



Certification Process

PAGBA 2019 1st Quarterly Seminar & Meeting
February 13, 2019
Crowne Plaza Manila Galleria, Ortigas Avenue, Quezon City

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and GQMC-DBM Secretariat Head*



Republic of the Philippines

DEPARTMENT OF BUDGET AND MANAGEMENT

Outline of Presentation

- Overview of the Government Quality Management Program (GQMP)
- Introduction to ISO 9001 QMS
- ISO 9001 QMS Road Map
- ISO 9001:2015 Certification Process
- Benefits of ISO 9001 QMS
- Costs of ISO 9001 QMS
Institutionalization
- Compliance Rate for the FY 2018 PBB
ISO QMS

Government Quality Management Program (GQMP)

(pursuant to **AO 161, s. 2006**)

COVERAGE:



All **Departments & Agencies** of the Executive Branch



State Universities and Colleges (**SUCs**)



Government Owned and Controlled Corporations (**GOCCs**) and Government Financial Institutions (**GFI**s)

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QUALITY MANAGEMENT SYSTEM

FRONTLINE/CORE SERVICES

PRIORITY



GQMC

(created under **EO 605, s. 2007**)

COMPOSITION:



Chairman



Co-Chairman



Internal Audit Office



Members

Secretariats

DBM-SPIB
DAP-PDC

TWG on Advocacy and Capability-Building

DAP-PDC

History of ISO 9001 Standards Development

ISO 9001:2008

Minor changes
Clarifications and elaborations of existing requirements
Improved compatibility with other management standards

2008

ISO 9001:1994

Emphasis on “product quality assurance” with ISO 9001 and ISO 9003

1994

ISO 9001:2015

Major changes!
Draft International Standard (DIS) and Final Draft International Standard (FDIS) developed in May 2014
Issued in September 2015
New concepts such as risk-based thinking

2015

ISO 9001:2000

Major revision!
The processes approach and system approach to management
Emphasis on management processes, understanding customer requirements and continuous improvement of processes to increase customer satisfaction

2000

ISO 9000:1987

The first international standard focusing on “Quality”

1987




Understanding ISO QMS



ISO 9001 is a quality management system (QMS) standards adopted worldwide to assure consistency of product/ service quality and reliability.

QMS is a system to establish quality policy and quality objectives, and to achieve those quality objectives.

	Quality Manual	Page No.: 12 of 33
	Section 2.0 LEADERSHIP	Revision No.: 0
	DBM-QM-01	Effectivity: April 30, 2018

THE DBM QUALITY POLICY STATEMENT

We, at the Department of Budget and Management, commit to lead in the effective, efficient and responsible allocation and use of government resources to improve the quality of life of Filipinos.

We endeavor to support the achievement of national development goals through transparent, accountable and participatory governance, in accordance with pertinent laws, rules and regulations.

We adhere to the continual improvement of our Quality Management System by maintaining highly competent and committed public servants, ensuring adequate resources for the conduct of the budget and management process, establishing and monitoring quality objectives, and reviewing the quality policy, as needed.



BENJAMIN E. DIOKNO
Secretary of Budget and Management



- ▶ A measure of **excellence** or a state of being free from defects, deficiencies and significant variations
- ▶ Brought about by strict and consistent commitment to certain standards that achieve **uniformity of a product** in order to **satisfy specific customer or user requirements**

(<http://www.businessdictionary.com/definition/quality.html>)



Goals of ISO 9001 Certification

- ➡ To demonstrate that the organization does have a management system conforming to the requirements of ISO 9001
- ➡ To show that the system is effective in achieving the desired outputs

What is ISO 9001:2015 ?

What does it mean for my organisation?

New – to all ISO Standards: Annex SL

- Common Terminology
- Common Structure
- Common Definitions

Annex SL – new common structure for ease of management system standard integration

New – specific to ISO 9001

- Context of the Organisation
- QMS Scope and Design
- Risk Based Approach
- Documented Information
- Organisational Knowledge
- Control of Outsourcing

Changed – areas of focus

- Leadership
- Quality Manual
- Management Representative
- Planning of Change
- Management Review
- Analysis and Evaluation

Search sheet [here](#) or visit [www.iso.org/iso/9001-2015](#)

**The waiting is over!
ISO 9001:2015
Published**

Illustration of a cube labeled 'ISO 9001:2015' being lowered by three parachutes, with silhouettes of people below.

What should I do next?

- Understand the importance of Annex SL and engage top management in the process
- Understand what the standard means to your QMS and the wider organisation
- Prepare for training on key areas of change

Milestones*

23 SEPT 2015	23 SEPT 2018
ISO 9001:2015	Transition deadline

Get up to speed with transition planning

Talk to LRQA about:

- Training, including awareness training and in-house training
- Gap Analysis, Performance Assessment and Transition Assessment

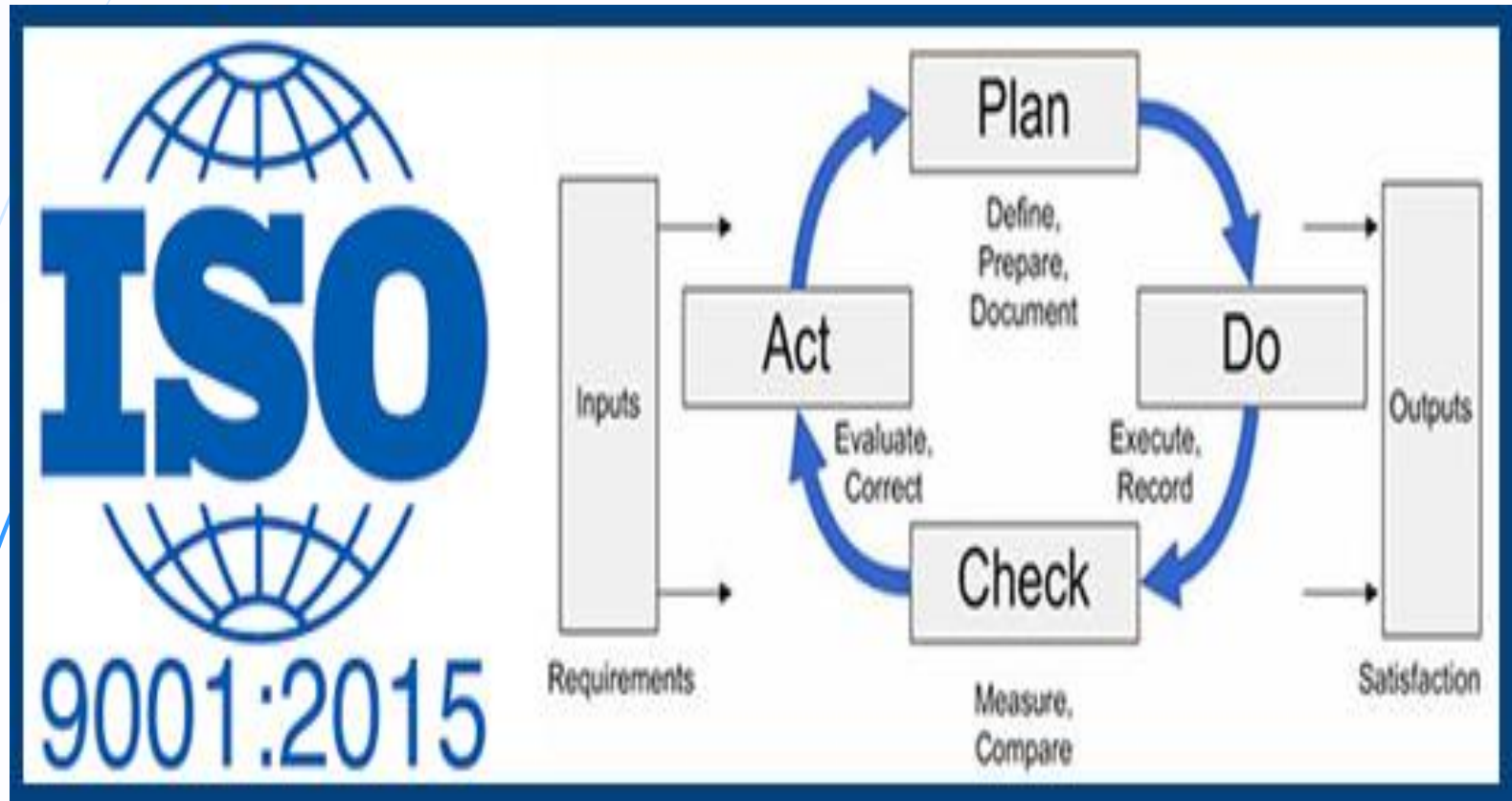
www.lrqacms.eu
enquiries-en@lrqa.co.uk

*Subject to availability of resources and subject to change without notice

✓ Demonstrate its ability to consistently provide products and services to meet customer requirements, as well as applicable statutory and regulatory requirements.

✓ To enhance customer satisfaction

The P-D-C-A Framework





1. Customer focus



2. Leadership



**ISO
9001:2015**

**QUALITY
MANAGEMENT
PRINCIPLES**

3. Engagement of people



7. Relationship management



6. Evidence-based decision making



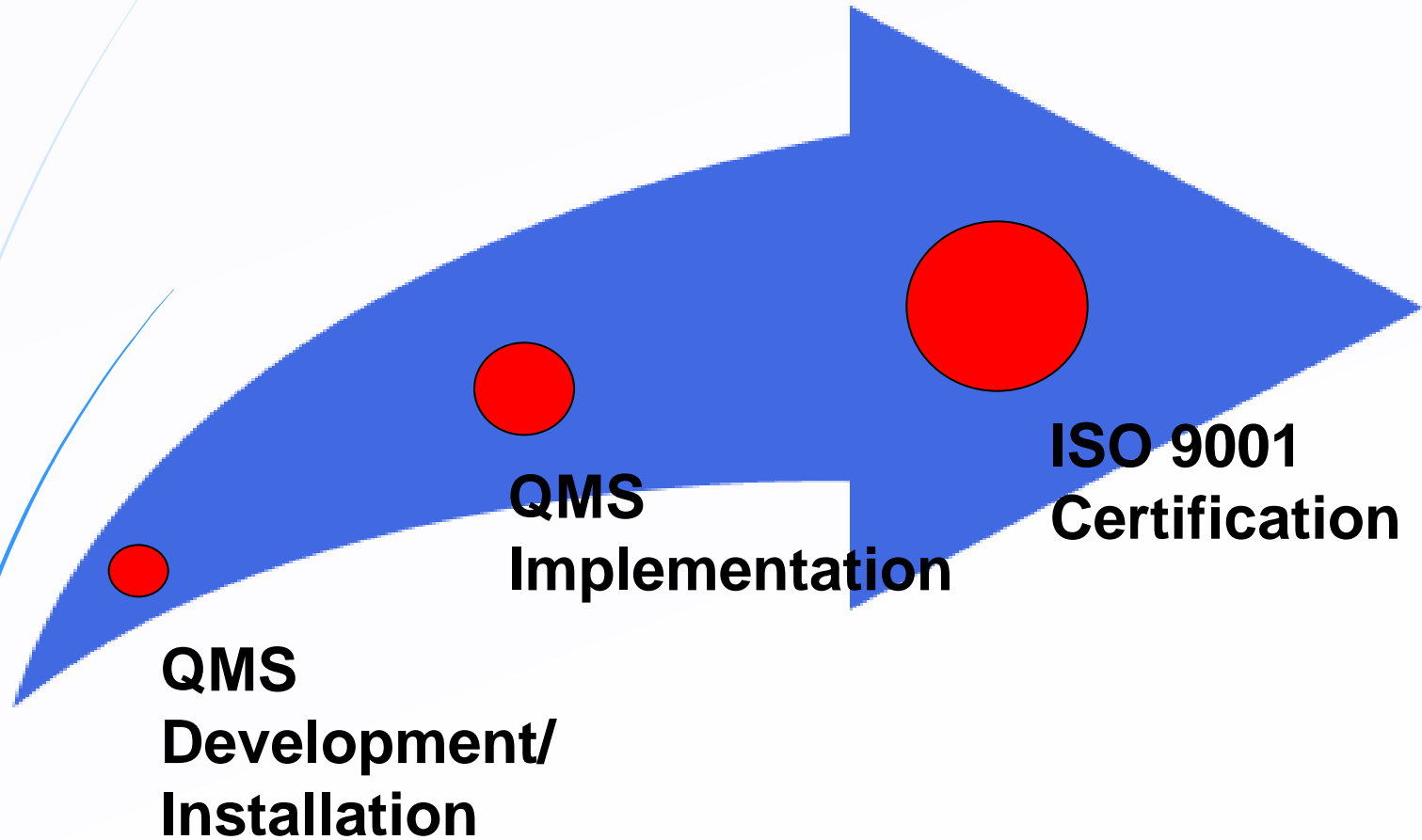
5. Improvement



4. Process approach



ISO QMS Major Activities

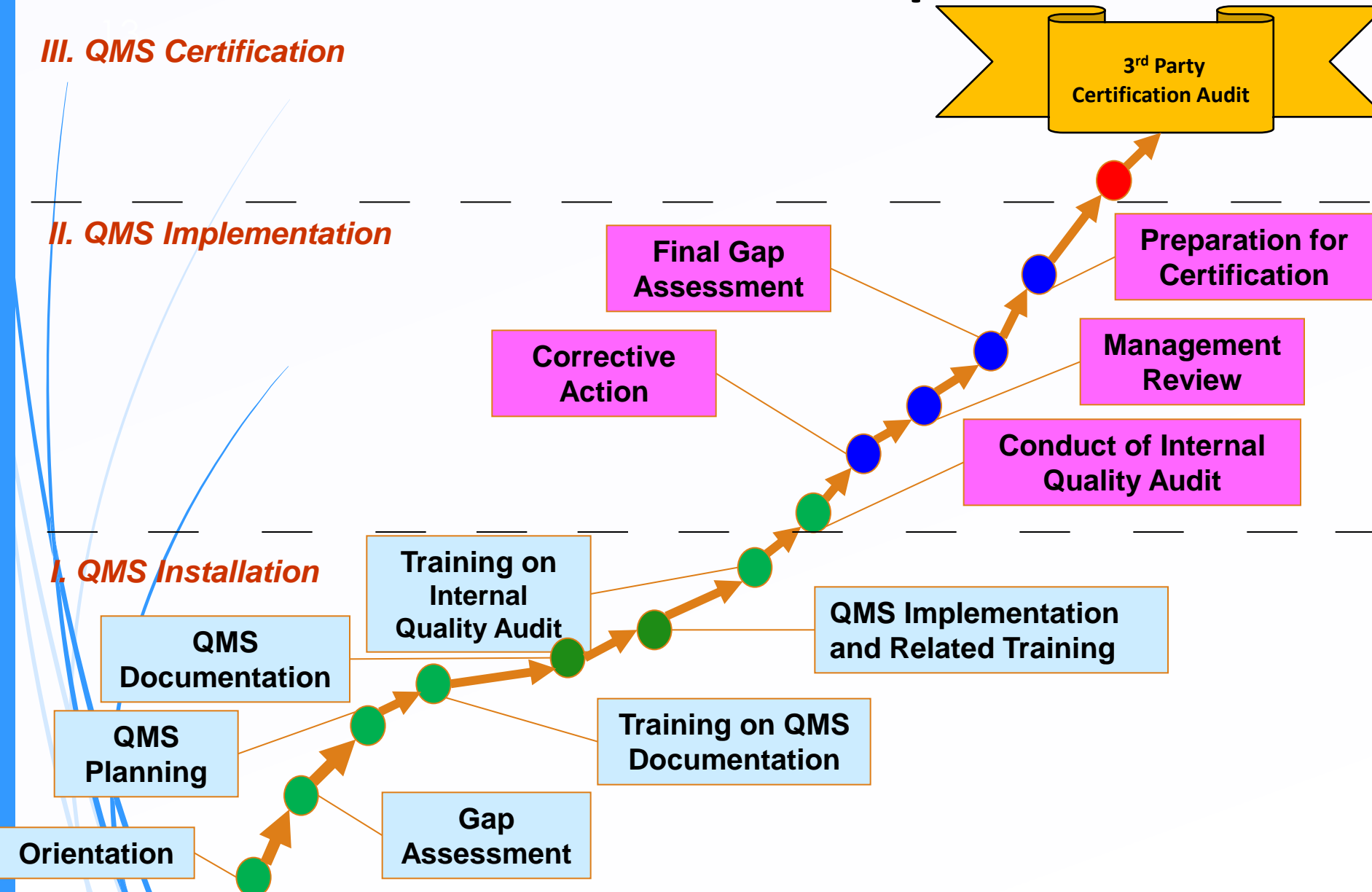


The ISO 9001 QMS Road Map

III. QMS Certification

II. QMS Implementation

I. QMS Installation

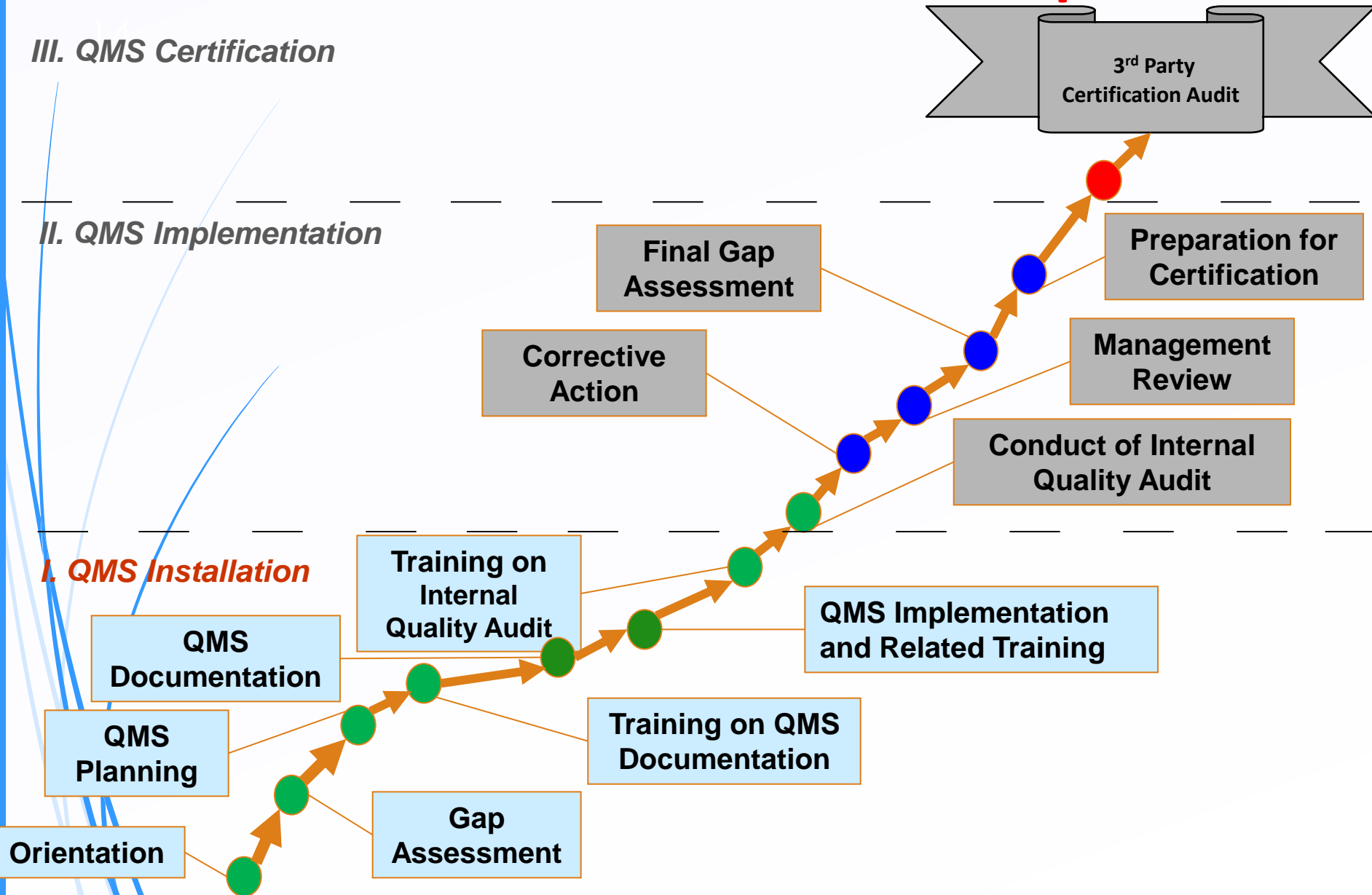


The ISO 9001:2015 QMS Road Map –Phase I

III. QMS Certification

II. QMS Implementation

I. QMS Installation



The ISO 9001 QMS Road Map – Phase II

III. QMS Certification

II. QMS Implementation

I. QMS Installation



Final Gap Assessment

Preparation for Certification

Corrective Action

Management Review

Conduct of Internal Quality Audit

Training on Internal Quality Audit

QMS Implementation and Related Training

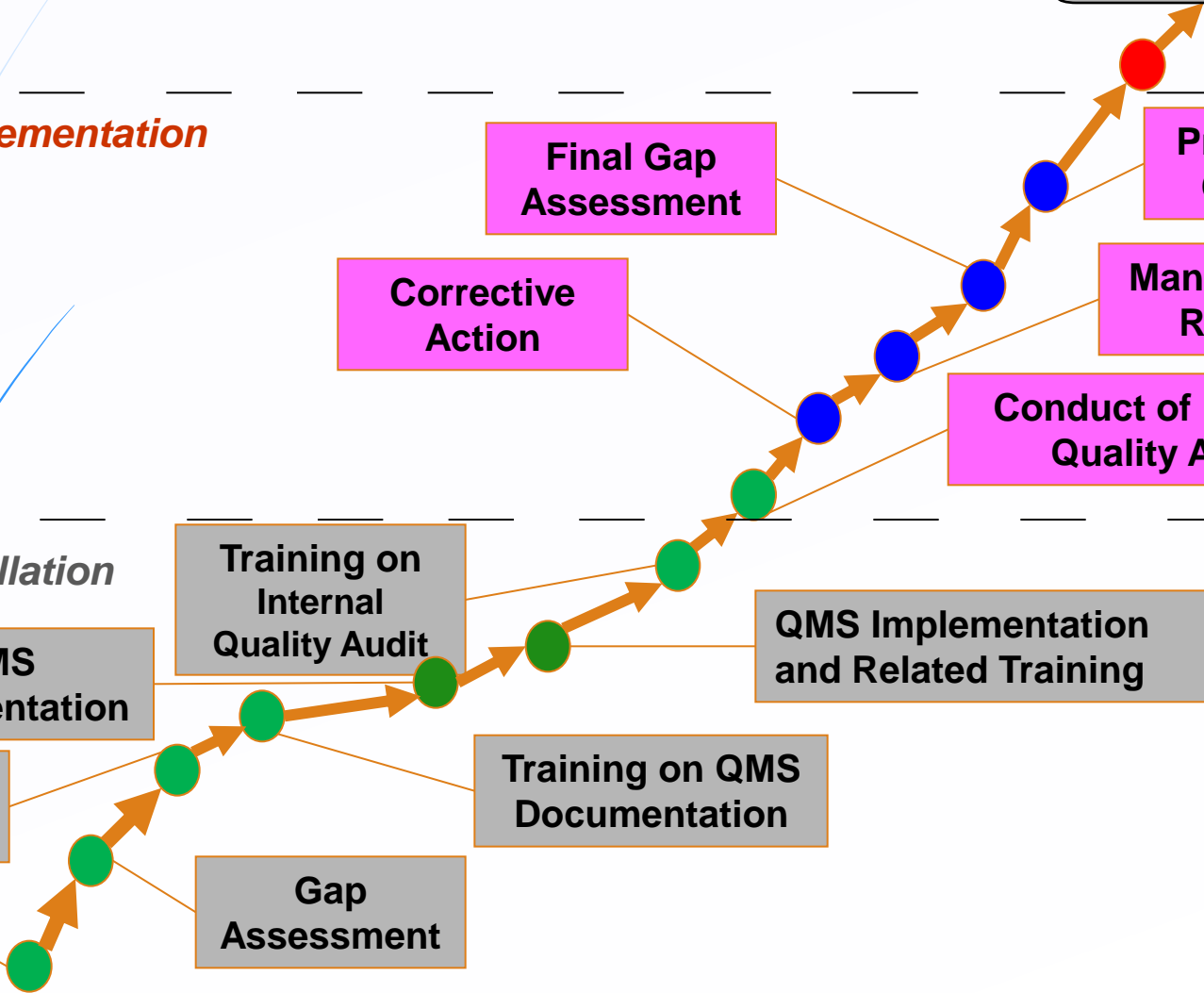
QMS Documentation

Training on QMS Documentation

QMS Planning

Gap Assessment

Orientation



The ISO-QMS Core



Documents and Records Control Team

- Establish and implement control of documented information



Training and Education Team

- Orient employees concerned on the QMS, its activities, and the employees' roles and responsibilities



Workplace Organization Team

- Plan and coordinate the implementation of the 5S Program



Internal Quality Audit (IQA) Team

- *Conduct the IQA*



The ISO 9001 QMS Road Map–Phase II contd.

III. QMS Certification

II. QMS Implementation

I. QMS Installation



Final Gap Assessment

Preparation for Certification

Corrective Action

Management Review

Conduct of Internal Quality Audit

Training on Internal Quality Audit

QMS Implementation and Related Training

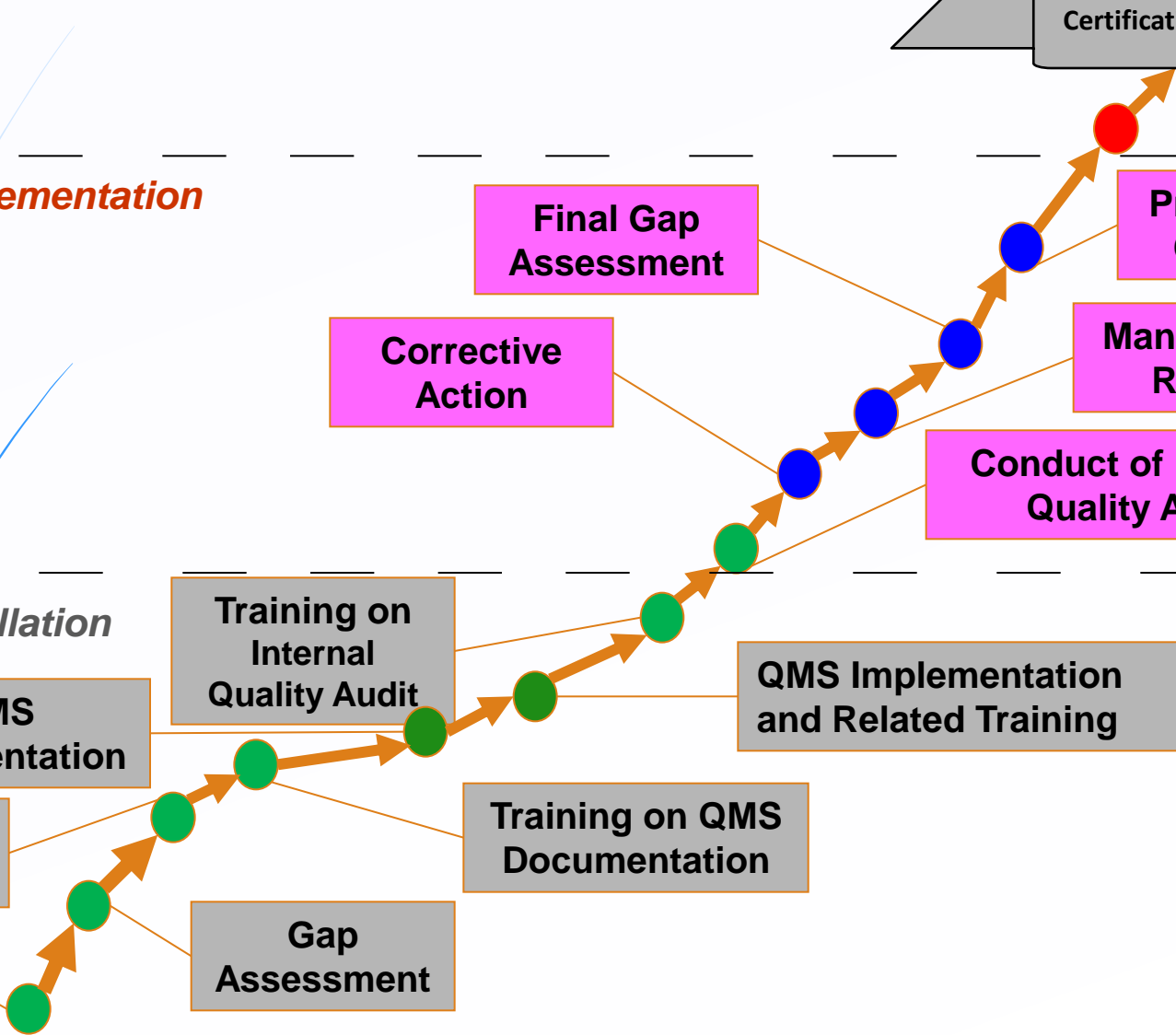
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Training on QMS Documentation

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Gap Assessment

Orientation

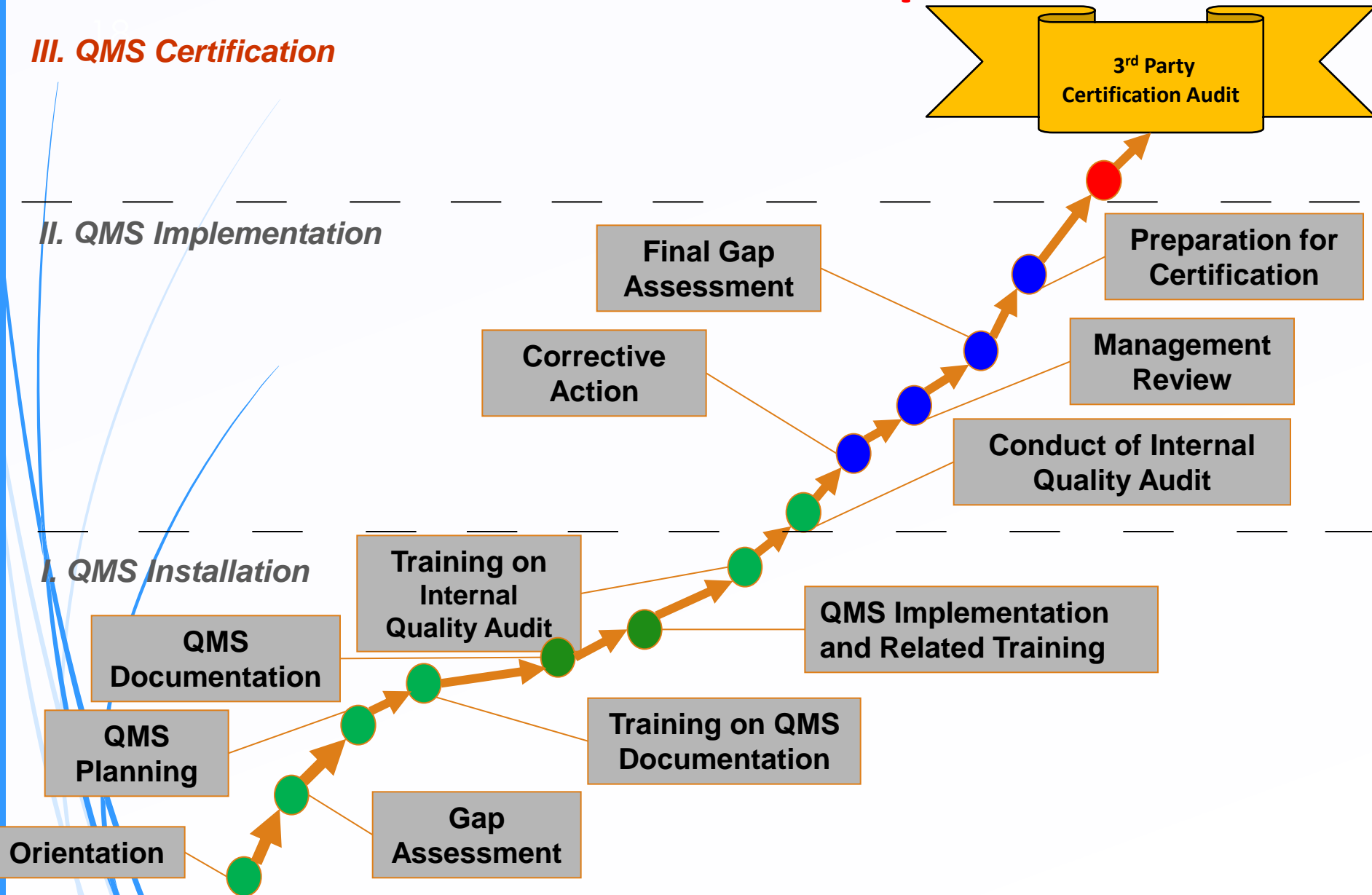


The ISO 9001 QMS Road Map – Phase III

III. QMS Certification

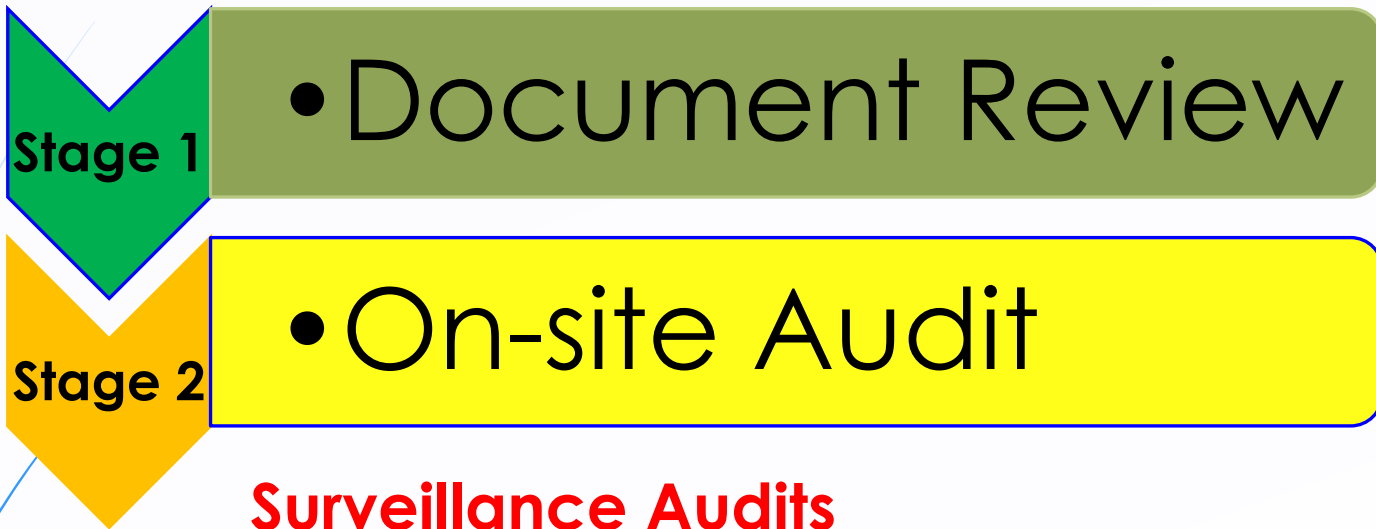
II. QMS Implementation

I. QMS Installation

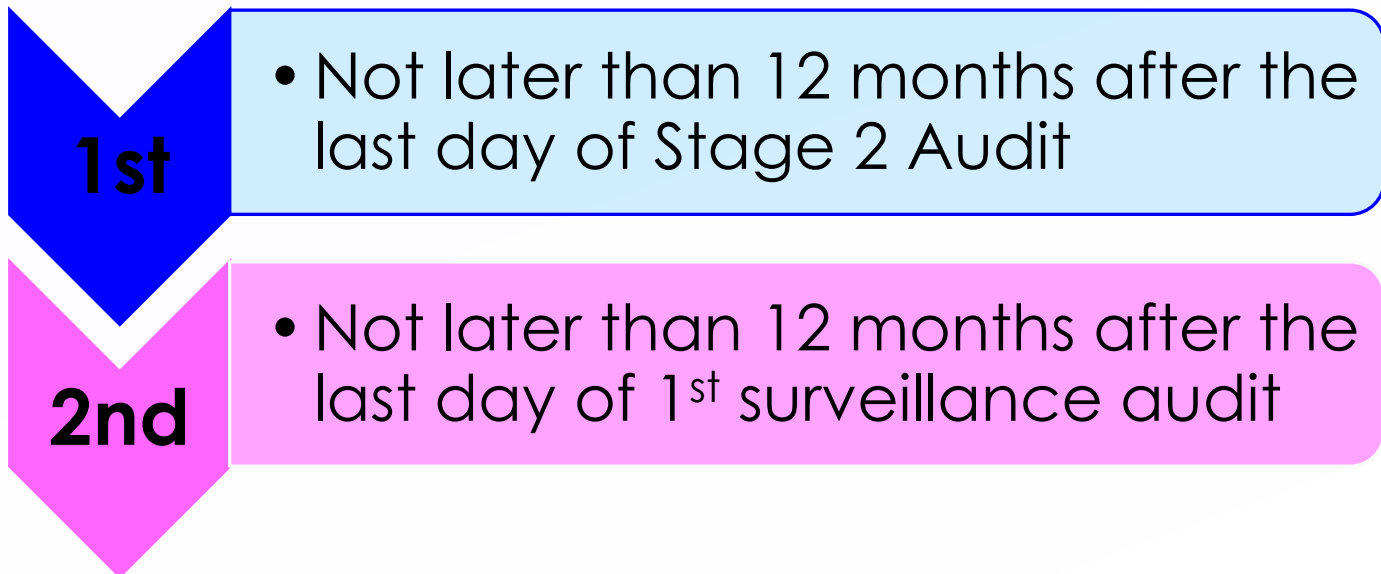


ISO 9001:2015 QMS Certification Process

Initial Audit



Surveillance Audits



The Certification Journey

Stage 1

This initial assessment determines if the mandatory requirements of the standard are being met and if the management system is capable of proceeding to stage 2.

Stage 2

This second assessment determines the effectiveness of the system, and seeks to confirm that the management system is implemented and operational.

Recommendation for Certification

At this point in the process we review any corrective actions taken to address findings raised at Stage 1 & 2. Certification may be recommended.

Certification Review & Decision

The organisation's files are reviewed by an independent and impartial panel and the certification decision is made.

Certification Achieved

Successful certification is communicated to the client. Certificates are issued.

ISO 9001 QMS Benefits in the Public Sector

- Effective performance of mandate/functions
- Continual improvement of services



- Strengthened internal control



ISO 9001 QMS Benefits in the Public Sector

- Improved implementation and documentation of the various stages of planning, analysis, and monitoring



- Standardized processes



ISO 9001 QMS Benefits in the Public Sector

- Recognition to contribution relevant to performance planning, execution, monitoring, and evaluation, and the continuous review and enhancement
- Consciousness on deadlines for complete staff work, with quality outputs relevant to the planned strategic goals and committed performance targets



ISO 9001 QMS Benefits in the Public Sector

- *Organizational context is defined*



- *Risk-based thinking*

SWOT ANALYSIS



- *Inclusion of organizational knowledge*



ISO 9001 QMS Benefits in the Public Sector

- Clean and more organized work areas, as well as improved records filing system



- Prestige and pride to the organization



Costs of ISO 9001:2015 QMS Institutionalization

Phases I and II



Phase III

Trainings/Seminars/
Workshops Required

Target Number of
Participants

Duration of the
Training/Seminar/
Workshop

Effective No. of
Personnel

Other Costs of the
Auditors

FACTORS INVOLVED

Costs of ISO 9001:2015 QMS Institutionalization

Phase		Sample Cost	
I.	QMS Installation/Development	Php	302,400
II.	QMS Implementation		760,000
III.	QMS Certification		1,066,912
Total (Sample)		Php	2,129,312



Costs of ISO 9001:2015 QMS Institutionalization*

Activities/Outputs	Cost Details (inclusive of 12% VAT)	Particulars
First Phase: QMS Development/Installation		
A. Orientation on the Government/ISO 9001:2015 QMS	PhP 22,400	448/pax (50 pax; ½ day)
B. Seminar/Workshop on Quality Policy	PhP 40,000	2,000/pax/day (20 pax; 1 day)
C. Seminar/Workshop on Quality Planning	PhP 40,000	2,000/pax/day (20 pax; 1 day)
D. Seminar/Workshop on Process Mapping	PhP 40,000	2,000/pax/day (20 pax; 1 day)
E. Seminar/Workshop on Risk Assessment	PhP 40,000	2,000/pax/day (20 pax; 1 day)
F. Training Course on ISO 9001:2015 QMS Requirements and Documentation	PhP 120,000	2,000/pax/day (20 pax; 3 days)
Total (Phase I)	PhP 302,400	

* Per **DAP rates** (minimum cost for indicated pax or less)

Costs of ISO 9001:2015 QMS Institutionalization*

Activities/Outputs	Cost Details (inclusive of 12% VAT)	Particulars
Second Phase: QMS Implementation		
A. Training Course on Basic Course on Knowledge Management	PhP 80,000	2,000/pax/day (20 pax; 2 days)
B. Training Course on Basic Productivity and Quality Improvement Approaches	PhP 120,000	2,000/pax/day (20 pax; 3 days)
C. Seminar on Quality Workplace through 5S Good Housekeeping	PhP 80,000	2,000/pax/day (20 pax; 2 days)
D. Training Course on Problem Analysis and Solutions Formulation	PhP 80,000	2,000/pax/day (20 pax; 2 days)
E. Training Course on Auditing QMS	PhP 160,000	2,000/pax/day (20 pax; 4 days)
F. Seminar/Workshop on Risk Assessment	PhP 40,000	2,000/pax/day (20 pax; 1 day)
G. Seminar/Workshop on Identification of Organizational Knowledge Monitoring	PhP 40,000	2,000/pax/day (20 pax; 1 day)

* Per **DAP rates** (minimum cost for indicated pax or less)

Costs of ISO 9001:2015 QMS Institutionalization*

Activities/Outputs	Cost Details (inclusive of 12% VAT)	Particulars
Second Phase: QMS Implementation		
H. Seminar/Workshop on Control of Nonconformity	PhP 40,000	2,000/pax/day (20 pax; 1 day)
I. Seminar/Workshop on Customer Satisfaction Tools	PhP 40,000	2,000/pax/day (20 pax; 1 day)
J. Seminar/Workshop on Management Review Inputs and Implementation	PhP 80,000	2,000/pax/day (20 pax; 2 days)
Total (Phase II)	PhP 760,000	

* Per **DAP rates** (minimum cost for indicated pax or less)



Costs of ISO 9001:2015 QMS Institutionalization

Components	Considerations	Sample Cost Details (inclusive of 12% VAT)
Third Phase: Certification		
A. Audit (initial and surveillance audits)	<ul style="list-style-type: none"> • Should be consistent with the man-days requirement of the IAF MD 5:2015 for the Duration of QMS Audit, which will be based on the no. of effective personnel • PhP25,000 is the estimated cost per man-day <i>(as identified by the DAP)</i> 	Php 644, 000 <i>(for an agency with 876-1175 effective personnel and with 13 man-days for the initial audit only)</i>
B. Other expenses to be incurred by the auditors	<ul style="list-style-type: none"> • Use the applicable COA rates: <ul style="list-style-type: none"> ➤ Airfare average of PhP10,000 round trip ➤ Bus fare of PhP3,000/day ➤ Accommodation expense of PhP3,000/day ➤ Incidental expense of PhP300/day 	Php 422,912 <i>(for 2 pax, 13 sites and 2 days per sites)</i>
Total (Phase III) (Sample Only)		Php 1,066,912

Costs of ISO 9001:2015 QMS Institutionalization

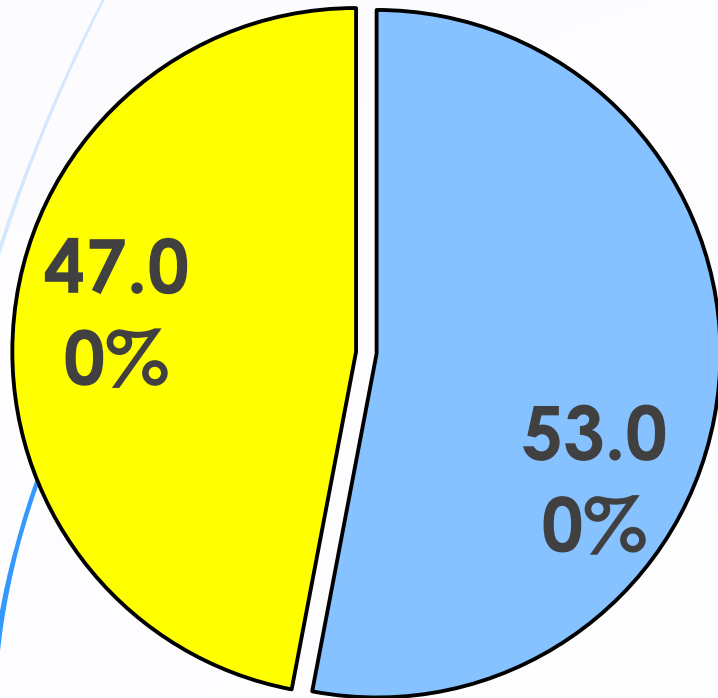
Phase		Sample Cost	
I.	QMS Installation/Development	Php	302,400
II.	QMS Implementation		760,000
III.	QMS Certification		1,066,912
Total (Sample)		Php	2,129,312



Compliance Rate for PBB ISO QMS Requirement

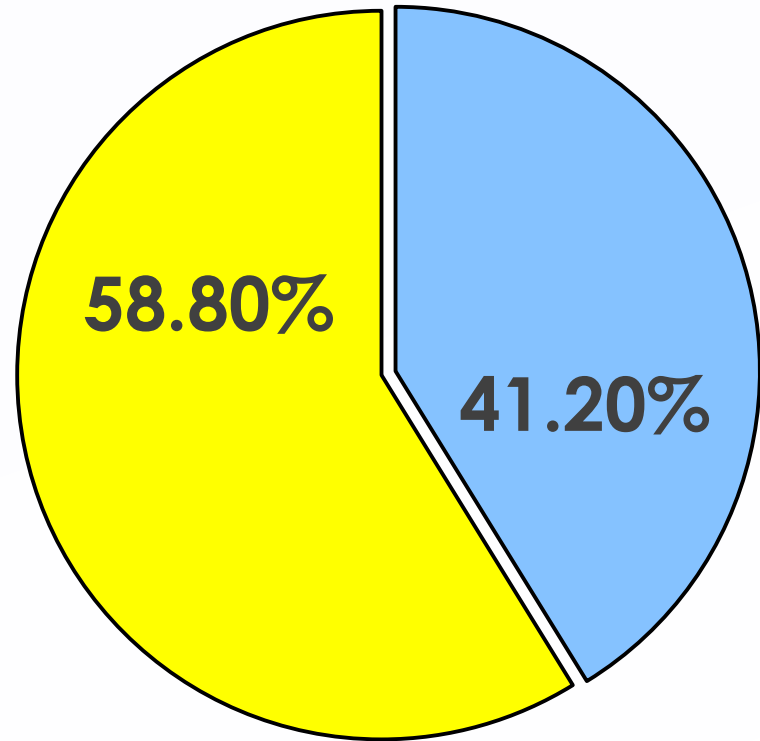
FY 2017

(As of January 31, 2018)

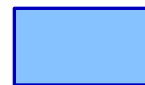


FY 2018

(As of January 31, 2019)



Compliant

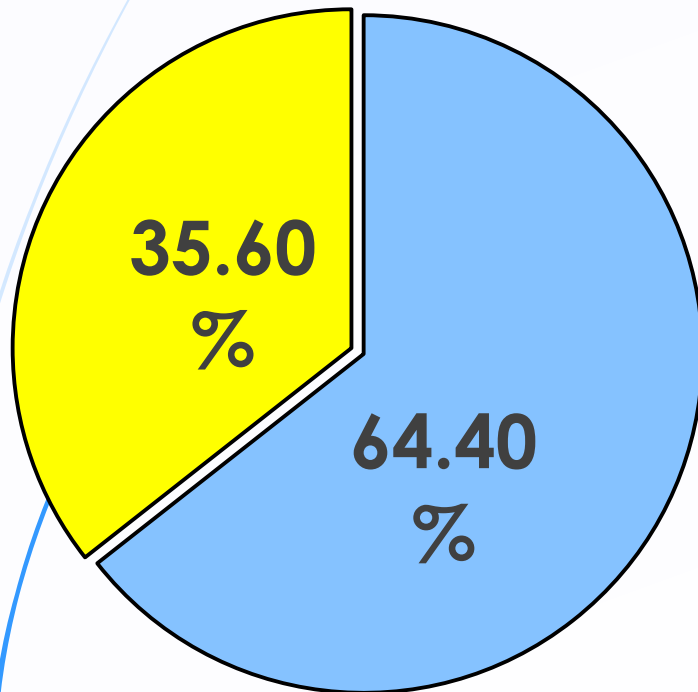


Non-Compliant

With Valid ISO 9001 QMS Certificate

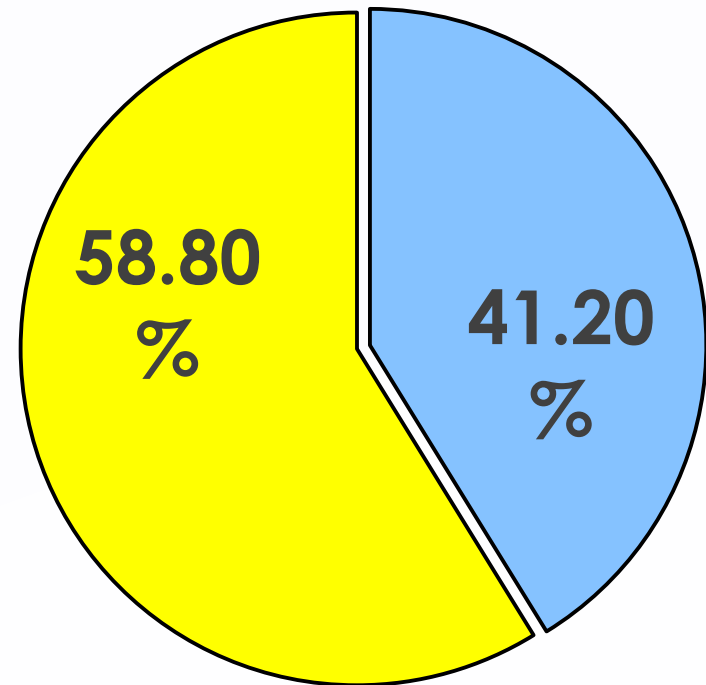
FY 2017

(As of January 31, 2018)

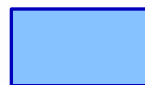


FY 2018

(As of January 31, 2019)



With Valid ISO 9001 QMS Certificate



Without Valid ISO 9001 QMS Certificate

FINAL Compliance Rate on ISO QMS Requirement

(as of January 31, 2019)

CATEGORY	Compliant		Non-Compliant		Total
	No.	%	No.	%	No.
Departments (OSEC) & Attached Agencies	93	66.43	47	33.57	140
Constitutional Offices	4	80.00	1	20.00	5
Other Executive Offices	19	48.72	20	51.28	39
GOCCs under DBM	10	66.67	5	33.33	15
GOCCs under GCG/PCGG	55	52.88	49	47.12	104
State Universities and Colleges	66	58.93	46	41.07	112
Local Water Districts (Category A and B only)	47	55.29	38	44.71	85
TOTAL	294	58.80	206	41.20	500



THANK YOU!

GQMC DBM Secretariat
Systems and Productivity Improvement Bureau
2nd Floor, DBM Building I, Gen. Solano St.,
San Miguel, Manila 1005
735-1976 | 735-1978 (Telefax)
657-3300 loc. 1227/1230



Costs of ISO 9001:2015 QMS Institutionalization

(for other expenses to be incurred by the Auditors)

Transportation Expense [(Airfare average of Php10,000 round trip) x (2pax) x (10sites)] + [(Bus fare of Php3,000/day) x (2 pax)]	Php	206,000.00
Accommodation Expense (Php3,000/day) x (2 pax) x (2 days) x (13 sites)		156,000.00
Incidental Cost (Php300/day) x (2 pax) x (2 days) x (13 sites)		15,600.00
Rounded Total		377,600.00
Add: 12% VAT		
Total	PhP	422, 912.00