

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PR-003.00	
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PURPOSE

The purpose of this procedure is to ensure that outputs that do not conform to requirements are controlled to prevent their unintended use or delivery, or if already delivered, to ensure that appropriate remedies are effectively taken.

SCOPE

This procedure describes the activities from identifying and controlling nonconforming outputs, including disposition of actions and responsibilities in implementing corrective actions.

DEFINITION OF TERMS/ACRONYMS

Nonconforming outputs	Service outputs that do not conform to customer, legal and LLFC requirements.
Disposition	Action taken to contain and/or correct the nonconforming service to make it conform to requirements or otherwise prevent its unintended use or delivery.
Corrective action	Action to eliminate the cause of a detected nonconforming service or other undesirable situation, and prevent recurrence.

RESPONSIBILITIES

Concerned Process Owner	Identify nonconforming output and take appropriate action.
Concerned Responsible Person	Reviews nonconforming output and determine how it may be effectively resolved.
President and CEO	Authorizes actions involving high levels of risk to the LLFC.



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PROCEDURE DETAILS:

ACTIVITY	RESPONSIBILITY	DETAILS	C	REFERENCES
Start				
↓ Identification of nonconforming output/s	Concerned Process Owner/Customer	A. Detects nonconforming output (<i>refer to Table on Nonconforming Outputs</i>) and informs Responsible Person to take needed disposition		
↓ Evaluation of NCO and disposition/action implementation	Concerned Responsible Person	B. Assesses the identified NCO and takes appropriate disposition (<i>refer to Table on Nonconforming Outputs</i>) C. Monitors disposition on the Non-Conforming Outputs		
↓ Verification of implemented disposition/action	Concerned Group/Unit Head	D. Ensures implementation of the appropriate disposition	C	
	Concerned Process Owner	E. For Non-Conforming Outputs that requires Corrective Actions, prepares RFA and endorses it to IQA Team for Corrective Action Procedure/s, as needed. Refer to Nonconformity and Corrective Actions Procedures		
End				

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GUIDELINES

A. Identifying Nonconforming Output

1. Nonconforming services may be detected internally by Unit Staff as they perform their functions, through observation, monitoring, inspection, verification and review.
2. Nonconforming services may also be detected externally by the customer, relayed to the LLFC through feedback or complaints.
3. When nonconforming services are detected, they shall be evaluated against requirements defined in applicable operating procedures and nonconforming services shall be examined to determine the impact to the LLFC.

B. Determining and Applying Disposition

1. Disposition is meant to contain the problem so that no additional nonconforming output are produced or delivered.
2. The Table of Nonconforming Outputs outlines the initial specific actions which need to be taken and by whom:

Nature of Nonconformity	Action/Disposition	Responsibility
Errors/Omissions in approved terms and conditions	Inform client Prepare and secure approval from approving authorities	Account Officer
Delay on target date for deliverables and/or release of disbursements	Inform the client	Account Officer
Errors in documentation	Retrieve erroneous documents Revise documents Resend correct documents	Account Officer Documentation Officer
Lacking documents to support transaction	Coordinate with client for immediate submission of required documents Prepare and seek approval for undertaking to submit required documents, if needed	Account Officer
Billing errors	Retrieve erroneous billing statement Re-issue correct billing statement	Accounting Staff Accountant
Unavailability of contractual services provided to clients	Coordinate with external service provider for deployment of reliever/s	Admin Officer Admin Staff

3. When the nonconforming service is detected just prior to delivery to the customer or at any time thereafter, the client should be immediately informed of the nonconforming output.

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4. The Table of Nonconforming Outputs should not prevent the Concerned Process Owner from identifying additional or other Action/Disposition to resolve the nonconforming outputs.
5. Action/Disposition may require the approval of the Group/Unit Head and/or the President depending on the gravity of the situation and its cost implications.

C. Applying Corrective Actions

1. Further action shall be undertaken to prevent recurrence of the problem, when:
 - The nonconforming output is identified via a customer complaint
 - Nonconforming outputs are recurring
 - The frequency and extent of nonconforming outputs are increasing
 - Correction requires incurring significant cost in time and resources
 - The nonconforming output represents legal implications to the Corporation, the customer or both
2. Further action shall be subject to the Nonconformity and Corrective Action Procedures.