



GOVERNMENT QUALITY MANAGEMENT COMMITTEE (GQMC)

MEMORANDUM CIRCULAR NO. 2017-1

June 23, 2017

TO : All Heads of Departments, Bureaus, Offices and Other Agencies of the National Government, Constitutional Commissions, Congress, the Judiciary, Office of the Ombudsman (OMB), State Universities and Colleges (SUCs), Government-Owned or -Controlled Corporations (GOCCs), and Local Water Districts (LWDs)

SUBJECT : Guidelines on the Validation of the ISO 9001 Quality Management System (QMS) Certification or ISO-Aligned QMS Documents as a Requirement for the Grant of the FY 2017 Performance-Based Bonus (PBB)

1.0 BACKGROUND

1.1 Memorandum Circular (MC) No. 2017-1¹ dated March 9, 2017 was issued by the Administrative Order (AO) No. 25² Inter-Agency Task Force (IATF) to provide the criteria and conditions for the grant of the FY 2017 PBB.

As indicated under said MC, one of the conditions under the common Support to Operations (STO) indicators and targets for the grant of the FY 2017 PBB is the **posting** of either of the following in the Agency website's **Transparency Seal** page **not later than December 31, 2017 (Items 5.1.a.6 and 6.2.a)**:

1.1.1 QMS ISO certification of at least one (1) core process by any international certification body (ICB) accredited by the International Accreditation Forum (IAF)³ members, following through with the progress achieved in 2016.

¹ Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2017 under Executive Order (EO) No. 80, s. 2012 and EO 201, s. 2016 dated March 9, 2017

² Creating an Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems dated December 21, 2011

³ The IAF is the world association of Conformity Assessment Accreditation bodies and other bodies interested in conformity assessment in the fields of management systems, products, services, personnel and other similar programs of conformity assessment. Its primary function is to develop a single worldwide program of conformity assessment which reduces risk for business and its customers by assuring them that accredited certificates may be relied upon. Accreditation assures users of the competence and impartiality of the body accredited. IAF members accredit certification or registration bodies that issue certificates attesting that an organization's management, products or personnel comply with a specified standard (called conformity assessment). (<http://www.iaf.nu/>)

Preferably, the ICB is accredited by the Philippine Accreditation Bureau (PAB)⁴ of the Department of Trade and Industry (DTI), which is a member of the IAF and authorized to accredit ICBs in the Philippines. **or**

1.1.2 If an agency is not yet ISO certified, at least an ISO-aligned documentation of its QMS for at least one (1) core process, to include the following:

- (1) Approved Quality Manual and approved Procedures and Work Instructions Manual (PAWIM), including forms; **and**
- (2) Evidence of ISO 9001-aligned QMS implementation, i.e.,
(a) Certification of the Head of Agency on the conduct of Internal Quality Audit and (b) Minutes of the FY 2017 Management Review.

For frontline agencies, it is expected that the core process pertains to an agency process most demanded by citizens and businesses. **(Item 6.2.b)**

1.2 Under **Item 10.10** of said MC, a **certified-true copy of the Agency's ISO QMS Certificate/s** shall be submitted to the GQMC, thru the Department of Budget and Management (DBM) Secretariat - Systems and Productivity Improvement Bureau, immediately after obtaining an ISO QMS Certificate or Recertification or not later than December 31, 2017, for verification purposes.

1.3 The **GQMC**⁵ is tasked to conduct the validation of compliance of agencies with the PBB requirement for QMS Certification **or** ISO-aligned QMS documentation per **Item 11.0** of the AO 25 IATF MC.

1.4 The assessment of agency compliance with the Good Governance Conditions (GGCs) and other PBB requirements shall be conducted starting **October 1, 2017 (Item 5.3)**. The **deadline** for the validation of QMS Certification **or** the ISO-aligned QMS documentation is **on or before January 31, 2018 (Item 15.0)**.

The results of the validation indicating the non-compliant agencies shall be posted in the Results-Based Performance Management System (RBPMS) website⁶ **(Item 10.11)**.

1.5 Finally, **officials and employees responsible for the QMS certification or alignment** specified in Sections 6.2.a and 6.2.b **shall not be entitled** to the FY 2017 PBB if the Department/Agency fails to comply with said requirement, as stipulated under **Item 7.17** of the AO 25 IATF MC.

2.0 PURPOSE

This Memorandum Circular is issued to prescribe the guidelines on the validation by the GQMC of the ISO 9001 QMS Certification or ISO-aligned QMS Documents for FY 2017 PBB cycle.

⁴ Renamed from Philippine Accreditation Office under the approved Rationalization Plan of the DTI – Office of the Secretary. The PAB is the recognized *national accreditation body* pursuant to Executive Order No. 802 (*Strengthening and Recognizing the Philippine Accreditation Office Attached to the Department of Trade and Industry as the National Accreditation Body*) dated May 18, 2009.

⁵ Created under Executive Order No. 605 (*Institutionalizing the Structure, Mechanisms and Standards to Implement the Government Quality Management Program, Amending for the Purpose Administrative Order No. 161, s. 2006*) dated February 23, 2007

⁶ <http://www.dap.edu.ph/rbpms/>

3.0 COVERAGE

This Circular covers all Departments, Bureaus, Offices and other Agencies of the National Government, including Constitutional Commissions, Congress, the Judiciary, OMB, SUCs, GOCCs, and LWDs, consistent with **Item 3.1** of said AO 25 IATF MC but subject to the provisions of the separate targets and guidelines for GOCCs and LWDs as stated in **Items 4.1.b.1, 4.1.b.2 and 4.1.b.3** of AO 25 IATF MC.

4.0 GUIDELINES ON DETERMINING COMPLIANCE WITH THE ESTABLISHMENT OF A QMS

ISO 9001 QMS Version

4.1 The GQMC allows the adoption of any of the two (2) versions of ISO 9001 QMS standards of agencies, as follows:

- **ISO 9001:2008⁷** for agencies with established QMS certifiable to ISO 9001:2008 or with valid ISO 9001:2008 QMS Certification/Recertification until December 31, 2017; or
- **ISO 9001:2015** for agencies with on-going efforts to establish a QMS certifiable to ISO 9001:2015 or transitioning from 2008 to 2015 version after the latter's publication on September 15, 2015; or with valid ISO 9001:2015 QMS Certification.

Agencies whose ISO 9001:2008 QMS Certification expired on December 31, 2016 or earlier, or would expire within 2017, shall endeavor to migrate its QMS to the **ISO 9001:2015 standard**.

4.2 The agency should post the following prescribed documents in its Transparency Seal based on its ISO QMS Certification efforts within the period **October to December 2017**:

Certification Efforts	Prescribed Document
Implementation of ISO 9001:2008	Approved ISO 9001:2008-aligned QMS Documents, including evidence of QMS implementation, i.e., (a) Certification of the Head of Agency on the conduct of Internal Quality Audit and (b) Minutes of the FY 2017 Management Review
ISO 9001:2008 QMS Certification	Valid ISO 9001:2008 Certificate
ISO 9001:2008 QMS Certification Migrating to ISO 9001:2015	Valid ISO 9001:2008 Certificate and Approved Documented Information on ISO 9001:2015-aligned QMS, including evidence of QMS implementation, i.e., (a) Certification of the Head of Agency on the conduct of Internal Quality Audit and (b) Minutes of the FY 2017 Management Review

⁷ ISO 9001:2008 standards would no longer be valid by September 15, 2018, or three (3) years after the publication of ISO 9001:2015 on September 15, 2015 (http://www.iso.org/iso/iso_9001_-_moving_from_2008_to_2015.pdf)

Certification Efforts	Prescribed Document
Installation/Implementation of ISO 9001:2015 QMS ⁸	Approved Documented Information on ISO 9001:2015-aligned QMS, including evidence of QMS implementation, i.e., (a) Certification of the Head of Agency on the conduct of Internal Quality Audit and (b) Minutes of the FY 2017 Management Review
ISO 9001:2015 QMS Certification	Valid ISO 9001:2015 Certificate

ISO 9001 QMS Certification

- 4.3 The **validity of the ISO 9001 QMS Certification/Recertification**, as indicated in the Certificate, **must be until December 31, 2017 or a later date** (i.e., 2018 and beyond).
- 4.4 Agencies concerned are encouraged to contract with ICBs which have been accredited to audit and certify QMS for scope relevant to the mandate or nature of operation of the agency, such as QMS scope for IAF 36 - Public Administration, IAF 37 - Education, IAF 38 - Health and Social Work, among others.
- 4.5 The **scope** of the agency's ISO 9001 QMS Certification shall cover at least one (1) core process or frontline service as mandated under its existing pertinent laws.
- 4.6 For agencies with several ISO QMS Certifications based on certain scope of the QMS being certified, all must be posted in its Transparency Seal.

Approved ISO 9001-aligned QMS Documents

- 4.7 If an agency is yet to obtain an ISO QMS Certification or its ISO QMS Certification would expire within 2017, it should have at least an ISO 9001-aligned documentation of its QMS for at least one (1) core process which shall include the following:
- Approved Quality Manual and approved PAWIM, including forms; **and**
 - Evidence of ISO 9001-aligned QMS implementation, i.e., (a) Certification of the Head of Agency on the conduct of Internal Quality Audit and (b) Minutes of the FY 2017 Management Review.

The Agency may refer to the **Annex of GQMC MC 2016-1⁹** dated December 7, 2016 for the guidelines on the prescribed contents of the ISO 9001-aligned QMS Documents.

- 4.8 The Agency ISO 9001-aligned QMS Documents shall be duly approved by the head of the agency or the designated approving authority, or the Governing Body in the case of Constitutional Commissions, SUCs, GOCCs and LWDs.

⁸ For agencies obtaining its initial ISO 9001 QMS certification

⁹ *Guidelines on the Validation of the ISO QMS Certification or ISO-Aligned QMS Documents as a Requirement for the Grant of the FY 2016 PBB*

- 4.9 The **scope** of the QMS indicated in the agency's ISO 9001-aligned QMS Documents shall cover at least one (1) core process or frontline service as mandated under its existing pertinent laws.
- 4.10 Agencies concerned are encouraged to engage the technical assistance of the Development Academy of the Philippines (DAP) in their ISO 9001 QMS Certification efforts, including the preparation of QMS Documents aligned to the ISO 9001 standards, considering that it is tasked by the GQMC to undertake the awareness and capability-building activities of the Government Quality Management Program¹⁰.

5.0 GQMC VALIDATION RESULT

The GQMC – DBM Secretariat shall submit to the AO 25 IATF its findings on the compliance of agencies with the ISO QMS-related requirement to serve as basis for determining their eligibility to the FY 2017 PBB.

6.0 EFFECTIVITY

This Circular shall take effect immediately.

DEPARTMENT OF BUDGET AND MANAGEMENT

By:

Secretary **BENJAMIN E. DIOKNO**

Chairman



DEPARTMENT OF TRADE AND INDUSTRY

By:

Secretary **RAMON M. LOPEZ**

Co-Chairman

DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

By:

Officer-In-Charge **CATALINO S. CUY**

Member

INTERNAL AUDIT OFFICE, OFFICE OF THE PRESIDENT

By:

Deputy Executive Secretary **ALBERTO A. BERNARDO**

Member

DEVELOPMENT ACADEMY OF THE PHILIPPINES

By:

President and Chief Executive Officer **ELBA S. CRUZ**

Member

¹⁰ Pursuant to Administrative Order No. 161 (*Institutionalizing Quality Management System in Government*) dated October 5, 2004