

Internal Audit Report				
<b>Company Contact</b>	Harry George Director Logistics & Procurement		<b>Date of Audit</b>	5 - 6 July 2016
<b>Company liaison</b>	Jui Lui Quality Manager		<b>Contact Details</b>	<a href="mailto:jlui@johnreadings.com">jlui@johnreadings.com</a> 0429 554 839
<b>Lead Auditor</b>	Merilyn Mavis		<b>Contact Details</b>	<a href="mailto:Merrily.m@johnreadings.com">Merrily.m@johnreadings.com</a> 0962 333 568
<b>Audit Description</b>	ISO 9001: 2008			
<b>Audit Type</b>	Internal <input checked="" type="checkbox"/>	External <input type="checkbox"/>	Annual review <input checked="" type="checkbox"/>	Other <input type="checkbox"/>
<b>Duration</b>	Two days: 8.30am - 4.30pm			
<b>Audited Site/s</b>	212 Chesterfield Drive, Sydney.			
<b>Audit Team</b>	<i>Lead Auditor:</i> Merilyn Mavis		<i>Team Members:</i> Roger Rillian Penny Wang	
<b>Audit Plan</b>	Sent to CEO & Company liaison on 21-06-2016			

## Certification Information

Scope of Certification

Warehouse/head office facility - inbound/outbound

ISO 17021:2011

## Executive Summary

An internal audit at the warehouse and head office site in Sydney of John Readings' Quality Management System (QMS), was conducted on the above dates in accordance with the requirements outlined in ISO 17021:2011.

## Audit Objectives

The purpose of the audit was to verify ongoing compliance of the quality management system to the requirements of ISO 9001: 2008 and to ensure that management has a system in place to identify applicable legal, statutory and contractual obligations.

## Summary of Audit Findings

The JR QMS complies with the requirements of ISO 9001:2008 Standard.

Interviews with managers and staff members at the warehouse site confirmed that John Readings (JR) continues to monitor and improve its operational and administrative functions across the organisation. JR has recently appointed a new QA officer to support the quality manager and who is implementing additional processes to aid the continuous improvement of the quality management system.

The QA officer will maintain an internal audit schedule which identifies sections of operations, policies and procedures which are to be audited throughout the year. Monthly internal audits have been conducted with an internal audit report summary. The internal audit report summary includes information on evidence of conformance and non-conformance.

Corrective Action Requests are issued for any raised non-conformances. Corrective Action Requests are reviewed to ensure relevant action has been taken to close out the non-conformance. The QA officer maintains Non-Conformance, Corrective Action and Continuous Improvement Registers.

JR continues to maintain effective internal communication with relevant meetings at all levels including:

- Production/toolbox meetings,
- Staff meetings,
- Board members meetings,
- WHS meetings,
- Consumer meetings,
- Management review meetings.

The systems manager has established and implemented Sharepoint. This is an online management system which maintains the organisations document library. All relevant staff members have access to Sharepoint where they can access current company policies, procedures, documents, manuals and work instructions. The implementation of Sharepoint is a significant improvement to the organisation in terms of document control.

Based on samples of documents and records verified during the audit, and feedback obtained from interviewed staff members, it appears that JR continues to maintain its quality management system effectively and efficiently.

<b>Audit Objectives were met</b>	YES	
<b>Non-conformances were identified at this audit</b>		NO
<b>Number and category of non-conformances</b>	Nil	

**Description of non-conformances:** N/A

*Recommendation*

There were no non-conformances detected at this audit. On-track for continued certification with external audit due July 2017.

*Description of company operations*

The warehouse facility is a new build that was only recently completed. There are currently over 160 employees working in the warehouse in various capacities/job roles. Along with the warehouse, headoffice is located on level 1, where there are 50 staff in management and administration.

## Audit Information

### Clause 4: Quality Management Systems

#### Audited Clauses

- |   |  |
|---|--|
| <input type="checkbox"/> 4.1 General requirements       | <input type="checkbox"/> Clause 4.2.3 Control of Documents |
| <input type="checkbox"/> 4.2 Documentation requirements | <input type="checkbox"/> Clause 4.2.4 Control of Records   |

#### Findings:

4.1 JR continues to operate with its current Quality System Manual Revision date 29 May 2015 Rev: 05. General Requirements are well documented which include:

- Quality systems processes,
- Process Map,
- Process Map Matrix.

4.2 JR continues to effectively maintain its quality management system which includes:

- Quality manual,
- Control of documents and records.

4.2.3 JR control of documents is defined in Control of Documents and Records Procedure QOP-03. JR's Document Library is maintained on Sharepoint:

- All documents are fully reviewed and approved prior to release,
- Documents are identified by current version number and revision date,
- Obsolete documents are withdrawn from Sharepoint to ensure only current version is used.

4.2.4 JR continues to maintain all relevant records to provide evidence of conformity to the standard. Samples of records verified during the audit include:

- Supported employee payroll records,
- Staff training records,
- Purchasing/invoicing records,
- WHS records,
- Insurance records,
- Asset register.

Opportunities for Improvement:

The organisation needs to ensure that operational staff at the warehouse have access to current Work Instructions and standard operating procedures.

## Clause 5: Management Responsibility

### Audited Clauses

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li><input type="checkbox"/> 5.1 Management Commitment</li> <li><input type="checkbox"/> 5.2 Documentation requirements</li> <li><input type="checkbox"/> 5.3 Quality Policies</li> </ul> | <ul style="list-style-type: none"> <li><input type="checkbox"/> 5.4 Planning</li> <li><input type="checkbox"/> 5.5 Responsibility, authority and communication</li> <li><input type="checkbox"/> 5.6 Management review</li> </ul> |
|--|---|

### Findings:

5.1 Interviewed staff members at Nedlands and Bassendean and confirmed that the JR management team remains committed to meeting customer, statutory and regulatory requirements.

- Internal and external communication channels appear to be effective,
- Management commitment to quality objectives,
- Implementation of Sharepoint,
- Interviewed staff members confirmed that JR continues to provide sufficient resources to ensure customer needs are met.

5.2 Interviewed staff members at Nedlands and Bassendean and confirmed that JR continues to focus on customer satisfaction.

- Customer requirements are recorded,
- Customer requirements are met by inspecting and testing products at various stages and upon completion,
- Supported employees individual goals continue to be achieved by provision of training and support as defined in IEP's,

- Customer satisfaction surveys sighted during the audit confirmed that JR continues to provide quality customer service/product.

5.3 JR Quality Policy which has been recently reviewed (revision date 24 June 2016) is displayed at the warehouse and head offices. Interviewed the staff members and they appeared to have a good understanding of JR Quality Policy and quality objectives.

5.4 JR continue to effectively plan their quality system processes to ensure quality objectives are achieved at the warehouse facility.

- JR continues to strive for high level of customer satisfaction,
- The QA team remains committed to the maintenance of the QMS through the review and upgrade of relevant policies and procedures,
- New strategic plan is currently in progress of development with the CEO and board members,
- Industries Plan 2016 was verified during the audit,
- Quality Assurance Internal Audit Schedule for 2016 was verified during the audit.

5.5 Interrelations of all staff members who manage, perform and verify work affecting quality is identified within the current organisational chart.

- Staff job descriptions define relevant authorities and responsibilities,
- Internal communication channels appear to be effective. Random samples of board, management and consumer meeting minutes were sighted during the audit.

5.6 Management review meetings are conducted six-monthly. The management review team consists of:

- QA officer,
- Systems manager,
- General managers,
- Production managers,



- Production supervisors,
- Admin officer.

Meeting minutes of most recent meeting and of meeting prior to last were verified during the audit.

*Management Review Meeting*

Frequency	Monthly <input type="checkbox"/>	Six-monthly <input checked="" type="checkbox"/>	Yearly <input type="checkbox"/>	Other <input type="checkbox"/>
<b>Date of most recent meeting</b>	23 and 24 June 2016			
<b>Date of meeting prior to last</b>	December 2015			
<b>Management review chaired by:</b>	Jill Dee - QA Manager			
The continuing suitability, adequacy and effectiveness of the management system was confirmed by the senior management team.			YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

## Clause 6: Resource Management

### Audited Clauses

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|--|---|
| <input type="checkbox"/> 6.1 Resource Management | <input type="checkbox"/> 6.3 Infrastructure   |
| <input type="checkbox"/> 6.2 Human Resources     | <input type="checkbox"/> 6.4 Work Environment |

### Findings:

6.1 Interviewed staff members at the warehouse (and on level 1 head office) and confirmed that JR continues to provide sufficient resources for the maintenance and improvement of its quality management system including:

- Equipment and materials,
- Information and technology,
- Financial resources.

Observations during the site visits also confirmed that sufficient resources are provided on both levels to continue operating effectively and efficiently.

6.2 Based on samples of records verified and feedback obtained during the audit, it appears that current JR board members, managers and staff members are suitably qualified, skilled and experienced to perform their job efficiently and effectively.

- Samples of current staff job descriptions and performance reviews were verified during the audit,
- Samples of staff training records were also verified during the audit which included: Forklift Licence, Provide First Aid, Fire Fighting and Provide Basic Emergency Life Support.

6.3 Observations during the audit confirmed that JR premises at the warehouse facility continue to be well maintained (recently moved into a new build).

- Maintenance on buildings and facilities is performed by external contractors as required,
- Maintenance on equipment and machines is conducted according to schedule,
- JR continues to provide the required plant, equipment, machinery and tools,
- Communication services are provided by telephone, wireless and internet systems,
- IT system continues to be maintained by the systems manager.

6.4 Observations during the audit confirmed that JR continues to provide a healthy and safe work environment in the warehouse and at Head Office. Work tasks continue to be performed according to safe operating procedures at both levels.

- The warehouse work site is very well designed with sufficient space and adequate facilities in the specific area for box, safety, packaging and stores,
- Head office (level 1) work area is well maintained with work stations spaced according to guidelines, good light and ventilation,
- All fire-fighting equipment is maintained according to schedule on both levels,
- Regular fire evacuation drills have been conducted and samples of evacuation records were verified during the audit,
- First Aid Kits are maintained on both levels.

Incident and Accident Registers are maintained on both levels. Records verified during the audit confirmed that there were no serious injuries recorded during the period June 2015- July 2016.

## Clause 7: Product Realisation

### Audited Clauses

- |  |  |
|--|--|
| <input type="checkbox"/> 7.1 Planning of Product Realisation | <input type="checkbox"/> 7.4 Purchasing                                    |
| <input type="checkbox"/> 7.2 Customer related Processes      | <input type="checkbox"/> 7.5 Production & Service Provision                |
| <input type="checkbox"/> 7.3 Design and Development          | <input type="checkbox"/> 7.6 Control of Measuring and Monitoring Equipment |

### Findings:

7.1 Production processes and product verification continue to be planned at the warehouse.

Production quality planning includes:

- Product requirements,
- Inspection activities according to criteria,
- Quality inspection activities,
- Evidence for product and process conformity.

7.2 JR continues to ensure that customer product requirements are clearly defined. Samples of documented customer requirement records sighted in the warehouse include:

- Records of customer orders,
- Current and previous job sheets,
- Details of customer specifications,
- Job cards with a unique job number,
- Completed jobs/orders according to customer requirements.

JR managers/staff members continue to communicate with their customers in a number of ways including:

- Face to face meetings,
- Phone conversations,
- Correspondence by email,
- Order/quote requests.

Customer satisfaction surveys continue to be conducted annually for both Head Office and the warehouse. Collated data is analysed and communicated to the relevant managers. The QA officer is responsible for following up any negative feedback.

Recent customer survey feedback has been very positive.

7.3 JR continues to design its own standard catalogue products as well as customer specified products and modifications.

- All design inputs continue to be reviewed and approved at both sites prior to use,
- All design output documents are checked and approved before release for production,
- Samples of customer requirements design process was verified,
- Sample records of product design verification and validation were verified at Head Office,
- Samples of records relating to changes in design and approval from customers were also sighted at Head Office.

7.4 JR Incorporated purchase orders are processed on the Quote & Print System. JR continues to use approved suppliers who are able to satisfy the requirements of the organisation's needs.

- Purchase orders clearly describe the ordered product,
- All purchased products are checked on delivery on site,
- Records are maintained for purchased products on site.

Samples of purchase orders were verified on Quote & Print. Samples of records for purchased products were also verified at Head Office and the warehouse.

7.5 Observations during the audit confirmed that product manufacturing and processing continues to be performed under controlled conditions.

- Specific product process information and work instructions were verified,
- JR continues to ensure that relevant machinery and equipment is used to manufacture or process the required customer products,
- Observations during the audit confirmed that ongoing monitoring and inspections are conducted throughout the manufacturing process,
- Interviewed staff members at both visited sites confirmed that product is released for packaging and delivery only if it's satisfactory on final inspection,
- Traceability continues to be maintained by identifying the finished customer product with a unique control number,
- Interviewed staff members at both sites confirmed that customers are informed immediately if their product is damaged or faulty,
- It was reported that JR continues to ensure handling, storing, protecting and transporting customer products is order with the agreed requirements.

7.6 Samples of calibration records verified during the audit confirmed that relevant devices are calibrated at the specified intervals.

*Identification of Legal Requirements Applicable to the Organisation (Clause 7.2)*

**There is a process in place for identifying legal requirements:**

YES

NO

The following legal requirements have been identified:

- National Standards for Disability Services,
- AS/NZS ISO 9001:2008,

- Privacy Act 1988,
- Disability Services Act 1986,
- Disability Discrimination Act 1992,
- Occupational Safety and Health Act 1984,
- Occupational Safety and Health Regulations 1996,
- Workers' Compensation and Injury Management Act 1981,
- High Visibility Safety Garments Part 1 Garments for High Risk Application AS/NZS 1906 4:2010,
- Retroreflective Materials and Devices for Road Traffic Control Purposes Part 4: High-Visibility Materials for Safety Garments,
- HACCP – Warehouse,
- EDItURE - Trade standards for the global book and serials supply chains,
- Data Protection Act (and associated global legislation).

## Clause 8: Measurement Analysis and Improvement

### Audited Clauses

- |  |   |
|--|---|
| <input type="checkbox"/> 8.1 General                           | <input type="checkbox"/> 8.4 Analysis of Data |
| <input type="checkbox"/> 8.2 Monitoring & Measurement          | <input type="checkbox"/> 8.5 Improvement      |
| <input type="checkbox"/> 8.3 Control of Non-Conforming Product |   |

### Findings:

8.1 The conformity and effectiveness of the JR quality management system continues to be monitored by the internal audit process and the customer/consumer complaints and feedback process.

- Results of internal audits and any received complaints are reported to management and used to identify opportunities for improvement,
- Registers are maintained relating to non-conformances and customer complaints,
- JR continues to encourage all relevant stakeholders to provide regular feedback which aids the continuous improvement process,
- Records of internal audit results verified during external audits confirmed that JR continues to monitor, analyse and implement continual improvements.

8.2 The newly appointed QA officer is responsible for scheduling and conducting the internal audits at Head Office and the warehouse.

- JR 2016 QA Internal Audit Schedule was verified during the audit,
- The QA Officer conducts monthly internal audits; audit report summary is completed which includes details of non-conformances, recommendations and corrective action taken,
- Corrective Action Request are issued for Internal audit non-conformances,



- Corrective Action Request are followed up and reviewed to ensure action has been taken,
- Registers of non-conformances, corrective action requests and continuous improvement were verified during the Audit.

*Internal Audits Monthly (Clause 8.2.2)*

<b>Date of most recent audit:</b>	20 May 2016 Warehouse facility Sydney
<b>Date of audit preceding last:</b>	12 May Head Office (level 1 Warehouse Facility)
<b>Audit Performed by:</b>	EJ Puripandan, QA Officer

Internal Monthly Audit schedule 2016 and internal Monthly Audit Report Summary, April and June 2016, were verified during the audit.

Foreward planning is informed by the most recent two audits, information from the analysis of data and information from critical processes.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
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Internal audit summary includes information relating to:

- Scope of audit,
- Evidence of conformance,
- Effectiveness of management review,
- Effectiveness of internal audits,
- Continual improvement,
- Customer focus,
- Responsibility and authority,

- Equipment maintenance,
- Design and development,
- Supplier evaluation and monitoring,
- Customer property,
- Calibration,
- Site inspections,
- Training,
- Issues raised.

8.3 Controls for Identification, documentation, review and disposition of non-conforming products are defined within the current JR quality system manual.

- JR management continues to maintain responsibility for reviewing non-conformances and deciding on the disposition of non-conforming products.

8.4 JR management team continues to maintain the reporting, recording and monitoring system which captures data relating to:

- The effectiveness of current quality policies and procedures,
- Internal and external customer complaints and feedback,
- Compliance with relevant standards and contractual requirements.

8.5 Interviewed managers and staff members confirmed that JR is fully committed to the Continuous Improvement of its QMS which includes:

- Regular review of its quality policies and procedures,
- Internal and external audits,
- Investigating customer complaints,
- Implementing corrective and preventative action,

- Management review,
- Customer satisfaction surveys.

**Additional Information**

*Use of Marks and Logos*

ISC ISO 9001QUALITY MANAGEMENT logo is displayed on:

- JR website in the safety accreditation section,
- JR promotional brochures,
- JR managers/staff members business cards,
- JR managers/staff members email page.

*Previous Non-Conformances Closed/Open and Action Taken*

N/A. There were no non-conformances raised at the 2015 audit.

*Complaints*

JR continues to view all complaints seriously and works towards effective solutions for all parties if and when needed. The QA officer and manager along with the relevant directors, are responsible for addressing and resolving customer complaints.

JR Customer Complaints Register is maintained by the QA officer which was verified during the audit. For the period of July 2015 to June 2016 there were a total of twenty four complaints registered. Six from Level 1 Head Office and eighteen from the Warehouse. Corrective action for each complaint has been taken and all twenty four have been resolved appropriately and closed out in a timely manner.

<i>Unresolved Issues</i>		
N/A		
<i>Site Specific Summary (if applicable)</i>		
N/A		
<b>Conclusion</b>		
<i>Statement of Conclusion</i>		
<p>Based on samples of records verified and feedback obtained from interviewed managers and staff members at Head Office and the warehouse facility during this audit, it appears that John Readings Pty. Ltd. continues to comply with the requirements of ISO 9001:2008 standard. As there were no non-conformances identified during the surveillance audit, John Readings Pty. Ltd. is recommended for Continued Certification to ISO 9001:2008 standard.</p> <p>The auditor would like to thank all the managers and staff members from Head Office and the warehouse facility who participated in the audit for their assistance and cooperation. It was a pleasure working with you during the audit.</p>		
<i>Recommendation</i>		
<b>Recommended for Continued Certification</b>	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
<b>Recommended Surveillance Interval</b>	12 months	
<b>Next Audit Date</b>	July 2017	

### Disclaimer

Some issues, non-compliances or required improvements within the organisation may not have been identified in this report, due to the sampling size and time available during the audit. The organisation's management is responsible for implementing a surveillance system (based on internal audits) to identify non-conformances/continuous improvement opportunities and to take the necessary controls to ensure the quality management system implemented, is effective and meets organisational and regulatory requirements.

### Confidentiality Statement

The company, its employees, auditors and contractors, shall keep all information relating to your organisation collected during this audit confidential, and shall not disclose any such information to any third party, except that as required by legislation or relevant accreditation bodies. The company, its employees, auditors and contractors and accreditation bodies, have signed confidentiality agreements and will only receive confidential information as per the requirement of the standards being audited.

Report by:			20 July 2016
	<b>Lead Auditor</b>	<b>Signature</b>	<b>Date</b>