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01 100 1734804

Audit Report as per

ISO 9001:2015

for

**Santa Maria Water District
#3 M. De Leon Street, Poblacion,
Santa Maria 3022
Philippines**

Client	Standard	Certification Number	Audit Type
Santa Maria Water District	ISO 9001:2015	01 100 1734804	Surveillance Audit

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Client's representative

Audit (team) leader Rhene Rose Zara

Audit team Elisa Cruz (Auditor), Grace Del Rosario (Auditor)

Audit date 2023-07-10

1. Audit result

Management system effectiveness was verified by an appropriately selected audit team. This applies in particular to the compliance of workflows with standard requirements and descriptions in the management system documentation. The audit objectives as mentioned in the audit plan, the special features of the organization's business activities, the applicable statutory and regulatory requirements set forth in other generally applicable documents were also taken into account. This was done by means of a sampling approach, by conducting interviews and reviewing the appropriate documentation. Audit findings and recommendations regarding opportunities for improvement have been set forth in section 4 of this report.



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.

Recommendations:

- Award of new certificates
- Maintenance of the existing certification
- Inclusion of the changes in the scope of application of existing certification

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2. Scope

2.1 Description of the organization

The original water system of Santa Maria, Bulacan was constructed in 1931 and was managed and operated by the defunct National Waterworks and Sewerage Authority (NAWASA). With the dissolution of the latter in 1971, management was turned over to the local government. However, the water system could not be maintained and operated efficiently due to lack of funds. In order to address this predicament, the Sangguniang Bayan of Santa Maria, Bulacan passed S.B. Resolution No. 12 series of 1986 “Organization of the Santa Maria Water District covering the entire Municipality of Santa Maria, Bulacan” dated September 26, 1986. With the formation of SMWD, it fully took over the operations and management of the water supply system from the municipal government in accordance with Presidential Decree No. 198 (as amended by P.D. No. 768, 1479 and 9286) also known as the Provincial Water Utilities Act of 1973. A total of 241 concessionaires, three (3) production wells at Dulong Bayan, Macaiban and Villarica (the third well became idle due to low water pressure on December 1994) and one (1) concrete reservoir at Gulod, Poblacion were turned over to SMWD.

On September 28, 1987, the Local Water Utilities Administration (LWUA) issued the Conditional Certificate of Conformance (CCC) No. 310 enabling financial, technical and regulatory services for SMWD and it entitled the SMWD to all the rights and privileges provided under P.D. 198, as amended.

With regard to categorization, the SMWD was initially classified as a “Small” Water District in 1997. SMWD then applied for “Average” category and was instead approved into a higher category – the “Medium” category, on November 20, 2000. The plantilla for the said category was approved by the Department of Budget and Management (DBM) last 05 February 2003 with 70 career positions. On June 2010, the SMWD applied for “Big” category and was again approved to a higher category, which was the “Large” category. With the onset of the Revised Local Water District Manual on Categorization, Re- categorization and Other Related Matters (LWD-MaCRO) per DBM Circular Letter No. 2011-10 dated November 18, 2011, the SMWD is classified as Category “B” based on resulting Point-Rating Category garnered by the local water district. In line with SMWD’s progress, it also gained a number of recognitions along the way. On 2004, SMWD received the Most Outstanding Water District Nominee in the Medium Category for Luzon. In 2005, was the year that SMWD received a certification from Local Water Utilities Administration (LWUA) as a Credit Worthy Water District from 2002-2004. On 2006, SMWD received a Plaque of Appreciation in Sincere Recognition and Grateful Appreciation of its valuable support in advocating environment concerns in the protection and conservation of our natural resources, given by Sacred Heart Academy. By 2007, another Plaque of Appreciation with regards to Grateful Appreciation of its Participation in Seminar Training on Hydraulic Network Modelling was given to SMWD by Dan Water Philippines. And last year, 2016, SMWD was certified as a Drug-Free Workplace by Drug Check Philippines., Inc. These awards certainly boost SMWD’s morale to continue to strive for excellent service to its concessionaires and continuous participation in helping the community and the environment. The organization operates in a 24/7 operation for water services while office operation is from Monday to Saturday from 8:00 AM to 5:00 PM.

2.2 Scope of certification

Standard	Scope of certification
ISO 9001:2015	Provision of Water Services to Concessionaires in the Santa Maria and its nearby areas

The audit took appropriate account of multi-shift operations and provided for representative auditing considering the activities performed during the shifts.

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Internal auditing throughout the multi-site organization was verified with a positive result. The management representative has appropriate authority over the sites included in the multi-site organization.

The audit was done on-site and didn't include any remote auditing activities.

Locations audited during the audit are marked accordingly within below table. The following sites and their scopes are included in the scope of certification:

Certificate No.	Name/Address of site	Employees	Scope of certification	Audited
01 100 1734804	Santa Maria Water District #3 M. De Leon Street, Poblacion, Santa Maria 3022 Philippines	179	Provision of Water Services to Concessionaires in the Santa Maria and its nearby areas	X
01 100 1734804/01	Santa Maria Water District #3 M. De Leon Street, Poblacion, Santa Maria 3022 Philippines	50	Provision of Water Services to Concessionaires in the Santa Maria and its nearby areas	X
01 100 1734804/02	Santa Maria Water District No. 302 J.P. Rizal St., Poblacion, Santa Maria, 3022 Philippines	129	Provision of Water Services (ADMIN and HR, MIS, Records, Engineering, Operation, Maintenance, Purchasing and Warehouse) to Concessionaires in the Santa Maria and its nearby areas	X

3. Changes in the management system / Contract review

The following major changes have been implemented in the management system and the management system documentation since the last audit:

- Change in Scope of the QMS for Site 2 from "Provision of Water Services (Engineering, Operation, Maintenance, Purchasing and Warehouse) to Concessionaires in the Santa Maria and its nearby areas" to "Provision of Water Services (ADMIN and HR, MIS, Records, Engineering, Operation, Maintenance, Purchasing and Warehouse) to Concessionaires in the Santa Maria and its nearby areas".
- Change in Address for Site 2 from "Farmacia Emilia, Dulong Bayan, Poblacion, Santa Maria, 3022 Philippines" to "No. 302 J.P. Rizal St., Poblacion, Santa Maria, 3022 Philippines"
- Increase in manpower for Site 1 from 49 (Calcu Tool) to 50 (22 Regular, 20 Casual, 8 JO) at the time of audit
- Increase in manpower for Site 2 from 125 (Calcu Tool) to 129 (58 Regular, 35 Casual, 36 JO) at the time of audit

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The implementation of these changes in the existing management system and the management system documentation was verified within the framework of the audit. The order details which form the basis of the audit (incl. number of employees, scope and sites) reflect the actual situation in the organization.

The description of the scope in the certificate appropriately reflects the scope of the management system.

The audit plan was not changed during the audit.

4. Audit findings

The audit findings related to the audited standard are listed in the Annex to this report. In view of the sampling approach applied to the audit, weaknesses and nonconformities may still exist which have not been identified during the audit.

No.	Description of the finding	Reference
1
2
3
4

The following recommendations and opportunities for improvement were identified during the audit and are intended to contribute to the continuous improvement of the management system.

No.	Description of the recommendation	Reference
1
2
3

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Clause	Requirement	Conformance
4.1	Context of the organization	Conforms
4.2	Leadership	Conforms
4.3	Organizational structure, roles and responsibilities	Conforms
4.4	Competence	Conforms
4.5	Information management	Conforms
4.6	Relationships with interested parties	Conforms
5.1	Leadership commitment	Conforms
5.2	Policy	Conforms
5.3	Objectives and planning	Conforms
5.4	Support	Conforms
5.5	Performance evaluation	Conforms
5.6	Improvement	Conforms

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5. Dates

Due date for the next audit 2024-03-24

Agreed date for the next audit 2024-02-23

Audit release date 2023-09-21

2023-09-05

Signature date


Rhene Rose Zara

Signature audit (team) leader

All information gained during the audit will be treated with strict confidentiality by the audit team and the certification body.

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Item	Audit result
Context of the organization	<p>The organization has determined internal and external issues related to the following subject areas:</p> <p>Internal Issues:</p> <ul style="list-style-type: none"> • Upgrading of Plantilla Position to Category A • New NEDA Guidelines on JVA • Delayed payment of work accomplishment on LWUA-ADB funded project <p>External Issues:</p> <ul style="list-style-type: none"> • Initial disqualification on the requirements of PBB due to the error on the evaluation procedure by LWUA on water quality, NRW and AO25 on APP submission • Issue on the authority to fill by the CSC on casual appointment • Complaints of heavy traffic and inconvenience due to delay in project implementation as effect on the late release of the ADB Loan <p>The organization has identified interested parties and the requirements of these parties. Examples for such parties are:</p> <ul style="list-style-type: none"> • Government Agencies (CSC, BIR, GSIS, COA, LWUA, DBM, OP, Pag-ibig) - Compliance to regulatory and statutory requirements • NGOs/Associations (DAWD, CLAWD, PAWD, WEAP, MRFI, AGWASS - Source of funding • Board of Directors - Political Inclinations, Profitability, Efficiency and Productivity • Management, Other Divisions/Employees within the Water District - Timeliness, Efficiency and Productivity, accuracy and quality of operation • Local Government Unit/Barangay Council - Political differences which resulted to reappointment, Selection of Board of Members • External Providers - Payment of suppliers and the services rendered • Concessionaires - adequate and safe supply of potable water, quick response to maintenance and repair requests and accurate billing • Department of Health - Compliance to DOH requirements
Policy and objectives	<p>Top management has declared its quality policy binding and implemented. The quality policy is appropriate and provides a framework for the respective quality objectives. It commits all employees to pursue continuous quality system improvement. The quality objectives are measurable and are controlled, communicated and updated regularly. Key quality objectives include:</p> <p>CONSTRUCTION and MAINTENANCE</p> <ul style="list-style-type: none"> • Ensure 85% of the total Pipe laying project were accomplished. • Ensure 85% Approve restored 0.20 cu.m. per day, as per program of work. • Ensure to Install 100% of the issued Service Orders for new installation of water meters. • Ensure 100% accomplishment for the Transfer water meters, Reconnection and Permanent Water Supply Disconnection • Ensure to execute 100% of the total issued Water Meter Replacement Orders. • Ensure to Rehabilitate and standardize 100% of issued Maintenance and Inspection Orders for Standardization of Cluster Meter. • Ensure to Repair 100% of the total Leak reported. • Ensure 100% accomplishment for Pipe Monitoring and Realignment.

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	<p>ENGINEERING</p> <ul style="list-style-type: none"> • 85% Approved Pre-Installation Inspection two days after compliance on SMWD standards Report • 85% Approved Post Inspection two days after installation on Checklist Report • 100% New Meters Accuracy Test Result • 85% Pipelines Descaled 800 linear meters per week, as per program for the year 2021 • 85% Accomplished meter base of newly installed water meters 5 days upon receipt of approved post installation inspection report <p>WATER RESOURCE</p> <ul style="list-style-type: none"> • Provide adequate potable water supply - 12,500,000 cubic meters of water for the whole year • Securing water quality at all points of the water supply system - Chlorine residual must not be less than 0.3 ppm. and not exceeding 1.5 ppm for Calcium Hypochlorite and must not be less than 0.2ppm and not exceeding 0.4ppm for Chlorine Dioxide Liquid. Turbidity not exceeding 5NTU • Accomplish and properly attend to complains regarding water supply quantity and quality - 24 hours upon receipt of P.I.O. <p>Reference: SMWD Quality Objectives (Date of update: April 2023)</p>
Process control incl. outsourced processes	<p>The processes available in the organization have been identified and documented. Process workflows and interactions have been described and appropriately controlled. The processes are evaluated at regular intervals by means of key performance indicators. Key processes within the scope of product realization include:</p> <ul style="list-style-type: none"> • Design & Construction • Human Resource • Engineering and Production • Quality Control • Administrative • Planning / Procurement • Maintenance • Consumer Service • Commercial which includes Billing <p>The following processes have been outsourced and are appropriately reviewed and controlled:</p> <ul style="list-style-type: none"> • Laboratory Services • Legal Services • Internet Service Provider • Repairs and Maintenance • Calibration • Hydraulic Analysis
Risk-based thinking	<p>The requirements for risk-based thinking are being realized in the organization as follows:</p>

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	<p>Risk-based thinking has been applied for the following processes:</p> <ul style="list-style-type: none"> • Commercial Services (Customer Service) • Customer Accounts (Billing and Telling) • Warehouse Management • Operations • Quality Control • Purchasing • Planning, Design and Construction • Human Resource • ADMIN • MIS • Records <p>Examples of risks and opportunities of processes identified are:</p> <ul style="list-style-type: none"> • Water supply interruption from bulk water supplier • COA findings on non-submission of request for accounts for write off • Failure of Physical/Chemical Analysis to comply with the PNSDW 2017 • Delay on execution of restoration activity due to funding issues on ADB Loan • Noncompliance of septage operation • Water supply interruption due to pipeline leakages and interconnection activities • Low pressure and water interruption <p>Examples of measures taken to react on identified risks are:</p> <ul style="list-style-type: none"> • Coordinate with Bulk water supplier on the timeline of resolution. Information dissemination to concessionaire. Provision of water ration. • Proposal of accounts for write off • Divert or Rationing of Water from other sources to augment supply. Re-Test of water sample. • Continuously coordinate and follow up to LWUA agencies and releasing agency. • Ongoing coordination for the signing of MOA with Hagonoy WD while waiting for the full operation of the SMWD Septage. • Regular leak monitoring and replacement of old and inaccurate water meter, Immediate repair of leaking pipes • Inspection of pumping stations <p>Examples of risks and opportunities concerning the context of the organization are:</p> <ul style="list-style-type: none"> • Disqualification on the requirements of PBB • Delayed payment of work accomplishment on LWUA-ADB funded project leading to customer complaints due to unfinish work activity. • Political interest of the water district operation • Failed laboratory results in the potability and quality of water • Irregular supply of water • Strict regulations and guidelines of regulatory agencies <p>Concerning risk based thinking the following tools are used:</p>

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	<ul style="list-style-type: none"> • Risk Register • Opportunity Register • SWOT
Customer-related and other requirements	<p>The organization analyses and evaluates customer requirements and/or enquiries and any documented, assumed, statutory and regulatory requirements within the scope of a production and feasibility study performed in a team. The person who prepared the offer reviews the contract to ensure its compliance with the offer and documents this compliance in an order confirmation. The same procedure applies to amendments. The following process requirements significantly affect product or service quality:</p> <ul style="list-style-type: none"> • Planning and Design • Construction • Water Quality • Water Distribution • Meter Reading • Billing and Collection • Repairs • Maintenance/Calibration • Qualification requirements for Water Resource Facilities Operators • Personnel selection and evaluation process • Hypo-chlorinator feed rate • Security of the Hypo-chlorinator • Water quality inspection • Microbiological Water Analysis • Physico-Chemical Analysis • Daily Leakages/ Maintenance Report <p>Key regulatory, statutory and customer-related requirements include:</p> <ul style="list-style-type: none"> • National Archive of the Philippines • Procurement Law • Republic Act No 10173 Data Privacy Act • Anti Red Tape • The Philippine National Standard for Drinking Water 2017 • The Guidelines for Monitoring the Bacteriological Quality of Drinking Water in the Philippines • Local Water Utilities Administration • National Archive of the Philippines • RA9184 (Government Procurement Reform Act) • National Water Resource Board Water Permits • Environmental Compliance Certificate • Energy Regulatory Commission • Sangguniang Bayan Resolution 86-12 • PD 198 - Provincial Water Utilities Act of 1973
Customer satisfaction and complaints	<p>The organization maintains documented and effective procedures governing the handling of information, data analyses, improvement actions and responses to customer feedback.</p>

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	<p>Customer Satisfaction Survey is performed by the Commercial Services Department. Overall weighted average for the period January 2022 to December 2022 with the overall rating of 4.6 (Very Good) and 4.1 (Very Good) for the internal customers (employees). There were 540 customer complaints received from January to December 2022. The top complaints were on zero pressure and color. These complaints were handled by issuance of Service Request and forwarded to concerned unit for investigation and actions. Root cause analysis with the corresponding correction and corrective actions were taken on these complaints. As for complaints received via "8888", there are four (4) for year 2022 and six (6) for year to date for 2023. Most of the raised complaints is from pending completion of project (e.g., uncompleted civil works from the 1, 000 linear meter pipeline causing traffic) due to late release of funds allocation. All were closed out at the time of audit.</p>
Internal audit and management review	<p>The organization measures the implementation, maintenance and effectiveness of the management system by means of annually scheduled system audits. The organization reliably carries out these audits. The internal audit was conducted last 15, 16 and 20 March 2023 (Site 1: 15 March; Site 2: 15, 16 & 20 Mar) by eleven (11) qualified auditors with 2 minor nonconformities, 0 major nonconformities, 96 OFIs and 76 Positive findings. One (1) NC is still open related to Septage Management which is still pending due to late releasing of funds to complete the project. As of the time of audit, negotiation with Hagonoy Water District is ongoing for the signing of MOA while waiting for the completion of septage project for SMWD.</p> <p>Top management reviews the organization's management system at regular intervals and in line with the requirements to ensure its continuous suitability, adequacy and effectiveness. The management review was carried out in accordance with the requirements and was effective.</p> <p>Date of last management review: 2023-05-23</p>
Use of certificate and logo	<p>The organization uses the logo and the certificate (e.g. on business cards, company brochures, websites etc.) in compliance with the requirements.</p>

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Standard Clause	4.1	4.2	4.3	4.4	5.1	5.2	5.3	6.1	6.2	6.3		
Rating *	1	1	1	1	1	1	1	1	1	1		
Minor nonconformity	0	0	0	0	0	0	0	0	0	0		
Major nonconformity	0	0	0	0	0	0	0	0	0	0		
Standard Clause	7.1	7.2	7.3	7.4	7.5	8.1	8.2	8.3	8.4	8.5	8.6	8.7
Rating *	3	1	1	1	1	1	1	1	1	3	1	1
Minor nonconformity	1	0	0	0	0	0	0	0	0	1	0	0
Major nonconformity	0	0	0	0	0	0	0	0	0	0	0	0
Standard Clause	9.1	9.2	9.3	10.1	10.2	10.3						
Rating *	1	1	1	1	1	1						
Minor nonconformity	0	0	0	0	0	0						
Major nonconformity	0	0	0	0	0	0						

* Rating:

- 1 = conforming
- 2 = not audited in this audit
- 3 = nonconformity (see nonconformity report)
- 4 = not applicable

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