

Reclamation Manual

Directives and Standards

TEMPORARY RELEASE

(Expires 09/30/2012)

- Subject:** Environmental Management System (EMS) Independent Conformance Audit and Declaration of Conformance Process
- Purpose:** The purpose of this Directive and Standard (D&S) is to establish the Bureau of Reclamation's internal responsibilities, processes, and criteria for conducting EMS conformance audits. The benefits of implementing this D&S are to ensure that EMS is implemented according to Executive Order (EO), Department of the Interior, and Reclamation requirements; measure Reclamation's EMS implementation progress and effectiveness; and identify areas needed for continual improvement in environmental performance.
- Authority:** *Consolidated Appropriations Act of 2008 (Pub. L. 110-161; 1844 Stat. 141;); EO 13423, Strengthening Federal Environmental, Energy, and Transportation Management, January 26, 2007 (EO 13423); EO 13514, Federal Leadership in Environmental, Energy, and Economic Performance, October 5, 2010 (EO 13514); Council on Environmental Quality Instructions for Implementing Executive Order 13423, March 29, 2007 (Implementing Instructions); Department of the Interior Departmental Manual (DM) Part 515 Chapter 4, Environmental Management Systems (515 DM 4); and Reclamation Manual (RM) D&S, Environmental Management Systems Implementation (ENV 05-01).*
- Approving Official:** Director, Policy and Administration
- Contact:** Maintenance Services Division, 84-57000

1. **Introduction.** EO 13423 and EO 13514 require Federal agencies to implement EMS at all appropriate organizational levels to address the environmental impacts of their operations and activities. Reclamation established D&S ENV 05-01 which directs Reclamation regional directors (RDs) to implement EMS at appropriate organizations and sets minimum EMS requirements in accordance with statutory, executive, and Department directives. In addition, D&S ENV 05-01 requires an independent audit of appropriate organizations prior to declaring full implementation of EMS. This D&S defines the required roles, responsibilities, and procedures for conducting conformance audits of EMS implemented at Reclamation appropriate organizations. The conformance audit procedures required through this D&S generally reflect EMS auditing principles and procedures in International Organization for Standardization (ISO) auditing standards, series 14010, 19011, and 14012 series.
2. **Applicability.** The conformance audit requirements contained within this D&S apply to all RD's responsible for implementing EMS at appropriate organizations as required in

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Paragraph 3.A. of ENV 05-01; the Director, Policy and Administration, responsible for facilitating EMS implementation and ensuring Reclamation conformance with statutory, executive and Department EMS requirements; and staff responsible for facilitating and participating in conformance audits.

3. **Definitions.** In addition to the definitions below, see Paragraph 3 of RM D&S ENV 05-01 for definitions applicable to this D&S.
 - A. **Audit Criteria.** The policies, practices, procedures, and requirements against which the audit team compares the appropriate organization's EMS.
 - B. **Audit Evidence.** Objective information collected through conformance audit interviews, visual inspection, and documentation review.
 - C. **Audit Findings.** A statement of the audited appropriate organization's conditions at the time of the audit compared to the audit criteria, based upon verifiable data.
 - D. **Audit Plan.** The document that establishes the scope, objectives, criteria, and schedule of the audit.
 - E. **Audit Report.** A written summary of audit findings that states the nature of the findings, cites relevant audit criteria, and identifies root causes of the findings, recommended actions, and areas of potential improvement.
 - F. **Conformance Audit.** A systematic and documented process to objectively obtain and evaluate audit evidence to determine whether an appropriate organization's EMS conforms to the EMS audit criteria.
 - G. **Independent.** As used in this D&S, the term independent refers to the objectivity of the lead auditor and audit team and requires that they do not work within the area of responsibility of the appropriate organization.
 - H. **Qualified Auditor.** Qualified EMS auditors have completed a minimum of 24 formal classroom hours in EMS elements and principles of ISO 14001 and auditing principles of ISO 14011; have working knowledge of EO 13423 and EO 13514; and have participated as an auditor-in-training on one or more conformance audits.
 - I. **Qualified Lead Auditor.** In addition to the auditor qualifications in Paragraph 3.H., the person acting as lead auditor shall have participated as an EMS conformance audit team member in at least 2 conformance audits within the last 3 years.

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4. Responsibilities.

A. **Director, Policy and Administration.** The Director of Policy and Administration is responsible for:

- (1) establishing consistent methodologies for EMS conformance audits at Reclamation appropriate organizations through the development and employment of D&S, guidance, and technical assistance;
- (2) developing an internal conformance audit program and providing qualified auditors to perform conformance audits at the request of appropriate organizations independent of Policy and Administration; and
- (3) reporting the status of completed audits and declarations of conformance to the Department as requested.

B. **Regional Directors.** RDs are responsible for:

- (1) identifying appropriate organizations within the region required to obtain conformance audits;
- (2) ensuring that appropriate funding and staff resources are allocated to complete conformance audits in accordance with this D&S;
- (3) ensuring that appropriate funding and staff resources are allocated to implementing a corrective action plan, as appropriate, to address all conformance audit findings;
- (4) publicly declaring conformance to EMS requirements in accordance with Paragraph 8 of this D&S;
- (5) reporting conformance status to the Director, Policy and Administration; and
- (6) ensuring qualified auditors are available to participate in conformance audits of appropriate organizations independent of the region, as requested and deemed feasible.

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- C. **Managers of Appropriate Organizations**¹. The manager of an appropriate organization or his/her designee is responsible for:
- (1) ensuring his/her EMS undergoes a conformance audit in accordance with the requirements of this D&S;
 - (2) requesting and obtaining conformance audits from qualified and independent auditors;
 - (3) identifying a conformance audit point-of-contact (POC)² within his/her appropriate organization to coordinate with the lead auditor and audit team;
 - (4) cooperating with the lead auditor and audit team to facilitate the audit process, including providing the necessary documentation, personnel, and work area access, as requested;
 - (5) participating in the conformance audit opening and closing meetings;
 - (6) reviewing and acknowledging audit findings;
 - (7) briefing the RD on the results of completed conformance audits; and
 - (8) developing and implementing an action plan and schedule to address audit findings.
- D. **Reclamation-wide EMS Coordinator**. The Reclamation-wide EMS Coordinator is responsible for:
- (1) supporting the Director of Policy and Administration in facilitating conformance auditing in Reclamation;
 - (2) working with regional, area office, field, and program office EMS Coordinators in the development of Reclamation conformance audit D&S, guidance, technical assistance tools, and reports; and
 - (3) leading or participating in conformance audits, if auditor qualifications are met, or establishing audit teams as requested by appropriate organizations independent of Policy and Administration.

¹RDs or his/her designee may also have the role and responsibilities of "Manager of Appropriate Organizations" when the EMS is developed at the regional organizational level to cover all operations and activities under their responsibility.

²Most often, this is the appropriate organization's EMS Coordinator.

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- E. **Regional EMS Coordinators.** The Regional EMS Coordinators are responsible for:
- (1) working with the Reclamation-wide EMS Coordinator in the development of Reclamation conformance audit D&S, guidance, technical assistance tools, and reports;
 - (2) working with area and field office EMS Coordinators to obtain conformance audits, address audit findings, implement corrective actions, and track and report results; and
 - (3) leading or participating in conformance audits, if auditor qualifications are met, as requested by appropriate organizations independent of their region.
- F. **Audit Team.** The audit team consists of a qualified lead auditor and at least one additional qualified auditor. The lead auditor and team member(s) may be from internal or external organizations, or a combination thereof, independent of the appropriate organization. All auditors, whether from an internal or external organization, must follow the audit process described in Paragraph 5 of this D&S and apply the audit criteria in Appendix A. The audit team members shall fulfill the following roles and requirements:
- (1) **Lead Auditor.** The lead auditor is responsible for conducting the audit in accordance with requirements and procedures established within this D&S. The lead auditor forms and designates responsibilities of the audit team and coordinates all work associated with the audit. The lead auditor acts as the primary audit team POC and is responsible for communicating with the appropriate organization's manager and POC.
 - (2) **Audit Team Members.** Audit team members support the lead auditor and carry out their assigned tasks under the direction of the lead auditor to collect and analyze evidence, document findings, prepare and safeguard working documents, and assist in writing the audit report.
 - (a) **Subject-Matter Expert.** The lead auditor shall select one or more qualified auditors to provide the audit team with expertise in either environmental compliance, sustainability, or a program area that relates to a significant environmental aspect addressed in the EMS. If the subject-matter expert is addressing compliance issues, then they must additionally meet auditor qualifications in Paragraph 6 of D&S, *Environmental Compliance Audit Program*, (ENV 02-08).

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- (b) **Auditors-in-Training.** If acceptable to the appropriate organization, the lead auditor will select auditors-in-training to participate on the audit team to build Reclamation's EMS audit capacity by increasing the number of staff meeting qualifications, as required in Paragraph 3.H.

5. EMS Conformance Audit Process.

- A. **EMS Audit Criteria.** All conformance audits of Reclamation appropriate organizations shall be evaluated against the *Bureau of Reclamation Environmental Management System Conformance Audit Criteria Checklist* (Audit Checklist) provided in Appendix A. The Audit Checklist states each required EMS element in accordance with Paragraph 6 of ENV 05-01 and describes the evidence necessary to verify that the requirement is being met. Using the checklist, auditors shall systematically gather, document, and assess evidence to determine whether an appropriate organization's EMS conforms to the audit criteria. The completed Audit Checklist will become part of the audit record and final report.
- B. **Initiating the Audit.** The following steps must occur to initiate a conformance audit:
- (1) The manager of the appropriate organization determines when the organization is prepared for a conformance audit³ and requests one from an independent auditing entity within or external to Reclamation.
 - (2) After a request is received, the auditing entity shall accept the audit request and confirm the proposed dates, purpose, scope, and process in writing to the appropriate organization's manager. Confirmation shall include the name and contact information of the lead auditor and a request for any documents necessary to develop the audit plan.
 - (3) The appropriate organization's EMS Coordinator shall inform the Reclamation-wide EMS Coordinator of all scheduled audits.
- C. **Audit Plan.** Prior to a site visit, the lead auditor shall work with the appropriate organization's POC to develop the audit plan. The lead auditor shall submit the audit plan to the appropriate organization's manager and POC at least 4 weeks prior to the on-site review for final review and approval. At a minimum, the audit plan shall describe the elements in the audit plan template provided in Appendix B.

³Prior to requesting an audit, appropriate organizations shall have addressed the EMS required elements in Paragraph 6 of ENV 05-01 and have completed at least one full cycle of the required EMS process.

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- D. **EMS-Related Document Review.** EMS-related documents are reviewed in the development of the audit plan as well as during the on-site review. Appendix C includes a list of the key documents that must be reviewed during the audit to verify conformance.
- E. **Communication.** It is critical that the audit team regularly communicate with the appropriate organization being audited in order to ensure an efficient and effective audit. The lead auditor shall follow and document the communication plan in Appendix D to ensure that the appropriate organization is adequately informed of the audit plan, on-site review process, and audit report milestones and due dates.
- F. **On-Site Review.** The audit team shall conduct an on-site review of the appropriate organization being audited according to the audit plan. The on-site review shall not last more than 1 week to avoid unnecessary interruption to the appropriate organization's operations.
- (1) **Opening Meeting.** The lead auditor shall commence the on-site review with an opening meeting between the manager of the appropriate organization or his/her designee, the audit POC, and audit team members. The manager or his/her designee must be in attendance for the on-site review to proceed. Other staff may attend as deemed appropriate by the manager of the appropriate organization. During the meeting, the lead auditor shall introduce the audit team and, at a minimum, review the audit objectives. Sample EMS conformance audit opening and closing meeting agendas are provided in Appendix E.
 - (2) **Audit Evidence.** The members of audit team shall follow their assigned tasks to gather evidence of EMS conformance through interviews, visual inspection, and document review as stipulated in the audit plan. The lead auditor is responsible for ensuring the following activities are conducted during this phase of the audit:
 - (a) comprehensive review of EMS-related documents in Appendix C;
 - (b) review of environmental regulatory and legal documents, including any citations or notices of violation of compliance;
 - (c) analysis of the extent to which findings from previous audits and internal reviews have been corrected, if applicable;
 - (d) interviews of managers and staff responsible for the implementation of all or parts of required EMS procedures and programs; and

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- (e) visual inspection of facility operations and activities to determine on-the-ground implementation of EMS procedures, practices, and programs.
- (3) **Audit Findings.** The members of the audit team shall confer on their analysis of audit findings throughout the on-site review. The lead auditor shall summarize and document the preliminary audit findings, both those of conformance and non-conformance, in the Audit Checklist. Audit findings shall be presented in three major categories:
- (a) **Major Audit Finding.** When there is evidence that a required EMS element in its entirety is not in place or functioning, the lead auditor shall identify it as a major audit finding. The lead auditor shall also deem any finding of a critical environmental compliance issue that poses an actual or potential threat to human health and the environment as a major audit finding. Major audit findings prevent an appropriate organization from immediately declaring conformance to EMS and must be addressed accordance with Paragraphs 6 and 7.
 - (b) **Minor Audit Finding.** When there is evidence that an EMS required element is partially or incorrectly implemented, the lead auditor shall identify it as a minor audit finding. The identification of minor audit findings does not prevent an appropriate organization from declaring conformance to EMS. However, appropriate organizations must address minor audit findings in a corrective and preventative action plan as directed in Paragraph 6 prior to declaring conformance.
 - (c) **Areas for Improvement.** When evidence indicates that an EMS element is functioning adequately, but could be further improved, the lead auditor shall identify areas for improvement. Areas for improvement do not impact the appropriate organization's ability to claim conformance to EMS criteria, but rather facilitate continual improvement of the EMS.
- (4) **Closing Meeting.** The lead auditor shall facilitate a closing meeting with the manager of the appropriate organization, or his/her designee, the EMS POC, and the audit team to review audit findings. The lead auditor shall review each finding with the manager of the appropriate organization and provide him/her with a copy of the draft Audit Checklist. The lead auditor shall also state their recommendation to declare conformance. A sample closing meeting agenda is provided in Appendix E. Where the manager disagrees with the audit team's conclusion, the lead auditor shall attempt to come to resolution before proceeding to the process outlined in Paragraph 5.G.(3) below. The lead auditor and manager

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shall confirm the schedule for completion of the audit report and the appropriate organization review of the report in accordance with the schedule outlined in Paragraph 5.G.(2).

G. **The Audit Report.** The lead auditor shall prepare the audit report with audit team member assistance. The audit report shall reflect the EMS scope and objectives of the agreed-upon audit plan, include all information listed in the Audit Report Template in Appendix F, and be completed according to the following requirements:

- (1) **Recommendation on Declaring Conformance.** Based on the audit findings, the lead auditor shall include in the audit report conclusions regarding the level of conformance with audit criteria. If there is sufficient evidence that each of the required EMS elements listed in the Audit Checklist is in place and functioning effectively, the lead auditor shall recommend that the appropriate organization declare conformance to EMS requirements. If there is sufficient evidence that one or more major audit findings exist, the lead auditor shall not recommend that the appropriate organization declare conformance to EMS requirements.
- (2) **Finalization and Distribution.** The lead auditor will send a complete draft audit report to the appropriate regional manager and the POC within 30 calendar days of the on-site audit. The appropriate organization shall have up to 30 calendar days to review and comment on the draft report. Once comments and issues are addressed, the final audit report shall be issued to the RD, the manager of the appropriate organization (if different from the RD), the audit POC, the EMS Coordinator (if different from the audit POC), the Director, Policy and Administration, and others on an agreed-upon distribution list no later than 90 calendar days from completion of the on-site audit. The audit report shall become an official EMS record and managed as part of the EMS records and document control process and in accordance with Reclamation D&S, *Information Management* (RCD 05-01).
- (3) **Dispute Resolution.** If there are any unresolved disputes, the manager of the appropriate organization shall document them in writing to the lead auditor as part of the 30-calendar-day review and comment process, and the dispute shall be included in the final report. Where disputes involve the identification of major audit findings that would prohibit the appropriate organization from declaring conformance, the issue will be communicated in a memorandum to the RD, with a concurrence copy of the memorandum to the Director, Policy and Administration, for a decision.

6. **Corrective and Preventative Action Plan.** The manager of the appropriate organization shall identify and implement corrective and preventative actions to address all major and

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minor audit findings. The planned corrective and preventative actions shall be documented in the appropriate field in Appendix A or as an addendum to the audit report and become part of the official EMS record of the audit. The corrective and preventative action plan shall be developed by the appropriate organization within 60 days of receipt of the final audit report.

7. **Non-Conformance.** If the audit results in one or more major audit findings, the appropriate organization cannot immediately declare conformance. In addition to the requirements in Paragraph 6, the appropriate organization must develop an EMS Environmental Management Plan (EMP), including objectives, targets, action items, schedules, and responsible programs and staff, to correct each major audit finding identified in the final audit report. The EMP shall also establish procedures for monitoring and documenting when each major audit finding is corrected. The manager of the appropriate organization determines when all major audit findings have been adequately addressed.
8. **Declaration of Conformance Requirements.** The RD declares conformance after considering the audit results and recommendations, including disputes of major audit findings, and determining that the EMS is fully implemented. To document a declaration of conformance, the RD shall submit a memorandum to the Director, Policy and Administration, stating that: his or her appropriate organization has undergone independent EMS conformance audit; he or she has addressed all major audit findings, if applicable; and he or she has determined that all of the audit criteria are met and the EMS is in conformance. The RD shall also communicate the declaration of conformance to the public through means they deem appropriate.
9. **Frequency.** After the initial conformance audit, the EMS shall undergo a conformance audit as described in this D&S every 3 years to verify continued conformance to EMS audit criteria. However, formal declaration of conformance from the RD to the Director, Policy and Administration, is only required once unless a future audit results in one or more major audit findings. In such instances, the RD shall follow the procedures in Paragraph 7 to address non-conformance and resubmit a declaration of conformance to the Director, Policy and Administration, once all major audit findings have been addressed.