

## Department of the Interior Departmental Manual

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**Effective Date:** 12/17/20  
**Series:** Environmental Quality Programs  
**Part 515:** Environmental Management  
**Chapter 2:** Environmental Auditing

**Originating Office:** Office of Environmental Policy and Compliance

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### 515 DM 2

2.1 **Purpose.** This Chapter sets forth Department of the Interior (Department/Agency) policy, responsibilities, and functions regarding environmental reporting and auditing to ensure compliance with applicable Federal, State, and local environmental requirements that affect Departmental lands, facilities, and operations and the uses thereof.

2.2 **Scope.** The responsibilities include both environmental contingent liability reporting and environmental auditing. The responsibilities and requirements for the use of environmental auditing as specified in this Chapter applies, where applicable, to all Departmental lands, facilities, and operations. Departmental lands and facilities are defined as any Departmental site or area, including all Agency lands contiguous to the site or area, other appurtenances and improvements on lands including, but not limited to, all buildings, structures, installations, equipment, pipelines (including any pipe into a sewer or publicly owned treatment works), wells, pits, ponds, lagoons, impoundments, ditches, landfills, and storage units.

2.3 **References.** The statutes, Executive Orders, and Departmental Manual (DM) chapters referenced include, but are not limited to: the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. § 9601 et seq; Clean Air Act, 42 U.S.C. § 7401-7671q, as amended; the Clean Water Act, 33 U.S.C. § 1251 et seq, as amended; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801-1812; the Oil Pollution Act, 33 U.S.C. § 2701-2761; the Atomic Energy Act, 42 U.S.C. § 2011 et seq; Hazardous Waste Operations and Emergency Response and Hazard Communication requirements under the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq; the Pollution Prevention Act, 42 U.S.C. § 13101; Resource Conservation and Recovery Act (RCRA), 42 U.S.C. § 6901 et seq; the Safe Drinking Water Act, 42 U.S.C. § 300f; the Toxic Substances Control Act, 42 U.S.C. § 2601 et seq; the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 11001 et seq; Federal Compliance with Pollution Standards, Executive Order 12088; Superfund

Implementation, Executive Order 12580; Federal Acquisition, Recycling and Waste Prevention, Executive Order 12873; Federal Compliance With Right-to-Know Laws and Pollution Prevention Requirements, Executive Order 12856; Occupational Safety and Health Programs for Federal Employees, Executive Order 2196; Amendment to Executive Order 12580, Executive Order 13016; Comprehensive Waste Management, 518 DM 1; Compliance with Waste Management Requirements, 518 DM 2; Real Property Pre-Acquisition Environmental Site Assessments, 602 DM 2; the Chief Financial Officers Act of 1990 (Public Law 101-576), and the Government Management Reform Act of 1994 (GMRA) (Public Law 103-356).

**2.4 Environmental and Disposal Liabilities.** Bureaus/Offices must report environmental contingent liabilities. There are two types of environmental contingent liabilities: (1) environmental and disposal liability (EDL) and (2) asbestos related cleanup cost liability. Bureaus/Offices are to report EDL liabilities in the Environmental Management Information System (EMIS) EDL database. Bureaus/Offices are to report asbestos cleanup liabilities in the Financial and Business Management System (FBMS). The EDL and FBMS will be periodically audited by the Department. Bureaus/Offices must comply with the guidance provided in the EDL Handbook.

**2.5 Policy – Environmental Auditing.** As appropriate, all Bureaus/Offices must develop, implement, and document an environmental auditing program. Environmental auditing programs shall be conducted to:

- A. Ensure compliance with applicable Federal, State, and local environmental requirements.
- B. Promote sound environmental practices.
- C. Monitor environmental compliance of users' (contractors, concessionaires, etc.) activities.
- D. Identify and assign environmental compliance responsibility.

**2.6 Program Criteria.** A documented environmental auditing program must include the following: (1) periodic review of operations and development of a schedule for periodic audits, (2) a protocol for environmental auditing procedures, (3) verification of timely and effective actions to address environmental audit findings, and (4) a mechanism for reporting environmental auditing program activities. In addition, each environmental auditing program must include:

- A. Environmental Auditing Protocol. An environmental auditing protocol is a plan that systematically documents how and when an environmental audit is to be conducted. In general, an environmental auditing protocol should include: (1) a description of the responsibilities of the auditor, (2) identification of the audited entity and other users, (3) schedules, (4) expectations for site visit activities, (5) auditor obligations regarding disclosure and release reporting, and (6) measures to address confidentiality issues with respect to the audit

in accordance with applicable laws, regulations, and government policy. While environmental auditing protocols may take a number of different forms, at a minimum they should address: air pollution, water pollution, solid waste management, hazardous materials management, spill control, hazardous substance release response, hazard communication, emergency planning and community right-to-know, aboveground and underground storage tank management, wastewater management, drinking water management, oil pollution control, asbestos containing materials, management of polychlorinated biphenyls (PCBs), pesticide management, and pollution prevention activities. Bureau/Office environmental protocols may address additional areas to support specific mission requirements.

B. Qualifications of Environmental Auditing Personnel and Training. As appropriate, Bureaus/Offices must establish qualifications and training requirements for environmental auditors.

C. Baseline Environmental Audits. All Bureaus/Offices must conduct baseline environmental audits within 5 years of the issuance of this DM Chapter. The baseline environmental audit team leader must be independent from the facility being audited as defined in the Bureau/Office environmental auditing program.

D. Environmental Auditing Findings and Corrective Actions. All environmental auditing findings must be documented in accordance with Bureau/Office environmental auditing programs. Any conditions identified in an audit finding which may pose an imminent and substantial endangerment to the public health or welfare or to the environment must be addressed immediately. Conditions identified in audit findings requiring response in accordance with applicable environmental legal requirements should be addressed in a timely manner.

## 2.7 Responsibilities.

A. Office of the Solicitor. The Office of the Solicitor is responsible for providing legal review and guidance on implementing and complying with 515 DM 2.

B. Assistant Secretary - Policy, Management and Budget. The Assistant Secretary - Policy, Management and Budget, through the Office of Environmental Policy and Compliance (OEPC), is responsible for policy and oversight of Departmental compliance with 515 DM 2.

C. Assistant Secretaries. Assistant Secretaries are responsible for ensuring adequate resources and budget for the development and implementation of Bureau/Office environmental auditing programs.

D. Office of Environmental Policy and Compliance. The OEPC is responsible for oversight, assisting, and coordinating policy guidance and instructions to implement 515 DM 2. The OEPC will coordinate the EDL program for the Department. During the financial audit season, if requested, the OEPC will assist with supporting any review of EDL or asbestos data inquiries.

E. Heads of Bureaus/Offices. Heads of Bureaus/Offices having responsibility for environmental management operations and programs will ensure adequate resources and funding are available for the development and implementation of the environmental auditing programs. Bureaus/Offices will support any inquiries by the Department regarding EDL or asbestos data. Bureau/Office Heads will ensure staff follow the environmental liability reporting guidance.