

			<h2>Internal Audits</h2>
QMS PQ3	Rev D	Date 09-20-17	<b>Procedure Authority: Quality Assurance Manager</b>

**Purpose:** The purpose of this procedure is to describe provisions and activities associated with our internal audits.

**Scope:** This procedure applies to scheduling, performance, records, and follow-up activities involved in the audit process. The basis of the audit shall be the ISO 9001 and IATF 16949 standards, as appropriate, as well as our internal Quality Management System requirements.

**Responsibility:** The Quality Manager is responsible for administering this procedure. The Materials Manager is responsible for initiating the need for a supplier 2<sup>nd</sup> party audit.

**Definitions:** NA

**Reference Documents:** NA

**Procedure:**

1. The Quality Manager will establish a schedule for internal audits, (and potentially, supplier 2<sup>nd</sup> party audits), to provide information on whether our Quality Management System (QMS) conforms to internal requirements, the ISO 9001 international standard, and when applicable, the requirements of the IATF 16949 automotive standard, and that the requirements are effectively implemented and maintained.
2. Audits will include QMS audits, manufacturing process audits and product audits and when appropriate, shall include activities from all shifts.
3. Audits, (Including supplier 2<sup>nd</sup> party audits), will be planned and executed based on the importance of the processes and areas concerned, changes affecting the organization and the results of previous audits. Further scheduling considerations will take into account anticipated risk, internal and external performance trends and/or customer complaints.

*Note: 2<sup>nd</sup> party audits will be conducted consistent with the knowledge and discernment of the Materials Manager.*

4. Audit planning, and associated documents will define the audit criteria and scope for each audit.
5. Audits will be performed by trained auditors (see bullet item #8 & 9), who will be independent of the work being audited.
6. Audit results will be reported to relevant management and appropriate corrective action will be taken without undue delay.

**Procedure continued:**

7. Audit results will be maintained by the Quality manager and reviewed by top management as an aid to assess the effectiveness of the Quality Management System as well as effectiveness of the internal audit program.
8. Internal auditor qualifications will be consistent with the knowledge required to conduct QMS audits, manufacturing process audits, and product audits and be able to demonstrate the following:
  - a) understanding of the automotive process approach for auditing, including risk-based thinking;
  - b) understanding of applicable customer-specific requirements;
  - c) understanding of applicable ISO 9001 and IATF 16949 requirements related to the scope of the audit;
  - d) understanding of applicable core tool requirements related to the scope of the audit;
  - e) understanding how to plan, conduct, report and close out audit findings.
  - f) understanding technical information related to the manufacturing processes being audited
  - g) understanding of relevant product requirements and the use of relevant measuring and test equipment to verify product conformity.
9. Maintenance of, and improvement in internal auditor competence shall be demonstrated through executing a minimum of two audits per year and maintaining knowledge of relevant requirements based on internal changes (i.e. process technology, product technology) and external changes (i.e. ISO 9001, IATF 16949, core tools, and customer specific requirements).
10. There are currently two employees trained and utilized as internal auditors:
  - Janet Hagy, Quality Manager of The Plastics Molding Co.
  - Ed Ide, Quality Manager of Bachman Machine Co.As necessary, Janet and Ed may select key employees to help in some areas, but only as participants of a team, under the guidance of Janet and/or Ed.

***AMENDMENT RECORD***

<b>Revision</b>	<b>Date</b>	<b>Details</b>	<b>Authority</b>
A	04-14-03	Originated	E. Ide
B	06-06-12	Amended to include specific auditor qualifications	E. Ide
C	08-30-17	Modified to align with new ISO and IATF standards	E. Ide
D	09-20-17	Amended to include aspects of supplier 2 <sup>nd</sup> party audits	E. Ide