening and Closing
		John Harold Bustraga	LIBI-Auditor	Opening
		Josielyn Maala	Acct. Mktg. Specialist II	Opening and Closing
		Nino S. Ramos	LIBI-Auditor	Opening
		Mario T. Canlas	LIBI-OIC GM	Opening
		Cherry May T. Frederick	Acting President & CEO	Opening and Closing MEETING ONLY-VIA ZOOM
		Jaylord P. dela Cruz	Acting Admin Head-	Opening and Closing MEETING ONLY – VIA ZOOM

** Mandatory attendance at OHSAS18001 / ISO45001 Audits. If these mandatory positions are not present at closing meeting, record and justify reasons in the Executive Summary.*

Details of Changes

Type of action or change required	Action Required	Notes
Client Name Change:	<input type="checkbox"/>	
Change of Address:	<input type="checkbox"/>	
Scope Change:	<input type="checkbox"/>	
Contact Change:	<input checked="" type="checkbox"/>	
Number of Employees Change:	<input type="checkbox"/>	
Major NCs Raised:	<input type="checkbox"/>	
Special Visit Recommended:	<input type="checkbox"/>	



Other:

Executive Summary

LBP Insurance Brokerage, Inc. (LIBI) was organized as a wholly-owned subsidiary of the Land Bank of the Philippines on October 22, 1981. LIBI was primarily established to service the bank's insurance requirements, its subsidiaries, its clients/borrowers and other government offices. It was created for the purpose of engaging in the business of general insurance brokerage management and consultancy services on insurance-related activities to its clients.

LIBI was registered at Securities and Exchange Commission (SEC) on July 8, 1982. Its Certificate of Authority/Insurance Brokers License was officially issued by the Insurance Commission on September 10, 1982. On January of 1983 LIBI started its operation with initial capital of P0.250 million.

LBP (Land Bank of the Phil) Insurance Brokerage Inc. has established their management documentation system last June 1, 2018 and updated last Nov. 25, 2021 for the improvement of the documentation and it was verified effectively maintained. The scope of the management system was clearly defined in the quality manual. The justification for exclusion of design and development (8.3) was described in the manual. Required documented information was established. Quality Policy & Objectives were also included in the documentation. These were reviewed to comply with the requirements of standard. Management commitment to communicate the policy and the objectives within the organization was determined. Process interaction with other processes was documented. Legal requirement related to business permits and licenses were available. All the established document information was approved and properly distributed for implementation. The risk and opportunities are appropriate to the organization and actions are taken to address risk. Quality Objectives are proper and it set based on the quality policy and to the strategic direction of the organization. It is monitored regularly and achieved each quality objectives. The latest internal audit and management review was effectively conducted.

Confirmed Scope: Provision of Insurance Brokering and Claims Processing
Applicability of industry and scheme code: Financial Industry – EAC32 (QMS52)

Good Points:

- 1)The Top Management's commitment to continuously implementing the QMS was commendable.
- 2)The good results and feedback received from the Customer Satisfaction Survey conducted by a 3rd Party for the year 2022 is noteworthy.
- 3)The award received for being one of the top-ranking GOCCs in the CY 2022 Corporate Governance Scorecard for GOCCs last November 20, 2023, is commendable.
- 4)The award received from Alpha Insurance & surety Company, Inc. for the Millionaire Prestige Circle Award Brokers' Category to LBP Insurance Brokerage Inc. last November 24, 2023, is commendable.
5. The recognition received as ranked 6th place (out of 61 Insurance Brokers) from the DOF Insurance Commission Report for the Commissions Earned by Insurance Brokers as of December 31, 2022, is commendable.
6. The recognition received as ranked 12th place from the DOF Insurance Commission Report for the Premiums Produced by Insurance Brokers as of December 31, 2022, is commendable.
7. The conducted strategic planning last January 2023 is a good practice.



AUDIT REPORT PART A - EXECUTIVE SUMMARY

Non-conformity (NC):

There are three (3) minor nonconformities raised during this QMS 2nd surveillance audit.

The audit proved that the implementation and maintenance of the Quality Management System was not fully in accordance to the requirements of the Quality Management System standard, ISO 9001:2015, therefore three (3) Minor Nonconformities were raised this 2nd Surveillance Audit. However, the QMS were still implemented and verified effective on some other areas, therefore continued certification is still recommended.

Major NCs	0	Minor NCs	3	OFIs	11	AoCs	0
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Is there any conflict of interest which exists between the Auditor(s) and the client, and are there any situations known to them that present themselves, or NQA, with a potential conflict of interest in respect to the audit undertaken?	No.
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Audit Conclusion

- This visit was Satisfactory: Continuation or granting of certification is recommended, however Non-Conformances have been identified. You must take action as detailed below
- Minor Non-Conformances and Opportunities for Improvement have been identified
- Any findings are as detailed on the following page(s).

Audit Follow-up Actions

The following post-audit action(s) shall be taken by the client: CAPs to be completed and sent by the client to caps@nqa.com within 10 working days and actions to address Major NCs completed with 3-months. Evidence to be provided to NQA when action has been taken.

Please note that certification will not be granted, reissued or revised until all outstanding Non-Conformance responses have been submitted, and in the case of Major Non-Conformances, the evidence of corrective action has been provided to, and accepted by, NQA.

For further information, useful guidance and further support for responding to audit findings, please visit <https://www.nqa.com/en-gb/clients/non-conformities>

Management system performance, such as trends in audit findings that require further investigation at the next recertification audit.

Mandatory completion at the Head Office Audit of Surveillance Year 2

The management system performance was verified ineffective. The noted **Three (3) Minor Non-conformities** and **Eleven (11) opportunities for improvement** noted in this report require verification at next **Recertification Audit**.

Audit Findings

Ref No.	Clause No.	Details of any finding(s) raised.	Type (Major NC, Minor NC, OFI or AoC)
1	7.5.2	<p>1. Ensure reflecting the latest revision's effective date of the Quality Manual Rev.001 with reflected details of the amendment on Vision & Mission, clause 6.1.4 dated November 30, 2023, instead of the initial or previous Effective Date last November 15, 2018.</p> <p>2. Ensure that every Department is conducting a regular document review and approval to ensure suitability and adequacy;</p> <p>3. Ensure creating a form to initiate the departmental document review with a specified turnaround time for the review.</p>	OFI
2	4.1, 4.2	<p>Ensure the registration to the DCC of the documented information presented as the Context of the Organization for timely updates and monitoring such as:</p> <ul style="list-style-type: none"> -LIBI internal and external issues Log sheet – date of update and changes -LIBI Opportunities Log-Sheet – date of planning and /or action/s taken, target completion date, status if pursued or declined opportunity -SWOT Identification- last update was still October 14, 2022 	OFI
3	4.4	<p>Ensure reviewing and revising the presented printout and uncontrolled Quality Manual Rev.001, Effective Date: November 15, 2018, page 3 of 3, related to the 9.3.3 Review Output which consists of the Management Review results in decisions and actions related to the six (6) defined management review outputs from the ISO 14001:2015 Standard Requirements instead of the three (3) management review outputs from the ISO 9001:2015 Standard Requirements.</p>	OFI
4	6.2	<p>Ensure creating a separate Quality Objectives form to include/incorporate the other requirements of clauses 6.2.1 and clause 6.2.2 into one document (other than the PES Form 2a).</p> <p>E.g.</p> <p>ISO standard clause 6.2.1</p> <ul style="list-style-type: none"> – a.) be consistent with the quality policy, <p>ISO standard clause 6.2.2:</p> <ul style="list-style-type: none"> -a) what will be done, -b) What resources will be required, -c) Who will be responsible 	OFI
5	7.1.2	<p>Consider the provision or appointment of additional personnel that can assist the existing ISO/QMS Document and Records Controller and other QMS process performers with redundancy in functions (e.g. DCC and Internal Audit Team Leader, and other Auditee handling multiple functions) or overlapping responsibilities.</p>	OFI
6	5.3	<p>Ensure that the personnel appointed in the documented Quality Management Structure in the Operations Manual (date revised: November 2021) that includes the QMS Team is functioning and should be present in every external (NQA) audit and interview. E.g. QMR</p>	OFI
7	7.2, 7.3	<p>1) Ensure attending the ISO training/refresher for all members of the organization (Top Management, QMS Team (QM Council, QMR,</p>	OFI

		<p>DCC, Internal Auditors, Process Owners and Process Performers) to ensure a common understanding of all the requirements of ISO 9001:2015 QMS Standard.</p> <p>2) Ensure attending other relevant ISO training e.g. Effective Document and Records Control, 5S of Good Housekeeping, Internal Auditor’s training (Root Cause Analysis), etc.</p>	
8	7.2	<p><u>HR:</u></p> <p>1) Ensure evaluation of the effectiveness of training conducted internally and externally.</p> <p>2) The Training Evaluation Form, Training, Training Evaluation Summary and Analysis, and Competency Assessment were not DCC-registered forms.</p>	OFI
9	7.5	<p><u>Document Control:</u></p> <p>Ensure control of all the documented information of the Quality Management System e.g. audited areas were HR, Internal Audit, Maintenance and IT have unregistered forms</p>	OFI
10	8.4	<p><u>Purchasing:</u></p> <p>1) Consider revisiting the Supplier/Vendor/Contractor Performance Evaluation rating system to include the quantitative criteria for the rating. E.g. Rating Scale of 1 to 5 and a weight system of rating e.g. number of delays, number of wrong items delivered, etc.</p> <p>2) May consider establishing a monitoring of Supplier/Vendor/Contractor Performance Evaluation and ensure to analyze the results of the evaluation.</p>	OFI
11	7.1.3	<p><u>Maintenance/Equipment:</u></p> <p>1) Consider improving the Preventive Maintenance Plan to make a specific plan schedule for every piece of equipment to improve the efficiency of the equipment.</p> <p>2) Consider to make a checklist of activities for the particular office equipment</p>	OFI
1	9.3	<p>The implementation of the requirement of ISO 9001:2015 QMS Management Review as required by the International Standard shall be planned and carried out at planned intervals to ensure its continuing suitability, adequacy, effectiveness and alignment with the strategic direction of the organization and as defined in the LIBI Quality Manual (Rev.001, ED: November 15, 2018, pages 2 of 3) and Management Review Procedure (ADM-PM-002, Rev.00, ED: Dec. 19, 2017) were not consistently implemented and effective.</p> <p>Evidence:</p> <p>1) The management review for the year 2023 was not yet conducted at the time of the audit and was said to be conducted on January 08, 2024.</p> <p>2) The existing Management Review Procedure (ADM-PM-002, Rev.00, ED: Dec. 19, 2017) was still not aligned with the required management review inputs and outputs as per ISO 9001:2015 Standard;</p> <p>3) The previous OFIs related to the improvement of the management review minutes of the meeting effectiveness could not be</p>	Minor NC



AUDIT REPORT PART B – AUDIT REPORT

		<p style="text-align: center;">established as there were no recent minutes to verify the improvements on these items.</p>	
2	8.5.1	<p>The actions taken related to the previous NQA audit findings for the Insurance Brokering and Claims Processing were not immediately implemented.</p> <p>Evidence:</p> <ol style="list-style-type: none"> 1. The action taken by the concerned personnel from the Claims Processing as presented in the Request Letter and MANCOM Minutes of Meeting dated May 22, 2023, for the proposed updating of claim requirements in the manual operations of LIBI-Claims Process, has still no concrete and timely completed actions from the concerned personnel; 2. The previous audit findings for the Insurance Brokering and Claims Processing relevant to the alignment with the Marketing and sales Procedure (LBP-PM-SMd-001 rev. 0 dated June 1, 2018) on the created LIBI Insurance Application Form, Motor Claim Requirements, Salary Loan/MRI Claim Requirements, Fire Claim Requirements and the registration these to DRC to form part of the insurance brokering and claims processing operations were not yet registered at the time of audit. 3. The previous audit findings related to all created forms were still not DCC-registered as these were determined by the claims processing as being necessary for the effectiveness of their QMS. The 2022 previous NQA (OFI) audit findings related to the sampled claims processing records were uncontrolled/unregistered forms were still found to be uncontrolled at the time of the 2nd Surveillance audit as follows: Motor Claim Requirements, Salary Loan/MRI Claim Requirements, Fire Claim Requirements, etc. 	Minor NC
3	9.2.2, 10.2	<p>The Procedure for the Internal Audit (LBP-PM-IQA-001 rev. 0 dated June 1, 2018) process was not effectively implemented and maintained.</p> <p>Evidence:</p> <ol style="list-style-type: none"> 1) The audit of the Internal Audit process was not audited (previous Minor Nonconformity (NC) 2022 NQA audit finding); 2) The Internal Auditor's Performance was not evaluated after the conduct of every internal audit as per ISO 19011:2018 Guidelines for Auditing Management Systems (previous Minor Nonconformity (NC) 2022 NQA audit finding); 3) There was no monitoring of Corrective Action Reports; 4) The Corrective Action Reports (CAR) were not timely closed (e.g. since the year 2018, and no verification of corrective actions effectiveness; Case in Point: LIBI-CAR-032, LIBI CAR 031, LIBI 030); 5) The previous NQA audit findings (OFI and NC) were not included in the internal audit planning and were not monitored if still open or closed according to verification and follow-up. 	Minor NC
End of Findings			

Note: Responses to findings must be sent using the Corrective Action Plan form, as applicable, to caps@nqa-ph.com within the timeframes stated on Page 5.