

Initial Audit Report

Company Name : **Philippine Charity Sweepstakes Office**

Address : Site 1: Sunplaza Building, 1507 Shaw Blvd. corner Princeton St., Mandaluyong City
Site 2: Conservatory Shaw Plaza Bldg., 605 Shaw Blvd., Mandaluyong City
Site 3: 2nd/Floor Shaw Plaza One and Two Buildings, 561 Shaw Blvd.,
Mandaluyong City
Site 4: Trade and Investment Center, Bgy. Isabang, Tayabas City, Quezon
Site 5: PPC Bldg., Post Office Loop, Upper Session Road, Baguio City

Attention : Melquiades A. Robless, Vice Chairperson/GM/QMR

Audit Team : Jean R. Laguitao, Michelle Pestañas, Elisa Cruz, Jayzer Aquino,
Abigail Salomon, John Francis Faustorilla Jr.

Standard / Audit Type : ISO 9001 : 2015 /2nd Surveillance Audit

Audit Date : Dec 13-15, 2023

Audited Sites/Scope :

- Site 1: Management of Gaming Operations and Processing of Prize Claims including Support Process
- Site 2: Conduct & Management of Online Lottery Draw and Charity Programs
- Site 3: Management of Branch Offices Operation specific to Benguet and Tayabas Branch Offices and Provision of Data Security Support to Gaming Operations
- Site 4: Processing of Prize Claims
- Site 5: Processing of Prize Claims

In the audit, the actual process flow of sample operations was examined in individual areas of the company. In doing so, the auditors reviewed the conformity of the process flows with the requirements of the standard and the descriptions in the management documentation. This audit was performed on the basis of random samples, including interviews and examination of the appropriate documents.

All information gained during the audit will be treated with strict confidentiality by the audit team and the certification body. In view of the sampling approach applied to the audit, weaknesses and nonconformities may still exist which have not been identified during the audit.

1. Positive Observation

No.	Unit/Department Site	Positive findings
1	Management	Commendation for achieving the Sales target for the year 2023 which is 12% over the set target.
2	Award/Recognition	PCSO received the most improved award from GCG for Y2022 operations, this is commendable.
2	Site 4 Awards / Recognition	Plaque of Recognition – awarded to PCSO – Quezon Branch from St. Anne General Hospital , Inc., dated Jan. 31, 2023
3	General	Auditees are cooperative and receptive to learn about the QMS improvement

4	Site 5 Baguio Award and Recognition	<p>The following awards and recognition are noteworthy:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Certificate of Recognition awarded by Philippine National Police , Police Regional Office Cordillera for invaluable support to Police Community Affairs and Development programs, project and activities by providing medicines for the community outreach activities dated Jul 4, 2022 during 27th Police Community Relations Month Celebration. <input type="checkbox"/> Certificate of Appreciation given Philippine National Police , Police Regional Office Cordillera unwavering support and exemplary contributions to the attainment of plans, programs, project and activities of the Regional Community Affairs and Development Division, Police Regional Office Cordillera dated Jul 25, 2022. <input type="checkbox"/> Certificate of Appreciation given by International Association of Lions Club Baguio Everlasting Lions Club District 301-C Northern Philippines for invaluable contributions in the successful delivery of quality health services for the people of Baguio thru Medical Mission dated Se 1, 2023. <input type="checkbox"/> Certificate of Appreciation given by Rotary Club Downtown Session for invaluable contribution, support and assistance in the delivery of quality health services for the people of Baguio City and Province of Benguet dated Sep 8, 2023.
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2. Opportunities for improvement

No.	Unit/Department Site	Recommendations and opportunities for improvement
Site 1		
1	Scope of QMS	May update the current scope description of Site 3 based on the actual activities performed on site.
2	Management Review 9.3	Ensure status of customer complaints is clearly discussed in the management review.
3	Customer Satisfaction 9.1	Consider improving logs of complaints from 8888 to clearly show the description of complaints and qualify which is applicable to gaming operation and charity.
4	Game Technology – Control on External Providers	Need to define the criteria for evaluation of Call Center operation covering the hardware, communication, call center agents assisted transaction and other problems.
5	Information Technology	Ensure to assess the associated risk relevant to dependencies and determine applicable risk treatment. eg. cloud storage Ensure review of risk treatment effectiveness is conducted.
6	Control of Documented Information	Consider using digital stamp when marking the obsolete copy of controlled electronic documents.
7	Use of Logo	Need to improve the use logo “Certification Marking”
8	Assets and Supply Management Department (Supply Management and Warehousing)	<p>To ensure an uninterrupted supply, consider establishing a suitable minimum stock level for each item stored in the warehouse, particularly for fast-moving materials.</p> <p>Ensure to document the conducted inspections and monitoring of warehouse facilities to ensure both safety and efficient logistical management.</p> <p>Determine the load capacity of the rack, as there is a considerable amount stored. This is essential to ensure that it does not collapse.</p> <p>Consider reviewing the Risks Register to establish appropriate controls for the identified risks</p>

9	Risks and Opportunities (6.1)	<ul style="list-style-type: none"> - Ensure to indicate in the risk register, i.e., incident FB hacking last Dec 5, 2023 (still under investigation at the time of audit). - Ensure timely reviewing of risk and opportunities, e.g., ITD last update was 4.26.2021. - Define more specifically the likelihood of risks and the hierarchy of controls per risks level. <p>Consider having a comparative annual trend analysis and evaluation of risks and opportunities.</p>
10	Prize Claims Processing (6.2)	Enhance further the monitoring of objectives against target by indicating the overall average % of turnaround time, e.g., 40 minutes (low-tier prize), 2 hours maximum (jackpot prize).
11	Prize Claims Processing (8.5.1.)	Consider including the image of complete parts of actual bet receipt in Processing of Prize Claims Procedure OP-ABD-TD-01.
Site 2		
12	Pre-Draw Operations	<p>Review procedure to have the representatives from Accounting and Budget and Pre-Draw Staff are looking at the ball weighing scale display when ticking the Draw Balls Weighing Recording Sheet.</p> <p>Ensure to have the clock in the studio calibrated with the clock presented in the live stream. There is about a few seconds discrepancy as the 6/49 ball draw weighing concluded at 11:00:53 but the time shown on the tv screen is 11:01 AM.</p>
13	Draw Operation	Review having judges write down the drawn numbers immediately as they are shown on the screen.
14	Creative Division	It was announced that only fully vaccinated individuals can receive the services. Review removing this requirement as COVID-19 restrictions have already been lifted.
15	Product and Standard Development Department	<p>Review clarifying the procedures to highlight different steps especially if the new game development will not require conduct of draw.</p> <p>Review risks associated with the new game platforms developed (e.g., Web Application Betting Platform) based on the pilot testing activities.</p>
16	Charity Program - NCR Online Application - Voucher Preparation	<p>Consider incorporating the inclusion of applicants' Medical Evaluation Results through an upload feature in the Charity Services Information System (CSIS). This enhancement aims to ensure that all necessary documents are readily available, contributing to the overall completeness of the application process.</p> <p>Ensure to retain documented information the analysis and evaluation, including the necessary actions to address unmet targets, to continually monitor effectiveness.</p>
Site 3		
17	General	<p>May consider documenting actions related to unmet targets.</p> <p>Availability of Risk Register at the area must be always ensure.</p>
Site 4 Tayabas Quezon		
18	Context of the Organization / Risk & Opportunities	<p>Need to consider to add the specific issues / risks pertaining to the branch operations – on top of the identified risks common to all branches.</p> <p>May consider to have branch-version of the identified Issues as well as the relevant interested parties (aside from the general context of the organization).</p>
19	Quality Objectives / IPCR	<p>Consider to have have access/copy of information to support the rating of the PCRs (criteria).</p> <p>It was observed that most of the success indicators are related to Quality / Timeliness. Need to explore other parameters related to "Efficiency"</p>
Site 5 Baguio		
20	Risk Management	May need to identify other associated risk related to process and stipulate timeline of implementing risk mitigating plan.

21	Quality Objectives	May need to review the defined quality objective to determine other appropriate objective and target related to quality and efficiency/timeliness which is also aligned with ARTA. Currently, target set for prize claim is limited to record registration alone. Likewise, improve the document monitoring for timeliness of action per each activity conducted.
22	Processing of Prize Claims including support process	May review the Operating Procedure OP-BOS-01 rev Nov 9, 2023, to explicitly indicate the timeline TAT per each specific activity. Ensure that all documents signed is with date of signature as well. (i.e. Budget Utilization Slip)
23	Customer Satisfaction	CSAT is available, consider translating the form in the native dialect/language for easier use as applicable.

3. Nonconformity

No.	Clause # / Discussed with	Description / Statement of the Nonconformity.
		None

4. Audit Conclusion

<input type="checkbox"/>	The last audit revealed nonconformities which have been demonstrably corrected. The corrections and corrective actions taken in this respect have been verified.
<input type="checkbox"/>	A stage 1 audit was performed, and the organization found ready for certification. Identified weaknesses, if any, have been eliminated and the corrective action associated therewith verified.
<input checked="" type="checkbox"/>	The current audit revealed the following nonconformities: Standard(s): No. of nonconformities ISO 9001:2015 Zero (0) Major and Zero (0) Minor
<input type="checkbox"/>	The major nonconformities (No. x) with individual standard elements require a re-audit to verify the effectiveness of the corrections and corrective actions (probable date:.ddmmyyyy)
<input checked="" type="checkbox"/>	The organization has established and maintains an effective system to ensure compliance with its policy and objectives. The audit team confirms in line with the audit targets that the organization's management system complies with, adequately maintains and implements the requirements of the standard(s).

Recommendation

<input checked="" type="checkbox"/>	Award of the new certificates for new sites added.
<input checked="" type="checkbox"/>	Maintenance of the existing certification
<input type="checkbox"/>	Inclusion of the changes (see Section 3) in the scope of application of existing certifications
<input type="checkbox"/>	Maintenance or issue of the certificates only after successful completion of a re-audit.

Dates

Due Date for the next audit 18-Dec-2024

Agreed date for the next audit 18-Dec-2024

Dec 15, 2023

Date



Jean Laguitao

Audit Leader / Auditor(s)