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PROGRAM DOCUMENT

PD 3000 REV. C

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Superseding PD3000 REV B

GOVERNANCE AND ADMINISTRATION OF Nadcap USERS COMPLIANCE AND AUDIT PROGRAM

1. SCOPE

- 1.1 This document contains Operating Procedures for the Nadcap Users Compliance and Audit Program (NUCAP) in the governance and administration of an industry managed special process oversight system to ensure User's compliance to Nadcap special process requirements.
- 1.2 The Nadcap Users Compliance and Audit Program is designed to meet the following objectives:
 - Develop industry standard for special process audit program that assures Nadcap compliance.
 - Provide a consistent industry-managed approach to ensure User's internal special processes meet the intent of Nadcap requirements.
 - Provide a mechanism for independent, objective and consistent analysis of process audit data.
 - Evaluate User's Internal Auditors and audit process to meet NUCAP Requirements per Program Document 3001.
- 1.3 All bodies operating within the NUCAP including committee, and ad hoc groups, shall operate in accordance with this procedure and all referenced documents.

PRI operating procedures provide that "This report is published by PRI to advance the state of technical, engineering, and quality sciences. The use of this report is entirely voluntary, and its applicability and suitability for any particular use, including any patent infringement arising therefrom, is the sole responsibility of the user."

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2. REFERENCES

2.1 Applicable Documents

AC7114 Nadcap Accreditation Requirements for Nondestructive Testing
AC7101 Nadcap Accreditation Requirements for Materials Testing Laboratories
AC7102 Nadcap Accreditation Requirements for Heat Treating
AC7108 Nadcap Accreditation Requirements for Chemical Processing
AC7109 Nadcap Accreditation Requirements for Coatings
AC7110 Nadcap Accreditation Requirements for Welding
AC7116 Nadcap Accreditation Requirements for Nonconventional Machining
AC7117 Nadcap Accreditation Requirements for Shot Peening
AC7118 Nadcap Accreditation Requirements for Composites
AC7119 Nadcap Accreditation Requirements for Electronics
AS9100 Quality Management System – Aerospace Requirements
PD3001 NUCAP Auditor Selection, Approval and Training
PD3100 NUCAP Audit Criteria for Standard Internal Auditing Requirements for Nadcap Users
Nadcap Operating Procedures (NOPs)
Nadcap Internal Procedures (NIPs)

2.2 Definitions

ACCREDITATION PROGRAM: Accreditation system as related to specified products, processes, or services to which the same particular standards and rules, and the same procedures apply.

HEADQUARTERS AUDIT: The audit of NUCAP applicant Users' identified main facility for the purpose of auditing their internal audit program for control of special processes to the requirements of Program Document (PD) 3100.

NUCAP COORDINATOR: PRI Staff responsible for administration of the NUCAP Program.

SPECIFICATION: A concise statement of requirements to be satisfied by a product, process or service indicating, whenever appropriate, the procedure by which it may be determined whether the requirements given are satisfied. Insofar as is practicable, the requirements of a specification are to be expressed in exact numerical terms describing applicable limits.

STANDARD: A prescribed set of conditions and requirements, established by authority or agreement, for continuous application. A standard takes the form of a document containing a set of conditions to be fulfilled, or an object of comparison.

SUSPENSION OF APPROVAL: A temporary state whereby defined actions, for the purpose of investigating or remedying a condition(s), must take place removing approval (withdrawal) or reinstatement of approval.

TEMPORARY DEVIATION: A deviation from the Nadcap checklist requirements which do not violate engineering or customer contract requirements, permitting time for resolution between Nadcap and NUCAP applicant's requirements. A documented plan supporting a timely resolution of noted deviations must be provided prior to the next audit.

USER: Nadcap User-members' are those aerospace or defense contractor prime companies who are Nadcap Subscribers and Production or Design Approval holders (such as TSO, TC or PC holders) from regulatory agency approval. These User Members have the design authority to write their own special process specifications and have internal engineering organizations to provide technical directions and support.

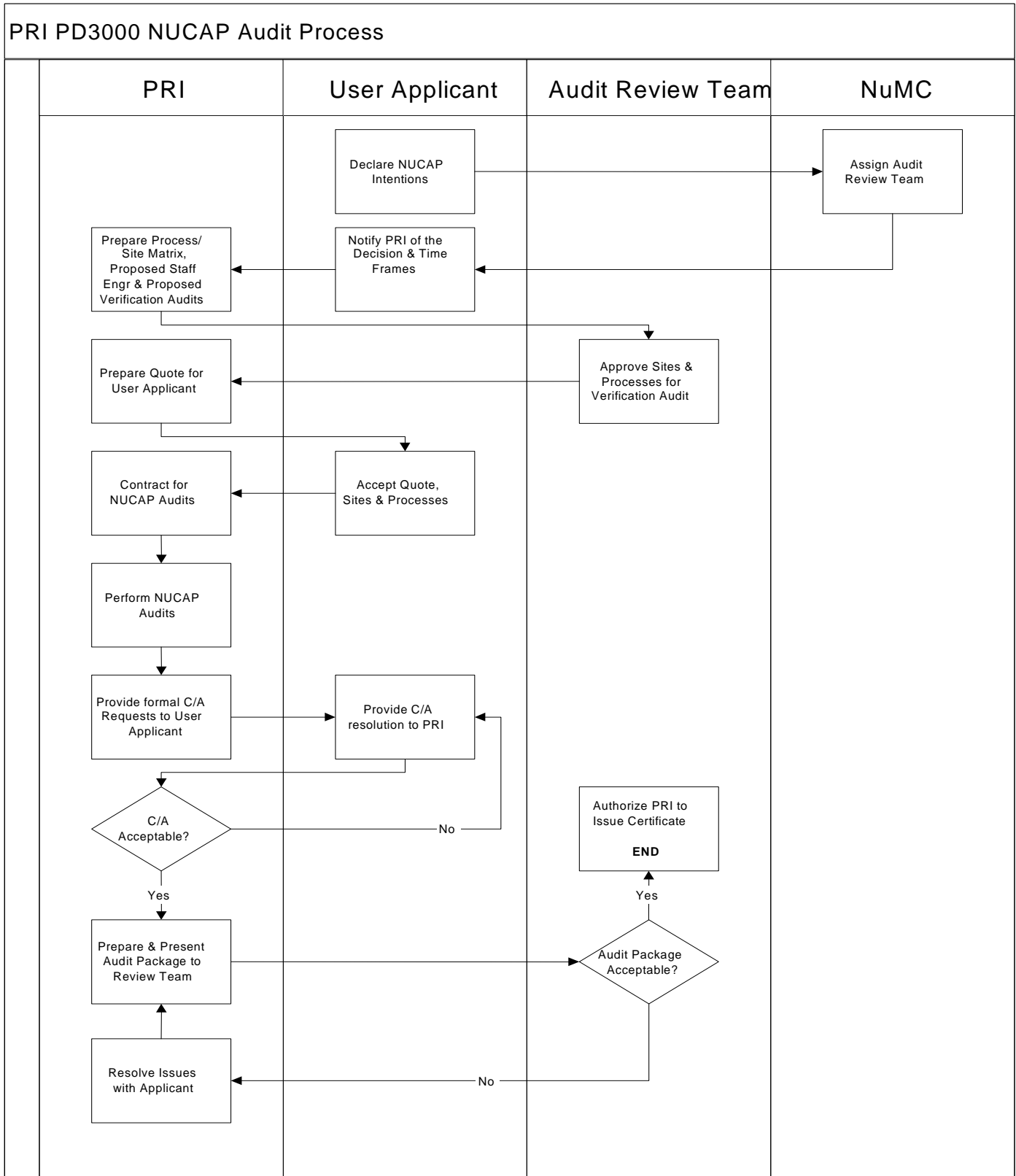
VERIFICATION AUDIT: The audit of NUCAP applicant Users' special processes for the purpose of validating their internal audit program for control of special processes to the requirements of Nadcap.

WITHDRAWAL OF APPROVAL: A permanent removal of approval after a suspension of approval.

3. GENERAL PROGRAM DESCRIPTION

- 3.1 The Nadcap Users Compliance and Audit Program (NUCAP) provides a basic uniform method for certification of captive special processes (in-house to Users) in accordance with industry standards and requirements.
- 3.2 Users seeking to have their processes recognized on an AUL (Approved User Listing) shall apply to PRI. Users apply for approval by submitting an application with the necessary information and fees. The application is reviewed by the Nadcap staff and review team members are assigned. A documented application procedure provides Users the process for having their processes listed on a PRI AUL.
- 3.3 All Users seeking NUCAP approval shall be audited to the most current revision of the applicable Nadcap special process checklist. The duration of the audit is a function of specific program requirements. All identified nonconformances resulting from the Headquarter and Verification Audits shall be resolved per the NUCAP applicant's internal corrective action system and submitted to the PRI Staff Engineer for disposition.
- 3.4 A temporary deviation process is permitted for resolution between Nadcap and NUCAP applicant's requirements.

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- 3.4.1 Applicant User's internal deviation process must include, at a minimum, the following requirements:
- Clear definition of the issue
 - Justification for the deviation
 - Acceptance criteria to prohibit a deviation which violates an engineering or customer contract requirement.
 - Technical review and disposition (someone other than the requestor)
 - List of the expected action(s) and timeframe for resolution.
- 3.5 NUCAP Approval indicates Nadcap compliance (and not an accreditation by Nadcap) which may be accepted by Nadcap User Members as equivalent to accreditation.
- 3.6 The NUCAP processes follow the basic Nadcap processes as identified in PD3001, PD3100, PD3000 and Appendix A of this document. Where there is a conflict in process descriptions, PD3001, PD3100 and this document takes precedent relative to the NUCAP Program processes.



4. ORGANIZATION

4.1 Nadcap Users Compliance and Audit Program (NUCAP) Management Council (NuMC) manages the Nadcap Users Compliance and Audit Program.

4.2 NuMC Responsibilities

4.2.1 Key activities of the NuMC shall include, but not be limited to:

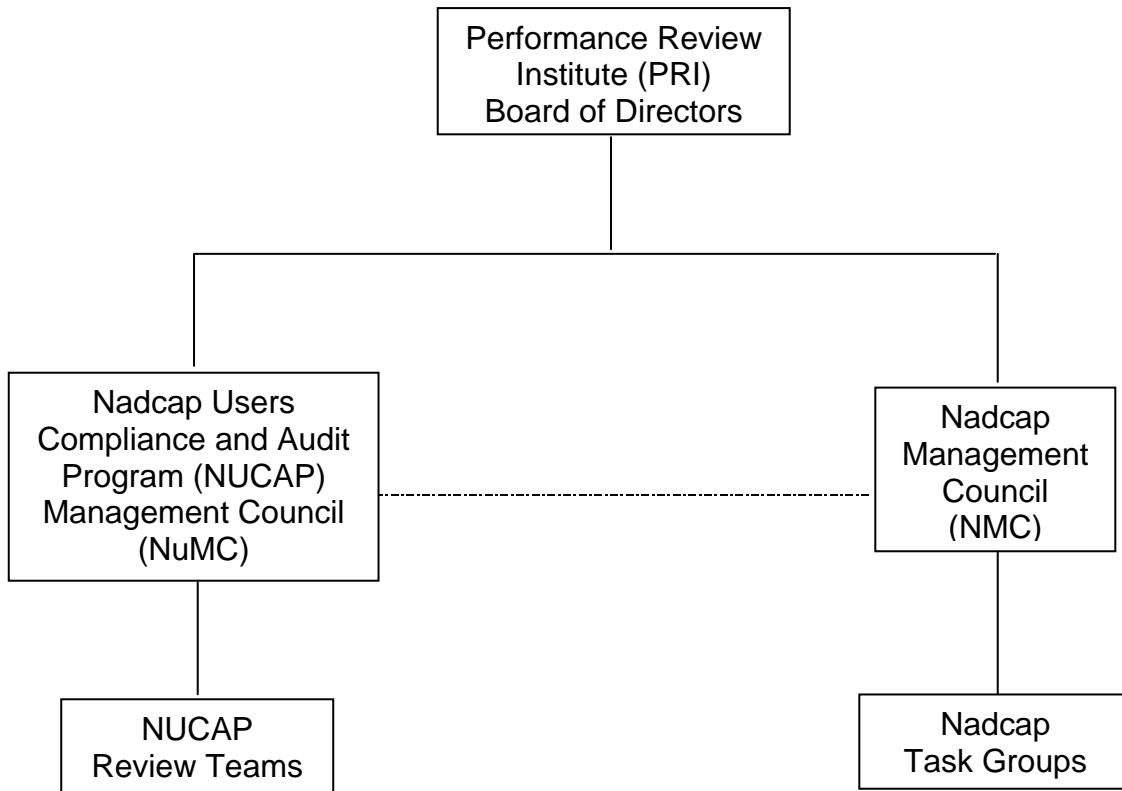
- Monitoring and overseeing the NUCAP Program
- Establishing procedures, as required
- Maintain/Establish criteria for maintenance of certification (e.g. Merit Program)
- Resolving NUCAP issues and providing direction
- Ensuring consistency in NUCAP operating procedure
- Resolving appeals of NUCAP decisions as described in Section 6 herein
- Monitoring Deviations
 - Periodically review User deviations and status of deviations
 - Coordinate with Nadcap Management Council (NMC) to address deviations through Task Groups in a timely manner.

4.3 NuMC Authority

4.3.1 The NuMC operates under the auspices of the Performance Review Institute (PRI) Board of Directors and in cooperation with Nadcap.

4.3.2 The relationship of the NuMC to other participants is shown in Figure 1.

FIGURE 1 – NUCAP Relationship to the Participants



4.4 NuMC Membership

4.4.1 Membership in the NuMC is composed of representatives of Nadcap User members and a PRI Board appointed staff member who will serve as the Secretary. There shall be no more than one User member from each parent User Company.

4.4.2 New Nadcap User members shall be confirmed by the NuMC.

4.4.3 At their option, regulatory agencies may become members of NuMC.

4.4.4 A membership roster shall be maintained.

4.5 NuMc Chairperson / Vice-Chairperson

4.5.1 The Chairperson of the NuMC shall be nominated by the NuMC and confirmed by the PRI Board of Directors.

4.5.2 The Chairperson of the NuMC shall appoint a Vice-Chairperson. The Chairperson shall be assisted by the NUCAP Secretary in this appointment.

4.6 NuMC Oversight

4.6.1 The NuMC shall appoint Review Teams for granting NUCAP Approval.

4.6.2 NuMC shall provide oversight of the Review Teams to ensure consistency, fairness and equity of the process.

4.7 Meetings

4.7.1 Time: Meetings shall be called by the Chairperson and shall be held no less than once a year.

4.7.2 Agenda: The Chairperson shall issue a detailed agenda at least two weeks prior to the meeting.

4.7.3 Minutes: The Secretary shall prepare and distribute minutes for each meeting no later than two weeks after the meeting. These minutes shall be subject to confirmation at the following meeting.

4.7.4 Quorum: Quorum for meetings shall be 50% of the NuMC.

4.7.5 Voting:

- One vote per member
- All decision by simple majority

4.8 Review Teams

4.8.1 The Review Team shall review and evaluate relevant data from Headquarter Audit and Verification Audit(s) and determine eligibility for inclusion on AUL.

4.8.2 The Review Team shall be comprised of at least three (3) voting NuMC User Representatives, Non-Voting PRI Staff Team Leader and Non-Voting User Representative.

4.9 Review Team Membership

4.9.1 Members shall be selected from the NuMC and concurred by the applicant User.

4.9.2 A membership roster shall be maintained.

4.10 Review Team Responsibilities

The Review Team is responsible for granting NUCAP approval which includes:

- Concurrence of the proposed matrix defining sites (locations) and processes to be audited as Verification Audits, with a recommended response time within seven (7) calendar days of receipt.
- Acceptance of the proposed Task Group Oversight Reviewer for non-delegated verification audit reviews (reference Appendix A, Para. 4.3) with a recommended response time within seven (7) calendar days of receipt.
- Reviewing the audit package (headquarter audit and verification audits) for conformance to the NUCAP program documents which includes a formal response to PRI with a recommended response time within fourteen (14) calendar days of receipt.

4.11 Audit Package Review and Resolution

The Review Team audit package review shall consist of a review of administrative completion and adequate closure of corrective actions for the headquarters audit. The package review shall also include an oversight of the detailed reviews completed by the commodity Audit Report Reviewer (and, if applicable, the Task Group Oversight Reviewer, reference Appendix A 4.3).

If issues are identified as a result of the review of the audit package, this shall be resolved through the PRI Staff Team Leader in conjunction with the Audit Report Reviewer for clarification/correction or additional actions as required.

This review activity by the NUCAP Review Teams shall constitute NuMC oversight of the NUCAP program.

4.12 Continuous Improvement

The Review Team shall be responsible for recommending changes or improvements that arise as a result of the review of the audit package. These recommendations shall be forwarded to the NuMC.

4.13 Review Team Voting

4.13.1 One vote per member.

4.13.2 Approval decisions shall require 2/3 majority approval of all voting members.

4.13.3 All disapprovals require a verifiable technical explanation.

5. NUCAP APPROVAL

5.1 Issuance of Certificate

On behalf of the NuMC, PRI shall grant approval in the form of a Certificate when all requirements have been satisfied. This Certificate and corresponding Scope of Approval shall contain the following information:

- a. Name of Main Site Facility (Headquarters) and address of Main Site Facility;
- b. Name of all Satellite facilities and addresses with site specific scopes
- c. Number and granting date of the certificate;
- d. Expiration date of the certification;
- e. Identification of Limitations based on Temporary Deviations

5.2 Notification of Changes

The User shall inform PRI of any changes affecting scope of approval including the following:

- a. Changes to the quality system impacting registration or approval status
- b. Changes to information listed in 5.1 (a-e)
- c. Significant changes to the internal audit program including checklists, and auditing/oversight procedures
- d. Changes to Auditor Qualification Procedures

PRI shall consult with the NuMC on the possible impact of the changes relative to the scope of approval. The User will be advised of any action required, including the submittal of updated information/data, to support continued approval.

Where the Nadcap commodity checklists require notification of changes, PRI/Nadcap notification is not required.

6. APPEALS

6.1 There shall be provisions for appeal of qualification decisions. These provisions shall assure that due process is provided.

6.2 An ad hoc Appeals Committee shall be appointed and convened as necessary by the NuMC to consider appeals. This committee may not include individuals from User Competitors.

7. PERSONAL CODE OF ETHICS AND CONFLICT OF INTEREST

7.1 The requirements of this section shall apply to all participants in the NUCAP certification process.

7.2 It is expected that all individuals shall exhibit accepted professional standards of conduct and to uphold and advance the integrity of the program.

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- 7.3 Each individual has an inherent responsibility to uphold their position of trust relative to public interest. It is expected that each individual exercise impartial professional judgment to assure confidence in the integrity of the program by avoiding conflicts of interest in all related activities.
- 7.4 When a competing interest has the potential to preclude or impair exercising one's independent professional judgment that individual should voluntarily disassociate themselves from that particular activity, whether it be committee discussion, deliberations, or decision-making.
- 7.5 Any person associated with the program who believes that continued participation by any other person might jeopardize the integrity of the program should bring the matter to the attention of PRI for resolution.
- 7.6 All individuals associated with the certification process shall maintain proprietary or confidential information with which they become familiar as a result of their exposure to the supplier and/or reports during the certification process appropriately. Information of this type shall not be shared with individuals or organizations having no right to this information.
- 7.7 All individuals associated with the certification process shall not use undue influence or personal conversations to influence the results or the review process.

8. MARK OF CONFORMITY

- 8.1 The published AUL shall authorize a mark of conformity for use by the User in accordance with established policies.
- 8.2 The mark of conformity is proprietary.

9. PUBLICITY BY USERS

- 9.1 A User has the right to publish that it has been authorized to use the mark of conformity for products, processes, or services for which the certification applies.
- 9.2 In every case the User shall take sufficient care of his publications and advertising so that no confusion arises between certified and non-certified processes.

10. MISUSE OF CERTIFICATE OR MARK

As a part of the program, PRI will have surveillance to ensure proper use of the certification mark. Improper or misleading references to the program, the certification, or the mark that are found in advertisements, brochures, or other publications will be subject to corrective actions that could include legal action and publication of the violation via the AUL.

11. SUSPENSION OF CERTIFICATION

- 11.1 A User may have certification suspended by NuMC for a limited period under the following circumstances:
- a. Re-approval audit reveals a significant nonconformance to the certification requirements that is judged insufficient to warrant withdrawal
 - b. Misuse of the certificate or mark that is not suitably retracted and corrected with measures instituted to prevent recurrence
 - c. Product impact issue reported to the NuMC or PRI by a user/manufacturer of sufficient criticality that would call into question the quality systems ability to maintain compliance.
 - d. Reporting of false information or data
 - e. Any other violation of the procedures of NUCAP
- 11.2 In the event of suspension of certification PRI shall advise the User in writing of the corrective actions necessary for the restoration of certification.
- 11.3 Notification of suspension to NUCAP Users shall be accomplished by an update to the AUL.

12. WITHDRAWAL OF CERTIFICATION

- 12.1 A User may have certification withdrawn by NuMC for the following reasons:
- a. Re-approval audit reveals a nonconformance to the certification requirements judged sufficiently serious to warrant withdrawal
 - b. Failure to pay the prescribed fees
 - c. Corrective actions taken for restoration of suspended certifications are insufficient
 - d. Any violation of User's agreement with PRI
 - e. Nonconformance with established NUCAP Program Documents
 - f. The User's wish to discontinue qualification
 - g. The process is no longer being performed
 - h. The User is going out of business
 - i. Unapproved Auditors
- 12.2 In the event of certification withdrawal, PRI shall advise the User in writing of the corrective actions necessary for the restoration of certification.
- 12.3 Notification of withdrawal to NUCAP Users shall be accomplished by an update to the AUL.

13. CHANGES TO NUCAP PROGRAM DOCUMENTS

Significant Technical changes to NUCAP Program Documents may be accomplished by a majority vote of the NuMC and/or a 21-day letter ballot to all voting members. PRI shall then implement the changes. Changes to the process defined herein shall be as directed by the NuMC.

- 13.1 Balloting and change control shall be in accordance with NIP 4-01 and NIP 4-03. PD Documents are treated the same as NOP documents relative to revision and balloting.

14. PRI CONFIDENTIALITY REQUIREMENT

All information provided to PRI shall be treated in accordance with the confidentiality requirements of PRI.

15. USERS RESPONSIBILITIES

- 15.1 The applicant User shall be responsible for developing internal special process oversight system that will assure compliance to NUCAP Requirements. This system, at a minimum, shall include:

- Special Process requirements compliant to the Nadcap audit criteria for those processes within the scope of certification
- Internal Auditor Qualifications compliant to applicable NUCAP Program Documents
- Internal Special Process auditors that are independent by absence of direct responsibility for work or process being audited.
- User Internal Audit frequency shall be compliant to applicable NUCAP Program Documents
- An effective Corrective Action System
- Functional Quality System, equal to or better than AS/EN/SJAC9100
- Shall have a temporary deviation procedure that provides for resolution between the Nadcap requirement and the User member's requirement.
- Submit Proposed Scope of Approval and communicate any changes to PRI
- User corrective action system shall address evaluation of NCRs identified by verification audit but not by their internal audit process for impact on the internal audit effectiveness.

NOTE: Effectiveness review does not apply when all internal audits are conducted by contracted Nadcap auditors and closed out by PRI audit report reviewers.

- 15.2 The applicant User shall address all NUCAP audit nonconformances satisfactorily per Nadcap requirements and close them in a timely manner consistent with the User's internal corrective action procedures.

- 15.3 The applicant User must present their implementation plan for resolution of the deviation to the NuMC. The applicant User shall complete the Deviation Form (n-frm-01) for all deviations needing Task Group resolution. The User shall submit the Form to PRI.

- If the Task Group "Rejects the deviation and recommends compliance", the applicant User must present their implementation plan for resolution of the deviation to their Review Team.

16. PRI RESPONSIBILITIES

16.1 PRI shall perform two sets of audits:

- Headquarter Audit using audit criteria established per PD3100
- Verification Audits: PRI will perform verification audits at a pre-determined number of sites and applicable special processes as approved by the NUCAP Review Team using applicable Nadcap audit criteria. These audits are performed to ensure that the applicant User's special process oversight system is effective in achieving Nadcap compliance across the organization.

NOTE: When all internal audits are conducted by contracted Nadcap auditors and closed out by PRI audit report reviewers, these audits shall be substituted for verification audits.

16.2 Extended Audit Frequency:

- Verification audit frequency: The User's Review Team may elect to grant an extension to the NUCAP approval frequency to a User who has demonstrated after two (2) successful rounds/cycles of verification audits that no nonconformances were found by the Nadcap Auditor(s) that the User's Internal Auditor(s) did not find. (This must be true of all of the sites and commodities within the User's Scope.) If the above requirements are met then the verification audit frequency may be extended from annually (12 months) to 18 months. If the above requirements are met at the 18 month verification audit frequency then the User may be extended to 24 months.

NOTE: At any time the Nadcap Auditor(s) detect a nonconformance that the User's Internal Auditor(s) did not find the verification audit frequency will be reduced to annually (12 months).

NOTE: The User's Review Team will sample a minimum of 10% of the total audits for each round/cycle of verification audits regardless of the audit frequency.

- Headquarters audit frequency: Will be at the same frequency as the verification audits (i.e. if the verification audit frequency is extended to 18 months then the headquarter audit will be conducted every 18 months.)

16.3 Handling of Deviations

- The Nadcap Auditor shall recognize existing approved deviations making reference to such deviations in the applicable checklist without issuing an NCR.
- For all deviations requiring Nadcap Task Group resolution, PRI will track and forward the Deviation Form (n-frm-01) to the applicable Task Group for disposition.

16.4 Handling of Internal Audit Corrective Actions

- The Nadcap Auditor shall recognize existing internal audit corrective action plans without issuing an NCR, assuming the condition found is the same as noted in the internal audit corrective action. This should be noted in the applicable checklist and cover letter.

NOTE: Recognition of internal audit corrective actions does not apply when all internal audits are conducted by contracted Nadcap auditors and closed out by PRI audit report reviewers.

16.5 PRI Headquarters Auditor shall review the User's Corrective Action System to verify Management Review of the NCR's.

16.6 PRI shall provide the following documents to the Review Team for review:

- Scope Matrix (identifying all sites and processes for inclusion in the NUCAP Approval)
- Verification Matrix
- Proposed Scope of Approval
- Audit Reports or Headquarter and Verification Audits

16.7 PRI shall coordinate any identified changes to NUCAP scope or verification audit plan with User's Review Team after initial approval of plan.

16.8 PRI shall be responsible for completing the Audit Report Review process in accordance with Appendix A (4.0).

16.9 PRI shall be responsible for the final certification process.

16.10 PRI shall issue the certification within five (5) working days of closure.

Document Revision History

08-MAR-2007	Rev. B. General Revision; clarification of deviation documentation, control and reporting requirements; evaluation of internal audit effectiveness; reporting of changes
17-DEC-08	Rev. C. General Modifications to clarify NUCAP processes and align with applicable NOP/NIP processes within Nadcap; Clarification of Review Team Responsibilities (4.10)

Appendix A

1.0 LANGUAGE AND TRANSLATION CONTROL:

The official language for Nadcap standards, conducting NUCAP verification audits, and audit reviews, is English. When documents are translated, they are to be used for information only. If a discrepancy exists between the official English document and a translated document the English version shall supersede the translated document.

1.1 Prior to NUCAP verification audits and during the course of the audit, audited companies are responsible for providing translation based on the following rules:

1.1.1 Pre-audit documents as defined in the applicable checklists shall be provided written in English, unless an alternative language is agreed upon by the assigned auditor. If the auditor is reassigned, pre-audit documents shall be provided in written English unless the new auditor agrees to an alternative language.

1.1.2 During the audit, the company shall provide verbal or written translations as required to assure auditor's understanding and proper assessment.

1.1.3 All NCR responses, dialog in eAuditNet, and relevant paragraphs of documents submitted as objective evidence of corrective action shall be in English.

2.0 PRE-AUDIT PROCESS

2.1 PRI NUCAP office personnel shall coordinate the applicant User's audit plan with the Review Team for final approval.

2.2 PRI shall coordinate with PRI Scheduling to establish audits with assigned auditors in eAuditNet in accordance with the process described in NIP 7-01.

3.0 AUDIT PROCESS

3.1 The NUCAP verification audits are performed in accordance with normal Nadcap audit practices as supplemented by the NUCAP Audit Handbook.

4.0 AUDIT REPORT REVIEW PROCESS

4.1 NUCAP verification audits are reviewed in accordance with the Nadcap audit review process defined in NIP 7-03, with the exception that Merit and Failure criteria do not apply to NUCAP verification audits.

4.2 PRI Audit Report Reviewers shall evaluate all verification audit finding corrective actions appropriately address the effectiveness of the internal audit process.

NOTE: Effectiveness review does not apply when all internal audits are conducted by contracted Nadcap auditors and closed out by PRI audit report reviewers.

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- 4.3 PRI Audit Report Reviewers who have not been delegated by the applicable task group for Nadcap audits, shall review the assigned NUCAP audits and submit each to a selected Task Group Oversight Reviewer for an independent review of the audit prior to submittal for Review Team Approval.
- 4.4 PRI Audit Report Reviewers who have been approved for delegation by the applicable Task Group for Nadcap audits, shall review the assigned NUCAP audits under delegation rules per NOP-003, with the exception that such NUCAP audits are not subject to Task Group delegation oversight.
- 4.5 NUCAP verification audits shall be held in withheld status until all audits of a like commodity have been reviewed as accepted by the audit reviews. PRI shall notify the Review Team that the like commodity audits are ready for review in eAuditNet in accordance with PD3000 (4.10). The Review Team shall document final NUCAP approval within each commodity audit for the applicant company.
- 4.6 NUCAP Headquarter audit shall be held in withheld status until all verification audits have been reviewed or are ready for submittal to the Review Team. The Review Team shall document final NUCAP approval within the Headquarter Audit for the applicant company.
- 5.0 EXPORT CONTROLLED MATERIALS AND INFORMATION
- 5.1 NUCAP verification audits and headquarter audits shall be conducted and reviewed in accordance with the requirements documented in NIP 7-07.
- 6.0 PRI INCIDENT REPORTING
- Incident reports related to NUCAP program shall be documented in accordance with the applicable section of NIP 8-01, with the exception that such incident reports shall be maintained and managed separate from those incident report for Nadcap. PRI incident report information shall be made available for review upon request by NUCAP Users, provided data confidentiality is protected.