

	PHILIPPINE MINING DEVELOPMENT CORPORATION		Control No:	PMDC-QP-05-03
			Revision No.:	7
Quality Procedure	Internal Quality Audit		Effectivity:	June 30, 2025
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1.0 PURPOSE:

- 1.1 To establish, document, and maintain a procedure for PMDC's Internal Quality Audit (IQA).
- 1.2 To define the system for the planning, preparation, execution, follow-up, and reporting of IQA activities in determining whether:
- 1.2.1 The Quality Management System (QMS) conforms to the planned arrangements, to the requirements of ISO 9001:2015 and to the established quality management system, and
 - 1.2.2 The QMS is effectively implemented and maintained.

2.0 SCOPE

This procedure applies to the PMDC's quality management system whose processes directly affect the quality services delivered to the customer.

3.0 DEFINITION OF TERMS:

3.1 Audit	- Systematic, independent, and documented process for obtaining evidence and evaluating it objectively, to determine the extent to which criteria are fulfilled.
3.2 Audit Criteria	- Set of policies, procedures, or requirements, used as reference against which audit evidence is compared.
3.3 Audit Evidence	- Records, statements of facts or other information, which are verifiable and relevant to the audit criteria. It can be qualitative or quantitative
3.4 Audit Findings	- Results of the evaluation of the collected audit evidence against audit criteria.
3.5 Nonconformity (NC)	- Deviation from a specified requirement that needs immediate action.
3.6 Disposition	- Actions to be taken to address nonconformities
3.7 Correction	- Immediate short-term measure to be taken to address an identified NC or OFI
3.8 Corrective Action	- Long-term measures to be taken to prevent recurrence of an identified NC or OFI
3.9 Opportunity for Improvement (OFI)	- An aspect in the Quality Management System that may cause minor errors or possible problems in the PMDC operations and therefore may be further improved to enhance or maintain the effectiveness of the system. This is usually discovered from audit observations.
3.10 Management Representative (MR)	- Refers to Vice President for Operations and/or Vice President for Corporate Services.

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3.11 Request for Action (RFA)	-	A form used to initiate and record NC/OFI and monitor the status and actions taken relative to the NC/OFI. The form shall be used by the IQA Team during the conduct of their Audit and/or the PMDC Employee/s who will initiate any identified nonconformity or opportunities for improvement.
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4.0 PROCEDURE DETAILS

4.1 Responsibilities

- 4.1.1 The MR is responsible for ensuring that a complete audit on the quality management system takes place at least once a year.
- 4.1.2 The IQA Team Leader is responsible for ensuring the proper implementation of this procedure.
- 4.1.3 The MR/Process Owners are responsible for ensuring that appropriate actions, with regard to audit findings are taken without undue delay to eliminate their causes.
- 4.1.4 The auditor(s) who carried out the audit, which resulted in raising audit findings, is responsible for conducting follow-up activities to verify the completeness and the effectiveness of the actions taken.
- 4.1.5 Auditor(s) are responsible for preparing the necessary tools and Audit Checklist to be used for the Audit.
- 4.1.6 The IQA Team should meet regularly, preferably quarterly, to discuss relevant matters pertaining to internal audit.

4.2 Planning the Audit

- 4.2.1 An Audit Programme and Audit Plan are prepared by the IQA Team Leader. The audit should be conducted at least once a year.
- 4.2.2 The Audit Programme contains:
 - Type of Audit / Certification Standard
 - Location to be audited / Duration
 - Objective / Audit Process / Criteria / Audit Methods / Scope
 - Audit Checklist / Audit Methodology / Audit Reporting
 - Audit Schedule / Department to be audited and auditees / Assigned auditors, and
 - Date and time of the audit
- 4.2.3 The Audit Plan contains:
 - Type of Audit / Standard / Audit Team / Purpose of the activity
 - Audit scope which shall include but not limited to applicable clauses in the ISO 9001:2015 Standards, quality objectives, risk and opportunities, control of documented information, etc.
 - Departments to be audited including units and the IQA Team with their designated representatives / Audit Objective / Audit Criteria

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- Assigned auditors, and
- Date and time of the audit

The whole quality management system will be audited at least once a year

4.2.4 In addition to the planned audits, unplanned internal audits may be initiated by the MR, if deemed necessary. Decisions for initiating unplanned internal audits should be based on:

- Unusual; increase of quality related problems
- Introduction of new services
- Changes on the quality system, personnel and processes, and
- Customer's request

4.2.5 The Audit Programme and Audit Plan are reviewed and approved by the MR/Vice President for Corporate Services or Vice President for Operations prior to its implementation.

4.2.6 Prior to conducting an audit, proper arrangements should be made with the corresponding issuance of notification to be forwarded to concerned auditee/s or process owners at least two weeks before the conduct of internal audit.

4.2.7 Notification of an audit shall be in the form of the copy of the Audit Programme and Audit Plan prepared by the IQA Team Leader.

4.2.8 Auditors who are tasked to conduct the audit shall be selected from the pool of qualified personnel listed on the Office Order duly signed by the President. Auditors registered on the list are trained and qualified in accordance with appropriate education, training, skill, and experience, as suggested in ISO 9001:2015.

4.3 Preparation for the Audit

4.3.1 Upon notifying auditors and auditees, necessary documentation (e.g. Quality Manual, Quality Procedures, Quality Management System, and project management records) are reviewed by the auditors.

4.3.2 Taking into account the audit scope, objectives, and the information gained from the review of various documents and records, Audit Checklists are developed.

4.3.3 The checklist is used flexibly. It is not used as a questionnaire which, when completed, signals the end of the interview. During the audit, the auditor may add to the checklist, depart from it, and return later, or may decide not to cover some items.

4.4 Conducting the Audit

4.4.1 An opening meeting is conducted prior to actual audit to reconfirm audit plan, basis for the audit, and audit participants. The meeting is usually an informal one with no record being kept except those necessary for the smooth conduct of the audit.

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4.4.2 An Audit proper must have the following activities:

- Establishment of facts by interviewing personnel, reviewing documents, observing processes and verifying records.
- Recording of facts to determine the objective evidence of nonconformity
- Classifying audit findings as to NC or OFI

4.4.3 Closing meeting is conducted to present audit findings to the auditees of the audited area.

4.5 Reporting of Audit Findings

- 4.5.1 Audit findings are documented. In case of NCs and OFIs, the assigned auditor shall accomplish the RFA form.
- 4.5.2 Audit follow-up is conducted on or a maximum of one week after the target completion date, to verify whether the appropriate action is effectively implemented
- 4.5.3 In case of a rescheduled follow-up, the auditor ensures that the new follow-up date is properly recorded.
- 4.5.4 An Audit Summary Report is prepared by the IQA Team Leader and submitted to the VP for Corporate Services or VP for Operations for approval.
- 4.5.5 To provide evidence of a systematic audit and for useful references, the IQA Team Leader maintains all relevant records of concluded internal audits.
- 4.5.6 Results of internal audits are discussed and presented during management review meetings.

4.6 Verification of Actions Taken

- 4.6.1 The IQA Team Leader shall maintain a registry for all actions submitted.
- 4.6.2 Corrective actions are implemented without undue delay. Guidelines are given on Control of Nonconformity and Corrective Action Procedure.
- 4.6.3 Actions to address OFIs are recommended but not required.

4.7 Audit Analysis

- 4.7.1 Audit Analyses shall be prepared annually by the IQA Team to give the Management an overview of the status and performance of PMDC's Quality Management System.
- 4.7.2 An Audit Analysis shall be prepared and shall cover the audit results of the preceding year. This may be done during Management Review.
- 4.7.3 The Audit Analyses shall:

- Enumerate the Nonconformities and Opportunities for Improvement of the QMS

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- Illustrate the strengths and weaknesses of the Quality Management System, and
- Report the IQA Team's initial analysis of the status and condition of the PMDC's QMS based on the audit results.

4.7.4 The MR/Vice Presidents shall be furnished a copy of the Audit Analysis. Meanwhile, the original copy shall be kept by the IQA team Leader.

5.0 REFERENCES

- 5.1 PMDC-QP-03-01 - Control of Nonconformity and Corrective Action Procedure
- 5.2 PMDC-QP-05-F01 - Audit Checklist
- 5.3 PMDC-QP-04-F01 - Request for Action Form

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