

Audit Review and Evaluation of Jemison Metals

3001 Hickory Street
Gadsden, AL 35902

Dates of Audit: 3/22/17
Date of Submittal: 5/20/17

Auditors: Rick Rowland – SR VP Quality & Engineering

1.0 Summary

This internal audit review provided an evaluation of Jemison Demsey Metals' current level of conformance to ISO 9001, against the current internal audit schedule. The audit measured how effectively the quality management system is implemented in conformance with the applicable requirements and standards (see audit areas underlined in 2.2 below). **Based upon my review, the QMS is effectively implemented.**

Audit Detail/Observations/Findings (Detail listed in table at end of report)

4-QMS - Documentation requirements – The following forms and documents were verified during the audit: GAD009 (Receiving Form Rev 1 7/11/11, DEC-BB1-CTL Rev 2 7/13/16)

6-Resource Mgmt – Employees appeared competent and well trained. Adequate resources (gauges, safety equipment, operating equipment, environment) were observed during the audit.

7.2 – Customer Related Processes

Customer communication/acknowledgement was verified for work order 62770 with Denise Clayton.

7.5-Production & Service Provision.

Receiving of coil on B/L C881998 from PO GAD 12440 observed on form GAD009. Coil weighed and gauge, width, weight, and grade all met the PO requirements.

OFI/Observation #1 – GAD009 has a section for Rockwell (hardness). As we do not routinely test hardness at receiving, this section may not be required. GAD009 is used in DEC and GAD, so we should make sure this doesn't impact DEC when determining whether to keep this on the form.

Minor finding #1 – through conversation, it was determined that the plate inspection section of GAD009 is not used. Plate product (other than transfer from DEC) is purchased product and must be inspected during receiving just like master coil receiving. This borders on a major finding, except that during discussions it was determined that the receiver is inspecting the product and matching to the paperwork (BOL/PO etc), but he is not documenting this on the receiving form.

Work order GAD 62770 (Lozier) was observed on the Rowe line. The operator was able to show the quality policy and documented all in spec measurements (gauge, width, length, Rockwell, wave/bow/flatness and square) on DEC-BB1-CTL. Material was packaged according to all the requirements on the work order (JD6, 3 runners, square stacking, no length overhang, <1" overhang each side, 2 width and 2 length bands, corner protectors etc).

Work order 63108 (Program T20921) was observed on the Plasma. Operator was Austin McCall (8 days on the job as operator). The work order header gauge requirement and the part spec gauge requirement did not match (.187-.207 Header, .177-.197 Part Spec). Observation #2. Material met the part spec requirement at .182. Minor Finding #2 – 1st

piece on the job was not checked. When asked, the operator performed the inspection on piece #3 of the job and found everything to be in specification.

The Rowe preventive maintenance checklist was observed. It was completed by Scott Hanks on 3/16/17.

Shipping was audited. Loading order 54223, for Henderson Stamping was observed. 8 coils were being staged. Load match was performed and global remarks for load orientation were followed.

7.6-Control of Monitoring and Test Equipment. The following gauges were verified to be calibrated in compliance with calibration records: Receiving (Tape T3029, 0-1” Mic 2070), Plasma (0-1” Mic 2061).

Observation #3 - Scale S/N 321909, in receiving, sticker showed a due date of 12/30/16, while it was actually due 2/16/17.

8.3-Control of Nonconforming Product – The non-conforming area was well defined and all material in this area was tagged appropriately.

Corrective/Preventive Action Follow-Up

CAs 12206, 12761, 11772, 12695 – couldn’t review.

CA 12436 – reviewed and observed as OK.

CA 12101 – reviewed and observed as OK.

2.0 Overview

2.1 Personnel Interviewed (Audit evidence found in the Audit Worksheets)

| | |
|--|---|
| John Cordell (Receiving) Chris Ellis (Rowe Operator) Austin McCall (Plasma Operator) Brian Smith (QA) | Wayne Angle (Maintenance) Denise Clayton (Inside Sales) Scott Hauk (Shipping) |
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2.2 Audited Requirements

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| <p>4 Quality Management System</p> <p>4.1 General Requirements</p> <p>4.2. Documentation Requirements</p> <p>5 Management Responsibility</p> <p>5.1 Management Commitment</p> <p>5.2 Customer Focus</p> <p>5.3 Quality Policy</p> <p>5.4 Planning</p> <p>5.5 Responsibility, Authority and Communication</p> <p>5.6 Management Review</p> <p>6 Resource Management</p> <p>6.1 Provision of Resources</p> <p>6.2 Human Resources</p> <p>6.3 Infrastructure</p> <p><u>6.4 Work Environment</u></p> | <p>7 Product Realization</p> <p>7.1 Planning of Product Realization</p> <p>7.2 Customer-Related Processes</p> <p>7.3 Design and Development (N/A)</p> <p>7.4 Purchasing</p> <p><u>7.5 Production and Service Provision</u></p> <p><u>7.6 Control of Monitoring and Measuring Devices</u></p> <p>8 Measurement, Analysis and Improvement</p> <p>8.1 General</p> <p>8.2 Monitoring and Measurement</p> <p><u>8.3 Control of Nonconforming Product</u></p> <p>8.4 Analysis of Data</p> <p><u>8.5 Improvement</u></p> |
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2.3 APPROVAL/SIGN-OFF

Report Prepared by Rick Rowland

Rick Rowland
Lead Auditor/QMR

Date **20 May 2017**

Nonconforming Corrective Action Report (CAR) for Jemison Metals

| CAR # | ISO 9000: 2000 Clause / Sub-Clause | Findings/Requirements | Observation | Minor | Major |
|-------|--|--|-------------|-------|-------|
| n/a | 7.4.3 (Verification of purchased product) | <u>OFI Observation #1</u> - GAD009 has a section for Rockwell (hardness). As we do not routinely test hardness at receiving, this section may not be required. GAD009 is used in DEC and GAD, so we should make sure this doesn't impact DEC when determining whether to keep this on the form. | X | | |
| 1 | 7.4.3 (Verification of purchased product) | <u>Minor finding #1</u> – through conversation, it was determined that the plate inspection section of GAD009 is not used. Plate product (other than transfer from DEC) is purchased product and must be inspected during receiving just like master coil receiving. This borders on a major finding, except that during discussions it was determined that the receiver is inspecting the product and matching to the paperwork (BOL/PO etc), but he is not documenting this on the receiving form. | | X | |
| n/a | 7.5 (Production and service provision) | <u>Observation #2.</u> The work order header gauge requirement and the part spec gauge requirement did not match (.187-.207 Header, .177-.197 Part Spec). | X | | |
| 2 | | <u>Minor Finding #2</u> – 1 st piece on the job was not checked. When asked, the operator performed the inspection on piece #3 of the job and found everything to be in specification. (Note: Plasma Procedure does not callout first article inspection, but maybe it should?) | | X | |
| n/a | | Observation #3 - Scale S/N 321909, in receiving, sticker showed a due date of 12/30/16, while it was actually due 2/16/17. | X | | |

GAD Internal Audit 3-22-17

Rowe - John Cordell

B/L C881998

PO GAD 12440 52,800 lbs, Actual 52,800

POTP, A1011 SS Gr 36-1
1.25 x 49.55 10" wide

verified via PO

Form GAD009 7/11/2011 Rev.1

* Remove Rockwell, not needed - Obs #1

* Finding #1 Ordered (PO, not transfer) Plate not being inspected.

- ☒ Gauge
- ☒ Width
- ☒ Weight
- ☒ Grade

Master Tag ND 53522, Tag hung. T-3029 Tape Due Oct 2017

0-1" mic 2070 Due 4.1.17

Scale S/N 321909 Due 12/30/16

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Rowe - Chris Ellis.

DEC-881-CTL

Quality Policy Shown.

Rev. 2 7/13/16

w/o GAD 62770 - Lozier

Part 2098 / 63840-006 UNF

CRS CSB

Actual

.0255-.0315"

.027 ✓

width 59 -0, +.1875

59 1/8 ✓

Length 118 -0, +.25

118 3/16 ✓

Rb 0-60

54 ✓

Aim 45-50

Wave/Bow Fht .25 max

.187 ✓

Square .50 max

1/8 ✓

PK6 JD6

JD6 ✓

3runners

3 ✓

Perfect Sq. Stack

✓

No Length Overhang

✓

<1" overhang each side

✓

2 width + 2 Length Bands

✓

Corner Protectors under Bands

✓

70 pc Bundles

✓

m+L to be used: N052683 N052683 ✓

Placing

Austin McCall

w/o 63108

8 days as operator

Part 10/113-6784

Trained by Mike

.177-.197

.182 ✓

87 % .060

87.0" ✓

212 % .060

212" ✓

Program T20921

✓

Sales

Lozier Acknowledgment
Verified w/ Inside
Sales - Denise
Clayton, customer
Email printed, Initialed
and Dated + Filed
in customer folder

Job header Gauge Wray
OBS #2 .187-.207 on Header
Part is .177-.197

* Finding #2

1st Pc. not checked
Against Temron Print
When asked, op. checks
pc. #3. ~~Not checked~~

~~Not checked~~

0-1" mic 2061 due 10.10.17

- C.A. 12206 couldn't review
- 12761 couldn't review
- 11772 Laser Op. check/Remove Slag
Per Op. Procedure
Did not Audit
- 12695 slitter - Inspect outside cuts
for Lost Trim
Did not Audit
- 12436 Freud. Increased FG's Level
observed, OK clough
- 12101 Freud. Designated FG Area
observed, OK

PM

Rowe Checklist
3/16 Checklist
completed by
Scott Hanks

Shipping. 3pm Scott Hawk
Henderson Stamping
Loading order # 54223
8 units being staged.
511809 ✓
810 ✓
Load Match
+ Global Remarks
for Load Orientation

THE LOHR

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COMPANY...CAROLINAS