

# Audit Report

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Upgrade Audit for

Corporation of the Town of Newmarket

1632548-02

Audited Address: 1275 Maple Hill Court, Newmarket, Ontario, CAN,  
L3Y 9E8

Start Date: Jan 31, 2019 End Date: Jan 31, 2019

Type of audit  
Surveillance System Audit

Issue Date: Jan 31, 2018

Revision Level: *Final*

### BACKGROUND INFORMATION

SAI Global conducted an audit of Corporation of the Town of Newmarket beginning on Jan 31, 2019 and ending on Jan 31, 2019 to DRINKING WATER QUALITY MANAGEMENT STANDARD VERSION 2 - 2017.

The purpose of this audit report is to summarise the degree of compliance with relevant criteria, as defined on the cover page of this report, based on the evidence obtained during the audit of your organization. This audit report considers your organization's policies, objectives, and continual improvement processes. Comments may include how suitable the objectives selected by your organization appear to be in regard to maintaining customer satisfaction levels and providing other benefits with respect to policy and other external and internal needs. We may also comment regarding the measurable progress you have made in reaching these targets for improvement.

SAI Global audits are carried out within the requirements of SAI Global procedures that also reflect the requirements and guidance provided in the international standards relating to audit practice such as ISO/IEC 17021-1, ISO 19011 and other normative criteria. SAI Global Auditors are assigned to audits according to industry, standard or technical competencies appropriate to the organization being audited. Details of such experience and competency are maintained in our records.

In addition to the information contained in this audit report, SAI Global maintains files for each client. These files contain details of organization size and personnel as well as evidence collected during preliminary and subsequent audit activities (Documentation Review and Scope) relevant to the application for initial and continuing certification of your organization.

Please take care to advise us of any change that may affect the application/certification or may assist us to keep your contact information up to date, as required by SAI Global Terms and Conditions.

This report has been prepared by SAI Global Limited (SAI Global) in respect of a Client's application for assessment by SAI Global. The purpose of the report is to comment upon evidence of the Client's compliance with the standards or other criteria specified. The content of this report applies only to matters, which were evident to SAI Global at the time of the audit, based on sampling of evidence provided and within the audit scope. SAI Global does not warrant or otherwise comment upon the suitability of the contents of the report or the certificate for any particular purpose or use. SAI Global accepts no liability whatsoever for consequences to, or actions taken by, third parties as a result of or in reliance upon information contained in this report or certificate.

Please note that this report is subject to independent review and approval. Should changes to the outcomes of this report be necessary as a result of the review, a revised report will be issued and will supersede this report.

<b>Standard:</b>	DRINKING WATER QUALITY MANAGEMENT STANDARD VERSION 2 - 2017
<b>Scope of Certification:</b>	Distribution System
<b>Drinking Water System Owner:</b>	Town of Newmarket
<b>Operating Authority:</b>	Town of Newmarket
<b>Owner:</b>	Town of Newmarket
<b>Population Services:</b>	87000
<b>Activities:</b>	<b>Distribution</b>
<b>Drinking Water Systems</b>	Newmarket Water Distribution System (DWS 260003188)

<b>Total audit duration:</b>	<b>Person(s):</b> 1	<b>Day(s):</b> 0.75
<b>Audit Team Member(s):</b>	Team Leader	James Pang

**Other Participants:**

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### Definitions and action required with respect to audit findings

#### Major Non-conformance:

Based on objective evidence, the absence of, or a significant failure to implement and/or maintain conformance to requirements of the applicable standard. Such issues may raise significant doubt as to the capability of the management system to achieve its intended outputs (i.e. the absence of or failure to implement a complete Management System clause of the standard); or

A situation which would on the basis of available objective evidence, raise significant doubt as to the capability of the Management System to achieve the stated policy and objectives of the customer.

NOTE: The “applicable Standard” is the Standard which SAI Global are issuing certification against, and may be a Product Standard, a management system Standard, a food safety Standard or another set of documented criteria.

Action required: This category of findings requires SAI Global to issue a formal NCR; to receive and approve client's proposed correction and corrective action plans; and formally verify the effective implementation of planned activities. Correction and corrective action plan should be submitted to SAI Global prior to commencement of follow-up activities as required. Follow-up action by SAI Global must 'close out' the NCR or reduce it to a lesser category **within 90 days for initial certification and within 60 days for surveillance or re-certification audits, from the last day of the audit.**

If significant risk issues (e.g. safety, environmental, food safety, product legality/quality, etc.) are detected during an audit these shall be reported immediately to the Client and more immediate or instant correction shall be requested. If this is not agreed and cannot be resolved to the satisfaction of SAI Global, immediate suspension shall be recommended.

In the case of initial certification, failure to close out NCR within the time limits means that the Certification Audit may be repeated.

If significant risk issues (e.g. safety, environmental, food safety, product legality/quality, etc.) are detected during an audit these shall be reported immediately to the Client and more immediate or instant correction shall be requested. If this is not agreed and cannot be resolved to the satisfaction of SAI Global, immediate suspension shall be recommended.

In the case of an already certified client, failure to close out NCR within the time limits means that suspension proceedings may be instituted by SAI Global.

Follow-up activities incur additional charges.

#### Minor Non-conformance:

Represents either a management system weakness or minor issue that could lead to a major nonconformance if not addressed. Each minor NC should be considered for potential improvement and to further investigate any system weaknesses for possible inclusion in the corrective action program

Action required: This category of findings requires SAI Global to issue a formal NCR; to receive and approve client's proposed correction and corrective action plans; and formally verify the effective implementation of planned activities at the next scheduled audit.

#### Opportunity for Improvement:

A documented statement, which may identify areas for improvement however shall not make specific recommendation(s).

Action required: Client may develop and implement solutions in order to add value to operations and management systems. SAI Global is not required to follow-up on this category of audit finding.

## **Audit Type and Purpose**

### **Surveillance Audit:**

A systems desktop audit in accordance with the systems audit procedure as it applies to Full Scope accreditation. The audit also included consideration of the results of the most recent audit undertaken in accordance with this Accreditation Protocol and any of the following that have occurred subsequent to that audit including but limited to;

- (a) the results of any audits undertaken in accordance with element 19 of the DWQMS V2;
- (b) historical responses taken to address corrective action requests made by an Accreditation Body;
- (c) the results of any management reviews undertaken in accordance with element 20 of the DWQMS V2; and,
- (d) any changes to the documentation and implementation of the QMS.

### **Audit Objectives**

The objective of the audit was to determine whether the drinking water Quality Management System (QMS) of the subject system conforms to the requirements of the Ontario Ministry of the Environment & Climate Change (MOECC) Drinking Water Quality Management Standard (DWQMS V2).

The audit was also intended to gather the information necessary for SAI Global to assess whether accreditation can continue to be offered to the operating authority.

### Audit Scope

The facilities and processes associated with the operating authority's QMS were objectively evaluated to obtain audit evidence and to determine a) whether the quality management activities and related results conform with DWQMS V2 requirements, and b) if they have been effectively implemented and/or maintained.

### Audit Criteria:

- The Drinking Water Quality Management Standard Version 2
- Current QMS manuals, procedures and records implemented by the Operating Authority
- SAI Global Accreditation Program Handbook

### Confidentiality and Documentation Requirements

The SAI Global stores their records and reports to ensure their preservation and confidentiality. Unless required by law, the SAI Global will not disclose audit records to a third party without prior written consent of the applicant. The only exception will be that the SAI Global will provide audit and corrective action reports to the Ontario Ministry of the Environment. For more information, please refer to the SAI Global Accreditation Program Handbook.

As part of the SAI Global Terms, it is necessary for you to notify SAI Global of any changes to your Quality Management System that you believe are significant enough to risk non-conformity with DWQMS V2: For more information, please refer to the SAI Global Accreditation Program Handbook.

### Review of any changes

Changes to the Operating Authority since last audit include:

## **EXECUTIVE OVERVIEW**

The results of this surveillance system audit indicate that the management system does not fully meet the requirements of the standard based on the area(s) of non-conformance identified during the audit and as documented in the attached Non-conformance Report(s). Failure to address the nonconformances within the 60 day timeframe may lead to suspension of certification.

Note that the actual NCRs once generated cannot be withdrawn. Therefore, this draft report will not include the actual NCR but the three NCRs form part of Part D of this report.

### Recommendation

The results of this audit indicate that the management system does not fully meet the requirements of the standard based on the area(s) of non-conformance identified during the audit and as documented in the attached Non-conformance Report(s).

A recommendation to upgrade the certification of your DWQMS is on hold pending the receipt, review and acceptance of the corrective action taken.

### Opportunities for Improvement:

The following opportunities for improvement have been identified.

- Element 6
  - An opportunity exists to include a description of any procedures that are in place to maintain disinfection residuals. Referencing the appropriate procedure within the Operational Plan that serves this purpose will also suffice. See requirement in Element 6 (a) iii A.
- Element 7
  - replace "every 12 months" with "at least once every calendar year"
  - An opportunity exists to fully address the requirement of 7 (a).
  - An opportunity exists to define how the management intends to assess the reliability and redundancy of the equipment within the distribution system to adequately address the risks identified.
- Element 9
  - Manager, Water /Wastewater Services shares the same responsibilities and authorities as the QMS rep. There exists an opportunity to clarify the matter.
  - Replace "every 12 months" with "every calendar year".
  - Clarify as to which positions are responsible to address element 9 (c), which is to undertake the management review, not just ensuring that management review is conducted.
- Element 12
  - this element is not about reporting to the owner, OA's personnel, suppliers and public. It is about communication between the top management and the owner, OA's personnel, suppliers and public. Consider rewording the section.
- Element 15
  - improvement is required with respect to how the management intends on keeping the summary of the infrastructure maintenance, rehabilitation and renewal programs current.
  - Replace "every 12 months" with "every calendar year".
  - Include a description with respect to how the management intends to monitor the effectiveness of the maintenance program.
- Element 19
  - correct the discrepancy between the QMS rep being the Water/Wastewater Compliance Coordinator and the Manager, Water / Wastewater.
  - Replace "every 12 months" with "every calendar year".
- Element 20
  - Replace "every 12 months" with "every calendar year"

It is suggested that the opportunities for improvement be considered by management to further enhance the Operating Authority's Quality Management System and performance.

## **Management System Documentation**

The management systems operational plan(s) was reviewed and found to be in conformance with the requirements of the standard.

## **Management Review**

Records of the most recent management review meetings were verified and found to meet the requirements of the standard. All inputs were reflected in the records and appear suitably managed as reflected by resulting actions and decisions.

## **Internal Audits**

Internal audits are being conducted at planned intervals to ensure conformance to planned arrangements, the requirements of the standard and the established management system.

## **Corrective, Preventive Action & Continual Improvement Processes**

The Operating Authority is not implementing an effective corrective and preventive action process for the continual improvement of the management system. Details are provided in NCR No.



**Summary of Findings**

1. Quality Management System	Conforms
2. Quality Management System Policy	Conforms
3. Commitment and Endorsement	Conforms
4. Quality Management System Representative	Conforms
5. Document and Records Control	Conforms
6. Drinking-Water System	1 OFI
7. Risk Assessment	3 OFI
8. Risk Assessment Outcomes	Conforms
9. Organizational Structure, Roles, Responsibilities and Authorities	3 OFI
10. Competencies	Conforms
11. Personnel Coverage	Conforms
12. Communications	1 OFI
13. Essential Supplies and Services	Conforms
14. Review and Provision of Infrastructure	Minor NCR
15. Infrastructure Maintenance, Rehabilitation & Renewal	3 OFI
16. Sampling, Testing and Monitoring	Conforms
17. Measurement & Recording Equipment Calibration and Maintenance	Conforms
18. Emergency Management	Conforms
19. Internal Audits	2 OFI
20. Management Review	1 OFI
21. Continual Improvement	Major NCR
<b>Major NCR #</b>	Major non-conformity. The auditor has determined one of the following: (a) a required element of the DWQMS has not been incorporated into a QMS; (b) a systemic problem with a QMS is evidenced by two or more minor non-conformities; or (c) a minor non-conformity identified with a corrective action request has not been remedied.
<b>Minor NCR #</b>	Minor non-conformity. In the opinion of the auditor, part of a required element of the DWQMS has not been incorporated satisfactorily into a QMS.
<b>OFI</b>	Opportunity for improvement. Conforms to requirement, but there is an opportunity for improvement.
<b>Conforms</b>	Conforms to requirement.
<b>NANC</b>	Not applicable/Not Covered during this audit.
<b>****</b>	Additional comment added by auditor in the body of the report.

**PART D. Audit Observations, Findings and Comments**

DWQMS Reference:	1 Quality Management System
Client Reference:	Section 1 of the OP.
Details: All 21 elements were addressed in the Operational Plan (OP).	

DWQMS Reference:	2 Quality Management System Policy
Client Reference:	Section 2 of the OP.
Details: QMS Policy is adequate.	

DWQMS Reference:	3 Commitment and Endorsement
Client Reference:	Section 3, Appendix 3a of the OP.
Details: Signed by the Owner represented by the Mayor and CAO, and Operating Authority's represented by the Commissioner of Development & Infrastructure Services, Director of Public Works, and the Manager of Water / Wastewater Operations.	

DWQMS Reference:	4 Quality Management System Representative
Client Reference:	Section 4 of the OP.
Details: The Water/Wastewater Compliance Coordinator is the QMS Representative.	

DWQMS Reference:	5 Document and Record Control
Client Reference:	Section 5, Appendix 5a, 5b, 5c, 5d, 5e of the OP.
Details: Documentation is adequate.	

DWQMS Reference:	6 Drinking Water System
Client Reference:	Section 6 and Appendix 6a of the OP.
Details: <b>OFI</b> - An opportunity exists to include a description of any procedures that are in place to maintain disinfection residuals. Referencing the appropriate procedure within the Operational Plan that serves this purpose will also suffice. See requirement in Element 6 (a) iii A.	

DWQMS Reference	7 Risk Assessment
Client Reference:	Section 7 and Appendix 7a of the OP.
<p>Details:</p> <p><b>OFI</b> - replace "every 12 months" with "at least once every calendar year"</p> <p><b>OFI</b> – opportunity exists to fully address the requirement of 7 (a)</p> <p><b>OFI</b> – opportunity exists to define how the management intends to assess the reliability and redundancy of the equipment within the distribution system to adequately address the risks identified</p>	

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DWQMS Reference:	8 Risk Assessment Outcomes
Client Reference:	Section 8, Appendix 8a and 8b of the OP.
Details: Documentation is adequate.	

DWQMS Reference:	9 Organizational Structure, Roles, Responsibility and Authorities
Client Reference:	Section 9, Appendix 9a and 9b of the OP.
Details: <b>OFI</b> - Manager, Water /Wastewater Services shares the same responsibilities and authorities as the QMS rep. There exist an opportunity to clarify the matter. <b>OFI</b> - replace "every 12 months" with "every calendar year" <b>OFI</b> - clarify as to which positions are responsible to address element 9 (c), which is to undertake the management review, not just ensuring that management review is conducted.	

DWQMS Reference:	10 Competencies
Client Reference:	Section 10 and Appendix 10a of the OP.
Details: Documentation is adequate	

DWQMS Reference:	11 Personnel Coverage
Client Reference:	Section 11 and Appendix 11a & b of the OP.
Details: Documentation is adequate	

DWQMS Reference:	12 Communications
Client Reference:	Section 12 and Appendix 12a of the OP.
Details: <b>OFI</b> - this element is not about reporting to the owner, OA's personnel, suppliers and public. It is about communication between the top management and the owner, OA's personnel, suppliers and public. Consider rewording the section.	

DWQMS Reference:	13 Essential Supplies and Services
Client Reference:	Section 13 and Appendix 13a & b of the OP.
Details: Documentation is adequate	

DWQMS Reference:	14 Review and Provision of Infrastructure
Client Reference:	Section 14 and Appendix 14a of the OP.
Details: <b>Minor NCR</b> – the following requirements were not addressed; the risk assessment outcome documented under element 8, and to ensure that the adequacy of the infrastructure necessary to operate and maintain the Subject System is reviewed at least once every Calendar Year.	

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DWQMS Reference:	15 Infrastructure Maintenance, Rehabilitation and Renewal
Client Reference:	Section 15 and Appendix 15a of the OP.
Details: <b>OFI</b> – improvement is required with respect to how the management intends on keeping the summary of the infrastructure maintenance, rehabilitation and renewal programs current <b>OFI</b> – replace “every 12 months” with “every calendar year” <b>OFI</b> – include a description with respect to how the management intends to monitor the effectiveness of the maintenance program	

DWQMS Reference:	16 Sampling, Testing and Monitoring
Client Reference:	Section 16, Appendix 16a, b and c of the OP.
Details: Documentation is adequate.	

DWQMS Reference:	17 Measurement and Recording Equipment Calibration and Maintenance
Client Reference:	Section 17, Appendix 17a and b of the OP.
Details: Documentation is adequate	

DWQMS Reference:	18 Emergency Management
Client Reference:	Section 18, Appendix 18a and b of the OP.
Details: Documentation for Emergency Management is adequate. Reviewed records of an emergency test held on December 13, 2018 – adequate.	

DWQMS Reference:	19 Internal Audits
Client Reference:	Section 19, Appendix 19a, b, c, d and e of the OP.
Details: <b>OFI</b> - correct the discrepancy between the QMS rep being the Water/Wastewater Compliance Coordinator and the Manager, Water / Wastewater. <b>OFI</b> - replace "every 12 months" with "every calendar year"	

DWQMS Reference:	20 Management Review
Client Reference:	Section 20, Appendix 20a, b and c of the OP.
Details: <b>OFI</b> - replace "every 12 months" with "every calendar year"	

DWQMS Reference:	21 Continual Improvement
Client Reference:	Section 21 of the OP.
Details: <b>Major NCR</b> – all three main requirements of this Element have not been addressed.	

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Details regarding the personnel interviewed and objective evidence reviewed are maintained on file at SAI Global.

This report was prepared by:

*J.P. Pang*

James Pang

SAI Global Management Systems Auditor

The audit report is distributed as follows:

- SAI Global
- Operating Authority
- Owner
- MOECC

## Notes

Copies of this report distributed outside the organization must include all pages.