



Management System Assessment Report

Company:	Farrell Bearings Ltd
Address:	P O Box 10403 Te Rapa Hamilton 2035 New Zealand
Type of Assessment:	Review Visit
Management System Standard:	AS/NZS ISO 9001:2008
Date(s) of Assessment:	Tuesday, 20 October 2009
Assessment Team:	Mr Don Finch
Client No:	3327
Registration No:	407
Report prepared by:	Don Finch
Non-conformances to be cleared by:	Not Applicable
Date of report:	23 October 2009.
Scope of Assessment:	The wholesale supply of ball bearing and transmission equipment.

Introduction

This report relates to the assessment undertaken by Telarc SAI to determine the status and level of compliance of the management system against its requirements and those of the nominated standard or standards indicated on the preceding page. The assessment was carried out, in accordance with internationally recognised management system auditing practices such as ISO 17020, ISO 17021 and ISO 19011, and against the scope stated in this report.

Compliance with all legal requirements, including those relating to the Safety and Health in Employment Act, is the responsibility of your organisation. While some non-compliances relating to legal requirements such as Health and Safety may have been identified in this report, this does not represent an exhaustive report on your compliance with such legal requirements. Auditing for compliance with legal requirements is outside the scope of this assessment, unless specifically included in the "scope of assessment", which appears on the preceding page.

The report is in two sections:

1. **Auditors Summary**

This section gives an auditors summary of the audit including feedback and auditor comments.

2. **Summary of Audit Findings (including the detail of, and action required with respect to audit findings)**

This section identifies the areas of your system which have been assessed and summarises any Non-conformance, Area of Concern or Opportunity for Improvement identified which are noted under the relevant clause number.

Please read this section - it includes instructions for responding to this report

Non-conformance (NC):

Based on objective evidence, the absence of, or a significant failure to implement and/or maintain requirements of the applicable standard. Such issues may raise significant doubt as to the capability of the management system to achieve its intended outputs.

Action required: This category of findings requires Telarc SAI to cite a formal NC; to receive and approve client's proposed correction and corrective action plans; and formally verify the effective implementation of planned corrections and corrective action. Follow-up action by Telarc SAI must either 'close out' the NCR or reduce it to a lesser category within 90 days, or less where specified. An Action Plan to address any NC's raised may be requested by the auditor.

In the case of initial certification assessments, failure to close out any NC within six months means that the Certification Audit may need to be repeated.

In the case of an already registered client, failure to close out an NC within the time limits means that suspension proceedings may be initiated by Telarc SAI.

Please note: Follow-up activities may incur additional charges.

Area of Concern (AOC):

This is an area of the system for which the client is required to investigate a potential non-conformity.

Action required: Telarc SAI will follow up a client's preventive action at the next planned audit. Lack of client attention to such issues implies that a preventive action system is not working effectively and the AOC may be escalated to an NC.

Opportunity for Improvement (OI):

A documented statement, which may identify areas for improvement however shall not make specific recommendation(s).

Action required: Client may develop and implement solutions in order to add value to operations and management systems. Telarc SAI is not required to follow-up on this category of audit finding.

1. Auditors Summary

Since their last assessment, the company's quality management system has seen some major changes, these changes not only show compliance to the ISO 9001 2008 Standard but also to the operation of the system as a whole, I was extremely impressed with the work that Carmen has carried out to continuously improve the system's documentation and processes, this and the staff's compliance to the system led to a very successful outcome to this assessment. As noted during the audit, the company no longer has an operational branch in Rotorua; therefore I have removed it from your scope of registration and the Telarc data base. I can only wish the company and its staff well for the future and that their professionalism and product knowledge is constantly maintained.

Assessment Findings

The schedule to the certificate of registration was reviewed and was updated.

The company's use of the Telarc SAI Registered Supplier logo was found to be within the published guidelines.

A copy of the quality system documentation was retrieved and the changes made since the last visit were reviewed.

*The following items were audited:

- the management of the document control system,
- the maintenance of the internal audit programme,
- the conduct of the management review process,
- achievements against defined objectives,
- the progress of continual improvement projects,
- the management of the corrective action system and customer complaints,
- the control of internal failures,
- Calibration,
- Key client management, (CHH Kinleith),
- Despatch,
- Purchasing,
- Storage
- Quality policy,
- Interaction of processes,
- Work environment=H&S,

During the assessment the additional requirements of AS/NZS ISO9001:2008 over those of the 2000 version were reviewed and the following observations were made:

- The company recognises and identifies the requirement to comply with statutory requirements
- The Management Representative is a member of your management team
- The effectiveness of any corrective action taken is verified before the case is closed.

As a result of these findings, the company's registration status will be updated to show that they comply with AS/NZS ISO9001:2008.

2. Summary of audit findings.

4.2.3 Control of documents

Procedures have been documented and implemented to control all documents and data related to the quality system. Amendments to the quality system appear to be well controlled and maintained. Amended documents were reviewed and approved by the same functions that approved the original documents. A master list identifies the current revision of all documents.

4.2.4 Control of records

The company has established and documented procedures for the maintenance of Quality Records. Retention periods, location and disposal method have been identified. All records requested during this assessment were easily retrieved and were clearly legible.

5.3 Quality policy

The quality policy and objectives for quality have been defined and documented. They appear to be well understood and implemented at all levels.

5.5.3 Internal communication

The General and Office Managers ensure that appropriate communication processes are maintained within the company and that communication takes place regarding the effectiveness of the quality management system.

6.2.2 Competence, training and awareness

Procedures for identifying training needs and providing training have been implemented. Records viewed appeared to be well controlled and maintained.

6.4 Work environment

The company's health and safety performance on the day of this assessment raised no areas of concern.

7.2 Customer-related processes/ 7.2.3 Customer communication

The manner in which the company communicates and services its customers was found to be very professional, during this assessment I reviewed the manner in which CH Kinleith (a key customer) was administered, all procedures, processes and forms were found to be fully compliant with the systems requirements.

7.4 Purchasing

Procedures for purchasing goods/services have been well documented and implemented to ensure that they conform to specified requirements. Procedures were in place for the amendment of contracts, and these were being implemented.

7.6 Control of monitoring and measuring equipment

Procedures have been established, maintained and documented to control, calibrate and maintain inspection, measuring and test equipment. The control and calibration of Inspection, Measuring and Test Equipment was found to be satisfactory.

8.2.1 Customer satisfaction

The company has stated that one way to assess customer satisfaction is repeat business with its customers; this statement has proved valid as the customer base has shown a growth pattern consistently.

8.2.2 Internal audit

First class Internal Quality Audits of the Quality System are carried out in accordance with documented procedures. Follow-up of corrective actions were performed in a timely manner.

8.5.2 Corrective action

Procedures have been documented and implemented to determine corrective actions to be taken in the event of non-conformance and for the handling of customer complaints. The system appears to be working well.

. *Your next assessment* visit is planned for October 2011 and we will contact you nearer the time to confirm this date.

It will be a Revalidation Assessment during which all elements of your system will be reviewed. Before the date of the assessment you will be sent an audit plan but a level of flexibility can always be accommodated and we can include any specific area, which you would like us to cover in greater detail. This can either be arranged prior or agreed on the day.

I would like to thank all the staff for their involvement in the audit process. It was very much appreciated.

REPORT ENDS.