Initial Supplier Evaluation Audit

* Example Report *

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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 Not Apply 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
Initial Supplier Evaluation Audit

SUMMARY

Supplier Name: XXX
Audit Date: XX/XX/XXXX
Report No.: XXXXX

SUPPLIER'S INFORMATION

NAME: XXX
ADDRESS: 
CITY: 
COUNTRY: 
PHONE: 
FAX: 

CLIENT'S INFORMATION

NAME: 
ADDRESS: 
CITY: 
COUNTRY: 
PHONE: 
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: 
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

<table>
<thead>
<tr>
<th>Category</th>
<th>Nb. Ques.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complies with Requirements (C)</td>
<td>23</td>
<td>88.5%</td>
</tr>
<tr>
<td>Improvement Needed (I)</td>
<td>2</td>
<td>7.7%</td>
</tr>
<tr>
<td>Doesn't comply with Requirements (NC)</td>
<td>1</td>
<td>3.8%</td>
</tr>
<tr>
<td>Not Applicable (N/A)</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

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 temporarily 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.
### Initial Supplier Evaluation Audit

**AUDIT REPORT**

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>Audit Date</th>
<th>Report No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>xxx</td>
<td>xx/xx/xxxx</td>
<td>xxxxxx</td>
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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 personnel. The factory is 16,000 square meters.
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.
<table>
<thead>
<tr>
<th>A</th>
<th>Management</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Is there a documented and formally approved Quality Manual and Procedures defining all Quality Control / Assurance related operations and functions?</td>
<td>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.</td>
<td></td>
<td>C</td>
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<tr>
<td>2</td>
<td>Does the factory have a program to train production operators and inspectors?</td>
<td>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.</td>
<td></td>
<td>C</td>
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<table>
<thead>
<tr>
<th>B</th>
<th>Engineering</th>
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<tbody>
<tr>
<td>3</td>
<td>Is there a formal system in place to ensure that only the most current up-to-date drawings and specifications are available for use?</td>
<td>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.</td>
<td></td>
<td>C</td>
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<tr>
<td>4</td>
<td>Are control plans developed for each product?</td>
<td>Yes, SOP, BOM and Pos are visible in the workshop. Please refer to pictures 26 and 27</td>
<td></td>
<td>C</td>
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<table>
<thead>
<tr>
<th>C</th>
<th>Quality Control / Assurance</th>
<th></th>
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<tbody>
<tr>
<td>5</td>
<td>Is the Quality Control / Assurance Department a separate and distinct function within the organization?</td>
<td>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 personnel. Please refer to picture 45.</td>
<td></td>
<td>C</td>
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<td>6</td>
<td>Does Quality Control / Assurance have the ultimate responsibility regarding accept and reject decisions?</td>
<td>Yes, the quality department is responsible for accept and reject decisions. These responsibilities are defined in the quality control procedures.</td>
<td></td>
<td>C</td>
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<table>
<thead>
<tr>
<th>D</th>
<th>Incoming Receiving Inspection</th>
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<tbody>
<tr>
<td>7</td>
<td>Are raw materials inspected upon receipt to verify conformance to specifications?</td>
<td>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.</td>
<td></td>
<td>C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Are there documented and approved instructions provided for controlling incoming receiving inspection methods and procedures?</td>
<td>Yes, the inspection and test equipment are available in the QC room and it is sufficient for the tasks required.</td>
<td></td>
<td>C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Are the inspection and test equipment available for incoming receiving inspection sufficient for performing the required tasks?</td>
<td>Yes, all inspection and test equipment are calibrated and tags are visible on each piece of equipment. Please refer to pictures 43 and 44.</td>
<td></td>
<td>C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Are the gages calibrated? Is the inspection and test equipment individually identified by tag or label?</td>
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<td></td>
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### QUESTIONNAIRE

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<tbody>
<tr>
<td>23</td>
<td>Are rejections from receiving inspection, in-process, final inspection, or customers properly communicated to those responsible for corrective action?</td>
<td>Yes, CAR records from incoming and final inspection are available and checked. Please refer to pictures 35 and 36.</td>
</tr>
<tr>
<td>24</td>
<td>Is there an effective system for developing corrective actions?</td>
<td>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.</td>
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</tbody>
</table>

### INSPECTION AND TEST EQUIPMENT

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<tbody>
<tr>
<td>25</td>
<td>Are inspection and test equipment calibrated at specific and regulated time intervals according to documented procedures?</td>
<td>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.</td>
</tr>
<tr>
<td>26</td>
<td>Are the gages located at the machine calibrated? Is the inspection and test equipment individually identified by tag or label?</td>
<td>Yes, all of the inspection and test equipment is calibrated and visible calibration tags are on the gauges. Please refer to picture 44.</td>
</tr>
</tbody>
</table>
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
<table>
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<td>xx/xx/xxxx</td>
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25. Identification label on materials
26. Production order form