

### EXAMPLE AUDIT REPORT

<b>Audit Report</b>	<b>Report No. ASH/01/2008</b>
Area:  Commercial, Engineering, Production	Date: June 3, 2008
Audit Scope:  Commercial, Engineering, Production processes	Audit Objectives:  Regularly scheduled process review
Reference Documents:  PM's 1,3,5,6,7	
Quality Management System Status  Commitment to Quality <u>Issue 2 - 1.1.08</u> Procedures Manual <u>Issue 2(Rev C) - 14.3.08 (Latest change)</u> Work Instructions <u>Issue 2(Rev B) - 21.3.08 (Latest change)</u>	
Audit Team:  <u>J. Riggly, L/A         J. Riggly</u> <u>L. Cook                 L. Cook</u>	Area Representatives:  <u>G. Wagner, Engineering Manager</u>  <u>M. Johnson, Commercial Manager</u>  <u>G.D. Barkley, Production Manager</u>
<p>The contents of this report are confidential to the Company.</p> <p>The Nonconformances and Opportunities for Improvement contained within this report are the result of limited sampling and therefore it cannot be assumed that others do not exist.</p> <p>The signature below of the area's representatives indicates their agreement and understanding of the Nonconformances and Opportunities for Improvement identified that are the subject of this report.</p> <p style="text-align: right;">Signed <u>G, Wagner, M. Johnson, G.D. Barkley</u></p>	
Form No: QAS02.1/1	Page <u>1</u> of <u>6</u>

<b>Audit Report</b>	<b>Report No.</b> ASH/01/2008
<b>AUDIT SUMMARY</b>	
<p>Comments or concerns of the Auditors</p> <ul style="list-style-type: none"> <li>- Corrective Action Plan for report #ASH/02/2007 has been reviewed and agreed corrective actions are cleared.</li>   <li>- The audit team has no concerns having raised only 2 Nonconformances and 1 Opportunity for Improvement.</li> </ul>	
<p>Recommendations</p> <ul style="list-style-type: none"> <li>- The responsible areas are to review the Nonconformances and Opportunities for Improvement recorded in this report; then agree and implement effective corrective actions.</li>   <li>- It is recommended that the areas reviewed remain on the planned frequency, as planned. No changes are required.</li> </ul>	
<p>Conclusions and Follow-up Action</p> <ul style="list-style-type: none"> <li>- The commercial, engineering and production processes have been found as functioning as required by the QMS. Further, it is clear that the processes in place are supporting both the needs of our company and those of our customers.</li> </ul>	
Date of Next Planned Audit	December, 2008
Form No: QAS02.2/1	Page <u> 2 </u> of <u> 6 </u>

Audit Report		Report No. ASH/01/2008	
QMS Reference:	AUDIT ACTIVITY SUMMARY	SUMMARY	
		NC No.	O/I No.
	CTQ, PM, WI reviewed structure		
	Order # A2209, 2310, Enquiry No. A64.1	1	
	Reviewed Projects QPL, Sando, DIA	2	
	ISO 9001, BS 870, MIL-STD-105E		
	P.O.'s 223, 410, ASL (1.6.08)		3
	No customer property at audit		
	Reviewed J/B# 11123, 14123, 9993		
	Reviewed Job Nos. 11123, 16123		
	Reviewed ISIR Nos. 8123, 28113, 1113		
	Reviewed AQA1 (0-1mic), AQA5 (6" caliper)		
	General review throughout factory		
	Reviewed NCR's 12, 13, 22		
	Reviewed CAR's 1, 2, 4, CC's 1, 2, 3		
	Reviewed Stock Records (1.4.08)		
	Reviewed records (as noted above)		
	Reviewed report nos. IP6, IP9, IP15		
	Reviewed records, G. Wagner, J. Jones, B. Cook		
Comments			
Form No: QAS02.3/1		Page <u>3</u> of <u>6</u>	

Audit Report No. ASH/01/2008

Date June 3, 2008

NON-CONFORMANCE REPORT\*  
~~OPPORTUNITY FOR IMPROVEMENT\*~~ \* *delete one*

Area under review: Commercial Process  
Location: Commercial Department

Note Number 1

Audit Finding:

Actual: Enquiry #A64.1 is not entered in the Enquiry Register as required.

Required: PM 1 , para 1.3.1.3 states "each enquiry is recorded giving date received, Company name, contact name and the nature of the enquiry".

Auditor J. Riggly

Signature *J. Riggly*

Audit Report No. ASH/01/2008

Date June 3, 2008

NON-CONFORMANCE REPORT\*  
~~OPPORTUNITY FOR IMPROVEMENT\*~~ \* *delete one*

Area under review: Engineering Process  
Location: Design Department

Note Number 2

Audit Finding:

Actual: No evidence of design review meeting for QPL project as required.

Required: PM 2 , para 2.5.2 "... design review meeting shall be held to ensure that the relevant product design ... activities ... are as defined by the design scheme instructions".

Auditor J. Riggly

Signature *J. Riggly*

Audit Report No. ASH/01/2008

Date June 3, 2008

~~NON-CONFORMANCE REPORT\*~~  
OPPORTUNITY FOR IMPROVEMENT\* *\* delete one*

Area under review: Commercial Process

Note Number 3

Location: Purchasing Department

Audit Finding:

Concern: PM 4, Para 4.4.1 states "... the President shall sign all Purchase Orders prior to their issue to suppliers..." "Though the review of the purchasing process indicated that this was occurring, there is no mechanism within this procedure or within the QMS, itself, for affecting support actions should the President not be available; and thereby sustaining the process mandate. There is no structure for delegation. This could be cause for problems in the purchasing process.

Recommendation: Recommend review of the authority functions in the purchasing process for ensuring consistent process flow success.

Auditor L. Cook

Signature *L. Cook*