ORDER INFORMATION			
Audit Date	23/03/2019	Audit Type	FACTORY EVALUATION
Client's Name	XX	Audit Reference	S-00089-00041-01
Client's reference	XX	Product ordered	Optocoupler
Auditor's Name	Kevin	Report release date	23/03/2019
Service Start Date/Time	23/03/2019 10:00	Service End Date/Time	23/03/2019 17:00

FACTORY INFORMATION			
Factory Name	XXXX		
Factory Address	XXX		
Province/City	XXX	Country	XXX
GPS Coordinates	XXX	Year of Establishment	XXX
Main Contact Name	XXX	Main Contact Name email	XXX
Main Contact Phone	XXX	Main Contact speak English?	Yes

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FACTORY EVALUATION AUDIT

The Factory Evaluation Audit has been designed by our team to be as optimized and cost efficient as possible while providing clear insight about your supplier and their manufacturing capabilities, to help you decide if you want to continue working with them.

We check the experience the supplier has in manufacturing the right products for your costumers as well as some important aspects related to standard Quality Management System and Corporate Social Responsibility.

Audit Scope:

- Legal Documents and Business license
- Certificates
- Management and staff
- Product Manufacturing Experience and Quality level
- Production Capacity, Subcontracted Processes and Bottlenecks
- Basic Quality Management Practices
- Working conditions and CSR

OVERALL COMPLIANCE FOR MANUFACTURING, CORPORATE SOCIAL RESPONSIBILTY AND SAFETY				
SECTION	Negative findings	Positive findings	Rate	Result*
5 INCOMING MATERIAL	0	9	100%	Good
6 MANUFACTURING PROCESS	1	8	89%	Good
7 FINISHED GOODS	0	4	100%	Good
8 CSR AND SAFETY	2	9	81%	Risky

AUDITOR'S MAIN FINDINGS

Visited 2 locations:
1 is Company's office. 10AM to 10:45AM
2 is Factory. 11:15AM to 17:00PM
Legal Chinese name of the company registered in China is XXXX
Company has 2 registered companies in Hong Kong (same owner):
XXX
XXX
The factory is real and production was ongoing for several orders during the audit.
Business License and Export License are available and consistent with Chinese company information and address.
Overall Quality Control Process and Manufacturing Process management are satisfactory.

Negative findings:

CSR AND SAFETY:

- Found one worker that claimed was born on 25th Nov. 2003. Which is less than 16 years old at time of audit and against local Chinese law. (Minimum working age is 16). No ID available from the employee or the HR dpt.
- Found OT are exceeding legal limit after interviewing 1 worker at the production line. 3h30/day and exceeding legal limit of 36 hours/Month.

*Good (80 to 100), Acceptable (50 to 80), Insufficient (30 to 50), Risky (0 to 30) or with critical finding for section 8.

FACTORY MANAGEMENT TEAM INFORMATION			
Position	Name	Email	Phone
President/G.M	XXXX	XXXX	XXXX
Quality Manager	XXXX	XXXX	XXXX
Factory Manager	XXXX	XXXX	XXXX
Production Manager	XXXX	XXXX	XXXX
Sales Manager	XXXX	XXXX	XXXX
FACTORY EMPLOYEES INFORMATION			
Department	Number of employees	Department	Number of employees
Management Team	10	Production team	6
R&D	40 (Office)	Purchase	20 (Office)
Quality Team	7	Full time workers	100
Sales	40	Highest capacity for Part time workers	-
Other (HR, Finance, etc.)	15		
FACTORY BACKGROUND			
Previous Year Turnover (USD)	350 million USD*	Export Pourcentage	-
Total Lead Time (40' Container)	25-30 Days	Production Capacity	-
Main Client (Name and Country)	XXXX		

*From Sales representative interview

- Information not available

FACTORY LEGAL DOCUMENTS AND CERTIFICATES

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Business License (B.L)		Available	
Company Name on the B.L	XXXX	B.L Registration Number	XXXX
Issue/Expiry Date	XXXX	City of Issuance	XXXX
Export License (E.L)		Available	
Company Name on the E.L	XXXX	E.L Registration Number	XXXX
Issue/Expiry Date	XXXX	City of Issuance	XXXX
Certificate(s)			
Title	Certificate Number	Issuing body	Issue/Expiry Date
ISO9001:2015	XXXX	XXXX	XXXX

1 FACTORY CAPACITY			
Month	Produced Quantity (total units)	Month	Produced Quantity (total units)
March 2018	150426	September 2018	352274
April 2018	223762	October 2018	201733
May 2018	384494	November 2018	370186
June 2018	436761	December 2018	369111
July 2018	262033	January 2019	272094
August 2018	327213	February 2019	-

2 MANUFACTURING PROCESS FOR CLIENT DESIRED PRODUCT					
Manufacturing Process	In House/ Subcontracted	Quantity of Production Line(s)/ Workers available during audit	Daily Max Capacity claimed by factory	Daily capacity estimated during the audit.	Bottle Neck Process (Should have at least one Yes)
Incoming Material Control	In House	7	-	-	-
SMT	In House	20	20000	20000	No
AOI	In House	3	20000	18000	Yes
DIP	In House	38	20000	20000	No
Enclosure assembly	In House	12	10000	10000	Yes
Function Test	In House	14	20000	20000	No
Repairing	In House	5	-	-	-
Packing	In House	5	20000	20000	No

3 PRODUCTION MACHINS & EQUIPMENT			
Name	Quantity	Name	Quantity
SMT Machine	7	Oven	2
Lead-free reflow machine	2	Wave soldering machine	1
Printing machine	3	Cleaning machine	1
Optical detector (AOI)	3	Semi-automatic Printing machine	2

4 MEASUREMENT & QUALITY CONTROL TOOLS & EQUIPMENT			
Name	Quantity	Name	Quantity
Electroacoustic tester	1	Battery Inner Resistance Tester	1
LCR meter	1	Digital multimeter	2
Capacitor leakage current tester	1	Magnifier	3
DC power supply	4	Function/arbitrary waveform generator	1

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Ac power source	2	Weight scales	2

5 INCOMING MATERIAL		
5.1	Does the factory have an incoming inventory record?	YES
Auditor Comment	Factory has a new incoming inventory record system and they are updating all the inventory records into the new system progressively.	
5.2	Does the factory store inventory in an appropriate environment and safe conditions?	YES
Auditor Comment	Found all inventory stored in proper environment and safe conditions. Remark: No Temperature/Humidity control found during audit.	
5.3	Does the factory segregate incoming material prior to inspection?	YES
Auditor Comment	Found OK	
5.4	Is incoming material status clearly identified? (Lot Number, Arrival Date, Inspection Status, Approved or Rejected)	YES
Auditor Comment	Yes incoming material is clearly identified with relevant information.	
5.5	Is the storage area clean and tidy?	YES
Auditor Comment	Found OK	
5.6	Are the IQC criteria available with clear working instructions and defects classification?	YES
Auditor Comment	IQC criteria/WI are available	
5.7	Are the inspection records consistent with the IQC criteria?	YES
Auditor Comment	Found OK	
5.8	Is there an independent Quality department that performs the inspection of the incoming material?	YES
Auditor Comment	Yes. 7 people are focused on this.	
5.9	Are IQC inspection records properly maintained?	YES
Auditor Comment	Found OK	

6 MANUFACTURING PROCESS		
6.1	Are manufacturing process flowchart and QC flowchart available?	YES
Auditor Comment	Found General Process Flowchart available at factory with mention of QC steps. Remark: No detailed control plan available.	
6.2	Is there any IPQC process, including clear defect classification and acceptance tolerance	YES
Auditor Comment	IPQC process is implemented properly with clear defects classification and acceptance tolerance.	
6.3	Are the availability of working manual and its interpretation clear for workers?	YES
Auditor Comment	Found OK	
6.4	Are the equipment or tools setting consistent with manufacturing process flowchart and QC flowchart?	YES
Auditor Comment	Found consistent based on the process flowchart available. Remark: The equipment are not detailed in the process flowchart, but the	
6.5	Do the workers segregate the non-conformed components during production?	YES
Auditor Comment	Yes. Remark: Some goods are not clearly identified as segregated (Red Box, Red area for example). Improvement can be done regarding the goods segregation during production to avoid mixing product.	
6.6	Are inspection records properly maintained?	YES
Auditor Comment	Found OK	
6.7	Are function test and safety test performed on 100% of output products?	YES
Auditor Comment	Yes. Function test is performed on 100% of the product.	
6.8	Is there availability of approval sample in the production line?	NO

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Auditor Comment	No signed or identified approval sample was found in the production line.	
6.9	Is the production working area clean and tidy?	YES
Auditor Comment	Found OK	

7 FINISHED GOODS		
7.1	Are the FQC criteria available with clear working instructions and defects classification?	YES
Auditor Comment	FQC/Functional test on finished product is performed after final assembly and criteria are available with clear WI for the workers. Safety test: No safety test was ongoing during audit. Factory does perform Hi-Pot test as the main safety test (Equipment and records available). They do not perform it systematically but based on product type and client's requirements.	
7.2	Are the inspection records consistent with the FQC criteria?	YES
Auditor Comment	Found OK	
7.3	Is there an independent Quality department that performs the inspection of the finished goods?	YES
Auditor Comment	Yes. Total 14 people.	
7.4	Are inspection records properly maintained?	YES
Auditor Comment	Yes.	

8 CORPORATE SOCIAL RESPONSIBILTY AND SAFETY		
8.1	Are fire exits clearly marked and pathways kept clear?	YES
Auditor Comment	Found OK	
8.2	Have machines and equipment safety features that will prevent the operator from injuring?	YES
Auditor Comment	Found OK. (SMT line automatic machines)	
8.3	Are there fire extinguishers correctly marked?	YES
Auditor Comment	Found OK.	
8.4	Is there an evacuation plan for visitors and workers?	YES
Auditor Comment	Yes evacuation plan in Chinese is available.	
8.5	Are there smoke detectors in all places? (warehouse, production line, office.)	NO
Auditor Comment	No smoke detectors available on production lines.	
8.6	Does the factory provide necessary Personal Protective Equipment (PPE) to the operators	YES
Auditor Comment	PPE are provided to workers and employees when necessary.	
8.7	Is there evidence of usage of Personal Protective Equipment (PPE)?	YES
Auditor Comment	Found workers using their PPE.	
8.8**	Are all workers above the age of 16? (Randomly select from 2 to 5 young-looking workers and check the personal records and ID)	NO
Auditor Comment	Found one worker that claimed was born on 25th Nov. 2003. Which is less than 16 years old at time of audit and against local Chinese law. (Minimum working age is 16). No ID available from the employee or the HR dpt.	
8.9	There is absence of any evidence of discrimination against the employees?	YES
Auditor Comment	No discrimination against employees was observed during audit or after interviewing one worker.	
8.10**	Do wages of the workers meet the legal minimum standards? What is the minimum wage in the factory?	YES
Auditor Comment	Found wages exceed legal minimum standards.	
8.11**	Are workers' total working hours within the maximum legal limits?	NO
Auditor Comment	Found OT are exceeding legal limit after interviewing 1 worker at the production line. 3h30/day (6 days/week) and exceeding legal limit of 36 hours/Month.	

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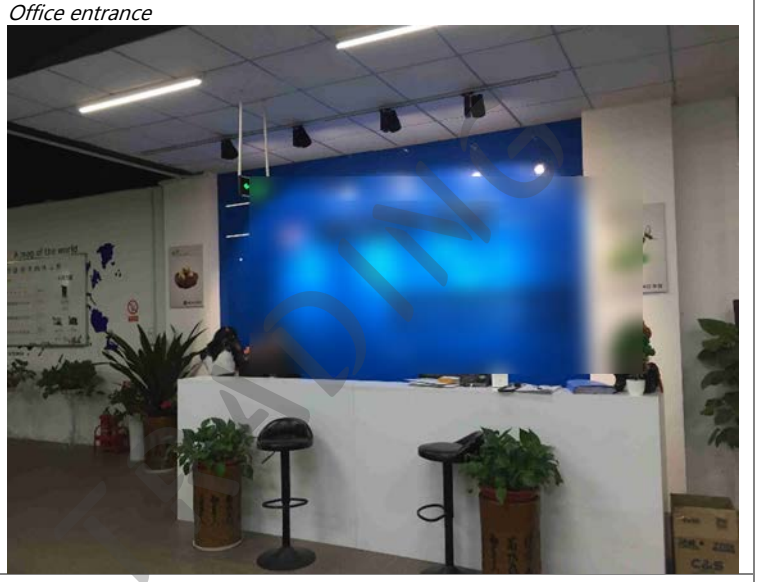
** if answer is NO for at least one of these checkpoints the whole section should be judged as “risky”.

PICTURES

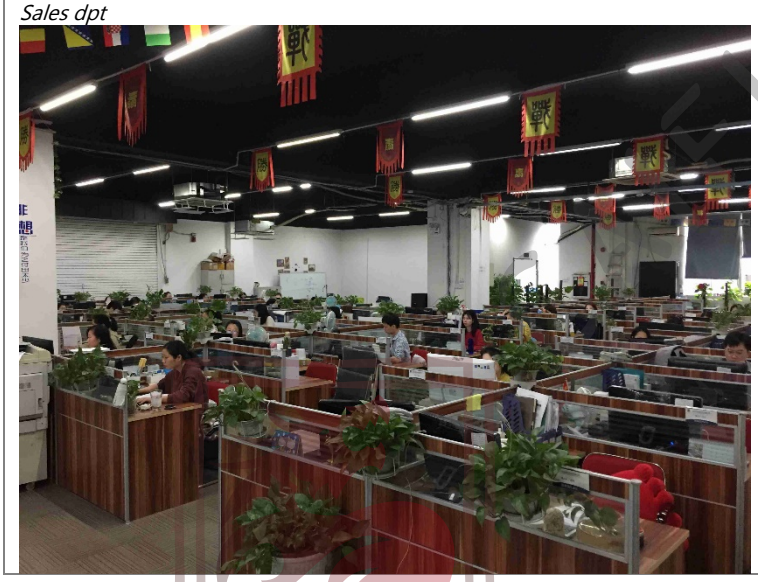
FACTORY BUILDING, OFFICES AND SAMPLE ROOM

Office Building

Office entrance



Sales dpt



R&D dpt

R&D Dpt.

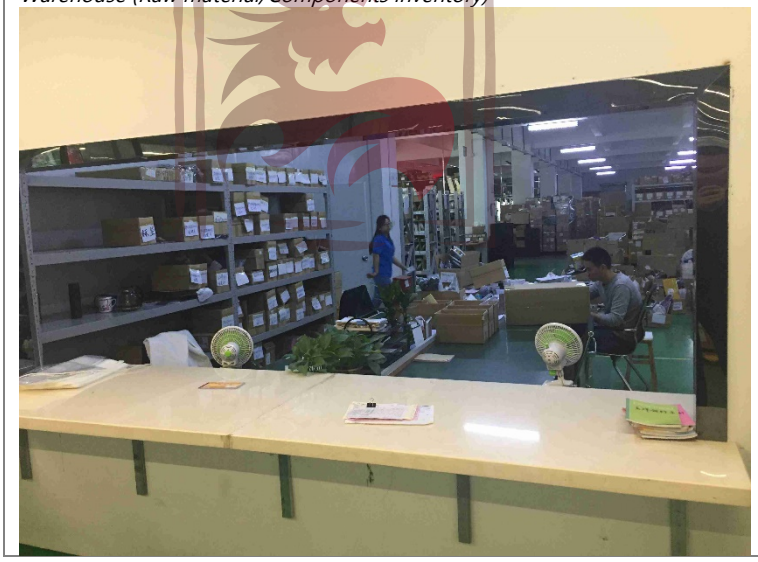
Samples room

Factory Building (2 floors)

Factory Entrance

STORAGE AREA AND PRODUCTION LINE

Warehouse (Raw material/Components inventory)



Components storage

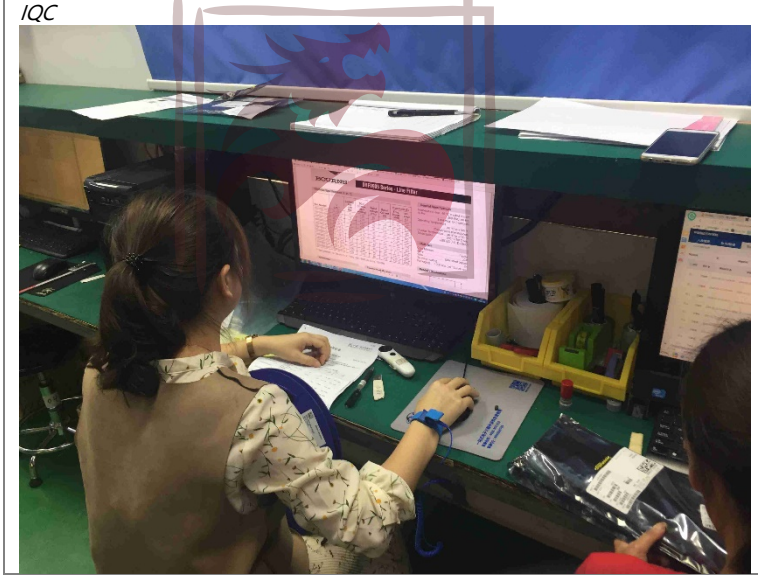
Incoming components

Warehouse (Incoming components)

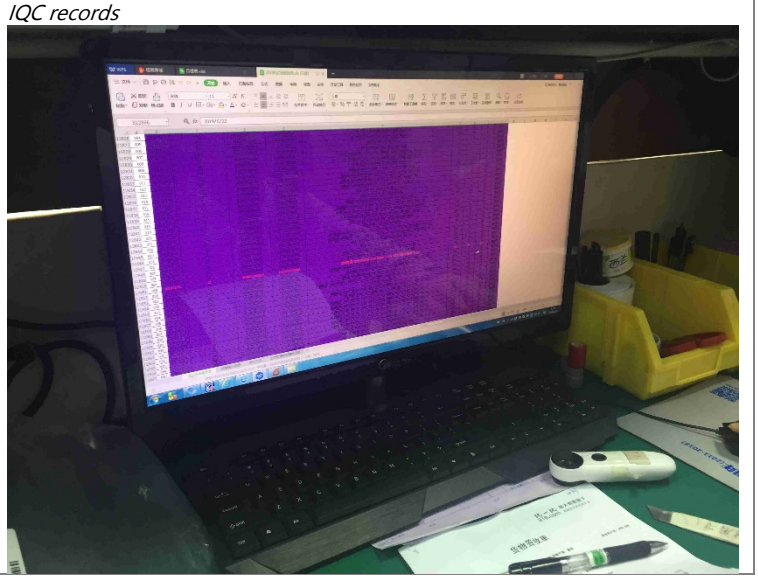
Rejected components

Passed Batch. (IQC)

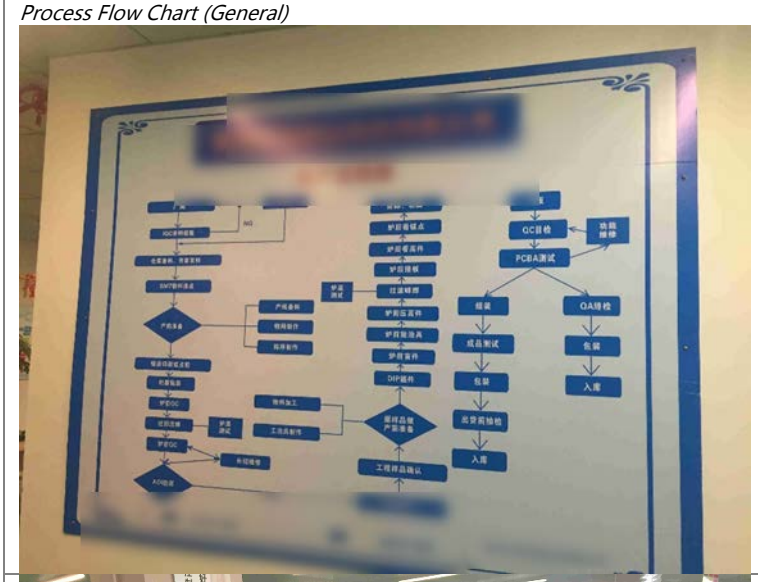
IQC



IQC records

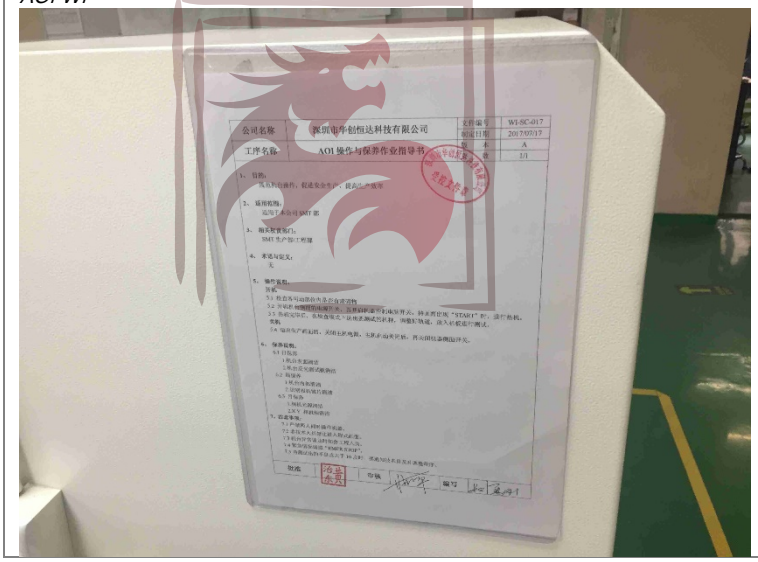


Process Flow Chart (General)

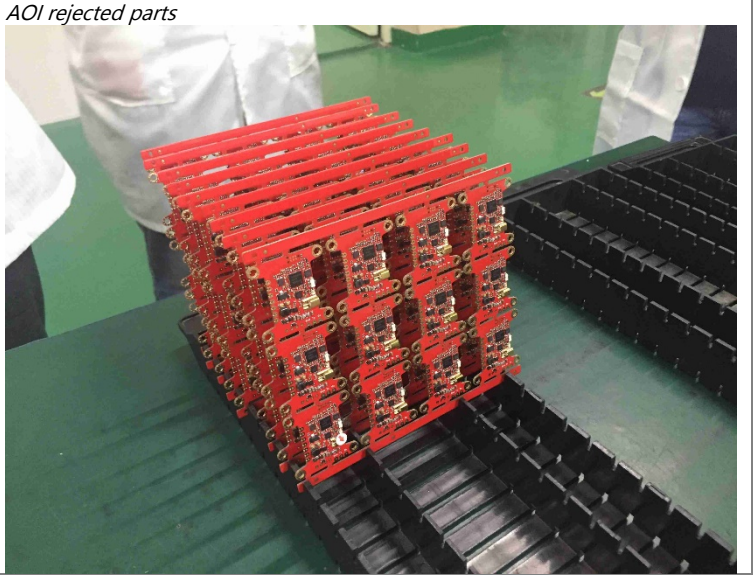


SMT production line

AOI WI



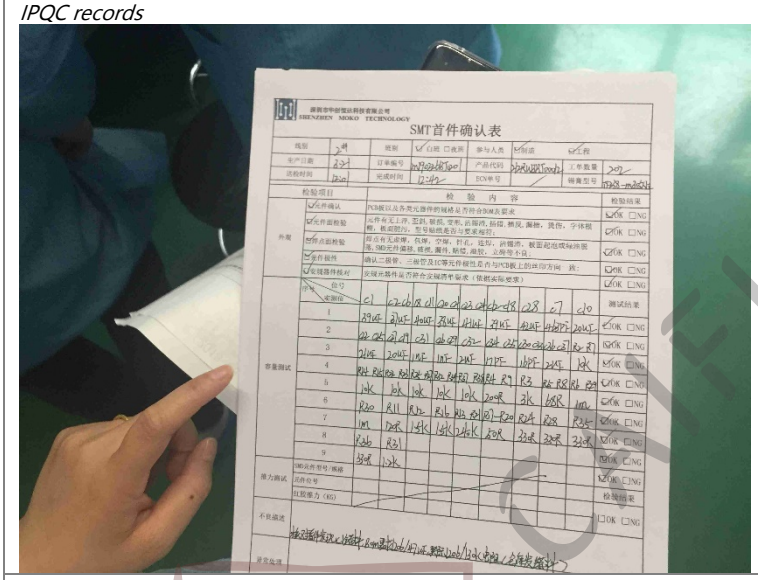
AOI rejected parts



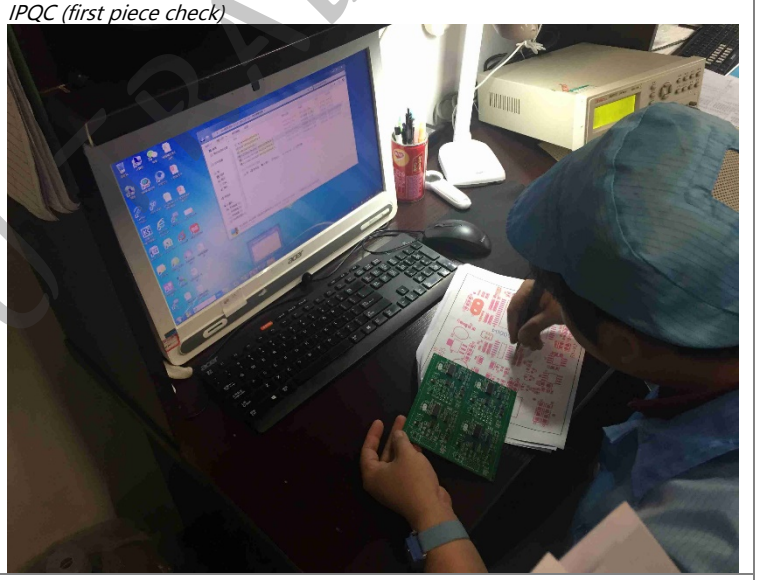
AOI records

PASS products

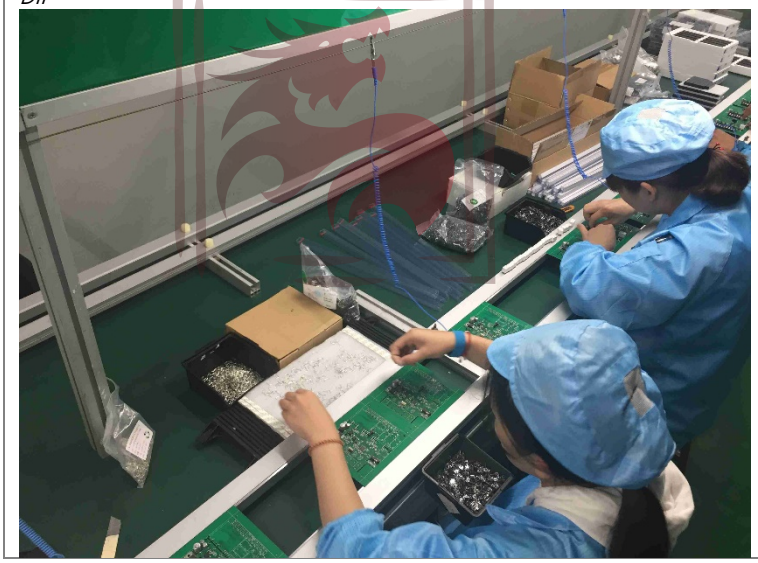
IPQC records



IPQC (first piece check)



DIP



DIP

FQC/Function test 100%

FQC/Function test

FQC batch (Approved)

Packing

Final Packed products

Ready batch

Ready Batch

Evacuation sign/path

Evacuation path

Fire Extinguisher

Fire Extinguisher

Evacuation way

Evacuation Plan

MACHINES/EQUIPMENT

SMT Machine

SMT Machine

Wave soldering machine 	
Wave soldering machine 	
Screen printing machine 	

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Screen printing machine

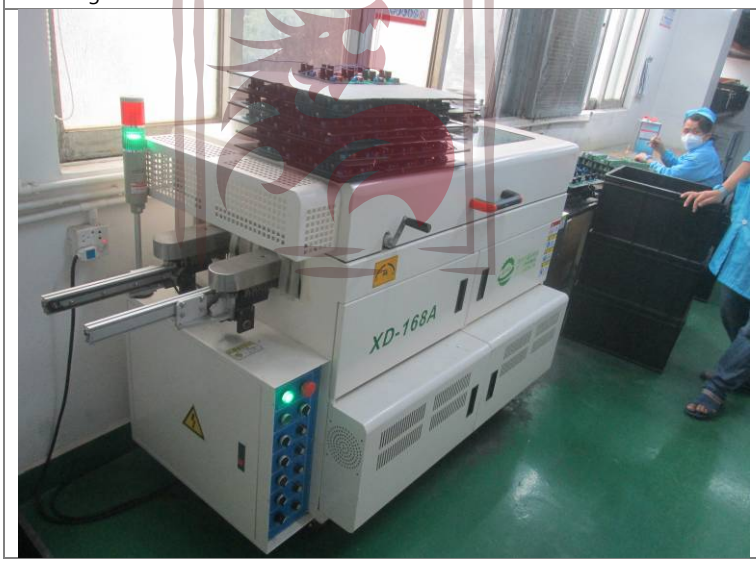
Optical detector (AOI)

Optical detector (AOI)

Semi-automatic Printing machine

Oven

Cleaning machine

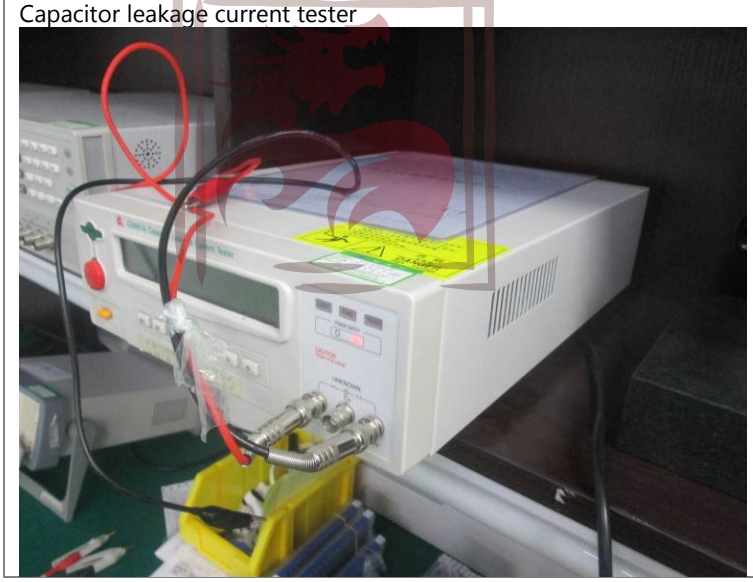


Wave soldering machine

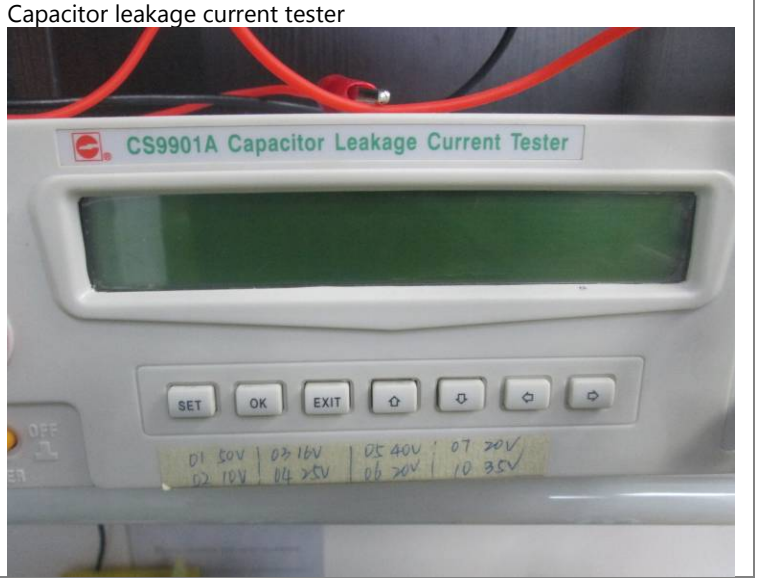
LCR meter

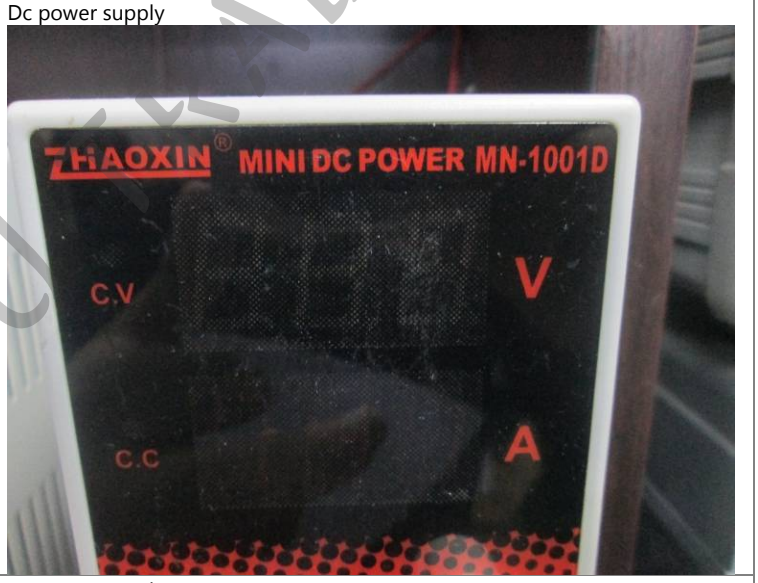
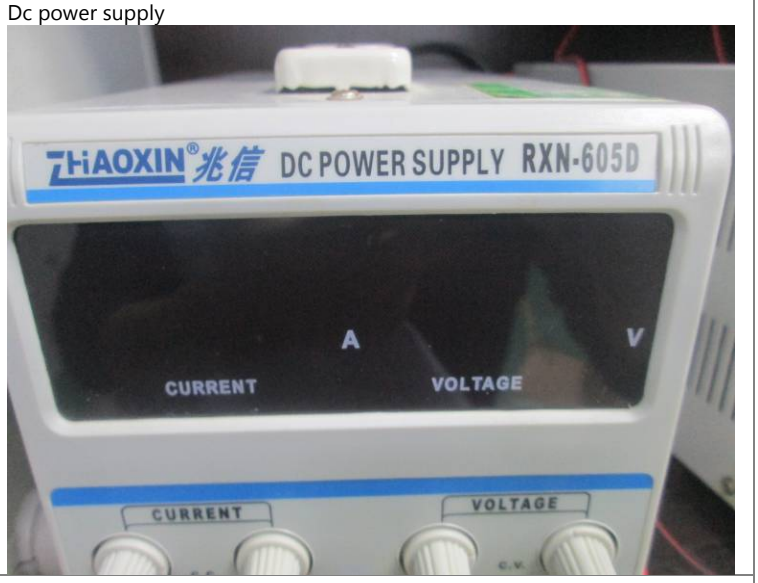
Electroacoustic tester

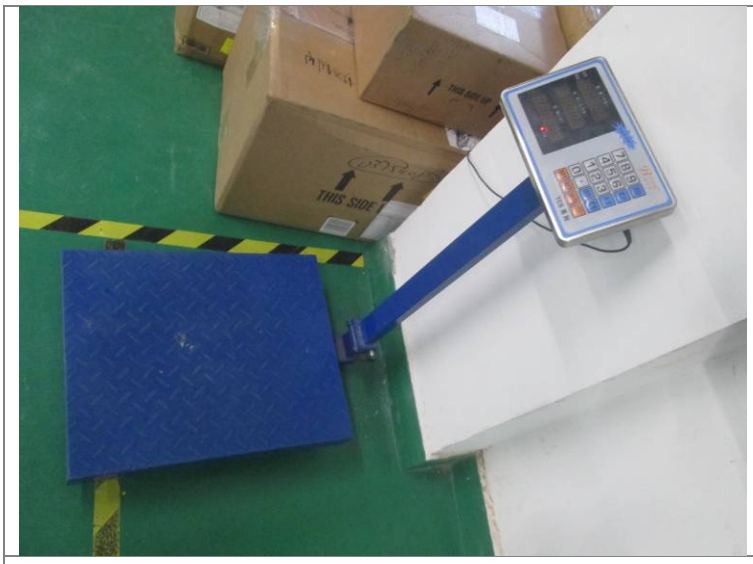
Capacitor leakage current tester



Capacitor leakage current tester



Battery Inner Resistance Tester 	Battery Inner Resistance Tester
Dc power supply 	Dc power supply 
Dc power supply 	Dc power supply 
Weight Scales	Weight Scales

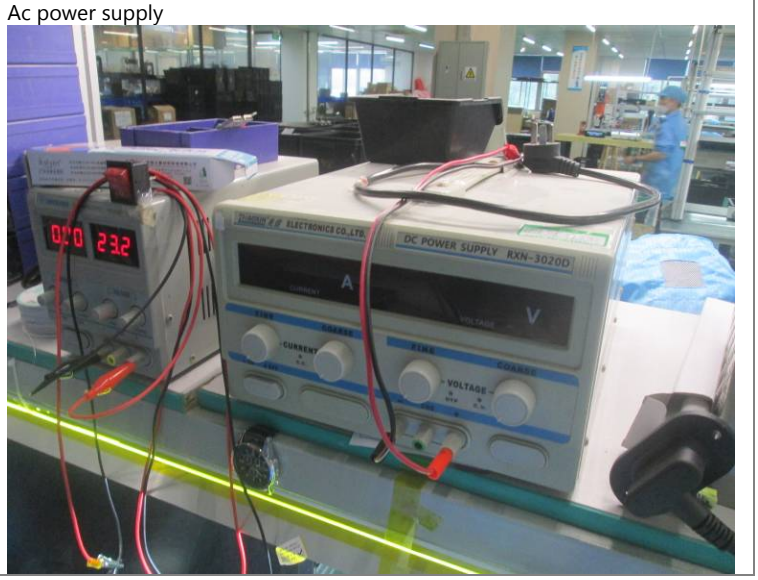


Digital multimeter

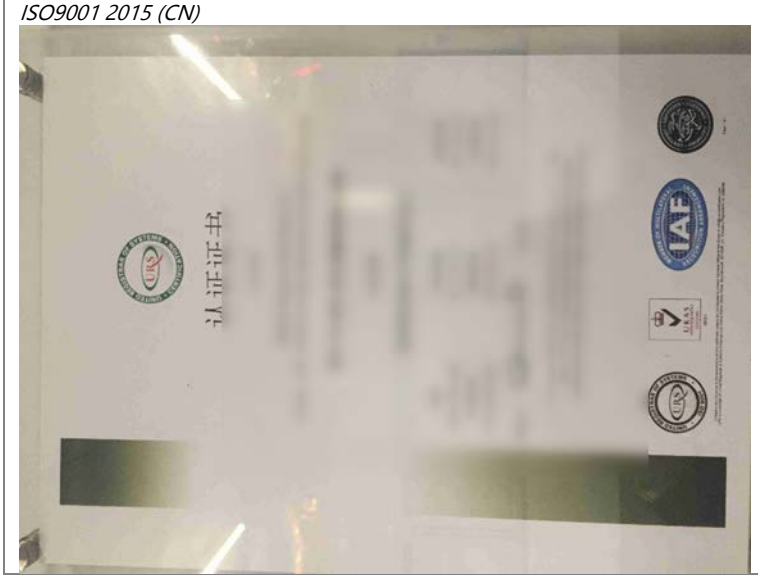
Digital multimeter

Ac power supply

Ac power supply



Caliper 	Digital multimeter
Magnifier 	Magnifier
LICENSES AND CERTIFICATES	
Business licence 	*Export license*

ISO9001 2015 (CN) 	

RELEASE INFORMATION			
AUDIT DATE	23/03/2019	AUDITOR	Kevin
REPORT RELEASE DATE	23/03/2019	REVIEWER	Alice

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