

December 9, 2010

CTC/TMG-CL5012-10

U.S. Army Environmental Command  
IMAE-TT (ATTN: Ms. Darlene Bader-Lohn)  
5179 Hoadley Road  
Aberdeen Proving Ground, MD 21010-5401

SUBJECT: Final Department of Commerce Internal Environmental Management System (EMS) Audit Report (CDRL A007), dated December 9, 2010

REFERENCE: (1) Electronic Mail to Tamara Goller (CTC) from Darlene Bader-Lohn (USAEC), dated December 7, 2010, Subject: NDCEE Task 552, Draft Department of Commerce Internal Environmental Management System (EMS) Audit Report, dated November 30, 2010  
(2) Task No.: 0552 "Environmental Management Support Services" approved January 30, 2009  
(3) Contract Number W74V8H-04-D-0005

Dear Ms. Bader-Lohn:

Concurrent Technologies Corporation (CTC) is pleased to submit one (1) copy of the Subject Deliverable in response to Reference (1) Government comments and in accordance with the Reference (2) Task under the Reference (3) Contract. The Contractor, CTC, hereby declares that, to the best of its knowledge and belief, the technical data delivered herewith under the Reference (3) Contract is complete, accurate, and complies with all requirements of the contract. If you should require technical clarification, please call Ms. Shannon Siart (703) 310-5680. For contractual issues, please call the undersigned at the above direct-dial number.

Very truly yours,



Tamara Goller  
Contracts Administrator

/bem

Enclosures: as stated

cc: Mr. Greg Falzetta, Office Administrative Services

## ATTACHMENT A

### NDCEE Response to Government Comments

#### **In Reference to the letter dated NDCEE Task 552, Draft Department of Commerce Internal Environmental Management System (EMS) Audit Report, November 30, 2010**

**Government Comment:** On pg 1, delete “th” behind “November 16” and “November 17”.

- **NDCEE Response:** “th” was deleted. The text now reads, “This internal audit report summarizes the results from the internal audit of the Department of Commerce’s (DOC) organizational<sup>1</sup> Environmental Management System (EMS) that occurred on November 16-17, 2010.”

**Government Comment:** On pg 1, change “The aim” to “The objective”.

- **NDCEE Response:** “The aim” was changed to “The objective”. The text now reads, “The objective of the internal audit was to determine the status of the DOC’s organizational EMS in addressing the requirements put forth by the Office of the Federal Environmental Executive (OFEE) *Guidance on Implementing Environmental Management Systems* letter, issued October 31, 2008”.

**Government Comment:** On pg 1, change “audit” to “auditor” in the following sentence: “Mr. Thoms is an ISO 9001/14001 trained lead audit employed by CTC, an ISO 9001/14001-certified company

- **NDCEE Response:** “Audit” was changed to “auditor”.

**Government Comment:** On pg 1 under 1.3 Scope, change “see Appendix A” to simply “Appendix A”.

- **NDCEE Response:** “See” was deleted. Text now reads, “Appendix A”.

**Government Comment:** On pg 2 in the first and second paragraph, make the following words lowercase: “Scope”, “Audit”, “Management”, and “Review”.

- **NDCEE Response:** “Scope”, “Audit”, “Management”, and “Review” are now lowercase.

**Government Comment:** On pg 2 under 2.0 INTERNAL AUDIT REPORT, add “letter” behind “OFEE” in the first sentence.

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<sup>1</sup> Organizational EMS refers to the “higher-tier EMS” described in the OFEE guidance letter from October 31, 2008

- NDCEE Response: “Letter” was added. The text now reads, “The audit report presents the organizational EMS requirements from the OFEE letter and the corresponding requirements from the ISO 14001 standard.”

**Government Comment:** On pg 3, please clarify what document is you are referring to by “DOC’s *Environmental Management System (EMS) DRAFT* from November 12, 2010”.

- NDCEE Response: The document we are referring to is Appendix A to the DOC’s Environmental Management Manual (EMM). The title of the document was changed to “DOC’s *Environmental Management Manual (EMM) APPENDIX A: Environmental Management System (EMS) DRAFT* from November 12, 2010”. This change was incorporated in other areas of the report where this document is referenced. Also, EMM was added to the acronyms list.

**Government Comment:** On pg 3 in section 2.1.4 Result, make “Top” and “Management” lowercase and delete “r” and “the” in front of “ISO 14001 requirements”.

- NDCEE Response: “Top” and “Management” are now lowercase. “r” and “the” were deleted.

**Government Comment:** In section 2.1.4 Result, change the last sentence to “After these actions are completed...”.

- NDCEE Response: Change was incorporated. The text now reads, “After these actions are completed, the DOC’s EMS policy will satisfy all requirements of the ISO 14001 standard.”

**Government Comment:** In section 2.2.2 ISO 14001 Requirement(s), change “called and environmental management program” to “called an environmental management program”.

- NDCEE Response: “and” was changed to “an”.

**Government Comment:** Wherever in the document it says “documents review” change to read “documents reviewed”.

- NDCEE Response: Wherever appropriate, “review” was changed to “reviewed”.

**Government Comment:** In section 2.2.4 Results, the DOC agrees that the SSPP drives the process of objective and target setting, but disagrees that a concise table is not needed. The SSPP is updated only once a year and the format is difficult to change since it is set by OMB. The table merely extracts data from the SSPP where available. There are other areas of the EMS that the setting of the objectives and targets are needed that are not captured by the SSPP (i.e. training, policy, etc.).

- NDCEE Response: The DOC’s opinion was included in section 2.2.4 Results to reflect the two different perspectives regarding objective and target setting. The

following text was inserted: “However, the audit team recognizes that the DOC disagrees with the recommendation that the *Significant Aspects and Objectives* Excel table is not needed. The DOC agrees that the SSPP drives the process of objective and target setting, but disagrees that the table is not needed. The SSPP is updated only once a year and the format is difficult to change since it is set by the Office of Management and Budget (OMB). The *Significant Aspects and Objectives* Excel table extracts data from the SSPP where available, but also sets objectives and targets for areas of the EMS that are not captured by the SSPP (i.e. training, policy, etc.).

Given that the audit team’s “opportunity for improvement” is simply an observation, it is left to the DOC’s discretion whether or not to incorporate this information into its EMS.”

**Government Comment:** On pg 6, make “Top Management” lowercase.

- NDCEE Response: “Top Management” is now lowercase.

**Government Comment:** On pg 10, change first sentence in the second paragraph to read, “The OFEE guidance letter requires that the DOC’s EMS be periodically audited by a qualified party.” Also, add a period at the end of the last sentence on the third paragraph.

- NDCEE Response: Changes were incorporate. The sentence was changed and a period was added.

**Government Comment:** In Table 1, delete “s” in the notes section for Objectives, Targets and Metrics. Also, in the notes section for Allocation of Resources and Accountability, please correct the text to reflect that the DOC will have the Secretary of Commerce sign the EMS policy and that the DOC is unsure who will sign the self-declaration.

- NDCEE Response: “s” was deleted. “policy” was replaced with “self-declaration”.

# ENVIRONMENTAL MANAGEMENT SUPPORT SERVICES

## Final Department of Commerce Internal Environmental Management System (EMS) Audit Report

**December 9, 2010**

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Requests for this document shall be referred to:  
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Appendix A: DOC Internal Audit Plan

## LIST OF ACRONYMS

<i>CTC</i>	Concurrent Technologies Corporation
DOC	Department of Commerce
EMS	Environmental Management System
EMM	Environmental Management Manual
OFEE	Office of the Federal Environmental Executive
OMB	Office of Management and Budget
EO	Executive Order
SSPP	Strategic Sustainability Performance Plan
NOAA	National Oceanic and Atmospheric Administration
NDCEE	National Defense Center for Energy and Environment
WHAM	Web-Hosted Assessment Manager

## **EXECUTIVE SUMMARY**

Executive Order (EO) 13423, “Strengthening Federal Environmental, Energy, and Transportation Management” consolidates the requirements of several environmental EOs. In doing so, it created a single, comprehensive framework by which Federal agencies now manage their environmental, energy, and transportation requirements. This framework specifically utilizes the Environmental Management System (EMS) to more holistically manage and coordinate earlier EOs’ initiatives, particularly where they had previously conflicted with one another.

To help meet this mandate, the National Defense Center for Energy and Environment (NDCEE), operated by Concurrent Technologies Corporation (CTC), was tasked by the Department of Commerce (DOC) to conduct an internal audit of the DOC’s organizational EMS. The results of the internal audit are discussed in the Internal EMS Audit Report.

## **1.0 INTRODUCTION**

### **1.1 Purpose**

This internal audit report summarizes the results from the internal audit of the Department of Commerce's (DOC) organizational<sup>2</sup> Environmental Management System (EMS) that occurred on November 16-17, 2010. The objective of the internal audit was to determine the status of the DOC's organizational EMS in addressing the requirements put forth by the Office of the Federal Environmental Executive (OFEE) *Guidance on Implementing Environmental Management Systems* letter, issued October 31, 2008. In order to comply with EO 13423, DOC is required to have an organizational EMS in place by December 30, 2010. The OFEE guidance letter suggests which components of an EMS should be implemented at the organizational level. Results presented in this internal audit report will provide evidence to DOC's management on the current status of the organizational EMS so that DOC leadership can self-declare as to having an ISO 14001-conforming EMS.

### **1.2 Audit Team**

Mr. John Thoms was the lead auditor for the internal audit of the DOC's EMS. Mr. Thoms is an ISO 9001/14001 trained lead auditor employed by CTC, an ISO 9001/14001-certified company. Mr. Thoms is a former member of the US Technical Committee which originally drafted the ISO 14001 Standard and previously was ISO 14001 Lead Auditor with American Quality Assessors. Mr. Thoms is currently the Chairperson of the EMS advisory committee to SRI Quality System Registrar, an ISO 9001/14001 registrar in Wexford, PA.

Mr. Thoms was accompanied during the internal audit by Ms. Shannon Siart. Ms. Shannon Siart has experience working with small companies to develop ISO 14001-compliant EMS.

### **1.3 Scope**

The National Defense Center for Energy and Environment (NDCEE) team developed an internal audit plan (Appendix A) for the DOC's organizational EMS by reviewing requirements set forth by the OFEE guidance letter and the ISO 14001 Standard. The scope of the internal audit was limited to the DOC's organizational EMS and to those requirements that are specifically called out in the OFEE guidance letter. The NDCEE team assessed the following organizational EMS components:

- Policy (OFEE)
- Objectives, targets and metrics (OFEE)
- Allocation of resources (OFEE)
- Accountability (OFEE)
- Monitoring and reporting (OFEE)
- Management review (OFEE)

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<sup>2</sup> Organizational EMS refers to the "higher-tier EMS" described in the OFEE guidance letter from October 31, 2008

- Internal Audit (OFEE)

The above EMS components are those that are specifically addressed in the OFEE guidance. Where these components align with the ISO 14001 Standard, the NDCEE audit team assessed the relative alignment of the DOC's organizational EMS to the specific requirements of the ISO EMS Standard. The remaining elements of the ISO 14001 Standard that did not align with the OFEE elements were not included in the scope of this audit.

The audit team was unable to review the management review element of the DOC's EMS because, at the time of the internal audit, the management review had not occurred. Therefore, results from the internal audit of the management review will not be included in this audit report.

## **2.0 INTERNAL AUDIT REPORT**

The audit report presents the organizational EMS requirements from the OFEE letter and the corresponding requirements from the ISO 14001 standard. The documents reviewed during the internal audit are listed and results from the internal audit of the DOC's organizational EMS are summarized. This audit report identifies which elements of the DOC's organizational EMS conform or did not conform to the OFEE and ISO 14001 requirements. In addition, opportunities for improvement are discussed. Results from the DOC's EMS internal audit are summarized in Table 1.

### **2.1 Policy**

#### **2.1.1 OFEE Requirement(s)**

The Office of the Federal Environmental Executive's October 31, 2008 *Guidance on Implementing Environmental Management Systems "At All Appropriate Organizational Levels"* of a Federal Agency pursuant to Executive Order 13423 states that the EMS responsibilities of a federal agency headquarters include "establishing agency-wide policies."

#### **2.1.2 ISO 14001 Requirement(s)**

The ISO 14001:2004(E) standard requires top management to "define the organization's environmental policy and ensure that, within the defined scope of its environmental management system, it

- a) is appropriate to the nature, scale and environmental impacts of its activities, products and services,
- b) includes a commitment to continual improvement and prevention of pollution,
- c) includes a commitment to comply with applicable legal requirements and with other requirements to which the organization subscribes which relate to its environmental aspects,

- d) provided the framework for setting and review environmental objectives and targets,
- e) is documented, implemented and maintained,
- f) is communicated to all persons working for or on behalf of the organization, and
- g) is available to the public.”

### **2.1.3 Document(s) Reviewed**

The documents reviewed for this section included:

- DOC’s *MEMORANDUM FROM SECRETARIAL OFFICERS AND HEADS OF OPERATING UNITS for Environmental Management Systems* from Donald L. Evans, issued on April 22, 2003.
- DOC’s current draft EMS policy titled, *MEMORANDUM FOR Secretarial Officers Heads of Operating Units for Department of Commerce Statement of Environmental Policy* from Gary Locke.
- DOC’s *Environmental Management Manual (EMM) APPENDIX A: Environmental Management System (EMS) DRAFT* from November 12, 2010.

### **2.1.4 Results**

The audit team found that the DOC’s EMS policy did not conform to either the ISO 14001 standard requirements or the OFEE guidance letter requirement.

Currently, the DOC has a draft EMS policy, the content of which fulfills requirements a) through d) of the ISO 14001 standard. However, the draft EMS policy has neither been signed by top management nor communicated to workers or made available to the public; therefore the DOC’s EMS policy has not been fully implemented, communicated, and made available to the public. DOC’s draft EMS policy does not fulfill requirements e) through g) of ISO 14001.

Since the DOC draft EMS policy has not yet been signed or implemented, the DOC currently also does not meet the OFEE requirements.

Once the policy is signed by top management, DOC’s EMS policy will satisfy both the OFEE and ISO 14001 requirements. The DOC plans to incorporate its EMS policy into training and awareness activities and post it on the DOC’s EMS website, which will be available to the public. After these actions are completed, the DOC’s EMS policy will satisfy all requirements of the ISO 14001 standard.

## **2.2 Objectives, Targets and Metrics**

### **2.2.1 OFEE Requirement(s)**

The Office of the Federal Environmental Executive’s October 31, 2008 *Guidance on Implementing Environmental Management Systems “At All Appropriate Organizational Levels” of a Federal Agency pursuant to Executive Order 13423* states that the EMS responsibilities of a federal agency headquarters include “establishing agency-wide

objectives and targets (e.g. environment, energy, fleet...).” This guidance goes on to say “The agency headquarters may also choose to establish agency-wide management programs to address certain environmental aspects, such as environmental aspects of energy use, acquisition and procurement, and fleet, facilities, and electronics management.”

### **2.2.2 ISO 14001 Requirement(s)**

The ISO 14001:2004(E) standard requires organizations to establish, implement, and maintain a procedure(s) to identify and document the environmental aspects of its activities and determine those that can have a significant impact on the environment (i.e. significant environmental aspects).

In addition, ISO 14001:2004 requires organizations to establish, implement, and maintain documented, measurable environmental objectives and targets at relevant functional levels within the organization. Objectives and targets must include an action plan (called an environmental management program) that identifies responsibility for achieving each objective and “the means and time-frame by which they are to be achieved.”

### **2.2.3 Document(s) Reviewed**

The documents reviewed for this section included:

- DOC’s *Environmental Management Manual (EMM) APPENDIX A: Environmental Management System (EMS) DRAFT* from November 12, 2010.
- DOC’s *Strategic Sustainability Performance Plan (SSPP)* from June 2010
- DOC’s *Significant Aspects and Objectives* Excel table from November 12, 2010

### **2.2.4 Results**

The audit team found that the DOC’s EMS for Objectives, Targets and Metrics conformed to both the ISO 14001 requirements and the OFEE requirements.

The SSPP plays a large role in determining the DOC’s EMS objectives, targets and metrics, given that the EMS is intended to be the management tool through which the DOC works to achieve its sustainability goals. Due to the relationship between the DOC’s EMS and SSPP, the audit team identified—as an opportunity for improvement—that the SSPP be the process and procedure for the identification of DOC’s objectives and targets for the EMS. This would require that language regarding the identification of DOC’s “significant environmental aspects” would need to be included in the SSPP in order to meet the ISO 14001 requirement. Currently, DOC’s “significant environmental aspects” are identified and listed in DOC’s *Significant Aspects and Objectives* Excel table.

There are two benefits in using the SSPP to capture and document the DOC’s EMS objectives, targets and metrics. First, condensing the information into one document simplifies the logistics of having to review, maintain, distribute and communicate

documents related to the DOC's EMS. Second, identifying the SSPP as the DOC's EMS objectives, targets and metrics clarifies the relationship between the DOC's EMS and SSPP. It reinforces that the EMS is the management tool for realizing goals established in the SSPP.

However, the audit team recognizes that the DOC disagrees with the recommendation that the *Significant Aspects and Objectives* Excel table is not needed. The DOC agrees that the SSPP drives the process of objective and target setting, but disagrees that the table is not needed. The SSPP is updated only once a year and the format is difficult to change since it is set by the Office of Management and Budget (OMB). The *Significant Aspects and Objectives* Excel table extracts data from the SSPP where available, but also sets objectives and targets for areas of the EMS that are not captured by the SSPP (i.e. training, policy, etc.).

Given that the audit team's "opportunity for improvement" is simply an observation, it is left to the DOC's discretion whether or not to incorporate this information into its EMS.

## **2.3 Allocation of Resources and Accountability**

### **2.3.1 OFEE Requirement(s)**

The Office of the Federal Environmental Executive's October 31, 2008 *Guidance on Implementing Environmental Management Systems "At All Appropriate Organizational Levels" of a Federal Agency pursuant to Executive Order 13423* states that the EMS responsibilities of a federal agency headquarters include "communicating how the agency is organized and managed on a day-to-day basis including identification of responsibility for addressing objectives and targets ensuring accountability for environmental management, and establishing performance measures."

### **2.3.2 ISO 14001 Requirement(s)**

The ISO 14001:2004(E) standard states:

"Management shall ensure the availability of resources essential to establish, implement, maintain, and improve the environmental management system. Resources include human resources and specialized skills, organizational infrastructure, technology and financial resources.

Roles, responsibilities, and authorities shall be defined, documented and communicated."

### **2.3.3 Document(s) Reviewed**

The documents reviewed for this section included:

- DOC's *Environmental Management Manual (EMM) APPENDIX A: Environmental Management System (EMS) DRAFT* from November 12, 2010.

## 2.3.4 Results

The audit team found that the DOC's EMS for Allocation of Resources and Accountability did not conform to either the ISO 14001 requirements or the OFEE requirements.

The DOC's *Environmental Management Manual (EMM) APPENDIX A: Environmental Management System (EMS) DRAFT* from November 12, 2010 speaks to roles and responsibilities for the EMS. However, it is apparent that roles and responsibilities have not yet been clearly defined and communicated. The "DOC Executive EMS Steering Committee" mentioned in the *Environmental Management Manual (EMM) APPENDIX A: Environmental Management System (EMS) DRAFT* has not yet been formed and it is unclear exactly who will be part of the Steering Committee. Furthermore, the person (top management) responsible for declaring that the DOC has a compliant organization-level EMS remains undecided.

Two opportunities for improvement to the Allocation of Resources and Accountability EMS element were identified. First, was to include in the *Environmental Management Manual (EMM) APPENDIX A: Environmental Management System (EMS) DRAFT* an organizational chart that illustrates the individuals involved and responsible for the DOC's EMS. The second opportunity for improvement was to re-name the "DOC Executive EMS Steering Committee" to reflect that this group would be the same group conducting Management Reviews. The audit team thought that this would help avoid confusion and communicate that the "DOC Executive EMS Steering Committee" and Management Review group are the same group of people with the same roles and responsibilities.

## 2.4 Monitoring and Reporting

### 2.4.1 OFEE Requirement(s)

The Office of the Federal Environmental Executive's October 31, 2008 *Guidance on Implementing Environmental Management Systems "At All Appropriate Organizational Levels" of a Federal Agency pursuant to Executive Order 13423* states that the EMS responsibilities of a federal agency headquarters include "establishing reporting mechanisms that promote accountability for environmental management and measure performance; collecting, analyzing, and reporting agency-wide performance information."

### 2.4.2 ISO 14001 Requirement(s)

ISO 14001:2004 requires organizations to "establish, implement, and maintain a procedure(s) to monitor and measure, on a regular basis, the key characteristics of its operations that can have a significant impact. The procedure(s) shall include the documenting of information to monitor performance, applicable operational controls and conformity with the organization's objectives and targets."

### 2.4.3 Document(s) Reviewed

The documents reviewed for this section included:

- DOC's *Environmental Management Manual (EMM) APPENDIX A: Environmental Management System (EMS) DRAFT* from November 12, 2010.
- DOC's *Annual Energy and Environmental Data Call Memo* from November 5, 2010

### 2.4.4 Results

The audit team found that the DOC's EMS for Monitoring and Reporting conformed to both the ISO 14001 requirements and the OFEE requirements.

The DOC currently sent out data calls to collect agency-wide data on the objectives and targets stated in the SSPP. In the *Environmental Management Manual (EMM) APPENDIX A: Environmental Management System (EMS) DRAFT* there is a schedule for collecting and compiling data. This fulfills the OFEE guidance letter requirements for Monitoring and Reporting.

For this EMS element, there is a slight difference between OFEE and ISO 14001 that is worth mentioning. None of the ISO 14001 sections are synonymous to OFEE's Monitoring and Reporting requirements. The ISO 14001 section that is most similar to the OFEE requirement is 4.5.1 Monitoring and Measurement. However, the intent of section 4.5.1 is for an organization to monitor and measure its key characteristics related to significant environmental aspects from operational activities. Controlling operational activities is outside the scope of the DOC's organization EMS. Therefore, monitoring and measuring key characteristics related to operational controls does not apply to the DOC's EMS.

However, in ISO 14001's Annex A: Guidance on the use of this International Standard, key characteristics are defined as, "those that the organization needed to consider to determine how it is managing its significant environmental aspects, achieving objectives and targets, and improving environmental performance." While the DOC does not have significant environmental aspects or objectives and targets related specifically to operational activities, the DOC's EMS does identify significant environmental aspects and objectives and targets that apply to the agency as a whole. As mentioned before, objectives and targets as well as environmental aspects are primarily derived from goals set in the SSPP. Therefore, the DOC's key characteristics are those related to the SSPP for which the DOC is implementing a monitoring and reporting system. As a result, the DOC's EMS is compliant with ISO 14001 4.5.1 Monitoring and Measurement.

While auditing the DOC's EMS for Monitoring and Reporting, the audit team identified a non-conformance to the ISO 14001 4.5.2 Evaluation of Compliance, which states:

4.5.2.1 Consistent with its commitment to compliance, the organization shall establish, implement and maintain a procedure(s) for periodically evaluating compliance with applicable legal requirements.

The organization shall keep records of the results of the periodic evaluations.

4.5.2.2 The organization shall evaluate compliance with other requirements to which it subscribes. The organization may wish to combine this evaluation with the evaluation of legal compliance referred to in 4.5.2.1 or to establish separate procedure(s).

The organization shall keep records of the results of periodic evaluations.”

The internal audit team found that the DOC’s EMS did not conform ISO 14001 section 4.5.2.1. Currently, the DOC does not have a system in place for reporting compliance with legal requirements from the bureau level to DOC headquarters. The only system currently in place that tracks legal compliance at the bureau level is National Oceanic and Atmospheric Administration’s (NOAA) Web-Hosted Assessment Manager (WHAM) system. However, in order to retrieve information from the WHAM system, permission has to be requested and granted. At the time of the internal audit, the DOC was not actively using the WHAM system to collect information regarding compliance with legal requirements.

Under the ISO 14001 Standard, one of the required inputs to the management review is, “...results of internal audits and evaluation of compliance with legal requirements...”. Therefore, in order for the DOC’s EMS to satisfy all requirements for Management Review under ISO 14001, it would appear that the DOC needs a viable system to evaluate compliance with legal requirements.

It also appears that the DOC’s EMS does not conform to Executive Order (EO) 13423 and implementing instruction for EO 13423 requirements for evaluating legal compliance. The relevant requirements are stated below:

E.O. 13423, Sec. 3(c) requires federal agencies to “establish within the agency programs for ... (ii) environmental compliance review and audit....”

The implementing instruction for EO 13423 further states “Where an EMS exists at the appropriate organization level, the elements of the Compliance Management Plan shall be part of the EMS...”

and

“Each compliance management plan shall formally include the following elements at the appropriate level:

- A clear, sustained, and up-to-date commitment by senior leadership to achieve and maintain environmental compliance. This commitment shall be integrated into agency strategic plans and agency policies.
- Clearly articulated roles and responsibilities related to environmental performance at all levels to ensure accountability for less than desired environmental performance.
- Implementation of an environmental compliance review and audit program that identifies compliance needs and possible root cause of non-compliance.
- Integration of compliance management system information and resource allocation procedures to ensure that audit findings and possible non-compliance root causes are tracked and addressed, including allocation of funding.”

To date, the DOC’s EMS does not have a viable system that meets the elements of the Compliance Management Plan and therefore, does not conform to this requirement.

## **2.5 Internal Audit**

### **2.5.1 OFEE Requirement(s)**

The Office of the Federal Environmental Executive’s October 31, 2008 *Guidance on Implementing Environmental Management Systems “At All Appropriate Organizational Levels” of a Federal Agency pursuant to Executive Order 13423* states that “a higher-tier EMS should be audited periodically by a qualified party from within the organization (also called an internal or first-party audit) to ensure its elements are carried out as planned, but need not be audited by a qualified party outside of the control or scope of the EMS (also called an external or second-party audit) as otherwise required by E.O. 13423 for facility and multi-site EMSs. This exemption applies as long as the higher-tier EMS is designed to address a limited number of elements that support the implementation of complete, lower-level facility and/or multi-site EMSs.”

### **2.5.2 ISO 14001 Requirement(s)**

The ISO 14001:2004(E) standard requires an organization to “ensure that internal audits of the environmental management system are conducted at planned intervals to

- a) Determine whether the environmental management system
  - 1) Conforms to planned arrangements for environmental management including the requirements of this Internal Standard, and
  - 2) Has been properly implemented and is maintained, and
- b) Provide information on the results of audits to management.

Audit program(s) shall be planned, established, implemented and maintained by the organization, taking into consideration the environmental importance of the operation(s) concerned and the results of previous audits.

Audit procedure(s) shall be established, implemented and maintained that address:

- The responsibilities and requirements for planning and conducting audits, reporting results and retaining associated records,
- The determination of audit criteria, scope, frequency and methods.”

### 2.5.3 Document(s) Reviewed

The documents reviewed for this section included:

- DOC’s *Environmental Management Manual (EMM) APPENDIX A: Environmental Management System (EMS) DRAFT* from November 12, 2010.

### 2.5.4 Results

The audit team found that the DOC’s EMS conformed to OFEE requirements for Internal Audit, but did not conform to the ISO 14001 requirements.

The OFEE guidance letter requires that the DOC’s EMS be periodically audited by a qualified party. Since the DOC’s EMS is designed to address a limited number of EMS elements, internal audits of the DOC’s organizational EMS are sufficient to meet OFEE requirements.

The audit team found that the DOC’s EMS does not satisfy all requirements for internal audit under ISO 14001. Currently, the procedure for the Internal Audit in the DOC’s *Environmental Management Manual (EMM) APPENDIX A: Environmental Management System (EMS) DRAFT* does not discuss the frequency of internal audits or an audit schedule, which is a requirement under ISO 14001.

**Table 1. Summary of EMS Elements Audited and Key Findings**

EMS Element	ISO 14001:2004E	OFEE	Notes
Policy	Non-conformance	Non-conformance	The specific content of the draft policy meets the ISO 14001 requirements. However, the draft policy has not been established or implemented; has not been communicated to its employees; and has not yet been made available to the public.

**Table 1. Summary of EMS Elements Audited and Key Findings (Continued)**

<b>EMS Element</b>	<b>ISO 14001:2004E</b>	<b>OFEE</b>	<b>Notes</b>
Objectives, Targets and Metrics	Conforms; Opportunity for improvement	Conforms	The DOC has established objectives and targets that meet both OFEE and ISO 14001 requirements. Editing the SSPP to include language regarding significance of environmental aspects would be an opportunity for improvement. That way the SSPP would fulfill requirements for objectives and targets under both OFEE and ISO 14001 and the DOC would have all relevant information contained in one document.
Allocation of Resources and Accountability	Non-conformance	Non-conformance	The DOC Executive EMS Steering Committee is not formalized. Roles and responsibilities have not been fully implemented or communicated. Top management to sign the self-declaration has not been identified.
Monitoring and Reporting	Conforms	Conforms	Current reporting and monitoring system fulfills both OFEE and ISO 14001 requirements. Identified non-conformance with ISO 14001 section 4.5.2.1, which was outside the scope of the internal audit. (See below)
Internal Audit	Non-conformance	Conforms	The DOC's current Internal Audit procedure does not specify the frequency and did not provide for an audit schedule based on the risk. Therefore, the DOC's EMS does not conform to the requirements for Internal audits per the ISO 14001 EMS standard. OFEE requires a periodic internal audit for the organizational EMS. Therefore, the DOC's EMS conforms to OFEE requirements.
Environmental Compliance	Non-conformance	Non-conformance with EO 13423 and implementing instruction	The DOC's EMS did not conform ISO 14001 section 4.5.2.1. Currently, the DOC does not have a system in place for reporting compliance with legal requirements from the bureau level to DOC headquarters.

## **APPENDIX A**

### **DOC INTERNAL AUDIT PLAN**



DOC Internal Audit  
Plan Final.docx