



**“LIFE AFTER VERIFICATION”
NBP 501 WORKSHOP FOR CERTIFIED
AGENCIES**

Summary Report

February 15, 2006
Alexandria, VA

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Overview

The certified agencies were invited to this workshop to provide them with an update about interim audit requirements and to obtain input about their needs and issues.

This report is intended to recap the key topics discussed during the workshop and to serve as a high-level summary for those who were not able to attend, or who may be interested in reviewing the themes and outcomes of the discussion at the workshop.

Introductions

The following attended the workshop:

Lisa Vogel - King County, WA
Derrick Lee - City of Los Angeles, CA
Diane Gilbert-Jones - City of Los Angeles, CA
Deirdre Bingman - Orange County, CA
Michelle Hetherington - Orange County, CA
Jeannette Klamm - Lawrence, KS
Debbie Biggs - Encina, CA
Donna Hull - Metro-Denver, CO
Angel Foster - Metro Denver, CO
James Newton - Kent County, DE
Nyle Callaway - Kent County, DE
Jennifer Lee - EBMUD, CA
Julie Frazer - Butler County, OH
Chris Bailey - City of Albany, OR
Chris Peot - DC WASA
Lori Stone - NBP

Peter Machno - NBP
Eugene DeMichele - NBP
Sam Hadeed - NBP
Tim Williams - WEF
Nick Bardis - WEF
Pat Sinicropi -- WEF
Lee Garrigan - NACWA
Jim Horne - EPA
Lori Ahouse - Ross and Associates
Paula Sanjines - CH2M HILL
Tim Shea - CH2M HILL
Alan Rubin - Consultant
Bill Engel - TREEO
Jon Shaver - KEMA
Al Cassell - KEMA
Russell Thornton - DNV
Joseph Glassman - DNV

Key Objectives

The session kicked off with introductions of the participants and an overview of the agenda with some revisions (see Appendix A). To establish the workshop objectives, the attendees were asked to identify their top 3 “success factors” for this workshop. The responses were then grouped into the following general themes:

- Learn about the audit process from the agency, auditor and NBP perspectives
- Share experiences and networking
- Define the decision making and stakeholder input process
- Improve communication between agencies, NBP and auditors
- Determine overall benefits of NBP EMS and benefit of internal audit
- Discuss consistency between third party audits
- Determine how we can reduce the number and cost of audits
- Streamline the entire EMS process – keep it simple

Each of these “success factors” was discussed during the workshop. If issues arose that could not be addressed within the timeframe of the workshop, they were written down and posted in a “Parking Lot” for further evaluation and follow-up. These items are noted near the end of the summary report. Action items are highlighted in this report for ease of reference.

Session 1 – NBP Audit Program

This session covered updates to the NBP Audit Program, a summary of the NBP Steering Committee process used to determine updates, Auditor Guidance revisions, and what it all means for the NBP Certified Agencies.

Presentation

The presentation by Lori Ahouse described the Steering Committee process to examine the NBP EMS Program interim audit cycle and requirements in light of experience to date and to consider adjustments. The presentation and group discussion covered five interim audit topics including: timing and frequency, length and scope, substitutions of internal audits, open minor nonconformances, and significant changes. Key discussion points from the session are presented in this section. The slide presentation is attached as Appendix B.

Steering Committee Process

The Steering Committee formed a three person workgroup that oversaw the following process.

- Interviews with 8 certified agencies, 3 demonstration agencies, audit firms, and other NBP interested parties.
- Analysis and discussion of interview findings, as well as additional research.
- Development of Workgroup recommendations that were approved by the full Steering Committee.

Jim Horne – Perspective on Steering Committee

Jim Horne, US EPA Office of Water and NBP Steering Committee member, gave his perspective of the Steering Committee process, how the information was gathered from the agencies and the discussions that took place to come up with the proposed changes. Some key points from his presentation follow.

- The Steering Committee tried to look at the interview results and data with objectivity. Minimal was available because only two certified agencies had gone through the interim audit process at the time of the interviews.
- The Steering Committee had to balance the needs of the agencies with the credibility of the program. The NBP program has sought to raise the bar high from the inception, and the auditing program is a key distinguishing feature that gives the program the credibility it needs. The Steering Committee was unanimous that keeping the high standards was the most important priority.
- In the spirit of continual improvement and as more agencies gain experience, the Committee will collect more data on these experiences, analyze this data and revisit these decisions over time.
- The NBP program is still in the beginning stages, and agency patience is needed while the program gets fine-tuned. The agencies need to continue to provide feedback and data so the program can be adjusted and improved to meet the needs of the agencies it serves.

Interim Audit Timing and Cycle

Key Presentation Points

- The Work Group interviews found a range of opinions for how often and when third party interim audits should be required: no clear consensus among interviewees. Agencies sense they are always in audit mode, and there is redundancy between internal and third party audits. There is a lack of clarity around internal auditing requirements.
- The Steering Committee decided to maintain the requirement for two third party interim audits per five-year verification cycle, but shift timing in second five-year verification cycle and subsequent cycles for agencies with a history of conformance. Reduce redundancy by revisiting and clarifying requirements for internal auditing. Focus

internal audits more on effectiveness and performance by asking the question: Is the agency getting what it wants from the EMS?

- The agencies affected by the several month waiver must complete Year 1 interim audits and work with NBP staff on getting those set up. Agencies should revisit internal audit programs: consider if they are doing more than is required and what value they want from the audit process.

Key Discussion Points

- Agencies want to be sure they will have adequate time to set up the Year 1 interim audits and not have their certification lapse. Gene DeMichele/NBP indicated that agencies should move in a timely fashion to start the process of scheduling; but there will be flexibility in light of needs to prepare for the audit and to schedule third party auditors. Agencies indicated they were likely to reconsider how they are conducting internal audits.

Interim Audit Length and Scope

Key Presentation Points

- Agencies are concerned about length of third party audits and number of audit days needed, which translates into costs. Auditors' experience shows that costs go down over time as auditors become more familiar with EMS and agencies establish a history of EMS conformance over time.
- No changes were made to scope requirements, but NBP should develop guidelines on interim audit length. NBP should also track data on interim audit length and costs and look for ways to reduce audit costs. Guidelines and additional data points should allow all to better predict number of audit days and audit costs.

Key Discussion Points

- There was discussion about other potential ways for reducing audit costs, such as requiring only one auditor on-site. Agencies are interested in knowing how NBP will be looking at ways to reduce audit costs.

Substitution of Internal Audits

Key Presentation Points

- The agency turns in the audit request form and this triggers the process for NBP to contact the auditors and provide a contract and a budget to reflect the audit plan.
- The choice to make a substitution remains with the certified agency.

Key Discussion Points

- Following the initial Verification Audit (Year 0), the agency and audit firm are asked to discuss and develop a 4-year audit plan. While this plan is not a requirement, it is

strongly recommended. It helps the auditor and agency plan their work and develop budget information. The agency can adjust year-to-year if they want.

- What are the costs savings of substituting an internal audit for an interim (third party) audit? What is the value of the substitution? This is not clear to the agencies. Agencies feel that the term “substitution” is a misnomer since they still need a third party auditor to look at all 17 elements during the 4-year cycle. Agencies also believe they should be given credit for their internal audits. NBP should revisit this and consider whether elements reviewed by the internal audits in years 2 and 4 might not be covered by the third party auditor.

Open Minor Non-Conformance

Key Presentation Points

- Only an NBP third party auditor can close out a minor nonconformance cited by an NBP third party auditor.
- Auditors are encouraged to close out via paperwork review or wait until the next planned on-site audit.
- Needing to close out minor nonconformances does not prevent an agency from substituting an internal audit for the third party interim audit.

Key Discussion Points

- No comments from agencies.

Significant Changes

Key Presentation Points

- When changes occur to the EMS and biosolids operations, agencies should inform the NBP and third party auditors.
- The auditor determines if the change warrants additional auditing. NBP encourages auditors to examine changes via paperwork review or at the next planned on site audit.
- Changes do not prevent an agency from substituting an internal audit for the third party interim audit.

Key Discussion Points

- Role of the agencies is to submit information about the change to the auditor so the auditor can determine if the change warrants audit activity.
- **Action Item:** Page 36, remove the term “significant” from what changes need to be notified. All changes should be notified.

Jon Shaver/KEMA – Auditor’s Perspective

Jon Shaver, NBP certified third party auditor, provided an auditor’s perspective of interim auditing. Some key points from his presentation follow.

- Certification is the beginning of the journey. After certification, the goal of the audits is to monitor improvements and to add value to the agency. The auditors are here to help the agencies look at progress and improvement. The auditor is a set of eyes, the “check” part of check-plan-do cycle, for your program.
- The reason audits are done is to provide an independent, unbiased approach to the process so those people who are looking from the outside see it as a program of integrity and credibility. The auditors are looking to add to this credibility; in a sense, they represent the public or outside view.
- As the interim audits continue, the opportunities for improvements increase and the likelihood of non-conformances decrease. The role of the auditor is to add value to your program.
- What the internal audit includes is up to you. It is your management system and it needs to achieve certain results that you want it to achieve. Auditors don’t just look at 17 elements; they look at processes and overall system. They audit at the interface between the processes. As the internal auditors learn more and gain experience, they can take this approach also.

Recognition

Pete Machno/ NBP recognized Diane Gilbert Jones from the City of Los Angeles for her participation on a television show that addressed the issue of biosolids management in Kern County, CA. Diane did an outstanding job in providing the public with information about the biosolids process, the land application process and the EMS program. To view the segment go to:

<http://www.californiaconnected.org/wp/archives/273>

Session 2 – Panel Discussion: The Audit Experience

Lisa Vogel/King County moderated a panel discussion with several agencies that have gone through the certification and audit process.

Jeanette Klamm, City of Lawrence, Kansas

Background

Lawrence Kansas is a college town, a progressive community, and a high growth area. The city owns and operates a 12.5 MGD wastewater treatment plant and is looking to build a second plant. The wastewater utility division currently has 30 employees plus lab services (which operates independently). The wastewater utility division includes the plant, biosolids and lift stations. Biosolids are handled through a contractor and they land-apply 90 percent of the biosolids produced. The other 10 percent is used as Class A material for residential use. Most sites are within 20 to 25 miles of the plant.

The City got involved in the EMS program for various reasons:

- Management heard about EMS systems from EPA and got interested.
- To protect the facility from outside media and dispel myths about land application.
- To bring public confidence in what they were doing and to be able to fall back on certification if opposition arose.
- The City saw big cities being involved in the EMS program and wanted to bring the voice of small communities to the table as the program was being created and standards set.

The facility went through the gap analysis (EMS assessment) in 1999. The Letter of Understanding was signed in 2001. The facility became certified in October 2005. It took them some time to get certified because they were going through a plant expansion. They are moving on to do ISO 14001 and 18001 as next steps.

Benefits of EMS

The City has experienced better document control, better communications, and public participation. They had a strong program anyway, but did see additional benefits.

The City received two EPA awards last year which added to public confidence and they have gotten good mileage out of it. They are currently looking to site a new WWTP, so any little bit of credibility that they have can only help them with public relations as they go through the process (and less money they have to spend on public relations.)

Audit Experience

The audit was done in two steps: two days for the first one; two days off, then five days for the second one. It was grueling. There were discrepancies between the account executive advice and what the auditor told them. The auditor was very helpful. They are looking forward to the third party audits because they want input on how they are doing, even though it is hard, but it is good to hear what you need to improve on. The process has been very good for them. The audit was very valuable learning experience.

Chris Peot, DC Water and Sewer Authority (DCWASA)

Background

DC WASA was the fifth agency to receive NBP certification, completing the EMS verification in the fall of 2004.

Benefits of EMS

The fact that they are certified has translated into a lot of respect for the agency. The Virginia Department of Health (VDH) sees them in a different light, as an agency that does things right. DC WASA is working with a lot of citizen's groups because they recognized that they needed to reach out to a lot of people. Some people may not care about the certification (there is inherent mistrust of the government these days), but they do care about the fact that the agency is out there telling them about their process and their certification. DC WASA has received some good press from outreach efforts in rural VA. Also, on the WERF committee on rapid response, they were able to reach out to some of the stakeholders, and having built that trust has been important on a larger scale.

DC WASA has received an award from EPA. This is now having reverberations among the entire agency. The director is very proud of the award.

Financial benefits from less lime (a result of the critical control point analysis) are about \$1M savings per year.

Audit Experience

The third party auditor and the DCWASA staff internal auditor had some misunderstandings about the process that was to be used. Their interpretation of the guidance manual was different at times and this created a difficult management challenge for the EMS Coordinator, Chris Peot. In the end, Chris prevailed and the process was completed successfully. The DCWASA staff felt they were not ready before the audit, but were glad they did it. They learned a lot through the process.

In retrospect, Chris wished that he had been more firm about discussing the minor nonconformances that were issued by the auditor. He cited an example of how the information in the audit report was misunderstood by a community member/stakeholder, which caused some distrust and unwarranted concern.

Diane Gilbert Jones, City of Los Angeles, CA

Background

Diane recently briefed the new LA City mayor on biosolids and the EMS. The new mayor likes the NBP EMS program and supports it. The City is experiencing financial pressures. Although it has big infrastructure challenges, especially those that are visible to the public, it is telling that the EMS program is still on the list of funding. They plan to keep the EMS program, even if they lose the funding, and will continue it internally.

Benefits of EMS

The NBP program has pushed them to do outreach in Kern County and to be able to maintain operations in the County. Outreach has made people think about how to have a sustainable biosolids program. It allows their stakeholders to be part of the process.

Having an EMS has allowed the City to respond to those forces in Kern County that want to stop land application. Because the City has provided good public information through the EMS program, there is some acknowledgment that the City has a good program and there have been no violations. But biosolids is a political issue that has to be continually addressed.

Another benefit that resulted from the EMS program -- the City lab created SOPs for all liquids and solids processes and was able to free up some people and work more efficiently.

Audit Experience

The experience of the audit works for them every year because it gives them a lot of credibility with the public. They have changed how they audit and are focusing on the programs, goals and objectives and looking at meeting those elements that impact them. They have a section called management review and they are making managers accountable for their own divisions and objectives.

The audit experience makes you think outside of the box, ask good questions, and see things that you may not have focused on. The big issue during the audit was interpretation of the requirements. At the end of every day during the audit, the agency would be debriefed and discuss the critical findings from the auditor. In some cases, initial nonconformances were really observations, and were documented as such in the audit report.

Key Discussion Points

- Would there be value in having an NBP staff observe the auditors when they are conducting an audit? Yes, it would be a good quality check to make sure everybody is being held to the same standard. But be careful that the auditor does not hold back and thus compromise the integrity of the audit.
- **Auditor guidance needs to be improved for consistency.** The manuals are inconsistent. Also, the internal auditors need to be trained on what documents need to be used.
- There was some discussion of the Appeals Board as a forum to solve conflicts on major nonconformances. It is hard for agencies to give resistance to auditors during Year 0 verification process because they have pressures to get certified and they have time constraints. Agencies need to be aware that the audit belongs to them and will not be considered complete until the agency has agreed with all the comments and corrections.

Session 5 – Round Table and Feedback

Good Parts of the Workshop

- It is great to get together and share and learn from everybody's experience. It was critical to be here in person. We should have this at least once a year. It could be held in conjunction with the national biosolids specialty conference. At least a whole day. Quarterly conference calls to follow-up on issues throughout the rest of the year.
- The meeting was very informative. Important to keep this type of dialogue going so they can help other agencies that up-and-coming through the process.
- Appreciated the openness and frankness of the discussion, which was very helpful. It was good to have the auditors here and hear the concerns.
- Good to have NBP, auditors and agencies in the same room.
- Good to help with travel expenses to get people here.
- Hope for good follow-up on the parking lot issues.
- Splitting the sessions with and without the auditors worked well.
- This program is evolving and it's important to listen on how to improve the program from those initial agencies that have gone through the process.
- Nice to have a follow-up and fellowship for the agencies to become mentors.
- Good experience of NBP/auditors/agencies working together towards the same goal, even though the different parties sometimes have different drivers.

Comments

- The Steering Committee should be aware that Orange County, CA will be using the third party audit as their internal audit methodology. They plan to incorporate this into Element 16 and use their internal audit for credit against future interim audit requirements.
- Some agencies are trying to contract out a lot of their work. It is easier for them to hire a third party to do it for them.
- The discussion with the auditors – it did not clear up the difference between some of the audit approaches. Missed an opportunity for that discussion with the auditors here.
- Perspective from former EPA official: you will not see a lot of rules coming out of EPA on biosolids in the near future. The entire issue in terms of public acceptance is this whole EMS program. This is not a technical issue of safety/pollution issue. It's about equity and aesthetic impacts. A bill in VA was shot down requiring biosolids produced in a county to be managed in the same county, but they will require a biosolids program fee to fund more inspectors. We hope that this will help find that those programs that

have EMS will perform well for inspection. Texas has passed some legislation that requires agencies to have EMS.

Suggestions

- **Revise the auditor certification requirements.** We have an ANSI RAB auditor. Some auditors are not registered and why can't agencies use them. It can help reduce audit cost. **Ask that the Steering Committee look at this issue.**
- Still a lot more issues to resolve in the auditing process. Need more discussion.
- Perhaps a list-serve for agencies to talk to each other. *(NBP note: a secure Yahoo discussion group is available for only EMS coordinators. Contact NBP for more information).*

Parking Lot Issues

- **How to streamline the process between internal audits, management review, and performance reporting, and remove redundancies where possible.**
- Training for internal auditors needs to be consistent with third party auditors. They need to use the same manual.
- **Account executives and auditors need to provide consistent information and direction to the agencies.**
- How are disagreements in interpretation decided and by whom during an audit?
- **NBP or a third party member should be at an audit to check on the auditor.**
- **Discussion revealed that there are some inconsistencies between the auditing approaches used by the audit firms. There are interpretation differences between the audit companies on how to follow the guidance manual.**

Summary of Action Items

- **Action Item:** Provide a version of the revised Element 16 - Internal Audit guidance section showing the revisions made ("track changes" version) to all the participants.
- **Action Item:** Need to clarify the guidance document (page 39) about the intent of the internal audits. They should focus on the EMS process, not just the goals and objectives.
- **Action Item:** Page 36, remove the term "significant" from what changes need to be notified.

Appendix A – Final Agenda

National Biosolids Partnership
 “Life After Verification” Workshop
 February 14-15, 2006
 Alexandria, VA

Agenda

Topic	Time
FEBRUARY 14TH – RADISSON HOTEL, ALEXANDRIA, VA	
Dinner	5:00 pm
FEBRUARY 15TH – RADISSON HOTEL, ALEXANDRIA, VA	
Breakfast	7:00 – 8:00 am
Introductions	8:00 – 8:30 am
Workshop Overview	8:50 – 8:45 am
SESSION 1	
NBP Audit Program (Ahouse)	
<ul style="list-style-type: none"> • How It All Fits Together • Audit Guidance Revisions • What This Means To You • “From An Auditor Perspective” (Shaver) 	8:45 – 9:45 am
Break	9:45 – 10:00 am
SESSION 1 CONTINUED	10:00 – 10:45 am
SESSION 2	
Interactive Group Activity – Internal Auditing Approaches	10:45 – 12:00 noon
Lunch	12:00 – 12:45 pm
SESSION 2	
Panel Discussion – The Audit Experience (Vogel)	
<ul style="list-style-type: none"> • “It’s A Process, Not A Pass/Fail Test” (Klamm) • “LA’s Experiences” (Gilbert) • “Audit and After – DCWASA’s Experience” (Peot) 	12:45 – 2:15 pm
Brief Presentations by the Panelists Followed by Q&A	
Break	2:15 – 2:25 pm

Topic	Time
SESSION 4	
Facilitated Discussion (Machno)	
<ul style="list-style-type: none"> • What Can the NBP Do for You... <ul style="list-style-type: none"> ⇒ To Enhance the Value of Certification? ⇒ If the NBP Had More Money? ⇒ To Help Local Agencies? ⇒ Provide Benefits to Agencies? 	<p>2:25 – 3:00 pm</p>
SESSION 5	
Round Table	
<ul style="list-style-type: none"> • Feedback • Next Steps • Wrap Up 	<p>3:00 – 3:30 pm</p>
Adjourn	<p>3:30 pm</p>

Appendix B – Slides



Life After Verification Workshop 501

Presented to
NBP EMS Certified Agencies

February 14-15, 2005



Introductions, Workshop Guidelines, and Agenda

Workshop Introduction

- Welcome
- Introductions
- Workshop Outcomes:
 - Provide an update about interim audit requirements
 - Learn how these changes will affect you
 - Provide input about agency needs and issues

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Several guidelines will make our workshop more effective

- This is a *workshop* = *WORK* + *SHOP*
- Questions and comments are welcome
- We all learn through the process
- All ideas are *valued* — no judgments!
- “Parking lot” will be used to record topics requiring off-line consideration

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Our agenda is informational and interactive

TOPIC	EXPECTED OUTCOME
Introduction and Overview <ul style="list-style-type: none"> • Welcome • Workshop Purpose • Meeting Guidelines 	Get to know everyone Understand purpose and focus of workshop Gain agreement on ground rules
Session 1 – NBP Audit Program <ul style="list-style-type: none"> • What It Is • How It All Fits Together • Audit Guidance Revisions • What It Means To You 	Understand background Understand key interim audit issues Understand the updates to <i>NBP Guidance Documents</i> Apply changes
BREAK Session 1 (continued), Session 2 – Activity <ul style="list-style-type: none"> • Internal Auditing Approaches 	Create implementation plans for various scenarios
LUNCH Session 3 – Panel Discussion <ul style="list-style-type: none"> • The Audit Experience 	Share perspectives and audit experiences
BREAK Session 4 – Discussion <ul style="list-style-type: none"> • What Can The NBP Do For You... 	Make suggestions for improvement
WRAP UP	

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This workshop will be successful if...

- **Think** about how you would finish this statement
- **Write** your top 3 “success factors” on separate post-it notes
- **Share 1** with group



Session 1– NBP Audit Program

February 15, 2006

Lori Ahouse
Ross & Associates Environmental Consulting, Ltd.

Outline of Session 1

- Overview of Steering Committee Process
- Overview of Key Interim Audit Issues
- For Each Issue:
 - Existing NBP Requirements
 - Workgroup Findings
 - Steering Committee Decisions
 - Practical Implication for Agencies

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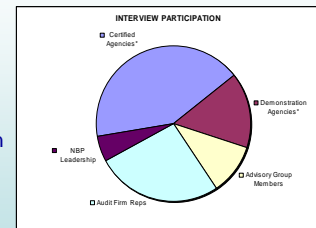
Steering Committee Process

- **Steering Committee Workgroup launched with staff and contractor support**
 - Bob Dominak, Chair
 - Jim Horne
 - Dick Kuckenrither
- **Overall Workgroup Objective:** Examine the NBP EMS Program interim audit cycle and requirements in light of experience to date and consider adjustments as appropriate.

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Steering Committee Process

- **Interviews with 29 Individuals from:**
 - 8 NBP certified agencies (EMS Coordinators & Managers)
 - 3 NBP demonstration agencies (EMS Coordinators & Managers)
 - 3 NBP audit firms
 - Current and/or former NBP Advisory Groups
 - NBP leadership



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Steering Committee Process

- Discussion of interview findings
- Additional research
- Workgroup recommendations
- Full Steering Committee decisions
- Updates to guidance documents

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Overview: Key Interim Audit Issues

- **Timing and cycle:** How often / at what frequency should interim audits happen?
- **Length and scope:** What should interim audits cover and how many days should they take?
- **Substitutions:** What are the conditions and processes for substituting internal audits for third party interim audits?
- **Open minor nonconformances:** How and when are open minor nonconformances found by third party auditors closed out when internal audits are substituted?
- **Significant changes:** What is a significant EMS change and who determines?

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Interim Audit Timing and Cycle

- **Existing NBP Requirements**
 - Five year verification cycle with annual interim audits, two years can be substituted with internal audits
 - Year 0: Third Party Verification Audit
 - Year 1: Interim Audit (third party required)
 - Year 2: Interim Audit (*substitution optional*)
 - Year 3: Interim Audit (third party required)
 - Year 4: Interim Audit (*substitution optional*)

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Interim Audit Timing and Cycle

- **Existing NBP Requirements (cont.)**
 - Five-year cycle (vs. ISO three-year cycle) was established based on slower pace of wastewater industry change
 - Substitution of internal audits designed to save agencies money while maintaining program credibility

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Interim Audit Timing and Cycle

- **Workgroup Findings**
 - Interviews revealed a range of perspectives and suggestions for interim audit timing and cycle
 - Agencies sense they are “always in audit mode”
 - Too much redundancy with internal and third party audits (cost and staff time implications)
 - May be going beyond requirements for internal audits

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Interim Audit Timing and Cycle

- (range of perspectives cont.)
- Suggestions for a separate pathway with fewer third party interim audits
 - Dependent on no major nonconformances found in initial verification audit
- Support for keeping current NBP requirements
 - Belief that first interim audit should be done by a third party auditor
 - Third party audits keep focus on continual improvement

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Interim Audit Timing and Cycle

- **Steering Committee Decisions**
 - Keep requirements for two third party interim audits per verification cycle for program credibility
 - Keep timing for first verification cycle
 - Shift timing of substitutions in subsequent verification cycles, for agencies with an EMS with a conformance history: years 6, 8, 11, 13...

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Interim Audit Timing and Cycle

- **Steering Committee Decisions (cont.)**
 - No separate pathway
 - Potentially more confusing
 - Reduce overlap between internal and third party audits by scaling back and refocusing internal audits
 - Remove interpretive text on “annual” internal audits: not part of element requirements
 - Focus internal audits more on progress towards goals and outcomes (*see E. 16 text*)

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Interim Audit Timing and Cycle

- **Steering Committee Decisions (cont.)**
 - **Message:** It's about continual improvement, not being perfect - Internal audits don't need to check everything before the third party auditor shows up
 - NBP must continue to look for ways to reduce interim audit costs
 - Collect and share data on actual interim audit costs (only 2 data points so far)

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Interim Audit Timing and Cycle

- **Practical Implication for Agencies**
 - Those agencies under waiver must get their year 1 interim audit completed to maintain EMS verification and NBP certification
 - Revisit your internal audit program and consider if you are doing more than is required and what value you want from the audit process

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Check for Understanding Interim Audit Timing and Cycle

- **Quick Check:**
 - Would you do anything differently based on what we discussed today? If so what?
- **Write your answer.**
- **Share with Group.**



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Interim Audit Length and Scope

- **Existing NBP Requirements**
 - Scope is described in NBP Auditor Guidance
 - All 17 EMS elements covered in the cycle of interim audits (e.g., split between the third party interim audits)
 - Process towards goals & objectives
 - Four EMS outcomes
 - Corrective & preventive action
 - Management review process

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Interim Audit Length and Scope

- **Existing NBP Requirements (cont.)**
 - Interim audits focus on “system health”
 - Interim audits are designed to be “less resource intensive than full verification audits”
 - Initial data points indicate roughly 1/3 of verification audit costs

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Interim Audit Length and Scope

- **Workgroup Findings**
 - Agencies concerned about the actual or estimated length of third party interim audits
 - What is rationale for the number of audit days estimated? (direct cost implication)

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Interim Audit Length and Scope

- **Workgroup Findings (cont.)**
 - Auditors experience show costs typically go down over time
 - Auditors become more familiar with program
 - Auditors become more familiar with individual agency EMS
 - Individual agency EMS establish history of conformance over time

25

Interim Audit Length and Scope

- **Steering Committee Decisions**
 - Requirements for scope (per Auditor Guidance) remains unchanged
 - NBP should establish guidelines for interim audit length
 - NBP should continue to look for ways to reduce interim audit costs, and track and provide data on actual audit costs

26

Interim Audit Length and Scope

- **Practical Implication for Agencies**
 - Guidelines and additional data points should allow all to better predict number of audit days and audit costs

27

Check for Understanding Interim Audit Length and Scope

- **Take away messages:**
 - List three key points you heard about interim audit scope and length.
 - Share one with the group.



28

Substitution of Internal Audits

- **Existing NBP Requirements**
 - Substitution of internal audits is currently allowed in two years of each verification cycle
 - Agency's choice to substitute: Auditor can require third party interim audit only if there are concerns with EMS system health

29

Substitution of Internal Audits

- **Workgroup Findings**
 - Need more clarity on process for making substitutions
 - What are the roles of NBP staff, the agency, and the third party auditor in making the substitution?
 - How are open minor nonconformances and significant changes addressed during years when an agency chooses to substitute an internal audit for a third party interim audit?
 - What must the internal audit cover if substituting?

30

Substitution of Internal Audits

- **Steering Committee Decisions**
 - No changes to requirements
 - Choice remains with local agency
 - Provide more clarity on process and roles
 - Auditor and agency should discuss and prepare a 4-year plan for interim and internal audits at end of verification that includes agency intent to substitute
 - Avoid surprises!

31

Substitution of Internal Audits

- **More clarity on process and roles (cont.)**
 - Agencies indicate intent to substitute in “interim audit request form” sent to NBP
 - Form must be completed and sent to NBP every year, even when substituting, in advance of anniversary date
 - NBP notifies third party auditor of agency intent to substitute
 - Internal audit report provided to NBP – does not require third party audit review or approval

32

Substitution of Internal Audits

- Internal audit scope in years when substituting is same as third party (goals, outcomes, corrective/preventive action, management review) except no requirements for covering all 17 elements.

(Relationship of open minor nonconformances and significant change and substitution covered next)

33

Substitution of Internal Audits

- **Practical Implication for Agencies**
 - Have conversation with auditors and develop 4-year interim audit plan at end of verification audit
 - Know that changes to your choice to substitute can impact scope of third party interim audits (which must cover all 17 elements during course of audits)
 - Send interim audit request form to NBP every year
 - Send internal audit report to NBP

34

Check for Understanding Substitution of Internal Audits

- **Think:** What is the process for substitution of internal audits, and how is it implemented?
- **Write your answer.**
- **Group Response:**
 - What is your role?
 - What is auditor’s role?
 - What is NBP’s role?



35

Open Minor Nonconformances

- **Existing NBP Requirements**
 - All minor nonconformances must be addressed with an action plan and schedule
 - Action plan must be developed within 30 days of audit and agreed to by auditor and agency
 - All open minor nonconformances should be corrected no later than at next third party interim audit
 - Not all minor nonconformances require on-site visit to close out or verify correction (e.g., can be paperwork oriented)

36

Open Minor Nonconformances

- **Workgroup Findings**
 - Agencies need more clarity on how open minor nonconformances are closed out
 - How are open minor nonconformances closed out during years when an agency chooses to substitute an internal audit for a third party interim audit? Do they prevent substitution?
 - Does the third party auditor need to close out open minor nonconformances found during an internal audit?

37

Open Minor Nonconformances

- **Steering Committee Decisions**
 - Only an NBP third party auditor can close out minor nonconformances cited by an NBP third party auditor
 - Third party is not required to close out minor nonconformances found during an internal audit
 - Auditors are encouraged to close out minor nonconformances via paperwork review or wait until the next, planned on-site visit

38

Open Minor Nonconformances

- **Steering Committee Decisions**
 - If an on-site visit is needed for closing open minor nonconformances, it does not need to be part of an interim audit (e.g., can be a short visit just to close out the nonconformances)
 - The need to close out open minor nonconformances does not, in and of itself, prevent an agency from substituting an internal audit for a third party interim audit

39

Open Minor Nonconformances

- **Practical Implication for Agencies**
 - Develop plans for correcting minor nonconformances, communicate plans to auditor, and ascertain auditor opinion on need to visually verify nonconformance has been corrected
 - Send paperwork demonstrating corrective actions as soon as they are ready: do not wait for the next interim audit
 - Open minor nonconformances do not prevent an agency from substituting an internal audit for a third party interim audit

40

Check for Understanding Open Minor Nonconformances

- **Quick Check Survey:**
 - T/F. Third party auditor must make a site visit to close out minor nonconformances.
 - T/F. Only third party auditor can close out minor nonconformances cited by third party auditor.
 - T/F. I have to wait until next interim audit before sending corrective action paperwork.
 - T/F. Third party is not required to close out minor nonconformances found during internal audit.



41

Significant Changes

- **Existing NBP Requirements**
 - Significant changes are those that would “require changes to identified critical control points or environmental impacts associated with the critical control points”
 - Agencies must notify NBP and third party auditor of significant EMS and biosolids management changes
 - Auditors determine if nature of change warrants additional audit activity

42

Significant Changes

- **Workgroup Findings**
 - Agencies have questions about impact on substitution of internal audits in years 2 and 4
 - Does having a significant change prevent substitution?
 - Why does auditor decide if auditing is needed?
 - Agencies desire more examples of what might be a “significant” change

43

Significant Changes

- **Steering Committee Decisions**
 - Auditors are encouraged to audit via paperwork review or wait until next planned on-site visit, if possible
 - Additional audit activity, if needed sooner than the next planned audit, could be a short visit and is not the same as an interim audit
 - The need to examine changes would not, in and of itself, prevent an agency from substituting an internal audit for a third party interim audit

44

Significant Changes

- **Steering Committee Decisions (cont.)**
 - Auditor determination of need for audit activity is consistent with role of independent third party
 - Auditors are impartial judge of what needs to be audited when (within NBP established parameters)
 - More examples should be added to guidance documents so agencies are clear on when to provide notice to NBP and auditor

45

Significant Changes

- **Examples of changes to communicate to NBP and third party auditor**
 - Change in scope of the EMS
 - Organizational change involving top management and/or EMS management responsibilities
 - Changes to or addition of new facilities or operations that cause changes in critical control points and/or changes in potential environmental impacts
 - Addition of a new contractor or expanded role of an existing contractor
 - Change in relations with interested parties that cause the communications program to change

46

Significant Changes

- **Steering Committee Decisions (cont.)**
 - Not all of the changes listed would necessarily warrant additional on-site audit activity.
 - For example, a change in EMS Coordinator on its own should not trigger additional on-site auditing.
 - However, the combination of a change in EMS coordinator along with additional changes in operations, contractors, etc., might be something that an auditor feels needs to be checked on.

47

Significant Changes

- **Practical Implication for Agencies**
 - Communicate changes to the NBP and auditors even if you are unsure whether they are significant or not
 - Changes do not prevent you from substituting an internal audit for a third party interim audit

48

Check for Understanding Significant Changes

- List three examples of changes that should be communicated to NBP and auditor.
- Write them down.
- Group Survey



49

Check for Understanding Summary

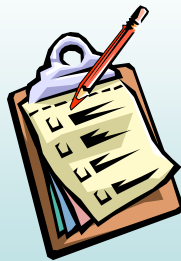
- **Think:** What is the biggest audit issue/challenge I have to face when I return from this workshop?
- Write it down.
- Discuss it with your neighbor.



50

Summary Key Interim Audit Issues

- Timing and cycle
- Length and scope
- Substitutions
- Open minor nonconformances
- Significant changes



51



BREAK

Appendix C – Survey Results

At the end of the workshop the participants were asked to complete a survey. The survey and its results are included here.



National Biosolids Partnership
EMS 501 Workshop – Life After Verification
February 14-15, 2006

Workshop Evaluation/Survey Form

Your comments are very helpful to us in planning future workshops. Please take a moment to fill out this evaluation and turn it in to the workshop host. Thank you!

1. How would you rate the workshop?

(Circle one)

- a) excellent *Comments:*
- b) very good
- c) good
- d) fair
- e) poor

2. How would you rate the presentations?

- a) excellent *Comments:*
- b) very good
- c) good
- d) fair
- e) poor

3. How would you rate the level of interaction and discussion?

- a) excellent *Comments:*
- b) very good
- c) good
- d) fair
- e) poor

4. Describe the workshop content. The level of detail was:

- a) excellent *Comments:*
- b) very good
- c) good
- d) fair
- e) poor

5. Describe the level of information presented:

- a) too simple *Comments:*
- b) too complicated
- c) about right

6. Describe the length of the presentations:

- a) too long *Comments:*
- b) too short
- c) about right

7. Describe the group discussions:

- a) enough time for group discussions
- b) not enough time for group discussions
- c) about right

Comments:

8. How would you rate the meeting room and hotel accommodations?

- a) excellent *Comments:*
- b) very good
- c) good
- d) fair
- e) poor

9. How would you rate the meals and breaks provided during the workshop?

- a) excellent *Comments:*
- b) very good
- c) good
- d) fair
- e) poor

Please continue on back

10. Please indicate the greatest benefit you gained by attending this workshop.

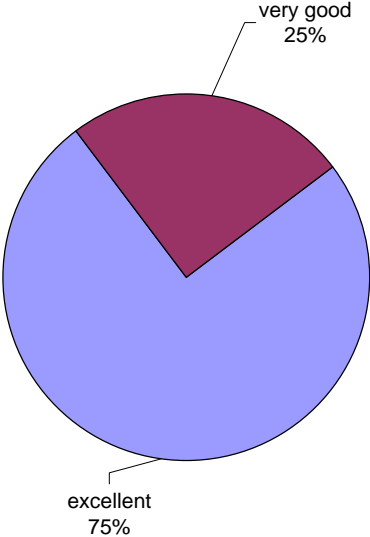
11. Please indicate any topics that you feel were not covered adequately.

12. Please provide any general comments on how the workshop could be improved.

Survey Results

12 surveys were filled out and turned in.

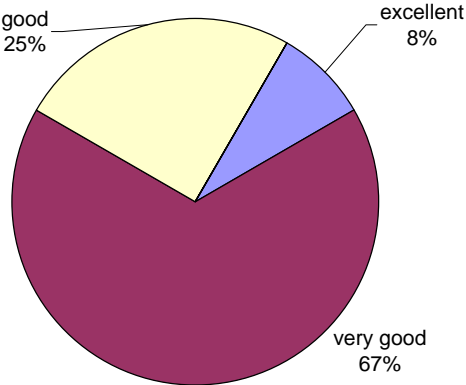
1. How would you rate the workshop?



Comments:

- Good Interaction

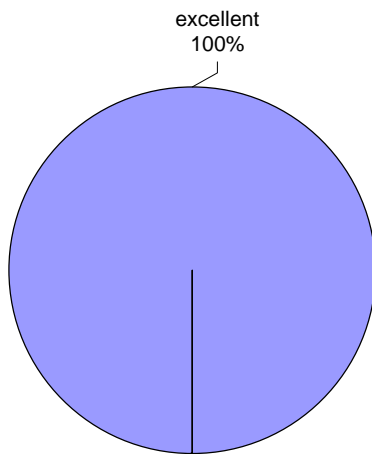
2. How would you rate the presentations?



Comments:

- Great slides
- Good to have check-in points

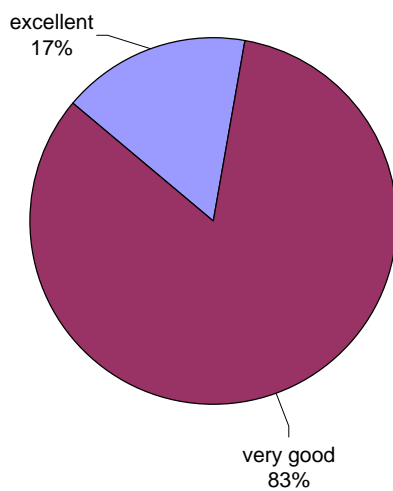
3. How would you rate the level of interaction and discussion?



Comments:

- The interaction was the best part of the workshop
- Felt comfortable being open and honest

4. Describe the workshop content. The level of detail was:



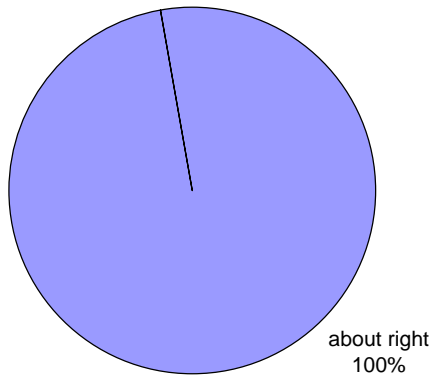
Comments:

- Met my needs and expectations. It was great.

5. Describe the level of information presented:

Comments:

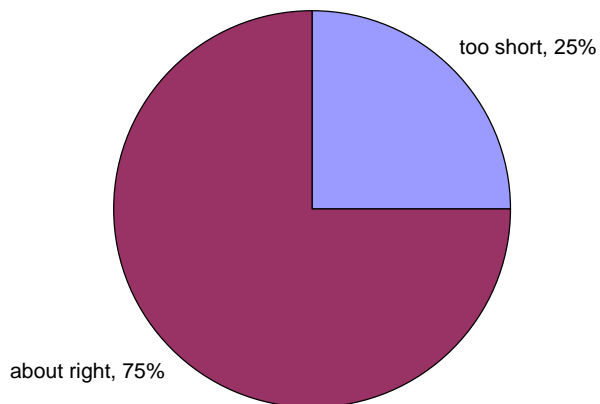
- None



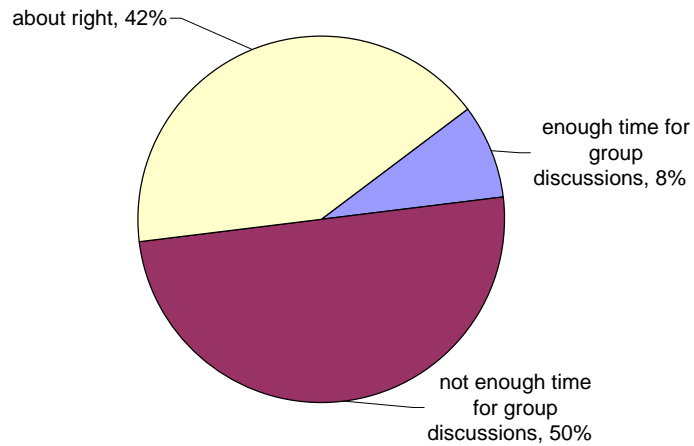
6. Describe the length of the presentations:

Comments:

- Although we ran late, we still did not have enough time. There was much more to discuss.
- Maybe add another 1/2 day
- More time was needed



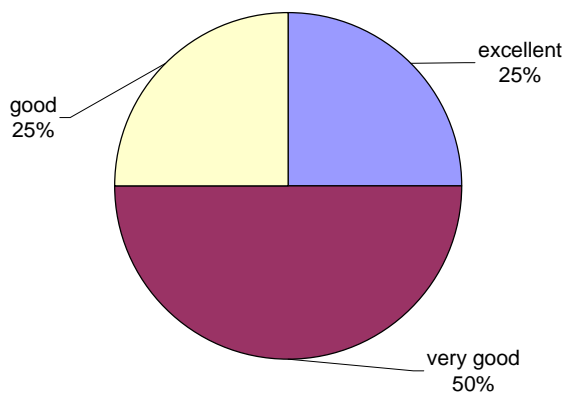
7. Describe the Group Discussions:



Comments:

- We could have talked a lot more
- We could have started some discussions on Tuesday night.

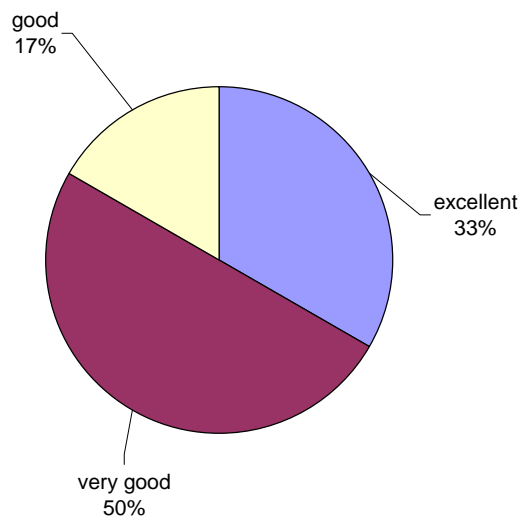
8. How would you rate the meeting room and hotel accommodations?



Comments:

- The meeting room was excellent, the hotel accommodations were fair
- Location could be better

9. How would you rate the meals and breaks provided during the workshop?



Comments:

- I liked the cute door prizes and the chocolate!!

10. Please indicate the greatest benefit you gained by attending this workshop.

- Open and frank discussion and crystallization of issues so we could better articulate questions. Many of these issues have been brought up between agencies via email and these sessions allowed for discussion.
- The discussion of the implications of Auditor Guidance revisions or updates on our processes. Especially the discussion on the value of internal interim audits when they don't truly "substitute".
- Clarification on key issues. Gaining insight on how to improve our EMS.
- Sharing experiences among certified agencies.
- I was able to pick up a great deal of info (in some areas that I didn't know that I was unclear about). I think that it gave us an opportunity to voice some of the concerns and issues that we have.
- Better understanding of interim audit requirements.
- Learned what to anticipate on our first audit.
- Understood internal audit problem (substitution and redundancy) much better.
- Meeting the other agencies.
- Interactive. Lots of good ideas voiced and shared.
- Group dialogue - need to do more, on the phone too.
- Having the Steering Committee and WEF management present.
- Getting input from certified agencies on changes and interpretations that actually impact certified agencies.
- "Stop and Discuss" slides broke up well.

11. Please indicate any topics that you feel were not covered adequately.

- We need a vehicle for transmitting questions and ideas to NBP.
- The auditor's perspective presentation was very opinion-loaded and not generally applicable to all agencies.

- Follow-up on “Parking Lot” issues.
- Account executives need more guidance and training.
- How inconsistencies will be addressed.
- I think that we did a good job of voicing opinions.
- Auditors appear inflexible.
- Auditing contracting process between agency-NBP- audit firms.

12. Please provide any general comments on how the workshop could be improved.

- I suggested a web cast or phone workshop but after the meeting it is apparent that we need to be face-to-face. Could we meet in a more central location? Chicago, Denver or Dallas?
- Need more time. One day was not enough.
- Distribute contact info for all participants.
- Hold annually in Alexandria, VA.
- Extend workshop. Keep doing it every year.
- Don't host on Valentine's Day.
- Switch off with a west coast location that is a main hub (LA, San Francisco, Seattle, Portland or Denver) so it's easy to fly into.
- Build-in more time for discussion especially when controversial topics.
- The dinner time could have been converted from “free time” to workshop time to be more productive, especially since the west coast agencies could stay later and dinner was served so early. Or have discussion after dinner (say from 6:30 to 8:30 pm).