NUPIC

JOINT AUDIT PROCEDURE

REVISION 2, 7/18/90

APPROVED _____ DATE 7/24/90

CHAIRMAN

NUPIC JOINT AUDIT PROCEDURE

I. PURPOSE

This procedure establishes the methodology to be used in the performance of joint audits which are conducted to verify compliance with, and overall effectiveness of, the Quality Assurance Programs of selected vendors/suppliers.

II. SCOPE

This procedure applies to those audits performed under the auspices of the NUPIC Joint Audit Program. Those vendors/suppliers to be audited will be so designated by NUPIC in accordance with the NUPIC Memorandum of Understanding.

III. REFERENCES

A. NUPIC Charter

B. NUPIC Memorandum of Understanding

C. ANSI N45.2.12-1977, Requirements for Auditing Quality Assurance Programs for Nuclear Power Plant

D. ANSI N45.2.23-1978, Qualifications of Quality Assurance Program Audit Personnel for Nuclear Power Plants

IV. RESPONSIBILITIES

A. The Joint Audit Committee is responsible for:

1. Assuring that all NUPIC members meet the commitments defined in the NUPIC Charter.

2. Maintaining the status of NUPIC Joint Audits and the joint audit schedule.

B. Each NUPIC Representative is responsible for:

1. Meeting the commitments defined in the NUPIC Charter.

2. Maintaining cognizance of those audits for which their company is providing an Audit Team Leader/Team Member. This includes assuring that all audit personnel are familiar with the NUPIC Joint Audit Procedure and the rules by which the program is implemented and controlled.

3. Assuring that Audit Team Leaders and Audit Team Members (excluding Technical Specialists) are qualified in accordance with ANSI N45.2.23-1978 and are direct employees of the member company. Audit Team Leaders shall have served as an Audit Team Member on a previous NUPIC Joint Audit.

4. Providing recent procurement documents/procurement history to the Audit Team Leader's Representative for potential use in the audit sample.

C. The Audit Team Leader is responsible for the preparation, performance, reporting, and follow-up of NUPIC Joint Audits in accordance with the requirements of this procedure and the QA Program of their Company.

D. The assigned Audit Team Members are responsible for performance of all task assigned by the Audit Team Leader in accordance with the requirements of this procedure.

V. INSTRUCTIONS

A. Audit Scheduling

1. All Joint Audits shall be scheduled in accordance with the Joint Audit Schedule developed and maintained by the NUPIC Joint Audit Committee.

B. Audit Plan

1. The Audit Team Leader shall develop an Audit Plan. The Plan shall reference the NUPIC Joint/Member Audit Checklist.

2. The Plan shall be reviewed and approved by the NUPIC Representative for conformance to the company's QA Program and this Procedure.

C. Audit Preparation

The Audit Team Leader shall be responsible for the preparation for the audit which shall include the following:

1. Verification of the qualifications of all team members by obtaining/reviewing copies of their lead auditor certifications.

2. Development of the audit schedule in conjunction with the other team members and the vendor/supplier.

3. Assignment of responsibility areas and activities for each team member.

4. Review of applicable NRC information (e.g. Bulletins, Information Notices, and NUREG-0040 Inspection Reports), previous NUPIC findings and industry advisories for inclusion in the scope of the audit.

5. Distribution of copies of all pertinent documentation, including available vendor/supplier performance history information, to the other team members for preparation.

6. Written notification of the audit to the vendor/supplier, including the Audit Plan, proposed audit schedule, and the NUPIC Joint Audit Program Description. A copy of the notification letter and Audit Plan shall be sent to each NUPIC representative at least thirty (30) days prior to the audit to allow for member input.

D. Audit Performance

The performance of Joint Audits shall include the following:

1. Conducting an entrance meeting with appropriate levels of the vendor/supplier's management to advise them of the audit scope and plan, introduce the audit team, meet counterparts, discuss the audit sequence, and establish channels of communication that will be used during the course of the audit.

2. Conducting the audit in accordance with the Audit Plan using the audit checklist so as to verify the adequacy and effective implementation of the vendor/supplier's QA Program(s). Audit samples should be based on member submittals.

3. Verifying that corrective action(s) from the previous NUPIC Joint Audit continue to be effectively implemented.

4. Completing the audit checklist prior to the completion of the audit by:

   a. Providing appropriate references to where each Quality Element is addressed in the vendor/supplier's QA Program(s).

   b. Entering either 'S' - Satisfactory, 'U' - Unsatisfactory, or 'NA' - Not Applicable for each Quality Element in the Results column. The use of Not Audited is not permitted since the audit team is expected to complete all areas of the checklist.

NUPIC JOINT AUDIT PROCEDURE

c. Providing a description of the objective evidence reviewed to determine the status of each Quality element in the checklist. Objective evidence should be no older than eighteen months.

The checklist shall include sufficient objective evidence for each QA Program audited and shall identify, where appropriate, Program applicability (e.g. ASME Code, non-Code safety-related, commercial grade).

If 'NA' is entered in the Results column, the basis for nonapplicability must be clearly described. Reference to Audit Findings, Observations, etc. shall be provided.

d. Adding supplemental pages to record additional data. These pages shall include as a minimum, the identification of the vendor/supplier, and either the page number (e.g. '29 of 31') or be referenced on the numbered page (e.g. 'see attached page 29a, 29b, etc.).

e. Documenting any corrections by dated initials.

5. Conducting the exit meeting at the conclusion of the audit with appropriate levels of the vendor/supplier's management to present the results of the audit (satisfactory and unsatisfactory) and discuss required actions, as appropriate.

6. Notifying the Audit Team Leader's NUPIC Representative of any significant findings which warrant immediate notification to NUPIC members. The Representative shall notify the Steering Committee Regional Representatives of such findings for communication within their region.

Immediate notification of significant findings shall be extended to each NUPIC Representative when such deficiencies have the net result of placing the product's ability to function in its intended application in question. The lack of or breakdown in the supplier's QA program, caused by but not limited to, such items as: 1) falsification of documentation; 2) questionable material traceability; 3) inadequate commercial grade dedication; 4) nullified product qualification; or 5) any potential 10CFR21 issue shall be sufficient basis for notification.

E. Audit Reporting

The documentation and control of Joint Audit Reports shall include the following:

1. Preparation of the report by the Audit Team Leader.

2. The audit report shall include:

   a. A description of the vendor/supplier's scope of supply/service covered under the audited QA Program(s) including the applicability of the Programs for safety-related and/or commercial grade procurement.

   b. A description of any vendor/supplier unique order entry requirements for safety-related and/or commercial grade procurement.

   c. An assessment of the effectiveness of the vendor/supplier's QA Program including a description of the significance of any findings and where possible, the potential impact on product/service quality.

   d. An assessment of the effectiveness of corrective action(s) from the previous NUPIC Joint Audit.

   e. A description of the status of any activities initiated in response to NRC information (Bulletins, Notices and NUREG-0040 inspections) and other industry advisory notices.

   f. A list of the persons contacted during the entrance meeting, the audit, and the exit meeting.

3. Issuance of the final report by Audit Team Leader within thirty (30) days of the exit meeting. The vendor/supplier shall be requested to provide corrective action responses to any identified findings within thirty (30) days of receipt of the report.

4. Transmittal of the Joint Audit package to the NUPIC members for evaluation. This package shall include copies of the lead auditor certifications for all auditors, the Audit Report, the Audit Checklist and the transmittal letter to the vendor/supplier.

NUPIC JOINT AUDIT PROCEDURE

F. Joint/Member Audit Checklist Cover Sheet

The Audit Checklist cover sheets (3 pages), shall be prepared by the Audit Team Leader. The Audit Checklist cover sheet shall be signed by the Audit Team Leader's NUPIC Representative or his authorized designee to indicate that the audit package and the cover sheets are complete and in accordance with the requirements of this procedure.

G. Follow-up

Audit follow-up activities shall include the following:

1. Review of the vendor/supplier's corrective action responses by the Audit Team Leader for acceptability. Copies of the responses, with the Audit Team leader's recommendations, shall be forwarded to the Audit team members for review and comment, as appropriate.

2. Upon completion of review of the vendor/supplier's response, the Audit Team Leader shall notify the vendor/supplier in writing of the results of the review and any verification required to close the identified findings. A copy of the responses and any subsequent follow-up documentation shall be transmitted to the NUPIC Members.

3. All required verification activities shall be as directed by the Audit Team Leader, who may request that a NUPIC member in close proximity to the vendor/supplier assist in the verification of corrective action implementation.

4. Upon completion of the verification of each finding, the results shall be documented by the Audit Team Leader and transmitted with supporting documentation to the NUPIC members. Findings shall only be closed based upon verification of corrective action implementation.