1.0 OBJECTIVE

1.1 To establish a standard for investigating and determining potential non-conformities or risks, and opportunities for improvement in CIAC's quality management system and to formulate effective actions to prevent the occurrence of potential non-conformities or risks by eliminating the causes thereof through Risk Management.

1.2 This procedure shall indicate the responsibilities of the Top Management and process-owners which are as follows:

- Top Management shall be responsible for ensuring that risk treatment plans are undertaken to address potential deviations or non-conformities to the QMS.
- The Process Owner shall be responsible for identifying and resolving potential deviations or non-conformities to the QMS.

2.0 SCOPE

2.1 This procedure applies to all the activities required for systematically resolving potential problems in the various quality management processes of Clark International Airport Corporation. This procedure works in conjunction with:

- Corrective Action Procedure (QMS-P-004)
- Internal Quality Audit Procedure (QMS-P-006)

3.0 DEFINITION OF TERMS

3.1 **Non-Conformance or Non-Conformity** – a noted deviation on the operational process based on documented procedures.

3.2 **Observations Report Form (ORF)** – a form used to record positive findings or to initiate preventive action on potential non-conformity, opportunity for improvement (OFI) or other potentially undesirable situation.

3.3 **Observation** – a finding warranting attention by the organization, although not necessarily requiring remedial action. It may also refer to a situation in which potential deficiencies are considered possibly be in their formative stage, such as early signs of management programs not being implemented to schedule or where a procedure has not been fully tested.

3.4 **Risk Management** – coordinated activities to direct and control an organization with regard to risk.

3.5 **Risk** – effect of uncertainty of an expected result.

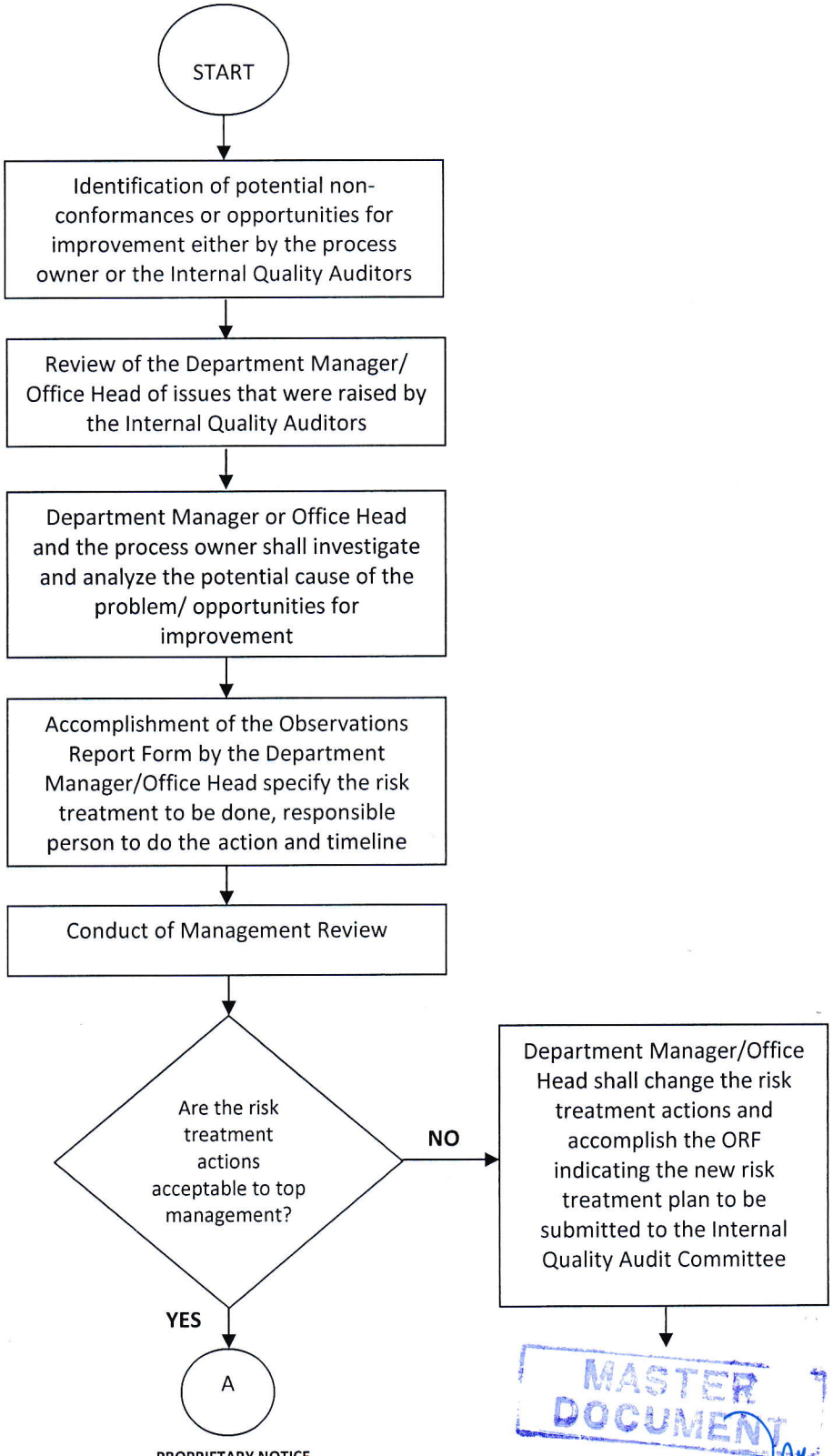
4.0 PROCEDURE

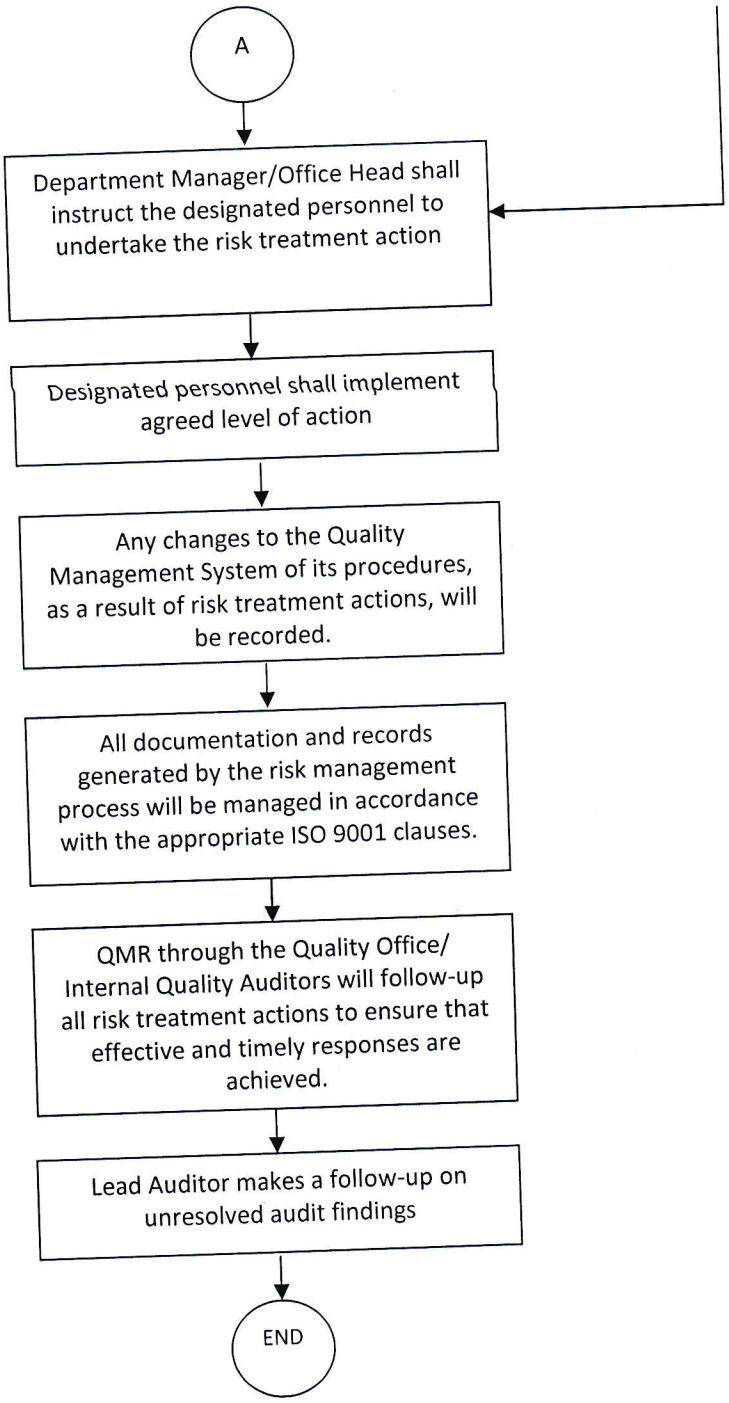
STEP	ACTIVITY DESCRIPTION	TIMELINES	PERSON RESPONSIBLE	INTERFACE	FORMS OR RECORDS
1	**Review Potential Non-Conformances/ Opportunities for Improvement**				
1.1	Potential non-conformances or opportunities for improvement will be identified either by the process owner or the internal quality auditors which shall be logged in the Observations Report Form (QMS-F-009).	Day 1	Process Owner/ Internal Quality Auditors	None	ORF (QMS-F-009)
1.2	Department Manager or Office Head shall review any potential non-conformances or opportunities for improvement that were raised.	Day 2	Department Manager/ Office Head	None	ORF (QMS-F-009)
2	**Determine Causes**				
2.1	Department Manager or Office Head and the process owner shall investigate and analyze the potential cause of the problem/ opportunities for improvement.	Day 3	Department Manager/ Office Head/ Process Owner	None	ORF (QMS-F-009)
2.2	Department Manager/Office Head and process-owner shall determine the appropriate course of action or risk treatment plan to prevent the problem from occurring and accomplish the Observations Report Form to specify the risk treatment to be done, responsible person to do the action and timeline.	Day 4	Department Manager/ Office Head/ Process Owner	None	ORF (QMS-F-009)
3	**Management Review**				
3.1	A review of the identified risk treatment actions will be undertaken by Top Management to determine if the actions to be taken will potentially improve the concerned areas of the organization.	Day 5	QMR, Top Management	Internal Quality Auditors & Auditees	Minutes of the Meeting
4	**Implement Action**				

4.1	Department Manager or Office Head shall instruct the designated personnel to undertake actions indicated in their risk treatment plan.	Day 6	Department Manager or Office Head	Designated Personnel	None
4.2	Designated personnel must implement agreed level of action within agreed timescale.	Potential NCs or OFIs should not exceed 2 months to be resolved (unless if it involves budgetary constraints)	Designated Personnel	None	ORF (QMS-F-009)
5	**Record the Results**				
5.1	Any changes to the Quality Management System or its procedures, as a result of risk treatment actions, will be recorded.	Day 7	OPR, Quality Office	None	DCRF, QMS Black Books, Quality Manual
5.2	All documentation and records generated by the risk management process will be managed in accordance with the appropriate ISO 9001 clauses.	Day 8	OPR, Quality Office	None	QMS Black Books, Quality Manual
6	**Follow-up Inquiry/Audit**				
6.1	QMR through the Quality Office/ Internal Quality Auditors will follow-up all risk treatment actions to ensure that effective and timely responses are achieved.	Day 9-11	QMR, Quality Office, Internal Quality Audit Committee	Auditees	ORF (QMS-F-009)
6.2	Lead Auditor shall continuously make a follow-up on the status of unresolved audit findings. All unresolved audit findings for the 1 year audit cycle shall be brought up on the next audit cycle. An audit finding shall be closed when all risk treatment plans or measures have been implemented and the status is reported to the Lead Auditor.	Dependent on the timeline set by OPR	Lead Auditor	Auditees	Summary of Internal Audit Findings/ Observations Report

END OF PROCESS

5.0 FLOWCHART





6.0 REFERENCES/RECORDS

8.1 QMS-P-003 – Control of Non-Conforming Services Procedure
8.2 QMS-P-004 – Corrective Action Procedure
8.3 QMS-P-006 – Internal Quality Audit Procedure
8.4 QMS-F-009 - Observation Report Form
8.5 Internal Quality Audit Reports/Audit Closure or Status Reports
8.6 Minutes of Management Review
8.7 Quality Manual
8.8 QMS Black Books

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