1.0 PURPOSE

1.1 To establish a procedure for planning and conducting audits, and reporting results and maintaining records.

1.2 Internal audits shall be conducted at planned intervals to determine whether their quality management system:

i Conforms to the AS9120 international standard and to the QMS requirements; and

ii Is effectively implemented and maintained.

2.0 RESPONSIBILITY

2.1 The Management Representative (MR) is responsible for appointing a Lead Internal Quality Auditor (LIQA) who may be himself.

2.2 The LIQA is responsible for maintaining and administering this procedure.

2.3 The LIQA will appoint sufficient Internal quality auditor(s) (IQAs) to assist with implementing this procedure.

3.0 CRITERIA

3.1 To ensure regular planned independent review of the management system taking into account the status and importance of the processes

3.2 To ensure the management system is effectively implemented

3.3 To encourage continual improvement throughout the organization

4.0 PROCESS (AS9120: 8.2.2)

4.1 Planning

4.1.1 The LIQA prepares an Annual Audit Plan that specifies the areas to be audited and the audit timeline. Audits are scheduled on the basis of status and importance of each activity. It is expected that a full audit will be achieved at least annually; some areas will require more frequent audits.

4.1.2 The LIQA assigns an internal audit team for each audit. The team consists of a Lead Internal Quality Auditor (LIQA) and Internal Quality Auditor(s) (IQAs). All auditors need to undergo auditor training as identified in the Training procedure. Approved external consultants may also act as internal auditors.

4.1.3 The LIQA prepares a detailed Audit Schedule for each audit. The Audit Schedule highlights the areas to be audited, the time allowance in each area, auditor assignments and auditees. The Audit Schedule also ensures that:
07. Internal Quality Audit Procedure

i Auditors are assigned to areas where they are independent (i.e. auditors do not audit areas in which they are directly responsible); Areas where the LIQA is responsible will be audited by the IQA.

ii The audit is conducted in accordance with the Annual Audit Plan.

4.1.4 The Auditors prepare an Audit Checklist for each procedure/area to be audited. These are prepared by reviewing the relevant quality system documents and the system of processes within the organization. The checklist will take into consideration both compliance and process audit techniques.

4.2 Conducting the Audit

4.2.1 The internal audit is conducted in accordance with the Audit Schedule.

4.2.2 The auditor conducts both compliance and process auditing using the Audit Checklist, the documented quality system, the AS9121 checklist and the standard itself as an audit guide. The auditor observes the actual practice and obtains objective evidence in order to determine whether quality activities and related results comply with the planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve the required process objectives. The objective evidence is recorded on the Audit Checklist. The auditor should look for continual improvement opportunities through review of:

i Effective and efficient implementation of the processes and its resources

ii Capability of the process, e.g. improvement in the use of IT

iii Effective and efficient use of process metrics, and adequacy and alignment of performance goals with the Quality policy & objectives.

iv Application of the eight quality management principles and their impact & benefit for the organization, its customers and other interested parties.

v Ensuring that there is an effective process to prevent non-conformance reaching the customer; and for dealing with non-conformance if it occurs.

4.2.3 The auditor also verifies that any completed CPARs are satisfactorily closed-out and that the action taken is effective. The auditor records this verification on the CPAR as described in the Corrective and Preventive Action Procedure.

4.2.4 For any non-conformities found, the auditor initiates a CPAR to describe and record the findings. The mechanism of CPAR flow is detailed in the Corrective and Preventive Action procedure.
4.3 Audit Reporting

4.3.1 Upon completion of the audit, the LIQA reviews all audit findings with the auditors and prepares an Audit Summary which summarizes:

i New CPARs raised

ii previous CPARs closed-out

iii any observations.

4.3.2 The LIQA and auditors hold a closing meeting with the auditees at the end of the audit. The purpose of the closing meeting is to:

i report and clarify audit findings

ii distribute any CPARs raised during the audit to the auditees for taking corrective and preventive actions.

4.3.3 The LIQA forwards the Audit Summary, Audit Checklists, closed-out CPAR(s), a copy of each new CPAR and any other notes related to the audit to the MR.

4.3.4 The MR is responsible for reviewing the CPARs and CPAR Log and ensuring that CPARs are planned for verification, either during the next scheduled Internal Audit or by initiating an additional audit. Any additional audits are recorded on the Annual Audit Plan.

4.4 Closing the Audit

4.4.1 An audit cycle is considered closed when:

i all the reporting for that audit is completed and all CPARs raised during that audit are verified and closed-out; and

ii a summary of the audit has been reviewed by Top Management

5.0 QUALITY RECORDS

<table>
<thead>
<tr>
<th>Record Name</th>
<th>Responsible Person</th>
<th>Location</th>
<th>Index method</th>
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<td>QAM Office</td>
<td>By Date</td>
<td>7 Years</td>
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<td>Audit Checklist</td>
<td>QAM</td>
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<td>By Date</td>
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<tr>
<td>Annual Audit Plan</td>
<td>QAM</td>
<td>QAM Office</td>
<td>By Date</td>
<td>7 Years</td>
</tr>
<tr>
<td>Audit Schedule</td>
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6.0 Change History
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<td>2</td>
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<tr>
<td>3</td>
<td>13 Sept 12</td>
<td>Added 4.2.5 to conform to the JEDEC standard</td>
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<td>4</td>
<td>09 Oct 14</td>
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