

**UNIVERSITI KUALA LUMPUR
MALAYSIAN INSTITUTE OF INDUSTRIAL TECHNOLOGY**

**FINAL EXAMINATION
JANUARY 2016 SEMESTER**

COURSE CODE : JQB 30303
COURSE TITLE : QUALITY AUDIT
PROGRAMME LEVEL : BACHELOR
DATE : 20 MAY 2016
TIME : 9.00 AM – 12.00 PM
DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES

- 1. Please read the instructions given in the question paper CAREFULLY.**
 - 2. This question paper is printed on both sides of the paper.**
 - 3. This question paper consists of ONE (1) section only.**
 - 4. Answer FOUR (4) questions only.**
 - 5. Please write your answers on the answer booklet provided.**
 - 6. Please answer all questions in English only.**
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THERE ARE 8 PAGES OF QUESTIONS EXCLUDING THIS PAGE.

INSTRUCTION : Answer FOUR (4) questions only

Please use the answer booklet provided.

Question 1



Figure 1 : Queuing and congestion scenario at Hospital XYZ

- a) Imagine that this is your first sight during your audit exercise in Hospital XYZ, As an auditor, decide and justify the audit criteria you should emphasize and what will be your focus of audit ?

(6 marks)

- b) Decide and justify type of non- conformity you will raise accordingly to this hospital if you found out that the problems had happen for long time without any counter measures to overcome it. Determine the most appropriate clause in ISO9001:2008 you may use to issue NCR to hospital XYZ.

(4 marks)

- c) As an auditor, you may explain to Hospital XYZ that the consequences of such scenario may lead to the issuance of non-conformity. Help Hospital XYZ to understand non-conformity by distinguish all types of non- conformity you may raise during auditing

(5 marks)

- d) As an auditor, employ your audit knowledge by identified THREE (3) documents or records that you will review related to the above scenario of Hospital XYZ.

(3 marks)

- e) Hospital XYZ is really concern on audit duration on their organization due to busy schedule of their operation. As a lead auditor, you are now in the stage of preparing audit planning properly so it will not interrupt Hospital XYZ's operation. Prepare a summary of any Seven (7) factors that influencing the amount of time spent on audit.

(7 marks)

Question 2

Read the Case Study and answer all the questions below.

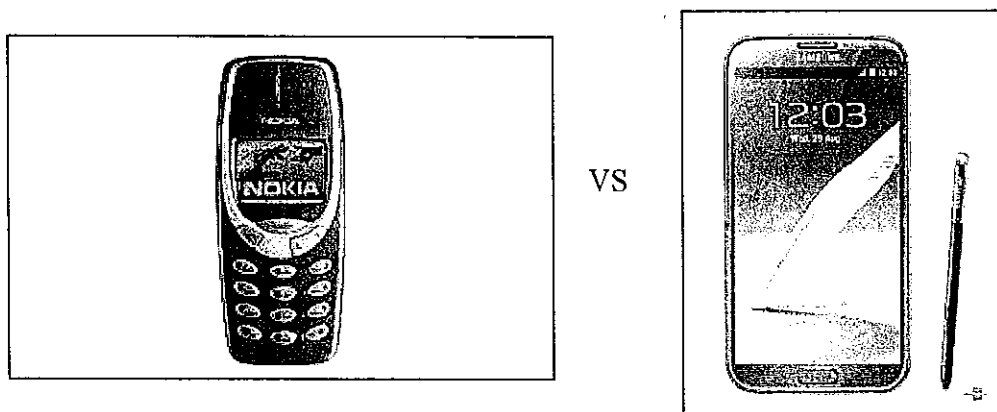


Figure 2 : Nokia product vs Samsung product

There was a time when Nokia ruled, Samsung struggled and Apple was nowhere in the phone market. Nokia became the world's largest cellphone maker in 1998 when it overtook Motorola – at a time when Samsung had just entered the industry – and it controlled around 40 per cent of the market for years before Apple Inc's iPhone was unveiled in 2007.

Now the roles are reversed and Nokia is struggling hard not be nowhere. Samsung has surpassed Nokia in cellphone sales, thereby ending Nokia's 14-year rule as a leading handset maker, according to IHS iSuppli and Strategy Analytics. Nokia shipped 83 million handsets in Q1 2012, while Samsung shipped 92 million handsets. It's not just about those numbers. Standard & Poor has also downgraded Nokia's bonds to a grade of BB+/B.

But what's the reason behind Nokia's fall? Here are the possible things that went wrong with Nokia.

COMPLACENCY

As a market leader for over a decade, Nokia didn't really plan for the future as it seemed a bit complacent with its products. When Apple launched the iPhone in 2007, the first touch phone, Nokia was still priding in its E-series by when the definition of smartphone had undergone a tremendous change. That was least expected from the pioneer in the smartphone market.

The success of iPhone didn't have any significant impact on Nokia, unlike Samsung, which experimented with off-the-shelf technologies and managed a transition to smartphones much faster than expected. And Nokia, which had launched its first smartphones through its Symbian series 60 in 2002, remained a pioneer with no better future prospects. Nokia failed to anticipate, understand or organize itself to deal with the changing times.

LACK OF INNOVATION

While Samsung comes up with new phones almost every year with a slight modification from the previous launch, Nokia's Windows phone which came in 2011 lacked some basic technology essential to drive its sales. Nokia's Lumia series was launched with a bang, but didn't click. Reasons can be its design, which wasn't as attractive as Samsung phones or the iPhone. Today the sale of phones is dependent on how shiny or trendy it looks. Leave aside the looks, Nokia phones didn't have the front camera, which makes it not even 3G enabled. And we are on the threshold of entering the 4G era. So, Nokia's latest phones were feature ready, but not future ready.

FROM SYMBIAN TO WINDOWS

Nokia was solely dependent on Symbian till it entered into a partnership with Microsoft recently. But its shift to Windows was considered a tad too late as by then Apple and Samsung had established their dominance. The operating system space was nearly occupied by Android and iOS leaving not much role for Windows. But that cannot be translated into a failed partnership. "Nokia and Microsoft are no weaklings, they do have assets. We believe that there is a good chemistry there with that partnership, and ultimately long-term Windows Phone will be successful," Wayne Lam, IHS senior analyst, was quoted

by Wired. Hence what's advisable for Nokia is to adopt multi-operating systems to make the most of all.

- a. Imagine that you are the auditor appointed to audit Nokia as to assist the company to sustain their business. Explain all types of audit in detail. Decide and justify the types of audit you may conduct to Nokia.

(10 marks)

- b. Imagine that you decide to conduct the **system audits** to Nokia and you found out that there are **significant non conformities** on the continual improvement as well as the product design and development program which was not being undertaken seriously. However, based on the previous report, if the **product audits** conducted previously is **satisfied**, will you recommend Nokia as a good manufacture of cellphone. Will you consider Nokia as your preferred brand in future purchase? Justify your answer.

(5 marks)

- c. As an auditor, you are going to audit Nokia and assess whether they had plan and carry out proper product design and development under Clause 7.3 Design and development in ISO9001:2008. Prepare FIVE (5) typical auditor's question relates to Clause 7.3.above.

(10 marks)

Question 3

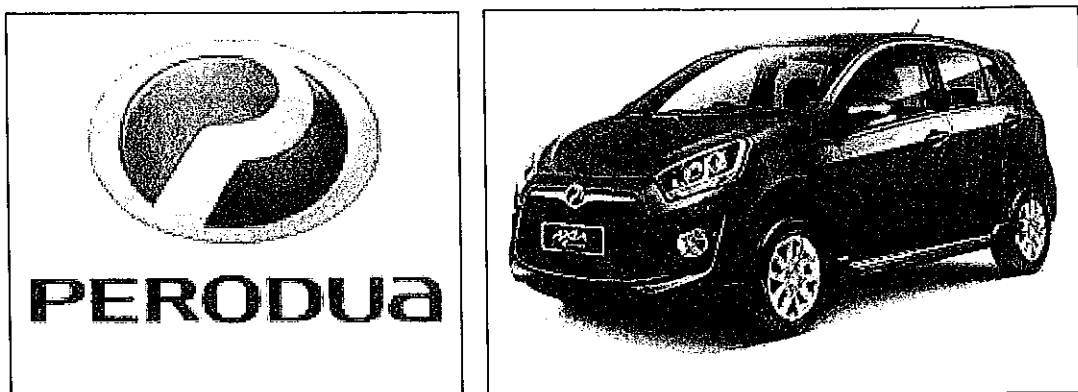


Figure 3 : Perodua's logo and Perodua's car

The Perusahaan Otomobil Kedua Sendirian Berhad (Second Automobile Manufacturer Private Limited), usually abbreviated to Perodua is Malaysia's largest automobile manufacturer closely followed by Proton. It was established in 1992 and launched their first car, the Perodua Kancil in August 1994.

Perodua mainly produces minicars and superminis and does not have models in the same market segments as Proton. They do not design or engineer their main components, such as engine and transmission, in house. Perodua cars have historically used Daihatsu component designs. Perodua sold over 189,000 vehicles in 2012, which was its highest ever sales record. Its estimated market share in Malaysia was 30.2 per cent. It is planning to set up a second car manufacturing plant from the planned \$770 million investments in the coming years.

- a. As a QA Engineer in Perodua, you have been appointed as an auditor and responsible to audit the "Window Frame" supplier of Perodua for 2nd quarter audit. Develop an appropriate and complete audit plan which will enable the supplier to continually emphasis on high quality products, providing excellent value and maintaining Perodua quality and ability to offer lower price for their customer.

(10 marks)

- b. Prepare the audit checklist that covers Clause 7.3.1 Design and development planning and Clause 7.3.2 Design and development inputs.

(10 marks)

- c. Provides on possible typical opening meeting agenda that will be conducted by the external auditor if they are to conduct third party audit to Perodua's supplier

(5 marks)

Question 4

Write accurate Nonconformity statements in a suitable form of your own format for below scenarios. Identify appropriate clauses in ISO9001:2008 for each scenario. Identify the suitable level of non-conformance for each scenario.

Scenario A

From the thorough review of the quality systems for ABC Sdn Bhd, it was found that the procedure to control and manage records was not being established. The current record control is based on the control of document procedure.

Scenario B

The reject products for customer A (batch A312-A43T) were not clearly identified and had become mixed with good product of customer B (batch B312-A44T). However, it was lucky that the shipment to customer B was yet to be done.

Scenario C

In a ABC's Sdn Bhd branch at JB, the auditor notes that contrary to the existing procedure, ABC-AK2-R3 that clearly stated to use ZECA equipment for incoming inspection; the incorrect equipment are being used to inspect the incoming raw materials. On questioning the staff, it was found that the procedure was issued by the head office in KL but that here in JB they did not have the equipment specified in the procedure. The JB branch however have been using their particular brand of equipment for many years without any problems

(25 marks)

Question 5

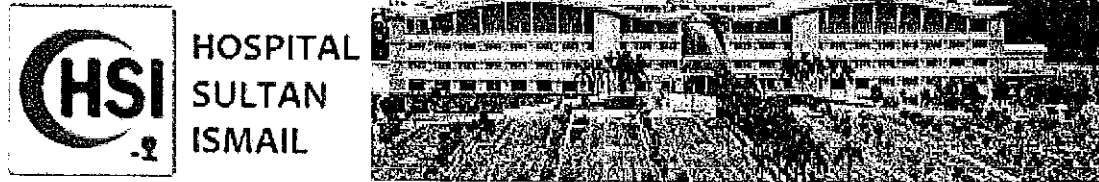


Figure 4 : HSI Logo and Buildings

Hospital Sultan Ismail is a specialist tertiary hospital equipped with a fully computerized system known as Total Hospital Information System or THIS. The construction of this hospital is in line with the government's objective to make Malaysia a developed nation as outlined in Vision 2020 and the Vision of Malaysia's Ministry of Health. To achieve the above, this hospital is designed and equipped with sophisticated and world class equipment. This modern electronic hospital provides 15 Secondary and 2 Tertiary services in addition to other support services, with 'day care' services as a priority service to more than 700,000 people in the 8 district and its surrounding areas. This hospital is also a National Reference Center (National Referral Centre) to the 'tertiary care' services provided.

HSI is now in the mist of implementing QMS in their organization. Therefore, the quality management systems developed in HSI should be assess as to ensure their organization will always Standardize, Consistent and Effective in their operation for the benefits of patient.

- a. As an expert in Quality Audit, explain to HSI the necessity of quality audit in every organization.

(5 marks)

- b. Compare the differences between corrective action and preventive action. You may explain by providing examples on HSI.

(5 marks)

- c. Imagine that you are going to explain the basic process of audit to HSI's management. Draw basic process of audit and discuss.

(5 marks)

- d. Surveillance audit are the ongoing periodic review of an organization's quality management system, by a third party registrar. They generally occur every 12 months, if the organization shows a high standard of compliance. If you plan to conduct a surveillance audit to HSI, explain any TWO (2) elements you will be looking for during surveillance audit.

(5 marks)

- e. Explain any FIVE (5) of HSI's roles as an auditee quality audit

(5 marks)

END OF EXAMINATION PAPER

