

An audit “finding” is a documented conclusion of non-compliance with audit evaluation criteria *at the time of the audit*. Audit findings must be based on objective, verifiable evidence gathered at the audited entity, during the audit process. Discussed in this document is information regarding how an auditor should:

- Communicate findings to the audited entity;
- Identify recurrent findings;
- Assign priority rankings to findings;
- Write findings; and
- Estimate corrective action completion dates.

#### *How to Communicate Findings to the Audited Entity Staff*

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Since the audit is conducted as an open exchange of information, findings should be reported as they are found, during the audit site visit, to the audited entity point of contact (POC) or staff person most likely to address the finding. This is the case particularly for easily correctable findings (e.g., close hazardous waste accumulation drums when waste is not being added) and higher priority findings that could pose an immediate danger to staff or the environment.

To maintain a positive working relationship between the concessioner and the Audit Team, it is important that auditors communicate findings in a way that is non-confrontational and non-accusatory. Also, it is imperative that auditors not report findings to anyone outside the audited entity, program coordinator, manager, or park staff.

Prior to the exit brief meeting, the Audit Team should have discussed each audit finding or potential audit finding with at least one audited entity staff member. The exit brief meeting should highlight the most significant audit findings. The audited entity staff should be reminded that the audit report will include all findings identified during the audit. It should also be made clear to audited entity staff that audit findings corrected before the Audit Team leaves the site will also be included in the report; however it will be indicated in the report that the finding was corrected.

#### *How to Assign Priority Rankings*

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When the audit report is written, each audit finding is given a priority ranking. The ranking provides the audited entity manager with objective information on the relative risk of audit findings, and as a first step in considering which findings should be addressed.

The priority ranking system was established based on the following factors:

**Priority 1** findings represent non-conformances with laws and regulations that pose immediate actual or potential harm to human health or the environment, or the potential for significant liability exists.

**Priority 2** findings represent non-conformances with laws and regulations that do not pose an immediate threat to human health or the environment.

**Priority 3** findings represent non-conformances with Executive Orders (EOs); Department of the Interior (DOI), National Park Service (NPS), or park policy; or the concession contract that do not pose an immediate threat to human health or the environment.

The auditor shall assign a priority number as indicated on the EnviroCheck Sheet question that is the basis for the audit finding. However, in some cases the priority number on the EnviroCheck Sheet may

not be the most appropriate. For example, container labeling is indicated as Priority 2 on the Hazard Communication EnviroCheck Sheet. If an auditor observes an unlabeled container of acid stored in a food service area such that it could be mistaken for a common detergent, the auditor might believe that the issue deserves immediate attention. As such, the auditor would document the “potential for immediate harm” in his or her working papers, assign the finding a Priority 1, and notify the appropriate concessioner and park staff.

It is important that any decisions to change priority numbers be based on objective criteria as defined in the priority definitions listed above. See Exhibit 1 below for more examples of audit evaluation criteria that could generate different finding priorities, depending upon the potential risk presented by the situation. (Note: While Exhibit 1 includes sample “Recommended Corrective Actions (RCAs),” they are **not** intended as representative examples of comprehensive RCAs.)

<b>Exhibit 1: Audit Evaluation Criteria that May Generate Different Finding Priorities.</b>			
<b>EnviroCheck Sheet</b>	<b>Finding Description</b>	<b>Priority</b>	<b>Recommended Corrective Action</b>
Hazard Communication	12 of 12 maintenance employees who handle hazardous materials had not received Hazard Communication training and were not familiar with material safety data sheets (MSDSs) or concessioner hazard labeling systems.	1	Conduct Hazard Communication training for all employees who handle or who may be exposed to hazardous chemicals so that they are familiar with the hazards of their work place.
Hazard Communication	Hazard Communication training was not conducted for all employees when they started a new job assignment. -----Note----- Training is conducted for all supervisors and non-supervisory employees are required to work under direct supervision until trained.	2	Conduct Hazard Communication training for all employees who handle or who may be exposed to hazardous chemicals so that they are familiar with the hazards of their work place.
SPCC Planning	The 1,500 gallon gasoline tank located five feet from a storm drain did not have secondary containment, nor were procedures or spill equipment readily available to prevent a spill from entering the drain and flowing to the creek.	1	Install secondary containment on the tank. Develop procedures on how to prevent a spill from entering the drain and flowing to the creek. Ensure that staff understand how to follow and implement these procedures.
SPCC Planning	The 1500-gallon gasoline tank located a half mile from the nearest stream did not have secondary containment.	2	Install secondary containment on the tank.
SPCC Planning	A 275-gallon aboveground oil tank did not have secondary containment (no other oil storage containers were onsite). ----- Note: Tank was in good condition.	3	Install secondary containment on the tank.

<b>Exhibit 1: Audit Evaluation Criteria that May Generate Different Finding Priorities.</b>			
<b>EnviroCheck Sheet</b>	<b>Finding Description</b>	<b>Priority</b>	<b>Recommended Corrective Action</b>
SPCC Planning	The 275-gallon aboveground oil tank located five feet from a storm drain did not have secondary containment, nor were procedures or spill equipment readily available to prevent a spill from entering the drain and flowing to the creek. Tank was rusty. ----- Note: Containment was not required; tank location, condition, and current procedures made this a potential significant liability.	1	Install secondary containment on the tank and evaluate opportunities for upgrading or removing the tank. Develop procedures on how to prevent a spill from entering the drain and flowing to the creek. Ensure that staff understand how to follow and implement these procedures.

The finding priority may be reviewed by concessioner staff when making decisions for funding corrective actions. The finding priority may also be used to develop the concessioner's strategy for addressing audit findings (e.g., focusing on priority 1 or 2 findings before addressing priority 3 findings). Also, as the concessioner is re-audited over time, the priority of findings could be used to assess the concessioner's environmental performance (e.g., a concessioner would likely be doing well, environmentally, if fewer regulatory issues are identified in subsequent audits).

### ***How to Write Audit Findings***

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As stated previously, an audit finding is a documented conclusion of conditions at the concessioner operation at the time of the audit based on objective, verifiable evidence gathered during the audit process.

Concessioner staff should understand that findings are written up as discrete observations, and that corrective actions should be addressed in order to achieve compliance with environmental regulations. This could mean that a single issue could result in multiple findings. For instance, if the concessioner does not have appropriate hazardous waste training that would not be a single finding. Regulations regarding hazardous waste training involve multiple regulatory elements such as identifying all employees who may deal with hazardous waste, training all employees identified and maintaining training records for each of those employees. If an auditor wrote up a finding indicating only that the concessioner lacked an environmental program for Hazard Communication or otherwise they would miss the several additional key regulatory requirements such as training, implementation, and recordkeeping. This is one of the key reasons that the **total** number of findings should be de-emphasized to concessioner staff.

In addition to the example above, following are several general rules that auditors should keep in mind when developing findings:

- Only one regulatory citation should be included in regulatory findings unless more than one regulatory authority (e.g., National Fire Protection Association (NFPA) and Environmental Protection Agency (EPA)) applies.
- Regulatory findings should not be combined from separate EnviroCheck Sheets. While some topics may seemingly overlap-the auditor should make the determination regarding which EnviroCheck Sheet is most appropriate.
- Best Management Practice (BMP) findings may be combined, if appropriate. For example, if the same BMP finding is noted for multiple service types at a concessioner's operation (e.g., green procurement findings for both marina and retail) or if related BMPs could be logically grouped together (e.g., purchasing local, organic, bulk food for food service), then one BMP finding should be generated, citing all appropriate sources.

- In some instances, the NPS Commercial Services has identified third-party sources for BMPs that are included in the NPS criteria but do not have a third-party source associated with them (e.g., purchasing non-toxic cleaning products). In these cases, the BMP and third-party source are also included in the NPS Commercial Services criteria to add credibility to the BMP. When developing a BMP finding in which the BMP is included in both the NPS and the NPS Commercial Services criteria, the NPS Commercial Services BMP and source should be used. If the NPS Commercial Services criteria does not include an appropriate BMP, the NPS criteria should be used.
- When a state has its own regulations that are more stringent than the federal regulations the applicable state regulation should be cited. For instance, most states are authorized to implement their own hazardous waste management program under the Resource Conservation and Recovery Act (RCRA). If state regulations are more stringent, the state citation should be referenced in the audit report.
- If an audit finding was observed at only one or two locations, those locations are listed in the "Location" field in the database (see below). If an audit finding was observed in more than two locations, but was not indicative of a programmatic challenge, choose the applicable locations listed in this field. If an audit finding is indicative of a programmatic challenge, "Concession-wide" is listed in this field.
- Each BMP finding should cite the related EnviroCheck Sheet topic or other related criteria. As stated above, if a BMP is included in both the NPS Commercial Services EnviroCheck Sheets and the NPS EnviroCheck Sheets, the NPS Commercial Services EnviroCheck Sheet topic should be used for the BMP finding. Also, for BMP findings incorporating multiple service types, use the NPS EnviroCheck Sheet topic, not one of the NPS Commercial Services EnviroCheck Sheet topics.
- Since the auditor is describing findings discovered while at the concessioner operation, findings should be written in the past tense.

Areas where the audited entity has exceeded regulatory requirements and BMP standards are noted as Exceptional Practices. Exceptional Practice findings are reserved for those practices that would serve as innovative examples to other facilities and may be implemented at other concessioners. The audit team should be sure to check the operating and maintenance plans to ensure that practices are not required by the contract. The standard for an Exceptional Practice is ever changing and evolving as concessioners continue to achieve greater environmental management programs and techniques.

It is the responsibility of the auditors to note and share Exceptional Practices with other concessioners during other audits, through the *GreenLine Newsletter*, or when otherwise communicating with concessioners (e.g., trainings).

#### Assigning Completion Dates to Corrective Actions

Completing RCAs within a specified time frame is the responsibility of the audited entity. The Audit Team is responsible for providing the audited entity manager with a suggested Deadline to Close Audit Finding based on the priority of the finding (see Exhibit 2, below). Also of concern would be the potential risk of regulatory agency knowledge of the finding. For example, incomplete paperwork being submitted monthly to the state may pose a high risk of regulatory agency knowledge while an unlabeled drum in a fire cache four miles from the nearest road may pose a low risk of agency knowledge.

Another element that must be considered is the level of effort and funding required by the concessioner to complete the corrective action. If the RCA would require a significant amount of capital, the audited entity may have to factor it into the following year's budget and it may be over a year before they could reasonably expect to implement the RCA.

Exhibit 2 is a list of guidelines on RCA completion dates.

<b>Exhibit 2: Guidelines On Setting Deadlines to Close Audit Findings</b>	
<b>Priority 1</b>	Within 90 days of issuance of the Preliminary Environmental Audit Report (EAR) package. These are audit findings that the Audit Team believes should be addressed immediately. If the audited entity's operations are seasonal and the current operating season ends within three months of the issuance of the Preliminary EAR Package, the audit findings should be addressed within one month after the start of the next operating season.
<b>Priority 2</b>	Within 180 days of issuance of the Preliminary EAR Package. If the audited entity's operations are seasonal and the current operating season ends within six months of the issuance of the Preliminary EAR package, the audit findings should be addressed within one month after the start of the next operating season.
<b>Priority 3</b>	Within 180 days of issuance of the Preliminary EAR package. If the audited entity's operations are seasonal and the current operating season ends within six months of the issuance of the Preliminary EAR Package, the audit findings should be addressed within one month after the start of the next operating season.

It is the responsibility of the Audit Team Leader to review each finding to assure that auditors assign the appropriate priority and Deadline to Close Audit Finding.

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