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1.0 **PURPOSE**: To provide the controls necessary to assure that the assessment and certification processes ISO/TS 16949 complies with all applicable rules and regulations of the applicable accreditation or approval body and these management system requirements. Additionally, SQA will notify clients of any changes related to certification activities and requirements including change in SQA ownership or IATF recognition.

Note: The requirements of this CQAM are in addition to the requirements of CQAM-102.

2.0 **SCOPE**: This procedure is to be used by all Smithers Quality Assessments, Inc. (SQA) auditors in the evaluation of a client's TS quality related activities.

3.0 **RESPONSIBILITY**: The General Manager is responsible to the President for ensuring all ISO/TS 16949 related audits are conducted in accordance with this CQAM.

4.0 **AUTHORITY**: The General Manager is authorized by the President to take appropriate actions to assure the proper and complete implementation of this CQAM.

5.0 **PROCEDURES**: (Ref: CQAM-102, Procedure for Conducting Quality System Assessment.)

5.1 **Resolving consultancy conflicts**: Prior to conducting an assessment to ISO/TS 16949, the General Manager shall assure that the following actions are taken to assure the absence of consultancy:

5.1.1 SQA is not permitted to provide any training outside of public training open to and attended by 2 or more companies or conduct internal audits.

5.1.2 **Extent of assessment activity**: It shall be the policy of SQA that assessments conducted to TS shall not be limited to the system's basic system processes or requirements but shall also include:

a) products supplied to customers subscribing to the certification to ISO/TS 16949 and;
b) applicable customer specific requirements in effect at the time of the assessment. The accepted practice is to identify these extended requirements during the Stage 1 assessment; however, they may also be discovered during the initial assessment activity or subsequent assessments. Identifying newly added automotive customers when auditing ISO/TS 16949 is a fundamental requirement. Also, the initial assessment shall include all remote sites, e.g., engineering, purchasing, warehouses.

5.1.3 **Limitations on pre-assessments:** No more than one pre-assessment per site of the same company is permitted and its duration cannot exceed 80% of the required Stage-2 assessment. In addition, the auditor performing the pre-assessment or a previous "sales call" may not participate in the initial Stage-2 certification assessment.

5.2 **Identification of opportunities for improvement**: Auditors conducting assessments may identify and report opportunities for improvement (OFIs) as they become apparent.

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OFIs shall be summarized during the closing meeting and shall also be included in the Final Report. (Ref: CQAM-106). At no time, however, are auditors permitted to offer specific advice relative to recommended solutions to identified problems or utilize an opportunity for improvement to correct a nonconforming situation. Document the full situation of compliance for each identified OFI.

5.3 **Assessment check sheets**: Auditors may use check sheets during the assessment, as applicable, to document audit trails but the check sheets should not be used to drive the audit process.

5.4 **Major and minor nonconformities**: For purposes of this CQAM, SQA shall adhere to the definition of "major" and "minor" nonconformities and "open" as stated in CQAM-102 which is based on automotive requirements such as the IATF "Rules for ISO/TS 16949" that are in effect on the date of the assessment activity. Certification may not be granted if there are any major or minor nonconformities identified that are categorized as "open" at the end of the assessment process. Nonconformities shall not be closed during the assessment.

5.5 **Certification restriction**: If an organization has more than one "site", each site must be individually assessed and certified (see CQAM-016.4 for definition of site). This applies equally to initial assessments, surveillance and re-certification assessments. Sampling of sites is not permitted.

5.6.1 The ECP process should be completed for each site individually as the assessment documentation is completed and the auditor recommends the site for certification. Each site certificate should be processed individually and given the current certificate date and certificate expiration date based on ECP. DO NOT wait for all sites of a corporate scheme to complete a certification/recertification to issue certificates.

5.6 **Surveillance assessment requirements**: The following requirements apply to on-going surveillance of existing certifications:

5.6.1 All existing certifications to ISO/TS 16949 shall be subjected either to surveillance performed once (annually) or twice (semi-annually) every 12-month period after the last of the Stage 2 assessment, and a complete system reassessment within the final year.

5.6.2 The requirement to conduct regular and scheduled surveillance shall be conveyed to the client in the SQA "Description of, and Agreement for, Services" (CGI-02) which forms the contract between the client and SQA.

5.6.2.1 Surveillance assessments shall be scheduled from the last day of the initial stage 2 audit or the last day of a recertification assessment in accordance with the table below:

Surveillance Interval	6 months	12 months
Number of assessments	5	2

per 3 year cycle		
Allowable timing	-1 month/ + 1 month	-3 months/ +1 month

- The last day of the first recertification assessment shall not exceed three (3) years (-3 months, +0 months) from the last day of the initial stage 2 audit.
- The scheduling of the recertification assessment shall provide sufficient time to close or 100% resolve any nonconformity that may be raised at the recertification audit and the certification decision made prior to the expiration of the existing ISO/TS 16949 certificate.
- The time between two recertification assessment shall not exceed three (3) years (-3 months, +0 months) from the last day of the previous recertification assessment.
- Once established, the surveillance interval outlined in the table above shall be maintained for the three (3) year audit cycle.
- Total number of surveillance audit days shall be equal to the number of initial days and shall be equal in duration.

5.6.3 The requirement to conduct a complete management system reassessment prior to renewing a certificate shall be conveyed to the client in the SQA "Description of, and Agreement for, Services" which forms the contract between the client and SQA.

5.6.3.1 For ISO/TS 16949 systems, the length of time between the initial assessment and the first re-assessment and all subsequent re-assessments shall be performed at 36 months + 0/- 3 months.

5.6.4 AUDIT PLANNING – **ALL AUDITS (Stage 1, 2, Surveillance, Recertification & Special)**

The audit planning activity shall be undertaken **prior to the start of the onsite audit** and shall include as inputs to the plan a review of the following information supplied by the client:

a) all requirements of the client's quality management system implemented to meet the automotive requirements of those customers requiring ISO/TS 16949 certification of their supplier, even when these requirements go beyond ISO/TS 16949 (i.e. customer specific requirements),
b) the client processes including the linkages and interfaces to any remote support function and /or outsourced processes,
c) current customer and internal performance data, internal audit and management review results, and the same information pertinent to any new customers since the previous assessment,
d) customer satisfaction and complaint summary, including verification of customer reports, scorecards and special status,
e) follow-up on issues from previous assessment.

Stage 1 audit als requires:

a) key indicators and performance trends for the previous 12 months
b) quality manual
c) evidence of one full cycle of internal audits followed by a management review
d) list of qualified internal auditors and the qualification criteria
e) list of automotive customers and requirements

Recertification audits shall also include a review of the performance of the management system over the period of certification and include a review of the previous audit reports (surveillance and special audits).

Special audits, whether performed to verify implementation of corrective action to a MAJOR CAR issued as a result of an audit activity or the result of a customer performance issue, shall also follow the requirements of this procedure. While no all of the requirements may apply, as a minimum, the auditor shall verify web-access to the applicable customer score cards and review any relevant customer complaints to identify any need for change in audit focus and/or need for additional audit time.

The review of this information in conjunction with SQA-78 will be utilized to develop the audit plan demonstrating the prioritization of assessment activities.

If we do not receive all the information by the date designated, we are required to add additional on-site time to review this information prior to commencing the audit (pre-opening meeting) as part of the planning requirement, or the decertification process shall be initiated.

Stage 1 Pre-audit Planning Letter is required to be sent to obtain documentation prior to the on-site Stage 1 audit. The review of this documentation shall documented in the Stage 1 report.

Form SQA-125 shall be used to document completion of the Pre-Audit Planning activities. Completion and submission as part of the audit package is required for reviews performed on or off-site.

Notes:

- Consideration shall be given to timing of activities over consecutive days to give a sequence which avoids unnecessary duplication of visits to one process.
- If the assessment activity exceeds 5 audit days, two auditors at a minimum shall be on the team.
- The audit plan shall ensure that each audit team member audits for a minimum of 0.5 days.
- At least one auditor from the initial/recertification audit team to participate in all surveillance audits of the three (3) year audit cycle.
- For subsequent audit cycles a different audit team shall be assigned.

- One auditor from the previous 3 year audit cycle may participate in the recertification audit to ensure an effective transition to an effective audit team. his auditor shall not be the audit team leader or allowed to participate in the surveillance audit cycle but may participate in the subsequent 3 year audit cycle.
- An audit day is 8 hours. A half an audit day is 4 hours.
- Total audit days cannot be reduced by programming longer than 8 hours per working day. The only exception is on days where 3rd shift work (i.e. shift that operates outside of the normal working hours of the site) is being covered. The additional hours spent auditing the 3rd shift shall not exceed 4 hours per audit.
- Manufacturing shall be audited on all shifts where it occurs; multiple shift patterns shall be audited at each audit and the minimum audit time in manufacturing shall be a MINIMUM of 1/3 of audit days.
- On-site review of corrective actions shall be in addition to the audit days and can be conducted in addition to the regular 8 hour work day.
- A maximum of 10% may be allocated to writing the audit report and must be on site.

5.6.5 Audit Plan Requirements

a) identify a minimum 1 hour onsite prior to the opening meeting for verification of changes to current customer and internal performance data, including a review of current on-line customer reports and or scorecards. The audit team shall adjust the plan based on any new information as required. This 1 hour is in addition to the specified audit days.
b) The name of the client processes to be audited
c) Identify the interactions with remote support functions will be audited
d) Iidentify the specific name of each manufacturing process and the shift
e) Iidentify when onsite review of previous corrective actions will be verified
f) Iidentify which customer specific requirements will be audited
g) Records the total number of hours to be audited per day and the total number of audit days per audit team member

NOTE: any changes to the published audit plan shall be retained as part of the audit record.

5.6.6 Each on-site assessment utilizing the automotive process approach shall address the following:

- Results of Pre-audit Questionnaire
- Review of Comprehensive Requirements Workbook (SQA-78)
- Process based Internal audits and analysis of effectiveness of corrective actions
- Management review
- Management responsibilities for their policies

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- Linkage between the policy, performance objectives and targets, responsibilities, competence of personnel, operations, procedures, performance data, internal audit findings and conclusions
- Continuing operational control including effective implementation of FMEA, Control Plan, etc
- Changes to the Quality System and its related scope
- Progress made toward continual improvement targets
- Customer complaints and organization response including effective implementation of any changes within relevant process documents (FMEA, Control Plan, etc.)
- Design Process (Annually)- When the client is product design responsible, verify they have a completed design package or a Mock Design package available for review during the audit.
- Effectiveness of SQA issued corrective actions and verification since the last assessment
- Effectiveness of system in achieving Customer & Organizational objectives and the client has corrective action plans for not meeting
- New automotive customers since last audit
- Use of marks and/or any other references to certification including certificate accuracy
- Process for gathering, communicating and implementing customer specific requirements
- Customer specific requirements sampled over the 3 year certification cycle
- Client's processes, the sequence and interactions, and performance against the measures defined with focus on the processes which directly impact the customers
- Shift changeover appropriately sampled

Notes:

- All requirements of ISO/TS 16949 shall be audited for effective implementation during the stage 2, surveillance assessment cycle and recertification assessment.
- Customer-specific requirements shall be sampled for effective implementation over the three (3) year audit cycle. Priority is to be given to IATF OEM members.
- ALL remote locations must be audited prior to the Stage 2 assessment including Letter of Conformance, once during the surveillance cycle and the prior to the recertification assessment at a minimum.
- The design function whether on-site or remote must be audited at least once within each consecutive 12 month period.
- Customer satisfaction data (report cards and complaints), client's internal performance data internal audit and management review are required to be scheduled and audited day-1 (first) to adequately plan and prioritize the assessment. The audit plan may need to be modified during the assessment to accommodate audit trails identified during this activity.

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5.6.7 Nonconformities shall be handled as follows:

Standard	N/C Type	Reply Timing*	Final CAR submitted by client	Accepted & Closed by Auditor	Resulting Actions*	Maximum Suspension
ISO/TS 16949	Minor	T1 +30 Days	T1 + **60** Days	T1 + 90 Days	-Veto Decision to suspend or not - If not suspended follow normal timing -If late for implementation then Suspension and Withdrawal effective on 110th day	110 days from T1
	Major **(Suspension)**	T1 +**20** Days	T1 + **60** Days	T1 + 90 Days	-Veto Decision to suspend -For late implementation, Withdrawal at 60th day -Verification required onsite within 90 days; only one chance to get it right!	110 Days from T1

- When the affected site is part of a corporate audit scheme the analysis shall include a review of the concern and its impact across all sites.
- In the case of a suspension within a corporate audit scheme the suspension shall only apply to the affected site(s).

* T1 = Last day of assessment.

Where corrective actions are not effectively implemented (Major and minor) the audit team shall recommend withdrawal of the certificate, only one chance to get it right!

5.7 Corporate Audit Scheme: (Refer to CQAM-102, Form SQA-45)

5.7.1 Each site requires the following:
5.7.2 an audit plan
5.7.3 audit planning.
5.7.4 audit report
5.7.5 certification decision
5.7.6 certificate; a single certificate listing all sites is NOT permitted

NOTE: For a corporate audit scheme each site shall have a Stage 1 audit. In

exceptional cases a waiver may be possible, please contact the SQA office for additional assistance (Rules section 6.4).

5.8 Support Sites audited by another IATF Certification Body

- ***For support sites audited by another CB, the required information identified in the table below shall***
  - ***Be obtained, reviewed and maintained as part of the auditor notes.***
  - ***Be translated into English.***
- ***The scopes identified below the table (allowed IATF Support Site Scopes) are the only permitted scopes***
- ***Verify that certification bodies other than SQA are approved to provide ISO/TS 16949 certification services by accessing the following web-site and click on "IATF Certification Bodies."***
  http://www.iatfglobaloversight.org

Activity/Document
Audit Plan
Audit Report
All identified findings
All corrective actions
All corrective action verification, including any on-site verification reports.
Referenced CB is listed on the IATF Global Oversight web-site

Allowed IATF Support Site Scopes:

After Sales	*Laboratory*	*Quality System Management*
Calibration	*Logistics*	*R & D*
Continuous Improvement	*Maintenance*	*Repair*
Contract Review	*Management Review*	*Sales*
Customer Service	*Marketing*	*Sequencing*
Distribution	*Packaging*	*Servicing*
Engineering	*Policy Making*	*Strategic Planning*
Facilities Management	*Process Design*	*Supplier Management*
Finance	*Product Design*	*Testing*
Human Resources	*Production Equipment*	*Training*
Information Technologies	*Development*	*Warehousing*
Internal Audit Management	*Purchasing*	*Warranty Management*

5.9 Extended Manufacturing Sites:

SQA 140 to be completed to determine eligibility for manufacturing site extension.

5.10 Executive certification panel authority:

The Executive Certification Panel (ECP) member granting, not granting, suspending or withdrawing TS certifications shall possess the appropriate ISO/TS 16949 auditor

certification (IATF ADP process) and the non-auditor ADP process, as a result, be qualified to audit the applicable standard and will have veto power over related certification decisions.

5.10.1 Veto power is granted in writing by the IAOB (e-mail correspondence is sufficient). Refer to CQAM-019 and CQAM-106. All decisions affecting certification shall be executed in an impartial manner.

5.10.2 ECP personnel must be permanent employees, or a contract person who only works for SQA and records maintained.

5.11 Internal system auditors

5.11.1 Must be a qualified ISO/TS 16949 auditor per the IATF ADP Process and approved by IAOB.

5.11.2 To qualify for auditing to ISO/TS 16949 an auditor candidate must first meet the requirements for Lead Auditor as detailed in CQAM-009. The following requirements are in addition to CQAM-009:

1. ***Four (4)*** years full time appropriate practical experience (including 2 years dedicated to Quality Assurance ***and/or Quality Management*** activities) within the past ***fifteen (15)*** years in an ***automotive*** organization.

2. Experience in industries with similar scopes of applicability ***(e.g., Aerospace, Telecommunications, Rail, Industrial Off-Road equipment, etc.)*** in chemical, electrical or metallic commodities may be considered. If this exception is elected, written approval from the IAOB must be obtained (e-mail correspondence is sufficient).

3. Have automotive core tools knowledge (e.g., FMEA, SPC and MSA) and competence.

4. Have taken the approved appropriate training class and passed the related examination for ISO/TS 16949 as required.

5. In order for a “new” auditor to assume a SQA lead role, the auditor must have documented evidence that they have been successfully witnessed by either SQA or IATF (if auditor has a copy).

5.12 **Maintenance of auditor qualifications**:

Auditors shall retain their level of competence by adhering to the requirements of CQAM-009. (For purposes of this CQAM, the audits or training referenced in CQAM-009, paragraph 5.8, shall be specific to ISO/TS 16949.)

5.12.1 **ISO/TS 16949 witness auditing**: All ISO/TS 16949 qualified auditors on the SQA roster, regardless of their status as a contract auditor or employee auditor

must be witnessed in accordance with the following:

5.12.1.1 An annual witness assessment schedule shall be established and maintained.

5.12.1.2 Ongoing continuous performance monitoring will be performed by the Quality Manager on the following areas as they occur

- Internal Witness Audits – As scheduled – documented in SQA54
- IATF Witness Audits – As scheduled and captured on SQA81 – Audit Schedule. Includes capturing of identified non-conformities issued by IAOB.
- NCR Analysis – Each audit where NCRs are issued is reviewed – documented on form SQA10TS – Part A; each Stage 2 & Recert audit is reviewed via form SQA10TS – Part B and surveillance audits via SQA122 by approved ECP personnel. Any issues will be brought to the attention of the Quality Manager.
- Quarterly the Quality Manager will review the IATF Database to evaluate each auditor for issuance of NCRs, minimum audits (1/QTR) and audit days (10/yr. minimum). The review will be captured in SQA143.
- Post audit surveys are sent to each customer and any negative indicators are reviewed by the General Manager as received.
- Negative client and customer feedback, including complaints, are registered in the SLX Ticket Database for action as required.
- SQA115 is used to document the annual plan and completion of required CPDs. Submission of the plan is requested by the Quality Manager in the 1st Quarter of each year and completion by the last quarter of the same year.

5.12.1.3 An annual performance evaluation (SQA57) will be completed by the General Manager. The record shall be maintained in the auditors files.

5.12.1.4 All ISO/TS 16949 auditors shall be witnessed during the life of their 3-year certificate.

5.12.1.5 All ISO/TS 16949 auditors will be witnessed within 6 months of their successful completion of the IATF (original) qualification process and again within 6 months of completion of ADP.

5.12.1.6 Additional sponsorship is considered original qualification for SQA

5.12.1.7 Re-qualified auditors shall be witnessed a minimum of once every six (6) years or more frequently based on the annual review.

5.12.2 Witnessing auditors may consist of qualified ISO/TS 16949 auditors. IAOB approval is required.

5.12.3 Witnessed audits may include Stage-2, surveillance and recertification and transfer assessments. Sample should represent all audit

types.

5.12.3.1 No less than 2 consecutive audit-days and include witnessing of the entire audit
5.12.3.2 Witness auditor shall witness only 1 auditor per audit.
5.12.3.3 Witness auditor shall not participate as a member of the audit team.
5.12.3.4 Witness audits from other organizations are not acceptable.

5.12.4 ISO/TS 16949 auditors determined to be "incompetent" as a result of a witness assessment must be re-witnessed and judged competent within 3 months or they may not continue as an ISO/TS 16949 auditor. See CQAM-009 for additional information regarding this determination.

5.12.4.1 Incompetent ISO/TS 16949 auditors must be reported to the IAOB.

5.12.5 SQA will monitor and control the IATF auditor process including examination, development progress and the integrity of results for each licensed auditor.

5.12.6 Each auditor shall conduct one (1) ISO/TS 16949 audit per quarter for a total of 10 audit days within a twelve (12) month period.

5.12.7 Each auditor will be responsible to complete an annual development plan based on the competency profile generated from the ADP process.

5.12.8 SQA and each auditor will be responsible for 20 hours of continuing professional development per year consisting of structured and unstructured training. Unstructured shall not constitute more than 25% of the minimum hours.

5.12.9 SQA is responsible for providing access to a minimum of 5 hours of structured training per calendar year.

5.13 Transfer Process

5.13.1 Applicable conditions

Prior to the start of the transfer audit, the following conditions shall be met:

- Existing certificate must be valid,
- Transfer is not permitted if the client organization has transferred in the past 3 years (new)
- No IATF OEM special status condition unless existing CB has conducted one onsite audit to verify effective implementation of corrective actions
- No suspended, cancelled or withdrawn status
- No suspension in previous 12 months due to
    - a performance complaint against the client from an IATF OEM, IATF Oversight office, or any automotive customer of the client

- special status condition
- surveillance or recertification audit containing nonconformities

Existing CB has conducted one onsite audit to verify effective implementation of corrective actions

- Client organization shall provide copies of previous 3 years audit reports including evidence that all nonconformities for the site and all remote support functions are closed; 100% resolved is not acceptable.
- SQA shall conduct a review of the provided audit reports and findings
- SQA shall conduct a document review
- SQA shall review KPI of QMS performance
- SQA shall assure audit team members have not previously audited the client.
- SQA shall contact the IAOB to verify
  - Client did not transfer within previous 3 years
  - Date of last initial/recertification audit
  - Status of certification for previous 12 months
  - Audit team members have not participated on audit team for a full cycle

5.13.2 A record of this review will be documented on SQA-73

5.13.3 SQA shall complete all transfer activities including a transfer audit prior to the next scheduled surveillance audit or the next scheduled recertification audit.

5.13.4 Certification decision shall be made within a maximum of 120 days from the last day of the transfer audit and prior to the expiration date of the existing valid certificate.

5.13.5 A Transfer audit is equivalent to a re-certification audit.

5.13.6 A new 3-year audit and certificate cycle starts

5.13.7 SQA will notify IAOB of the change in certification body including entering previous IATF certificate number into IATF database.

5.14 Letter of Conformance:

5.14.1 Where a client is not able to achieve certification because of

a) A new site without 12 months of performance data
b) An existing site that can demonstrate it is on an active bid list for a customer requiring certification for compliance

5.14.2 May be issued after the following

a) Supply the information required for Stage 1 including performance data, 1 full cycle of internal audits and management review but not 12 months of internal audits and performance data
b) Completed an intimal audit (Stage 1 and Stage2) with no open nonconformities
c) Approval by Veto power(SQA-10)

5.14.3 Letter Content

a) Issue date is the date of ECP and may be valid for 12 months from ECP date
b) IATF logo and certificate number shall not appear
c) Letter may not appear as a certificate
d) Approve by IATF oversight

5.14.4 If a contract from a customer requiring certification has not been issued within 12 months, the client may re-apply for a Letter of Conformance and a Stage 1 audit is not required and a maximum reduction of 50% reduction in stage 2 audit days is allowed.

5.14.5 Eligible for Certification

a) Once the client has 12 months of data or receives a contract, the certification process shall proceed with an initial audit (Stage 1 and Stage 2) with a maximum reduction of 50% possible in audit days for Stage 2
   1. The 50% reduction applies to the initial audit only if the initial audit starts before the expiration date of the Letter of Conformance
   2. If the timing is exceeded the client shall start over with an initial certification audit and no reduction shall be applied
   3. The reduction is only valid if the same certification body grants the Letter of Conformance and the Certificate
b) For this audit cycle a different audit team shall be assigned from the team that performed the audit for the Letter of Conformance

5.15 Waivers

1. Waiver of IATF rules requirements can be obtained and include (but not limited too) the following: auditor initial qualification requirements; auditor re-assignment (See note below); need for a Stage 1 audit on a previous certified client where certification was lost; transfer of a client with open non-conformities; reduction in audit duration beyond those stipulated in the rules.

2. While waivers may not be approved for all request, the waiver request and subsequent approval/denial shall be recorded in the SLX Ticket Database.

3. All waiver requests will be submitted for approval to the accrediting body by the SQA Automotive Technical Specialist or Automotive Operations Support Coordinator utilizing the approved IATF Waiver form (attached).

IAOB Waiver Template (Rules 5).xls

5.16 Decertification Process- see CQAM-012 for specifics

6.0 REFERENCE:

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ISO/TS 16949, Rules for ISO/TS 16949,
CGI-02, CQAM-009, -016, -019, -102, -103, -104, -106 Form SQA-45, -73, -78

END OF DOCUMENT