

Environmental and Sustainability Management System (ESMS) Internal Audit

Report #: 2023-07

Executive Summary

Audit Objective & Scope

The Audit Division conducted the annual internal audit of the Environmental and Sustainability Management System (ESMS) to independently review, evaluate, and ensure that ST Environmental Affairs and Sustainability (EAS) effectively addresses risks and opportunities by integrating environmental management programs into the agency's business processes. Additionally, we ensured that the EAS strategic direction is aligned with business priorities and it's incorporating ecological governance into the overall environmental management system.

Our audit commenced on April 24, 2023 and concluded with a closing meeting on May 5, 2023.

The scope of this audit was to verify conformance to the following regulatory requirements:

- ISO 14001:2015 standards for environmental management systems
- Federal, state, and local requirements
- ST Environmental Policy
- ESMS manuals, processes, and procedures
- Previous audit results

Additionally, our scope included a review of results from prior ESMS internal audits.

Audit Results

This audit resulted in **zero (0)** findings and **two (2)** observations as opportunities for improvement. Additionally, **one (1)** finding from a previous audit remains open involving Construction Project Document Control.

Conclusion

Based on our review of evidence supporting ESMS and interviews with various agency staff, we conclude that Environmental Affairs and Sustainability (EAS) conforms with the requirements of the ISO 14001:2015 standards.

Overall, we found the ESMS to be well managed and that programs are in place to promptly address environmental concerns. ST staff are actively involved in all aspects of the ISO standards from identifying the scope of the ESMS, planning and compliance requirements.

Additionally, the ESMS Steering Committee is actively engaged in monitoring and measuring the ESMS Sustainability Targets and Aspects Analysis. Finally, top management performs annual management reviews to identify areas for continuous improvement while conforming to the Plan-Do-Check-Act (PDCA) methodology of the ISO standards.

Audit Results

The following table summarizes the analysis performed during field work portion of our audit, and associated exceptions (if any). Results are identified as: Pass, Fail, Opportunity for Improvement (OFI).

Criteria (ISO Clause)		Test Performed	Results	Finding or Observation
4.0	Context of the Organization	<ul style="list-style-type: none"> Has the agency determined external & internal issues affecting ESMS Targets? Has the agency determined the interested parties relevant to the ESMS requirements? Has the agency determined the scope of the ESMS? Are processes implemented to continually improve the ESMS? 	Pass	None
Comments: <ul style="list-style-type: none"> The ST Environmental Policy and the Sustainability Initiative identify the scope, external & internal issues & parties affecting ESMS. Additionally, Sustainability Targets and Aspects are monitored to address issues affecting ESMS. Annual internal audits and Management Reviews are conducted as ways to establish continuous improvement opportunities. 				
5.0	Leadership	<ul style="list-style-type: none"> Does Top Management demonstrate leadership and commitment to the ESMS? Is an ESMS Policy established including ESMS objectives? Are roles and responsibilities established for relevant roles of ESMS? 	Pass	None
Comments: <ul style="list-style-type: none"> ESMS objectives are established in the Environmental Policy and the Sustainability Initiative. Top Management's commitment to the ESMS is demonstrated by the Environmental Policy, established Sustainability Targets, communicating annual reviews to the Board of Directors and as the ESMS Steering Committee Chair. Roles and responsibilities are established by job descriptions, ESMS Steering Committee and assignment of Sustainability Targets. 				

Criteria (ISO Clause)		Test Performed	Results	Finding or Observation
6.0	Planning	<ul style="list-style-type: none"> Has the agency established, implemented, and maintain processes to address risk and opportunities? Has the agency determined the environmental aspects and their impact on business practices? Are the ESMS objectives consistent with the Environmental Policy, measurable and tracked? 	OFI	Observation
<p>Comments:</p> <ul style="list-style-type: none"> Risks and opportunities are identified, monitored, and measured using the Aspects Analysis Matrix. ESMS Procedure (ESMS-02) describes the process to determine whether the agency's environmental aspects may cause significant adverse environmental impacts (threats) and to evaluate their risk. ESMS objectives are consistent with the Environmental Policy and tracked and measured by the ESMS Steering Committee and appropriate responsible parties. This is an area for improvement, see Observation: <p>Observation: Environmental & Sustainability Target updates. The current process is to update an excel spreadsheet sent out by the ST Strategic Business Services (SBS) office although the ESMS SharePoint site has a page with the 2023 EAS Targets listed with status and columns for quarterly updates. We recommend either re-formatting the page to remove the update columns or use this in conjunction with the excel spreadsheet.</p>				
7.0	Support	<ul style="list-style-type: none"> Does the agency provide resources for establishment, implementation, maintenance, and continual improvement of the ESMS? Has the agency determined the necessary competence of staff under its control that affects the performance and effectiveness of the ESMS? Does the agency ensure that staff under agency control are aware of the environmental policies? Has the agency established a process for internal and external communication relevant to the ESMS? Does the agency's ESMS include documented information required by this International Standard? 	Pass	None
<p>Comments:</p> <ul style="list-style-type: none"> Employees are hired and retained based on requirements specified by job descriptions and required certifications. ESMS procedure (ESMS-05) addresses competence, training and ESMS awareness requirements for agency employees and contractors working on behalf of the agency. ESMS internal/external communication of policy, procedure status of Environmental and Sustainability Targets is available through ST external website, new hire orientation, Board of Director's meetings and ESMS Steering Committee. 				

– ESMS procedure (ESMS-07) outlines the process to control ESMS documents to provide consistency in development, distribution, revision, access, and communication.

Criteria (ISO Clause)		Test Performed	Results	Finding or Observation
8.0	Operation	<ul style="list-style-type: none"> • Has the agency developed and implemented plans & processes to meet ESMS objectives? • Are processes established, implemented, and maintained to prepare for and respond to emergency situations? 	Pass	None
<p>Comments:</p> <ul style="list-style-type: none"> – ESMS objectives are developed and implemented per procedures outlined in Clause 4, 5 & 6 of this report. – Emergency Preparedness and Response is detailed in ESMS procedure (ESMS-09). Environmental Compliance monitor spill response and action plans of contractors (i.e., Amtrak, Stacy & Witbeck Inc.). 				
9.0	Performance Evaluation	<ul style="list-style-type: none"> • Does the agency monitor, measure analyse and evaluate its ESMS performance? • Does the agency conduct internal audits at planned intervals of its ESMS? • Is a management review planned and carried out taking into consideration the status of actions from previous management reviews? 	Pass	None
<p>Comments:</p> <ul style="list-style-type: none"> – ESMS performance is monitored, measured, and analyzed as outlined in Clause 4, 5 & 6 of this report. – Management Review is completed by February of each year and presented to the ESMS Steering Committee and Board of Directors biannually to update on the status of ESMS objectives and to provide what objectives are planned for the following year. – Internal audits are completed annually as part of the Audit Division 3-year audit plan. Audits provide objective evidence supporting the ESMS as part of the overall management review process. 				
10.0	Improvement	<ul style="list-style-type: none"> • Does the agency determine and select opportunities for improvement and implement necessary actions to achieve the intended outcomes of its ESMS? • Does the agency react and take action to non-conformities as they occur? • Does the agency continually improve the suitability, adequacy, and effectiveness of the ESMS to enhance environmental performance? 	OFI	Observation
<p>Comments:</p> <ul style="list-style-type: none"> – Corrective actions from audits and management reviews are tracked using QuickBase. Status updates are uploaded by responsible parties and managed by Environmental Affairs and Sustainability. We identified an opportunity for improvement concerning communicating the status of open corrective actions to internal stakeholders, see observation below: 				

Observation:

Internal Communication of Corrective Actions. Corrective actions associated with audit results and management reviews are being tracked and updated although there is no process to routinely communicate them internally. We recommend developing a process to ensure corrective actions are communicated to appropriate stakeholders.

Background

Under clause 9.2 of the ISO 14001:2015 – Environmental Management System standard, organizations that conform to ISO shall conduct internal audits of the management system at planned intervals to review conformance to the requirements, and ensure the management system is effectively implemented and maintained.

At the agency, the Environmental and Sustainability Management System Manual (ESMSMAN), and Audit Division policy and procedures ensure that annual internal audits are conducted on the agency's Environmental and Sustainability Management System; ensuring the management system is independently evaluated against ISO, federal, state, and local requirements; identifies hazardous and risk conditions, and verifies that the agency is fully implementing its ESMS program as described in plans and procedures.

All internal audits are resourced on a three-year audit plan communicated agency-wide. Results of all annual internal audits are documented in an annual report that is presented to the Finance & Audit Committee (FAC), and appropriate subcommittees. The annual report is also distributed to agency leadership and management, as required.

Methodology

Standards

We conducted this audit in accordance with Audit Division policies & procedures, which are governed by our Audit Charter; and meet several sets of applicable federal and local auditing standards.

Audit Processes

Each audit starts by examining the current processes in place relative to (1) laws or regulatory requirements, (2) agency policies and procedures and (3) industry best practices.

During the audit “planning” phase, we assess the engagement-specific conditions and risk, informing and confirming the audits’ objectives and scope. At this time, relevant controls to mitigate these risks are also identified.

The audit “field work” phase then examines the design of the identified controls to determine if the intent meets the regulations, policies, etc. If the controls are designed to adequately mitigate the risk (control environment), we move on to assess the degree to which the controls are mitigating the risk (control activities). Any areas identified where the control environment or activities do not adequately mitigate the identified risk are identified as an exception.

Exceptions are then defined as either findings or observations.

- **Findings** are the results of the evaluation and verification of evidence against audit criteria showing non-compliance with a policy, procedure, manual, standard, or industry best-practice
- **Observations** are issue that may be compliant with requirements, however, the auditor has determined that the issue poses the potential risk of becoming a finding in the future if recommended changes are not put in place to prevent occurrence.

Appendices

Appendix A: Sound Transit's Title VI notice of rights

Sound Transit conducts Title VI equity analyses for service and fare decisions to ensure they are made as equitably as possible.

More information on Sound Transit's Title VI notice of rights and the procedures to file a complaint may be obtained by:

- Phone: 888-889-6368; TTY Relay 711;
- Email: stdiscriminationcomplaint@soundtransit.org;
- Mailing to Sound Transit, Attn: Customer Service, 401 S. Jackson St. Seattle, Washington 98104-2826; or
- Visiting our offices located at 401 S. Jackson St. Seattle, Washington 98104.

A complaint may be filed directly with the Federal Transit Administration Office of Civil Rights, Attention: Complaint Team, East Building, 5th Floor – TCR, 1200 New Jersey Avenue, SE, Washington, DC 20590 or call 888-446-4511.

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Appendix B: Personnel Interviewed – By Position Title

Sound Transit Staff
Executive Director - Planning Environment & Project Development (PEPD)
Manager-Sustainability - Environmental Affairs & Sustainability (PEPD)
Environmental Project Specialist - Environmental Affairs & Sustainability (PEPD)
Chief of Staff - Portfolio Services Office (PSO)
Deputy Director - Construction Management, Design Engineering & Construction Management (DECM)

Appendix C: Documents Reviewed

Executive Order No. 1 Establishing a Sustainability Initiative for Sound Transit – Jul 2007
Resolution No. R200-06 Establishing a Sound Transit Environmental Policy – May 2004
Resolution No. R2007-12 Establishing a Sound Transit Sustainability Initiative – Jun 2007
2023 Environmental & Sustainability Targets
ESMS-100 Implementing Environmental Commitments – Rev 04.1, Aug 2020
ESMS-307 Implementing the Efficiency and Sustainability Program – Rev 2, Mar 2022
2022 Aspects Analysis Matrix
ESMSPOL: Environmental Policy – Rev 0 Aug 2007
ESMSPOL: Environmental Poster – Nov 2016
ESMS-02 Environmental Aspects & Sustainability Opportunities – Rev 07 Oct 2020
2021 Sustainability Progress Report – Aug 2022
ESMS Steering Committee Meeting Minutes – Oct 2022 - Apr 2023
ESMS-06 Communication – Rev 07, May 2020
2021 Sustainability Progress Report, Executive Committee Meeting – Aug 2022
ESMS-07 Control of Documents – Rev 07, Sep 2021
ESMS Manual – Rev 05 Aug 2020
ESMS-15 ESMS Leadership, Resources, Responsibility and Authority – Rev 04, Mar 2020
2022 ESMS Management Review – Feb 2023
ESMS-13 Control of Records – Rev 05, Sep 2021
ESMS-12 ESMS Nonconformity & Corrective & Preventive Action – Rev 08, May 2020
ESMS-14 Management Review – Rev 06, May 2020

Appendix C: Documents Reviewed (Cont.)

ESMS-05 ESMS Competence, Training & Awareness – Rev 08, Sep 2021
ESMS Orientation Training – Mar 2023
ESMS-04 Priorities, Targets and Action Plans – Rev 08, Sep 2021
ST DRLE Construction Stormwater Audit Report – Dec 2022
ESMS Audit Tracker: Findings/Rec Open Corrective Actions, May 2023
ESMS-09 Emergency Preparedness and Response – Rev 02, Aug 2019
Amtrak: Emergency Action Plan – May 2015
Amtrak: Environmental Spill Notification/Reporting
Stacy & Witbeck, Inc.: Hazardous Materials Management Plan, Sep 2015
ESMS Compliance – Facility Compliance Inspection Report – current as of 2022
ESMS Compliance – Annual Reports (WA Dept Ecology), Feb 2023