

Focus Visit

Report for:

Essar Steel Processing UK Limited

LRQA reference:	LRQ0911213/0041
Assessment dates:	13th January 2014
Assessment location:	Dudley, West Midlands
Assessment criteria:	ISO 9001:2008 ISO 14001:2004
Assessment team:	Wayne Roden
LRQA office:	Coventry

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Attachments

This report was presented to and accepted by:	
Name:	Stuart Hill
Job title:	EQA Supervisor

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1. Executive report

Assessment outcome:

The objective of this visit was to conduct a focus assessment against the requirements of ISO 9001:2008 and ISO 14001:2004. This objective was achieved.

The quality and environmental management systems utilised continue to perform to a very high standard with only one minor non-conformance identified during the visit. The management system is well implemented and maintained, and continues to provide a framework from which customer satisfaction can be achieved and environmental legislative compliance maintained.

The existing certified management system is being maintained effectively and continues to be suitable for Essar Steel Processing and Distribution UK Limited's business activities over the next certification period.

As no major non-conformances were identified during this visit, a recommendation for continued certification to ISO 9001:2008 and ISO 14001:2004 is made.

Continual improvement:

The management system continues to achieve good levels of customer satisfaction which has been measured through the customer satisfaction survey and "Customer Roadshow" activities.

The management system continues to be delivering compliance against environmental legal requirements for the samples assessed.

The policy and objectives continue to deliver business benefits, which were clearly evidenced through waste segregation and hierarchal approach, improved energy efficiency and attainment of reduction targets for energy consumption driven by the Climate Change Agreement in place, which is in turn reducing organisation risk.

The management system continues to generate appropriate and reliable data to enable fact based decision making which was particularly evident during the visit from utility consumption.

Areas for senior management attention:

Senior management attention is drawn to the need to strengthen resources surrounding Internal Auditing to ensure that impartiality is achieved during the process and that overdue internal audits are completed.

The next visit is the certificate renewal assessment whereby the entire management system will be subjected to sampling for conformance with the relevant requirements of ISO 9001:2008 and ISO 14001:2004.

2. Assessment summary

Introduction:

This focus surveillance assessment visit was to examine the client's conformance with ISO 9001:2008 and ISO 14001:2004. The visit followed the plan agreed at the opening meeting.

An opening meeting was held in accordance with LRQA procedures where the LRQA assessment and reporting processes were described and the plan for the visit agreed. The opening meeting was attended by Stuart Hill.

The scope of certification was reviewed and requires minor alteration to remove an area of duplication (Steel Sales).

A closing meeting was held with the above attendees in which the outcome of the visit was presented.

Assessor: Wayne Roden

Assessment of:	Management System Elements	Auditee(s):	Stuart Hill
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Audit trails and sources of evidence:

- Review of previous findings – 1308WPR01 Findings Log
- Scope of Certification – see below
- Changes to organisation, activities, services – none
- Changes to Management System – Environmental and Quality Assurance Management System Manual 2014, Purchase Order Procedure Issue 7 04/12/2013, Issue Status Document Control accessed 13/01/2014, Control of Records and Documents Issue 4 13/09/2011.
- Quality Policy – Quality Policy Statement 06/01/2014
- Quality Objectives – Quality Objectives Issue 9 06/01/2014, OEE Analysis 2013, Customer Satisfaction Survey Results 2013
- Management Review – Continual EQMS Review Meeting Report 18/11/2013
- Internal Audit – Internal Audit Procedure Issue 4 18/09/2012, EQMS Auditing Schedule 2013, Internal Audit Corrective and Preventive Action, Internal Audit Weighbridge Offloading and Loading Procedure, Internal Audit Effluent, Internal Audit Sales, EQMS Auditing Schedule 2014
- Customer Satisfaction – Customer Satisfaction Survey Results 2013, Customer Satisfaction Presentation 2013
- Non Conformance, Corrective Action and Preventive Action – Non Conforming Product Overview Issue 2 01/03/2011, Corrective Action Procedure Issue 4 12/12/2013, Customer Complaints 772/771/770 and CAP 036 and 035, ECAP 024
- Environmental Policy – Environmental and Sustainability Policy 06/01/2014
- Environmental Objectives, Targets and Management Programmes – Environmental Objectives 2014, Environmental Management Programmes 2014, Quarterly Monitoring From Total Energy 2013, Waste Record 2013
- Use of LRQA Logo – None

Evaluation and conclusions:

Scope of certification was reviewed and agreed to remove "steel sales" from end of scope as this activity is already fully described at the beginning of the scope.

Changes to management system have been limited to minor revisions. Details of changes and revision of issue are clearly tracked.

Quality policy statement was observed to be implemented and maintained, with communication managed through corporate intranet and noticeboards.

Quality objectives were observed to be maintained with evidence of improvement demonstrated through the Customer Survey activity conducted in Q4 2013 which has sampled the market confidence as well as organisation performance resulting in SWOT analysis.

Management Review was completed to a good standard with good review of the suitability of the management system. Areas for attention were clearly identified with appropriate responsibility and time-frame.

Internal audits are planned, but a number of audits have not been completed as per planned arrangements. The root cause has been identified as lack of auditor resource. Internal audits have been completed to a high standard with evidence of close out demonstrated for the assessed samples

Customer satisfaction was observed to be well identified and indicates good performance perceived. Areas for improvement were clearly identified and could be considered within the quality objective/improvement facility.

Environmental policy statement was observed to be implemented and maintained. However a policy commitment surrounding supplier environmental commitments has no evidence of fulfilment.

Environmental objectives have been set for 2014 which are clearly underpinned by appropriate management programmes surrounding the key environmental impacts of the organisation. Performance for 2013 against climate change levy targets identified that the specific energy consumption set by the SEA umbrella agreement was easily achieved (107.850 v's 131.605).

No environmental complaints have been received in the previous 12 months. Very low instances of environmental non-conformance have been identified. Customer complaints were observed to be well managed with appropriate corrective action implemented.

Areas for attention:

Although quality objectives have been formulated, consider the inclusion of items such as "areas for improvement" from the recent customer survey within a structure improvement programme for quality (**opportunity for improvement**).

Minor NC 1401WPR01 – Internal Auditing

Assessment of:	Environmental Risk Management	Auditee(s):	Stuart Hill
Audit trails and sources of evidence:			
<ul style="list-style-type: none"> • Environmental Aspects Procedure Issue 5 29/08/2013 • Identification of Legal and Other Requirements Procedure Issue 5 25/09/2012 • Register of Environmental Impacts Issue 10 11/10/2013 • Register of Legal Other Requirements 23/04/2013 			
Evaluation and conclusions:			
Environmental risk mechanisms remain in place and are clearly ensuring the identification of areas for management attention. Legal and other requirements are due for review and progress will be examined at certificate renewal.			
Areas for attention:			
None			

Assessment of:	Focus / certificate renewal planning visit	Auditee(s):	Stuart Hill
Audit trails and sources of evidence:			
<p>Review: Customer Satisfaction Analysis 2013, Customer Complaint Portal accessed 13/01/2014, Corrective Action Plan Log accessed 13/01/2014, LRQA Reports LRQ0911213/0038/39/40/41</p> <p>Preview: Interview with Phil Guest 13/01/2014 Developments in the organization and its environment; strategy, policy and objectives in relation to these developments; the adequacy of management system.</p> <p>Planning: Interview with Stuart Hill 13/01/2014, Interview with Phil Guest 13/01/2014</p>			
Evaluation and conclusions:			
<p>Review: There have been limited organisational changes in the certification period. Customer satisfaction continues to be positive and identify clear areas for improvement. Complaints remain to be well managed and with clear recurring trends in non-conformity. Management review was observed to be conducted to a good standard. The management system is clearly mature and robust hence subject to only limited change. Non-conformances from external parties (LRQA/Environment Agency) have been few in nature and generally addressed in a very positive manner.</p> <p>Preview: An overview of the progress of the business since acquisition by Essar Steel was provided which has highlighted that following losses to the business over the previous two financial years, a return to profit and achievement of budgetary target is expected by March 2014. A three year plan has been produced which is focused on ensuring continued improvement of the the business position. Developments within the business are aimed at further improving customer satisfaction following the successful "Customer Road show" conducted at the end of 2013. Expected developments surround both the website and online systems with a clear focus on improved availability of data and the establishment of visual key performance indicators. Management system was considered to be adequate.</p> <p>Planning: Certificate renewal visit planning conducted and requires no additional auditing resources other than the lead auditor already planned. No requirements for specialised assessors exists. All activities are conducted from the site at Pensnett Road hence no site visits required. Audit theme selected by senior management surrounds the Quality Reporting Functions from receipt of material to despatch of product.</p>			
Areas for attention:			
None			

3. Assessment findings log - ISO 9001:2008

Grade 1	Status 2	Finding (including location if applicable) 3	Correction, root cause & corrective action review 4	Process / aspect 5	Date 6	Reference 7	Clause 8
Minor NC	Closed	Whilst a process exists for corrective action, weaknesses were observed in identification of root cause, implementation of an appropriate corrective action and subsequent verification and validation of the success of corrective action as evidenced in customer complaints 717, 718 and 721	<p>Progress: 13th January 2014 Wayne Roden</p> <p>Examination of complaints 772/771/770 and CAP 036 and 035 demonstrated a robust approach to addressing validation and verification of corrective actions.</p> <p>Outcome: Closed</p>	Corrective Action	19 Aug 13	1308WPR0 1	8.5.2
Minor NC	New	<p>The internal audit process is currently not fully effective:</p> <p>Auditor independence is currently not available following the re-organisation of the workforce during 2013 as evidenced in EQMS Auditing Schedule 2013.</p> <p>A number of outstanding audits (11 out of 28) remain due to loss of resource against the 2013 schedule.</p> <p>In mitigation, the issue has been raised at management review (18/12/2013) and audits rescheduled for 2014</p> <p>Risk: Review of the effectiveness of the management system is not fully possible.</p>		Internal Auditing	13 Jan 14	1401WPR0 1	8.2.2

1. Grading of the finding *

2. New, Open, Closed

3. Description of the LRQA finding

4. Review by LRQA

5. Process, aspect, department or theme

6. Date of the finding

7. YYMM<Initials>seq.#

8. Clause of the applicable standard

* Major NC = Major nonconformity

Minor NC = Minor nonconformity

4. Assessment findings log - ISO 14001:2004

Grade 1	Status 2	Finding (including location if applicable) 3	Correction, root cause & corrective action review 4	Process / aspect 5	Date 6	Reference 7	Clause 8
Minor NC	New	<p>The internal audit process is currently not fully effective:</p> <p>Auditor independence is currently not available following the re-organisation of the workforce during 2013 as evidenced in EQMS Auditing Schedule 2013.</p> <p>A number of outstanding audits (11 out of 28) remain due to loss of resource against the 2013 schedule.</p> <p>In mitigation, the issue has been raised at management review (18/12/2013) and audits rescheduled for 2014</p> <p>Risk: Review of the effectiveness of the management system is not fully possible.</p>		Internal Auditing	13 Jan 14	1401WPR01	4.5.5

1. Grading of the finding *

2. New, Open, Closed

3. Description of the LRQA finding

4. Review by LRQA

5. Process, aspect, department or theme

6. Date of the finding

7. YYMM<Initials>seq.#

8. Clause of the applicable standard

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5. Closed Findings - ISO 14001:2004

Grade 1	Status 2	Finding (including location if applicable) 3	Correction, root cause & corrective action review 4	Process / aspect 5	Date 6	Reference 7	Clause 8
Minor NC	Closed	The Emergency Preparedness testing procedure requires that spill procedures should be tested at a frequency of 12months for minor spills and 18 months for major spills. The last tests were conducted in June 2009.	<p>Scenarios are currently under discussion between the EMS representative, production management and the training consultant with regard to suitable test areas and materials The tests will be held to encompass all personnel designated within a specific spill response team. Tests are planned to start in August after the company shutdown</p> <p>16th February 2012</p> <p>Emergency response has now been successfully tested</p>	Emergency Preparedness and Response	14 Jul 11	1107TJD1	4.4.7

1. Grading of the finding *

2. New, Open, Closed

3. Description of the LRQA finding

4. Review by LRQA

5. Process, aspect, department or theme

6. Date of the finding

7. YYMM<Initials>seq.#

8. Clause of the applicable standard

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6. Audit Programme/Plan

Visit Type	Focus Visit	Certificate Renewal	SV1	SV2	SV3	SV4	SV5	Certificate Renewal
Due Date	Feb 14	Aug 14	Feb 15	Aug 15	Feb 16	Aug 16	Feb 17	Aug 17
Start Date	13/01/2014	09/06/2014						
End Date	13/01/2014	13/06/2014						
Audit Days	1	5	2	1	2	1	2	TBC
Any change in workforce numbers That may impact visit duration (if yes add new number)	N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
Process / aspect / location								
<i>Final selection will be determined after review of management elements and actual performance</i>								
Management Review	✓	✓						
Internal Audits	✓	✓						
Continual Improvement	✓	✓						
Management of change	✓	✓						
Corrective action	✓	✓						
Preventive action	✓	✓						
Complaint Management	✓	✓						
Use of Logo	✓	✓						
Environmental Aspects		✓						
Legal and Other Requirements and Evaluation of		✓						
Communication		✓						
QMS Processes								
Steel Sales		✓						
Coil Pickling		✓						
De-coiling		✓						
Slitting		✓						
SCS		✓						
Stock Control		✓						
Stores/Despatch		✓						

Visit Type	Focus Visit	Certificate Renewal	SV1	SV2	SV3	SV4	SV5	Certificate Renewal
Purchasing		✓						
Training		✓						
Document Control		✓						
Calibration		✓						
EMS Processes								
Pickling Plant		✓						
General Processing Areas		✓						
Energy Management		✓						
Waste Management		✓						
Purchasing/Suppliers		✓						
Training		✓						
Warehouse		✓						
Packaging Waste (Wastepack)		✓						
Contractor Management		✓						
IPPC Permit		✓						
Emergency Preparedness		✓						
REACH		✓						
Review-Preview-Plan (SV5 only)	✓							

Scope	Purchase and sale of strip mill products. Sub-contract slitting and de-coiling of wide strip, flat rolled and coiled steels. Coil to coil pickling of mild, low alloy and carbon steels. SCS cleaning of hot rolled coiled steels. Steel Sales.
Exclusion	ISO 9001:2008 7.3 Design, 7.5.2 Validation of Processes for Production and Service Provision

7. Next visit details

Visit type	Certificate Renewal Visit				
Theme(s) for Next Visit	Conformance to ISO 9001:2008 and ISO 14001:2004				
Audit days	5 days	Due date	Aug 2014	Visit start / end dates	9 th – 13 th June 2014
Locations	Dudley, West Midlands				
Activity codes	107201, 109001, 280102				
Team	Wayne Roden				
Standard(s) / Scheme(s)	ISO 9001:2008, ISO 14001:2004				
Remarks and instructions					
Certificate expiry is 07/08/2014					

8. Assessment plan

Assessment type Re-certification	Assessment criteria ISO 9001:2008 ISO 14001:2004	
Assessment team Wayne Roden	Assessment dates 9 th – 13 th June 2014	Issue date 13 th January 2014

(Day 1)

08:30	Introductory meeting with management to explain the scope of the visit, assessment methodology, method of reporting and to discuss the company's organisation (approximately 30 minutes). The Team Leader will agree a time to meet with top management to discuss policy and objectives for the management system. LRQA team briefing for a team of two or more assessors or experts. Discussion of all outstanding issues from previous visits.
09:00	Top Management Interview
10:00	Management System Elements (Quality)
13:00	Lunch.
13:30	Management System Elements (Environmental)
15:30	Report writing.
16:30	Close.

(Day 2)

08:30	Review of findings from previous day. Review of the assessment plan for the day.
08:45	Site Tour <ul style="list-style-type: none"> • Coil Pickling • Effluent Treatment • Surface Water • Waste Management • Chemicals Storage
11:00	Environmental Permit
12:00	MCERTS Self-Monitoring of Effluent Flow
12:30	Climate Change Agreement
13:00	Lunch.
13:30	Waste Management
14:30	Producer Responsibility
15:30	Report writing.
16:30	Close.

(Day 3)

08:30	Review of findings from previous day. Review of the assessment plan for the day.
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- 08:45 Emergency Preparedness and Response
- 09:45 Production Office
Order Receipt and Processing
Contract Review and Planning
Stock Control
- 12:00 Weighbridge Operation (Receipt and Despatch Administration)
- 13:00 Lunch.
- 13:30 Coil Pickling Realisation
- 14:00 Decoiling Realisation
- 14:45 Slitting Realisation
- 15:30 Report writing
- 16:30 Close.
- (Day 4)
- 08:30 Review of findings from previous day. Review of the assessment plan for the day.
- 08:45 SCS Process
- 09:30 Stock Management
- 10:00 Sales Process
- 11:30 Calibration (QMS)
- 12:15 Effluent Calibration and Reporting (EMS)
- 13:00 Lunch.
- 13:00 Supplier Management and Purchasing
- 14:15 IT Management
- 15:30 Report writing
- 16:30 Close.
- (Day 5)
- 08:30 Review of findings from previous day. Review of the assessment plan for the day.
- 08:45 Preventive Maintenance (EMS and QMS)
- 10:15 Competence, Awareness and Training
- 11:30 Control of Contractors
- 13:00 Lunch.
- 13:30 Follow Audit Trails
- 14:00 Review of day's findings.
- 14:15 Preparation of final report.
- 15:45 Closing meeting with management to present a summary of findings and recommendations.



9. Report explanation

LRQA Findings Log definitions and information
Definitions of Grade Findings
<p>Major Nonconformity <i>The absence of, or the failure to implement and maintain, one or more management system elements, or a situation which would, on the basis of the available objective evidence, raise significant doubt of the management to achieve:</i></p> <ul style="list-style-type: none">• <i>the policy, objectives or public commitments of the organisation</i>• <i>compliance with the applicable regulatory requirements</i>• <i>conformance to applicable customer requirements</i>• <i>conformance with the audit criteria deliverables.</i>
<p>Minor Nonconformity <i>A finding indicative of a weakness in the implemented and maintained system, which has not significantly impacted on the capability of the management system or put at risk the system deliverables, but needs to be addressed to assure the future capability of the system.</i></p>
Objectives of the visit
<p>For all visits:</p> <ul style="list-style-type: none">• <i>using the LRQA Business Assurance methodology to help clients manage their systems and risks to improve and protect the current and future performance of their organisation</i>• <i>with the exception of Stage 1 visits, to address all issues outstanding from previous visits and any changes to the client's organisation or system that impacts on the approval (or potential approval) which will be recorded as visit specific objectives within the report.</i> <p>Stage 1: <i>The assessor shall review the system to determine that it fulfils the requirements of the assessment criteria and covers the activities detailed within the assessment scope.</i> <i>The assessor shall then interview the senior management of the company to determine that they have undertaken the following</i></p> <ul style="list-style-type: none">• <i>Stakeholder Analysis</i>• <i>Strategic Analysis</i>• <i>An analysis of the risk that could impact upon their business</i>• <i>That they have determined the context in which the system will operate</i>• <i>That they have identified any applicable legal, statutory or regulatory requirements that the system has to address</i> <p><i>The assessor will then use the information gathered as a result of these interviews to review the design of the system to determine if the client has addressed the potential risk within the system and to determine if the needs of their stakeholders have been addressed.</i> <i>In addition the assessor shall review and confirm the contractual arrangements. This includes any changes required as a result of the outcome of the Stage 1 visit (including changes to the scope of assessment, duration of the Stage 2 visit, and duration of subsequent surveillance visits). The assessor shall also determine the planning, logistics, sampling, etc. that will be used during the Stage 2 visit.</i> Stage 2: <i>The assessment of the implementation of the management system. This is to confirm conformity with certification requirements such as the assessment criteria and certification scope.</i></p> <p>Surveillance: <i>To determine that the client's system continues to meet the assessment criteria and certification scope.</i></p> <p>Certificate Renewal Planning / Focus: <i>To review the system and the performance of the company during the previous certification cycle, to see how the client plans to move forward in the future and to plan the Certificate renewal visit while confirming continued compliance with the assessment criteria and certification scope.</i></p> <p>Certificate Renewal: <i>The re-assessment of the implementation of the management system based on the results of the certificate renewal planning visit. This is to re-confirm conformity with certification requirements such as the assessment criteria and certification scope.</i></p>



Special Surveillance: To review the effectiveness of the correction and corrective action taken after the raising of a Major Nonconformity at a surveillance visit.

Follow-up: To review the effectiveness of the correction and corrective action taken after the raising of a Major Nonconformity at a Stage 2 or Certificate Renewal.

Change to Approval: The assessment of the implementation of the management system for an additional site or activity, which expands the existing scope of approval.

Additional information

Isolated issues and opportunities for improvement

Any isolated issues identified during the assessment, which have not resulted in a nonconformity being raised, we will record in the appropriate process table in the report.

If we identify opportunities to improve your already compliant system, we will either record them in the process table applicable to the area being assessed, or in the Executive summary of the report if they can deliver improvement at a strategic level.

Confidentiality

We will treat the contents of this report, together with any notes made during the visit, in the strictest confidence and will not disclose them to any third party without written client consent, except as required by the accreditation authorities.

Sampling

The assessment process relies on taking a sample of the activities of the business. This is not statistically based but uses representative examples. Not all of the detailed nature of a business may be sampled so, if no issues are raised in a particular process, it does not necessarily mean that there are no issues, and if issues are raised, it does not necessarily mean that these are the only issues.

Terms and conditions

Please note that, as detailed in the Terms and Conditions clause of the contract (1.7), clients have an obligation to advise LRQA of any breach of legal, regulatory, or statutory requirements and any pending prosecution. Although proportionality and scale of the situation should be considered, you are required to advise LRQA of any serious potential risks to our certification but not, for example, isolated cases of a minor nature.

"The Client is required to inform LRQA as soon as it becomes aware of any breach or pending prosecutions for the breach of any regulatory requirements relevant to the Certified Management System. LRQA will review the details of any breaches brought to its attention and may elect to perform additional verification activities chargeable to the client to ensure compliance with specified requirements. LRQA reserves the right to suspend or withdraw certificates of approval / verification statements and opinions for both failure to inform LRQA and the appropriate regulator of such breaches".

LRQA information

The client is also reminded of the information and guidance available to them from our website (www.lrqaco.uk). This includes information on our QMS, EMS, OHSAS, Verification and Validation products, our Training Services, and our CE Directives products.

Information is also available from www.lrqacom.

Insight Environmental (update service)

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