GOVERNMENT QUALITY MANAGEMENT COMMITTEE (GQMC)

MEMORANDUM CIRCULAR NO. 2020-1

September 11, 2020

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), Local Water Districts (LWDs), and Local Government Units (LGUs)**

Subject : **GUIDELINES ON THE VALIDATION OF ISO 9001:2015 QUALITY MANAGEMENT SYSTEM (QMS) CERTIFICATION/ RECERTIFICATION AS A REQUIREMENT UNDER THE SUPPORT TO OPERATIONS (STO) TARGET FOR THE GRANT OF THE FISCAL YEAR (FY) 2020 PERFORMANCE-BASED BONUS (PBB)**

1.0 BACKGROUND

1.1 Administrative Order No. 25 (AO 25) Inter-Agency Task Force[1] (IATF) Memorandum Circular (MC) No. 2020-1 dated June 2, 2020 prescribes the criteria and conditions for the grant of the PBB for FY 2020, including the following pertinent provisions on the ISO QMS certification requirement:

a. On item 4.0 (Good Governance Conditions) in relation to item b.VI of Annex 2 (Guideline on Transparency Seal)

> *"**4.1.a. Maintain/Update the agency Transparency Seal (TS)** under Section 106 of the General Provisions of the FY 2020 General Appropriations Act (GAA). xxx"*

> *"**VI. QMS Certification of at least (1) one core process by any of the certification bodies (CB)** accredited by the International Accreditation Forum (IAF) members. Preferably, the CB is accredited by the Philippine Accreditation Bureau, Department of Trade and Industry,*

[1] Created by virtue of Administrative Order No. 25, s. 2011 dated December 21, 2011

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which is an IAF member and recognized national accreditation body in the Philippines. The ISO 9001:2015 QMS Certification/Recertification or equivalent certifications/attestation must be valid as of December 31, 2020, and must be posted not later than December 31, 2020."

b. On item 5.0 (FY 2020 Physical Targets)

"5.5 Support to Operations (STO) Target

a. ***Initial Certification/Recertification of the agency's Quality Management System (QMS) covering at least one (1) critical frontline service or core process 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, 2020, and must be posted in the agency TS webpage not later than ***December 31, 2020****.*

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, and Accrediting Agency of Chartered Colleges and Universities in the Philippines, Inc. (AACCUP)'s Institutional Accreditation.

For frontline agencies, it is expected that the core agency process to be covered by the QMS pertains to an agency process most demanded by the citizens and businesses, and targeted for improvements under Sections 5.2 and 5.3 above."

c. On item 6.0 (Eligibility of Individuals)

"6.21. Officials and employees responsible for the implementation of the xxx QMS certification [among other certain PBB requirements] xxx shall not be entitled to the FY 2020 PBB if the Department/Agency fails to comply with any of these requirements."

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d. On item 9.0 (Timelines and Submission/Posting of Reports and Requirements)

Deadline	Requirements	To submit/Post
Support to Operations (STO)		
December 31, 2020	QMS Certification	- Posting of the valid complete set, i.e., including the registration schedule and sub-certificates which could indicate the scope of registration, sites covered and validity period, of QMS Certification in the TS page.

1.2 The GQMC, pursuant to Executive Order (EO) No. 605, s. 2007[2] is responsible for steering and providing policy direction in the implementation of the Government Quality Management Program whose primary objective is to promote and enhance public sector performance through the adoption of ISO 9001 QMS in all agencies of government.

Accordingly, the GQMC has been tasked to validate the agencies' compliance with the aforesaid ISO 9001:2015 QMS certification requirement.

2.0 PURPOSE

This MC is being issued to prescribe the guidelines on the validation by the GQMC, through the Systems and Productivity Improvement Bureau (SPIB) of the Department of Budget and Management (DBM), as one of the secretariats of the Committee.

3.0 COVERAGE

This MC covers all the above-mentioned government entities consistent with **Item 2.0** of AO 25 IATF MC No. 2020-1, but subject to the provisions on the separate targets and guidelines for SUCs, GOCCs, LWDs and LGUs as stated in **Items 3.2.c, 3.2.d, 3.2.e** and **3.2.f,** respectively, of said AO 25 IATF MC No. 2020-1.

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, ISO 9001:2015 QMS-equivalent certifications/ attestations/registrations/awards issued by similar internationally

[2] *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

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recognized bodies promoting 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, and Accrediting Agency of Chartered Colleges and Universities in the Philippines, Inc. (AACCUP)'s Institutional Accreditation, **could be considered**.

However, while ISO 9001:2015 QMS-equivalent attestations could be considered, **letters of attestation issued by CBs** indicating that certification/recertification audits have been completed but still subject to approval of their Certificate Decision Maker[3] **will not be considered** as compliance to the ISO QMS requirements.

4.2 The **ISO 9001:2015 QMS** and **TQM certifications/recertifications,** as indicated in the certificate, **must be valid as of December 31, 2020**.

Accordingly, certifications/recertifications with an effectivity date starting January 1, 2021 onwards **shall not be considered** as compliance with said requirement for the FY 2020 PBB cycle.

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

For frontline agencies, the critical frontline service or core process pertains to an agency service most demanded by citizens and businesses, which are targeted for improvements as indicated under Sections 5.2 and 5.3 of the AO 25 IATF MC No. 2020-1.

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

However, the CBs which are duly **accredited by the Department of Trade and Industry - Philippine Accreditation Bureau (DTI-PAB)** to certify the agencies' ISO QMS shall be preferred. The DTI-PAB, aside from being an IAF member, is the recognized national accreditation body in the Philippines pursuant to Executive Order No. 802, s. 2009[4].

4.5 The CBs contracted shall have been accredited to audit and certify QMS for the specified scopes which are deemed relevant to the nature and functions of the agency, e.g., accreditation under ISO 9001 QMS for IAF 36 (Public Administration), IAF 37 (Education), and/or IAF 38 (Health and Social Work).

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[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.

[4] *Strengthening and Recognizing the Philippine Accreditation Office Attached to the Department of Trade and Industry as the National Accreditation Body* dated May 18, 2009

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5.0 GUIDELINES ON THE POSTING OF ISO 9001:2015 QMS CERTIFICATION/RECERTIFICATION IN THE TS

5.1 Notwithstanding that the ISO 9001:2015 certification/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, 2020, the deadline of **uploading** the ISO certification/recertification to the agency's TS as a requirement for **STO Target** shall **not be later than December 31, 2020.**

5.2 For verification purposes, as provided under Section 9.0 of the AO 25 IATF MC No. 2020-1, the posting of the **valid and complete set,** i.e., including the registration schedule and sub-certificates which would indicate the scope of registration, sites covered and validity period of its ISO 9001:2015 certification/recertification, is required.

Accordingly, the agency must ensure that the posted certificate/s, preferably a scanned copy, is/are clear, such that the abovementioned details, as well as the CB concerned, are readable to facilitate the validation by the GQMC.

5.3 Pursuant to Section 10.10 of the AO 25 IATF MC No. 2020-1, misrepresentation in the submitted/posted reports and requirements for the PBB shall disqualify the department/agency/GOCC/LWD/LGU from the PBB in the succeeding year of its implementation.

6.0 GQMC VALIDATION PERIOD

6.1 The GQMC-DBM Secretariat (SPIB) shall conduct the validation on agency compliance with the ISO 9001:2015 QMS certification requirement from January 4, 2021 until January 29, 2021.

6.2 Accordingly, the agency must ensure that its TS is accessible and functional particularly during the said period. Specifically, the link for the ISO QMS certification should be directed to the intended page, i.e., where the ISO QMS certification/recertification could be found.

If, during the time of validation, the agency's TS webpage would not be accessible, the agency must notify the SPIB of the matter and submit the copy of its ISO 9001:2015 QMS certification instead to said validating agency.

7.0 GQMC VALIDATION RESULT

7.1 The GQMC – DBM Secretariat (SPIB) shall submit to the AO 25 IATF within five (5) working days after the validation period, i.e., **February 5, 2021,** its findings on the compliance of agencies with the ISO QMS-related requirement to serve as basis for determining their eligibility to the FY 2020 PBB grant.

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7.2 The results of the validation indicating the agencies' compliance status with the ISO QMS requirements under the STO Target of the PBB, among others, shall be posted in the Results-Based Performance Management System website, pursuant to item 9.10 of the AO 25 IATF MC No. 2020-1.

7.3 The agency that is deemed non-compliant with the ISO QMS certification/recertification requirement may appeal for a reconsideration on the matter. However, as provided under item 5.7 of the AO 25 IATF MC No. 2020-1, only justifiable reasons and factors that are considered outside the control of the agency would warrant such reconsideration.

8.0 EFFECTS OF NON-COMPLIANCE

Officials and employees responsible for the implementation of the QMS certification shall not be entitled to the FY 2020 PBB grant if the department/agency fails to comply with the ISO 9001:2015 QMS certification requirement consistent with item 6.21 of said AO 25 IATF MC No. 2020-1.

9.0 EFFECTIVITY

This MC shall take effect immediately.

DEPARTMENT OF BUDGET AND MANAGEMENT

By:

Secretary Wendel E. Avisado
Chairman

DEPARTMENT OF TRADE AND INDUSTRY

By:

Secretary Ramon M. Lopez
Co-Chairman

DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

By:

Secretary Eduardo M. Año
Member

INTERNAL AUDIT OFFICE, OFFICE OF THE PRESIDENT

By:

Deputy Executive Secretary Alberto A. Bernardo
Member

DEVELOPMENT ACADEMY OF THE PHILIPPINES

By: for Bernardo C. Dy
OIC (SO#2020-077)

President Engelbert C. Caronan, Jr.
Member

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