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## VdS-Leaflet

# Notes on the certification and surveillance of quality management systems for companies with subsidiaries

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# 1 Definitions

A company with subsidiaries is defined as an organisation with a headquarters which performs certain activities (so-called management functions) and which supports a network of subsidiaries. All activities performed within this whole organisation must be generally equal. The headquarters may not be established only or predominantly in order to achieve an effort reduced group certification process.

The subsidiaries may be legally independent or dependent companies which are tied to the headquarters and their joint quality management system (QMS) by contract. The entire QMS must be provided, documented and permanently supervised by the headquarters.

## 2 Limitations of applicability

### 2.1 Complexity of business areas

For the definition of the sampling plan it is a requirement that the scope of activity of all included subsidiaries is equal. With regard to this, special attention to each individual scope is necessary while identifying the subsidiaries belonging to the certification scheme. If multiple scopes of activity are covered by one or more subsidiaries, an individual sampling plan must be determined for each scope.

### 2.2 Temporarily manned locations, divided companies

Neither companies with temporarily manned locations (e.g. contractors or service companies) nor legally or geographically divided companies (e.g. companies with separate production- and sales locations) will be allowed to participate as headquarters for a group certification.

## 3 Notes on the certification procedure

### 3.1 Application for certification

Completed application forms according to VdS 2343, annex A and B must be handed in to VdS Schadenverhütung. The applications must include the headquarters and all related subsidiaries. Hence the applications must enclose documents which show that all subsidiaries contractually accept all administrative functions and authorities of the headquarters.

Management functions are of particular importance, because not all subsidiaries will be audited each year. Due to this, prior to the audit of the certification body the headquarters must have completed the following activities for itself and for every related subsidiary:

- Centrally held management review including the establishment of company/group objectives in order to document the continuous improvement process
- Internal audits
- Control of documents and records

- Control of superior corrective and preventive action including customer complaints

### 3.2 Auditing

All auditing shall demonstrate that a consistent QMS is effectively implemented and maintained throughout all subsidiaries. For that purpose a sampling plan will be determined and transmitted to the headquarters together with the audit schedules, appr. 1 to 4 weeks prior to the audit date. The minimum number of subsidiaries to be audited will be determined with regard to the total number of subsidiaries belonging to the group certification and their scope of activity (see para. 2.1). The sample size will be determined as follows:

**Main audit:**

The sample (y) shall be the square root of the number of all subsidiaries (x), rounded up to the next higher integer ( $y = \sqrt{x}$ ).

**Surveillance audit:**

The sample (y) shall be the square root of the number of all subsidiaries (x) multiplied by 0,6 and rounded up to the next higher integer ( $y = 0,6 \cdot \sqrt{x}$ ).

**Re-audit:**

The sample (y) shall be the square root of the number of all subsidiaries (x) multiplied by 0,8 and rounded up to the next higher integer ( $y = 0,8 \cdot \sqrt{x}$ ).

The number of subsidiaries to be audited may be increased with regard to the following:

- Extent of the company and number of employees
- Complexity of product-/service range and the QMS
- Number of product-/service variants
- Non-compliances/customer complaints/corrective action
- Internal audit results

The sampling plan will result in a representative cross-section of size and setup of the whole organisation. The headquarters will be audited additionally every year. All audits will address the compliance of **all** applicable requirements of the DIN EN ISO 9001 standard.

During on-site surveillance- and re-assessments business activities of the entire period of certification will be audited, beginning at the time of the last audit of the individual subsidiary.

### 3.3 Non-compliance / improvement measures procedure

If non-compliances will be raised by the certification body or during internal audits, it must at first be assumed that all subsidiaries are affected (systematic error). Because of this, all non-compliances must be reviewed by the headquarters in order to identify the systematic or non-systematic nature of the error. If a

systematic error has been identified, corrective action must be initiated at the headquarters as well as at all subsidiaries.

If non-compliances will not be addressed or not be addressed in a timely manner, revocation of the certificate may result. If non-compliances or improvement measures will not be adequately implemented, future sampling plans may be extended until the procedures will be suitably re-established.

Initial audit procedures and prolongations will not be concluded until all corrective action to systematic and non-systematic non-compliances will be completed in all subsidiaries and the headquarters.

To exclude a subsidiary from group certification, at which a non-compliance has been raised in order "correct" the non-compliance by doing so, is not acceptable.

### **3.4 Issue/Revocation of certificates**

As a rule a multi-page certificate, which reflects the complete scope of the group certification, will be issued to the headquarters. In this sense the location responsible for the entire QM-system will be taken as headquarters. The first page of the certificate will display the complete scope of the group certification. The second page will display the individual scope and full postal address of the head quarter and all legally independent and dependent subsidiaries. If all information can be formatted on one page, the second page will not be issued.

In addition to that, all subsidiaries will receive a certificate which is dependent to the headquarters certificate by a corresponding note. Hence, the validity of all certificates will be published under [www.vds.de](http://www.vds.de) .

If a **single** subsidiary or the headquarters fails to fulfil the requirements for certification, **all** certificates will be revoked.

## **4 Requirements for the headquarters and its subsidiaries**

The QMS must be planned and reviewed by the headquarters. All related subsidiaries and the headquarters must be internally audited at least once per year. Internal audits for all related subsidiaries and the headquarters must be completed before the audit of the certification body. The completed internal audit report and related corrective actions for the whole organisation must be presented to the auditor during **every** external audit.

The headquarters must demonstrate that all requirements of the DIN EN ISO 9001 standard are met.

The following activities must be completed by the headquarters:

- Control of documents and records
- Management review and derived quality objectives
- Follow-up of corrective action and customer complaints
- Planning and performance of internal audits

The following activities may be completed by the subsidiaries, while the control and surveillance of these activities lies in the responsibility of the headquarters:

- Product realisation
- Supplier evaluation, purchasing
- Training, resource management

Work instructions and –procedures of individual subsidiaries may give additional information with regard to specific local activities, the size of the subsidiary or the training situation of local staff.

## 5 Extension of certification to additional subsidiaries

Additional subsidiaries may be included in the existing group during surveillance- and re-audits. A new sampling plan will be determined analogously to a main audit with regard to the number of new subsidiaries, and will be **additionally** audited to the already existing sampling plan. Subsidiaries, which already have been certified by another accredited certification body, may under certain circumstances be included in the existing group with reduced audit effort.

Off-schedule extensions of certification are possible as well. In this case the headquarters will also be audited to demonstrate that its administrative function and its authority with regard to corrective actions has been effectively implemented for the new subsidiaries.

The extended certificates will be issued after the completion of all non-compliances (see para. 3.3). After successful certification the total number of subsidiaries will serve as a basis for future surveillance- and re-audit sampling plans.

## 6 Specific notes for companies with VdS-approvals

A particular advantage of a single company QM-certification by VdS certification body is the possibility to combine it with inspection activities for other VdS-approvals in order to reduce time and effort. These activities are in particular the following ones, which may be combined with main-, re- and surveillance audits:

- On-site installation inspections for installer companies of intruder alarm systems
- Plant visits at installer companies of intruder alarm systems
- Plant visits at installer companies of fire alarm systems and at companies specialised acc. to DIN 14 675
- Specific surveys at security companies
- Staff inspections at installer companies of fire extinguishing installations
- Performance of product surveillance activities and inspections of factory production control schemes at manufacturing companies of VdS-approved/-certified products

The combination advantages of inspection activities are limited in the framework of a group certification. The **sampling procedure** implies irregular visits at the subsidiaries, possibly resulting in **additional effort** for the applicant for separate journeys, as they are e.g. necessary to perform installation inspections or product assessments. Therefore it should be closely reviewed if any advantage in effort will result at all, in contrary to an individual certification and **customer liaison and support scheme** by VdS certification body.

Please balance the advantages and disadvantages carefully and contact, if necessary, VdS Schadenverhütung GmbH, Mr. Edel under +49 221 7766-380.

## 7 Reference

- VdS 2343en, Guidelines for the certification of quality management systems
- VdS 2522en, Requirements for the performance of a main assessment according to DIN EN ISO 9001
- Internet: [www.vds.de](http://www.vds.de)