

MEMORANDUM CIRCULAR NO. 20-46
Series of 2020

To : All DTI Regional/Provincial Offices, BPS-Recognized Conformity Assessment Bodies, Manufacturers, and Others Concerned

Subject : GUIDELINES ON THE CONDUCT OF REMOTE AUDIT AND SAMPLING

WHEREAS, the DTI Bureau of Philippine Standards (BPS) [formerly known as Bureau of Product Standards], as mandated by Republic Act (RA) No. 4109, RA No. 7394, Executive Order 101 s. 1967, implements Mandatory Product Certification Schemes to ensure safety and quality of consumer products for the benefit of the general public;

WHEREAS, the President declared a state of public health emergency through Presidential Proclamation No. 922 Series of 2020 to address the Corona Virus Disease (COVID-19) threat, subsequently placing the whole Luzon under Enhanced Community Quarantine (ECQ) on 16 March 2020;

WHEREAS, considering that all factory surveillance/recertification audits are not possible during ECQ, Memorandum Circular (MC) No. 20-17 Series of 2020 was issued extending the validity of all PS Licenses that have expired or will expire by 31 May 2020 until 31 July 2020;

WHEREAS, on 11 May 2020, the Inter-Agency Task Force for the Management of Emerging Infectious Diseases issued Resolution No. 35 classifying the Provinces, Highly Urbanized Cities (HUCs), and Independent Component Cities (ICCs) based on risk levels and prescribing the minimum health standards thereof;

WHEREAS, based on the different levels of risks identified, strict safe distancing, safety protocols, and restricted gathering, shall still be observed at all times. As such, actual factory audits shall be strongly discouraged;

WHEREAS, to mitigate the impact to local manufacturers, MC 20-34 was issued for the renewal of PS Licenses issued to local manufacturers;

WHEREAS, taking into consideration the applications filed by manufacturers for the conduct of surveillance audit and inclusion/reduction in scope of PS License amid the health crisis due to COVID-19 pandemic, the BPS shall implement an alternative mode in conducting audit and sampling activities.

WHEREFORE, foregoing premises considered, the following guidelines shall be implemented:

1. Audit and Sampling

- 1.1 To facilitate unhampered business and adjust to the "New Normal", the conduct of remote system and product audit for foreign and local manufacturing plants shall be allowed as an alternative mode in conducting audit and sampling activities.

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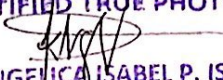
- 1.2 The remote system and product audit shall be applicable for initial, surveillance, inclusion, reduction, and recertification audits.
- 1.3 All Auditors included in the List of BPS Qualified QMS and Product Auditors shall be allowed to conduct the remote audit and sampling activity. Other auditors may be allowed subject to the review, evaluation and approval of the BPS.
- 1.4 All Auditors from DTI BPS/RO/PO/Recognized Auditing Body shall submit a request for the conduct of remote audit and sampling to the BPS using the attached Request Form at least five (5) working days prior to the date of the scheduled audit. The audit shall be conducted only after approval of BPS.
- 1.5 For foreign companies:
 - 1.5.1 System Audit
 - 1.5.1.1 Actual system audit shall be conducted at the factory/plant address.
 - 1.5.1.2 A remote system audit may be conducted by a BPS Qualified Auditor only if the chosen auditing body has no BPS Qualified System Auditor at the country where the factory is located.
 - 1.5.2 Product Audit
 - 1.5.2.1 A system auditor temporarily pre-qualified by BPS to conduct product audit may carry out the actual activity;
 - 1.5.2.2 In the absence of a temporary pre-qualified product auditor, a remote product audit may be conducted by a BPS Qualified Product Auditor with the direct assistance of the System Auditor who will be tasked as the Guide of the Product Auditor during the entirety of the product audit.
 - 1.5.3 In cases where both system and product audits are conducted remotely, the first shipment after the PS License was issued shall be subject to sampling and testing upon arrival in the Philippines, except for products covered by a Technical Regulation which requires surveillance audits per shipment e.g. Department Administrative Order (DAO) Nos. 17-06 Series of 2017, 18-08 Series of 2018, and 19-16 Series of 2019.

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- 1.6 For local companies:
- 1.6.1 A remote system and product audit for surveillance, inclusion, reduction or recertification shall be conducted whenever actual audit is not possible.
 - 1.6.2 An actual system and product audit shall be conducted for initial PS application.
- 1.7 The auditor shall advise the manufacturer's representative that a video call and recording shall be undertaken for integrity and proper documentation of the activity. In case the manufacturer's representative does not agree with the said requirement, the remote audit and sampling shall be cancelled immediately. The DTI BPS/RO/PO/Recognized Body shall inform BPS accordingly.
- 1.8 The assigned auditor shall coordinate with the manufacturer's representative on how to proceed with the audit. During the video call, the auditor shall direct the manufacturer's representative to proceed to a particular production lot or batch, choose product samples, and request the representative to draw the same.
- 1.9 In-plant testing shall be conducted by the company's technical personnel witnessed by the auditor. Only after the result of in-plant tests showed conformance to the requirements of the standard shall the auditor prepare the Request for Test for the sets of samples for independent testing by the BPS-recognized testing laboratory.
- 1.10 The sampling size shall be conducted in accordance with the requirements of the relevant DAO and/or PNS and its Implementing Guidelines of the product/s subject to remote audit and sampling, and work instruction on Handling of Samples for Product Testing (WI-SCD-0037).
- 1.11 The drawn samples shall be sealed and marked accordingly by the manufacturer's representative under close supervision of the auditor.
- 1.12 After the samples drawn were sealed and marked accordingly, the Request for Test (RFT) form shall be completely filled-out by the auditor and shall be shown to the manufacturer's representative. The batch/serial nos. /date of manufacture shall also be indicated in the RFT. The manufacturer's representative shall verbally conform to the details indicated in the RFT.
- 1.13 The auditor shall note in the RFT that remote audit and sampling was conducted and that the signature specimen of the manufacturer's representative is affixed in the sealed samples.
- 1.14 Once the RFT is prepared, the auditor shall require the manufacturer's representative to shoot a video and take pictures of the following for proper and complete documentation purposes:

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- 1.14.1 Plant/warehouse location
- 1.14.2 The whole production lot or batch
- 1.14.3 All sides of packaging/bags showing the actual markings
- 1.14.4 Pictures of the drawn and sealed samples

The video camera shall be panned slowly throughout the product markings to facilitate accurate documentation.

- 1.15 In cases wherein manufacturer's representative refuses to assist the auditor in accordance with this guideline, DTI BPS/RO/PO/Recognized Body shall indicate it in the audit report.
- 1.16 All information/markings required by the Consumer Act of the Philippines, relevant DAO and/or Implementing Guidelines of the product/s subject to remote audit and sampling shall be clearly captured in the video.
- 1.17 Any discrepancies in information shall be indicated by the auditor in the audit report. The auditor shall also inform the manufacturer's representative of the findings during the audit. The manufacturer's representative shall verbally conform to the findings, which shall be clearly captured in the video.
- 1.18 In cases wherein manufacturer's representative refuses to conform in the report to be submitted, DTI BPS/RO/PO/Recognized Body shall indicate it in the audit report.

Any other issues that may arise during the conduct of audit that needs further clarification shall be communicated to BPS for proper advice or disposition.

2. Preparation of Audit Report

- 2.1 The report shall follow regular audit reporting procedures as provided in work instruction on Guidelines on the Conduct of Surveillance Audit (WI-SCD-0005) and "remote audit and sampling" has to be indicated in the audit report.
- 2.2 Other information necessary as to the judgment of the auditor shall be indicated in the audit report.

3. Transmittal of the Audit Report and Request for Test to BPS

- 3.1 The audit report, copy of Request for Test, and other relevant documents shall be sent to BPS within five (5) working days after the audit. Audit report shall also include the following:

- 3.1.1 Photos of the production lot or batch (pictures of plant/warehouse);
- 3.1.2 Photos of all sides of packaging/bags indicating the details of the production lot or batch and markings – as required by the Consumer Act of the Philippines, relevant DAO and/or

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- Implementing Guidelines of the product/s subject to remote audit and sampling;
- 3.1.3 Photos of sealed samples;
- 3.1.4 File copy of the video recording of the following parts of the remote audit and sampling, but not limited to:
- 3.1.4.1 Opening meeting;
 - 3.1.4.2 Closing/Wrap-up Meeting (including the discussion on the raised non-conformities and observations);
 - 3.1.4.3 Drawing and sealing of samples;
 - 3.1.4.4 Proof of assistance by the qualified product auditor in cases where the system auditor carried out the on-site product audit.

4. Responsibilities

- 4.1 The SCD QMR shall ensure that the objectives of these guidelines are effectively implemented.
- 4.2 DTI BPS/RO/PO/Recognized Auditing Body shall carry out the remote audit and sampling in coordination and agreement with the manufacturer's representative.
- 4.3 The Auditor shall be responsible in all audit activities, whether physical or remote audit, and ensure that all documents/evidences required by BPS shall be indicated and/or attached in the reports.

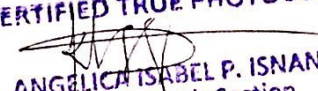
This Circular shall take effect immediately.

Done in the City of Makati this 10th day of August in the year 2020.

Approved by:



NEIL P. CATAJAY
Director, Bureau of Philippine Standards

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