

EMS Audit
for
Department of Commerce
Herbert Hoover Building

Report Date: 16 November 2011

Dates: 7 November 2011

Standard(s) Used: Modified ISO 14001:2004

Product / Service Scope:

Cabinet Level Federal Agency

Auditors:

Jay Collert, CHMM, CET
United States Secret Service

Ileana Speer
United States Navy

EMS AUDIT SUMMARY

GENERAL:

INTENDED SCOPE OF THE EMS INTERNAL AUDIT:

The objective of this EMS internal audit is to identify areas where the existing environmental management system (EMS) does not meet or satisfy the ISO 14001-2004 Standard requirements. After identification of the EMS gaps, the Department of Commerce (DOC) will address the items found to be in nonconformance.

The DOC is a federal, cabinet level agency, located in Washington, DC. DOC has 12 Operating Units which are:

- Bureau of Industry and Security
- Bureau of Economic Analysis
- Bureau of the Census
- Economic Development Administration
- Economics and Statistics Administration
- International Trade Administration
- Minority Business Development Agency
- National Institute of Standards and Technology
- National Oceanic and Atmospheric Administration
- National Technical Information Service
- National Telecommunications and Information Administration
- U.S. Patent and Trademark Office

The mission of the DOC is to promote job creation, economic growth, sustainable development and improved standards of living for all Americans by working in partnership with businesses, universities, communities and our nation's workers.

DOC's EMS internal audit took place on 7 November 2011 at the Herbert Hoover Building located in Washington, DC.

DOC self-certified to ISO 14001-2004 in 13 December 2010 using a modified version of the standard per policy dated 31 October 2008 issued by the Office of Federal Environmental Executive (OFEE). The elements of this modified ISO 14001-2004 Standard that make up the DOC's EMS are:

- Policy (OFEE) (ISO 14001:2004, Element 4.2)
- Objectives, targets and metrics (OFEE) (ISO 14001:2004, Element 4.3)
- Allocation of resources (OFEE) (ISO 14001:2004, Element 4.4.1)
- Accountability (OFEE) (ISO 14001:2004, Element 4.4.1)
- Monitoring and reporting (OFEE) (ISO 14001:2004, Element 4.5.1, 4.5.3 and 4.5.4)
- Management review (OFEE) (ISO 14001:2004, Element 4.6)
- Internal Audit (OFEE) (ISO 14001:2004, Element 4.5.5)
- Legal and Other Requirements & Evaluation of Compliance (ISO 14001:2004, Elements 4.3.2 & 4.5.2)
- Training and Awareness (ISO 14001:2004, Element 4.4.2)
- Communication (ISO 14001:2004, Element 4.4.3)
- Documentation and Control (ISO 14001:2004, Element 4.4.4, 4.4.5, 4.5.3 and 4.5.4)

The remaining elements that make up the ISO 14001-2004 standard are deemed not applicable to this EMS, and therefore were not within the scope of this audit.

FUNCTIONAL AREAS REVIEWED / VISITED:

The Environmental office at headquarters was the only office visited for the review of the EMS.

EVALUATION COMMENTARY:

COMMITMENT AND POLICY:

DOC management has demonstrated commitment by providing resources to develop and self-certify to the ISO 14001 standard. The existing EMS is two years old and this is the second audit. The DOC environmental policy has been developed, approved, and communicated at the time of this audit.

While the requirement for the internal audit allows for DOC personnel to conduct the audit, management decided to use auditors from outside the agency, which further demonstrates their commitment to developing and maintaining a fully conforming EMS. This should be considered a best practice and continued.

AWARENESS AND UNDERSTANDING OF ISO 14001 STANDARD REQUIREMENTS:

Environmental procedures existed and were found in the Department of Commerce Environmental Management System Operating Manual dated October 2011. However, the manual was listed as draft with no estimate of when the draft would be finalized. Since DOC had no previous manual in force, the audit could only focus on draft procedures.

LEVEL OF CONFORMANCE WITH THE ISO 14001 STANDARD:

Existing documentation within the EMS manual was primarily focused on the United States Department of Commerce Strategic Sustainability Performance Plan (SSPP), dated June 2011. Federal guidance, to include EO 13423, "Strengthening Federal, Environmental, Energy, and Transportation Management" (issued 24 January 2007) specify that Federal agencies will use an EMS to help manage environmental, energy, and transportation requirements. With the issuance of EO 13514, "Federal Leadership in the Environmental, Energy, and Economic Performance" (dated 5 October 2009), a requirement for an annual sustainability plan was placed within the context of the EMS.

The DOC's EMS environmental policy was available and appropriate for the agency. While typically an EMS policy statement does not include timeframes in which targets are to be reached, the fact this policy statement had a deadline of 12 months to achieve 11 goals does not diminish the conformance with ISO 14001 – 4.2. However, it would appear that a new policy statement will be necessary by 5/23/2012 since that is the date the 12 month period ends for the current policy statement.

Partial environmental legal requirements and other requirements have been identified, and incorporated into an Energy and Environmental Management Manual (EEMM) format as required by ISO 14001 (4.3.2). However, this manual only details federal legal requirements and not state/local requirements. Statements are made that the OUs must check state and local requirements, but procedures have not been established for that action or to ensure the OUs are indeed checking state and local requirements. Updates to the federal requirements are accomplished by DOC HQ personnel by information received by web-based services such as FedCenter and miscellaneous listservs listed in the manual. However, the listservs mentioned are, except for FedCenter, mostly centered on sustainability issues and not environmental issues. Not one Environmental Protection Agency (EPA) listserv was listed nor any that served environmental regulations except FedCenter.

The current system does have procedures for the ISO 14001 element of (4.5.2) for Checking and Preventive Action but does not fully conform to the standard. The DOC EMS manual states that the EMS coordinator will handle the administrative functions of adding and tracking corrective and preventive actions. However, no procedure exists that defines responsibility and authority to handle and investigate non-conformance and corrective action. In addition, since self-certifying the EMS in December 2010, the only corrective actions listed are from an audit performed in 17 November 2010, giving the appearance this element is not being actively followed.

It should be noted, the EMS manual numbering system did not match up with the numbering system used by the standard. This can cause some confusion when referencing the standard to the written procedures in the EMS manual. It is suggested that the EMS manual be reformatted so the elements listed correspond to the element numbers in the standard.

Another best practice identified was the DOC EMS website. While still a work in progress, the website allows DOC personnel to quickly update and disseminate information to the rest of the organization, allows for public notice of the policy statement, and features a means to control documents for the EMS. Suggest resources continue to be used for improving and upgrading the website.

IDENTIFIED GAPS BETWEEN EXISTING EMS AND ISO 14001 STANDARD REQUIREMENTS:

The core elements and their interaction with the EMS were not described or documented as prescribed by the ISO 14001 standard, nor did the existing system provide direction to related environmental documentation as required by element 4.4.4 of the ISO 14001 standard.

Elements exhibiting partial compliance with the ISO 14001 Standard included:

- Objectives, Targets and Metrics (4.3)
- Legal and other Requirements (4.3.2)
- Environmental Programs (4.3.4)
- Accountability (4.4.1)
- Monitoring and measurement (4.5.1)
- Checking and Corrective Action (4.5.2)
- Internal Audits (4.5.4)

ISO 14001 ELEMENT-BY-ELEMENT COMMENTARY:

ENVIRONMENTAL POLICY (4.2)

An environmental policy, specific to ISO 14001 has been developed, endorsed by Executive management or formalized in an EMS document.

Action Items:	Notes:
No action identified.	Suggestion is made to eliminate any dated goals so that the policy will not have to be updated at the end of the timeframe.

OBJECTIVES, TARGETS, AND METRICS (4.3)

Environmental aspect identification, categorization, prioritization and determination of significance had not been fully implemented within DOC.

EMS objectives and targets exist but refer exclusively to the DOC SSPP objectives and targets. The procedure written in the DOC EMS Manual lists as objectives and targets only the goals documented in the SSPP. In addition, OUs are instructed to update on these same objectives and targets. However, there is no procedure to either determine environmental objectives and targets or identify any environmental aspects and impacts, which are required to determine the objectives and targets.

As a minimum, a procedure should be developed that requires OUs that have environmental compliance activities to identify aspects and impacts and then set objectives. An algorithm, which would aid in ranking the identified aspects and impacts, should be developed and included for use by the OUs so that significant aspects can be listed. Currently, based on the information from the EMS Manual, all aspects (SSPP goals) are significant and there are no other environmental impacts cited.

Action Items:	Notes:
Develop a procedure which identifies aspects and impacts outside of the SSPP and identifies which are significant	
Develop a procedure which develops objectives and targets based on ranking of EMS aspects.	
Document and track baseline objectives and targets	
Train EMS implementation staff on EMS aspect identification	
Train OU EMS personnel on EMS aspect procedures	

LEGAL AND OTHER REQUIREMENTS (4.3.2)

There were no formalized access mechanisms to ensure that applicable environmental federal, state, international and/or other legislation or regulations were captured in the EMS. 'Trigger' mechanisms, which help determine when a permit or a reporting obligation may exist, were not found.

Documented procedures were not in place to detect changes to and/or additions to regulatory or other requirements on a regular basis (i.e. updated on a regular basis). A comprehensive list of environmental legal and other requirements had not been identified or documented for DOC's OU operations and activities.

FedCenter updates are passed along to OUs via email, but subscriptions to EPA and state regulatory listservs are not utilized nor mentioned in the EMS Manual. In Section 4.5.3, page 22 of the EMS

Manual, the procedure states the updates are posted on environmental and EMS websites. This is not being accomplished. It is recommended to either change this procedure to reflect how the updates are being handled or to start posting the updates via the websites.

It is recommended that DOC implement a matrix of legal and other requirements by department/function to ensure that all requirements are met. Reporting triggers should also be included for reporting and permit renewal purposes.

DOC does not maintain a library of relevant environmental regulations and Code of Federal Regulation's (CFR's). An initiative was discussed in which an audit tool will be purchased that has a search function for federal and state environmental regulations. However, it hasn't been implemented as of the date of this audit.

Action Items:	Notes:
Develop a matrix of regulatory requirements and permits	
Organize permit and license information	
Update library of regulations and Code of Federal Regulations (CFR's)	
Formalize the regulatory update process	
Change procedure 4.5.3 in DOC EMS Manual to reflect how legal changes are being disseminated to OUs.	

ENVIRONMENTAL PROGRAMS (4.3.4)

The EMS, as it now exists, only identifies objectives and targets that are part of the SSPP. As suggested before, the EMS should have procedures developed which will identify environmental aspects and impacts and determine which of those aspects are significant. Within this element, the program should include the means available, and/or necessary, to achieve the objectives and targets. The resources include, but are not limited to, financial, physical, and human resources. No procedure could be found that addresses this part of the element.

Action Items:	Notes:
Develop a procedure that identifies resources necessary to achieve objectives and targets that are not part of the SSPP.	

ACCOUNTABILITY (4.4.1)

In the infancy stages of ISO 14001 implementation, management must make a conscience decision to commit personnel and financial resources in order to achieve a successful EMS.

EMS organization, roles and responsibilities of employees had been established for ISO 14001-2004 and headquarters' initiatives. Adequate financial resources have not been allocated in order to achieve a successful EMS.

In particular, there has not been an increase in the FY11 and FY12 base budgets for environmental compliance and EMS support.

Action Items:	Notes:
Top management to provide adequate financial resources to maintain a successful EMS.	

COMMUNICATIONS (4.4.3)

Internal and external EMS communications have been formally addressed.

Action Items:	Notes:
No action identified.	

EMS DOCUMENTATION (4.4.4)

The EMS was described specifically in existing documentation.

Action Items:	Notes:
No action item identified	

OPERATIONAL CONTROL (4.4.6)

Documentation of procedures was in place for activities related to environmental impacts and activities that had potential for impacting the environment

Action Items:	Notes:
No action identified	

MONITORING AND MEASUREMENT (4.5.1)

Monitoring and measuring is covered by a procedure which is based on progress made on the SSPP and the annual energy and greenhouse gas emissions inventory reports. However, no procedures exist to verify compliance with relevant environmental legislation and regulations. As a minimum, a procedure should be developed which takes into account oversight of OUs' programs to verify their compliance with environmental legislation and regulations. Suggest a procedure be developed that requires for environmental compliance audits be conducted at a periodic frequency dictated by DOC and the results of those audits become a record within the DOC EMS. DOC EMS personnel could then review the results of the compliance audits which would help verify compliance.

Action Items:	Notes:
Document procedure defining compliance audit requirements for OUs	

CHECKING AND CORRECTIVE ACTION (4.5.2)

The procedure review for this element lacked the details regarding the responsibility and authority for handling and investigating non-conformance and for taking corrective action. Additionally, no procedures have been developed to actually close out a corrective action.

Besides the corrective actions that were opened (some of which are still open) from the last EMS audit (performed 17 November 2010), reports of environmental incidents were not documented or processed in a systematic way.

Procedure 4.11.3 states that the effectiveness of corrective and preventive actions will be reviewed periodically. The procedure does not state how that is to be accomplished, who will accomplish, nor how often periodic is defined.

Action Items:	Notes:
Develop a procedure which defines responsibility and authority to handle and investigate non-conformance and corrective action	
Develop a procedure to close out open corrective actions	Suggest a review of at least every 45 days for all open corrective actions until they are closed out.
Develop a procedure which solicits and managements environmental incidents from the OUs	
Modify procedure 4.11.3 that details who, how and when the review of the corrective action and preventive actions take place	Suggest at least once a year

INTERNAL AUDITS (4.5.4)

Internal audits are being conducted as prescribed by the DOC EMS Manual. However, the manual does not describe the methodologies or the auditor competencies and does not cover the responsibilities associated with reporting the results.

Action Items:	Notes:
Modify Internal Audit procedure 4.10.3 to include the methodologies to be used for the internal audit, the competencies the auditors must hold, and the person responsible for reporting the results.	

EMS MANAGEMENT REVIEW (4.6)

Procedures for an EMS management review have been established.

Action Items:	Notes:
No action identified.	