PT. WARLBOR INTERNATIONAL INDONESIA

Internal Audit Control Procedures

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List of Document Modifications				
Date of modification	Modified content	Original version	Modified version	Modifier
20/05/2022	Initial release document	Version A Time 0	Version A Time 0	Xiao Jianbin
10/03/2023	Create documents in 3 languages from Mandarin to English, Manadarin and Bahasa Indonesia.	Version A time 0	Version A time 1	MaWeLei
09/10/2023	Divide the previous version into three and rewrite it according to the Chinese, English and Indonesian versions	Version A time 1	Version A time 2	Elian
08/04/2024	To change Quality Control to Quality.	Version A time 2	Version A time 3	Elian

1 Purpose

Evaluate the conformity, suitability and effectiveness of the quality management system, and provide the basis for continuous improvement.

2 Scope of application

This procedure is applicable to internal audit of all areas and requirements covered by the quality management system.

3 Responsibilities

3.1 The General Manager is responsible for approving the internal audit plan and audit report, determining the audit team leader and auditor, and coordinating major corrective measures.

3.2 The Quality Department is responsible for planning, organizing and coordinating the internal audit and summarizing and analyzing the audit results throughout the year.

3.3 The audit team leader is responsible for preparing each audit plan, organizing the audit and preparing the audit report.

3.4 The auditor shall conduct audit according to the audit plan, propose nonconformities, approve and verify corrective actions.

3.5 The audited department actively cooperates and is responsible for formulating the corrective action plan and organizing its implementation.

3.6 Quality Department is responsible for the preparation and repair of this procedure document.

4 Definitions (None)

5 Contents

5.1 Annual audit plan

5.1.1 At the beginning of each year, the QC department shall plan the annual audit plan, prepare the annual internal audit plan, and determine the audit criteria, scope, frequency and methods according to the scope and importance of the audit to be audited and the results of previous audits. Audit all areas and requirements covered by the quality management system at least once a year, and additional key audits can also be carried out for some requirements and some departments.

5.1.2 The General Manager may decide and organize additional audits in case of:

5.1.2.1 Significant changes have taken place in the organizational structure and quality management system of.

5.1.2.2 Major quality accidents occur or customers complain continuously about a certain link.

5.1.2.3 Major changes in external requirements such as laws, regulations and standards.

5.1.2.4 Management review requests.

5.2 Audit preparation

5.2.1 According to the time and area defined in the annual internal audit plan, the Quality Department department shall report to the general manager to determine qualified personnel to be the audit team leader and auditor to ensure the objectivity and impartiality of the audit process.

5.2.2 Prepare internal audit schedule

According to the status and importance of the process and area to be audited, As well as the results of previous audits, plan a centralized audit plan, and prepare an internal audit schedule, which includes: audit purpose, criteria, scope, methods, audit team members, audit schedule, time and place of the first/last meeting, and participants (auditors cannot audit their own work), and send it to the audited department 1 ~ 3 days in advance with the approval of the general manager.

5.2.3 The audit team leader shall hold an audit preparation meeting to introduce in detail the plan arrangement, internal division of labor, matters needing attention and internal communication meeting arrangement of this audit.

5.2.4 Auditors shall consult relevant documents, be familiar with the functions of the audited department, understand the processes and characteristics involved in the audited department, and make clear the audit items, basis and methods during the on-site audit to ensure that there are no missing standard requirements.

5.3 Audit Process

5.3.1 Initial meeting

5.3.1.1 Participants: According to the arrangement of the audit plan, participants should sign in. The audit team leader will preside over the first meeting.

5.3.1.2 Meeting content: The audit team leader introduces the contents of the audit plan, audit methods, criteria for judging unqualified items and confirming the schedule, and puts forward relevant requirements such as equipping accompanying personnel;

When necessary, the general manager will emphasize it.

5.3.2 On-site audit

5.3.2.1 The audit team shall conduct sampling inspection on the system operation of the audited department, and grasp the sampling quantity and representativeness of the samples. The main functions should be fully inspected, and no sampling should be allowed.

5.3.2.2 The auditor collects evidence by interviewing with relevant personnel of the audited department, asking questions, consulting documents, checking records and observing on site, and records it in the internal audit checklist.

5.3.2.3 The information obtained in the audit process shall be confirmed by re-examination, follow-up verification and confirmation with other departments when necessary.

5.3.2.4 Communicate with the representative of the audited department on the audit findings of that department.

5.3.2.5 During the audit period, the audit team leader shall hold an internal communication meeting of the audit team every day to discuss and communicate all the observation results, understand the audit situation, clarify the matters that need supplementary audit and key attention, and preliminarily determine the unqualified items.

5.3.3 Audit content

5.3.3.1 Whether the quality policy is communicated, understood and implemented;

5.3.3.2 Whether the post responsibilities and authorities are clear;

5.3.3.3 Whether the quality management system is correctly implemented in actual work;

5.3.3.4 Whether the quality objectives and sub-objectives of are achieved, and whether the process control for achieving the objectives is effective;

5.3.3.5 Whether the key positions, special types of work, new entrants and transferred personnel have received necessary training and possessed necessary skills and awareness.

5.3.3.6 Whether there are corresponding valid documents for relevant posts;

5.3.3.7 Whether the problems found in the operation of the system are corrected/corrected in time;

5.3.3.8 The completeness, validity and compliance of the records;

5.3.3.9 Whether internal communication is smooth.

5.4 Audit report

5.4.1 At the end of the on-site audit, the audit team leader shall hold an audit team meeting to comprehensively analyze the inspection results, determine the written "Internal Audit Non-conformance Report Form" (which shall be approved by the representatives of the audited departments) according to the audit criteria, and summarize and analyze the on-site audit results to form concluding opinions, so as to make evaluation opinions on the operation of the quality management system. Form the first draft of the internal audit report, and form a formal report within one week after the end of the last meeting and submit it to the general manager for approval.

5.4.2 The contents of the internal audit report include:

5.4.2.1 Purpose, criteria, scope and method of audit;

5.4.2.2 Summary of the implementation of the audit plan;

5.4.2.3 Summary analysis of unqualified items;

5.4.2.4 Main problems;

5.4.2.5 Conclusions on the conformity and effectiveness of the quality management system and areas for improvement.

5.5 Final meeting

5.5.1 Participants: In addition to the implementation according to the arrangement of the audit plan, the scope can be appropriately expanded and controlled by the audit team leader. Participants should sign in, and the Quality department should keep the minutes of the meeting. The audit team leader will preside over the meeting.

5.5.2 Meeting content: The audit team leader reiterates the audit purpose, criteria, scope and methods; Report the audit situation and results, and read out the unqualified report; Put forward corrective actions and other relevant requirements.

5.5.3 When necessary, the general manager shall make emphasis and work arrangement.

5.6 Verification of corrective measures and their implementation effect

5.6.1 After receiving the Internal Audit Non-conformance Report Form, the responsible department shall describe, investigate and analyze the causes of non-conformity according to the non-conformity facts in accordance with the provisions of the Control Procedure for Corrective and Corrective Measures, and put forward a corrective action plan based on the actual situation, which shall be implemented within 15 working days after being approved by the auditors and approved by the person in charge.

5.6.2 The Quality Department department is responsible for guiding, coordinating, inspecting and

supervising the implementation of corrective measures and verifying their effects. The evidence indicating the effect shall be submitted by the implementation department to the auditor for verification.

5.6.3 If the implementation of corrective measures cannot be completed due to objective reasons or cannot be completed on schedule, the implementation department shall submit an application for change to the general manager for approval before implementation, and the Quality department shall verify and assess according to this.

5.7 The results of the internal audit shall be submitted by Quality Department to the management review and reported to the top management of the Company.

5.8 All records used in the internal audit shall be handed over to the Quality Department by the audit team leader and kept in accordance with the company's Record Control Procedure.

6 Related documents

6.1 WII/QP-02 (Record Control Procedures)

6.2 WII/QP-20 (Management Review Control Procedures)

6.3 WII/QP-21 (Corrective and Corrective Action Control Procedures)

7 Related records

7.1 WII/QR01-10 (Annual Internal Audit Plan)

7.2 WII/QR01-11 (Internal Audit Schedule)

7.3 WII/QR01-12 (Internal Audit Checklist)

7.4 WII/QR01-13 (Internal Audit Non-Conformity Report Form)

7.5 WII/QR01-14 (Internal Audit Report)