



GOVERNMENT QUALITY MANAGEMENT COMMITTEE (GQMC)

MEMORANDUM CIRCULAR NO. 2019-1

October 23, 2019

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

Subject : GUIDELINES IN THE VALIDATION OF ISO 9001:2015 QUALITY MANAGEMENT SYSTEM (QMS) CERTIFICATION/ RECERTIFICATION AS A SUPPORT TO OPERATIONS (STO) REQUIREMENT FOR THE GRANT OF THE FY 2019 PERFORMANCE-BASED BONUS (PBB)

1.0 BACKGROUND

Administrative Order (AO) No. 25 Inter-Agency Task Force (IATF) Memorandum Circular (MC) No. 2019-1 dated September 3, 2019 provides the criteria and conditions for the grant of the FY 2019 PBB cycle with the following pertinent provisions on the QMS certification requirement:

a. Item 4.0 GOOD GOVERNANCE CONDITIONS (GGCs)

"4.1.a Maintain/Update the agency Transparency Seal (TS) pursuant to Section 106 of the General Provisions of the FY 2019 General Appropriations Act (GAA). x x x"

(Item VI of Annex 2 – Guidelines on Transparency Seal)

"QMS Certification of at least one core process by an international certifying body (ICB) accredited by the International Accreditation Forum (IAF) members. Preferably, the ICB is accredited by the Philippine Accreditation Board (sic), Department of Trade and Industry, which is a member of the IAF and authorized to accredit ICBs. The QMS ISO Certification should be posted not later than December 31, 2019."

b. Item 5.0 FY 2019 PERFORMANCE TARGETS

"5.3 STO Target. Initial Certification/Recertification of the agency's Quality Management System (QMS) covering at least one (1) core process or frontline service as mandated under its existing pertinent laws.

For the ISO 9001:2015 QMS certification, it must be issued by any of the certification bodies (CBs) accredited by the International Accreditation Forum (IAF) members. Preferably, the CB is accredited by the Philippine Accreditation Bureau under the Department of Trade and Industry, which is an IAF member and the recognized national accreditation body in the Philippines pursuant to Executive Order No. 802, s. 2009.

*The ISO 9001:2015 certification(s)/recertification(s) must be valid as of December 31, 2019 and must be posted in the agency TS webpage not later than **December 31, 2019**.*

ISO 9001:2015 QMS-equivalent certifications/attestations granted by similar internationally recognized bodies promoting Total Quality Management (TQM) shall be considered, e.g., Philippine Quality Award, ISO/IEC 17025 or 17020 Accreditation, Accreditation Canada International's Qmentum International Gold Award, Universal Postal Union's Quality Management Certification, and Accrediting Agency of Chartered Colleges and Universities in the Philippines, Inc. (AACCU)'s Institutional Accreditation.

*A certified true copy of the QMS certificate shall be submitted to the Government Quality Management Committee (GQMC), through its DBM Secretariat - Systems and Productivity Improvement Bureau (SPIB), not later than **December 31, 2019** for validation purposes.*

For frontline agencies, it is expected that the core process to be covered by the QMS pertains to an agency process most demanded by citizens and business, and targeted for improvement under Sections 5.1 and 5.2 above."

c. Item 6.0 ELIGIBILITY OF INDIVIDUALS

"6.15 *Officials and employees responsible for the implementation of the x x x QMS certification [among other certain PBB requirements] x x x shall not be entitled to the FY 2019 PBB if the Department/Agency fails to comply with any of these requirements."*

d. Item 9.0 SUBMISSION OF REPORTS

REQUIREMENTS	VALIDATING AGENCY	DEADLINE OF SUBMISSION	START OF VALIDATION
Support to Operations (STO)			
1. QMS Certification <ul style="list-style-type: none"> • Post QMS Certification in TS page • Submit certified true copy of QMS certificate to GQMC through DBM-SPIB 	GQMC	December 31, 2019	From January 1 to 31, 2020

2.0 PURPOSE

This Memorandum Circular is issued to prescribe the guidelines on the validation by the **GQMC**, through the Department of Budget and Management (DBM) Secretariat [Systems and Productivity Improvement Bureau (SPIB)], of the ISO 9001:2015 QMS Certification requirement for the FY 2019 PBB cycle.

3.0 COVERAGE

This Memorandum Circular covers all the abovementioned government entities consistent with **Item 2.0** of AO No. 25 IATF MC No. 2019-1, but subject to the provisions on the separate targets and guidelines for SUCs, GOCCs, LWDs and LGUs as stated in **Items 3.2.b, 3.2.c, 3.2.d** and **3.2.e**, respectively, of said AO No. 25 IATF MC.

4.0 GUIDELINES IN DETERMINING COMPLIANCE WITH THE ISO 9001:2015 QMS CERTIFICATION REQUIREMENT

4.1 **Only a valid ISO 9001:2015 QMS certification/recertification** is considered as compliance to the subject requirement.

In addition, certifications/registrations/awards¹ to similar standards relating to Total Quality Management (TQM), e.g., Philippine Quality Award, ISO/IEC 17025 or 17020 Accreditation, Accreditation Canada International's Qmentum International Gold Award, Universal Postal Union's Quality Management Certification, and Accrediting Agency of Chartered Colleges and Universities in the Philippines, Inc. (AACUP)'s Institutional Accreditation, could be considered.

The **ISO 9001:2015 QMS** and **TQM certifications/recertifications**, as indicated in the certificate, **must be valid as of December 31, 2019**. Accordingly, certifications/recertifications with an effectivity date starting January 1, 2020 onwards shall not be considered as compliance with said requirement for the FY 2019 PBB cycle.

4.2 The **scope** of the QMS indicated in the agency's ISO 9001 certificate shall cover at least one (1) core process or frontline service as mandated under its existing pertinent laws.

For frontline agencies, the core process pertains to an agency service most demanded by citizens and business and targeted for improvement as indicated under Sections 5.1 and 5.2 of the AO No. 25 IATF MC No. 2019-1.

¹ Under ISO/IEC 17000 (*Conformity assessment - Vocabulary and general principles*), the definitions which are essential for a proper understanding of management system certification and accreditation are as follows:

- (a) **Certification** is a third-party attestation related to products, processes, systems or persons.
- (b) **Assessment** is the process undertaken by an accreditation body to assess the competence of a conformity assessment body based on particular standard(s) and/or other normative documents, and for a defined scope of accreditation.
- (c) **Accreditation** is a third-party attestation related to a conformity assessment body conveying formal demonstration of its competence to carry out specific conformity assessment tasks.
- (d) **Attestation** is an issue of a statement, based on a decision following review, that fulfilment of specified requirements has been demonstrated. The resulting statement, referred to as a "statement of conformity", conveys the assurance that the specified requirements have been fulfilled. Such an assurance does not, of itself, afford contractual or other legal guarantees.
- (e) **Registration** is the other term for *certification* of QMS. [This is because the process of conforming to the ISO 9001 standard concludes with a "Certificate of Registration" (www.pddnet.com/blog/2014/06/iso-9001-certification-vs-registration)].

- 4.3 The ISO 9001:2015 QMS certifications must be issued by any of the CBs accredited by the IAF member.

Agencies shall **prefer** CBs which are duly **accredited by the Philippine Accreditation Bureau under the Department of Trade and Industry** to certify their ISO QMS, since said agency is an IAF member and the recognized national accreditation body in the Philippines pursuant to Executive Order No. 802, s. 2009. The CBs contracted shall have been accredited to audit and certify QMS for specified scope, particularly under ISO 9001 QMS for IAF 36 - Public Administration, IAF 37 - Education, IAF 38 - Health and Social Work, among other areas or scope.

Pursuant to ISO/IEC 17021², an ISO 9001 certificate is a form of attestation of conformity of an organization's QMS to a specific management system standard, wherein the CB has the legal responsibility for all its certification activities. Thus, letters of attestation issued by CBs indicating that certification/recertification audits have been completed but subject to approval of their Certificate Decision Maker³ will not be considered as fulfilling the ISO QMS requirements based on the AO No. 25 IATF MC No. 2019-1.

- 4.4 All agency ISO 9001 QMS certification(s)/recertification(s) must be posted in its TS webpage **not later than December 31, 2019**.

While the ISO 9001:2015 certificate/recertification is among the TS documents to be posted in the agency TS as one of the **GGC requirements**, whose deadline of updating by the agencies is on October 1, 2019, the deadline of **uploading** the ISO certificate/recertification to the agency TS as a requirement for **STO Target** shall **not be later than December 31, 2019**.

- 4.5 A **certified true copy (CTC) of the agency's ISO QMS certificate(s)** shall be submitted to the GQMC, through the DBM Secretariat (SPIB), immediately after obtaining an ISO QMS certificate not later than December 31, 2019, for verification purposes.

The copies of said document may be certified by any authorized personnel of the agency for the purpose (e.g., agency head, Quality Management Representative, Records Officer).

5.0 GQMC VALIDATION RESULT

The GQMC – DBM Secretariat (SPIB) shall submit to the AO No. 25 IATF **not later than January 31, 2019** its findings on the compliance of agencies with the ISO QMS-related requirement to serve as basis for determining their eligibility to the FY 2019 PBB grant.

² *Conformity assessment - Requirements for bodies providing audit and certification of management systems*

³ As provided under **Clause 9.5 Certification Decision** of ISO/IEC 17021-1:2015 (*Conformity assessment – Requirements for bodies providing audit and certification of management systems*), the CB shall ensure that the persons or committees that make the decisions for granting or refusing certification, expanding or reducing the scope of certification, suspending or restoring certification, withdrawing certification or renewing certification are **different** from those who carried out the audits. Moreover, the Certificate Decision Maker may seek additional information or clarification from the audit team or other sources during its technical review with respect to, among others, the certification requirements, scope of certification, and the client's corrections and corrective actions for nonconformities, if any.

6.0 EFFECTS OF NON-COMPLIANCE

Officials and employees responsible for the implementation of the QMS certification shall not be entitled to the FY 2019 PBB if the department/agency fails to comply with the ISO 9001:2015 QMS certification requirement.

7.0 EFFECTIVITY

This Memorandum Circular shall take effect immediately.

DEPARTMENT OF BUDGET AND MANAGEMENT

By:

[Signature]
Acting Secretary Wendel E. Avisado
Chairman



DEPARTMENT OF TRADE AND INDUSTRY

By:

[Signature]
Secretary Ramon M. Lopez
Co-Chairman



DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

By:

[Signature]
Secretary Eduardo M. Año
Member



INTERNAL AUDIT OFFICE, OFFICE OF THE PRESIDENT

By:

[Signature]
Deputy Executive Secretary Alberto A. Bernardo
Member

DEVELOPMENT ACADEMY OF THE PHILIPPINES

By:

[Signature]
President Engelbert C. Caronan, Jr.
Member