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01 100 1634742

Audit Report as per

ISO 9001:2015

for

Carcar Water District

**San Vicente Ferrer St. Cogon, City of Carcar,
Cebu, 6019 Philippines**

Client	Standard	Certification Number	Audit Type
Carcar Water District	ISO 9001:2015	01 100 1634742	Recertification Audit

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Client's representative	Ms. Josefa Salvacion N. Josefa Salvacion N. Manugas
Audit (team) leader	Fronie Aligway
Audit team	Elisa Cruz (Auditor), Madilyn Plaza (Auditor), Philura Hipe (Auditor)
Audit date	2022-12-15

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	There have been no significant changes to the management system, the organization or the context in which the management system is operating.

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 and the review of the system over the period of the certification and complaints received from users of the certification that the organization's management system complies with, adequately maintains and implements the requirements of the standard.

Recommendations:

- Award of new certificates

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2. Scope

2.1 Description of the organization

Carcar Water District was previously managed by the Local Government Unit of then Municipality of Carcar under the name Carcar Waterworks System. On February 12, 1980, Carcar Waterworks System was turned over to Carcar Water District through SB Resolution No. 15, Series of 1980.

On May 30, 1980 Carcar Water District was created pursuant to the provisions of PD 198, as amended, and was conferred with Conditional Certificate of Conformance No. 117 by the Local Water Utilities Administration (LWUA).

Carcar Water District is identified at Category B
CWD is a GOVERNMENT-OWNED CONTROLLED CORPORATION (GOCC) created under PD 198 commonly known as the Provincial Water Utilities Act of 1973. Its purpose is to acquire, install, improve, maintain and operate water supply and distribution system for domestic, commercial, industrial, and municipal uses for residents within the boundaries of the City of Carcar, Cebu wherein it expands its services to the Municipality of Sibunga, Cebu.

CWD is headed and managed by its general manager, a department manager and four division managers. The policy making authority of the water district is vested with the five-member Board of Directors, each representing the sectors on Business, Education, Civic, Professional and Women.

There are 22,165 consumers as of September 2021.

2.2 Scope of certification

Standard	Scope of certification
ISO 9001:2015	Supply of Water Services to Concessionaires in the City of Carcar and its Neighboring Towns

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
Office: 8:00am to 5:00pm Monday to Friday		
Leak Detection Team: 9pm to 6am Monday–Friday,	X	A representative sample documents were taken and inspected during the time of audit.
Pump Stations: Monday to Friday (24 hours) while Saturday and Sunday, 8am to 5pm		For grave shift not audited, a representative sample documents were taken and inspected during the time of audit

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

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

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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 1634742	Carcar Water District San Vicente Ferrer St. Cogon, City of Carcar, Cebu, 6019 Philippines	116	Supply of Water Services to Concessionaires in the City of Carcar and its Neighboring Towns	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:

- Corrected the company address to "San Vicente Ferrer St. Cogon, City of Carcar, Cebu 6019" as per BIR Form 2303 Certificate of Registration issued April 13, 2018
- Rate increase was approved by LUWA December 13, 2021 and implemented on February 2022
- Newly revised organizational structure was approved by DBM September 2022 including the 26 positions requested
- A very slight increased in manpower from 115 of calculation tool dated October 4, 2022 to 116 at the time of audit, December 15, 2022

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.

During the audit changes to the original audit plan were made. The changes are documented in the audit plan and were agreed with the customer on site.

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	- / Construction and Engineering / -	Completed projects from July 2022 to September 2022 - around 2,000 linear meters of laid pipelines - Rehabilitation and Restoration of CWD Main Building - CWD Waiting Shed Improvement
2	Top Management / - / -	All KPIs (based on OPCR) have been met as of June 2022.

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		Approval of the Pro-Poor Project Proposal Phase2 with the Water For Life Organization in the Netherlands – 2022-2024. This is an access to water for the 10,218 low profile income people, public schools and public hospital in Carcar City, approved March 2022.
3	Awards and Recognition / - / -	The following awards and recognitions are highly commendable; <ul style="list-style-type: none"> • WaterworX Operators Partner (WOP) Winner for Leadership Category dated May 18, 2022 • Performance Based Bonus for CY 2021 was approved December 1, 2022 • Unmodified COA Opinion for the 2nd consecutive year for FY 2021
4	CSR Activities / - / -	The following CSR activities conducted are noteworthy; <ul style="list-style-type: none"> • Training for Basic Plumbing for Barangay Tanods – May 2022 • Campaign to End Violence against Women and Children for SHS and College students – December 2, 2022 • Assist in the Repair of Water Pump for Tagaytay Water Association – March 2022 • Meeting with Water Providers (re: Cholera Outbreak in Barili) – May 2022

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	Human Resource / - / -	Ensure to perform the training or intervention for the top priority skills training identified.
2	Administrative Services / - / -	The verification of the NC raised during internal audit for the unmet targets without NC will be checked next visit.
3	Commercial Division / - / -	The effectiveness of the actions/controls for the significant risks will be verified next visit.
4	- / Maintenance and Calibration / -	The certificate of calibration for the clamp meter will be checked next visit. Ensure to have the other units of district flowmeters scheduled for 2023 to be verified once the clamp meter is available. Need to have a Structural Integrity test for the old tanks e.g. Tawog tanks tank#1 (32 years old), tank#2 (18 years old). When writing the observation for the inspection report, need to indicate the actual observation not only a check mark or leave it blank.
5	- / Production / -	Ensure not to exceed the maximum limit extraction granted by NWRB, as sampled, Can-asujan PS and Napo PS have an extraction of 3.0 lps > 2.29 lps (granted by NWRB) and 16.97 lps > 15 lps (granted by NWRB), respectively. For follow-up next visit, status of water permits application.

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6	- / Construction and Engineering / -	<p>Ensure controls of the Contractor with regards to legal/regulatory requirements, safety management and quality assurance.</p> <p>Further enhance the following:</p> <ul style="list-style-type: none"> - to incorporate issue/concern at the project site in the Activity /Accomplishment Monitoring - Hydro Testing to include the design parameter, as well as the measuring equipment used and the validity of the calibration
7	Marketing & Customer Service / - / -	<p>Consider to improve the process of tracking the closure of Job requests by utilizing one unique tracer from issuance to closure.</p>
8	Management of Risks and Opportunities / - / -	<p>Update the Risk Assessment Guidelines, GL-RAI-01 to capture guidelines in the evaluating the effectiveness of the risk actions as well as identifying opportunities and its action plans.</p> <p>Consider adding the following:</p> <ul style="list-style-type: none"> • Revision History for changes / updates in the SWOT analysis. • Commit dates for the defined Control Measures in the Risk Matrix. <p>Consistently update the Quality Objective Results Monitoring.</p>
9	Quality Objectives, Targets and Programs / - / -	<p>Ensure to capture the review of performance against objectives (OPCR and Quality Objectives) during the Management Review (e.g. Quarterly Assessment or QMS Review).</p> <p>Consider presenting the performance against Quality Objectives using trend charts with pareto of contributors and action plans for unmet targets. This will provide Top Management with a readily visible information of how each department / division's performance is progressing.</p>
10	Internal Audit / - / -	<p>Status of 7 NCs raised during the 2nd internal audit will be checked next audit.</p>
11	Purchasing / - / -	<p>Consider calculating the over-all average score of supplier's performance evaluation from each period to know the over-all performance.</p>
12	Warehouse / - / -	<p>Ensure that item inventory matches all quantity at bin card, system (MMS) and the actual count, as sampled for Teflon with stock code 03-0235, bin card and system quantity was 38 but the actual quantity count was 46 rolls.</p> <p>Likewise, may need to improve the storage of items stored outside (rack) the warehouse e.g. grouping according to the same kind of items and proper labelling, etc.</p>
13	Quality Objective / (common to Finance, Warehouse, Motorpool) / -	<p>Ensure that the value set as target will be the same in the monitoring results, as observed, target is set at percentage (%) level but the monitoring results is in fractional level.</p>
14	Control of Documented Information / - / -	<p>Revisit the policy on recycling papers, as observed at Motorpool there are some documents were not checked before using, sampled were Certificate of Project & Acceptance and Procedure Manual for Water Disinfection.</p>

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5. Dates

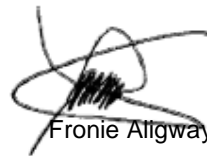
Due date for the next audit 2023-12-22

Agreed date for the next audit 2023-11-22

Audit release date 2023-01-18

2022-12-21

Signature date



Fronie Allgway

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>Employees</p> <ul style="list-style-type: none"> • Rewards and Recognitions • Health and Wellness <p>Concessionaires</p> <ul style="list-style-type: none"> • Service Reliability • Excellent Customer Service <p>Regulatory bodies: LWUA, NWRB, DENR, COA, CSC, BIR, DBM, HMDF, LTO, DOLE, Pag-ibig, DPWH, GCG, Philhealth, DILG, GPPB</p> <ul style="list-style-type: none"> • Settlement of Payment of Fees/Licenses • Waiver of Water Appropriation <p>LGU</p> <ul style="list-style-type: none"> • Service Reliability • Excellent Customer Service <p>Other Water Providers</p> <ul style="list-style-type: none"> • Turnover of water system <p>Media</p> <ul style="list-style-type: none"> • Professional Business Dealing • Transparency <p>Natural Disaster</p> <ul style="list-style-type: none"> • Typhoon "Odette" <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"> • Suppliers • VEI (Vitens Evides International) - foreign assistance provider • Private Water Supplier • Other NGOs
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"> • 100% of job orders received acted upon within 24 hours • Overall Customer Satisfaction Rating -SATISFACTORY • At least 32 cubic meter per active connection per month • No incidents for pressure gauges with less than 10 psi per month • Information is provided 1 day before schedule of interruption and within 15 mins. from start of emergency repairs • At most 20% NRW per month • At least 25 cubic meter per active connection per month • At most 30 incidents for pressure gauges with less than 10 psi per month • At most 20 complaints per month regarding low pressure to no water supply <p>Sampled Departmental Quality Objectives:</p>

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Item	Audit result
	<p>Warehousing</p> <ul style="list-style-type: none"> - 100% submission of IARs within 24 business hours from the delivery - Zero petty cash purchases for stocked items - 100% reconciled stock balances - Zero losses of CWD inventory and non-inventory materials and supplies <p>Motorpool</p> <ul style="list-style-type: none"> - 100% preventive maintenance conducted as scheduled - Corrective maintenance is initiated within 24 business hours from receipt of job order - Zero breakdown for vehicles and equipment one month after complete PMS and corrective maintenance - Zero losses of CWD vehicles, tools, and equipment within the office premises - Zero accidents involving CWD vehicles, tools, equipment and personnel handling the same <p>Housekeeping</p> <ul style="list-style-type: none"> - 95% of the total areas as specified in the housekeeping checklist - Zero losses of CWD and employees' personal belongings within the office premises <p>Commercial Division</p> <ul style="list-style-type: none"> - 80% of delinquent accts scheduled for disconnection, disconnected or collected before the next disconnection cycle- target not met; revise QO target to 80% - 12% of delinquent accounts disconnected before the next disconnected before the next disconnection cycle - 99.60% of the 90% total accomplishment disconnected or paid before the fourth billing <p>Customer Service</p> <ul style="list-style-type: none"> - 95% of Ext Job requests (within the day or next working day depending on scenario) - 90% of Internal Job Requests (within 1 working day after receipt of request) <p>Construction and Engineering</p> <ul style="list-style-type: none"> - To ensure that scheduled projects within the year are implemented ad delivered safely on time, on budget, target: 85% of all project cost expended by the end of the year - Ensure that all regulatory and statutory requirements are complied with prior to project implementation, 100% of construction projects covered with necessary permits - Ensure that specifications for requested materials are complete and accurate, 100% of materials delivered according to the specifications in the PR <p>Production Team</p> <ul style="list-style-type: none"> - To reduce the NRW, at most 20% NRW per month – 16.72% and 22.31% - To prevent accident, injuries and death attributable to unsafe working conditions, zero accident at assigned workplace - To ensure potability of water, 0.30-1.5 mg/li chlorine residual

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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 and Development • Installation of Pumps and Pipelines • Marketing/Customer Service • Meter Installation/Billing/Collection • Water Production/Water Treatment • Maintenance of Pipelines • Administrative Services/Warehousing/Purchasing/Motorpool • Human Resources • Finance <p>The following processes have been outsourced and are appropriately reviewed and controlled:</p> <ul style="list-style-type: none"> • Physical and Chemical Water Testing • Calibration of instruments • Security
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"> • Management • Commercial • Billing • Finance Services • Customer Services • Preventive Maintenance Services • Water Resources • Design and Construction • Water Production • Human Resource <p>Examples of risks and opportunities of processes identified are:</p> <ul style="list-style-type: none"> - Fail to satisfy the project input requirements - Projection of task completion and resources needed is inaccurate - Shortage of water supply - Contamination - Inadequate privacy and protection of customer's personal data - No water supplies - Delay of activities/tasks - Lack of Risk Reduction Program

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	<p>Examples of measures taken to react on identified risks are:</p> <ul style="list-style-type: none"> - Adjusting the assumptions - Provide +10% of the duration - Avail legal remedies, coordinate with OGCC as need arises - Water Quality Production procedure - Orientation of data privacy policy - Refer to operation and maintenance for identification of areas with no water supply - Prepare resources needed in preparation for a third installation team - Prepare and establish Disaster Risk Reduction Program (OGM) <p>Examples of risks and opportunities concerning the context of the organization are:</p> <ul style="list-style-type: none"> - Rate increase approval - CWD Public Service Continuity Plan - Napo Water System Expansion - Water system improvement through booster pump installation - Error in disconnection of water meter - Inefficient procurement system - Mishandling of vehicles and equipment <p>Concerning risk based thinking the following tools are used:</p> <ul style="list-style-type: none"> • Risks and Opportunities Assessment Matrix • SWOT Analysis
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 • Chlorination – All pumping stations (e.g. Langub Pumping Station, Ma-init Spring, Kabitohan Spring, Magsipit Pumping Station, Baha-baha pumping station, Cambuntan/Relis pumping station, etc.) • Water quality inspection, e.g. for checking Chlorine residuals • Monthly Microbiological Water Analysis • Physico- Chemical Analysis • Pump efficiency tests • Daily Leakages/ Maintenance Report • Water bill <p>Key regulatory, statutory and customer-related requirements include:</p>

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	<ul style="list-style-type: none"> • The Philippine National Standard for Drinking Water of 2017, Administrative Order No. 2017 -0010, 23 June 2017 • The Guidelines for Monitoring the Bacteriological Quality of Drinking Water in the Philippines • Local Water Utilities Administration (LWUA) • PD 198 (Water Utilities Act) • RA 8041 (National Water Crisis Act) • RA 9184 (Government Procurement Act) • Qualification Standard of Civil Service Commission, revised 1997 • Energy Regulatory Commission • Laboratory Accreditation • Environmental Compliance Certificate • National Water Resource Board (NWRB) for Water Permits
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: Survey conducted: September 13, 2022 – October 10, 2022 Overall = 3.88 Very Satisfactory Note on rating interpretation: 1.00 - 1.75 Very Dissatisfaction 1.76 - 2.51 Dissatisfaction 2.52 - 3.27 Satisfaction 3.28 - 4.00 – Very Satisfactory</p> <p>Customer Complaints: As of December 2, 2022 – 217 complaints received Kinds of Complaints: Low pressure to no water > 176 of 217 Leakage > 12 of 217 Inspection > 11 of 217 Note: Analysis and actions were done to address these complaints</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>Date of last management review: 2022-12-07</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 *	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