

Audit Report

PHILIPPINE RECLAMATION AUTHORITY

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Audit report

Client	Audit team	
Name of Organization: PHILIPPINE RECLAMATION AUTHORITY	Name: Anna Theresa Manlangit Joseph Denoga Eugene Herradura Len Bautista Billy Sadangsal Allan Balbarino	Role: Lead Auditor Support Auditor Coded Auditor Coded Auditor Observer Observer
Address: 6th to 9th Floor Legaspi Towers 200 Bldg., No. 107 Paseo De Roxas Street, Legaspi Village, Makati City, 1226, Philippines		
Client representative (name and role):		

Audit		
Standard(s) 1. ISO 9001:2015 2. 3.	In case of multi standards, indicate whether the audit is Combined <input type="checkbox"/> Joined <input type="checkbox"/>	Type of audit: <input type="checkbox"/> Initial stage 1 <input type="checkbox"/> Initial stage 2, <input type="checkbox"/> Recertification <input type="checkbox"/> Surveillance 1 <input checked="" type="checkbox"/> Surveillance 2 <input type="checkbox"/> Special audit (specify):

Audit Locations:	Audit dates:
Address: 6th to 9th Floor Legaspi Towers 200 Bldg., No. 107 Paseo De Roxas Street, Legaspi Village, Makati City, 1226, Philippines	21 and 27 September 2023
Type of Site Main Office	

Recommended scope: Public Administration covering the Regulatory and Proprietary Land Reclamation, Infrastructure Development and Public Estates Development and Management	In case of different scopes according to sites and or standards or if scope has been extended, reduced, adjusted compared to last audit, specify:
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- Recommendation from audit team: tick appropriate box**
- Certification (subject to satisfactory closure of corrective actions)
 - Certification suspension
 - Certification withdrawal
 - Recertification (subject to satisfactory closure of corrective actions)
 - Certification maintenance

Total number of nonconformities and observations raised*: Zero nonconformities and 1 observation
 *: matrix attached

Client signature (for acceptance of the above details only)	Lead auditor signature <div style="text-align: right;">Mercedelin D. Flores</div>
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1. Introduction to client / general comments:

(Any useful information to help understanding the context of the audit: economic, geographic situation for EMS audits, hazards for OHSMS, etc.)

Scope of the organization is still Public Administration covering the Regulatory and Proprietary Land Reclamation, Infrastructure Development and Public Estates Development and Management.

Several significant changes have occurred within the organization. In August 2023, there was a transfer of personnel. Additionally, due to suspension, acting roles were designated for the Chairman and General Manager/Chief Operating Officer (GM/COO) in 2023. In 2022, there was a change in the role of the Board Secretary. Furthermore, managers from various departments, including TSD, Estate Management, Accounting Services, and the Division Manager of Sales and Documentation, retired. Details as follows:

- Designation of Director Oscar T. Lactao as Acting Chairperson of the PRA Governing Board of the Philippine Reclamation Authority as per Board Resolution No. 5752 Series of 2023 dated July 13, 2023
- Designation of Director Nolasco K. Bathan as the Acting general Manager and CEO of the Philippine Reclamation Authority as per Board Resolution No.5752 Series of 2023 dated July 13, 2023
- Appointment of Atty. Mark Arthur M. Catabona as Board Secretary dated September 19, 2022 with CSC Approval dated November 24, 2022
- Retirement of the following PRA officers:
 - Mr. Emmanuel D. Larracas – Department Manager Technical Services – Date of Retirement: Feb 11, 2023
 - Mr. Mario C. Berdeloza – Department Manager Estate Management – March 8, 2023
 - Mr. Celestino A. Custodio – Accounting Services – May 31, 2023
 - Ms. Dorotea C. Balignasay – Division Manager – Sales and Documentation – June 1, 2023

Transfer back to Makati office dated August 29, 2023 with address at 6th to 9th floors Legaspi Towers 200 building, 107 Paseo de Rozas Street, Legaspi Village San Lorenzo, Makati City

The organization's reclamation projects have faced challenges. There was a suspension of reclamation projects from the Office of the President. Regular reporting of the suspension status has been implemented. The Department of Environment and Natural Resources (DENR) recommended a re-assessment of environmental projects. Notably, Project 265 and Project 316 in Pasay have reclaimed 100 hectares, while the Bacoor project has reclaimed 10 hectares but remains suspended. Ongoing projects in Cebu are under compliance with both DENR and the Philippine Reclamation Authority (PRA) compliance requirements

The organization has reviewed its Internal and External issues identified and categorized under political, economic, sociological, technological, legal and environmental (PESTLE). During the MR held on 04 September 2023 the body discussed additional possible effects relative to PESTLE on the recent presidential directive by President Ferdinand R. Marcos, Jr. suspending all reclamation projects and activities in Manila Bay.

Identified additional risk:

"Issuance of presidential directive by President Ferdinand R. Marcos, Jr. suspending all reclamation projects and activities in Manila Bay may cause negative impact on Manila Bay since the suspended projects are left unfinished, without containment."

Efforts have been made to address the concerns of interested parties. There is a request for reconsideration from the Local Government Units (LGUs), which has been endorsed to the Office of the President. Coordination with DENR has been initiated for visual inspections of suspended projects and a cumulative assessment study by DENR. PRA is regularly reporting on the status of suspension of the projects

Manpower recruitment have been ongoing, especially for reclamation projects. Active engagement with the Governance Commission for Government-Owned and -Controlled Corporations (GCG) is required for supervising projects. Quarterly reporting to GCG for performance monitoring of objectives and targets has been challenging. Budget utilization rates have been difficult to achieve, particularly due to delays in actual utilization. The suspension of reclamation projects has affected the achievement of targets. GCG has allowed revisions to the work program, and reabsorption by PRA is possible, as permitted by the Board. Two strategic measures have been affected, and budget utilization has been impacted by the suspension of reclamation projects.

There are no changes in the Quality Policy of the organization. Risks are revisited to consider the suspension. There are minor revisions in the documented processes i.e. for RRO.

2. Significant changes since last audit:

Company name Code Top management
Main site or other site address Staff Policy
Scope of certification Function process

In case one or more of the boxes is/are ticked, comment:

Designation of Director Oscar T. Lactao as Acting Chairperson of the PRA Governing Board of the Philippine Reclamation Authority as per Board Resolution No. 5752 Series of 2023 dated July 13, 2023

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3. Deviations of audit plan and reasons:

Yes No

If yes provide details:

N/A

4. Audit Findings:

Summary of conformity:

The following were gathered to establish the conformance of the organization to its implemented Quality Management System. Sampling was conducted and generally found to follow the required process as enrolled and covered by this certification. Conformance is seen and verified in sampled documents as listed below. This ensures that the organization had implemented its monitoring and controls to make sure customer and client requirements are met and the QMS is consistently and effectively implemented.

The Quality Policy of the organization has been established and is appropriate to the purpose and context of the organization. This has also been communicated and maintained as documented information. Quality Objectives have been established at relevant functions. Such objectives are consistent with the quality policy, measurable, monitored and communicated. Interested parties' needs and expectations are continuously given priorities with the review of their recognized risks and opportunities. Continuous implementation of operational controls and compliance to legal requirements is attained. To further achieved the intended results of the managements system, Internal audit and Management Review is conducted. Overall, the implemented management system promotes improvements as seen and observed.

Below is the summary of the audit of each division wherein conformance to organization's requirements and ISO9001:2015 requirements were fulfilled:

Environmental Management Division

OPCR monitoring records demonstrate the significant strides attained covering the period January to June 2023. It is good to note that quality objectives were attained. Due to reclamation projects being characteristically involving a long period of time before completion, regular checking was seen to be done at appropriate stages of each project.

Reclamation Department

The organization was able to surpass the OPCR's. It is good to note that the exemplary performance is due to the indefatigable efforts of the personnel involved in the operations of the Environment and Reclamation Divisions.

Land Development, Construction Management Department

risk and objectives are seen updated and met. Then for the process from Bidding of procurement until received of Notice to Award were seen implemented and followed based on presented procedure and provided sample during the actual audit. The process owner competency was evidently seen during the actual audit through interviews and discussion and set operational controls. Overall QMS implementation was seen effective.

Technical Service Department

process owners were able to demonstrate conformity to the established processes and applicable requirements through the sampled evidences seen during the audit. Competence was also established through presented PRC licenses as well as technical knowledge shared during the audit.

Marketing and Estates Management Office / Complaints and Satisfaction / Legal

Adherence to the requirements of ISO 9001:2015 standard is confirmed during the audit. Process owner identifies, oversees, and manages quality objectives, along with risks and opportunities. documented procedures are put into practice. Customer input is collected and assessed to understand how customers perceive the organization's service delivery. It's worth noting that no significant valid complaints have been reported.

Internal Quality Audit

The organization's internal audit process demonstrates a commitment to quality and compliance. The training and certification of auditors, adherence to ISO standards, and meticulous audit planning and execution contribute to the effectiveness of the internal audit program. The absence of nonconformances in the latest audit cycle suggests that the organization maintains a high level of compliance and operational excellence. The use of Request for Action (RFA) documents to address deviations and

nonconformances, as per the guidelines outlined in QCP-18-NCA REV 00, reinforces a culture of continuous improvement and corrective action.

Purchasing / BAC / Incoming Inspection / Supply and Property

For the BAC (Bid and Awards Committee), the risks and objectives are observed to be updated and met. Then, in the process from receiving documents from Purchasing, verifying the mode of procurement, checking the completeness of submitted documents, sending invitations and posting to PhilGEPS, receiving quotations, evaluating and recommending the award of the contract to LCRQ/HRRP, and obtaining approval, it was evidently seen in the sample and procedure provided during the audit. The process owner’s competency is established during the conduct of interviews and discussions. The implementation of the quality management system was observed to be effective.

For Purchasing, the risk and quality objective were observed to be updated and met. Then, in the process from receiving requests through RIS, processing necessary documents, receiving BAC Resolution, creating purchase orders, inspecting and controlling supplies/property, it was observed to be controlled based on operational controls presented and discussed during the audit. This was evidently seen in the provided sample. Furthermore, evaluations of external providers were observed to be conducted after the items were delivered and analyzed semiannually by GSD, which was evident in the presented documents and samples. Overall, the implementation of the quality management system was observed to be effective.

Document Control

The organization has a robust document creation, review, approval, and distribution process in place, ensuring the integrity and accessibility of critical documents. The meticulous control of document access within departments and the adherence to NAP disposition guidelines highlight the organization’s commitment to effective document management and regulatory compliance. The involvement of key personnel in the review and approval process further enhances the quality and reliability of the documented information within the organization.

Management Review

Overall, effective QMS implementation was observed in Management Review. Required MR inputs and outputs were seen in the presented minutes of meetings. It was attended by key personnel of the organization.

Positive findings:

1. Enhancing the work environment through improvements in infrastructure and facilities is note-worthy. The newly-renovated office premises were found to have been commendable - especially with regard to addressing potential safety issues encountered in the previous office setup prior to its renovation.
2. Keen monitoring of turn-around time to ensure prompt service delivery is commendable. (Legal)
3. The Management Review minutes are thorough, encompassing all the necessary discussions and topics specified by the standard.
4. The individuals being interviewed during the audit are knowledgeable about their roles and the requirements outlined in the Quality Management Standard.
5. A well-structured and effective document management system was observed for both IQA and DCC, with requested documents being promptly provided during the audit, indicating a commendable adherence to proper documentation procedures.

Opportunities for improvement:

1. The organization may wish to improve the updating of Masterlist of PRA and Non-PRA Projects for the documentation for resumption of project as seen in the Internal memo for the on-hold project for the Construction of a Metal Fence –

Construction of Revetment Wall and Sheet piling along Redemptorist (Baclaran) Channel. (Land Development, Construction Management Department)

2. Revisit the Risk Registry of Legal department to account for risks arising from more recent events/context (last update is 2021 which is primarily focused on risks due to COVID-19 and work from home arrangements)

Reference to major and minor NC and observations being raised on attached matrix:

Number of major non-conformities	0
Number of minor non-conformities	0
Number of observations	1

5. Use of certification documents and marks

- Is the use of certification documents and marks correct on exhaustive supports?

Yes No If yes, specify:

Certification mark is properly used

6. Audit programme

- Are there any significant issues impacting on audit program (audit duration, auditor competency, sufficient coverage)?

Yes No If yes, specify:

N/A

7. Unresolved issues:

- Are there any unresolved issues by the end of closing meeting that would lead to appeal complaint, or other?

Yes No If yes, specify:

N/A

By signing the first page of this report, the audit manager confirms that:

- the objectives of the audit have been met and that the recommendation shown on first page of this report reflects the relevance and the ability of the management system to achieve the expected results
- the certification scope is appropriate
- this report is based on a sampling process of the information available. The CB cannot be held responsible for the possible non representativeness of the audit findings.