



**DEPARTMENT OF THE NAVY**  
NAVAL INVENTORY CONTROL POINT  
AND  
NAVAL SEA LOGISTICS CENTER  
5450 CARLISLE PIKE  
MECHANICSBURG PA 17055-1078

IN REPLY REFER TO:

NAVICP/NAVSEALOGCEN  
INST 4355.12B CH-2  
845C/LAR  
OCT 7 1998

NAVICP/NAVSEALOGCEN INSTRUCTION 4355.12B CHANGE TRANSMITTAL 2

From: Commander, Naval Inventory Control Point  
Commanding Officer, Naval Sea Logistics Center

Subj: QUALITY ASSURANCE AUDIT OF LEVEL I/SUBSAFE/QUALITY  
ASSURED PROGRAM

Ref: (a) NAVICP/NAVSEALOGCEN INSTRUCTION 4355.12B

Encl: (1) Revised Pages

1. **Purpose.** To incorporate changes resulting from the last NAVSEA 92Q Functional Audit conducted in April 1998. These changes included removing conflicting information concerning the initial 45 day response period and decreasing the time period from 5 days to 3 days for the audit teams to furnish their reports to the Co-Leaders.

2. **Action.** Remove pages 3-6 of reference (a) and replace with enclosure (1).

F. C. LAWTON III  
By direction

J. J. HUND

Distribution:

NAVICP Y (02 - 1 copy)  
(05 - 1 copy)  
(0072 - 1 copy)  
(84 - 1 copy)  
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DEPARTMENT OF THE NAVY

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IN REPLY REFER TO:

NAVICP/NAVSEALOGCENINST 4355.12B CH-1  
8452/WDD

APR - 9 1998

NAVICP/NAVSEALOGCEN INSTRUCTION 4355.12 CHANGE TRANSMITTAL 1

From: Commander, Naval Inventory Control Point

Subj: **QUALITY ASSURANCE AUDIT OF LEVEL I/SUBSAFE/QUALITY  
ASSURED PROGRAM**

Encl: (1) Revised Pages

1. Purpose. To make changes to enclosure (2).
2. Background. Recently issued NAVICP/NAVSEALOGCENINST 4355.12B was issued with a typographical mistake.
3. Action. Remove page 13/14 of enclosure (2) of the instruction, and insert the enclosed replacement pages.

  
F. C. LAWTON III  
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IN REPLY REFER TO:  
NAVICP/NAVSEALOGCEN  
INST 4355.12B  
845C/LAR

NAVICP/NAVSEALOGCEN INSTRUCTION 4355.12B

MAR 13 1998

From: Commander, Naval Inventory Control Point  
Commanding Officer, Naval Sea Logistics Center

Subj: QUALITY ASSURANCE AUDIT OF LEVEL I/SUBSAFE/QUALITY  
ASSURED PROGRAM

Ref: (a) NAVSUP/NAVSEAINST 4440.16  
(b) NAVICPINST 4420.170

Encl: (1) List of Instructions  
(2) Quality Audit Check Lists (Sample)  
(3) Quality Audit Report Format  
(4) Team Report (Sample)  
(5) Closing Action Acceptance

1. Purpose. To establish procedures for planning and conducting Quality Audits of Naval Inventory Control Point (NAVICP) organizations and Naval Sea Logistics Center (NAVSEALOGCEN) which support procurement and stocking of L1/SS/SB/S1/C1/Q3/VG material in accordance with references (a) and (b).

2. Cancellation. NAVICP/NAVSEALOGCENINST 4355.12A. Enclosure (2) (R) has been revised in its entirety.

3. Background. Reference (a) tasks NAVICP and NAVSEALOGCEN to establish Quality Audit Programs that cover functions and operations supporting the Level I/SUBSAFE (LI/SS) mission. Such audits are necessary to assure that NAVICP and NAVSEALOGCEN are in compliance with existing instructions and that the product being procured is of an acceptable level of quality. For convenience, these responsibilities have been combined in this single Stock Program instruction. Reference (b) assigns responsibility for establishing and maintaining the NAVICP Internal Quality Audit Program to Code 84, Submarine Support Directorate. The Commanding Officer, NAVSEALOGCEN (N00) has assigned internal Quality Audit responsibility to N40, Logistics Support Engineering Group.

4. Scope. These procedures are applicable to NAVICP/NAVSEALOGCEN engineering, technical, cataloging, record preparation, inventory management, packaging and preservation, purchasing and quality assurance associated with the LI/SS Stock

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Program and Special Material Identification Code (SMIC) "Q3/VG" items.

5. Responsibilities

a. NAVICP (Code 845) is responsible for administration of the NAVICP LI/SS Quality Audit Program. This includes preparation of audit schedules, issuing quarterly audit status reports, and providing guidance to audit team members.

b. NAVSEALOGCEN (N44) will coordinate the administration of the Joint Quality Audit Program with NAVICP (Code 845). Such coordination includes: preparation of audit schedules; issuing quarterly audit status reports; evaluation of corrective action; and providing guidance to audit team members, as required.

c. NAVSEALOGCEN (N44), NAVICP Ships Support Directorate (Code 05), Contracting Directorate (Code 02), and Submarine Support Directorate (Code 84) will:

(1) Develop, as functionally applicable, internal operating instructions, desk guides and operating manuals, and provide procedures for Directorate/Department/Division/Branch operations to the audit team.

(2) Provide personnel to assist on audit teams when requested by NAVICP (Code 845) and NAVSEALOGCEN (N44).

d. Audited NAVICP/NAVSEALOGCEN organizations respond to audit reports as specified in paragraph 6c.

6. Action

a. NAVICP/NAVSEALOGCEN will:

(1) Schedule subject audits on an annual basis unless specific circumstances dictate requirements for a special audit.

(2) Nominate one person each to act as Audit Co-Leaders. The Co-Leaders will:

(a) Be responsible for coordinating audit actions through to the submission of the signed audit report to the respective Commanding Officers.

(b) Instruct the audit team on audit procedures which will include but not be limited to the following data: determination of scope and depth of audit, review and update of audit plans (add new and revise existing requirements contained in internal NAVICP/NAVSEALOGCEN operating procedures), review of applicable documents and instructions, and review of previous

findings to determine if preventative/corrective action has been adequate.

(c) Not participate as an audit team member unless their particular area of expertise is required. In these cases, neither party will audit their own organization.

(d) Issue the initial audit report to the respective Commanding Officers and action codes within 10 days of completion of audit. The audit report will not be released without review by team leaders and team members. In cases where the audit findings affect multiple internal codes, the Co-Leaders will select a "lead code" for action and reporting purposes. This official audit report will request specific corrective action(s) and will state the requirement for a monthly report of incomplete findings to NAVICP (Code 845) or NAVSEALOGCEN (N44) (as applicable).

(3) Provide personnel to conduct Quality Audits on an individual or team basis. As required, requests for other NAVICP or NSLC personnel to assist in audits will be made to the Department level at least 30 calendar days prior to the scheduled starting date of the audit. Individual team members will be responsible for becoming familiar with their respective areas (e.g., review of applicable enclosure (1) instructions, previous audit findings/observations, etc.). Team members will not audit their own Department/Division.

(4) Based on the monthly return reports, prepare a quarterly status report on corrected or outstanding audit findings. The NAVICP (Code 845) report will be distributed to Code 0072 with a copy to Codes 02, 05, and 84. NAVSEALOGCEN (N44) report will be distributed to N00 and N40. In addition, an information copy will be provided to all Division/Branch Heads having incomplete audit items within their organization.

(5) Maintain records for a period of three years after all audit findings are corrected. Dispose of records at the end of this period.

b. Auditors will:

(1) Conduct Quality Audits as instructed by NAVICP and

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(3) Examine all areas within the scope of the planned audit to the degree necessary to evaluate the adequacy of the quality function. The sample audit plan (enclosure (2)) should be used as a guide but may be varied or modified as the audit progresses to adequately research suspected areas. Audits of programs, systems and processes will include adequate coverage of procedures listed in enclosure (1), execution of procedures and records. (R)

(4) Before issuing an audit finding, discuss the finding with supervisor(s) from the organization audited. (R)

(5) Provide the Audit Co-leaders with a preliminary audit report(s), using form outlined as enclosure (3), within five calendar days after completion of the investigation portion of the audit. Audit Team Leaders will prepare a summary report (similar to enclosure (4)) for information and continuity purposes.

(6) The Audit Team Leader, in consultation with individual team members, will evaluate audit replies for correctness and completeness prior to closing the finding for record purposes. The Audit Team Leader will complete and sign enclosure (5), should the reported closing action be satisfactory. The designated NAVICP/NAVSEALOGCEN Audit Administrator, who is responsible for overall tracking and status of audit findings, will also sign.

c. Audited organizations will commence forwarding replies to quality audit findings to NAVICP (Code 845)/NAVSEALOGCEN (N44) within 45 days from the date of the audit report memo (6a(2)(d)). If all action has been completed, a description of the corrective action and information on investigation for similar deficiencies and preventive action shall be noted in reply. If corrective action cannot be completed within 30 days from the audit report date, advise of planned action and an estimated completion date. Monthly status reports on incomplete audit finding correction are required.

7. Maintenance/Procedural Responsibilities. Maintenance responsibility for this instruction is assigned to NAVICP (Code 845). Procedural responsibility is assigned to Codes 05, 02, 10, 84, and NAVSEALOGCEN (Code N44).

  
J. F. HUND

  
F. C. LAWTON III  
By direction

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LIST OF INSTRUCTIONS

NAVICP/NAVSEALOGCENOPPROC #1	Pre-Award Survey	
NAVICP/NAVSEALOGCENOPPROC #2	Quality System Review/Product Oriented Survey	
NAVICP/NAVSEALOGCENINST 4355.12	Internal Audit	
NAVICP/NAVSEALOGCENINTINST 9000.1	Configuration Control	
NAVICPINST 4420.170	Internal Guidelines	
NAVICPINST 4440.472	Deficiency Reports	
NAVICPINST 4355.5	External Guidelines	
NAVICPINST 4030.10	Packaging & Preservation	(R)
LI/SS OPERINST #1	845 Internal Operating Instruction	
LI/SS OPERINST #2	Internal Audit	
NAVSEALOGCENINST 4355.1	Waivers/Deviations	
CONTGROUPOINTINST 4200.32	LI/SS Acquisition Documents	
CONTGROUPOINTINST 4200.70	Configuration Control	
NAVSEALOGCENINTINST 4355.7	LI/SS Stock Program Approved Engineering Change Program	(R)
NAVSEALOGCENINTINST 4355.8	LI/SS Stock Program Approved Engineering Alternative Program	(R)
NAVSEALOGCENINST 4355.9	Receipt Inspection Requirements for LI/SS (Non-Nuclear) Stock Program	(R)

Enclosure (1)

NAVICP/NAVSEALOGCENINST 4355.12B

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Enclosure (1)

LEVEL I/SUBSAFE QUALITY ASSURANCE  
 1997 AUDIT CHECK LIST  
 ALL AREAS

MAR 13 1998

Ref: (a) NAVSUP/NAVSEAINST 4440.16B  
 (b) NAVICPINST 4420.170K

ATTRIBUTE/OBSERVATION	SAT	UNSAT	COMMENT
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A. PROCEDURES

1. Have internal procedures been developed to assure compliance with refs (a) and (b)?
2. Are responsibilities/procedures clearly defined?
3. Are procedures maintained current?
4. Are applicable instructions/procedures being followed?
5. Are copies of procedures available for easy access to personnel?

B. TRAINING

1. Is training provided personnel to familiarize them with program requirements per parag. 6 of ref (b)?
2. Is a training plan documented for new employees?
3. Is objective evidence maintained to verify attendance and satisfactory completion of training, including annual LI/SS refresher training?
4. Is a list of personnel involved in LI/SS work maintained, in order to insure that all eligible

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ATTRIBUTE/OBSERVATION	SAT	UNSAT	COMMENT
personnel complete annual LI/SS refresher training?			



LEVEL I/SUBSAFE QUALITY ASSURANCE  
 1997 AUDIT CHECK LIST  
 CODES 0241, 0243, 0252

MAR 18 1998

- Ref: (a) MIL-I-45208  
 (b) NAVICP/NAVSEALOGCENINST 9000.1E  
 (c) CONTGINST 4200.70F  
 (d) NAVICP/NAVSEALOGCEN OPERATING PROCEDURE #1  
 (e) CONTGINST 4200.32J  
 (f) NAVICPINST 4440.472B  
 (g) LI/SS Referral Tracking System (LISSTS) MOU

ATTRIBUTE/OBSERVATION	SAT	UNSAT	COMMENT
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A. GENERAL (STOCK/REPAIR/  
 CASREP BUYING FUNCTION)

1. Are RFQs and RFPs awarded only to contractors which are "qualified" with acceptable inspection systems per ref (a)?
2. Are waivers and deviations processed per ref (b)?
3. Are waivers and deviations on packaging requirements coordinated with Code 054 per ref (c)?
4. Is PTD forwarded to Code 8452 for assignment of CID number?
5. Is Code 845 on distribution list for all LI/SS/Q3 contracts and POs?
6. Are requests for waivers and deviations on Q3 material forwarded to Code 8452 for resolution?
7. Does Code 0243 forward requests for pre-award surveys to Code 8452 per paragraph 7 of ref (d)?
8. Does the final contract contain acceptance of deviations and waivers as approved by NAVSEALOGCEN/

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ATTRIBUTE/OBSERVATION	SAT	UNSAT	COMMENT
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Code 8452?

9. Are buys being combined to the greatest possible extent?

10. Is a copy of the RFP/RFQ furnished to the "in-plant" audit team?

11. Is cognizant DCMD element advised of pending audit?

12. Does Code 0243 advise Code 845/NAVSEALOGCEN of the appropriate contractor personnel and participating DCMD element personnel, if any, per ref (d)?

13. Are drawings, QA manuals/corrections, etc. forwarded to the appropriate organization for review/retention (e.g., QA manuals to Code 845)?

14. Code 0252 - Are all contract modifications forwarded to receipt activities?

15. Do instructions include directions to forward DCMD PAS results to QA when quality requirements are involved on a DCMD PAS?

16. Is a central control point established to "quarter back" common problem areas? Case: Swing check valves manufactured by P.J. Hydraulics.

17. What is the criteria used to retire contracts to Federal Records?

18. Are all folders/purchase orders/contracts and contract mods stamped "Level I" or "SUBSAFE"?

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ATTRIBUTE/OBSERVATION	SAT	UNSAT	COMMENT
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19. Pull a random sampling of 15-20 contract packages and review for pertinent information (e.g., Level I stamp, current 4200/37 check list (per ref (e)), etc.

**B. GENERAL (CONTRACT ADMIN FUNCTION)**

1. Are waivers and deviations processed per ref (c)?

2. Are waivers and deviations on packaging/packing/preservation/marking requirements coordinated with Code 0541 per ref (c)?

3. Are QDRs processed per ref (f)?

a. How are recommended actions performed?

b. How are actions controlled to assure all actions are taken?

c. Are copies provided to Code 8451L?

4. Is a "tickler file" used to monitor processing of vendor-liable QDRs within established time frames per paragraph 3 of ref (f)?

5. What actions are taken when delinquent?

6. Are disposition instructions or interim reply provided to the initiating activity per action due date?

a. How controlled?

b. How are subsequent actions controlled?

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ATTRIBUTE/OBSERVATION	SAT	UNSAT	COMMENT
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7. Are referrals sent to NAVSEALOGCEN processed per ref (g)?

a. How are internal referrals controlled?

b. Are follow-ups sent? Controlled?

c. How are contract follow-ups controlled?

8. Does Code 0243 direct the return of LI/SS material to contractors for replacement/refurbishment per ref (f)?

a. Is a file maintained for control of material returned to the contractor?

b. When is follow-up action taken?

c. What action is taken when a contractor is nonresponsive?

d. Are contractors back billed for nonresponse?

9. How is final disposition within 6 months from the date of receipt of the QDR controlled?

10. How is Code 845 review of final disposition controlled prior to release?

C. DELINQUENT CONTRACTS

1. What method is used to track delinquent contracts?

2. What procedures do you use to determine what actions to take concerning a delinquent

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ATTRIBUTE/OBSERVATION	SAT	UNSAT	COMMENT
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contract?

D. ACQUISITION LEAD TIME

1. What actions are you taking to reduce the acquisition lead time (NAVICP Tactical Goal)?

E. REPAIR 0243

1. What procedures do you use to ensure that LI/SS requirements are invoked into Repair Buys/BOAs?

2. When processing TRIPER repairs, how do you determine which buys are LI/SS?

NAVICP/NAVSEALOGCENINST 4355.12B

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ENCLOSURE (2)

LEVEL I/SUBSAFE QUALITY ASSURANCE MAR 13 1983  
 1997 AUDIT CHECK LIST  
 CODES M10, 051, 059

- Ref: (a) NAVSEA 0924-062-0010  
 (b) NAVSEA 0948-045-7010  
 (c) NAVICPINST 4440.472B  
 (d) SDCICINST 4440.428D  
 (e) NAVICPINST 4420.170K

ATTRIBUTE/OBSERVATION	SAT	UNSAT	COMMENT
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A. PROVISIONING

1. Is the Level of Essentiality (LOE) identified on PTD per refs (a) and (b)?
2. Where does the responsibility lie in assigning the LOE?
3. Is there a tracking system for APL assignments, revisions, and replacements?
4. Who reviews the RIC request for LOE?
5. Who is the final authority on LOE of TRIDENT material?
6. How are Supply Support Requests (SSRs) processed?
7. Is questionable LOE referred to Code 8452 for resolution? If so, by what means?
8. When PTD is received for 600psi, 1200psi, or nuclear steam systems, is it forwarded to 8452 for provisioning?
9. Do your internal procedures provide guidance on how to handle potential LI/SS items?

B. Q3 QUALITY DEFICIENCY REPORTS (10432)

1. Is there a separate control log for Q3 QDRs?

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ATTRIBUTE/OBSERVATION	SAT	UNSAT	COMMENT
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2. Are Q3 QDR files physically segregated from non-SMIC QDR files?

3. How are Q3 QDRs monitored/controlled?

4. Pull a random sample of an open Q3 QDR folder and check for pertinent information (e.g., QDR, cover sheet forwarding action, etc.).

5. Pull a random sample of a closed Q3 QDR folder and check for pertinent information (e.g., "closed" QDR, applicable correspondence, etc.).

C. CARPER ITEMS (Code 0512)

1. Are Reports of Discrepancies (RODs) processed per ref (c) and ref (d)?

2. Are spot buys/stock buys destined to PNS for certification?

3. Is a recall of defective or nonconforming material as outlined in ref (c) effective?

4. Are MDF data elements maintained to ensure integrity of LI/SS items per ref (e)?

LEVEL I/SUBSAFE QUALITY ASSURANCE MAR 13 1998  
 1997 AUDIT CHECK LIST  
 CODES 0541, 0544

Ref: (a) NAVICPINST 4420.170K  
 (b) NAVICPINST 4030.10J  
 (c) NAVICPINST 4440.472B

ATTRIBUTE/OBSERVATION	SAT	UNSAT	COMMENT
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A. ITEM IDENTIFICATION/  
 CATALOGING (CODE 0544)

1. How are NICNs assigned?
2. How is it determined which items will be variated?
3. How are NSOs handled?
4. How is a LI/SS designation determined?
5. How are LI/SS DLSC submissions handled? Per the requirements of ref (a)?
6. How are LI/SS SMIC designation downgrades handled?

B. PACKAGING (CODE 0541)

1. Are preservation, packaging, packing, and marking data for SMIC "SS/L1/C1/S1/SB" items developed per ref (b)?
2. How are LI/SS packaging referrals processed? Per what instruction?
3. Is a "tickler file" used to monitor processing of packaging RODs within established time frames per ref (c)?

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LEVEL I/SUBSAFE QUALITY ASSURANCE  
 1997 AUDIT CHECK LIST  
 ALL AREAS (Modified for NAVSEALOGCEN)

Ref: (a) NAVSUP/NAVSEAINST 4440.16B

ATTRIBUTE/OBSERVATION	SAT	UNSAT	COMMENT
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A. PROCEDURES

1. Have internal procedures been developed to assure compliance with ref (a)?
2. Are responsibilities/procedures clearly defined?
3. Are procedures maintained current?
4. Are applicable instructions/procedures being followed?
5. Are copies of procedures available for easy access to personnel?

B. TRAINING

1. Is training provided personnel to familiarize them with program requirements?
2. Is a training plan documented for new employees?
3. Is objective evidence maintained to verify attendance and satisfactory completion of training?

SAMPLE

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**SAMPLE**  
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LEVEL I/SUBSAFE QUALITY ASSURANCE  
1997 AUDIT CHECK LIST  
NAVSEALOGCEN CODES N44

- Ref: (a) LI/SS Support Engineering Division Desk Manual System  
(b) NAVSEALOGCENINTINST 4355.1  
(c) Desk Guide for VASP  
(d) NAVICP/NAVSEALOGCEN OPERATING PROCEDURE #2  
(e) NAVSEALOGCENINTINST 4355.7  
(f) NAVSEALOGCENINTINST 4355.8  
(g) NAVSEA 0924-062-0010  
(h) NAVSEA 0948-045-7010  
(i) TDP Review MOU (Change Transmittal 1)  
(j) Desk Guide for Internal Processing and Control of LI/SS TDPs  
(k) Desk Guide for LI/SS Contract/P.O. Review  
(l) Desk Guide for Review of QALIs  
(m) Desk Guide for Joint Source Certification Inspection  
(n) NAVSEALOGCENINST 4355.9A

ATTRIBUTE/OBSERVATION	SAT	UNSAT	COMMENT
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A. GENERAL (CODE N44)

1. Are purchase referrals tracked/controlled via the Purchase Referral Tracking System per ref (a)?

(a) Are records readily retrievable?

(b) Are records readable?

2. Are ECPs being processed in accordance with current instructions/procedures?

(a) Are ECPs being properly logged in/out? Does the log indicate ECP vice deviation, etc.?

(b) When changes are approved, are the procurement specifications changed to reflect these changes?

(c) Where ECP requests are approved or disapproved, do case files contain adequate records of all transactions which led to the final case decision?

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3. Are requests for waivers and deviations being processed in accordance with current instructions/procedures?

(a) Where instructions permit NAVSEALOGCEN approval authority via telephone consultation with NAVSEA, are phonecon records maintained with the case file?

(b) Are requests for Deviations/Waivers being properly logged in-out?

4. Is the VASP program operating smoothly?

(a) Is monthly contractor assessment data forwarded in a timely manner to NAVICP for use as a decision-making tool?

(b) Is the capability in place to generate various special reports required by NAVICP?

(c) Is the VASP data base updated bi-monthly with data received from NMQAO?

(d) Is file maintenance performed as required to correct errors in data received from NMQAO?

(e) Is data from NAVICP/NAVSEALOGCEN surveys entered into the VASP data base by NAVSEALOGCEN?

5. Are POS handled as required?

(a) Are requests for a POS initiated at least 60

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ATTRIBUTE/OBSERVATION	SAT	UNSAT	COMMENT
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days prior to the proposed survey date per ref (d)?

(b) Is there a log or some record indicating POS was conducted?

(c) Does the letter to NAVICP requesting arrangements for POS indicate the problem areas(s) that prompted the request for a survey?

(d) Are Survey results entered into contractor assessment files?

#### 6. AEA/AEC

(a) Are the procedures outlined in refs (e) and (f) adhered to?

(b) Pull a sampling of 5-6 referral/narrative packages. Is information contained in the packages consistent with the information contained in the AEA/AEC data bases?

(c) Is data base information purged periodically when information is no longer applicable (due to cancellations/supersession of stock numbers, deactivation of users, recall of material, etc.)?

#### 7. Technical Data Package (TDP) Review

(a) Do NAVSEALOGCEN personnel perform engineering reviews of TDPs per ref (i) and (j) to assure requisite quality material will be provided the receiving activity?

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(b) Do NAVSEALOGCEN personnel provide feedback to NAVICP technical personnel on TDP changes and standard paragraph development?

(c) Does NAVSEALOGCEN provide monthly discrepancy reports to NAVICP?

8. Level of Essentiality (LOE) Reviews

(a) Are system and component drawings, SSCBs or SMCBs, and Level I Boundary Books used to make determinations?

(b) When required, is feedback and/or coordination initiated with the applicable NAVSEA technical code?

9. LI/SS Contract Reviews

(a) Is a post-award review of all LI/SS contracts/purchase orders forwarded to N44 by Code 0243 performed according to NAVSEALOGCEN desk guide (ref k)?

(b) Are discrepancies noted and reported to Code 0243?

(c) Are all LI/SS contracts submitted for review properly entered in the NAVSEALOGCEN database?

10. QALIs

(a) Are QALIs issued according to NAVSEALOGCEN desk guide (ref l)?

(b) Are QALIs properly entered in the NAVSEALOGCEN database?

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11. Joint Source Certifications

(a) Are joint source certifications invoked according to NAVSEALOGCEN desk guide (ref m)?

12. Receipt Inspection Requirements

(a) Are current LI/SS receipt inspection requirements provided to appropriate activities per ref (n)?

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MAR 10 1993

LEVEL I/SUBSAFE QUALITY ASSURANCE  
1997 AUDIT CHECK LIST  
CODES 8451, 8452

- Ref: (a) NAVICP/NAVSEALOGCENINST 4355.12A  
 (b) NAVICP/NAVSEALOGCEN OPERATING PROCEDURE #2  
 (c) NAVICP/NAVSEALOGCEN OPERATING PROCEDURE #1  
 (d) NAVICPINST 4420.170K  
 (e) NAVSUP/NAVSEAINST 4440.16B  
 (f) NAVICPINST 4440.472B  
 (g) NAVICP/NAVSEALOGCENINTINST 9000.1E  
 (h) SPCCINTINST 4440.428D  
 (I) LI/SS Operating Instruction #1

ATTRIBUTE/OBSERVATION	SAT	UNSAT	COMMENT
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A. INTERNAL AUDIT (Code 8452)

1. Are internal audits accomplished per ref (a)?
2. Are internal audits performed annually?
3. Are internal audits performed by personnel knowledgeable in the areas being audited?
4. Is definitive action taken on reported findings to assure compliance with applicable requirements?
5. Does the NAVICP Audit Administrator perform to ref (a)?

B. GENERAL (Code 8451)

1. Are Reports of Discrepancies (RODS) processed per ref (f) & ref (h)?
2. Are spot buys/stock buys destined to PNS for certification?
3. Are extra units of covered welding electrodes procured for testing purposes?

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4. Does Code 8451 maintain proper inventory levels for established items at the major stock points and limited range LI/SS stock points per ref (d)?

5. Is recall of defective or nonconforming material as outlined in ref (f) effective?

6. Are MDF data elements maintained to ensure integrity of LI/SS items per ref (d)?

7. Is Code 8451 represented at program audits of receipt and stocking activities?

8. During program audits, is "in bin" count taken and "bumped" against NAVICP records?

C. CONTRACTOR SURVEYS  
(Code 8452)

1. Do Code 8452 personnel participate in contractor pre-award, post-award and product oriented surveys in conjunction with CAO per refs (b) and (c)?

2. Do Code 8452 personnel coordinate attendance and actions by other NAVICP codes as required per refs (b) and (c)?

D. RODS AND QDRs (Code 8451)

1. Do Code 8451 personnel administer RODs/QDRs per ref (f)?

2. Are RODs/QDRs processed

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per ref (f)?

3. How do Code 8451

personnel monitor/control  
RODs/QDRs?

4. Do Code 8451 personnel  
notify inspection activities  
on non-vendor liable RODs/QDRs  
in a timely manner to preclude  
issue of QDR to NMQAO?

5. Is there follow-up  
action to determine whether  
certifying activities have  
carried out material  
disposition instructions?

6. Pull a random sample  
of 3-4 open QDR folders  
and check for pertinent  
information (e.g. QDR,  
cover sheet forwarding  
action, etc.).

7. Pull a random sample  
of 3-4 closed QDR folders  
and check for pertinent  
information (e.g. "closed"  
QDR (SF-368), DLA Form  
1227, and applicable  
correspondence).

8. Are "Implementation  
of Corrective Action  
Memorandums" forwarded to  
8452 when NAVSEALOG referral  
responses cite the need for  
documentation/specification  
changes?

9. How are pre-certified  
(user) QDRs handled?

E. GENERAL (Code 8452)

1. Are corrections to  
contractor survey findings  
received and evaluated for

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adequacy per refs (b) and (c)?

2. Is all information relating to surveys and qualification of LI/SS contractors maintained in Contractor History Files?

F. PROVISIONING (CODE 8452)

1. Are provisioning determinations effected as delineated in encl (3) to ref (d)?

2. Are CID number sequences assigned as noted in ref (d)?

3. Is special cleaning data entered into the characteristic portion of the applicable APL?

4. Is PTD received on current N00104 contracts/purchase orders reviewed for acceptance/rejection in a timely manner?

5. Are detailed drawings for equipments, components and repair parts being recommended for system stock obtained during the provisioning cycle?

6. Are SMIC codes assigned to NSNs according to appendix 17 of NAVSUP Pub 437 per ref (d)?

7. Are part numbers/reference numbers entered into the SPS system during provisioning of an item?

8. Is the appropriate SMIC appended to the part/reference number reflecting FSCM 03950?

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9. When initiating procurement via the SPS program, is material designated for shipment to "full range" stocking activities as applicable per ref (d)?

10. Are DEN codes as delineated in para. 6.d.(8) of ref (d) loaded into the appropriate database, e.g., SPS?

11. What do you do when you discover that the item you are provisioning is non-level?

#### G. PROCUREMENT DOCUMENTS

1. Are procurement documents processed per refs (d) & (i)?

2. Are the guidelines for document processing clearly defined?

3. Are mechanized data base and related software reviewed for accuracy and properly maintained for applicable items? (MDF, DLSC, etc.)

4. Is LOE reviewed and properly assigned per applicable ships class?

#### H. PROCUREMENT PACKAGES

1. Does 8452 maintain a current listing of all approved specification boilerplate paragraphs?

2. Does 8452 utilize only NAVSEALOGCEN approved specification boilerplate paragraphs for format/content of procurement specifications?

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3. Is continuity maintained with regard to specification requirements (i.e., format, boilerplate paragraphs, NDT, etc.)?

4. Are boilerplate specifications maintained?

5. Are specification changes handled in a complete and concise manner?

6. Are latest revisions of drawings, specifications, etc. utilized for procurement specification preparation?

7. Does Code 8452 provide guidance to provisioning, allowance, cataloging, etc. codes on LOE assignment associated with provisioning buys/procurement specifications?

8. Does Code 8452 coordinate action with higher authority HSC/ISEA on specification requirements/LOE?

9. Is ordering data of military/federal specifications followed?

10. Are NAVSEALOGCEN-approved proprietary drawings sent to the library for photocopying?

I. PURCHASE REFERRALS/REQUESTS FOR WAIVER/DEVIATION (Code 8452)

1. Are purchase referrals handled per refs (g) and (i)?

2. Are specification changes implemented as a result of NAVSEALOGCEN referrals?

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3. Is blanket authority from NSLC concerning repetitious deviations/waivers on file and used appropriately?

4. Does Code 8452 forward requests for deviations/waivers to NAVSEALOGCEN Code N44 as required by ref (g)?

5. Are documentation/specifications revised to reflect changes required by NAVSEALOGCEN QDR referral responses? Check "Implementation of Corrective Action Memorandums" forwarded by NAVSEALOGCEN against the specification requiring change.

J. STOCK PROGRAM CATALOG  
(6010) (Code 8452)

1. Does Code 8452 make appropriate changes?

2. Is publication initiated on a regular basis?

3. Is catalog complete/properly formatted?

K. FILES MAINTENANCE  
(Code 8452)

1. What procedures are used to upgrade or downgrade a stock number?

2. What actions do you perform when an outside activity discovers that a Non-Level NSN should be SUBSAFE or Level I?

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3. Is timely action taken to ensure file maintenance actions have not been rejected, and if rejected a second time what actions are then taken?

4. What is AIMS and how is it used?



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QUALITY AUDIT REPORT

ITEM/REFERENCE:

AUDITORS:

DISCUSSED WITH:

FINDING:

DISCUSSION:

RECOMMENDATIONS:

COMMENTS:

Enclosure (3)

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Enclosure (3)

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NAVICP/NSLC 1995 Internal Audit  
Team 4 Summary Report

AREA: NAVSEALOGCEN (N44)

AUDITORS: Barry Jones, NAVICP Code 8452A, X5296  
Robert Hoyle, NAVICP Code 8452B, X4357

PERSONS CONTACTED: Robert Romanoski, Director, (N44), X3259  
Linda Bookwalter, (N44), X1422  
Alice Worhach, (N44), X1896  
Sean Leighton, (N44), X5196  
Dan Hohman, (N44), X5260  
Rex Feldmiller, (N44), X1781  
Dennis Ditmer, (N44), X7818

PROCEDURE: The process used by Team 4 was a two-part procedure. The first step was to review existing instructions against current LI/SS and procedural requirements. The second part of the review consisted of reviewing the actual process against procedures and instructions.

COMMENTS: The standard functional areas were audited. A short summary paragraph on each functional area, with observations/comments noted, follows:

a. Purchase referral tracking control: The current system employed by NSLC provides an automated process that is very useful as well as user friendly. This system provides multiple selection capabilities as well as rapid records identification and retrieval. Procedures and instructions are generally current, and there is a program for periodic review and updating. However, one instruction is awaiting revision as observed in 95-T4-01.

b. Engineering Change Proposal (ECP) Process: The ECP process was reviewed and found to be acceptable and working correctly. Report 95-T4-02 identified an administrative observation wherein the DD 1692 was not retained as a part of the purchase referral Objective Quality Evidence package.

c. Waiver and deviation process: The waiver and deviation practices for NAVSEALOGCEN were found to be sound. However, concerns were observed regarding an administrative issue on DD 1694, Block 26 completions as identified by 95-T4-03.

d. Vendor Assessment Program (VASP): NAVSEALOGCEN has recently developed a new VASP users guide (April 1995) which describes the capabilities of the system. A wide variety of data reports are available; these reports were reviewed/demonstrated and found

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acceptable. The VASP data base is updated bi-monthly from NMQAO data. This program provides maintenance capabilities to initiate remote corrections to data received from NMQAO. The VASP program has the required capabilities to provide excellent support to the Level I/SUBSAFE Stock Program and is functioning properly.

e. Product Oriented Survey (POS): This program was reviewed against SPCC/NAVSEALOGCEN INST 4355.4B. During the review it was noted that three POSs have been conducted recently. Review of the Albar Machine Corp. POS was found to be in compliance with applicable instructions. Report 95-T4-04 discussed the Vendor Assist Visit (VAV) Program, which is another form of contractor surveillance led and administered by NAVSEALOGCEN. It should be noted that this type of survey is performed much more frequently than POSs. As observed, a MOU is currently in the final chop cycle for VAVs.

f. Technical Data Package (TDP) Process: The engineering review process and coordination between NAVICP and NAVSEALOGCEN is functioning very well. There have been numerous value added self-improvements implemented since NSLC assumed this function. As observed by 95-T4-05, existing agreements/documentation require revision to reflect these improvements.

g. Level of Essentiality (LOE) Reviews: The LOE process employed by NAVSEALOGCEN was reviewed and found to be generally sound. The proper documents and reference material are used to make these decisions. When required coordination and feedback are being initiated with the appropriate NAVSEA technical code. A tracking system has also been established to monitor all LOEs.

SUMMARY: In general, all functional areas were found to be in good order. All NAVSEALOGCEN personnel audited were cooperative and knowledgeable in their respective areas. Written procedures are established and were made available to the audit team. The established procedures were being followed in most instances. The audit team did note that some procedures are currently incorrect due to reorganizations/code changes and value added self-improvements. The audit team would like to thank the NAVSEALOGCEN (N44) personnel for their cooperation.

\_\_\_\_\_  
Barry Jones

\_\_\_\_\_  
Robert Hoyle

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## CLOSING ACTION ACCEPTANCE

This confirms that the closing action provided by Code \_\_\_\_\_  
for Audit Finding/Observation \_\_\_\_\_ is acceptable.

Signatures:

Audit Team Leader: \_\_\_\_\_ Date: \_\_\_\_\_

Audit Administrator: \_\_\_\_\_ Date: \_\_\_\_\_

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