



**QP 5 INTERNAL AUDIT CHECKLIST FOR SSPC CERTIFIED INSPECTION COMPANY QUALITY AUDITS**

Company Name: \_\_\_\_\_  
 Location Audited: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
 E-mail: \_\_\_\_\_ Web: http:// \_\_\_\_\_

|               |       | Internal Audit |              |           |           |       |      |
|---------------|-------|----------------|--------------|-----------|-----------|-------|------|
| Performed By: | _____ | Name & Title   | _____        | Signature | _____     | Date  |      |
|               | _____ | Name & Title   | _____        | Signature | _____     | Date  |      |
|               | _____ | Name & Title   | _____        | Signature | _____     | Date  |      |
|               | _____ | Name & Title   | _____        | Signature | _____     | Date  |      |
|               | _____ | Name & Title   | _____        | Signature | _____     | Date  |      |
| Approved By:  |       | _____          | Name & Title | _____     | Signature | _____ | Date |

**(Note: Must be approved by your CEO, Chief Operations Officer, President or other Responsible Executive)**

# SSPC: The Society for Protective Coatings

## ANNUAL INSPECTION COMPANY INTERNAL AUDIT REPORT

The following questions must be answered by the inspection company's technical/quality manager or designated responsible executive representative performing the Annual QP 5 internal Audit.

1. Have you replaced key management personnel in the past year?

Yes (If Yes, list names and titles below)  No.

Name \_\_\_\_\_ Title \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

2. Has your company undergone (within the past 12-18 months) or planning to undergo any major organizational changes (e.g. name change; change in ownership; Chapter 7, 11, 13; purchase or takeover of another inspection firm, etc.

Yes If yes, please attach explanation.  No

3. Have you completed and signed the annual internal audit?

Yes  No

(The certification cannot be continued without you completing the annual internal audit).

4. Has your company been disqualified or disbarred from working for any facility owners.

Yes  No

If yes, please provide the reason for the disqualification or disbarment and the name of the facility owner and its contact person.

5. Has the previous SSPC QP 5 external audit been reviewed by the TQM prior to completing this internal audit?

Yes  No

6. Have previous major or minor corrective actions reports been reviewed and corrective actions verified?

Yes  No

## Rating Procedure

The QP 5 audit criteria contains forty items of information which coating inspection organizations must comply with.

To complete the Annual Internal audit, rate your company on each item using the scale of 1-3 as explained below.

When completed, submit the original copy, along with the Annual Maintenance Fee, and the annual maintenance application to the SSPC Certification Manager, who will then arrange for your on-site external audit.

## Scoring Criteria

### Criteria

1. CAR = Corrective Action Report required for each Major or Minor deficiency found by the auditor.
2. Remedial action for a MAJOR CAR requires a submission of a corrective action report to the Program Manager followed by an on-site re-audit to confirm that the deficiency has been corrected and the root cause addressed.
3. Remedial action for a MINOR CAR requires submission of an acceptable corrective action report to the Program Manager within 90 days of notification of audit results. Four (4) or more minor CARs may also trigger a follow-up audit.

### Rating Definitions & Scoring Terms

- a. **Rating “1”** – (Major CAR) The required training, written program, practice or procedure is non-existent or required training or written program is inadequate (i.e., required practice and procedure in place sporadically – less than 2/3 implemented).
- b. **Rating “2”** – (Minor CAR) The training or written program is adequate or requires minor revisions (i.e., practice or procedure is in place with isolated instances of non-conformance – no more than 1/3 of the time. e.g., lack of practice or documentation due to personnel turnover, non-performance by field personnel, or extenuating circumstances.)
- c. **Rating “3”** – (No CAR required) The company consistently adheres to specific training and written program requirements; required practice and procedures consistently meet the letter of the standard.

|                                       | QP 5 REFERENCE  | M.A.R.   | SCORE                           | COMMENTS |
|---------------------------------------|---|--|---------------------------------|----------|
| <b>I. ORGANIZATION AND MANAGEMENT</b> |   |  |                                 |          |
| 1.                                    | 4.1<br>Legal Identifiability of Organization  | There is documentation that all of the company's business offices are legally identifiable.<br>Examples of acceptable documentation include:<br>1. Certificate of good standing from home state.<br>2. Registration or authorization to do business in states where practicing.<br>3. Incorporation documents.<br>4. Tax returns.<br>5. Insurance<br>a. Worker's compensation<br>b. Liability<br>c. Errors and Omissions<br>d. Other   | 1 2 3                           |          |
| 2.                                    | 4.1.1<br>Identifiability of Inspection Body Within a Larger Organization  | The inspection unit of the company is identifiable as a unit and operates as such. Organization chart, company practices, procedure manuals, <u>and</u> job duties performed, confirm the separate identity. The Organization chart shows clear lines of authority within company and is updated and signed by the CEO annually.   | 1 2 3                           |          |
| <b>Personnel Qualifications</b>       |   |  |                                 |          |
| 3.                                    | 4.2.5 & 4.2.7<br>Technical/Quality Manager (TQM)<br><br><b>Submittal Item</b><br><b>Names of TQM and back-ups and assistants and their formal training and experience</b> | <ul style="list-style-type: none"> <li>The company employs a technical or quality manager (TQM) who has responsibility and authority to implement and monitor compliance with quality procedures as they apply to coating and lining inspection activities.</li> <li>The TQM reports directly to the owner, president, CEO, or COO, or other company executive (hereinafter referred to as Responsible Executive or RE), or is one of these persons. Job duties, organization chart and company practice confirm this.</li> <li>The TQM is a certified SSPC PCS or NACE Certified Coatings Inspector or holds a BS degree in corrosion science, corrosion engineering or materials science and has at least 10 years of corrosion or coatings-related management, inspection, or other relevant experience.</li> </ul> | 1 2 3<br><br>1 2 3<br><br>1 2 3 |          |
| Item Score                            |   |  |                                 |          |

|    | QP 5 REFERENCE  | M.A.R.   | SCORE                                  | COMMENTS |
|----|---|--|--|----------|
| 4. | 4.2.8<br>TQM backup plan  | <ul style="list-style-type: none"> <li>There is a written plan appointing a designated replacement, by name, who has equivalent qualifications.</li> <li>The plan has been approved by the RE and requires designated replacements to report directly to the RE.</li> </ul>  | <p>1 2 3</p> <p>1 2 3</p>              |          |
|    |   | Item Score   |  |          |
| 5. | 5.3<br>Auditor Qualifications<br>(for the Internal audit process)         | <ul style="list-style-type: none"> <li>Minimum managerial qualification - SSPC Level II.</li> <li>Completed audit training from either a recognized audit-training source such as ASQ or an internal training program using a curriculum accepted by the SSPC Certification Manager.</li> <li>Shall possess the ability to communicate orally and in writing. The Company President or CEO shall attest to these skills in writing.</li> </ul> <p><b>Auditor note 1:</b> An internal auditor may be part of the inspection program when not performing audit functions, however, when functioning as an internal auditor, no individual may audit any inspection work performed by his/her division. The underlying principle is that no one shall be allowed to audit their own work or work they are directly responsible for.</p> <p><b>Auditor note 2:</b> The training should be curriculum-driven rather than a specific number of hours. See Item G.4 of Additional Explanatory Notes Section in the QP-5 Application/Instruction packet (<a href="http://www.sspc.org/certification/PCCP/PCCPforms.html">www.sspc.org/certification/PCCP/PCCPforms.html</a>)</p> | <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> |          |
|    |   | Item Score   |  |          |
| 6. | 4.2.4<br>Supervision &<br>Training of<br>Company's Coatings<br>Inspectors | <ol style="list-style-type: none"> <li>There is evidence that the person(s) providing supervision and training of coatings inspectors are familiar with all equipment, processes, and procedures for conducting inspections and tests, evaluating results and properly documenting and reporting inspection results.</li> <li>Minimum qualification SSPC Level II, or as alternatively qualified by the TQM.</li> </ol>  | <p>1 2 3</p> <p>1 2 3</p>              |          |
|    |   | Item Score   |  |          |

|   | QP 5 REFERENCE                                 | M.A.R.   | SCORE                  | COMMENTS |
|---|--|--|------------------------|----------|
| 7.  | 4.2.5 and 4.2.7<br>TQM                         | <ul style="list-style-type: none"> <li>There is evidence that the appropriate processes, procedures, and controls managed by the TQM have been established and distributed to all persons involved in the inspection program.</li> <li>There is evidence that the TQM has acted (i.e., performed prescribed duties) and is actively involved in inspection activities on an ongoing basis.</li> </ul> <p><b>Auditor note:</b> The TQM function may be handled by one or more persons. In a small company, the TQM might be one person. In a larger company, there should be a senior person in the position of overall responsibility, and other qualified persons may perform some of the implementation portions of the program, as assistant TQM's. The key is to look for functionality by qualified persons, and to ensure that all required functions are accomplished. The TQM is expected to be the program manager, and is expected to exert significant oversight responsibilities through routine review of the inspection process.</p> | <br>1 2 3<br><br>1 2 3 |          |
|   |  | Item Score   |                        |          |
| 8.  | 4.2.8<br>TQM backup plan                       | <p>Plan exists and there is evidence that the back up plan is being implemented in the absence of the TQM.</p> <p><b>Auditor note:</b> There is a plan for delegating responsibility to backups, and there is correspondence designating the backup for each occasion that the TQM has been unavailable. This is part of the required trail of responsibility.</p>   | 1 2 3                  |          |
| 9.  | 4.2.9<br>Confidentiality of client information | <ul style="list-style-type: none"> <li>There are written policies and procedures to ensure confidentiality of client information. Policies describe procedures for basic confidentiality of all records, and compliance with contract requirements.</li> <li>The company can demonstrate, by written examples, that these policies are current and enforced.</li> </ul>  | <br>1 2 3<br><br>1 2 3 |          |
|   |  | Item Score   |                        |          |
| <b>II. QUALITY SYSTEM, AUDIT AND REVIEW</b> |  |  |                        |          |
| 10.   | 5.1<br>Quality program                         | <ul style="list-style-type: none"> <li>There is a written quality manual.</li> <li>There is written documentation that it is communicated to all affected personnel.</li> <li>There is evidence that procedures in it are followed by all affected personnel.</li> </ul>   | 1 2 3                  |          |

|     | QP 5 REFERENCE   | M.A.R.   | SCORE  | COMMENTS |
|-----|--|--|--|----------|
| 11. | 5.2<br>Quality manual<br>Content<br><br><b>Submittal Item<br/>Quality Manual</b> | <p>The written quality manual clearly states the company's policies and operational procedures as they pertain to inspection activities:</p> <p>At a minimum, the quality manual shall contain:</p> <ul style="list-style-type: none"> <li>• A quality policy statement, including objectives and commitments, by executive management.</li> <li>• The organization and management structure of the inspection company (group, division, department, etc.), its place in any parent organization and relevant organizational charts.</li> <li>• The reporting relationship between management, technical operations, support services and the quality system.</li> <li>• Procedures for control (including distribution) and maintenance of all quality control procedures and corporate record keeping and retention policies.</li> <li>• Job descriptions of key staff and reference to the job descriptions of other staff.</li> <li>• Identification of the inspection company's approved signatories (where this concept is appropriate).</li> <li>• The inspection company's procedures for achieving traceability of measurements against industry standards and manufacturer's recommendations.</li> <li>• The inspection company's general scope of inspections and tests. (The precise scope of an inspection will be determined by the terms of the individual contract or work order.)</li> <li>• Appropriate and clear reference to the inspection, verification and test procedures to be used.</li> </ul> | <br><br><br>1 2 3<br><br>1 2 3<br><br>1 2 3<br><br>1 2 3<br><br>1 2 3<br><br>1 2 3<br><br>1 2 3<br><br>1 2 3 |          |
|     |  | Item Score   |  |          |
| 11. | 5.2 Quality manual   | <ul style="list-style-type: none"> <li>• Procedures for performing inspections and tests.</li> <li>• Reference to any inspection equipment and reference measurement standards used.</li> <li>• Reference to procedures for inspection, calibration, verification and maintenance of equipment as required.</li> </ul>   | 1 2 3<br><br>1 2 3<br><br>1 2 3  |          |
|     |  | Item Score   |  |          |

|     | QP 5 REFERENCE  | M.A.R.   | SCORE | COMMENTS |
|-----|---|--|-------|----------|
| 12. | 4.2.1<br>Management review<br>(By TQM)  | <p>There is evidence that the TQM periodically (daily upon project or inspector “start-up”, weekly until manager is satisfied with inspector’s ability to act independently, and monthly thereafter) reviews “work” performed by inspection personnel.</p> <p>Auditor note: “Work” is defined, in this instance, as project documentation but could also include onsite observation of the inspector in the field. This function might be performed by the TQM or an Assistant TQM, consistent with the structure of the company.</p>  | 1 2 3 |          |
| 13. | 4.2.2<br>Independent<br>verification of<br>inspection result by<br>Supervisor | <p>There is written evidence (sign off) that inspection results are verified by a competent supervisory level person not directly performing the inspections.</p> <p><b>Auditor note 1:</b> This should be accomplished by a supervisor/competent person, an assistant TQM, or the TQM, consistent with the structure of the company. Every inspection report shall be reviewed and “signed off” by a qualified person while the project is in progress, to the extent practical.</p> <p><b>Auditor note 2:</b> If a competent person is not minimum SSPC Level II, check the written qualifications and verify that the requirements of the position have been appropriately considered. The individual’s qualifications and the hiring official’s basis for hiring must be fully documented.</p> <p><b>Auditor note 3:</b> Supervision is not the same as internal auditing.</p> | 1 2 3 |          |

|     | QP 5 REFERENCE   | M.A.R.   | SCORE   | COMMENTS |
|-----|--|--|---|----------|
| 14. | 4.2.3<br>Review of "field work" for conformance with contract requirements | <ul style="list-style-type: none"> <li>• There is written evidence that inspection results/tests are independently reviewed <b>in the field</b> on a spot basis by a competent supervisor to ensure conformance with specifications and other contract requirements.</li> <li>• There is a company policy for spot checks, and documentation of specific project changes.</li> <li>• Look for sign-off specific to this task and corresponding travel/expense/trip records.</li> </ul> <p><b>Auditor note:</b> Where specifically documented, and performed by a qualifying auditor, independent of the inspection program, such field checks can be considered part of the internal audit process.</p>  | 1 2 3   |          |
| 15. | 5.3<br>Internal audit of inspection activities                             | <ul style="list-style-type: none"> <li>• Company has a plan that outlines the particulars of internal audits (who, when, where, etc.). At a minimum, the plan meets SSPC Guidelines for internal auditing (see Appendix A of the QP 5 application attached to the back of this checklist.)</li> <li>• Audits are conducted, findings documented, and results reported to the RE in accordance with company procedure for internal audits.</li> <li>• A minimum of 50% of your projects (requiring more than one day of inspection) are audited at least once during the project, or within 3 months of project completion, but in no case less than once every 12 months.</li> <li>• Projects requiring internal auditing by clients are audited.</li> <li>• An internal audit is performed upon receipt of a formal client or contractor complaint regarding the inspection process.</li> <li>• Corrective actions are documented and implemented within <u>5</u> working days after notifying executive management of results.</li> <li>• Findings are tracked until corrected.</li> <li>• Correction of findings is documented.</li> <li>• Clients, whose work is affected by an audit finding, are notified in writing within <u>15</u> working days after management is notified.</li> <li>• Audits are conducted by <u>qualified</u> personnel.</li> </ul> <p><b>Auditor note:</b> An internal audit can be expected to require approximately 2-4 hours for the first 120 hours of</p> | <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> |          |

|   | QP 5 REFERENCE   | M.A.R.   | SCORE  | COMMENTS |
|---|--|--|--|----------|
|   |  | inspection work reviewed, and approximately 1 hour for each additional 120 hours. Significant deviation from these guidelines should be evident in the quality and completeness of the internal audit reports.   |  |          |
|   |  | Item Score   |  |          |
| 16.                                     | 5.4<br>Quality system review by the Responsible Executive (RE)<br><br><b>SSPC LEVEL II</b>                               | <ul style="list-style-type: none"> <li>• The quality manual and implemented system is reviewed at least annually by the RE.</li> <li>• The review is documented in writing.</li> <li>• There is documentation that changes are made and disseminated to affected staff according to a review and revision schedule.</li> </ul>   | <p style="text-align: center;">1 2 3</p> <p style="text-align: center;">1 2 3</p> <p style="text-align: center;">1 2 3</p>   |          |
|   |  | Item Score   |  |          |
| 17.                                     | 5.6<br>Periodic checks by the Responsible Executive (RE)   | <u>Periodic</u> checks (at least annually) are made and documented by the RE to verify that the following are performed: <ol style="list-style-type: none"> <li>1. Written internal quality control procedures using, when possible, statistical techniques to determine appropriate sampling.</li> <li>2. Participation in proficiency testing or other qualification programs.</li> <li>3. Use of certified reference materials or in-house QC using secondary reference materials.</li> <li>4. Continual evaluation of oversight requirements.</li> <li>5. Supervisory review of inspection results.</li> </ol> | <p style="text-align: center;">1 2 3</p> <p style="text-align: center;">1 2 3</p> <p style="text-align: center;">1 2 3</p> <p style="text-align: center;">1 2 3</p> <p style="text-align: center;">1 2 3</p> |          |
|   |  | Item Score   |  |          |
| <b>III. QUALIFICATION OF INSPECTORS</b> |  |  |  |          |
| 18.                                     | 6.3<br>Qualification and training program<br><br><b><u>Submittal Item</u></b><br><b>Summary of Qualification Program</b> | <ul style="list-style-type: none"> <li>• There is a written documented program in place to qualify and train coatings inspectors.</li> <li>• The program, at a minimum, must qualify inspectors on three levels as defined in QP-5.</li> </ul> <p>Inspectors must pass written and practical tests. The results recorded in their personnel file.</p> <p><b>Auditor note:</b> See note at end concerning exceptions.</p>   | <p style="text-align: center;">1 2 3</p> <p style="text-align: center;">1 2 3</p>  |          |
|   |  | Item Score   |  |          |



|     | QP 5 REFERENCE   | M.A.R.   | SCORE   | COMMENTS |
|-----|--|--|---|----------|
|     |  | <p>experience in inspection activities as described in SSPC Level I, No. 1.</p> <ul style="list-style-type: none"> <li>B.A. or B.S. Degree plus 6 months of related experience in inspection activities described in SSPC Level 1, No. 1.</li> </ul>   | <p>1 2 3</p> <p>1 2 3</p>   |          |
|     |  | Item Score   |   |          |
| 21. | <p>6.3.3<br/>Qualification and training of inspectors</p> <p><b>SSPC LEVEL III</b></p> | <p>1. SSPC Level III Coatings Inspectors shall be capable of carrying out all of the duties and responsibilities of a SSPC Level II Coatings Inspector. In addition, the SSPC Level III Coatings Inspector shall be capable of:</p> <ul style="list-style-type: none"> <li>Certifying SSPC Level I and SSPC Level II Coatings Inspectors</li> <li>Responsible for evaluating the programs adequacy used to train Coatings Inspectors.</li> <li>Responsible for authorizing SSPC Level II Inspectors to do training &amp; examination duties.</li> <li>Responsible for approving inspection procedures.</li> </ul> <p>2. SSPC Level III Coatings Inspectors shall meet one or more of the following:</p> <ul style="list-style-type: none"> <li>High school diploma or equivalent plus six years of satisfactory performance as a SSPC Level II Coatings Inspector in the activities described in SSPC Level II, No. 1.</li> <li>High school diploma or equivalent plus ten years of related experience in inspection activities as described in SSPC Level II, No. 1.</li> <li>High school diploma or equivalent plus eight years experience in equivalent inspection activities, with at least two years as a SSPC Level II Coatings Inspector</li> <li>Associate Degree and seven years of related experience in inspection activities as described in SSPC Level II, No. 1.</li> <li>B.A. or B.S. Degree plus five years of related experience in equivalent inspection activities as described in SSPC Level II, No. 1.</li> </ul> | <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> |          |
|     |  | Item Score   |   |          |
| 22. | <p>6.4<br/>Continual qualification of inspectors</p>                                   | <p>The company shall have a written policy for training and/or technical society participation for continual qualification at each level.</p>  | <p>1 2 3</p>  |          |

|     | QP 5 REFERENCE                                | M.A.R.   | SCORE                     | COMMENTS |
|-----|---|--|---------------------------|----------|
| 23. | 6.5<br>Qualification<br>documentation         | <ul style="list-style-type: none"> <li>There is evidence that the qualification and training program has been implemented.</li> <li>Records of relevant qualification, training and skills, and experience are accurate and current.</li> </ul> <p><b>Note to Auditor:</b> Sample 2 or 3 inspector records at random from each category (SSPC Level I, II, III). SSPC Level I and II inspectors will be qualified by SSPC Level II and III inspectors, but there may not be a higher-level qualified person to qualify the SSPC Level III inspectors, or at least the TQM. The latter must be addressed by the company.</p>  | <p>1 2 3</p> <p>1 2 3</p> |          |
|     |   | Item Score   |                           |          |
| 24. | 6.2.1/6.2.4<br>Near distance visual<br>acuity | <ul style="list-style-type: none"> <li>Each inspector is examined annually to ensure natural or corrected near distance visual acuity. The inspector shall read the J-1 letters of a standard Jaeger Test Chart or equivalent, at a distance of not less than 12 inches with one or both eyes, corrected or uncorrected.</li> <li>Exams are administered by a licensed medical practitioner (or person certified by a licensed medical practitioner to administer tests.)</li> </ul> <p><b>Auditor note:</b> Sample 2 or 3 inspector visual test records at random from each category (SSPC Level I, II, III). For all of the medical qualification testing, there should be documentation between the company and the doctors concerning the specific tests and evaluations required for each inspector. Each doctor's examination should reference the specific requirements, and provide pass/fail evaluations.</p> | <p>1 2 3</p> <p>1 2 3</p> |          |
|     |   | Item Score   |                           |          |
| 25. | 6.2.2/6.2.4<br>Color perception               | <ul style="list-style-type: none"> <li>Each inspector is examined annually for color perception using the Ishihara Test or the Farnsworth D-15 Test.</li> <li>Exams are administered by a licensed medical practitioner (or person certified by a licensed medical practitioner to administer tests.)</li> </ul> <p><b>Auditor note:</b> Sample 2 or 3 inspector visual test records at random from each category (SSPC Level I, II, III).</p>   | <p>1 2 3</p> <p>1 2 3</p> |          |
|     |   | Item Score   |                           |          |

|                                 | QP 5 REFERENCE  | M.A.R.  | SCORE                           | COMMENTS |
|---------------------------------|---|---|---------------------------------|----------|
| 26.                             | 6.2.3<br>Inspector fails to pass Farnsworth D-15 Test | The inspector may be evaluated by a licensed medical practitioner to provide the necessary data to determine the inspector's color perception. Such inspectors may only be certified to perform inspection work within the inspector's color perception capability.<br><br><b>Auditor note:</b> Spot check 4-5 records, or as available. Also verify in personnel records that limited-duty inspectors records are annotated clearly. | 1 2 3                           |          |
| 27.                             | 6.2.5<br>Other physical qualifications                | The responsible organization shall identify any other physical qualifications required to perform the assigned inspection duties. Inspectors requiring the identified physical qualifications shall have them confirmed by examination at intervals not to exceed one year.<br><b>Auditor note:</b> A sampling of 4-5 records from each qualification category confirms compliance.   | 1 2 3                           |          |
|                                 |   | Item Score  |                                 |          |
| <b>IV. INSPECTION EQUIPMENT</b> |   |   |                                 |          |
| 28.                             | 7.1<br>Equipment and equipment reference materials    | Inspection personnel are furnished all items of equipment, including references to perform inspections tests.<br><br>Review of inspection reports and equipment calibration records confirm compliance.<br><br><b>Auditor note:</b> Project records should document all equipment issued to each project or each inspector.   | 1 2 3                           |          |
| 29.                             | 7.2<br>Maintenance of inspection equipment            | <ul style="list-style-type: none"> <li>• Procedures and manufacturer's instructions for maintenance and calibration requirements for each piece of equipment are provided to each inspector.</li> <li>• All equipment is maintained in accordance with manufacturer's recommendations.</li> <li>• Records indicate that defective equipment is clearly identified and removed from service.</li> </ul>                                | 1 2 3<br><br>1 2 3<br><br>1 2 3 |          |
|                                 |   | Item Score  |                                 |          |
| 30.                             | 7.3<br>Calibration of Inspection Instruments          | Calibration records, when required by the project specification, are maintained for each instrument that requires laboratory calibration and include: <ul style="list-style-type: none"> <li>• The name of the instrument.</li> <li>• Manufacturer's name, type identification, and serial number or other unique identification.</li> <li>• Date instrument was received &amp; date placed in service.</li> </ul>                    | 1 2 3<br><br>1 2 3<br><br>1 2 3 |          |

|  | QP 5 REFERENCE                                      | M.A.R.   | SCORE  | COMMENTS |
|--|---|--|--|----------|
| 30.  | 7.3<br>Calibration of<br>Inspection<br>Instruments  | <ul style="list-style-type: none"> <li>• Condition of the instrument when received (e.g., new, used reconditioned).</li> <li>• Manufacturer's operating and calibrating instructions for the instrument.</li> <li>• Dates and results of the instrument's calibration, date that the next calibration should be performed.</li> <li>• Equipment used to perform calibration.</li> </ul>  | 1 2 3<br>1 2 3<br>1 2 3<br>1 2 3<br>Item Score |          |
| 31.  | 8.<br>Measurement<br>traceability (general)         | <ul style="list-style-type: none"> <li>• Procedures for Measuring and testing equipment calibration are issued to each inspector.</li> <li>• There is evidence that measurements, where applicable, are traceable to nationally recognized standards.</li> </ul> <p><b>Auditor note:</b> When traceability to national standards is not applicable, the company has a procedure or instrument manufacturer's instructions to confirm correlation of results.</p>   | 1 2 3<br>1 2 3<br>Item Score                   |          |
| 32.  | 8.4<br>Measurement<br>traceability (in service)     | <ul style="list-style-type: none"> <li>• Where relevant, reference standards and measuring and testing equipment is subjected to in-service checks between calibrations.</li> <li>• Inspectors note field calibration/accuracy checks on inspection reports</li> <li>• Inspectors note equipment model and serial number for measurements taken with each instrument,</li> </ul>   | 1 2 3<br>1 2 3<br>1 2 3<br>Item Score          |          |
| <b>V. INSPECTION METHODS AND PRACTICES</b> |   |  |  |          |
| 33.  | 9.1<br>Inspection<br>methods/practices<br>(general) | <ul style="list-style-type: none"> <li>• Inspectors are furnished up-to-date instruction manuals, which include current standards, instructions on calibration and use of equipment references, at least annually.</li> <li>• There is evidence that inspectors are brought up-to-date, at least annually, on new standards, new tests, new instruments, and new practices.</li> </ul> <p><b>Auditor note:</b> Look for an annual (or routine) meeting or class to discuss inspection changes. Review meeting outline or class syllabus for applicability. Other acceptable methods include disseminating changes through traceable documents and self-study materials. See also</p> | 1 2 3<br>1 2 3                                 |          |

|                                      | QP 5 REFERENCE                                    | M.A.R.  | SCORE   | COMMENTS |
|--------------------------------------|---|---|---|----------|
|                                      |   | note at end of document concerning FLOOR AUDIT (BY SSPC) OF INSPECTORS TO VERIFY COMPANY SUPPORT.   |   |          |
|                                      |   | Item Score  |   |          |
| 34.                                  | 9.1.1 Inspection methods/practices (job specific) | <ul style="list-style-type: none"> <li>Inspectors are provided job site specifications, product data sheets, MSDS, appropriate standards and other applicable job site documents and equipment.</li> <li>There are post-job inspection files, which document what was furnished to the inspector at the job site.</li> <li>Appropriate methods and procedures that comply with contract requirements are used for inspections, tests and related activities.</li> <li>Where methods are not specified, methods are selected that have been published by technical societies (e.g., ASTM, NACE, SSPC) or other relevant scientific/technical organizations or journals.</li> <li>Where it is necessary to employ methods not specified or not spelled out as a standard, agreement is reached between the contractor, client and coating manufacturer on acceptable methods, and this is documented.</li> </ul> <p><b>Auditor note:</b> See not No. 3 on page 24 concerning FLOOR AUDIT (BY SSPC) OF INSPECTORS TO VERIFY COMPANY SUPPORT.</p> | <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> |          |
|                                      |   | Item Score  |   |          |
| 35.                                  | 9.5 Sampling and Sample Selection                 | Where sampling is carried out as part of the test method, the inspection company uses documented procedures and appropriate statistical techniques to select samples.   | 1 2 3   |          |
| 36.                                  | 9.6 Calculations and data transfer                | Calculations and data transfers shall be subject to appropriate checks.   | 1 2 3   |          |
| <b>VI. RECORDS AND RECORDKEEPING</b> |   |   |   |          |
| 37.                                  | 9.7 Use of computers                              | <p>Where computers or automated equipment are used for the recording, processing, manipulation, reporting, storage or retrieval of calibration or inspection data, the inspection company ensures that:</p> <ul style="list-style-type: none"> <li>Procedures are established and implemented for protecting the integrity of data; such procedures shall include, but not be limited to, integrity of data entry or capture, data storage, data backup and replication,</li> </ul>   | 1 2 3   |          |

|     | QP 5 REFERENCE                              | M.A.R.   | SCORE   | COMMENTS |
|-----|---|--|---|----------|
|     |   | data transmission and data processing, controlled access to computer files.  |   |          |
| 38. | 10.2<br>Traceability of records and reports | <p>There are procedures for ensuring quality of inspection and support activities as follows:</p> <ul style="list-style-type: none"> <li>• Inspection procedures and recording systems</li> <li>• Procedures for receipt of specifications and revisions</li> <li>• Procedure for identifying the structure or equipment to be inspected</li> <li>• Records of standards and specifications or coating inspection work records and their utilization</li> <li>• System for filing, distribution, storing and retrieving of inspection reports</li> <li>• Determination of required inspection equipment, calibration standards, and procedures</li> <li>• Procedures to ensure that each major significant activity (surface preparation, coating application, and curing of primer, intermediate and topcoat application) is inspected and documented.</li> <li>• Procedures to verify that specified steps are taken in storing, handling, and applying coatings, in compliance with OSHA, EPA, state, and local regulations and applicable NFPA standards.</li> </ul> | <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> |          |
|     |   | Item Score   |   |          |
| 39. | 10.3<br>Record system                       | <p>There is evidence that:</p> <ul style="list-style-type: none"> <li>• The inspection company maintains a record system to suit its particular circumstance and comply with any applicable regulations.</li> <li>• It retains on record all original observations, calculations and derived data, calibration records and a copy of the calibration certificate, or inspection report, for an appropriate period.</li> <li>• The records for each inspection and test contain sufficient information to permit their repetition.</li> </ul>   | <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p>  |          |
|     |   | Item Score   |   |          |
| 40. | 10.4<br>Storage of records                  | <ul style="list-style-type: none"> <li>• All records (including those pertaining to calibration and test equipment), certificates and reports are safely stored, held secure and in confidence to the client.</li> <li>• Reasonable efforts (e.g., locked room, vault, or file cabinets with controlled access) are made to keep records safe and secure.</li> </ul>   | <p>1 2 3</p> <p>1 2 3</p>   |          |
|     |   | Item Score   |   |          |

|     | QP 5 REFERENCE                  | M.A.R.   | SCORE                    | COMMENTS |
|-----|---------------------------------|--|--------------------------|----------|
| 41. | 11.<br>Certificates and reports | <p>There is evidence that:</p> <ul style="list-style-type: none"> <li>• The results of each inspection, test, or series of inspections or tests carried out by the inspection company are recorded in a written report accurately and objectively, in accordance with any instructions in the inspection or test methods. The reports include all the information necessary for the interpretation of the inspection or test results and all information required by the method used.</li> </ul> | <p>1 2 3</p>             |          |
|     |                                 | <ul style="list-style-type: none"> <li>• Each report includes at least:</li> </ul>   |                          |          |
|     |                                 | 1. A descriptive title.  | <input type="checkbox"/> |          |
|     |                                 | 2. Location where the inspection was carried out.  | <input type="checkbox"/> |          |
|     |                                 | 3. Identification of the instrumentation (such as serial number).  | <input type="checkbox"/> |          |
|     |                                 | 4. Name and address of client.   | <input type="checkbox"/> |          |
|     |                                 | 5. Name and address of coating application company   | <input type="checkbox"/> |          |
|     |                                 | 6. Description of the test area and results of the inspection or test.   | <input type="checkbox"/> |          |
|     |                                 | 7. Date of inspection.   | <input type="checkbox"/> |          |
|     |                                 | 8. Identification of the inspection or test method used or clear description of any non-standard method used.  | <input type="checkbox"/> |          |
|     |                                 | 9. Reference to sampling procedure, if relevant.   | <input type="checkbox"/> |          |
|     |                                 | 10. Any deviations from, additions to or exclusions from the inspection or test method, and any other information relevant to a specific inspection or test, such as environmental conditions.   | <input type="checkbox"/> |          |
|     |                                 | 11. Measurements, examinations and derived results, supported by tables, graphs, sketches and photographs as appropriate, and any failures identified.   | <input type="checkbox"/> |          |
|     |                                 | 12. A signature and title, or an equivalent identification of the persons accepting responsibility for the content of the report and date of issue.  | <input type="checkbox"/> |          |
|     |                                 | 13. Where relevant, a statement to the effect that the results relate only to items inspected/tested.  | <input type="checkbox"/> |          |
|     |                                 | 14. A statement that the report shall not be reproduced except in full, without the written approval of the inspection company.  | <input type="checkbox"/> |          |
|     |                                 | 15. Where the report contains results of inspections or tests performed by sub-contractors, these results shall be clearly identified.   | <input type="checkbox"/> |          |
|     |                                 | Item Score   |                          |          |

|            | QP 5 REFERENCE                                     | M.A.R.  | SCORE   | COMMENTS |
|------------|--|---|---|----------|
| 42.        | 12.<br>Subcontracting                              | <ul style="list-style-type: none"> <li>Subcontracted coatings and linings inspection work is performed, without exception, by firms qualified to QP-5.</li> <li>There is a definitive agreement between all parties in subcontracting arrangements as to responsibilities of each.</li> </ul> <p><b>Auditor note:</b> Where a QP 5 inspection company retains all management responsibility, this is not considered subcontracting, regardless of how the inspectors are hired. The intent is to have qualified inspection managed and documented in accordance with SSPC QP 5, and as long as this is accomplished, the underlying contractual agreements are not important.</p>               | <p>1 2 3</p> <p>1 2 3</p>                           |          |
| Item Score |  |   |   |          |
| 43.        | 14.1<br>Complaints                                 | <ul style="list-style-type: none"> <li>There is a documented policy and specific procedures for the resolution of client or third party complaints about inspection work.</li> <li>There is evidence that the complaint procedures have been implemented.</li> <li>Complaints are readily available, tracked until resolved, and resolution is documented along with complainant's response.</li> <li>Complaints are referred to the RE for investigation and resolution.</li> </ul> <p><b>Auditor note:</b> We are looking for a definitive policy, and evidence that policy is followed, that outlines for all employees, the process that is to be followed upon receipt of a complaint.</p> | <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> <p>1 2 3</p> |          |
| Item Score |  |   |   |          |
| 44.        | 14.2<br>Audits triggered by significant complaints | There is evidence that complaints that raise concern about the company's compliance with policies and procedures, conformance to this standard, or the quality of inspection work trigger a prompt audit in accordance with item 15 above.  | <p>1 2 3</p>  |          |
| Item Score |  |   |   |          |

End of Report/Checklist

## Appendix A

QP-5 Internal Audit

April 19, 2004

### SSPC Position Statement on Internal Auditing Requirements for QP 5 Certified Inspection of Coating and Lining Firms

This position statement applies to the QP-5 firm's internal auditing of the coating and lining inspection work performed for its customers. The internal audit program consists of all internal audits, annual management evaluation, and corrective actions and follow-up.

#### Introduction: Why Implement an Internal Auditing Program?

Unlike the audit of a company's financial statements, internal quality auditing is used as a tool for monitoring the state of a company's quality management system (QMS). An effective internal audit process can benefit your company by improving operating efficiency (e.g. reducing waste and rework) and reducing business risks (e.g. warranty service demands, latent defects, and litigation problems). When you take the time to identify areas of inefficiency you are always looking at your coating inspection services with an eye toward improving your performance.

The use of internal audits in conjunction with a QMS provides a framework for evaluating compliance. Internal audits also create an environment where continual improvement is both expected and desired.

If your inspection firm implements a QMS merely to comply with QP-5, your company is missing the point of the QMS. Likewise, if you implement an internal auditing program just to meet a QP-5 audit item, you are again overlooking the benefits of continuous improvement.

The QMS provides the structure from which you can develop a baseline for management and operations/production personnel to improve processes in a controlled fashion. The internal audit process plays an important role in (1) continually assessing your company's compliance with its QMS, (2) helping you evaluate the effectiveness of previous improvement efforts, and (3) in identifying future opportunities for improvement.

Top management must be the first to recognize the value of the QMS and the internal audit program. There must be a total commitment from top management to implement the QMS and to continually improve your company's operations. An effective internal audit program is critical for monitoring your company's QMS and identifying where further efficiencies can be applied.

#### Who Makes a Good Internal Auditor?

ISO/ASQ QE19011-2002 auditing identifies the following personal attributes for an auditor:

- Ethical (fair, truthful, sincere, honest, and discreet)
- Open-minded (willing to consider alternative ideas or points-of-view)
- Diplomatic (tactful in dealing with people)
- Observant (actively aware of physical surroundings and activities)
- Perceptive (instinctively aware of and able to understand situations)
- Versatile (adjusts readily to different situations)
- Tenacious (persistent, focused on achieving objectives)
- Decisive (reaches timely conclusions based on logical reasoning and analysis)
- Self-reliant (acts and functions independently while interacting effectively with others)

Your internal auditors should have all these characteristics, plus a keen eye for problems associated with operating the business and the ability to synthesize knowledge and observations into meaningful recommendations for improvement.

Successful internal auditing also requires using certain techniques that are not necessarily complicated, but not always self-explanatory. Like all areas of business and management, once you've identified an individual with the desired personal characteristics, some training and experience will be required for the individual to perform satisfactorily.

#### Auditor Training and Qualifications

ISO/ASQ QE19011-2002 also provides numerous recommendations for auditor qualifications and experience. Additionally, the effective internal auditor must have general knowledge of coating and linings inspection company operations, as well as technical knowledge of the protective coatings industry.

The American Society for Quality (ASQ) has an auditor certification program that is appropriate for internal auditors. While ASQ certification is not required for QP-5 internal auditors, it may be worth considering for the individual(s) in your company heavily involved in internal auditing. The Body of Knowledge for the Certified Quality Auditor Program can be found at [www.asq.org](http://www.asq.org), or specifically at [http://www.asq.org/cert/types/cqa/bok\\_new.html](http://www.asq.org/cert/types/cqa/bok_new.html). ASQ also offers a self-study-auditing course in both “at home” and “online” versions. At a minimum, any individual assigned auditing functions should have completed ASQ e-Learning Courses – Auditing (CQA) Fundamentals I and Auditing (CQA) Fundamentals II, or ASQ’s Foundations in Quality Learning Series – Certified Quality Auditor (self-study), or an equivalent.

ASQ e-Learning Course – Quality 101 (web-based training) will provide a good foundation for anyone involved in developing, managing, auditing, or otherwise maintaining a QMS.

### **Compliance with QP-5**

SSPC expects QP-5 firms to perform internal audits on a minimum of 50% of their coatings and linings inspection projects. One way to demonstrate compliance with this quantitative requirement is to keep a log of annual (FY calendar) inspection projects with notations on the log showing which jobs were internally audited, the name of the internal auditor, and the date(s) of the internal audit. The log should link specific project records to the appropriate internal audit records.

If you already have such a log or list and use it for other purposes, this is acceptable.

To assist you in identifying projects for auditing, here is a list of situations that might pose unusual risks and must be considered high-priority projects for internal auditing:

- Using or having used an inspector “new” to your company
- Using or having used a newly trained, inexperienced inspector
- Doing inspection work for a new client
- Doing inspection work in a new category of work, regardless of whether you have an experienced inspector on the project
- Receiving a complaint about the level or quality of inspection from your client, the prime contractor, the painting contractor, or the material or equipment supplier
- Receiving a formal request from a client to audit project documents and test procedures/results
- Executing a contract that requires internal auditing

You should allow for internal audits to be both announced and unannounced at the discretion of your total quality manager (TQM) or the responsible executive (RE).

### **Audit Sample Size**

Much value can be derived from internal audits when appropriate sampling techniques are used. The inspection company should have procedures in place to implement the internal audit policy, including selecting projects, sampling, evaluating, and reporting.

Internal audits should be fair and objective. Before beginning any audit, the internal auditor must become familiar with the details of the coating specification, especially acceptance criteria, as well as details of the QMS. Records and test procedures and results must be reviewed for completeness, accuracy, and relevance.

When the audit is complete, the internal auditor must sign the report and distribute copies to the TQM and the RE. All audit reports (internal and external), management reviews, and corrective actions and resolutions (internal and external) shall be part of the controlled records.

### **Periodic Spot Checks at Job Sites**

In addition to the annual QP-5 external audit conducted at your headquarters or at a division office by SSPC, SSPC auditors visiting job sites to conduct other types of SSPC audits may, at their discretion, do a spot check of your QP-5 procedures as they apply to a particular job. Please notify your field inspectors and project managers so they are prepared to respond to an auditor’s questions about QP-5 related procedures. If the SSPC auditor cites your company for

a deficiency or a corrective action as a result of a job-site spot check, the auditor will inform your representative on site of the deficiency or corrective action. The QP-5 program administrator will notify the TQM formally after the audit report is received and processed.

**SSPC**  
**Internal Audit Corrective Action Report**  
**QP 5 Coating and Lining Inspection Company Certification Program**

(Use Separate Sheet for Each Audit Type & Location)

Firm Name: \_\_\_\_\_ Reference #: \_\_\_\_\_

Location: \_\_\_\_\_ Date: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_

Type of Audit: QP 5    Initial    Annual    Follow-up  
 (Circle any that apply)

Location of  
 Corrective Action:    Job Site                      Office \_\_\_\_\_  
 (Circle location & give name of job)

**MAJOR CARs are for Scores of "1", MINOR CARs are for Scores of "1"**

| ITEM#  | CORRECTIVE ACTION(S) |
|--|----------------------|
|  |                      |
|  |                      |
|  |                      |
|  |                      |
|  |                      |
|  |                      |
|  |                      |
| Company Representative's Signature:  | Auditor's Signature: |
| Printed Name & Title:  | Printed Name:        |
| Contractor's signature is to confirm receipt of the above listed Corrective Actions and that the contractor is responsible for implementing the proper corrective actions and follow-up. Failure of the contractor to fix corrective actions will be cause for issuing a deficiency. |                      |

Corrective Action Form 07/05