Certification

Date: 07 October

201

Assessment Report

3

Date: 1[illegible] Mar to -

[Disclaimer: The audit report has been generated to reflect the compliance of the company toward the ISO standard and every criterion's have been in every effort taken to ensure the accuracy of the assessment and reporting produced. As the assessment is been carried out based on sampling, certain areas or processes may not be able to verified on its compliances.]

Company name	**NLY Sdn. Bhd.**
Address	**LOT 192, Jalan TUDM, Kampung Baru Subang, 40150, Shah Alam, Selangor.**
Report no	**914SM0039**
Status of audit	If surveillance

Thank you for your trustful cooperation during our audit of your organization. This report has been prepared of every effort to ensure the accuracy of the information recorded. The
assessment is based on sampling on the records, practice, documents and personnel, therefore the final results of the assessment is of representative towards the system implementation of the organization. This report may generated to record as much of the system implementation information but may still limited due to the sampling .This report details the assessment results including strengths, opportunities, and weaknesses. These results were presented to your management at the closing meeting of the audit. You can use these results to improve the effectiveness of your management system. We look forward to continuing our partnership towards sustainable business success. This report has been prepared in compliance to the ISO 17021:2011 requirements.

To ensure the next assessment will be carry out in compliance to the ISO 17021:2011, please remember to immediately notify CARE Certification International about any significant change to your company at any point of time. Together we will then coordinate appropriate measures to maintain your current certification. Such circumstances include, for example, changes relating to the legal, commercial, organizational status or ownership, organization and management (e.g. key managerial, decision making or technical staff), contact address and sites, scope of operations under the certified management system, and major changes to the management system and processes. Together we CARE and will then ensure the smoothness of the upcoming assessment. Thank you for your persistence of support.

	Signed for on behalf of CCI	Signed for on behalf of client
Sign		
Name	ERWAN	Company stamp
Date	18-MAR-2014	
Email	wankartika@cciglobe.com	
Fax no	038073 2688	

Section A General Information

General		
Audit objectives	☐ ☒ ☐	To verify that the system initial implementation is in accordance to requirements of the standard adopted. To verify that the system implementation is continuously in accordance to the requirements of the standards adopted. To verify that the system implementation is continuously after and in third years of implementation is in accordance to the standards adopted.
Integrate Assessment		
Issue of certificate		

Scope of Certification	
Scope of certification in English	THE MANUFACTURER OF POLYURETHANE (PU) FOAM/SPONGE.
Other language than above	NA
Changes from Previous registration	
Extension/changes of scope date	NA

Contact Details	
Management Representative	Frankie Koay
Alternate contacts	-
Management Representative contact no.	012-272 3536
E-mail address	frankiekoay@nly.com.my
Fax Number	03-7846 7892
Fixed Line Number	03-7846 8118
NO OF EMPLOYEES	**68**

System Documentation Information	
Quality Manual Document Identification	NLY-QM rev. 0 Quality Manual 1st April 2009
Last Management System revision date	1 April 2009
Previous Management System date	-
Management Review Date	20/01/2014
Internal audit Date	Nov 2013
Exclusion (only limited to clause 7)	7.3, 7.5.4
Previous reference report Number	913RM0039
Outsource process	☒ No outsource of process ☐ Yes. The outsource process is/are

Section B Previous Audit Result

The result of the last audit system have been reviewed, in particular to ensure appropriate correction and corrective action has been implemented to address any nonconformities identified. This review has concluded that:

☒	No nonconformities have been raised during last assessment.
☐	Any nonconformities identified during last previous audit have been corrected and the corrective action continuous to be effective.

☐	The management system has not adequately addressed non conformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

Section C Conclusion

The audit team conducted a process based audit focusing on significant aspects/risk objectives required by the standard(s). The audit methodology used is based on 3P which were People, Paper and Practice.
The audit team concludes and express
☐ CONGRATULATION and has
☒ CONGRATULATION however some processes need to address non-compliance(s) but others has
☐ SORRY and the organization has not established and maintained its management system in line with the
requirements of the standard and

☒ demonstrated
☐ not demonstrated
the ability of the system to systematically achieved agreed requirements within the scope of the organizations.

Base on the record, there is/are **nil** unresolved issue.
Therefore the audit team recommends that based on the results of this audit and the system's demonstrated state of development and maturity, management system certification be:
☐ Granted (initial certification or recertification)
☒ Granted upon the acceptance of the noncompliance(s)
☐ Continued (surveillance)
☐ Continued (surveillance) upon the acceptance of the noncompliance(s)
☐ Withheld
☐ suspend until satisfactory corrective action(s) is completed
Note :
The assessment and recommendation for the initial or continue was based on random samples and therefore nonconformities may exist which have not been identified. All the pages should be attached if the organization wishes to copy and delivered to the interested party.

Section D (For Recertification only)

1	The company has demonstrated effective implementation and maintenance/improvement on its management system	☐Yes ☐No
2	The internal audit program has been fully implemented and demonstrates its effectiveness as a tool for maintaining and improving the management system.	☐Yes ☐No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	☐Yes ☐No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	☐Yes ☐No
4	Throughout the audit process, the management system demonstrates overall conformance with the requirements of the audit standard	☐Yes ☐No

Section E Auditor and Auditees Names

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
ERWAN	1. Frankie Koay	MD
Team member	2. Teo Cheng Keh	DIRECTOR
R.NAZREL	3. Timmy Tang	MANAGER
Trainee auditor	4. Ms. Chia	ADMIN OFFICER
NIL		
Observer		
NIL		

Section F Audit Process Matrix

Next Audit Matrix *(legend "☒" plan to cover & covered, "☐" for uncover)*

Planned month & year	03/2014	02/2015	02/2016	
Management Review	☒	☒	☒	☐
Internal Audits	☒	☒	☒	☐
Customer complaint / survey	☒	☒	☒	☐
Use of logo	☒ not used	☒	☒	☐
Follow-up from previous audit finding	☒	☒	☒	☐
Clause	Done/finding	Planned	Planned	Planned
4.Quality Management System				
4.1 General Requirements	☒	☒	☒	☐
4.2 Documentation Requirements	☒	☒	☒	☐
5 Management Responsibility				
5.1 Management Commitment	☒	☐	☒	☐
5.2 Customer Focus	☒	☒	☒	☐
5.3 Quality Policy	☒	☐	☒	☐
5.4 Planning	☒	☒	☒	☐
5.5 Responsibility, authority and communication	☐	☒	☒	☐
5.6 Management review	☒	☒	☒	☐
6 Resource management				

6.1 Provision of resources	☐	☒	☒	☐
6.2 Human resources	☐	☒	☒	☐
6.3 Infrastructure	☒	☐	☒	☐
6.4 Work environment	☒	☐	☒	☐
7 Product realization				
7.1 Planning of product realization	☒	☒	☒	☐
7.2 Customer-related processes	☒	☐	☒	☐
7.3 Design and development	☐ NA	☐ NA	☐ NA	☐
7.4 Purchasing	☒	☐	☒	☐
7.5 Production and service provision	☒	☒	☒	☐
7.6 Control of monitoring and measuring equipment	☒	☒	☒	☐
8 Measurement, analysis and improvement				
8.1 General	☒	☒	☒	☐
8.2 Monitoring and measurement	☒	☒	☒	☐
8.3 Control of nonconforming product	☒	☒	☒	☐
8.4 Analysis of data	☒	☒	☒	☐
8.5 Improvement	☒	☒	☒	☐

Assessment man days for the next assessment : 02 md. Recertification: Feb 2016

Note: Recertification should be carry out minimum 2 months prior to the expiry of the certificate

Section G Audit Note

Summary of Area Audited

Business Areas	Details of Audited Summary	
Auditor	Date	Time
RN	18 Mar	0900

Opening Meeting

a) introduction of the participants, including an outline of their roles;
b) confirmation of the scope of certification;
c) confirmation of the audit plan (including type and scope of audit, objectives and criteria), any changes, and other relevant arrangements with the client, such as the date and time for the closing meeting, interim meetings between the audit team and the client's management;
d) confirmation of formal communication channels between the audit team and the client;
e) confirmation that the resources and facilities needed by the audit team are available;
f) confirmation of matters relating to confidentiality;
g) confirmation of relevant work safety, emergency and security procedures for the audit team;
h) confirmation of the availability, roles and identities of any guides and observers;
i) the method of reporting, including any grading of audit findings;
j) information about the conditions under which the audit may be premature terminated;
k) confirmation that the audit team leader and audit team representing the certification body is responsible for the audit and shall be in control of executing the audit plan including audit activities and audit trails;
l) confirmation of the status of findings of the previous review or audit, if applicable;
m) methods and procedures to be used to conduct the audit based on sampling;
n) confirmation of the language to be used during the audit;
o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns;
p) opportunity for the client to ask questions.

Closing Meeting

a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty
b) the method and timeframe of reporting, including any grading of audit findings;
c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification;
d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit;
e) the certification body's post audit activities;
f) information about the complaint handling and appeal processes.
g) Any diverging opinion that are not resolved.
h) opportunity for the client to ask questions.

Process	Clause applicable	Auditor	Date	Time
Top Management	4.1,4.2,5.1,5.2,5.3,5.4,5.5,5.6,6.1,8.1,8.2,8.3,8.4,8.5	RN	18 MAR	0930

Management review
The management review conducted on 20 Jan 2014. Review input includes results of Internal audit, Quality Policy, Quality objective, supplier performance and etc. Noted that some of the issue e.g. customer feedback & process performance were discussed and monitored it progress.

Quality policy established and approved by MD and it is still maintained as discussed in Mgt Review. Quality Objective has been monitored and as a tool for improvement. it is includes reduce wastage, prompt delivery, complaint, survey etc. Seen most of the objective is achieved the target and it was remain for 2014 KPI.

Internal audit
The IQA conducted on Nov 2013. There ais no NCR raised and only 1 observation due to the customer feedback. Verified the following record to have evidence on the IA activity: IQA checklist, audit schedule and summary.

Corrective and preventive action
Noted that there is no CAR raised for the past one year. it was normally came from IQA and customer complait. However, seen an initiative to improve the customer feedback e.g. pricing- to get another source of material and late delivery- to replace and get a new wroker due to shortage of manpower)

Control of document/records
The structure documentation is as follow: QM, QP, JD, quality plan, WI and record. Noted that there is no changes of all the documentation since last visit. Verified the distribution was found to be in order.

Customer feedback, Customer satisfaction and complaint.
The survey was conducted and received from 8 customer with average of 80% satisfaction. The commen and feedback is about pricing and late delivery. The proper corrective action were seen in place to rectify these issue.
There is no customer complaint received since last visit.

Responsibility and authority
The org chart and job description were documented and showed the relevant task and competence required.

Process	Clause applicable	Auditor	Date	Time
Calibration	7.6	RN	18 MAR	1130

Verified the Equipment Calibration Schedule registered 3 various range of weighing scale. However the last calibration date was on March 2012 and it was due on 23 March 2013.

Process	Clause applicable	Auditor	Date	Time
Operation & QC	7.1,7.2,7.5,8.1,8.2,8.3,8.5	EK	18 MAR	0930

Verified the following order to have followed the manufacturing process flow chart as per Inspection & Non-Conformance Control NLY-P07 for:

- Work Order No 7553.14 for Product Code NLY R22W, required density 21±1kg/m^3 and actual result was 21.3kg/m^3.
- Work Order No 7556.14 for Product Code NLY 12W, required density 11±1kg/m^3 and actual result was 11.2kg/m^3.
- Work Order No 7560.14 for Product Code NLY 27LV, required density 24±1kg/m^3 and actual result was 24.5kg/m^3.
- Work Order No 7563.14 for Product Code NLY R25LPF/R(P89), required density 25±1kg/m^3 and actual result was 24.9kg/m^3.

Noted that all of the information required by the production to execute their job is by referring to the Work Order No. and Production Code as defined in the production planning form NLY-F25, Rev 1.
Seen the

According to Mr. Tan, there is no reject occurred since implementing the QMS.

Production record is updated daily in the Production Planning Form: NLY-F25 to monitor the progress of each customer order.

At production floor, sighted the finished block foam is identified with Product Code using marker pen. The identification found adequate. Incoming part/material by supplier label with part no (white marker). Final part is identified with Product Code, Work Order, Size and Quantity using marker pen.

No report of customer property as of to date.

At the store of chemical material and finished good sighted in good practice. Forklift and pallets truck used to handle finished block foam and sheet form products. Parts ready for packing and the packing according to the packing standard or contour requirements standard. Packing list with relevant information sighted.

Process	Clause applicable	Auditor	Date	Time

Purchasing	7.4	EK	18 MAR	1430

Approved supplier list updated by Purchasing personnel and approved by Managing Director. Re-evaluation to supplier is done every 12 months and the latest is on 15 January 2014. The evaluation of supplier covers delivery to schedule, level of corporation, rate of rejection, quality, packaging/handling, response to queries & quotation, ability to source, after sales services, flexibility to urgent request, pricing policy and quantity. The evaluation is recorded in the Form NLY-F07 for new supplier selection and Form NLY-F10 for supplier re-evaluation and approved by Managing Director.
Verified the following supplier evaluation to be according to NLY requirement;

a) Aurora Chemicals Sdn Bhd
b) BASF Polyurethanes Sdn Bhd
c) BP Plastics Sdn Bhd
d) EB Packaging Sdn Bhd
e) Euro Chemo – Pharma Sdn Bhd

There is no supplier de-register from the continue evaluation exercise. No new suppliers register in 2014 to date.

Verified the following purchase to be appropriate and meeting the requirement.

a) PO#NLY/13/120 to Excellent Chemical Ind Sdn Bhd
b) PO#NLY/14/012 to EB Packaging Sdn Bhd
c) PO#NLY/14/011 to BP Plastics Sdn Bhd

The purchasing information is completed with product specification, delivery date, QTY, term of payment etc. Verified also the receiving at store have verification to the purchased product/part against the supplier's DO (#62076, #I14-020468, #115799 and #115800) and records of acceptance are sighted on the DOs.

Process	Clause applicable	Auditor	Date	Time
Maintenance	6.3, 6.4	RN	18 MAR	1430

The machineries list registered 15 machines.

Maintenance schedule was established for all the machine with defined checking point, plan period/time schedule, responsible and location.

Verified the maintenance report of year 2013 of following machines in accordance to the maintenance schedule:
a) Vertimax
b) M5 Horizontal Foam Cutter
c) M7 & M12 AB Carousal Cutter
d) M11 Wintech Oscillating Blade Profiter
The maintenance service recorded in the maintenance checklist and found job done accordingly.

Generally the work environment in CL is acceptable with office and BOLY chemical store is air-conditioning. Production floor and warehouse is at room temperature, preventing direct sun-light and rain to ensure product conformance.

Process	Clause applicable	Auditor	Date	Time
NA	NA	NA	NA	NA

NA

Process	Clause applicable	Auditor	Date	Time
NA	NA	NA	NA	NA

NA

Process	Clause applicable	Auditor	Date	Time
NA	NA	NA	NA	NA

NA

Process	Clause applicable	Auditor	Date	Time
NA	NA	NA	NA	NA

NA

Process	Clause applicable	Auditor	Date	Time
NA	NA	NA	NA	NA

NA

Observation for Improvement

Details
1) The IQA should be impartiall since it all audited by Frankie.

During the assessment **01** nonconformities were identified.