1.0 TITLE: Auditing Procedure

2.0 PURPOSE: To provide an outline and instructions on the GMCS auditing process of clients.

3.0 RESPONSIBILITY: GMCS auditors and personnel are responsible for following this procedure.

4.0 SCOPE: This procedure applies to all third party audits conducted by GMCS.

5.0 QUALITY OBJECTIVE: To issue the Audit Report to the client within five (5) business days of Audit completion.

6.0 REFERENCE DOCUMENTS: ISO 17021 Manual, ISO 9001, ISO 14001, OHSAS 18001, ISO 27001, ISO 20000, ISO 19011, IAF MD 5, IAF MD 17

7.0 PROCEDURE:

A. The President of GMCS is responsible for reviewing all Applications for Certification and Applications for Transfer of Certification (Note: a majority of GMCS clients are the US government and military. The Solicitation for certification services along with the GMCS Technical Proposal and Pricing Proposal will function as an adequate substitute for a formal application and the completion of GMCS Application of Registration GMCS-APPAR-01).

The President will complete the Review of Customer Requirements on Form RCR-01 for all clients including government and military clients. This Form will indicate the specific IAF Codes applicable to the Client for QMS, EMS, or other management system standards. The Table containing the Codes has been color coded as follows: No Color=the Code is within GMCS current scope of accreditation, Blue=the Code is non-critical and not within the GMCS current scope of accreditation, and RED=the Code is critical and not within the current scope of accreditation. The Codes selected will determine whether IAS must witness the audit or not and whether the Codes selected are Critical or not.

B. After accepting any such application, the President is responsible for appointing a Lead Auditor and additional auditors, if necessary, to conduct the audit of the client's QMS. In making such appointments, the President follows the requirements

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stated in the GMCS ISO 17021 Manual (Section 7.1.2). The Lead Auditor must have experience with the Client's industry and IAF Code.

C. The President is responsible for communicating to the Lead Auditor the type of audit that needs to be conducted (e.g. Stage 1, Stage 2, Surveillance, etc.) and for providing all relevant information and documentation to the Lead Auditor (e.g. Quality Manual and procedures, sites to be audited, audit duration, etc.).

D. The Lead Auditor is responsible for communicating with the GMCS client, establishing authority to conduct the audit, making all necessary logistical arrangements, and submitting the draft Audit Plan and Schedule (GMCS-AP-001).

E. Stage 1 Audit- When a Stage 1 audit is required, GMCS conducts an assessment onsite at the client's facility (for newly certified clients-not for recertification or new clients who have a valid, current, and accredited certificate and are transferring their certification to GMCS) of the Management System Manual and basic fundamental management system processes and procedures including: Management Review, Internal Audits, Control of Documents, Control of Records, Corrective Action, and Preventive Action. The auditor is responsible for reviewing these fundamental processes and procedures and verifying that each has been effectively implemented by the organization. In addition, GMCS ensures that the scope, size of the organization, and the information provided by the Client to GMCS in the Application for Certification is accurate, true, and correct. The Stage 1 audit must occur both on and off site at the client's facility. The results of the Stage 1 Audit are documented on GMCS-S1C-001. In the event that the Stage 1 Audit results indicate that these general processes and procedures have not been effectively implemented, the client will have up to six (6) months to effectively implement corrective action(s) at which time GMCS will verify the effectiveness of such corrective action(s) and will continue with the Stage 2 audit. If more than six (6) months has lapsed since the Stage 1 Audit was completed, GMCS will require the Client to repeat the Stage 1 Audit. These checklists become a part of the Certification Committee package. Nonconformances discovered during the Stage 1 audit are documented on the GMCS-S1C-001 Documentation Review Report along with the client response. GMCS does not use the Client Corrective Action Form to document nonconformances cited during a Stage 1 Audit.

F. Stage 2 Audit-GMCS conducts a Stage 2 audit to evaluate the effectiveness of the client's management system. Stage 2 audits take place onsite at the client's facility. The following items are assessed at a minimum:

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a) information and evidence about conformity to all requirements of the applicable management system standard or other normative document;

b) performance monitoring, measuring, reporting and reviewing against key performance objectives and targets (consistent with the expectations in the applicable management system standard or other normative document);

c) the client's management system and performance as regards legal compliance;

d) operational control of the client's processes;

e) internal auditing and management review;

f) management responsibility for the client's policies;

g) links between the normative requirements, policy, performance objectives and targets (consistent with the expectations in the applicable management system standard or other normative document), any applicable legal requirements, responsibilities, competence of personnel, operations, procedures, performance data and internal audit findings and conclusions.

The Stage 2 Audit must utilize the Audit Plan (GMCS-AP-01), Opening Meeting Agenda (GMCS-OMA-01), Closing Meeting Agenda (GMCS-CMA-01), Opening and Closing Meeting Attendance Record (GMCS-AAR-01), Corrective Action Request (GMCS-CAR-01), if applicable, the appropriate GMCS Checklist, and Audit Report (GMCS-AR-01 QMS or GMCS-AR-02 OHS). The Audit Plan, Audit Report, Corrective Action Request, and Opening and Closing Meeting Attendance forms when completed must be sent to the President for review.

The results of the Stage 2 Audit are recorded on the appropriate GMCS Audit Report. Checklists must be used and GMCS auditors must each complete this Checklist. In the event that there is more than one site being audited, each auditor is required to complete a separate Checklist for each site they audit OR they must ensure that the single checklist they use clearly annotates the fact that both sites have been audited against specific requirements. These checklists become a part of the Certification Committee package.

G. Surveillance-After certification is granted to a Client, GMCS will conduct a surveillance audit at a 6, 9, or 12 month interval. Surveillance audits will be conducted at least once

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a year. The date of the first surveillance audit following initial certification will not be more than 12 months from the last day of the stage 2 audit.

The purpose of the surveillance audit is to ensure that the management system has been sufficiently maintained. Each surveillance audit will review the following management system requirements: a) internal audits and management review, b) a review of actions taken on nonconformities identified during the previous audit, c) treatment of complaints, d) effectiveness of the management system with regard to achieving the certified client's objectives, e) progress of planned activities aimed at continual improvement, f) continuing operational control, g) review of any changes, and h) use of marks and/or any other reference to certification.

All Surveillance Audits require the use of the Audit Plan (GMCS-AP-01), Opening Meeting Agenda (GMCS-OMA-01), Closing Meeting Agenda (GMCS-CMA-01), Opening and Closing Meeting Attendance Record (GMCS-AAR-01), Corrective Action Request (GMCS-CAR-01), if applicable, the appropriate GMCS Checklist, and Audit Report (GMCS-AR-01 QMS or GMCS-AR-02 OHS). The Audit Plan, Audit Report, Corrective Action Request, and Opening and Closing Meeting Attendance forms when completed must be sent to the President for review. The President will review the records and determine whether maintenance of the certification is warranted. Records of all surveillance audit activities are maintained in accordance with the GMCS Control of Records Procedure.

H. Recertification-The purpose of the Recertification Audit is to evaluate the continued fulfillment of all of the requirements of the relevant management system standard or other normative document and to confirm the continued conformity and effectiveness of the management system as a whole, and its continued relevance and applicability for the scope of certification.

Recertification audits consider the performance of the management system over the period of certification, and include the review of previous surveillance audit reports. When significant changes to a Client organization have been discovered, it may be necessary to conduct a Stage 1 audit as part of the recertification process. If the client has multiple sites or multiple management system standards, GMCS will ensure that sufficient time is provided to ensure that a thorough assessment is undertaken and that GMCS has confidence in the audit process.

All Recertification Audits require the use of the Audit Plan (GMCS-AP-01), Opening Meeting Agenda (GMCS-OMA-01), Closing Meeting Agenda (GMCS-CMA-01), Opening and Closing Meeting Attendance Record (GMCS-AAR-01), Corrective Action Request (GMCS-CAR-01), if applicable, the appropriate GMCS Checklist, and Audit Report (GMCS-AR-01 QMS or GMCS-AR-02 OHS). The Audit Plan, Audit Report, Corrective Action

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Request, and Opening and Closing Meeting Attendance forms when completed must be sent to the President for review. The President will review the records and determine whether recertification of the Client is justified. GMCS does not require that recertification decisions be made by the Certification Committee, unless there is one or more major nonconformances (defined as wide-spread and systemic). If convened under these circumstances, the Certification Committee will consider the results of the recertification audit, the results of the review of the system over the period of certification, and complaints received from customers and suppliers of the Client. Records of all recertification audit activities are maintained in accordance with the GMCS Control of Records Procedure.

GMCS clients are required to develop and present a presentation demonstrating how their organization has evidenced continual improvement as it relates to quality during the previous three (3) year period.

If GMCS has not completed the recertification audit or if GMCS is unable to verify the implementation of corrections and corrective actions for any major nonconformity prior to the expiry date of the certification, then recertification shall not be recommended and the validity of the certification shall not be extended. The client shall be informed and the consequences shall be explained.

Following expiration of certification, the certification body can restore certification within 6 months provided that the outstanding recertification activities are completed, otherwise at least a stage 2 shall be conducted. The effective date on the certificate shall be on or after the recertification decision and the expiry date shall be based on prior certification cycle.

When a management system standard changes (e.g. ISO 9001:2008 to ISO 9001:2015), the client must provide evidence that internal audits have been conducted against all of the requirements in the new version of the management system standard (unless excluded with justification, all organizational processes, and at all sites (i.e. multi-site organizations). The failure of the client to provide clear evidence of these internal audits as stated in form of audit checklists, audit plans and schedules, and audit reports will be cited as a systemic nonconformance and will prohibit a recommendation for recertification or certification until such evidence is provided.

I. Multi-Site Audits Using Sampling-GMCS maintains a procedure on multi-site auditing (GMCS Procedure for Multi-Site Auditing GMCS-MSA-01).

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GMCS will appoint a Lead Auditor for any multi-site audit. The Lead Auditor will appoint additional auditors, as necessary, to conduct audits at selected sites within the multi-site sampling plan.

All Multi-Site Audits Using Sampling require the use of the Audit Plan (GMCS-AP-01), Opening Meeting Agenda (GMCS-OMA-01), Closing Meeting Agenda (GMCS-CMA-01), Opening and Closing Meeting Attendance Record (GMCS-AAR-01), Corrective Action Request (GMCS-CAR-01), if applicable, the appropriate GMCS Checklist, and Audit Report (GMCS-AR-01 QMS or GMCS-AR-02 OHS). The Audit Plan, Audit Report, Corrective Action Request, and Opening and Closing Meeting Attendance forms when completed must be sent to the President for review. These forms should be used for each site audited. In the case of the Checklist, there should be one Checklist completed by each auditor for each site the auditor assesses.

All audit records are sent to the GMCS Certification Committee who is responsible for following GMCS Certification Committee Rules and Guidelines GMCS CCRG-01. In the event that one site fails to meet the requirements of the management system standard and/or the Client's management system (defined as one or more major nonconformances), the Client will not be granted certification until the major nonconformance is effectively corrected.

J. Adding Additional Sites and/or Processes to An Existing Certificate of Conformance- Clients may request that additional sites and/or processes be added to their existing Certificate of Conformance. In these cases, GMCS will review and evaluate the request to determine the need for one of the following: 1) grant the extension only after a special or surveillance audit has been conducted, OR 2) issue a revised Certificate of Conformance and review the additional sites and/or processes at the next scheduled audit.

When an audit is conducted, all of the requirements governing GMCS audits will apply and all required records, including specific records evidencing that the additional sites and/or processes were audited will be maintained.

K. Short-Notice Audits-GMCS may find it necessary to conduct audits of certified clients on short notice to investigate complaints or in response to changes or as follow up on suspended clients. GMCS has accounted for these short-notice audits in its Certification Agreement and/or other contractual documents (e.g. a Technical Proposal submitted to a government client) and will ensure that the auditor selection for such short-notice

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audits is conducted with sensitivity and concurrence from the Client. All audit records described in this Procedure must be evidenced as part of any short-notice audit.

L. Nonconformances-All nonconformances discovered during any type of GMCS must be classified by the GMCS auditor. This classification is subject to review and possible correction by the GMCS Certification Committee. The classification system used by GMCS is as follows:

Major-defined as a systemic, wide-spread failure to meet requirements OR multiple minor nonconformances affecting the same requirement.

Minor-defined as a non-systemic failure to meet requirements or a lapse in the management system.

GMCS requires Clients to provide a corrective action plan and to effectively implement that plan within 30 calendar days of receiving a MAJOR nonconformance. A follow-up audit must occur within this timeframe to ensure that the plan was effectively corrected. This audit may be conducted on or off site depending upon the nature of the nonconformance. If the Client fails to provide the plan, effectively implement it, and/or allow the follow-up audit to occur, certification will be denied (for new clients) or certification will be suspended (for existing clients).

Clients receiving Minor nonconformances must submit a Corrective Action Plan within thirty (30) calendar days of receiving the Minor nonconformance. Verification that the Corrective Action Plan was effectively implemented will occur during the next scheduled audit. Clients who fail to respond to respond with an effective plan within this timeframe will not be granted certification (new clients) or will have their Certificate of Conformance suspended (existing clients).

Observations and Opportunities for Improvement should be documented on the Audit Report. However, the client is not required to respond to Observations and Opportunities for Improvement.

M. Upgrading to Revised Standards

Clients requesting an upgrade to a new revision of a standard (e.g. ISO 9001:2015, ISO 14001:2015, etc.) may request that the upgrade occur during a special audit, a surveillance audit, or during a recertification audit. A Stage 1 and Stage 2 audit is not required for an upgrade to a new version of a standard, unless the client's certificate

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has expired, has been revoked, or there is reason to believe that systemic failure of the management system has occurred.

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