Intermediate Audit Report

Order No.: 70113024 Customer No.: 70575

Management Service

Type of audit/ Standard / Date of issue:	**2. Surveillance Audit (ISO/TS 16949: 2002 with design)**
Manual / Revision / Date	**Quality manual Aug 2006**
Audit period on site (due date):	**2008-04-08 - 2008-04-10** [2008-04-06]
Organization Name:	**Pioneer Polymers, Inc.**
Street / P.O. box:	**14 Industrial Park Road**
Post code / City:	**CDN - N0P 2L0 Tilbury, Ontario**
Management Representative:	**Pierre Marentette**
Lead-Auditor/Auditor:	**Pauline McCusker**
Technical expert/Trainee	**N/A**
Scope: (as per print order)	**Sales, Manufacture, production and distribution of molded rubber products and components, wire products, linkages and related assemblies for the automotive industry with design at Oldcastle, ON, N0R 1L0, Sales, planning and purchasing at Oldcastle, ON, N9A 6J3, and Warehousing and distribution at Taylor, MI.**
Industry scope:	**EA EA 17.2, EA 14**
for sampling certification: Location of defined headquarter:	**N/A**
Results of the evaluation of management documents and their implementation	☐ Certificate award recommended. ☐ Continuing validity recommended. ☐ Certificate completion recommended. ☐ Withdrawal recommended ☒ The requirements of the standard have not been satisfied, a) ☐ Re audit on site required b) ☒ Submit new / additional documents.
Fulfilment degree (VDA) in %:	**N/A**
Date of Re Audit on site:	Date: Date to be determined | Duration: hours
Verification of corrective actions and evidences and their effective implementation in case of "submission of documents":	Additional for verification of documents: hours Additional audit time during next audit: hours
Due date for next audit: (last audit day from C-/R-/Upgrade Audit)	
Annexes to audit report:	☒ Summarized audit results ☒ Action List, List of measures ☒ Process reference list

April 10 2008

Date

Lead-Auditor

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A) Non-Conformities

A root cause analysis and the implementation of corrective actions for all non-conformities must be completed and verified by the auditor latest 90 days for TS and VDA * questions <8 after the last audit day.
For non-conformities, which will be verified and checked for effective implementation (ISO and VDA) during the next audit, corrective actions must be submitted from the company to the auditor latest 14 days after the last audit day.

Chapter ISO/TS, ISO, KBA VDA	Process	Evaluation Maj. NC1	Evaluation Min. nc2	Description of non-conformity	Root Cause Analysis of the company	Corrective action of the company	Responsible / Date	Corrective Action Verific.	Corrective Action Effect.
5.2	Customer Specific Requirements		x	Nonconformity: The process to ensure current customer specific requirements are maintained and changes implemented as needed is inconsistent in practise. Requirement: Top management shall ensure that customer requirements are determined and fulfilled with the aim of enhancing customer satisfaction. Evidence: GM CSR current version is September 2007, Supplier Quality manual (GM1927) dated Nov 06 was the reference document on the company website. Likewise Ford CSR is Feb 08, website has a version November 03, several versions have happened since then. Eberspacher CSR could not be confirmed.					

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5.6.2/ 5.6.2. 1	Management		x	Nonconformity: The process to ensure all required inputs to management review was not in place for the last annual meeting. Requirement: The input to management review shall include information on results of audits, customer feedback, process performance and product conformity, status of preventive and corrective actions, follow-up actions from previous management reviews, planned changes that could affect the QMS and recommendations for improvement. And an analysis of actual and potential field-failures and their impact on quality, safety, or the environment. Evidence: From March 08 meeting minutes there was no discussion with regards to follow-up from the previous management reviews, results of past internal audits or the analysis of actual and potential field failures and their impact. Also trending of the Business plan measureables such as on time delivery and PPM data has not been maintained and was not available for review because trending charts were not updated since the last quarter of 2007.					

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8.5.2	Management - Corrective Action process		X	Management did not ensure that the corrective action process was effective in addressing the nonconformities raised in the last TUV audit in April 2007. Corrective actions with regards to MSA and were found to be either not implemented or ineffective in practise. 1. Section 7.6.1 of TS16949 requires the organization to analyze the variation present in each type of measuring and test equipment list on the control plan. (a) The corrective actions to address the tracking and maintenance of fixture layouts and Gauge R&R were not implemented. Layout reports as per the schedule set for Lear parts were not available at this audit as was the finding in the previous audit. (b) Fisher final form gauge 2067-RLG-01 was past due as of Feb 08. Other gauges appear in the "red" i.e. past due on the gauge tracking system. (non-conformity continued on next page)					

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	Management - Corrective Action process (continued)	x		2. The process to ensure Production Part Approval / PPAP is not implemented effectively. This finding was raised in the last TUV. **Requirement:** Clause 7.3.6.3 Product approval process requires Pioneer to conform to a product and process approval procedure recognized by the customer. Note: Product approval should be subsequent to the verification of the manufacturing process. This product and manufacturing process approval procedure shall also be applied to suppliers. **Evidence:** There was no documented evidence for the production of 4 parts for the U22 program 1350479 PIA01/3/4/5. 3. Corrective action process was not followed in the above non-conformities. A corrective action report (CAR) was not used to document root cause, preventative action and verification steps required. A response was only documented on the TUV action plan.					

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8.2.4.1	Layout inspection and functional testing		x	Nonconformity: The process to ensure Layout inspection is a complete measurement of all product dimensions shown on the design records is not consistent. Requirement: A layout inspection and a functional verification to applicable customer engineering material and performance standards shall be performed for each product as specified in the control plans. Results shall be available for customer review. Evidence: Ford isolator part 4c245a262CA layout dated March 08 showed point 15 out of tolerance, no documented evidence of reaction/acceptance or rejection of these layout results.					

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8.5.1	Continual Improvement		x	Nonconformity: The process to track the continual improvement projects has not been maintained. Requirement: Clause 8.5.1.1 requires Pioneer to define a process for continual improvement. Procedure PR MGT-005 requires action plans and these to be tracked using the CI log and the CI Business Plan Measurables. Evidence: Although a number of improvements have been implemented the process to document, track and calculate progress to targets has not been maintained since March 07.					

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8.2.2	Internal Audits		x	Nonconformity: The process of planning and completion of effective internal audits is not in place. Requirement: 8.2.2.4 Internal audits shall cover all quality management related processes, activities and shifts, and shall be scheduled according to an annual plan. When internal/external nonconformities or customer complaints occur, the audit frequency shall be appropriately increased. Evidence: No audit plan exists for 2008. 2007 plan was not achieved as there are no records for Training, Preventative Maintenance or internal audits. For the whole year of audits only one minor finding was raised. Past audit plans do not show how frequency of audits related to issue found through customer complaints or past findings or importance and status of processes. Requirement: 8.2.2.1 The organization shall audit its quality management system to verify compliance with TS and any additional quality management system requirements. Evidence: There is no evidence to show that customer specific requirements have been reviewed during the internal audits.					

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8.2.4	Monitoring & Measurement of product	x		Nonconformity: The process to verify product requirements and react to out of control situations when found was observed as ineffective. Requirement: Clause 8.2.4 requires that Pioneer monitor and measure the characteristics of the product to verify that product requirements have been met. Evidence of conformity with the acceptance criteria shall be maintained. Product release and delivery shall not proceed until all the planned arrangements have been satisfactorily completed, unless otherwise approved by a relevant authority, and where applicable by the customer. Evidence: 1. Weld testing Part # 7c34-5291-GC control plan dated 3-May-07 calls for weld destruct testing to meet weld spec WA= GMAW. Evidence: There were no records available to show that this is happening. 2. While auditing weld process made on April 10th night shift of the above part had a high bend in the form fit when tested on the fixture. Accumulation of rework parts were on the table and the day shift was adjusting the weld hold fixturing. - There were no records of issues or adjustments on the line sheets for the night shift. -There was no hold of suspect parts for the bin already produced (WO4770). - When asked to show conformity of this bin that was in shipping area one in four parts were found defective.					

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8.2.4	Monitoring & Measurement of product (Continued)	x		3. Hook latch part # 05109872AA operator packing parts not fitting in fixture for leg length. Understanding if it fits in mail slot it is an acceptable part. No deviation from the customer to this effect.					

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	Training		x	Nonconformity: The process to show evidence of training/ retraining for production personnel was found not to be fully implemented. Requirement: Clause 6.2.2 requires that Pioneer determine the necessary competence for personnel performing work affecting product quality, provide training or take other actions to satisfy these needs, evaluate the effectiveness of the actions taken and maintain appropriate records. Evidence: 1. The process to track training of all personnel is unclear. The current training procedure does not define the tools in use. 2. Training matrix dated 3/17/08 reflects a number of personnel with outstanding training. 3. Operator training for general operations is not covered in this matrix and records are sporadic in the employee file reviewed. Matrix for mold area shows only 5 operators are trained although there are 10 plus personnel performing this job. For example operator S.A on day shift Molding 4.Training records when personnel take on new positions were not available for example quality auditor AH, and Quality Manager					

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B) Improvement Potential

Chapter ISO/TS, ISO, KBA VDA	Process	Improvement Potential	Corrective action of the company	Respon-sible / Date	Corrective Action	
					Verific.	Effect.
8.5.2.3	Corrective action impact	There may be a benefit to include a section on the CAR to state corrective action impact was considered and list where this applied, if applicable.				

April 10th 2008
Date

Lead Auditor

Pierre Marentette
Customer

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Information about the handling of corrective action - Criteria that must be fulfilled for auditors to accept corrective action

1. Is immediate action required to prevent recurrence and/or delivery of nonconforming parts?

2. Have the root causes underlying problem occurrence been identified? Has this been done using an adequate method?
- In what instances has the system failed, allowing this nonconformity to occur?

3. Is the problem system-related?
- A specific incidence is not a system-related problem.

4. Have measures to limit the problems involved in the specific incidences been taken?
- If further external customers or projects may be concerned, have measures been taken to limit or correct the problems and protect these parties or projects?

5. Does corrective action defined by the organization also take the following into account:
- ...changes in the system, unspecified employees, procedures etc..?
- ...and the identified underlying causes?

6. Have the pertinent FMEAs (design and/or process) been reviewed on the basis of non-conformities?
- Does evaluation of recurrence have to be revised?
- Does evaluation of detection have to be revised?
- Does the organization treat FMEAs as "living documents"?

7. Have the plans, work and test instructions of production control etc. been reviewed?
- Does the organization treat this documentation as "living documents"?

8. 100 % elimination of nonconformity is required: ***--> 100% elimination means :***
- Narrowing down the cause underlying the nonconformity to prevent customers from being exposed to risks
- The root cause must be determined within the 90-day period and corrective action implemented and verified by the auditor by then. In cases involving long-term solutions (programming, new machinery, investments, etc.) proof of initiation may be furnished.
- Documented evidence, e.g. action catalogue, instructions, records, to furnish proof that the non-conformity has been corrected, including the names of the persons responsible, or direct on-site verification within 90 days.
- In a re-audit these measures must be followed up and verified and the nonconformity closed.