PROQC INTERNATIONAL

Global Quality Control and Engineering Solutions

Initial Supplier Evaluation Audit

** Example Report **

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	GUIDELINES	3

Supplier Name	Audit Date	Report No.
xxx	xx/xx/xxxx	xxxxx

PURPOSE:
Audit scores are rarely understood outside of the Quality Organization or the auditing company. This audit is based upon defined criteria for each element audited. Scoring is based upon the supplier's ability to meet the requirements. The audit focuses on factors which would result in increased costs or financial loss to the client due to poor performance by the supplier.

SCORING:
Scores are to be assigned based upon what is done for the Pro QC client regardless of what is done for other clients. Example: if Control Plans are developed for other clients but not for Pro QC client, the score must be one 'NC' - Major Non-Conformance. Scoring must be explained to the supplier at the Opening Meeting.

Complies with the requirements = C
Improvement Needed = I
Non-conformance found = NC
N/A = does **N**ot **A**pply to this supplier / process / product

GUIDELINE FOR SCORING CONFORMANCE:
Each question is assessed for conformance to the requirements, and the auditors knowledge of the product and/or process This must be clear to the supplier at the Opening Meeting.

Complies with Requirements =
- has objective evidence to support the question, AND
- has a written procedure (when required)

Improvement Needed =
- has objective evidence, but procedure needs improvement
- has objective evidence, but no written procedure
- has written procedure, but is lacking some objective evidence to support the question

Non-Conformance =
- no objective evidence to support the question (regardless of the procedure)
- lacking some objective evidence and no written procedure

RESULTS/RECOMMENDATIONS: (Automatically Calculated)
The score is based upon the percent of questions that Conform to the Requirements; percent that Needs Improvement; and the percent that have a Major Non-conformance. Each client should review how the supplier was evaluated for each question and base their sourcing decisions upon factors which are important to them and their product.

AUDIT REPORT:
The auditor is to complete all sections of the Audit Report:
- Scope of the Audit
- Recommendations
- Strengths of the Suppliers Quality System and Manufacturing Process
- Opportunities for Improvement (weaknesses in the suppliers' Quality System and/or Manufacturing Process)

RESULTS REVIEW WITH SUPPLIER:
The auditor should review the audit results with the supplier, but cannot give the supplier a copy of the audit. The audit is the property of the client.

CORRECTIVE ACTIONS:
It is recommended that the client request a Corrective Action or and Improvement Plan based upon the results of the audit. The Improvement Plan should include:
- Detailed description of action plan
- Name of person responsible for the improvement activity
- Date when the improvement will be completed

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SUMMARY

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Supplier Name	Audit Date	Report No.
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SUPPLIER'S INFORMATION	CLIENT'S INFORMATION
NAME : xxx	NAME :
ADRESS :	ADRESS :
CITY :	CITY :
COUNTRY :	COUNTRY :
PHONE :	PHONE :
FAX :	FAX :

SUPPLIER'S PERSONNEL PARTICIPATING

Mr./Mrs.	Jane Doe	Title:	Quality Manager	Email:	
Mr./Mrs.		Title:		Email:	
Mr./Mrs.		Title:		Email:	
Mr./Mrs.		Title:		Email:	
Mr./Mrs.		Title:		Email:	
Mr./Mrs.		Title:		Email:	
Mr./Mrs.		Title:		Email:	

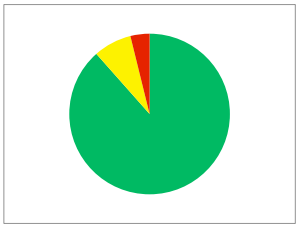
AUDITORS PERSONNEL

Mr./Mrs.	Pro QC	Title:	Lead Auditor	Email:	
Mr./Mrs.		Title:		Email:	
Mr./Mrs.		Title:		Email:	

Scope :

AUDIT RESULTS

Category	Nb. Ques.	%
Complies with Requirements (C)	23	88.5%
Improvement Needed (I)	2	7.7%
Doesn't comply with Requirements (NC)	1	3.8%
Not Applicale (N/A)	0	



RECOMMENDATIONS

- ☐ Systems are effective, you could start or continue business with this supplier
- ☒ System is acceptable, with minor nonconformities, you could use this supplier, and keep pushing them to improve it.
- ☐ System has some major issue, you could temporaly use this supplier and request immediate corrective action in case of long term business.
- ☐ There are serious major issue in this supplier that could impact in your business The better solution will be to source for another supplier

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Scope of Audit:

The intent of the Initial Supplier Evaluation Audit is to provide the client with information useful for making an initial assessment about business viability and reducing their sourcing risks.

Summary/Recommendation:

1. Supplier xxx was established in 2007. Their manufacturing is located in the BaoAn district of Shenzhen. Their main products are LEDs.

2. Supplier xxx has about 392 employees: 35 engineers, 90 administrators and 12 QC personel. The factory is 16,000 square meters.

3. Supplier xxx was certified to ISO 9001:2000 quality management system in 2008.

4. Supplier xxx has 3 assembly lines, an R&D Department, a PMC Department, a Production Department, Purchasing and a Quality Department.

Strengths:

1. Strong product development ability.
2. A wide range of existing LED products.
3. A reliable quality assurance program is in place.

Opportunities for Improvement:

1. The supplier should provide materials identification in the workshop to avoid mixing errors/mistakes/rework.
2. The supplier needs a systematized, documented periodic maintenance program for the fabrication and the assembly machines.

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C = Complies with the requirements, I = Improvement Needed, NC = Not Complies, N/A = Not Applicable

	QUESTIONNAIRE	FINDINGS	SCORE
A	**Management**		
1	Is there a documented and formally approved Quality Manual and Procedures defining all Quality Control / Assurance related operations and functions?	The factory has developed a quality manual (numbered IL-QAM-01) and procedures (IQC/IPQC/QA). All related quality controls are defined. Please refer to pictures 4, 5, 6, 7, 8 and 9.	C
2	Does the factory have a program to train production operators and inspectors?	Yes, the factory has developed a training program. They keep a record of all of their operator/inspector training and these records are available for review.	C
B	**Engineering**		
3	Is there a formal system in place to ensure that only the most current up-to-date drawings and specifications are available for use?	The factory has a department in charge of distribution of documents and this department makes sure the documents are up-to-date. The auditor reviewed drawings and documents in the workshop and found that they did match the document revision saved in the office.	C
4	Are control plans developed for each product?	Yes, SOP, BOM and Pos are visible in the workshop. Please refer to pictures 26 and 27.	C
C	**Quality Control / Assurance**		
5	Is the Quality Control / Assurance Department a separate and distinct function within the organization?	Yes, the factory has a quality department both in their Organizational Chart and in the factory. Mr. Wu is the Quality Supervisor and he leads a team of 12 QC personel. Please refer to picture 45.	C
6	Does Quality Control / Assurance have the ultimate responsibility regarding accept and reject decisions?	Yes, the quality department is responsibile for acceptance and rejection decisions. These responsibilities are defined in the quality control procedures.	C
D	**Incoming Receiving Inspection**		
7	Are raw materials and purchased component parts inspected upon receipt to verify conformance to specifications?	Yes, IQC are conducted according to drawings & specifications, BOM and inspection procedures. Inspection records were found to be up-to-date and maintained.	C
8	Are there documented and approved instructions provided for controlling incoming receiving inspection methods and procedures?	Yes, the factory has developed a procedure for incoming inspections. The IQC performed the inspection according to the procedure. Please refer to pictures 6, 7, 8 and 9.	C
9	Are the inspection and test equipment available for incoming receiving inspection sufficient for performing the required tasks?	Yes, the inspection and test equipment are available in the QC room and it is sufficient for the tasks required.	C
10	Are the gages calibrated? Is the inspection and test equipment individually identified by tag or label?	Yes, all inspection and test equipment are calibrated and tags are visible on each piece of equipment. Please refer to pictures 43 and 44.	C

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	QUESTIONNAIRE	FINDINGS	SCORE
E	**Manufacturing**		
11	Are the proper drawings and specifications being used in production and inspection?	Yes, SOPs, BOMs and POs are used for production. QC uses inspection procedures and specifications.	C
12	Are documented instructions, methods, and procedures available to both manufacturing and inspection personnel, and are both held accountable for quality?	Yes, SOPs, POs and related procedures are kept and made visible at both stations. Please refer to pictures 26 and 27.	C
13	Are in-process inspection and testing results recorded?	Yes, the auditor checked some IQC / IPQC / QA quality department inspection records from 2008 to 2010. Please refer to pictures 37, 38 and 39.	C
14	Are parts properly identified throughout the manufacturing process?	Most materials were clearly identified throughout the manufacturing process. There were a few materials in the IQC room, and still others in "finished products" in the workshop that were not identified. Please refer to pictures 17, 18, 28 and 29.	I
15	Does the manufacturer have a documented system to track the production schedule?	Yes, it is controlled by their PMC department. Production plan forms are provided for each department and are updated daily. Please refer to pictures 30 and 31.	C
16	Is the manufacturing area maintained in an orderly and functional manner?	Yes, the manufacturing area is maintained in an orderly and functional manner. Please refer to pictures 23 and 24.	C
17	Is there a formal periodic maintenance program in place?	No, the factory doesn't have a documented, periodical maintenance program for their manufacturing equipment.	NC
F	**Packaging**		
18	Are the products properly packaged to prevent damage during shipping and handling?	Yes, drop and vibration tests are conducted to verify the packaging's condition.	C
19	Are all cartons clearly identified as to their contents?	Labels are present on each package and each is clearly identified. Some of the raw materials in the IQC room and some of the finished product in the workshop are not identified.	I
20	Are finished parts properly stored to prevent damage or deterioration?	Yes, the storage time of finished products is recorded and controlled. Product is rechecked if the storage time exceeds 6 months. This directive is defined in the procedures.	C
G	**Non-Conforming Materials**		
21	Do the operators know how to handle non-conforming parts?	Yes, red arrow labels are marked on the non-conforming parts and red labels are affixed to material if it is rejected during the incoming inspection. Please refer to picture 16.	C
22	Is there a clearly defined holding area for non-conforming materials where they are kept segregated until disposition can be formally determined?	Yes, there is defined area for non-conforming materials and all of the non-conforming materials are kept in this area. Please refer to picture 15.	C

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H	**Corrective Action**		
23	Are rejections from receiving inspection, in-process, final inspection, or customers properly communicated to those responsible for corrective action?	Yes, CAR records from incoming and final inspection are available and checked. Please refer to pictures 35 and 36.	C
24	Is there an effective system for developing corrective actions?	Yes, the factory has developed a procedure for corrective actions. Corrective actions must be taken when the deviation occurs. Please refer to pictures 32, 33 and 34.	C
I	**Inspection and Test Equipment**		
25	Are inspection and test equipment calibrated at specific and regulated time intervals according to documented procedures?	Yes, the factory has developed a calibration program (document numbered IL-QPM-10) and the related calibration records are maintained and available. Please refer to picture 43.	C
26	Are the gages located at the machine calibrated? Is the inspection and test equipment individually identified by tag or label?	Yes, all of the inspection and test equipment is calibrated and visible calibration tags are on the gauges. Please refer to picture 44.	C

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Photos were removed from sample report.	
1. Factory building (4th,5th,6th,7th floor)	2. Factory brand
3. Factory certificate	4. ISO9001: 2000 certificate
5. Quality manual	6. Quality control procedures

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7. Quality control procedures	8. Quality control procedures
9. Quality control procedures	10. Sample room
11. Sample room	12. Sample room

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13. Sample room	14. Sample room
15. Non-conforming area	16. Non-conforming label
17. Raw materials not identified	18. Raw materials not identified

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19. IQC room	20. IQC room
21. Warehouse	22. Warehouse
23. Workshop	24. Workshop

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25. Identification label on materials	26. Production order form