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01 100 1834793

Audit Report as per

ISO 9001:2015

for

DIPOLOG CITY WATER DISTRICT (DipCWD)

Minaog,

Dipolog City 7100

Philippines

Client	Standard	Certification Number	Audit Type
DIPOLOG CITY WATER DISTRICT (DipCWD)	ISO 9001:2015	01 100 1834793	Surveillance Audit

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Client's representative Ma. Gracella B. Paluca, QMR

Audit (team) leader Fronie Aligway

Audit team Elisa Cruz (Auditor)

Audit date 2023-07-20

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.

Nonconformities from last audit	There were no nonconformities revealed during last audit.
Nonconformities current audit	The current audit did not reveal any nonconformities.
Re-Audit	A re-audit is not required. In case the current audit did reveal nonconformities please refer to the nonconformity report for more details.
Stage 1 Audit	The current audit is a surveillance audit. Hence, a stage 1 audit was not performed.

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:

- Maintenance of the existing certification

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2. Scope

2.1 Description of the organization

Dipolog City Water District (DipCWD) was created on December 11, 1981 by virtue of Presidential Decree No.198, otherwise known as the “Provincial Water Utilities Act of 1973”. Its original waterworks facilities which include the Ambogoc intake, transmission and distribution lines and a now abandoned infiltration gallery, used to be part of the Dipolog-Dapitan water system until the system of the two cities separated in 1981 by Virtue of Resolution No.163 of the Sangguniang Panglungsod of Dipolog City. It was then registered and issued a Conditional Certificate of Conformance No.179 on December 14, 1982 by the Local Water Utilities Administration

DipCWD depends for now on ground water resources. It has eight (8) operational production wells, two (2) 200-m³ elevated reservoir with iron treatment facility, an 800-m³ concrete tank, and approximately 104 kilometers of pipe network broken down as follows: 15km Transmission Line; 29km Main Line; 57km Distribution Line and 3km Service Line.

The location of the deep well sources are as follows: Pump Station No.1 (Mibang, Sta. Isabel); Pump Station No.2 (Lawag, Ga-las); Pump Station No.3 (Lobing-Ogis, Galas); Pump Station Nos.5,6,7 (Gulayon); Pump Station No.9 (Sangkol); Pump Station No.10 (Sinaman); Pump Station No.11 (Cogon) Pump Station 12 and Pump Station No. 14 (Putting Bato, Upper Dicayas).

DipCWD Vision Statement:

“The Dipolog City Water District by 2028: Delivering Sufficient, Reliable and Affordable Quality Water from the Tap to your Cup 24/7”

DipCWD Mission Statement:

“Driven by Vision, DipCWD committed to:

- Deliver constant, safe and reliable water compliant with National Standards at the least possible cost
- Provide the highest quality service to our customers
- Protect and safeguard our water resources
- Sustain our viability through efficiently managed and resilient network

2.2 Scope of certification

Standard	Scope of certification
ISO 9001:2015	Provision of Water Supply in the City of Dipolog

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

Shift	Not audited	Reason
Pump Operations: 6am - 2pm, 2pm-10pm & 10pm-6am		
Office and Admin: 8am - 5pm		

The audit has not been carried out in the context of a multi-site certification.

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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 1834793	DIPOLOG CITY WATER DISTRICT (DipCWD) Minaog, Dipolog City 7100 Philippines	65	Provision of Water Supply in the City of Dipolog	X

3. Changes in the management system / Contract review

No major changes have been made to the management system and the management system documentation since the last 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.	Department / Process / Location	Positive findings
1	- / Management / -	The following improvements are commendable: - all pump stations installed with CCTV - new four units of UPS desktop computers - new external drive for back-up files - brand new unit air condition Septage Treatment Plant start of operation January 1, 2023
2	- / Pump Station Operation / Pump Stations 10 and 13	Pump Stations are well maintained.
3	- / Construction / -	A total of 4,980 linear meters pipeline extension project completed from October 2022 to June 2023, this is noteworthy.
4	Management / Award/Citation / -	DipCWD was cited by COA as top performer in region IX dated May 2023 is noteworthy.

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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.	Department / Process / Location	Recommendations and opportunities for improvement
1	Engineering and Operations / Water Resources / -	<p>For follow-up next audit</p> <ul style="list-style-type: none"> - Water Permit - Permit to Operate <p>Need to comply the DOH requirement (Water Safety Plan)</p>
2	Engineering and Operations / Calibration / -	<p>Ensure the measurement traceability for the Monthly Verification of Pocket Colorimeter, measurement standard use e.g. method, tolerance</p> <p>May need to consider providing a traceability of pressure gauge and flowmeter used for verification, likewise, the standard reference methodology and tolerance and retained documented information.</p>
3	Engineering and Operations / Planning, Design and Construction / -	<p>(Design) Further improve the design analysis (e. g. hydraulic analysis)</p> <p>(Construction) Provide target and actual accomplishment in the implementation schedule for better monitoring.</p> <p>(Safety Management) Ensure compliance to DOLE requirements (e.g., Health and Safety Program, appointed safety officer)</p> <p>(QA/QC) As an additional quality assurance from the supplier, PS Mark from Bureau of Philippine Standard (BPS) (e.g. pipes) may be considered.</p>
4	- / Corrective Action / -	<p>Consistently reflect the applicable/appropriate clause deviated per raised non-conformity in the issued Corrective Action Report (CAR).</p> <p>Likewise, ensure attaching documented evidence(s) reviewed during the conduct of verification activity in closing out an issued non-conformity.</p>
5	Engineering and Operations / Maintenance - Transportation / -	<p>With the gathered data on the corrective maintenance of equipment/ vehicle, consider reviewing and analyzing for continual improvement.</p> <p>Third party safety inspection of heavy equipment (e.g. backhoe) may be considered.</p>
6	- / Maintenance - Pump Station / -	<p>With the volume of documented records produced during the maintenance activity, consider utilizing an excel worksheet where record updating can be integrated for workflow efficiency.</p>
7	Internal Audit / - / -	<p>Revisit the Audit Checklist and ensure to fill-up the necessary information like date of internal audit conducted, area to be audited, name of auditor & auditee, etc.</p>

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No.	Department / Process / Location	Recommendations and opportunities for improvement
		Consider summarizing the results of internal auditor's evaluation rating.
8	Procurement / Purchasing / -	Consider the following: <ul style="list-style-type: none"> • Reflect the date of supplier's accreditation at the List of Active Supplier's • Reflect the rating criteria at the Supplier's Evaluation Form for supplier reference purposes • Include the evaluation of supplier activities as quality objective to be monitored
9	Information Technology / - / -	Ensure to document all the improvements discussed as identified opportunities. This will be checked next audit.
10	Commercial Department / Handling of complaints / -	Currently a procedure for classifying complaints from request is still for formulation, this will be checked next audit.
11	Commercial Department / Calibration / -	There's a need to improve the calibration verification (calibration certificate) report by reflecting the reading of the measured value during the conduct of verification, i.e., May 31, 2023, as sampled for water tank with 10L capacity.

5. Dates

Due date for the next audit	2024-06-29
Agreed date for the next audit	2024-05-29
Audit release date	2023-07-25

2023-07-24

Signature date



Fronie Aligway

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"> • Delay dissemination of the communication/information to the concerned personnel • High cost on equipment rental (mini excavator) • Non vaccination of booster shots to some workers • Low voltage, worn out electrical fixtures, breakdown of air-conditioning units • Insufficient water supply due to under capacity pipe size • Unclear specifications of requisitioned items/supplies resulting to waiving of awards & delaying procurements • Shortage of water revenue due to pandemic • Unreliable plan and design due to absence of hydraulic analysis and other data • Lack of manpower due to pandemic • Decrease in collection efficiency. • Hacked DipCWD Server processing • Disconnection list on DipCWD Enterprise System • Budget constraints • Safety of systems data • Encrusted and worn-out pipes • Regulatory requirements • Strategies to achieve DipCWD policies and objectives • Relationship with its staff and board of directors • Resources and knowledge • Information system <p>External issues:</p> <ul style="list-style-type: none"> • Insufficient water supply due to lack of storage facility/reservoirs at high elevated areas. • No water supply for elevated areas due to damaged booster pump • Customer unwilling/unable to pay previous account • Late/no delivery during pandemic - Difficulty in procuring supplies • Limited access to enter some areas of Dipolog due to lockdown • Cooperation issues due to political agenda • Public safety and convenience • Government regulations and changes in law • Competition on the water supply • DipCWD image • Changes in technology <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"> • BOD/Top Management – Clear and define plans and programs, compliance to all statutory requirements including all applicable requirements • Concessionaires - Enough Potable Water Supply and improved water quality compliant to standards • Suppliers - Good and harmonious relationship and delivered in Materials Or-dering & delivery due to pandemic • Employees - Good working environment and salary

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Item	Audit result
	<ul style="list-style-type: none"> • NWRB - Timely and courteous reports and permits • LGU - Dipolog Good healthy Relation and quality services • BOD/Employees/Concessionaires/Suppliers -on time submission of reports, efficiency and accuracy of work, speedy transactions • Regulatory Agencies - Compliance to requirements • Water District Association - prompt payment of dues and fees, etc. • Bulacan Bulk - Payment on time Development of pipeline Preparedness of the system Report of leakages Compliance on the MOA • Phil. Hydro Inc./ LWUA - Payment on Time LWUA Fund Project Status Water Quality NRW
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> <ul style="list-style-type: none"> • Access to Potable water/ Target: Percentage of household with access to potable water against the total number of households within the coverage of the LWD/ 100% within coverage households) • Reliability of Service/ Target: Percentage of households connections receiving 24/7 supply of water/ 100% within coverage households) • NRW/ Target: Percentage of unbilled water / Not more than 30% • Potability/ Target: Average deviation from PNSDW (Chlorine residual requirements) from January 1 to December 31/100% complied within required quantity) • Adequacy/reliability of service/ Target: Average response time to restore service when there are interruptions based on the Citizen's Charter of LWO proposed for approval by CSC/ 100% attainment of required timeliness) • Sanitation Facilities / Target: Percentage of households enjoying sanitation facilities/ 100% coverage of target households) • Report on physical/ chemical test water of water/ Target: 100% complied based on testing requirements) • Report on bacteriological test water of water/ Target: 100% complied based on testing requirements) • Actual implementation of CAPEX project/ Target: 100% completed based on planned timeline) • 36 M.O. / S.R. Accomplished • Meter Declogging/ others (60 M.O. / S.R. Accomplished) • Meter stand extended / month (60 M.O. / S.R. Accomplished) • 10 Meter replaced /Month (60 M.O. / S.R. Accomplished) • 17 pressure gauge monitored <p>Sampled departmental quality objectives: Engineering & Operations > Pump Stations</p> <ul style="list-style-type: none"> • Delivers water supply of at least 10 psi of water to >75% to total connections 24/7 except peak hours • Submits monthly account monitoring report within 10 working days of the ensuing month <p>Engineering & Operations > Maintenance - Transportation, Pump Station, Pipelines,</p>

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	<p>Calibration</p> <ul style="list-style-type: none"> • Supervises the assignment of job orders from the system within 24 hours • Attends to all Maintenance complaints 1 working day upon complaint • Percentage of unbilled water to water production • Delivers at least 10 psi to >75% of total connections 24/7 during peak hour <p>Purchasing/Procurement</p> <ul style="list-style-type: none"> • 70% of goods and services purchased within 15 days for locally supplied goods and services • 70% of goods and services purchased within 30 days for goods and services from suppliers outside the local area <p>Customer Feedback/Complaints Handling</p> <ul style="list-style-type: none"> • 90% of the customer complaints through system acted and forwarded within 8 working hours from receipt • 100% of the complaints through hotline 8888 acted within 72 hours <p>Information Technology</p> <ul style="list-style-type: none"> • Monitoring and troubleshoots existing integrated system of DipCWD, submits monthly reports on monitoring of existing integrated system of DipCWD • Maintenance of all IT hardwares, submits maintenance report on the 7th working day
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"> • Planning, Design & Construction • Human Resource • Engineering and Production • Quality Control • Administrative • Purchasing/Procurement • Maintenance • Consumer Service • Commercial which includes Billing • Finance/Collection <p>The following processes have been outsourced and are appropriately reviewed and controlled:</p> <ul style="list-style-type: none"> • Water analysis -the organization submits water samples to a third-party laboratory Construction if necessary • Some maintenance Service • Calibration • Hydraulic Analysis • Georesistivity

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Item	Audit result
Risk-based thinking	<p>The requirements for risk-based thinking are being realized in the organization as follows:</p> <p>Risk-based thinking has been applied for the following processes:</p> <ul style="list-style-type: none"> • Planning, Design & Construction • Human Resource • Engineering and Production • Quality Control • Administrative • Purchasing / Procurement • Maintenance • Consumer Service • Commercial • Finance / Collection • Information Technology <p>Examples of risks and opportunities of processes identified are:</p> <ul style="list-style-type: none"> • Insufficient water supply due to under capacity pipe size • Insufficient water supply due to lack of storage facility/reservoirs at high elevated areas • No water supply for elevated areas due to damaged booster pump • Low water supply due to Filter system clogged • Regular backwashing • Additional water source, treatment plants, reservoir, transmission pipeline, distribution lines • Additional regular technical personnel • High cost on equipment rental (mini excavator) • Low voltage, worn out electrical fixtures, breakdown of air conditioning units • Delayed maintenance activity due to tight schedule/needs of vehicles • Inexperienced operator • Regular maintenance activities not strictly followed • Unauthorized deletion/manipulation of data on employees PC • Unattended calls and texts over cellphone and landlines due to lack of available CS personnel, no PACD unit/office • On-time procurement process during pandemic • Provision of safety materials and flexible working schedule to employees <p>Examples of measures taken to react on identified risks are:</p> <ul style="list-style-type: none"> • Repair/replacement of booster pump. Water rationing at elevated areas with no water. • Propose plans for construction of storage facility/reservoirs • Regular backwashing • Decrease the pumping capacity of the pump and test chloride level until standard chloride level is met. • Preparation of technical drawings, plans, estimates, permits • Request for additional technical personnel

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Item	Audit result
	<ul style="list-style-type: none"> • Public Bidding & Request for new mini excavator • Implementation of preventive maintenance inspection, repair & replacement of damage fixture, outsource services, specify high quality materials with PNS Cert. & strict checking of materials • Strict follow-up of maintenance activities of vehicles being performed. • Demonstration/training of operator • Supervisor strictly checks maintenance of pumping equipment record • Monitor the alphanumeric password with special characters and password hashing • Follow-up management for the request of additional personnel, establishment of PACD office <p>Examples of risks and opportunities concerning the context of the organization are:</p> <ul style="list-style-type: none"> • Location tagging of concessionaire's houses now stored in the computer system. • Location tagging of water meters in their respective designated areas are stored in the meter readers phone/devise for reading • Billers can now update temporary usages and be forwarded to meter readers' phone • Disconnection date is already printed in the bill • Hired in-house software developer to facilitate and troubleshoot system errors • Shortage of water revenue due to pandemic • Decrease in collection efficiency • Employees' exposure to COVID-19 • Help alleviate the financial crisis brought about by the pandemic • Delay or absence of compliance resulting to sanctions and penalties • Local Government Unit official disapproval of projects • Scarcity of water source causing complaints from customers • Partial implementation and resistance to adhere to the policies <p>Concerning risk based thinking the following tools are used:</p> <ul style="list-style-type: none"> - SWOT Analysis - Risk Registry (based on the concept of ISO 31000)
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"> • 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

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Item	Audit result
	<ul style="list-style-type: none"> • Daily Leakages/ Maintenance Report <p>Key regulatory, statutory and customer-related requirements include:</p> <ul style="list-style-type: none"> • The 2017 Philippine National Standard for Drinking Water • Local Water Utilities Administration • RA 9184 (Government Procurement Act) • Qualification Standard of Civil Service Commission, revised 1997 • Energy Regulatory Commission • Environmental Compliance Certificate • National Water Resource Board Water Permits • LGU ordinances, etc.
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> <p>Customer Satisfaction: Latest satisfaction survey result (Concessionaires Satisfaction Survey) for year 2023 was rated 4.52 (very satisfactory) at the time of audit.</p> <p>Note on rating: 5 outstanding 4 very satisfactory 3 satisfactory 2 unsatisfactory 1 poor</p> <p>Customer Complaints: A total of 1493 complaints received for year 2023 (as of June 2023). All complaints have corresponding action plan taken against each complaint.</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. 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>Internal Audit: Date: June 19, 20 & 21, 2023 Results of Internal Audit:</p> <ul style="list-style-type: none"> • Total findings: 67 Positive: 33 Opportunities for improvement: 34 Minor non-conformities: 0 Major non-conformities: 0 <p>Note: All issued OFIs action plan were monitored by respective internal auditors.</p> <p>Management Review:</p>

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Item	Audit result
	All management review input and output requirements were discussed and documented at the minutes of management review meeting. Date of last management review: 2023-07-14
Use of certificate and logo	The organization uses the logo and the certificate (e.g. on business cards, company brochures, websites etc.) in compliance with the requirements.

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 *	1	1	1	1	1	1	1	1	1	1	1	1
Minor nonconformity	0	0	0	0	0	0	0	0	0	0	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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