

Compliance audit program

EL9674 Garthowen Exploration Project

Firestone Metals Pty Ltd

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1. Introduction

1.1. Background

Exploration licence 9674 (1992) was granted to Firestone Metals Pty Ltd on 12 July 2024. The exploration area was about 20 kilometres north of Tamworth in the New England region of NSW.

As part of the compliance audit program, an audit of the exploration activities associated with the Garthowen exploration project within EL9674 was undertaken on 7 May 2026 by the Resources Regulator within the Department of Primary Industries and Regional Development.

1.2. Audit objectives

The objectives of the audit were to:

- undertake a compliance audit of the Firestone Metals Pty Ltd exploration activities against the requirements of the *Mining Act 1992* and the conditions of the exploration licence and activity approvals issued pursuant to that Act
- assess the operational performance of the exploration activities and the ability of the titleholder and/or its operator to implement management systems and controls to provide for sustainable management of the operations.

1.3. Audit scope

The scope of the audit included:

- the exploration activities associated with the Garthowen exploration project including
 - exploration activities within EL9674 including a selected sample of exploration drillholes
 - borehole sealing and rehabilitation activities for selected drilling activities undertaken since July 2024 (if any).
- A review of documents and records pertaining to the exploration activities.
- The assessment of compliance for the period commencing 12 July 2024 and ending 7 May 2026.

1.4. Audit criteria

The audit criteria against which compliance was assessed included:

- *Mining Act 1992*, specifically, Sections 5, 30, 140, 163C to 163E, 163G, 378D
- Mining Regulation 2016, specifically clauses 59 to 68
- Conditions attached to EL9674 (granted 12 July 2024, with an expiry date on 12 July 2030)
- Assessable prospecting operations application dated 13 November 2025 for 2 DD/RC drill holes within 2 project areas, with associated approval dated 9 December 2025 (APO0002219)
- Exploration code of practice: Environmental management (version 5, March 2022)

- Exploration code of practice: Rehabilitation (version 5, March 2022)
- Exploration code of practice: Community consultation (version 2.1, May 2023 and/or version 3.0, November 2025)
- Exploration code of practice: Produced water management, storage and transfer (version 5, March 2022)
- Exploration reporting: A guide for reporting on exploration and prospecting in New South Wales (version 5, March 2024)
- Exploration guideline: Annual activity reporting for prospecting titles (version 4, October 2022)

1.5. Publishing and disclosure of information

This audit report was published on the Regulator's website consistent with:

- Section 365 of the *Mining Act 1992*
- Resources Regulator's [Public comment policy](#)
- *Government Information (Public Access) Act 2009*.

2. Audit methods

The audit process involved the interview of site personnel; a review of documentation and samples of records provided by the licence holder and/or operator to determine the level of compliance of the operations and assess the status of the operational performance. The audit process and methodology are described in more detail in the sections below.

2.1. Opening meeting

An opening meeting was held onsite on 7 May 2026. The audit team was introduced, and the scope of their responsibilities was conveyed to the auditee. The objectives and scope of the audit were outlined. The methods to be used by the team to conduct the audit were explained, including the interview of personnel, review of documentation, examination of records and a site inspection to assess specific compliance requirements.

2.2. Site interviews and inspections

2.2.1. Data collection and verification

Where possible, documents and data provided during the audit process were reviewed electronically on the day. Several documents were unable to be reviewed on the day and were provided following the remote audit.

All information obtained during the audit process was verified by the audit team where possible. For example, statements made by site personnel were verified by viewing documentation and records, including site photographs, where possible. Where suitable verification could not be provided, this has been identified in the audit findings as not determined.

2.2.2. Site inspections

A site inspection was undertaken of the following exploration activities in EL9674:

- Diamond drill hole FGD001 – hole drilled along an access track on 26 March 2026 and rehabilitated, no issues observed.
- Proposed diamond drill hole FKD001 – not yet drilled due to the 10-tonne limit placed by the council on one of the access roads.

2.3. Closing meeting

A closing meeting was held on site on 7 May 2026. The objectives of this meeting were to discuss any outstanding matters, present preliminary findings and outline the process for finalising the audit report.

2.4. Compliance assessment definitions

The reporting of results from the compliance audit was determined based on the definitions presented below in Table 1.

Table 1: Compliance assessment definitions

Assessment	Criteria
Compliance	Sufficient and appropriate evidence is available to demonstrate the particular requirement has been complied with.
Non-compliance	Clear evidence has been collected to demonstrate the particular requirement has not been complied with. There are 3 subcategories of non-compliance reflecting the severity and level of risk associated with the non-compliance: NC1 – the absence of planning or implementation of a required operational element which has the potential to result in a significant risk. NC2 – an isolated lapse or absence of control in the implementation of an operational element which is unlikely to result in a significant risk. NC3 – an administrative or reporting non-compliance which does not have a direct environmental or safety significance. Note: The identification of a non-compliance in this audit may or may not constitute a breach of, or offence under, the <i>Mining Act 1992</i>. Non-compliances identified in this audit report may be further investigated by the Regulator and regulatory actions may be undertaken.
Observation of concern	Where an auditee may be compliant at the time of the audit but there are issues that exist that could result in the potential for future non-compliance if not addressed. Observation of concern was also used where an issue may not have particular compliance requirements, but which was not conducive to good management or best practice.
Suggestion for improvement	Where changes in processes or activities inspected or evaluated at the time of the audit could deliver improvement in relation to risk minimisation, sustainable outcomes and management practices.
Not determined	The necessary evidence has not been collected to enable an assessment of compliance to be made within the scope of the audit. Reasons why the audit team could not collect the required information include: - insufficient information on the file relating to the period covered by the audit or insufficient evidence collected to reach a conclusion - the wording on the criteria (approval condition) meant that no evidence could be gathered, or it was too difficult to gather the evidence. A ‘not determined’ assessment was also made where the condition was outside the scope of the audit.
Not applicable	The circumstances of the authorisation or licence holder have changed and are no longer relevant (e.g. no longer mining, mining equipment and plant has been removed). An invoking element in the criteria was not activated within the scope of the audit.

2.5. Reporting

Following completion of the audit, the audit checklists were completed, and audit notes were reviewed to compile a list of outstanding matters to be noted in the audit report. This report was prepared to provide an overview of the operational performance of the site in relation to the exploration activities and identify any non-compliances or observations of concern noted by the auditors during the documentation review and interviews.

The draft audit findings were forwarded to Firestone Metals for comment. Consideration was given to the representations made during the finalisation of the audit report as discussed in the audit findings.

3. Audit findings

3.1. Work program

Condition one of EL9674 required the licence holder to carry out the operations described in the approved work programs. Work program WP-EL9674-2024-2030 was in force during the audit period.

Evidence was available to confirm exploration activities were progressing. The first annual report for the 2025 reporting period was reviewed for EL9674. Exploration completed included:

- compilation of historic exploration data
- land access negotiations
- geological reconnaissance over priority areas
- rock chip sampling
- gravity survey over the tungsten deposit and copper mine prospect areas
- infill gravity survey over tungsten deposit prospect area
- modelling of gravity data
- tenement wide aeromagnetic data reprocessing and modelling.

Firestone Metals used the annual reporting processes to set the work program for the year across the tenement. Tracking systems and spreadsheets were used to track progress of the exploration activities against the approved work programs.

Exploration data was noted to be maintained by the principal geologist (and/or their contractors) and submitted to NSW Resources with the annual activity reports as required.

3.2. Access arrangements

Section 140 of the *Mining Act 1992* stated, 'the holder of a prospecting title must not carry out prospecting operations on any particular area of land except in accordance with an access arrangement or arrangements applying to that area of land'. The access arrangement was required to be agreed in writing between the holder of the prospecting title and each landholder of that area of land.

Evidence was provided to confirm written land access agreements were in place for the exploration activities undertaken on EL9674. Firestone Metals said no special conditions were requested by the landholders. Liaison with landholders was maintained throughout the exploration operations.

3.3. Native title and exempted areas

Condition 2 of EL9674 required the licence holder to obtain the prior written consent of the Minister before carrying out any activities on land on which native title had not been extinguished. Similarly, Section 30 of the *Mining Act 1992* required the consent of the Minister before a licence holder undertook any activities within a State Conservation Area.

The Firestone Metals representative said exploration activities were generally being conducted in areas of freehold land within EL9674. Mapping confirmed the inspected diamond drill hole was drilled on freehold land. No further approvals under section 30 of the Mining Act or condition 2 of the licence were required.

3.4. Community consultation

Condition 3 of EL9449 required the licence holder to carry out community consultation in relation to the planning and conduct of exploration activities. Community consultation was required to be carried out in accordance with the requirements of Exploration code of practice: Community consultation.

An assessment against the mandatory requirements of the code of practice was undertaken as documented in the following sections.

3.4.1. Community engagement contact

Mandatory requirement one of the code of practice required the licence holder to publish on its website the contact details of its designated community engagement contact. Mandatory requirement 2 required the licence holder to update the contact details within 7 days of any change to the contact details.

Firestone Metals engagement contact for EL9674 was identified on its website at [ESG | Discover Responsible Mining Today — Firestone Metals](#) as the community liaison officer. The engagement contact served as the primary point of contact for community stakeholders seeking further information about the exploration project. No changes were made to the engagement contact details for the audit reporting period.

3.4.2. Community consultation plan

Mandatory requirement 3 required the preparation of a community consultation plan to describe how the licence holder would engage with the community. Mandatory requirement 4 set out the requirements for preparation of the community consultation plan.

Firestone Metals prepared a community consultation plan for the tenements of Garthowen project including EL9674. A review of the community consultation plan for exploration activities confirmed it generally addressed the mandatory requirements of the code of practice, as outlined below:

- Objectives for the plan were documented in section 1.2.
- A description of the project and the proposed exploration activities was included in section 2.
- Stakeholder identification and analysis were described in section 3 with contact details of stakeholders contained in a separate stakeholder register for privacy reasons.
- Engagement methods were described in section 3.3 – consultation mechanisms were typically tailored to each stakeholder type.
- Methods for collecting and resolving feedback and complaints were documented in section 4.

Mandatory requirement 5 required the licence holder to provide a copy of the consultation plan to any person who requests it in writing. Firestone Metals exploration staff said no requests to provide

the consultation plan were received. The separation of stakeholder contact details into a stakeholder register, separate from the consultation plan meant personal information was kept confidential should the consultation plan be requested. Furthermore, section 8 of the consultation plan stated, all publicly shared versions of the plan and all annual reports will go through a formal deidentification process before release.

3.4.3. Implementation, record keeping and reporting

Mandatory requirement 6 required the licence holder to keep and maintain records to demonstrate compliance with the requirements of the code. Mandatory requirement 7 required the licence holder to implement the consultation plan, monitor the results of consultation, keep records of consultation activities and evaluate the effectiveness of consultation.

Records were available to confirm implementation of the consultation plan. Firestone Metals maintained a detailed log of consultation activities. Given the low impact nature of the exploration activities, and a location reasonably remote from nearby communities, liaison with landholders was the key consultation undertaken. Evaluation of the consultation outcomes showed community consultation was mostly positive.

Mandatory requirement 8 required the licence holder prepare an annual community consultation report that details the consultation activities completed for the previous year. Mandatory requirement 10 set out the requirements for the community consultation report. Reports for EL9674 under the 2026 code of practice were not due but evidence was available to confirm Firestone Metals prepared annual community consultation report from 12 July 2024 to 11 July 2025 generally in accordance with the reporting guidance in Appendix 2 of the previous code of practice. The report was available upon request, but Firestone Metals did not receive any requests for community consultation report to be provided.

3.5. Exploration activity approvals

Section 23A of the *Mining Act 1992* required the holder of an exploration licence to obtain an activity approval prior to carrying out assessable prospecting operations.

Evidence was available to confirm that exploration activity approval was sought and granted for exploration activities. Exploration activity approval granted included:

- assessable prospecting operations application dated 13 November 2025 for 2 DD/RC drill holes, within 2 project areas, with associated approval dated 9 December 2025 (APO0002219).

Generally, evidence was provided to indicate the exploration activities were carried out in accordance with the description provided in the application except for the activity proposed for drill hole FKD001, which was not commenced. According to Firestone Metals representative, the council enforced a 10-tonne limit on trucks passing through Garthowen Road, one of the main access points. With this limit in place, the 40-tonne drill rig could not access the proposed drill site. Firestone Metals was negotiating with the council for an access permit.

3.6. Environmental management

Condition 4 of EL9674 required the licence holder to prevent or minimise so far as is reasonably practicable, any harm to the environment arising from the activities carried out under the licence. Condition 2 of the exploration activity approvals required the licence holder to carry out the activity in compliance with Part B of the Exploration code of practice: Environmental management.

The diamond drilling program on EL9674 was not yet completed due to access issues for drill hole FKD001, however all plant and equipment were removed from site. A full assessment against the Exploration code of practice: Environmental management was not completed but the following observations were made:

- Drill hole FGD001 was within an existing private access track that kept ground disturbance at a minimum. No vegetation clearing was required.
- Proposed drillhole FKD001 was not drilled (Figure 1). Historical drillholes existed in the same location.
- No evidence of drill cuttings was observed on the surfaces of the sites inspected.
- No waste was observed at any of the sites inspected. Firestone Metals said drill fluids were pumped out by liquid waste contractors with records retained by the drillers.
- General rubbish was disposed on waste bins near the gate of the access track (Figure 2).
- The existing property tracks were considered adequate, and no new tracks were created.
- Fencing was established within property boundaries to protect livestock.
- Drilling activities stopped during heavy rain and site access was restricted to minimise the risk of damage to forestry, grazing land and tracks.

Firestone Metals prepared an environmental risk assessment addressing the impacts of its exploration operations as part of its assessable prospecting operations application. The assessment included identified risk controls. Firestone Metals advised the environmental risk assessment would be reviewed and updated before the commencement of any new assessable prospecting operations or when the scope of activities change.

Figure 1: Proposed drill hole FKD001



Figure 2: Waste disposal bins near gate of access track



3.7. Security deposit

Condition 5 of EL9674 required the licence holder to provide a security deposit to secure funding for the fulfilment of obligations under the licence.

The security amount required for EL9674 was \$10,000, which department records confirmed was held. The diamond drilling program on EL9449 did not trigger an increase in security from the minimum required.

3.8. Rehabilitation

Condition 6 of EL9674 required the licence holder to carry out rehabilitation of all disturbance caused by activities carried out under the licence in accordance with the requirements of the Exploration code of practice: Rehabilitation.

An assessment against the mandatory requirements of the code of practice was undertaken for the exploration activities as documented in the following sections.

3.8.1. Risk assessment

Mandatory requirement one required the licence holder to conduct a risk assessment to evaluate the range of potential threats and opportunities associated with rehabilitating disturbed areas to a condition that could support the intended final land use.

Firestone Metals prepared a rehabilitation risk assessment for the Garthowen project. The risk assessment included a range of risks associated with rehabilitation of exploration activities. Controls were documented for the risks identified. Examples of risks identified included:

- adoption of inappropriate or inadequate rehabilitation techniques
- adoption of inadequate topsoil management processes.
- soil compaction from exploration activities.
- contamination resulting from exploration activities.
- failure of borehole well seals
- weather and climatic influences
- weed infestation associated with both introduction and control
- damage from fauna (e.g. kangaroos, pest animals, livestock, etc)
- lack of rehabilitation care and maintenance.

3.8.2. Rehabilitation objectives and completion criteria

Mandatory requirement 2 required the licence holder, not later than 14 days before the commencement of surface disturbing activities, to provide to the Secretary a copy of clear, specific, achievable and measurable rehabilitation objectives and completion criteria (ROCC). For higher risk prospecting operations, a rehabilitation management plan was required to be prepared and submitted with the rehabilitation objectives and completion criteria.

The exploration activity approval application lodged by Firestone Metals indicated the surface disturbance area was less than the 5-hectare threshold for a higher risk prospecting operation. Excavations were below the 60 cubic metre threshold. The drilling program did not fall within the definition of a higher risk prospecting operation under the code of practice, and a rehabilitation management plan was not required to be developed.

ROCCs were documented as part of the application for assessable prospecting operations. It was noted that the ROCCs were generally based on the template provided in Appendix 2 of the code of practice.

3.8.3. Rehabilitation program

Mandatory requirement 3 required the licence holder to develop, implement and complete a rehabilitation program (which included a monitoring program) to rehabilitate disturbed areas to a condition that could support the intended final land use. Mandatory requirement 4 required the licence holder to commence rehabilitation of a site as soon as reasonably practicable following the completion of activities on that site.

Drilling of one of the 2 drillholes proposed for APO0002219 was completed in late March 2026. Firestone Metals said they were in negotiation with the council for an access load limit permit at Garthowen Road to drill FKD001. The following observations for diamond drillhole FGD001 were made:

- Drill hole FGD001 was rehabilitated. It was backfilled and expected to completely blend with the existing environment in due time (Figure 3).
- The site was cleaned of all remaining rubbish and drill samples.
- The remaining samples were taken and disposed of at an offsite facility.
- Remediation and earthworks were conducted if any sub-surface ground was disturbed.
- Drill collars were removed, and topsoil was returned to drill collar accordingly.
- Photos were taken before the site is disturbed and after the site was rehabilitated.

Firestone Metals said rehabilitation monitoring comprised quarterly site inspections supported by photographic evidence for each inspection. Drill site environmental monitoring records were made available during the audit.

Figure 3 shows the rehabilitation of the diamond drill hole FGD001, which lies along the access track within EL9674 (Figure 4).

Figure 3: Drilled and rehabilitated drill hole FGD001



Figure 4: Access track along drill hole FGD001



3.9. Annual activity reporting

Section 163C of the *Mining Act 1992*, clause 59 of the Mining Regulation 2016 and condition 8 of EL9674 required the licence holder to submit an activity report annually within one calendar month following grant anniversary date. Annual activity reports were required to be prepared in accordance with the Exploration guideline: Annual activity reporting for prospecting titles.

During the audit scope period, Firestone Metals submitted annual activity report comprising:

- annual geological report
- environmental rehabilitation and compliance report.

Generally, the reports were found to be in accordance with the NSW Resources and/or Resources Regulator templates and guidance material.

3.10. Core and sample storage

Clause 65 of the Mining Regulation 2016 required the holder of an authority to, so far as is reasonably practicable, collect, retain and preserve:

- all drill cores remaining after sampling
- characteristic samples of the rock or strata encountered in any drill holes.

All core and samples collected were required to be labelled, stored and managed in a manner that preserved the integrity of the core or samples.

The drilling program conducted by Firestone Metals on EL9674 generated core samples. The core storage facility was located at Orange NSW and was not inspected during the audit. Firestone Metals provided photos of the core and sample storage, which appeared to be well organised.

3.11. Record keeping

Sections 163D and 163E of the *Mining Act 1992* related to creating and maintaining records required under the Act, the Regulations, or a condition of title. Records must be kept in a legible form for production to any inspector and must be maintained for a period of four years after the expiry or cancellation of the title. Specific requirements for the types of records to be maintained for exploration activities were detailed in the mandatory requirements of the exploration codes of practice as follows:

- mandatory requirement 6 of the rehabilitation code of practice
- mandatory requirement 13.1 of the environmental management code of practice
- mandatory requirement 5 of the community consultation code of practice.

Records reviewed during the audit demonstrated Firestone Metals generally maintained records as required by the licence conditions and the exploration codes of practice. It was noted relevant documents and records were readily retrievable upon request from the company's database, which were backed up to Dropbox cloud storage.

Examples of records reviewed included:

- environmental and rehabilitation risk assessments
- assessable prospecting operations approval and associated documentation
- pre, during and post drilling photos
- environmental and rehabilitation field inspection sheets
- landholders access agreements
- community consultation register
- site induction records
- rehabilitation objectives and completion criteria
- safe work procedure for fire prevention
- safe work procedure for chemical safety
- biosecurity measures procedures
- vehicle washdown log sheets
- community consultation plan
- community consultation reports
- annual activity reporting.

4. Compliance management

4.1. Identifying compliance obligations

Identifying compliance obligations is a critical step in the development of an effective compliance management system. Compliance obligations for an exploration project can include:

- regulatory requirements (for example, the *Mining Act 1992*)
- conditions imposed on the grant, renewal, or transfer of exploration licences
- exploration activity approvals
- exploration codes of practice
- specific commitments made by the organisation (for example, commitments made in the approved exploration activity application).

Once identified, compliance obligations should be reviewed periodically to identify any changes in those obligations (for example, changes in legislation).

Firestone Metals representative generally had a good understanding of the compliance requirements for exploration. Systems and processes for managing compliance requirements were generally developed and implemented.

It was noted records were generally maintained to demonstrate compliance.

4.2. Contractor management

Contractors are often used to undertake specialist tasks, for example, exploration drilling. While the responsibility for compliance or the implementation of environmental controls is often passed to the contractor, the licence holder will retain accountability for compliance with its licence conditions and other compliance obligations. It is important that the licence holder exercises management control of its contractors by specifying contract requirements, providing oversight of contracted works, and evaluating the performance of the contractor during the contracted works.

Firestone Metals used contract drillers to complete the exploration drilling program. Drilling was completed at the time of the audit, and a review of contractor management activities was not undertaken.

4.3. Inspections, monitoring and evaluation

An effective inspection, monitoring and evaluation process is required to:

- monitor the implementation of the risk controls
- evaluate the effectiveness of those controls based on an assessment of inspection and monitoring data
- implement an adaptive management approach if monitoring shows that controls may be ineffective.

Firestone Metals established an inspection and monitoring process for the low impact nature of the exploration operations being conducted. These processes were noted to include inspection of drill sites and rehabilitation to confirm works were completed in accordance with the controls identified in the risk assessments.

Firestone Metals engaged a consultant to assist with implementation and monitoring of environmental controls. Inspection reports were provided which outlined the results of the inspections and any issues arising.

Firestone Metals advised regular site inspections and ongoing review of the controls implemented were conducted to evaluate the effectiveness of controls and identify trends in particular issues.

5. Audit conclusions

From the evidence reviewed during the audit and observations made on site during the site inspection, it was concluded the exploration operations undertaken by Firestone Metals were well managed. Evidence was available to demonstrate systems and processes were developed to identify and manage compliance requirements. It was observed records were being maintained as required to demonstrate compliance.

Firestone Metals was compliant with the requirements of the exploration licence, exploration activity approvals and the exploration codes of practice, for the elements reviewed during the audit. No non-compliance, observations of concern or suggestions for improvement were identified during the audit.