Factory Audit Report

Report #: FA-PO100125

1. Factory Profile:

General Information:			
Factory name:	Qing Xiu embroidery factory		
Website:	N/A		
Address:	Guang Zhou, Guang Dong province		
Date of the factory founded:	1996	Legal status:	Private
Registered fund:	1000,000RMB		
Factory space (m^2):	4000		
Annual international sales(**USD**):	1,000,000		
Annual Sales(total)(**USD**):	1,800,000		
Major products	Embroidered products		
Major markets:	US, Europe, China, Japan, Korean		

Contact Details:			
Owner of the plant:	Guo Qing Jie	General Manager:	Liu Shan Chang
Telephone #:	Xxxxxxxxx	Telephone #:	xxxx
Mobile phone:	Xxxxxxxx	Mobile phone:	xxx
Email address:	xxxx@xxxxx	Email address:	xxxxx

Main Clients:

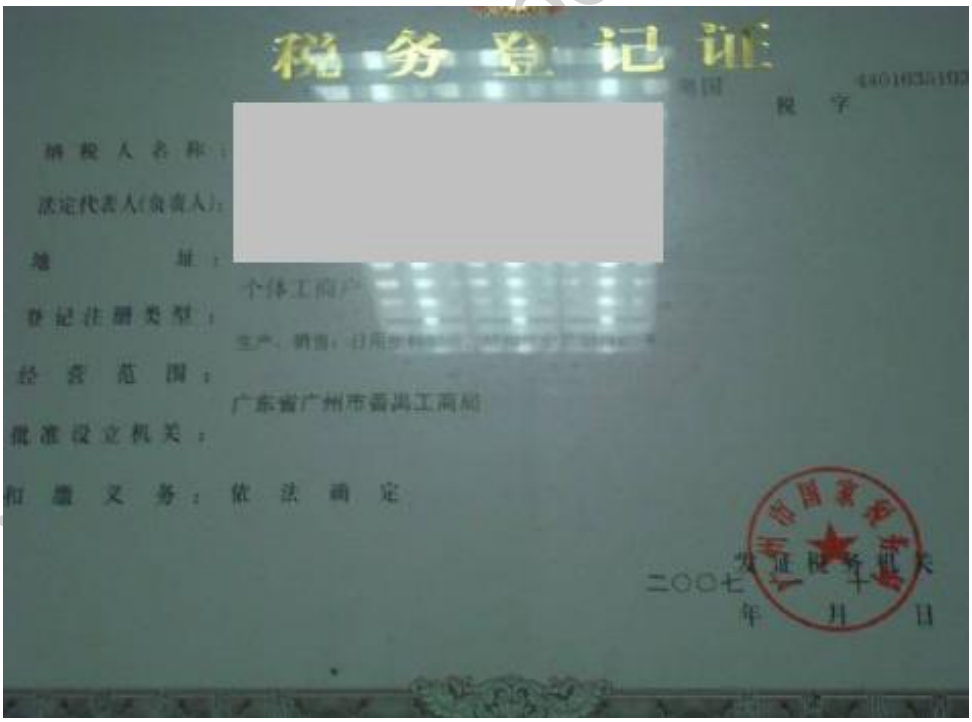
Country	Buyer	Product Description	Specification	Qty/Month
USA	Neto patches	Embroidered patches	Xxx	300,000pcs
Europe	Best Fashion	Clothes with embroidery	Xxx	250,000pcs

Staff information:			
Number of direct board memebers	2	Number of workers:	70
Number of Engineers:	8	Number of QC:	5
Number of sales people:	3	Number of office staffs	12
Techinal support people:	6		

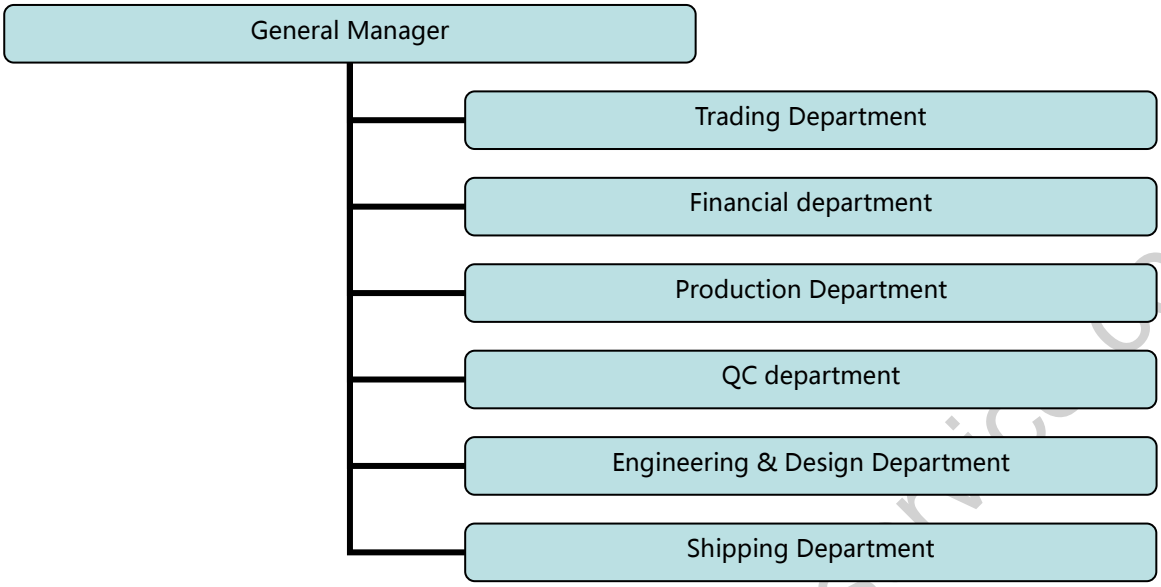
Others:	
Quality system:	ISO9001:2000
Training:	On job training

2. Business license(Please scan it out and put the picture below):

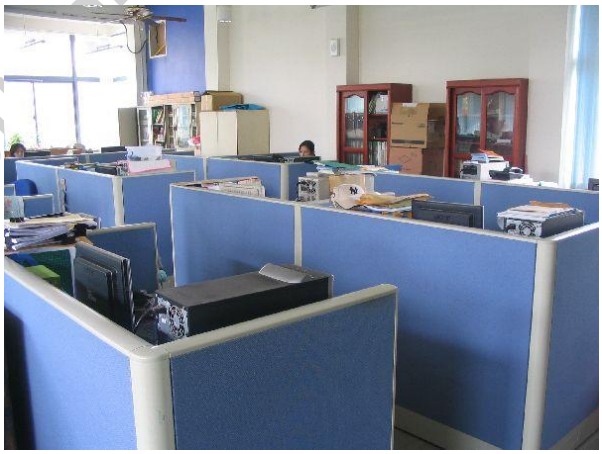
3. Business tax registration file (Please scan it out and put the picture here):



4. Factory Organization:



5. Pictures about the factory (please use pictures to show your factory):

Factory location (use China Map to mark it out)	Overview of the whole factory
	
Overview inside the factory	Office area
	
Incoming material area	embroidery area
	

embroidery area	Woven label area
	
Woven lable area	Laser cut machine
	
Laser cut machine	Iron-on equipment
	

Post –process (thread cutting)	Post-process (thread cutting and edge burning)
	
QC areas	Warehouse
	

6. Production Lines/Capacity:

Main Clients:				
#	Machine Name	Machine Count	Capacity/Hour/Machine	Capacity/Month
1	Woven label machines	28	80pcs	1,400,000pcs
2	Embroidered machiens	12	60pcs	440,000pcs
3	Laser cut machines	3	100pcs	180,000pcs

7. Factory assessment part:

Factory Assessment Score Calculator

Explanation to of scoring:

Rule for the scoring:

YES: 1 point

No: 0 point

Acceptable level based on scores:

Level 1: PASS (Total score ⩾80%)

Level 2: PASS but Corrective Action Required (Total score of 70~79%)

Level 3: FAIL (Total score of 69% or less)

Sections	Maximum Points Available	Total Points Achieved
A. Facilities	11	10
B. Quality Control System	13	9
C. Incoming Inspections	12	11
D. In-Process Quality Control	15	11
E. Final Inspection	10	7
F. Packaging	16	15
G. Non-conforming Materials	6	5
H. Communication and Documentation Control	10	10
I. Handling of Complaints	7	6
Total Scores:	**100**	**84**

General Comments:

1. The workshop and warehouse is almost full with little free room. If its order quantity keeps increasing, the factory would not have enough room. The factory now already has one of its injection workshops moved to another location, which is one kilometer away. The workshops located in different places will enhance the management difficulty.
2. If the order is confirmed in the coming few weeks, it could be estimated that the delivery schedule might meet with the peak season of factory. Production supervision is very important to ensure the timely delivery.
3. A quality control before shipment is recommended because the factory has the possibility to outsource the some production to other factory. And this would easily cause quality difference in the same shipment.
4. The factory's labor resource is enough. So, for the mass production, no worry to the human resource problem as you worried.

CIS Auditor	Larry Chen	Date:	Jan.02.2009

A. FACILITIES		
#	Questions	Comment (Y/N)
1	Does the plant layout appear generally acceptable?	Y
2	Does the overall maintenance of the premises appear acceptable?	Y
3	Does the general housekeeping appear acceptable?	Y
4	Did you see a complete company policy manual?	N
5	Did you see documentation that all production machines were on a maintenance schedule and a maintenance team was in place?	Y
6	Did you see documentation that all production machines were on a maintenance schedule and a maintenance team was in place?	Y
7	Does the factory have a backup generator? (If yes, provide date of last use and date of last maintenance below).	Y
8	Did you see that all machines/equipment/fixtures were suitable to produce the intended products?	Y
9	Did you see evidence that the factory has a well organized maintenance team that could immediately respond to a machinery breakdown or emergency?	Y
10	Did the lighting and ventilation conditions appear adequate in the production areas?	Y
11	Is the fax and telephone available?	Y
B. QUALITY CONTROL SYSTEM:		
#	Questions	Comment (Y/N)
1	Did you see evidence that the factory has a formal internal quality control program for all of its products?	Y
2	Did you see evidence that there is a formal internal training program for all quality control (QC) personnel?	Y
3	Did you see formal training records for all QC personnel?	Y
4	Were all QC personnel certified before they were allowed o perform their jobs?	Y
5	Are the QC personnel independent of the production staff?	Y
6	Did you see a complete Quality Manual?	Y
7	Did you see that the factory is using international, national, client's, and/or its own approved standards to perform in-house quality control?	N
8	Did you see detailed written plans demonstrating how safety requirements of products are checked in-house?	Y
9	Did you see detailed QC reports that reflect all products are being properly checked / inspected?	N
10	Did you see evidence that there was adequate QC supervision on all shifts?	N

11	Was there evidence that all QC personnel fully understand quality policy, quality consciousness and the importance of the quality assurance concept?	Y
12	Does QC have adequate basic knowledge and expertise on products and general manufacturing technology?	Y
13	Did you see documentation that the factory had all relevant international/national safety standards and was in compliance?	N

C. INCOMING MATERIALS INSPECTIONS

#	Questions	Comment (Y/N)
1	Was there evidence that the factory takes adequate measures to assure raw materials conformance to required specifications before use?	Y
2	Are raw materials properly labeled, stored and traceable?	Y
3	Are raw materials kept in controlled storerooms to avoid theft, loss and any deterioration of quality?	N
4	If raw materials need inspection before putting into production, are they properly inspected and are records traceable?	Y
5	Do records show that rejected lots are well identified, segregated from acceptable lots and eventually returned to the supplier?	Y
6	Is the inspection sampling schedule adequate and can the quality of the product be guaranteed with confidence?	Y
7	Are adequate inspection records maintained to prove products are checked and meet all requirements?	Y
8	Are there adequate written inspection instructions with proper accept/reject criteria available as guidelines to inspectors?	Y
9	If testing equipment is needed during inspection, is it sufficient, in good condition and calibrated?	Y
10	Is there a systematic control on the non-conforming raw materials and is it efficient?	Y
11	Does the factory have a formal process for selecting and qualifying new suppliers?	Y
12	Does the factory have a formal process for continuously monitoring a supplier's performance?	Y

D. IN PROCESS QUALITY CONTROL

#	Questions	Comment (Y/N)
1	Is there an outline of the various steps of the manufacturing process?	Y
2	Are samples of pilot runs carefully reviewed by engineers and quality staff to see all quality and safety aspects are being met?	Y
3	Is there sufficient well trained In-Process QC staff to prepare for mass production	N
4	Is there documentation from either engineering, or the QC department, or top management to authorize mass production?	N

5	Are the production lines checked by QC (or by other means) to monitor the compliance of the product to meet quality and safety requirements?	Y
6	Does the factory use international (or other approved standards) to carry out in-process inspection and are there records?	Y
7	Do records reflect the action taken on the rejected lots?	N
8	Do records show rejected lots are well identified and are they segregated from accepted lots?	N
9	Are rejected lots immediately segregated and marked for recycling or destruction?	Y
10	Are there adequate, clearly written criteria/instructions with proper accept/reject criteria available as guidelines to inspectors?	Y
11	Are there adequate approved samples available in all areas to give inspectors and workers guidelines?	Y
12	Are adequate work instructions available to all employees defining the manner of production, assembly specifications, machine settings, etc.?	Y
13	Are engineering and specification changes reviewed and approved by authorized personnel prior to implementation?	Y
14	Is there a sufficient on-site test facility that is capable of checking the quality of the product and the conformance of finished goods? (list which testing methods are being used – i.e. BIFMA, AATCC, ISO, FTC, CFR, etc.)	Y
15	Are the inspection defects charted, analyzed and monitored to improve the problems encountered?	Y

E. FINAL INSPECTION

#	Questions	Comment (Y/N)
1	Do factory's quality controllers perform any internal final inspection on finished products?	Y
2	Are international, client's or other approved standards used?	N
3	Are there written formal inspection reports and are they properly filed to be traced to review quality of products?	N
4	Are product drawings/specifications and/or samples as well as packing instructions available for the inspector from the QC or the engineering department?	N
5	Does factory perform internal mechanical tests during production to safeguard the product's quality and are records kept to prove this?	Y
6	Are these production test/inspection reports sent to the QC supervisors for review and sign-off on a daily basis?	Y
7	Are adequate inspection and testing records maintained?	Y
8	Is the sampling size of products for final inspection adequate enough to show the safety of products?	Y
9	Are there procedures in place that require acceptable inspection reports to authorize shipment of the products?	Y

10	Does factory perform a 100% check on functionality, on at least one unit per production run and is the current procedure sufficient?	Y
F. PACKAGING		
#	**Questions**	**Comment (Y/N)**
1	Is the packaging area clean, well organized and free of contaminants?	Y
2	Is there adequate safeguard to prevent one company's product from being packaged into another company's packaging or master cartons?	Y
3	Is there adequate control to prevent any defective or rejected products from being packed into retail packaging?	Y
4	Are semi-finished products well segregated from final finished products in the packing area?	Y
5	Are retail packaging materials properly stored and correctly set-up prior to packaging beginning?	Y
6	Are finished products packed into retail packaging immediately, in order to avoid contact with dust and dirt?	Y
7	Is the method of counting product into the retail packaging adequate to ensure accuracy?	Y
8	Do workers wear gloves or other protective clothing, if necessary, in order to avoid contamination from dust and dirt?	Y
9	Are packaging guidelines posted with all necessary information for the correct packaging procedure?	Y
10	Are master cartons properly stored and correctly set-up prior to product being packed into master cartons?	Y
11	Are retail packaged units packed into master cartons immediately, in order to avoid contact with dust and dirt? If not, are they properly stored and protected?	Y
12	Is the method of product count into master cartons accurate?	Y
13	Is the current procedure acceptable to avoid the possibility of shortages or incorrect product in the master cartons?	N
14	Are packed master cartons stored in a warehouse or a covered area to avoid sunlight and moisture?	Y
15	Is the product or packaging marked with a date code or lot code to trace production?	Y
16	Does the factory have a system to verify the product packaging and shipping marks are correct?	Y
G. NON-CONFORMING MATERIALS		
#	**Questions**	**Comment (Y/N)**
1	Is there proof and/or documentation that non-conforming material or products are properly identified and segregated at all stages?	Y

2	Are adequate records maintained to show the status or disposition of non-conforming materials as well as any inspections of reworked product/components/material?	N
3	Are scrap materials or products handled satisfactorily?	Y
4	If reclaimed materials are used, is there adequate identification and checking to specification?	Y
5	Can the factory demonstrate how they handle the non-conforming materials such as products that fail to meet specifications or mechanical tests?	Y
6	Is the overall policy of treating non-conforming material effective?	Y

H. COMMUNICATION, DOCUMENTATION CONTROL AND WORK MOVEMENT

#	Questions	Comment (Y/N)
1	Can factory management and key staff understand and speak English well?	Y
2	Is there an adequate and formal system for receiving purchase orders, tooling and equipment?	Y
3	Is there an adequate and formal system for receiving and applying drawings, procedures, design change, etc. correctly?	Y
4	Are approved drawings and specifications filed and used properly and are changes traceable?	Y
5	Are drawings, records and specifications easily available that reflect an adequate history of the product?	Y
6	In the case of authorized subcontracting, does factory provide adequate supervision and specifications to ensure the compliance to the requirements of client's standards?	Y
7	Does the factory have clear instructions to all employees allowing them to stop production if they notice products do not meet the established standards?	Y
8	Is technical information clearly identified and are there adequate controls in place to safeguard these?	Y
9	Does the factory realize that all technical information relating to the client's projects is confidential?	Y
10	Does the factory notify their clients immediately to advise and discuss any failures found on their projects?	Y

I. HANDLING OF COMPLAINTS

#	Questions	Comment (Y/N)
1	Are customer complaints handled by management?	Y
2	Does the factory have a formal process for handling customer complaints?	N
3	Are the complaints analyzed for their root causes and Corrective Action Reports (CARs) created to document the resolution?	Y
4	Are corrective and preventive actions taken to eliminate the non-conformity?	Y
5	Is the corrective and preventive plan communicated with the customer?	Y

6	Are there adequate traceable handling of complaint records?	Y
7	Do records show that the corrective and preventive actions are properly conducted and monitored to show effectiveness?	Y