Supplier Quality Audit Standard

【Core】

1 General Provisions

1.1 Purpose

The purpose of this standard is to verify and facilitate improvement of suppliers' quality management systems and their manufacturing processes in order to improve and maintain quality of products produced by a facility.

1.2 Scope

This standard applies to quality audits to be conducted to assess suppliers with whom a facility has entered into general agreements serving as the basis for purchasing of parts.

1.3 Audit Types and Frequency

1.3.1 Quality audits of suppliers performed by facility are divided into tow categories; periodic audit of quality management system ("regular audit" hereinafter) and occasional audits. Description of each type of audit is as follows.

№	Type	Description
1	Regular audit	Quality audit (also called "QAV-1") carried out to confirm suppliers' quality systems and to verify their performance of the quality system based on the annual plan.
2	Occasional audit	Quality audit (also called "QAV-2") carried out if any of the following is applicable and when deemed necessary by the person responsible for the audit (head of the purchasing section). The scope will be determined depending on the purpose of the audit. (1) When a serious problem attributable to the supplier occurs. (2) When a new manufacturing process is employed for production due to launch of a new model or derivatives, etc. (3) When it enters into a business relationship with a new supplier. (4) Others, such as when there is a need for assessing the quality control performance of manufacturing process

1.3.2 The frequency of regular audits is once at least every two years in principle.
However the frequency can be determined and changed by the supervisory person (purchasing operations representative).

2 System

2.1 Audit Responsibility and Audit Main Section

Responsible person and supervisor section per type of quality audit are as follows.

№	Type	Audit Supervisory Section	Lead Auditor	Audit Supervisor Section
1	Regular audit	Purchasing operations representative (Note 1)	The head of the purchasing section	Purchasing section
2	Occasional audit	Purchasing operations representative (Note 1)or Quality representative	The head of the purchasing section	Purchasing section

Note **1** : The purchasing operations representative is the person who has general responsible for purchasing operations and is appointed by the head of the facility concerned.

2.2 Auditors

Requirements for auditors are as follows. Auditors are appointed by respective lead auditors.

№	Types of Audit	Requirements for Auditors
1	Regular audit	(1) A person who has a good understanding of SQM of the facility (2) A person who has a good understanding of the outline of quality assurance systems and quality management of the facility. (3) A person who have finished auditor training (including internal auditor training) by external education agencies or through in-house training in quality management system and performance feedback was provided. (4) A person who is recognized by the lead auditor to be competent to perform audits of quality management systems.
2	Occasional audit	(1) A person who has wide knowledge of the area being audited. (2) A person who is recognized by the lead auditor to be competent to perform audits that suit the purpose.

3 Regular Audit

3.1 Management System

The management system related to regular audit is based on Attachment-1”Supplier Quality Audit Management System (1) Regular Audit (QAV-1).

3.2 Target Supplier

Suppliers subject quality audit are suppliers which fall under the scope provided in paragraph 1.2 and whom any of the following applies.

(1) Suppliers produce critical safety parts.

(2) Other suppliers, except those specified in the above paragraph, deemed appropriate by the audit supervisor.

3.3 Schedule

3.3.1 Annual plan of regular audit is drawn up as follows.

(1) The purchasing section defines audit items along with discusses with related sections to draw up an annual regular audit plan.

(2) The purchasing section submits the annual plan to the head of the purchasing section and gains approval.

(3) The purchasing section develops an annual plan upon confirmation by the head of the purchasing section, and gains approval from the purchasing operations representative.

(4) The purchasing section issues the annual plan to related sections and also issues audit detail to respective suppliers.

3.3.2 The purchasing section draws up individual implementation schedules based on the annual plan and obtains approval from the head of the purchasing section.

3.4 Preparation

3.4.1 The purchasing section sends suppliers to be audited an advance notice on the audit schedule.

3.4.2 The purchasing section prepares required audit materials, etc. and inform related auditors.

3.5 Implementation

3.5.1 Auditors perform document inspection and site inspection, etc, based on audit items determined at the time of planning of the audit.

3.5.2 Auditors report the results of the audit to the audited supplier and obtain agreement from them.

3.5.3 Auditors compile and summarize the results of regular audit into an Audit Report (Attachment-3 Supplier Quality Audit [QAV-1 Report]) , and report it to the head of the purchasing section for approval .

3.6 Provision and Promotion

3.6.1 The purchasing section issues an Audit Report (tentative issue) to the audited supplier, and takes necessary actions, such as requesting the supplier to draw up and submit a corrective action plan for responding to audit findings, if any.

If there is a possibility that nonconforming products may not be contained, the purchasing section requests the supplier to immediately implement stopgap measures.

3.6.2 The head of the purchasing section confirms details of the action plan submitted from the supplier, and where necessary, have the plan reviewed by the related personnel to optimize the plan.

3.6.3 The purchasing section receives the Audit Report in which details of the corrective action by the supplier are provided along with the corrective action plan.

3.7 Reporting

3.7.1 Auditors confirm the Audit Report which provides details of the corrective action and its results, submit the report to the head of the purchasing section, and obtain approval, if the actions to be taken against the findings are appropriate.

3.7.2 The purchasing section issues (official issue) the Audit Report approved by the head of the purchasing section to the supplier and other related sections, implements performance management and maintain records.

3.7.3 The head of the purchasing section regularly reports to the purchasing operations representative on progress against the annual regular audit plan and obtain approval.

4 Occasional Audit

4.1 Management System

The management system related to occasional audit is based on attachment-2 “Supplier Quality Audit Management System (2) Occasional Audit (QAV-2)”

4.2 Target Supplier

The target supplier of occasional audit is supplier that is approved by the lead auditor, if any of events of occasional audit (1) to (4) of item 1.3.1 occurred.

4.3 Planning

The purchasing section, if planning an occasional audit of suppliers, decides the scope of audit depending on the purpose of the audit and reports to supervisory person (the purchasing operations representative or quality representative) as well as obtains approval from the head of the purchasing section.

Timing of reporting to the supervisory person is determined by him/her self.

4.4 Preparation

4.4.1 The purchasing section sends suppliers to be audited an advance notice on the audit schedule.

4.4.2 The purchasing section prepares required data, etc. for audit implementation in advance and informs it to the lead auditor.

4.5 Implementation

4.5.1 Auditors implement the documentary inspection and investigation at the scene, based on audit items which arranged at the time of planning for audit.

4.5.2 Auditors report the results of audit implementation to the supplier and obtain agreement from them.

4.5.3 Auditors put together the results of regular audit into an Audit Report (Attachment-4 Supplier Quality Audit (Occasional Audit) [QAV-2 Report]) and report it to the head of purchasing section. and obtains approval.

4.6 Provision and Propulsion

The provision and propulsion of occasional audit is applicable to item 3.6.

4.7 Reporting

4.7.1 Auditors confirm result of measures for items pointed out, and also confirms Audit Report that is written about details and result of measures. Then reports the Audit Report to the head of purchasing section. and obtains approval when detail of measures is applicable.

4.7.2 The purchasing section issues (Official issue) the Audit Report which was approved by the head of purchasing section to the supplier and related sections, and implements management of actual achievement and records.

4.7.3 The head of the purchasing section reports the results of the occasional audit to supervisory person (the purchasing operations representative or quality representative) and obtains approval.

Timing of reporting to the supervisory person is determined by him/her self.

5 Supplementary Provisions

5.1 Control Form of Designation

The form to be used based on this standard is referred as follows and uses fonts in accordance with a facility.

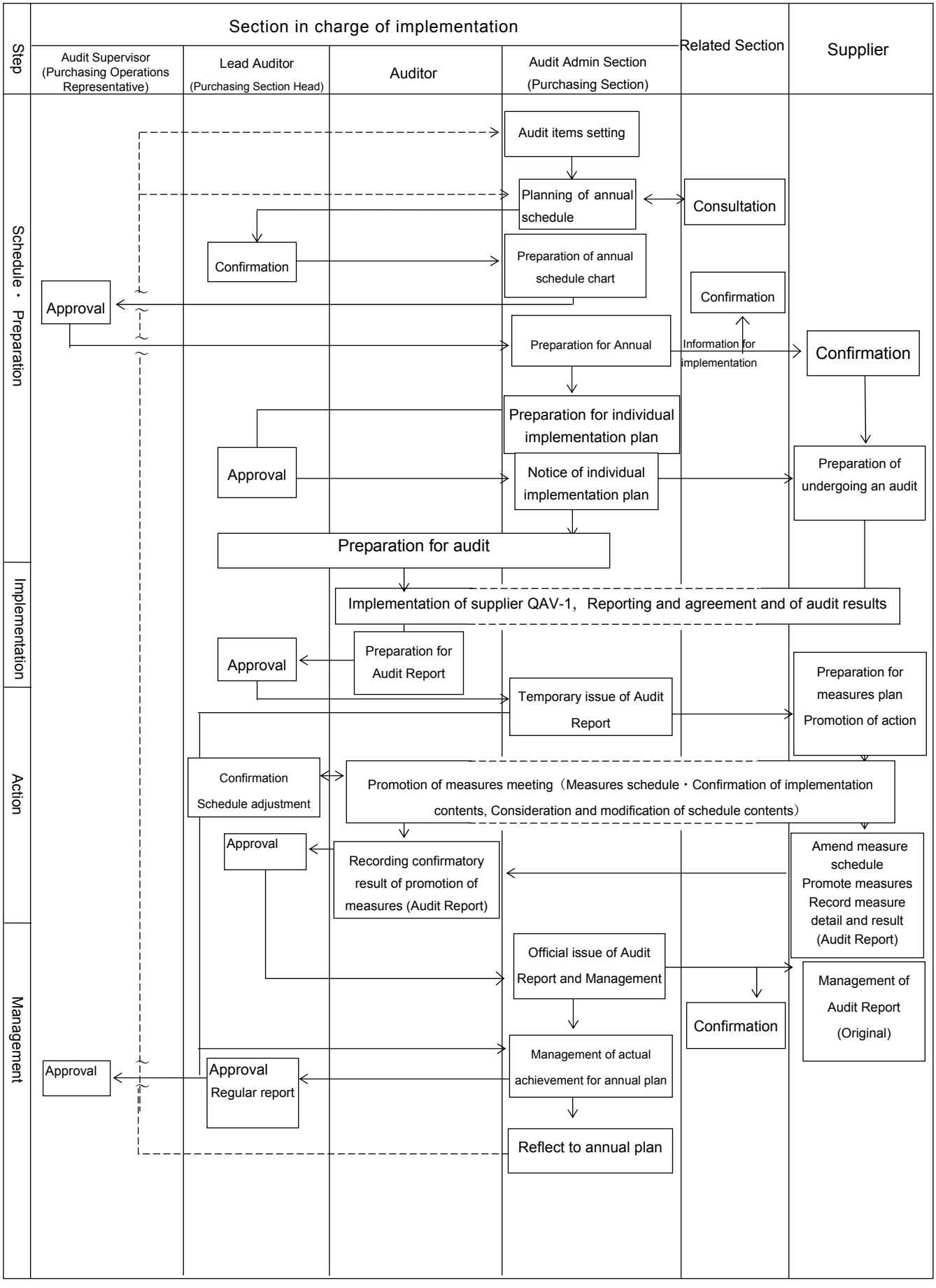
(1) Supplier Quality Audit 【QAV－1 Report】

(2) Supplier Quality Audit (Occasional Audit) 【QAV-2 Report】

5.2 Application of Standard

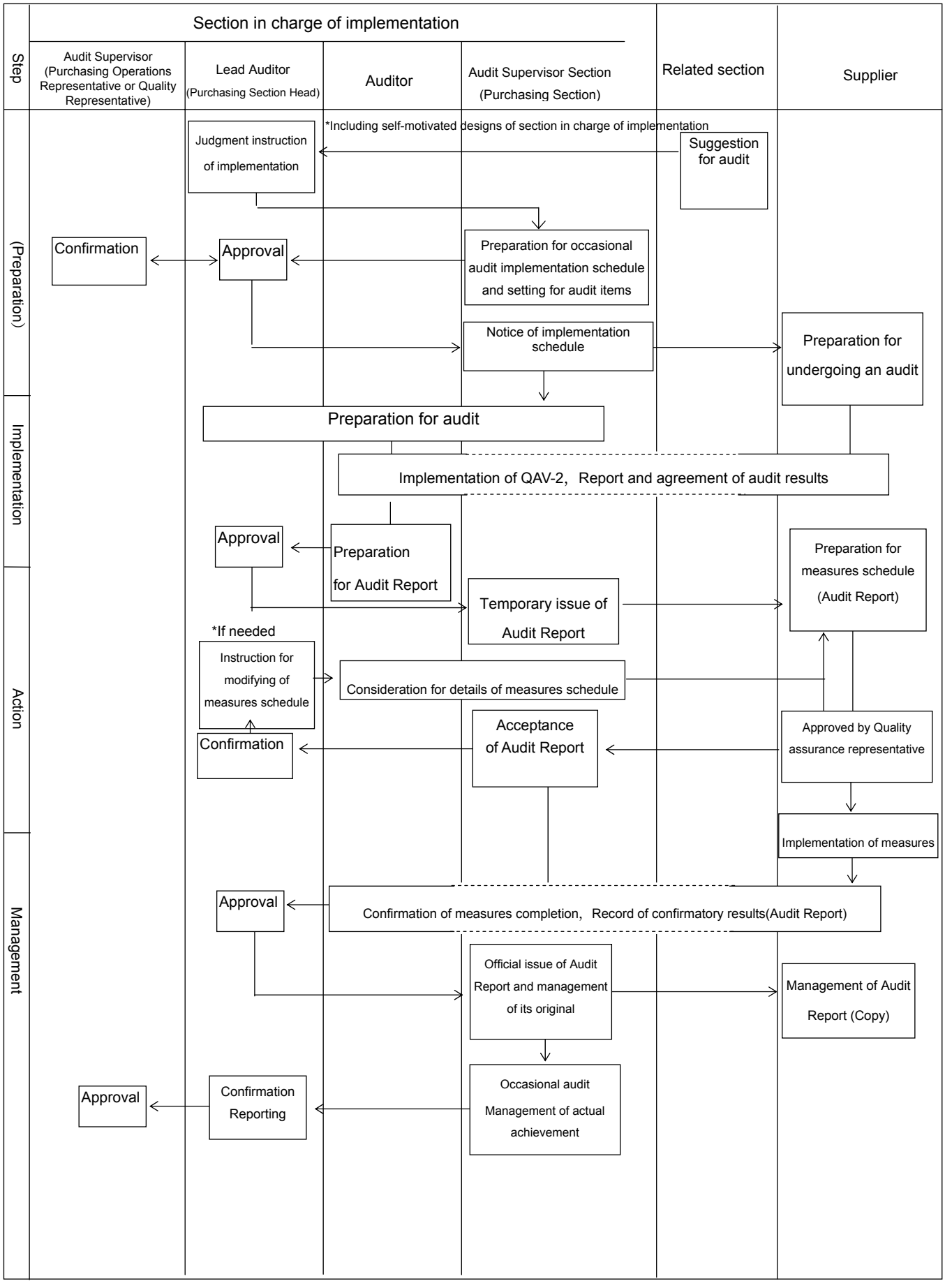
Refer to G-HQS [Honda Quality Standards Control Standard] for establishment, revision and used of this standard.

(1) Regular Audit (QAV-1)



Supplier quality management system

(2) Occasional audit (QAV-2)



Attchement-3 (Paragraph 3.5)

Supplier Quality Audit

Supplier	Quality Assurance Representative	Prepared by:

HONDA	Lead Auditor	PIC
Facility :		

〔QAV-I Report〕

● **List of desctiptions for improvement.**

Supplier	Quality Assurance Representative	Prepared by:

HONDA	Lead Auditor	Auditor	Person in charge

● Specific facts and symptoms

Supplier	Name of company and plant		Date of Audit YYYY/MM/DD				Date of confirmation MTG for promotion of measures	(YYYY/MM/DD)
	Attendance						Place	
	Visitor	Name of the section	Name	Gr	Name of the section	Name	Gr	Supplier: Attendee (Name/Section)
				○			○	
HONDA	Visitor			○			○	HONDA: Attendee (Name/ Section)
				○			○	
				○			○	
				○			○	
	Confirmation Area	Quality assurance system, know-how and its practice .						

Record of development promotion	
YY/MM/DD / Attendees	Description

Confirmation item	Serial No.	Specific facts and symptoms	Reasons for the findings (what is the concern in terms of system and mechanism)	S A S	U	G

Measures in response to facts or symptoms				Improvement of system or know-how				
Description	Promotion PIC	Completion	Signed by confirming person of completion	True Cause (In-depth Why-Why analysis, etc.)	Measures (Measures against true cause, etc.)	Rep. of promotion	Date completed	Signed by confirming person of completion

(Note) SA: situation analysis

S: Seriousness U: Urgency G: Growth
(High Level ; H, Medium ; M, Low ; L)

Procedures: Preparation → Tentative issue → Promote C/M meeting → Official issue

Original documents to be retained until: MM/YYYY

Attachment-4 (Paragraph 4.5) **Supplier Quality Audit (Occasional Audit)**

To : Quality Assurance Representative

【QAV-2 Report】

Model	Part Name	Issue	YYYY/MM/DD
			Facility :

Supplier

Name of company & plant		
Date of enforcement	YYYY/MM/DD	
Attendees	Name of the section	Name

HONDA

VISITOR		

Purpose (Reason)

Summary

Distribution

Supplier				

Countermeasure schedule

Supplier	
Quality Assurance Representative	Person in charge

HONDA

	Lead Auditor	Confirmation	Auditor
Confirmation of Facts			
Confirmation of C/M Completion			

№	● Process Name ● Confirmed Item ● Part Name	Control Item	Results	Findings	Cause	Countermeasure	PIC	Completion	Confirmation for C/M completion (HONDA use only) PIC	MM/DD	Result

○ : Good △ : Need partial improvement × : Need improvement

Original documents to be retained until: MM／YYYY

Establishment and Revision

Date of Establishment, Revision or Enactment (MM/DD/YYYY)			Description (MM/DD/YYYY)	Approved by:
0	Est. Enact.	03/24/2010 04/01/2010	First issue. This document becomes effective as of 04/01/2010.	Y.Otobe (Signed on original)