Dear Aerospace Auditors,

We wanted to provide some clarification with regard to NCR management, and the timing expectations of various submittals by the client. First, let us review the information as detailed in AS9101D:

**AS9101D [4.2.4(a)]** – when the nature of the nonconformity needs immediate containment action, require the organization to determine and report the specific containment actions, including correction within 7 calendar days after the audit and reach agreement with the audit team leader within the next 14 calendar days.

**AS9101D [4.2.4(c)]** – After issuance of a nonconformity the CB (Certification Body) shall agree with the organization on corrective action(s) and corrective action plans within a maximum of 30 days from the end of the on-site audit.

We have built our EQM system such that we expect the client to submit corrective actions and corrective action plans with 20 calendar days from the end of the audit. This allows 10 calendar days for the auditor to review and work out any concerns prior to the 30 day expectation as detailed in AS9101D.

**However, there is new requirement related to NCR management in the AS9104/1 document, as detailed below:**

**AS9104/1 [8.4(d)]** – The CB (Certification Body) shall initiate the client certification suspension process, when an organization fails to demonstrate that conformance to the applicable standard has been re-established within 60 days from the issuance of a nonconformity report (NCR).

*Although the clause above states “60 days from the issuance of a nonconformity report”, please note that PRI Registrar considers the last day of the audit as the date the clock begins to start with regard to submission expectations.

*It is important to note that this clause (AS9104/1 [8.4(d)]) is applicable to all nonconformances, regardless of whether “containment” also applies to the nonconformance. Containment requires immediate corrective action plans to mitigate the
identified issue. There may be additional “corrections” or “corrective action plans” that the client needs to make in their system to fully rectify the issue, which are above and beyond the immediate actions taken.

PRI Registrar is moving forward with the following interpretations and process expectations with regard to NCR management in EQM:

1) For any NCR in which “Containment” is required;
   - The client is expected to submit the containment actions with 7 calendar days from the last day of the audit. EQM is currently built to reflect the due dates for containment when it is applicable.
   - Auditors are expected to review the containment actions as provided by the client within 14 calendar days of the client’s submittal.
   - When the client submits containment actions, the auditor is expected to:
     o review the response under the “Containment Actions” tab of the NCR;
     o complete the “Auditor Review Date” and the “Auditor Review Comments” fields under the “Containment Actions” tab of the NCR.
     o If you are “Accepting” the client’s containment actions, indicate as such in the “comments” field, then change the status of the NCR back to “Open”.
     o If you are “Rejecting” the client’s containment actions, indicate as such in the “comments” field, and change the status of the NCR to “Rejected”. You will then await the client’s follow-up response for containment.

2) Root Cause, Corrective Action Plans and/or Corrective Actions:
   - Due from the client within 20 calendar days from the last day of the audit.
   - Auditors are expected to review the client responses and come to agreement (acceptance) on the Corrective Action Plans and Corrective Actions within 30 calendar days from the last day of the audit.

This is where the process gets a bit complicated. The client is only required to submit an acceptable “plan” within 30 calendar days from the last day of the audit. However, due to the AS9104/1 clause, clients are still expected to submit evidence (correction) that demonstrates conformance to the applicable standard has been re-established. Clients need to provide this evidence within 50 calendar days from the last day of the audit. This allows 10 calendar days for the auditor to review and concur on the submitted evidence prior to the 60 calendar day expectation of AS9104/1. Our current EQM system does not incorporate any controls around this “new” expectation, so PRI Registrar has implemented an “NCR DUE DATES” form as a tool which auditors can use to assist with tracking the due dates of the various pieces of an NCR response. This new form is not part of the official audit documentation; but it is highly recommended for use. It is posted under the “Forms-Reference” section of the Auditor Reference Documents in EQM. To use this form, auditors can simply type in the “audit end date” in the given field above the table, and the due dates will auto-populate in the table. You can use this information to share with the client the expectations of the various responses. Until we can incorporate the necessary changes in EQM to account for this, our process expectations are as follows:
3) Accepting Corrective Action Plans (without evidence of re-establishing conformity)

- If a client submits a corrective action plan which you have deemed “acceptable”, but still need objective evidence to demonstrate that the client has re-established conformity, auditors are expected to:
  - Provide comments in the “Reviewer Response” field under the “Corrective Action” tab of the NCR in EQM, which indicates the plan is accepted.
  - Change the status of the NCR to “Rejected”
  - Enter a statement that additional evidence is required and;
  - Enter the dates that the additional evidence is due in the comment section under the “Rejected” tab.
    - Auditors must enter the “due dates” for when the additional evidence is expected to be submitted, and auditors can use the new “RF-AUD-NCR DUE DATES” form to determine those dates. Auditors can copy and paste the following statement, which is located in the NCR DUE DATES form: “Objective evidence to support re-established conformity is due on “XX-XX-XXXX” and must be approved by the lead auditor by “XX-XX-XXXX”.
    - Placing the NCR in “Rejected” status will alert the client via email that additional information is needed.

4) Accepting Corrective Actions (with evidence of re-establishing conformity)

- If the client submits enough evidence as part of their initial submittal to demonstrate conformity has been re-established, the auditor is expected to:
  - Provide comments under the “Corrective Action” tab of the NCR in EQM;
  - Change the status of the NCR to “Accepted” for verification at the next routine audit.

For recertification audits, whereby there is an existing certificate set to expire; the rules around submitting evidence 50 calendar days from the last day of the audit may or may not apply; depending on the timing of the certificate expiration. Remember, for initial assessments and recertification audits, all NCRs must be verifiably closed before the certificate can be issued.

Included with this advisory, please see the new form “RF-AUD-NCR DUE DATES” as well as a series of PowerPoint slides which speak to this new process.
Audit End Date: ________________________________

<table>
<thead>
<tr>
<th>NCR Phase</th>
<th>Calendar Days after Audit End Date</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Containment Actions from the Client (when the nature of the nonconformity needs immediate containment action)</td>
<td>7</td>
<td>1/7/1900</td>
</tr>
<tr>
<td>Containment Reviewed / Accepted by Lead Auditor (when the nature of the nonconformity needs immediate containment action)</td>
<td>21</td>
<td>1/21/1900</td>
</tr>
<tr>
<td>Root Cause / Corrective Action Plans from the Client</td>
<td>20</td>
<td>1/20/1900</td>
</tr>
<tr>
<td>Root Cause / Corrective Action Plans accepted by the Lead Auditor</td>
<td>30</td>
<td>1/30/1900</td>
</tr>
<tr>
<td>Evidence from the client that demonstrates conformity has been re-established</td>
<td>50</td>
<td>2/19/1900</td>
</tr>
<tr>
<td>Evidence that demonstrates conformity has been re-established accepted by Lead Auditor</td>
<td>60</td>
<td>2/29/1900</td>
</tr>
</tbody>
</table>

Instructions: Enter the last day of the on-site audit in the field above the table. The due dates of the various pieces of an NCR response will auto-populate in the table.

Auditors can copy and paste the statement below into the "Rejected" tab of the NCR in EQM in instances where the client needs to submit objective evidence to support that conformity has been re-established (be sure to enter the "50" and "60" day dates into the statement appropriately using the dates above):

Objective evidence to support re-established conformity is due on "50 day date", and must be approved by the lead auditor by "60 day date".
EQM – Entering NCRs

• General Rules / Expectations
  – Auditors expected to enter NCRs from a given audit into the audit record of EQM
    • Copy and Paste from the audit report (RF22)
    – NCRs are expected to be uploaded within five(5) days of the last day of the audit

• Drill into the audit record in EQM
  – After an audit, it is recommended to navigate to the specific client / audit record using the “My Clients” gadget
  • Click on the “NCRs” tab
  • Click on the “Add” link
EQM – Entering NCRs

• Enter information in the following fields:
  – NCR Type
    • Select Major or Minor
  – Indicate if “Containment” is required (Aerospace Only)
  – Statement of Nonconformity
    • Copy and Paste from the RF22
  – Objective Evidence (Aerospace Only)
    • Copy and Paste from the RF22

– Clause
  • Enter the standard clause applicable to the NCR
– Department or Process
  • Enter the department or process in which the NCR was noted
– Created By
  • Select the auditor who identified the NCR from the drop-down list
– Click on “Save” when done
EQM – Entering NCRs
• Repeat the steps in slides 42-44 for each NCR

EQM – Accessing NCRs

• NCRs can be accessed through a variety of methods:
  – “NCRs” dashboard
  – “My Clients” gadget

EQM – Accessing NCRs via the “NCRs” dashboard
• Log into EQM
• Under the “Auditor(MS)” gadget, click on the “NCRs” dashboard
• Click on the appropriate tab, depending on the status of the NCR
• Locate the desired NCR, and click on the NCR number
EQM – Accessing NCRs via the “NCRs” dashboard

- Log into EQM
- Click on the “My Clients” gadget on the left side
- Click on “Search” under the search query
- Locate the desired client, and click on their name

EQM – Accessing NCRs via “My Clients” Gadget

- Click on the “Audits” tab on the left side of the screen
- To the right of the “Audits” tab, locate the desired audit, and click on the audit number

EQM – Accessing NCRs via “My Clients” Gadget

- Click on the “NCRs” tab on the left side of the screen
- To the right of the “NCRs” tab, locate the desired NCR, and click on the NCR number
General Rules – Aerospace

• Aerospace
  • Where “Containment” is required, clients are expected to submit containment actions within 7 calendar days from the last day of the audit
  • Auditors expected to review containment actions within 14 days of the client submission

NCRs – General Rules

General Rules – Aerospace

• Aerospace
  • Clients expected to submit Root Cause, Corrective Action within 20 calendar days from the last day of the audit
  • Agree with the organization on corrective action(s) and corrective action plans within a maximum of 30 days from the last day of the audit.
• Aerospace
  - Clients expected to submit evidence to demonstrate that conformance to the applicable standard has been re-established within 50 days from the end of the on-site audit (read this as verifiable evidence of “correction”)
  - Auditors to come to agreement on the evidence provided by the client within 60 days from the last day of the audit

  NOTE: CB’s are to initiate certification suspension process for any client who fails to demonstrate conformance to the applicable standard has been re-established within 60 days

• ISO / EMS / OHSAS
  - Clients expected to submit Root Cause, Corrective Action, etc. within 30 calendar days from the last day of the audit
  - Auditors will receive an email when a client “submits” a response to a given NCR
  - Auditors expected to review submitted responses within 10 business days of the submission

EQM – Responding to NCRs
• When notified of a “submitted” NCR, log into EQM and drill into the NCR record
• Review the information in the following tabs of the NCR:
  – Containment Actions (Aerospace Only)
  – Root Cause Analysis
  – Corrective Actions
  – Objective Evidence
EQM

Aerospace NCRs – Managing Containment

- **AS9101D (3.1) – Containment**
  - Action to control and mitigate the impact of a nonconformity and protect the customer’s operation (stop the problem from getting worse); includes correction, immediate corrective action, immediate communication, and verification that the nonconforming situation does not further degrade.

- **When is containment required?**
  - As a general rule, containment is required in situations whereby the nonconformity has product, or potential product impact (escapes)
  - Major NCRs do not automatically require containment actions
  - Based on the nature of the NCR

- **AS9101D (4.2.4[a])**
  - When the nature of the nonconformity needs immediate containment action, require the organization to determine and report the specific containment actions, including correction within 7 calendar days after the audit and reach agreement with the audit team leader within the next 14 calendar days
• For NCRs which require containment, clients are expected to submit their containment responses within 7 calendar days.

• Auditors are expected to review / approve any submitted containment actions within 14 calendar days from the submittal.

EQM – Managing Containment

• Review the submitted response under the “Containment Actions” tab of the NCR in EQM.
  – Depending on the nature of the response, files which relate to containment actions may also be uploaded into the “Attachments” tab.

• Click on the “Edit” link.

EQM – Managing Containment

• Enter the “Auditor Review Date” field.

• Enter your disposition of the containment actions in the “Auditor Review Comments” field.

• Are the actions acceptable?
  – State as such in the comments field.
  – Click on “Save”.
  – Under the “Details” tab, click on “Edit”, then change the NCR status back to “Open”.
  – Click on “Save”.

EQM – Managing Containment
• Are the actions not acceptable?
  – State as such in the comments field
  – Click on “Save”
  – Under the “Details” tab, click on “Edit”, then change the NCR status to “Rejected”
  – Click on “Save”
• Await the client to re-submit additional actions
EQM

NCRs – Status Definitions and EQM Expectations

• There are generally three different statuses to select, based on the response provided by the client:
  – Accepted
  – Closed
  – Rejected

NCR Statuses

• Accepted
  – An “accepted” response generally implies that the client has submitted a root cause and a corrective action plan which appears to properly address the issue identified in the nonconformance. Objective evidence of effective implementation has not yet been submitted or reviewed.
  – Aerospace - AS9104/1 [(8.4(c)] states the following, “The CB shall initiate the client certification suspension process when an organization fails to demonstrate that conformance to the applicable standard has been re-established within 60 days from the issuance of an NCR.”
  • Accepted (continued)
    – Aerospace - AS9104/1 [(8.4(c)] states the following, “The CB shall initiate the client certification suspension process when an organization fails to demonstrate that conformance to the applicable standard has been re-established within 60 days from the issuance of an NCR.”
    – If an auditor accepts a client's corrective action plan (within 30 days), they must also review enough evidence to demonstrate conformity has been re-established within 60 days of the NCR issue date.
Accepted NCRs

EQM Expectations

- If “Accepting” a client’s corrective actions, enter comments in the “Reviewer Response” section of the “Corrective Action” tab of the NCR in EQM.
  - For aerospace, if you are accepting the client’s action plan, but still need evidence to support the client’s re-establishment to conformity; enter an approval comment in the “reviewer response” of the “corrective action” tab, then also change the status of the NCR to “REJECTED.”
  - Enter a comment under the “Rejected” tab to inform the client and enter the due date for the additional evidence.
- Auditors will also need to utilize the “RF-AUD-NCR DUE DATES” form to extract the necessary due dates of the various parts of an NCR response.
  - Enter the “audit end date” in the space provided on the form, and the due dates will auto-populate for you in the table.

- Enter the following information under the “Details” tab:
  - NCR Status
    - Change to the appropriate status
  - Review Date
    - Enter the date the NCR was reviewed
  - Plan Approval Date
    - Enter if you are “Accepting” at this time
Closed - Definition

• Closed
  – A “closed” status indicates that all pieces of a documented NCR are satisfactorily corrected; including root cause and corrective action(s), as well as providing ample evidence via objective evidence and other documented verification to consider the issue closed
  • There will be nothing more to submit or document when changing the status to “Closed”
• When “Closing” an NCR:
  – Change the NCR Status to “Closed” under the “Details” tab
  – Click on the “Verification Info” tab of the NCR
    • Click on the “Edit” link
    • Enter a robust statement as to why the NCR can now be closed
    • Select your name from the drop-down list
    • Enter the verification date
Rejected NCRs

Definition and EQM Expectations

Rejected - Definition

- Rejected
  - A “rejected” status indicates that the response provided by the client does not adequately address the nonconformance.

Rejected NCRs

EQM Expectations

Rejected – EQM Expectations

- If “Rejection” is required:
  - Change the NCR Status to “Rejected” under the “Details” tab
  - Click on the “Rejected” tab of the NCR
  - Click on the “Add” link
  - Enter the reason for the rejection in the comments box
  - The “Re-Submitted Due” field is NOT required