

# Management Review Meeting ISO 9001:2015

Quality Annual  
Report 2021

AWI 106 Att. 8 Rev. 4 30 Jan. 2019



# AGENDA:

- Actions from previous MRM
- Changes to the Management System
- Internal Quality Audits and its Results
- Review of Quality Policy and Objectives
- Customer Feedback
- Process Performance and Product Conformity
- Risk & Opportunities and review of actions
- Changes affecting IMS
- Improvement of the product & services
- External Providers Performance
- Resource Needs
- Opportunity / Continual Improvements Actions

# Actions from previous MRM

- Completion of revising of management system procedures to reflect the name change from Kharafi National to Emarat Aloula.

## Present Status:

- All management system procedures revised to capture the New Name “Emarat Aloula”
- No actions pending from previous MRM dated 16 Dec 2020

# Changes to the Management System

- Revised the IMS manual in line with the ownership change and Company Name change.
- Procedure revision to migrate to Ali & Sons systems and procedures are under process.

# Internal Quality Audits

## Internal Audits:

- 37 internal audits conducted in the year 2021 including Emarat Aloula Contracting and Emarat Aloula Industries.

## Operations (Projects):

- Audits Conducted – 18 Nos.
- NCRs Issued – 02 Nos.

## Operation Services & Support Facilities (Departments):

- Audits Conducted – 17 Nos.
- NCRs Issued – 1 No.

## EAI:

- Audits Conducted – 2 Nos.
- NCRs Issued – 1 No.

# Results of Internal Quality Audits

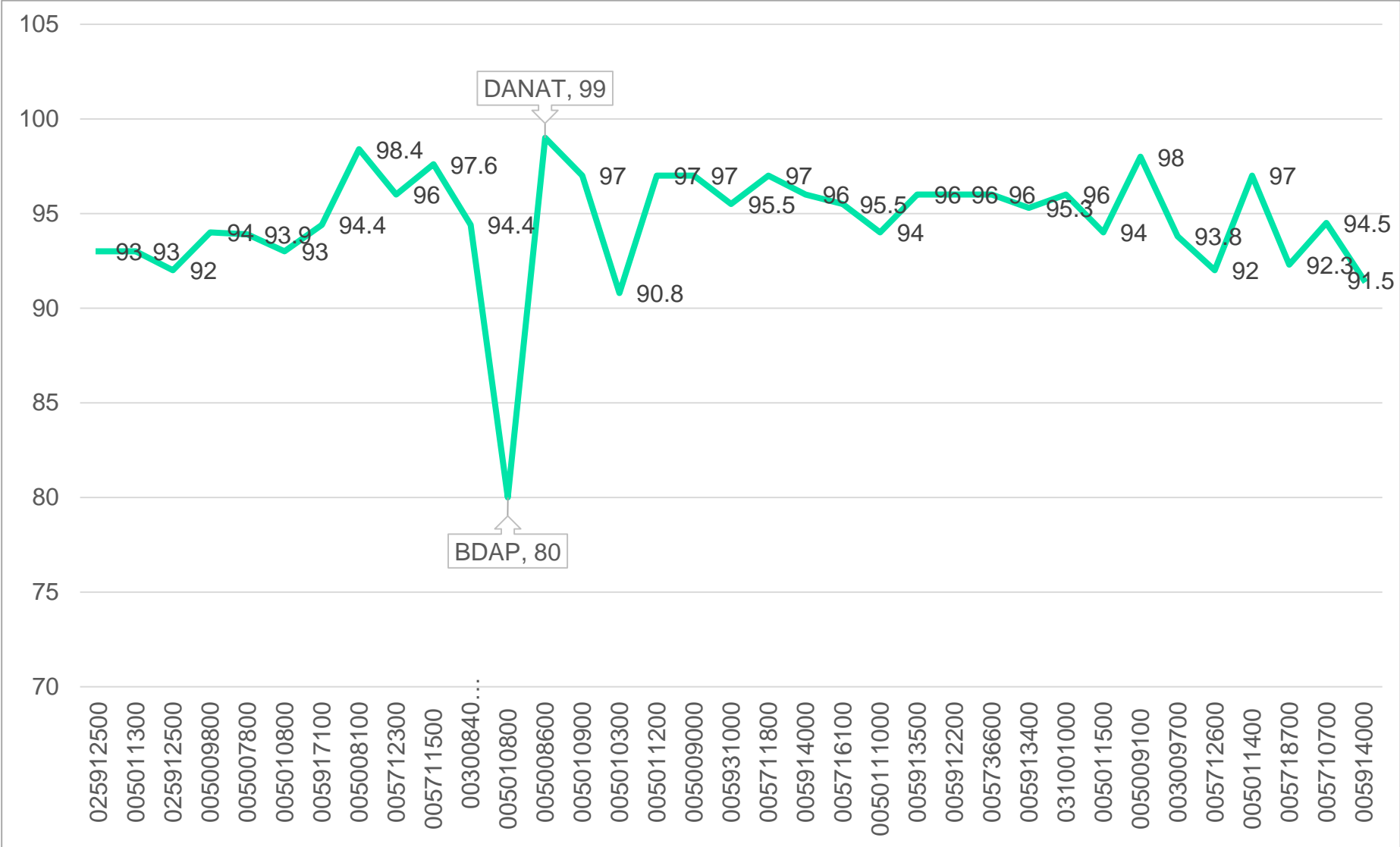
**Overall Company Score : 94.66%**

- **Best Score – FM Hard Services for DANAT Hospital - 99%**
- **Least Score - BDAP Combined audit for 25% & 50% Completion of Construction Phase - 80.00%**

# Results of Internal Quality Audits

	<b>Highest</b>	<b>Score</b>	<b>Lowest</b>	<b>Score</b>
<b>Department</b>	Administration Department	<b>97.6</b>	Business Development	<b>92</b>
<b>Service Unit</b>	Calibration Lab	<b>96</b>	Equipment	<b>91</b>
<b>EPC (MEP) Projects</b>	Emaar - Dubai - DHE District Cooling Plant 01	<b>94.4</b>	DIA –Dubai-Upgrade of Storm Water Drainage (MEP Works for Pumping Stations)	<b>93.8</b>
<b>EPC (O&amp; G) Projects</b>	AGP – BDAP - 50% & 75% Completion of Procurement Phase	<b>93</b>	AGP – BDAP - Combined audit for 25% & 50% Completion of Construction Phase	<b>80</b>
<b>Facility Management</b>	Abu Dhabi-FM Hard Services for DANAT Hospital	<b>99</b>	ADSCC-O&M Contract-Mafraq Wastewater Treatment Works-Abu Dhabi Emirate	<b>90.8</b>

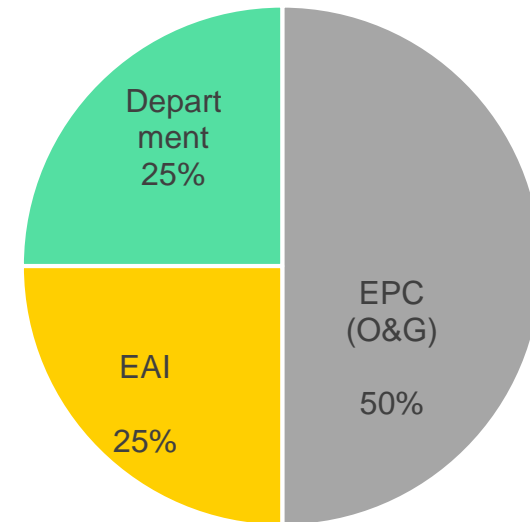
# Results of Internal Quality Audits





# Internal Quality Audit NCRs

Business Unit		NCRs	%
EPC (O&G)		2	50%
<b>Sub Total</b>		<b>2</b>	<b>50%</b>
FM	FM – Institutional & Commercial	-	-
	FM - Industrial Services (Sewage Works & Water Networks)	-	-
	FM –Industrial Maintenance	-	-
	<b>Sub Total</b>	<b>0</b>	<b>0</b>
Operation Services & Support Facilities		1	25%
EAI		1	25%
<b>Total</b>		<b>4</b>	<b>100%</b>



The overall NCR indicator (total number of non-conformances to the total number of actual audits) of Emarat Aloula is **0.11** in the year 2021 Vs 0.22 in 2020.

2 out of 4 Internal Quality Audit NCR were closed in 2021. QA Department sent reminders to all Business Unit to close the observations and NCRs'

# Feedback on Internal Quality Audit

- **During audit a common concern was received and observed from all the projects irrespective of the business line;**

**All the projects highlighted performance outage on account of shortage of materials at projects.**

**Issues are getting resolved with the actions from new management**

# Review of Quality Objectives

- The current Quality Objectives are in line with the present requirement and being reviewed and revised annually as per the directions of AWI 110.
- **Project specific KPI** (*Key Performance Indicators*) are developed during project commencement execution phase in line with Scope of Project.
- The Quality objectives achievement level verified during the internal audits and actions are updated.

# Compliance Policy

- The Organization's Compliance Policy is amended and distributed.



## COMPLIANCE POLICY

The Organization's Compliance Policy is a commitment to conduct its business according to applicable laws and its own work standards, policies and procedures.

The principles of the Compliance Policy are:

1. Fair Competition  
To pursue business only through fair competition, and therefore, not to indulge in any activities aimed at restricting competition
2. Integrity in Business Dealings  
To prevent corruption and follow the established integrity requirements while conducting its business and to oblige the Subcontractors and Suppliers to uphold total and unyielding integrity in their dealings.
3. Upholding Foreign Trade Laws  
To comply with the requirements of all national and foreign trade laws applicable to its business.
4. Ethics in Workplace  
The employees are obliged to:
  - conduct business in the full spirit of honest and ethical behavior;
  - conduct themselves in a professional manner at all times, demonstrating a positive attitude, and showing respect for co-workers, customers and their property;
  - avoid any activities involving conflict of interest.The Organization is an equal opportunity employer and is committed to equal opportunity without regard to race, religion, color, sex, age, national origin, citizenship or disability
5. Confidentiality of Proprietary Information  
To safeguard confidential information, including systems, software, procedures and technology
6. Transparent Financial Reporting and Record-keeping  
To establish and maintain adequate financial controls for ensuring that all transaction details for financial and accounting purposes are fully and rightly captured.  
To ensure proper documentation and record-keeping of key business processes
7. Cooperation with Governmental Authorities  
The organization shall take all the necessary steps to attain full compliance to the legal and regulatory requirements.  
To remain cooperative in its dealings with all governmental authorities and submit all information required by law promptly.

For EMARAT ALOULA CONTRACTING CO –  
SOLE PROPRIETORSHIP L.L.C

A handwritten signature in blue ink, appearing to read 'Mohamed Metawie'.

MOHAMED METAWIE  
General Manager

CCM Issue 2 App. 1 Rev. 3 17 August 2021

# Customer Feedback

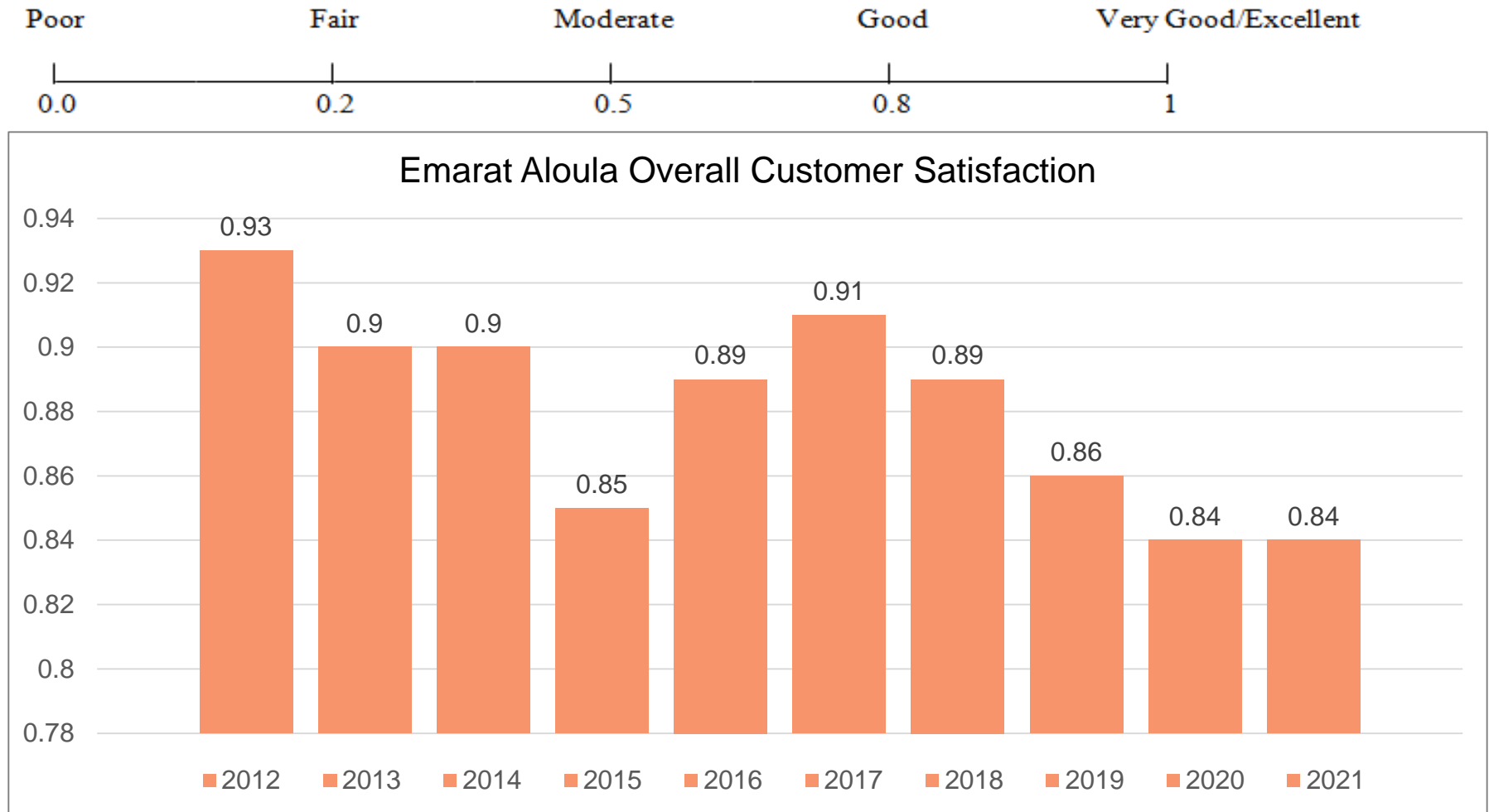
- Customer Satisfaction Index achieved for Year 2021 is 0.84 Vs 0.84 in 2020.
  - **21 Customer Satisfaction Survey/Assessment received from various projects.**
  - **FM (I&C) – 16 Nos. with average CSI Index of 0.85.**
  - **EPC & FM (I&S) – 04 Nos. with average CSA Index of 0.83.**
  - **EAI – 1 No. received this year.**

*Main concern for the lower rate for customer satisfaction level was because of delay in on time arrangement of the required materials & tools and in turn delay in the project execution. Management actions are in progress to resolve the issue.*

- 4 Nos. Customer appreciation letters/Certificates were received in Year 2021.
- 61 Non-conformities received from the Clients to various projects of Emarat Aloula. Majority of NCRs were noted to be received for EPC (Oil & Gas) & EPC Operations.  
*(Details are as given in the QMS annual report 2021)*

# Customer Feedback

Overall Customer Satisfaction Index (CSI) of Emarat Aloula for the year 2021 is **0.84**.



# Process Performance and Product Conformity

- The process performance and product quality are ensured at the project sites through implementation of technical work instructions and stage wise inspections.
- Operational NCRs are issued for recording and implementing the corrective actions for improvement.
- The status of NCRs issued in 2021, related to product conformity are as follows;
  - **Operational NCRs – 18 Nos.**
  - **NCRs to subcontractors – 16 No.**
  - **NCRs to suppliers – 02 Nos.**

*Note :The summary and analysis of Nonconformities are available in QMS annual report - 2021.*

- Operations are requested to follow up and close all the NCRs within the stipulated time.

# Process Performance and Product Conformity

- The distribution of NCRs for the year 2021 by areas of operations is as follows:

	Business Units						STATUS		TOTAL
	EPC (O&G)	EPC (MEP)	FM – I&S	FM – I&C	EAI	Support Services	Open	Closed	
Internal	2	-	-	-	1	1	2	2	4
Operational	9	-	1	-	8	-	2	16	18
Issued by Clients	57	4	-	-	-	-	18	43	61
Issued to Supplier	2	-	-	-	-	-	-	2	2
Issued to Subcontractor	12	4	-	-	-	-	4	12	16
Issued by External Auditors	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>82</b>	<b>8</b>	<b>1</b>	<b>-</b>	<b>9</b>	<b>1</b>	<b>26</b>	<b>75</b>	<b>101</b>



# Risk & Opportunities and review of actions

- Risk and Opportunities Control Matrix with actions were identified and implemented through out the Project operations and Department Functions.
- Compliance towards implementation of risks and opportunities actions were monitored regularly during the operations as well as during the Internal Audits.
- Risk & Opportunity Control Matrix and its actions are reviewed yearly basis or for any major scope change accordingly.

# Risk & Opportunities and review of actions

EMARAT ALOULA

RISK & OPPORTUNITY CONTROL MATRIX										Revision No:	4																								
										Date of Last Update:	24-Oct-21																								
										Next Review Date:	25-Dec-22																								
Department / Project: Head Office			Cost Center No: 00571000																																
Sl. No.	Risk / Opportunity Description	Risk / opportunity	Discipline Responsible	Impact Assessment (Risk/Opportunities)	Risk Evaluation Before Control Measures / Mitigation			Control Measures / Mitigation action	Risk evaluation after control measures / Mitigation			Frequency Of Measurements/ Evaluation	Remarks																						
					Likelihood	Severity	Ranking		Likelihood	Severity	Ranking																								
1	Rising operating cost	Risk	ED/FA/IC/OT/PC	Affecting competitiveness	5	3	9	Cost reduction policies shall be implemented	3	3	9	Yearly	Cost Reduction policies such as sharing the resources & Managerial between the projects launched and being monitored regularly. Engineering services subcontracted																						
2	Competitive market	Risk	ED	Affecting Project winning/Profit reduction	4	5	20	Diversify the operations to specialized fields related to the existing operations	2	5	10	Yearly	FSI & BIDD activities spreaded to more active fields. Scaffolding & Equipment division external Bidding activities.																						
3	Over dependency on Abu Dhabi market	Risk	ED	Limited opportunity and low margin	4	1	4	Should be engaged in outside country opportunities	2	2	4	Yearly	Attending outside country bids also																						
4	Contract cost inflation during project execution	Risk	Contract	Financial losses, resource redundancy	5	5	25	Enough provisions shall be included in the contract terms & conditions to safeguard company interests	3	3	9	Yearly	All contracts are being reviewed by Contract department																						
5	Failure to acquire necessary skills in oil & gas and other business lines	Risk	ED	Lack of skill, Loss of key skills/business line or create the skilled workforce	5	3	15	Improve the HR action plans, by identifying the operations in specialized fields related to the existing operations. Implement actions to complete the projects cost effectively and sharing the resources.	2	2	4	Yearly	Engaging in bids of Shale/Gas projects																						
6	Risk on material take off (MTO) and pricing distribution while bidding	Risk	Procure	Project failure due to Revenue loss	5	5	25	Multi level verification before finalizing the Tender price	1	5	5	Yearly	Multiple checking introduced to estimate.																						
7	Lack of in house engineering detailing team	Risk	HR/IT/PC	Delay in project originating contracts	5	4	20	Engaging external and experienced detailed engineering subcontractor	1	4	4	Yearly	Agreement made with Established Engineering Firm.																						
8	Implementation of ICV in Abu Dhabi Emirate	Risk	FA/Procurement/PC	Low score on ICV evaluation will lead to loss of new projects	5	2	10	Implement ICV improvement plan by taking enough measures during procurement, subcontracting, better resource deployment etc.	1	2	2	Yearly	Monitored & implemented to company systems																						
9	Retention of skilled and trained Manpower/Loss of key skills	Risk	Operations/HR	Additional cost of training & recruitment of New staff	5	3	15	Skilled and Trained manpower shall be retained on existing projects	1	3	3	Yearly	Ongoing																						
10	Cyber Security	Risk	IT	Security threat on data loss and operational failures, business continuity impact	4	4	16	Enough measures shall be taken to ensure cyber security program installed in company servers	3	1	3	Yearly	Ongoing																						
11	New system requirements for the software	Risk	IT	System failures, compatibility issues	4	3	12	Latest versions software shall be procured & made available	2	3	6	Yearly	Ongoing																						
12	SAG, SAGL Regulations	Risk	Administration	New adherence shall lead to client's account freezing on administrative functions and legal compliance issues	4	3	12	Legal requirements have been identified, listed and fulfilled as required	2	3	6	Yearly	Ongoing																						
13	ADPEC (OSIAD) SFL EAD and Tailored Requirements	Risk	HR	Non-compliance will lead to violations and fines.	4	3	12	Applicable ADPEC (OSIAD) SFL EAD and Tailored requirements shall be identified, listed and compliance shall be monitored.	1	3	3	Yearly	Ongoing																						
14	Failure of Mechanical and equipment	Risk	EQO	Production Project Progress Inefficiencies	3	4	12	Regular inspection and performing PM activities per the schedule and adding new equipment to the fleet	1	4	4	Yearly	Ongoing																						
15	Commercial Risk - the Impact on Income and profits if the projects are not delivered in time, cost or quality.	Risk	Contracts	Revenue Loss	5	3	15	Developing, implementing and adhering to project execution plan, Project re-forecast and Project procedure in line with the contract requirements.	1	4	4	Yearly	Ongoing																						
16	Pandemic Diseases - COVID 19	Risk	Operations	Impact on smooth functioning of operational activities and revenue Loss	4	4	16	Compliance to the measures advised by the Authorities. Ensuring compliance for all projects, operations in regular basis. Preparing requirements including PCR testing and isolation of contractors, shall be completed.	1	3	3	Bi-monthly	Ongoing																						
17	New Project coming up in the Oil & Gas Sector and Industrial projects of Abu Dhabi and Good Sense to ICV	Opportunities	ED	ED shall be keen to explore the new Oil/Gas projects	4																														
18	Identify New Vendors for Competitive Pricing	Opportunities	Procurement	Reduction on the cost and payment terms & Conditions.	5																														
19	Implementing TAHSHEED Program for Environmental Protection Program	Opportunities	OHSE	Decreasing Energy consumption with its implementation	5																														
20	Enhancing the FSI and services business field to distribution business line	Opportunities	FSI Operations	It may develop provision to the main business and diversify where needed.	5																														
Name:		Prepared By Rej Madhavan		Reviewed By Ammal Aggarwal		Approved By Mahmoud Metwally		Notes																											
Designation:		QA/QC Manager		OHSE Manager		General Manager																													
Signature:																																			
Date:		24-Oct-2021		24-Oct-2021		24-OCT-2021																													
** The review period is once in year/reviewed will be done as & when major changes identified.																																			
<b>Legend:</b> <table border="0"> <tr> <td>Likelihood</td> <td>Severity</td> <td>Ranking</td> <td>ED: Business Development</td> <td>FA: Finance &amp; Accounting Department</td> <td>PM: Project Manager</td> </tr> <tr> <td>Low</td> <td>Low</td> <td>Low</td> <td>HR: Human Resources</td> <td>IT: Information Technology</td> <td></td> </tr> <tr> <td>Medium</td> <td>Medium</td> <td>Medium</td> <td>EQO: Equipment Division</td> <td>OHSE: Occupational Health, Safety &amp; Environmental</td> <td></td> </tr> <tr> <td>High</td> <td>High</td> <td>High</td> <td>FSI: Finance Manager</td> <td></td> <td></td> </tr> </table>												Likelihood	Severity	Ranking	ED: Business Development	FA: Finance & Accounting Department	PM: Project Manager	Low	Low	Low	HR: Human Resources	IT: Information Technology		Medium	Medium	Medium	EQO: Equipment Division	OHSE: Occupational Health, Safety & Environmental		High	High	High	FSI: Finance Manager		
Likelihood	Severity	Ranking	ED: Business Development	FA: Finance & Accounting Department	PM: Project Manager																														
Low	Low	Low	HR: Human Resources	IT: Information Technology																															
Medium	Medium	Medium	EQO: Equipment Division	OHSE: Occupational Health, Safety & Environmental																															
High	High	High	FSI: Finance Manager																																

AWI 106 Att. 8 Rev. 4 30 Jan. 2019

1 of 1

# Changes affecting IMS

- QA department in coordination with respective departments and cost centers initiated the procedure revision to accommodate the changes that are relevant to the IMS (Quality).
- 11 Nos. of IMS procedures are revised to suite the changes

# Improvement of the Product & Services

- No customer complaint was received in 2021.
- 61 NCRs received from Clients during project execution. Follow up actions are under progress to close out the same.  
*(The summary and analysis of Nonconformities are available in QMS annual report -2021).*
- AWI 217 –Lessons Learnt identification and implementation actions are initiated both at project operations and department function level to identify the improvement action for the products and services *(part of EAC's organizational knowledge improvements).*
- Customer feedbacks on improvements of products and services are also collected and verified for identifying the improvement actions.
- IMS training provided for all the Newly joined employees. The training for recently joined employees shall be completed by 31<sup>st</sup> Jan 2022.

# External Providers Performance

- 02 Nos. NCRs issued to Supplier in 2021.
- 16 Nos. NCR issued to subcontractors in 2021.

# Resource Needs

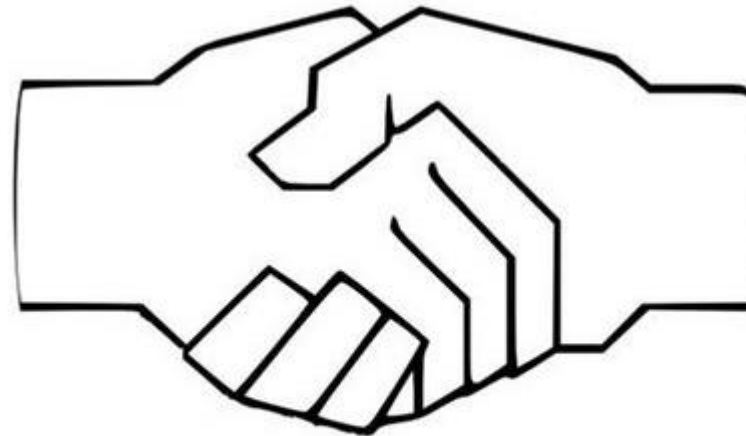
- The resources requirements are planned in line with the requirements of operations and being completed through the Supporting Departments & Service Units.

# Opportunity / Continual Improvements Actions

- The internal audit results of year 2021 indicates an average audit score of 94.66% (Good Performance) which is an indication of improvement in the IMS performance.
- Customer Satisfaction Index achieved for Year 2021 is 0.84 Vs 0.84 in Year 2020.

Operations shall take corrective action to improve the customer satisfaction level

- As per AWI 217 Lessons Learnt identification and implementation action both at Project Operational and Department Function level shall be initiated for improvements.



**THANK YOU**