



## **RMC Oversight Activity – Risk Based Approach**

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### **Purpose/Summary:**

This procedure describes the data, methods, and tools used by the Americas Aerospace Quality Group (AAQG) Registration Management Committee (RMC) to analyze Certification Body (CB) activity on an annual basis. The Committee will produce a CB Report Card from the analysis which shall identify those CB's whose performance may present a general risk to certified organizations within the Aviation, Space and Defense Community.

### **Definitions:**

General Risk	General risk is defined as an open category for performance consideration. (e.g. Independent/Supplementary Audit activity)
Increased Surveillance	Additional office or witness audit activity over the minimum requirement. This may include joint or independent assessment activity.
Risk Principle	The risk principle is derived from an analysis of three elements: Performance, Opportunity and Change.
8 D Corrective Action	Structured approach to a corrective action.

### **Acronyms:**

AAQG	Americas Aerospace Quality Group
AB	Accreditation Body
CB	Certification Body
OASIS	Online Aerospace Supplier Information System
RMC	Registration Management Committee
SD	Standard Deviation

### **Attachments:**

- 1- Process Flow Chart**
- 2- CB Corrective Action Response Template/Guideline**
- 3- CB Report Card Template**



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### **General:**

The CB Report card is designed to provide statistically valid data for the RMC to monitor and manage the performance of the CB community. The report card is built on three elements, Performance, Change and Opportunity.

The first section measures performance within four categories called. AB Audit Metrics, Performance Metrics, OASIS Metrics and Documented Information. From the performance data the RMC may require action such as requesting an 8 D Corrective Action.

The Opportunity section measure the number of clients. The philosophy is that the more clients a CB has the greater the number of opportunities for errors and therefore, the higher risk.

The last section is an understanding of change. We know that the more changes, the greater the risk of errors. In the report card, Performance, Change and Opportunity are calculated and show in the same table at the end of the report. This leads up to an overall risk analysis.

To summarize, risk is analyzed in three categories:

- 2.1. Performance – will be analyzed in four categories utilizing the variables weighted as shown in the Variable list below.
- 2.2. Opportunity – will be based on the number of certificates held by each CB.
- 2.3. Change – will be a series of metrics requiring a “Yes” or “No” answer. Multiple “Yes” responses may be an indication of changes in the CB’s processes and represent higher levels of risk.

This data completes the report card and is used to assess the risk. Consideration may be given to shifting OP Assessor activity from LOW risk CB’s to HIGH risk CB’s.

For a CB that is LOW risk, that may result in no OP Assessor activity in either the office or witness audit and therefore, have only one OP Assessor audit during the year. No CB will go more than two years without OP Assessor participation in both the office and the witness audit.

Independent Data will be reviewed to assess the accuracy of the results. For example from an independent assessment that did not go well, this will be checked for alignment to the results of the CB Report card. If independent data can be supported, the “General Risk” category should be utilized in recording the risk.



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A CB's progress will be measured with a five year "sparkline" at the top of the report card. This will give the RMC as well as the CB a quick indication of any trends,

### **Process:**

1. On an annual basis, the RMC shall generate a CB Report Card from the data elements described below.
  - 1.1. AB Audit Metrics – This category measures the results of the Office and Witness Audits conducted by the AB. This category also considers nonconformance events that may occur outside of the audit process.
  - 1.2. Performance Metrics – This category is centered on interface performance such as customer complaints, AB interface metrics and RMC actions.
  - 1.3. OASIS Metrics – This category analyzes the Certification Body's OASIS Database activity as it relates to the generation of non-conformances.
  - 1.4. Documented Information Metrics – This category measures the CB's management of OASIS inputs including feedback and uploading of data per the requirements of the scheme.
2. Preparation:
  - 2.1. Prior to the first annual meeting of the RMC, the Database Subcommittee shall coordinate with the AB's and the OASIS database system to collect data for analysis and presentation. The data shall include the prior twelve months, from September-to-September for OASIS and the previous calendar year for AB results.
3. Data Collection and Analysis:
  - 3.1. The following data will be collected from the AB (sorted by CB) (Calendar year):
    - Number of Office Audits and number of nonconformities.
    - Number of Witness Audits and number of nonconformities.
    - Number of Nonconformance Reports (separated by Minor and Major) issued independent of the audits.
    - Suspensions.
    - Escalated Nonconformance Reports.
    - Number of customer complaints received by the AB about the CB.



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NOTE: Independent and Supplemental Audit data will be collected and analyzed to validate the AB data.

3.2. The following data will be collected from the OASIS Database (sorted by CB) (September 1 to September 1):

- Number of Audits performed (AS9100, AS9110, AS9120).
- Number of Minors written.
- Number of Majors written
- Number of OASIS Feedback issues received and not responded to within 30 days.
- Number of data uploads to OASIS, when a certificate decision is required, greater than 30 days.
- Number of data uploads to OASIS, when a certificate decision is not required, greater than 90 days.

4. CB Report Card creation Section One:

4.1. The database committee will analyze the data and group the results into the following four categories. Each category will have the following weighting:

- |                                  |           |            |
|----------------------------------|-----------|------------|
| • AB Audit Metrics               | (Table A) | 25%        |
| • Performance Metrics            | (Table B) | 25%        |
| • OASIS Metrics                  | (Table C) | 25%        |
| • Documented Information Metrics | (Table D) | <u>25%</u> |
|                                  |           | 100%       |

5. Category Weighting:

5.1. The following tables identify the category metrics, the weights within the category, and the thresholds.

Table A – AB Audit Metrics:

AB Audit Metrics (25%)	Weight	Threshold
Ratio: Nonconformances/Witness Audits	.20	>3.5
Ratio: Nonconformances/Office Audits	.15	>3.5



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Ratio: Nonconformances/Total Audits	.20	>3.5
Major Nonconformances issued independent of Audit	.30	>0
Minor Nonconformances issued independent of Audit	.15	>1
Total	1.00	

Table B – Performance Metrics:

Performance Metrics (25%)	Weight	Threshold
Negative Shift in Total Audit Ratio (Last Year's Ratio – This Year's Ratio)	.10	>1.0 (SD) (negative)
Escalated Nonconformances	.10	>1
Customer Complaints filed with the AB about the CB	.20	>2
Suspended within the last two years	.35	>0
Presented to the RMC in the previous year per this process	.15	>0
General Risk	.10	
Total	1.00	

Table C – OASIS Metrics:

OASIS Metrics (25%)	Weight	Threshold
Ratio: Minors/Audits	.30	<1
Ratio: Majors/Audits	.30	<.1
Ratio: Total Nonconformances/Audits	.40	<1
Total	1.00	

Table D – Documented Information Metrics

Documented Information Metrics (25%)	Weight	Threshold
Number of Feedback Responses that exceed 30 days	.33	>0
Number of uploaded files, when there is a certification decision, that exceed 30 days	.33	>0
Number of uploaded files, when there not is a certification decision, that exceed 90 days	.34	>0
Total	1.00	

6. Actions:



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- 6.1. RMC/AB actions will be determined by the scores calculated from the weighted metrics defined in Section 5. (All scores will be based on a 100 point scale).

Table E – Guidelines for RMC Follow-up.

Guidelines for RMC Follow up	
No action	$\geq 80$
AB Watch *	65 - 80
CB to report to RMC	$< 65$

\* AB Watch – The Accreditation Body will follow up during the year. The report cards will be provided to the AB for additional data for their audit preparation.

6.1.1 Based on the score, the RMC will determine if a presentation on the progress of the CB is required from the AB.

### 7. CB Report Card creation Section Two:

#### 7.1. OPPORTUNITY:

The following data shall be collected from the AB:

- A count of the CB's certificates shall be listed by type (AS9100, AS9110, AS9120)

7.2. This data will be ranked in order and the formula will be 50/40/10. CB's that hold the top 50% of the overall certifications will be considered HIGH, then next 40% will be considered MEDIUM, and the bottom 10% will be considered LOW.

7.3 Certification Bodies working in other countries than the headquarters introduce another layer of risk to our process. For the calculation, clients outside country, they will count double on the overall calculation.

### 8. Change:

8.1. The following additional data will be requested from the AB:

- Identification of changes in Aerospace Program Manager at the CB.
- Identification of increased AB surveillance, or coming off increased AB surveillance.

Table F – Change Elements



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+/- 10% of certificates year to year
Negative Shift in Total Audit Ratio (Last Year's Ratio – This Year's Ratio) (See performance)
Change in Aerospace Program Manager in past year
Suspensions
>3 Customer Complaints filed with the AB about the CB
Coming off or going on increased surveillance due to performance in the past year

8.2. If the answer to any of the Change elements is “Yes”, the following rules will apply:

Table G – Determination of Risk Level

Count	Risk Level
>3	HIGH
2	MEDIUM
<2	LOW

9. Presentation of CB Report Cards:

9.1. At the annual RMC meeting in which CB performance is reviewed, the Database Committee, with the support of the AB, will present the CB Report Cards. All Report Cards will be available for this meeting; however, the focus of the meeting will be the CB's performance or overall high risk issues.

9.2. The CB Report Card will provide, for each CB, a complete list of all the variables and their performance over the last five years. The Report Card will also include the performance score and the results of the risk level analysis.

10. RMC Action:

10.1. Based on the results of the performance section of the Report Card, the RMC will determine the appropriate action for any CB that has a score of less than 65%. (See Table E) This action can be:

- A request for the CB to attend an upcoming meeting of the RMC to provide a status on actions being taken to correct Report Card issues, using the RMC 8D systemic corrective action approach.



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- A recommendation for suspension to the AB.
  - Increased OP Assessor surveillance.
- 10.2. The risk will also be analyzed across all three sections (Performance, Opportunity, and Change). If the CB is “RED” in two out of the three categories (minimum), the RMC will assess the need for action. This action can be:
- A shifting of RMC over-sight Office or Witness Audit from a CB that is all “GREEN” to an additional Office or Witness Audit of a high risk CB.
  - Conducting a Market Surveillance activity (IAF ID 4:2012 Market Surveillance Visits to Certified Organizations)
  - Increased OP Assessor surveillance, for example, an OP Assessor may be assigned to another joint audit, it may require the OP Assessor to conduct an independent audit.
11. Records: The Database Committee will maintain CB Report Cards and any supporting emails (as appropriate) for a minimum of six years unless otherwise specified.
12. Data Confidentiality – “Certain data in the form of audit reports, nonconformities, checklists, or other company specific information, generated by the application of this standard, shall be handled as confidential (commonly referred to as proprietary or sensitive) between the parties generating, collecting, or using the data. Companies using this data shall keep its usage confidential (both internally and externally), unless otherwise agreed in writing by the consenting parties. (See AS9104/1: paragraph 19. CONFIDENTIALITY AND CONFLICTS OF INTEREST)
13. Alignment to AS9104/2 - minimum:

Requirement	Location
number of nonconformities (major/minor) issued to the entity by the SMS, CBMC, and respective AB	Table 6A – AB Audit Metrics Table 6B – Performance Metrics



**AAQG-RMC Procedure 104**

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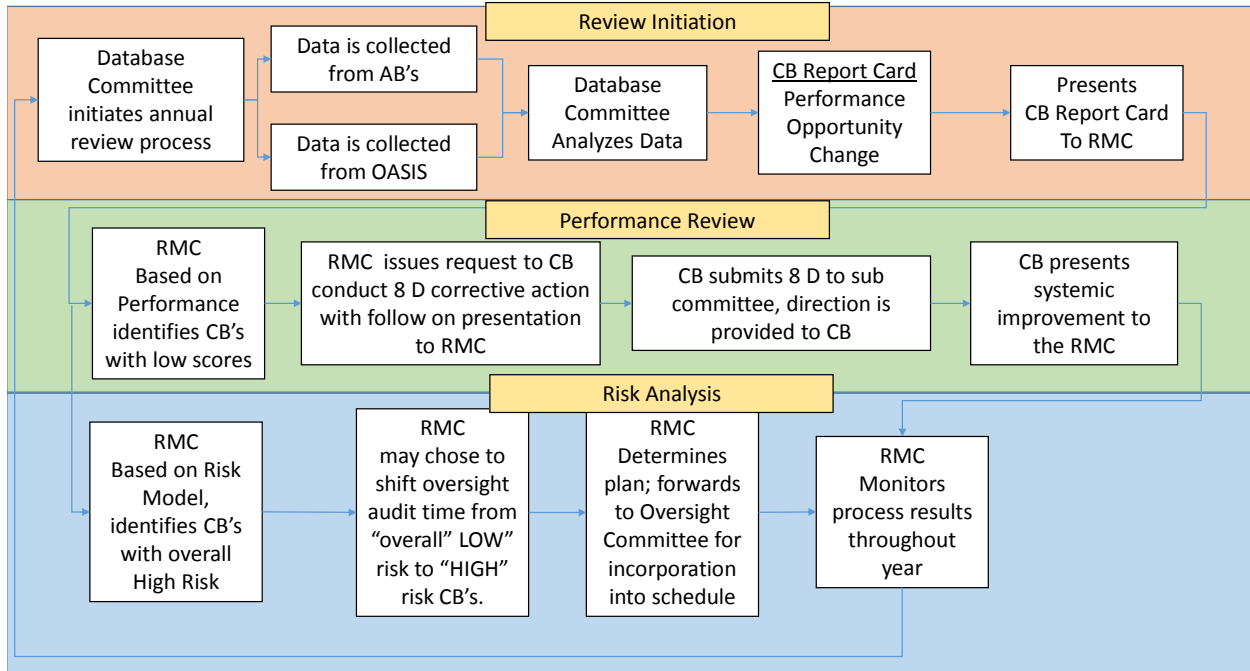
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number of complaints	Table 6B – Performance Metrics
suspension activity	Table 6B – Performance Metrics
OASIS metrics	Table 6C – OASIS Metrics
OASIS feedback	Table 6D – Documented Information Metrics
number of accreditations, certificates, or approvals issued by the entity; and	Table 9A – Change Metrics
Auditor competency metrics.	Table 6C – OASIS Metrics



# RMC Oversight Activity – Risk Based Approach

## 1- Process Flow Chart





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### 2- CB Corrective Action Response Template/Guideline

Certification Body		Date:
CB Contact		Phone:
Threshold Violations: (This section will contain a list and description of the thresholds that were violated Note: It is not about the individual thresholds, the Corrective Action is being issued because there are multiple threshold violations which may be indicative of a systemic issue with your process)		
Identify Team: (Because of the nature of this corrective action we recommend that this corrective action not be an individual's responsibility, this block should identify who was involved in the process)		
Describe the Problem: (Given the information provided, we recommend formulating a problem description based on what you know about your process and the systemic issues identified above.)		
Implement and Verify Short Term Corrective Action: (This section should identify what is being done immediately to solve the problem, and what was done to verify that those actions were put in place)		
Define and Verify Root Cause: (This section should identify the Quality Science tools used to investigate the problem and how you verified the root cause does in fact exist)		
Verify Corrective Actions: (This section should contain a look back at the already implemented containment corrective actions and reevaluate them in light of the root cause analysis.)		
Implement Permanent Corrective Actions: (This section should contain the corrective action plan, with milestones, ownership and expected outcomes including a verification and validation plan)		
Prevent Recurrence: (This section should contain the actions taken to prevent this from re-occurrence, with milestones, ownership and expected outcomes including a verification and validation plan)		
Future Steps: (This section should contain the steps being taken for the future, monitoring the process)		



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### 3- CB Report Card Template

Certification Body Report – YEAR  
 Certification Body Name: CB NAME

Performance: SCORE -##.## - Performance Color

5 Year Sparkline	
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AB Audit Metrics (25%)	Weight	Threshold	2011	2012	2013	2014	2015
Ratio: Nonconformance/Witness Audits	.20	>3.5				0	0
Ratio: Nonconformance/Office Audits	.15	>3.5				0	1
Ratio: Nonconformance/Total Audits	.20	>3.5				0	.5
Major Nonconformance issued independent of Audit	.30	>0				0	0
Minor Nonconformance issued independent of Audit	.15	>1				0	0
<b>Performance Metrics (25%)</b>							
Negative Shift in Total Audit Ratio (Last Year's Ratio – This Year's Ratio)	.10	>1.0				0	.5
Escalated Nonconformances	.10	>1				0	0
Customer Complaints filed with the AB about the CB	.20	>2				0	0
Suspended within the last two years	.35	>0				NO	NO
Presented to the RMC in the previous year	.15	>0				NO	NO
General Risk	.10					NO	NO
<b>OASIS Metrics (25%)</b>							
Ratio: Minors/Audits	.30	<1				2.91	2.66
Ratio: Majors/Audits	.30	<.1				.08	.09

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Ratio: Total Nonconformances/Audits	.40	<1				3.0	2.75
Documented Information (25%)							
Upload OASIS documentation that leads to a certification decision >30 days	.33	>0	N/A	N/A	N/A	N/A	0
Upload OASIS documentation that does not lead to a certification decision >90 days	.33	>0	N/A	N/A	N/A	N/A	1
For “Open with owner” Feedback, average number of days open >30 days	.34	>0	N/A	N/A	N/A	N/A	0

**Risk Assessment:**

Performance	Opportunity	Change
HIGH	MEDIUM	LOW

Comments: