

Client ID#:	CMPY-029974
Client/Address:	Harrington Signal, Inc. 2519 4th Avenue Moline, Illinois 61265 United States
Audit Criteria:	ISO 9001:2008
Audit Activity:	Surveillance 2
Date(s) of Audit:	Moline, United States: 28-Apr-2016 to 29-Apr-2016
Auditor(s) (level):	Bill Peterson (Lead Auditor, Moline, United States)
Scope of certification:	
<u>Site: Harrington Signal, Inc., Moline, Illinois, United States</u>	
ISO 9001:2008:	
The design and manufacture of electromechanical and printed circuit board assemblies for fire alarm and OEM applications, and contract manufacturing of machined and fabricated parts and assemblies.	

OVERALL RESULT:

Action Required

The management system was found to be effectively implemented although minor nonconformities were cited.

Executive Summary

Strengths	Good customer service Experienced work force
Weaknesses	None noted at this time
Opportunities	Open capacity could be filled with special or short run jobs Lead free jobs could be sought out. Partner with companies who don't want to do lead jobs.
Threats	Loss of revenue due to sales of alarm business could be harmful

Intertek Benchmark Maturity Model

The score descriptions are generic to all management systems and cannot be customized by the auditor, thus allowing for the consistency of interpretation and standardization of audit results worldwide. The scores provided to your organisation are for benchmarking purposes only and are based on the audit team's evaluation. Comments located in the score descriptions will appear only if the auditor has provided specific comments in the audit report.

Management

Mature

Consistent evidence of management commitment, customer and/or interested party satisfaction, knowledge/awareness of policy and objectives being demonstrated by the majority of staff. Responsibility and authority is evident and supported via data, trends and related KPI's. Management reviews are complete and demonstrate support by the majority of personnel. Records are complete and demonstrate positive trends in improvement and lessons learned.

Auditor Comments:

A quality system with goals and objectives has been established in accordance with ISO 9001:2008.

Goal	measure	Result
Profit	>3%	>3% (some recent misses due to sale of half the company)
OTD	100%	100%
Sales credits	<2%	1%

Internal Audits

Benchmark

Internal audits are being performed at planned intervals and are based on status and importance of the Management System. Data is being collected analyzed and reviewed by senior management on a regular basis. There exists a strong link between the internal audit results and the overall health of the organization. Audit teams are fully trained, impartial and objective in their approach. Audit reports are clear, concise and demonstrate a correlation to the overall strategic plan. Actions taken as a result of audit findings have demonstrated significant and measurable improvements over time. Senior management is actively involved in the corrective action process ensuring timely implementation and overall effectiveness of resolution.

Auditor Comments:

Benchmark

Audit is done per documented and controlled procedure. There is a schedule for the audits to be done on an annual basis. ALL of the processes on the IOP were scheduled to be audited and in the past this has happened. The audits are detailed and in depth and discussed in MRM. ISO clauses are highlighted in the report which is used to conduct the audit. Additional details and evidence could be included to more fully demonstrate compliance.

Corrective Action

Mature

The corrective/preventive action process has demonstrated to be effective in practice. Data from sources such as customer and/or interested party complaints, internal audits, warranty analysis, defects, internal metrics and supplier performance show stability over time as the system matures. The process includes a thorough review of the effectiveness of the actions taken. There is evidence of problem solving tools being used to support the process.

Auditor Comments:

CARs are written in response to customer returns or complaints. Causes were investigated and it was found to be about 50/50 parts/workmanship. Corrections were to replace the damaged or failed parts. It is suspected that the damage occurs in customer test. The PA portion is done at CI, which is very good



Continuous Improvement

Benchmark

All streams of data are being used as sources to drive continual improvement over time. These include management system policy, objectives, audit results, analysis of data, CAPA and management reviews. Advanced tools such as Lean, Kaizen, 6S etc. are implemented and understood at all levels in the organization. There is a clear linkage between actions taken and the financial contribution of the various projects. There is strong evidence of a reduction in variation and known failure modes over time.

Auditor Comments:

Benchmark

This is discussed extensively in MRM. Completed projects are discussed as well as proposed projects. Of interest is the departmental SWOT done annually by the managers. Those examined were well done. There could be more use made of shoring up the weaknesses. There is also a "Wish List" attached for capital improvements

Operational Control

Mature

Operational Controls are planned and developed. Planning of operational controls is consistent with all other Management processes. Objectives, process requirements, needs for appropriate additional documents and resources, verification and monitoring activities and records requirements have been determined, as appropriate. Processes and activities run consistently. Data is collected, and reviewed to verify the effectiveness of operational controls with evidence of significant improvement trends. Some evidence linking to some key business factors.

Auditor Comments:

Mature

Status cards define the movement of the job through the shop. When an operation is complete the card is initialed and the number produces is added. The parts then go to the next operation. Inspections are also noted.

Resources

Meets Intent

Resources required for the effective maintenance and improvement of the management system have been defined and deployed. Customer and/or interested party satisfaction and overall stability of the management system has been demonstrated. Competency requirements have been defined and implemented.

Auditor Comments:

Meets

6.1 Resources: The company could use additional trained internal auditors. They seem to have adequate equipment and the building is well maintained.

6.2 Training: The HR Group maintains an org chart and very detailed job descriptions. It is seen that there is ISO and safety training given to new employees when they arrive. Evidence of further group training is retained. There is a training matrix to illustrate cross training and shared skill points held with the area supervisors.

6.3 Infrastructure: There is defined and schedule PM activities for the important equipment of the company. From the records it is difficult to determine if the work is being done or on schedule. AN NCR was written about this.

6.4 Environment: The building is well maintained. The environment is satisfactory for the work being done.

Finding Summary

	Major	Minor
Issued during current activity	0	1
Closed from previous activities	0	0

Opportunities for improvement have been identified

No

Status of previous audit findings

Follow-up on findings issued at previous audit:

Prior assessment resulted in no corrective actions.

Findings from the previous activity that could not be closed

No

Finding Detail

Finding #: 2016 HSI NCR 1of1	Audit Criteria: ISO 9001:2008	Audit Criteria Ref#: ISO 9001:2008-6.3	Corrective Action Plan Date: 30-May-2016	Corrective Action Implementation Date: 30-May-2016
Issued by: Bill Peterson	Classification: Minor	Document Ref#:	Action Required: Submit Corrective Action Plan	

Finding:

The process for the preventive maintenance of production equipment is not completely effective.

Requirement:

6.3; "The organization shall determine, provide, and maintain the infrastructure needed to achieve conformity to product requirements. Infrastructure includes as applicable, b) process equipment..."

Objective Evidence:

The April maintenance log for the lead wave machine indicated that the weekly maintenance had not always been performed and there was no explanation as to why not. Also from the records, it was unclear if the monthly maintenance had been performed.

Evidence Summary

The state of the management system is summarized below:

Conclusion of Client's Processes/Functional areas audited including KPI/Metrics

Scheduling/Manufacturing: When a PO comes from a customer, accounting performs contract review and passes it to scheduling. The order is reviewed, a Shop Order is entered in M2M and the needed parts are ordered. Delivery is quoted 3-4 weeks after parts are in house. Detained scheduling takes place when the parts arrive. At that time the schedule is created and the jobs go to the floor. Scheduling takes into account the complexity of the job (how many stations it goes to), equipment availability, and requested delivery date. KPI is OTD and that is high.

Equipment maintenance: There is a binder at each machine to detail the maintenance required and performed. Maintenance is divided up as daily, weekly, and monthly. On the lead wave machine it was not consistently documented that the weekly maintenance was being performed. NCR 1 was written.

Training: The HR Group maintains an org chart and very detailed job descriptions. It is seen that there is ISO and safety training given to new employees when they arrive. Evidence of further group training is retained. There is a training matrix to illustrate cross training and shared skill points.

Calibration: This is done by an outside contractor. Equipment was tagged for calibration and all was in its time period. There were records of the calibration and its results.

In-process & final inspection: These inspections are visual either manually or AOI. Repairs are made to defects. If it is a systemic problem the line lead is notified.

Doc & Date control: Documents are read only on shared drive. All forms on the floor were current. There is a retention schedule for data. Customer drawings and data are considered to be documents of external origin.

Conclusions regarding the audit of Mandatory Requirements

- **Management Review:** This is done per documented and controlled procedure. It is done on an annual basis but the timing is a bit flexible. There is an agenda that is followed. All of the key ISO points are discussed although not in that order and with different topic names. Those flaws make it difficult to audit but it does work. The meeting minutes are wordy but accurately reflect the content of the meeting.
- **Internal audit:** Audit is done per documented and controlled procedure. There is a schedule for the audits to be done on an annual basis. ALL of the processes on the IOP were scheduled to be audited and in the past this has happened. The audits are detailed and in depth. ISO clauses are highlighted in the report which is used to conduct the audit. Additional details and evidence could be included to more fully demonstrate compliance.
- **Review previous NC:** NA
- **CA&PA Customer complaint:** CARs are written in response to customer returns or complaints. Causes were investigated and it was found to be about 50/50 parts/workmanship. Corrections were to replace the damaged or failed parts. It is suspected that the damage occurs in customer test. The PA portion is done at CI, which is very good.
- **CI:** This is discussed extensively in MRM. Completed projects are discussed as well as proposed projects. Of interest is the departmental SWOT done annually by the managers. Those examined were well done. There could be more use made of shoring up the weaknesses. There is also a "Wish List" attached for capital improvements.
- **Ops Control:** Status cards define the movement of the job through the shop. When an operation is complete the card is initialed and the number produces is added. The parts then go to the next operation. Inspections are also noted.
- **Changes Review:** A portion of the business has been sold off. (The fire and evacuation alarm systems.) They no longer have their own product and are now contract manufacturers of printed circuit boards and no longer do design.
- **Legal & other requirements:** NA
- **Use of Mark:** They make note of registration on website but that is all. The cert is not on the website at this time.
- **Effectiveness of system to achieve goals:** Goals are consistently met over the past several years. There have been some recent struggles with the profit goal as they sold half the company. There are plans to fill that hole. It is suspected that the profit goal is not worded correctly and they don't mean to be INCREASING profit >3% each month but to actually maintain profit margins of >3% each month.

Review the results of previous audits and the performance of the management system over the certification if last surveillance of the cycle

HSI continues to make their objectives. They have a strong ISO program that is used. Data and records are in evidence where required.

Identified opportunities for improvement

NO

Impact of Significant Changes (If Any)

The company sold the alarm, CPG, and EVACS portion of the business. This will focus their manufacturing more sharply. Business has been cut considerably but efforts are being made to rebuild. This can be a viable company. There are no new processes anticipated.

Lead Auditor's Recommendation

Lead Auditor's Recommendation for ISO 9001:2008

The nonconformity(ies) identified do not jeopardize the certification of the management system. Continued certification is therefore recommended pending acceptance of the corrective action plans(s) for identified nonconformity(ies).

Other or Additional Lead Auditor Recommendation

no

Client Acknowledgement

Management Representative Name & Address: Harrington Signal, Inc.
Attn: Mr. J. Theesfeld
2519 4Th Ave.
Moline, IL 61265

Acknowledged By: Jim Theesfeld

This report is based on a sample of evidence collected during the audit; therefore the results and conclusions include an element of uncertainty. This report and all its content is subject to an independent review prior to a decision concerning the awarding or renewal of certification.

Finding Detail

GT002, rev. 2

Document # F103-21

Release Date: 04-feb-2013

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SECTION 1: BASIC DATA - AUDIT

Client: Harrington Signal, Inc.	Client ID#: CMPY – 022974
Audit Criteria: ISO 9001:2008	Date(s) of audit: 4/28-29/2016

SECTION 2: FINDING DATA

Finding # : 2016 HSI NCR 1of1

Finding classification

- Major Nonconformity
- Minor Nonconformity
- Opportunity for improvement
- Minor Area of concern for Stage II
- Major Area of concern for Stage II

Action required

- Submit corrective action plan by (date): _____
- Submit corrective action by (date): _____
- No response required
- No response required. Action to be taken prior to Stage II

Audit Criteria reference # : **ISO 9001-2008**

Management system documentation reference # :

Finding:

The process for the preventive maintenance of production equipment is not completely effective.

Requirement:

6.3; "The organization shall determine, provide, and maintain the infrastructure needed to achieve conformity to product requirements. Infrastructure includes as applicable, b) process equipment..."

Objective Evidence: (Evidence recorded at, if multi site: _____)

The April maintenance log for the lead wave machine indicated that the weekly maintenance had not always been performed and there was no explanation as to why not. Also from the records, it was unclear if the monthly maintenance had been performed.

Issued by: Bill Peterson

SECTION 3: CORRECTIVE ACTION PLAN (To be completed by the client)

Root Cause (Required in all cases)

Lack of communication & understanding between the Wave Operator, the Machines Lead, and the Manufacturing Manager on how the preventive maintenance forms for the Wave Machine were to be properly completed. The Wave Operator felt that many of the preventive maintenance procedures should be completed as needed by machine usage. The Operator felt that by completing a procedure when it was not needed would be a waste of production time. The Wave Operator did not previously communicate this to his Lead or the Manufacturing Manager.

Correction (if not required, please justify)

The Manufacturing Manager met with the Wave Operator to discuss the proper procedures for completing the preventive maintenance forms for the Wave machine. The Manager agreed that the procedures form (FRM-616) and log (FRM-615) should be revised. Until a new form is revised and implemented, the Wave Operator was instructed to get the Machine Lead's approval for any preventive maintenance procedure not being completed as required. The Machine Lead shall show his approval by documenting the procedure # and his initials on FRM-615 (PM log).

Finding Detail

GT002, rev. 2

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Corrective action plan (Required in all cases)

The Manufacturing Manager, Machines Lead, and the Wave Operator will develop the new forms (FRM-616 & FRM-615) by 6/15/16. It was also decided that the Wave Operator will receive retraining by the Machines Lead on all Wave preventive maintenance procedures. The Machine Operator, based on his years of experience on the Wave Machine, and with the retraining he will receive shall then have full authority to decide when a preventive maintenance procedure shall be completed.

Plan for verification of effectiveness (Required in all cases)

The proper completion of the new PM log FRM-615 by the Wave Operator will be reviewed by the Manufacturing Manager and Machines Lead within 30 days of implementation of the new procedures (7/15/16).

Target date for completion: 6/15/16	Signature: <i>Jim Theorfeld</i>	Date: 5/27/16
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SECTION 4: ACCEPTANCE OF CORRECTIVE ACTION PLAN (For Intertek's use only)

Major nonconformity: Acceptance of corrective action plan stated above.

Accepted by:	Date:
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Minor nonconformity: Acceptance of corrective action plan stated above. Implementation to be verified during the next audit.

Accepted by:	Date:
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SECTION 5: VERIFICATION OF IMPLEMENTATION (For Intertek's use only)

Implementation of the corrective action plan

Effectiveness of corrective action

Nonconformity closed: Corrective action(s) verified to be implemented.

Verified by:	Date:
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