

ES401
Environmental Management
Environmental Auditing

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Environmental auditing is a management tool which simply inspects the environmental management activities performed by the industries or organizations and makes them aware of new cleaner technology.

For the impact of industries and their product on natural resources and environmental quality, it is necessary to have “Environmental Audit” to ensure sustainable industrial developments.

Pollution now is an inevitable consequence of modern industrial technology, rapid and convenient transport but excessive pollution may interfere with man’s health and his mental, social and economic well being.

There is now a clarion call from every nook of the society that “save the nation from this menace the pollution”.

The term auditing is known to us in financial accounts and records are examined.

Environmental audit is for the impact of the industries and their products on natural resources and environmental quality.

It is necessary to have ‘Environmental Audit’ to ensure sustainable industrial developments.

OBJECTIVES OF ENVIRONMENTAL AUDITING

1. An environmental audit programme which is designed and implemented properly can enhance an industry's environmental performance.
2. Monitoring the scale of optimum utilization of the resources and evaluating the company at national & international level.
3. To suggest using alternative energy for the conservation of energy resources.
4. Evaluation of wastewater quality and determination of wastewater characteristics & their effects on the living system.
5. Classification of the categories of solid waste hazardous
6. waste their sources, quantities & characteristics.
7. Introduction and implementation of time-saving technologies in production.
8. Maintains of Labour / Occupational health & medicine.
9. Proper documentation of environmental compliance status.
10. To help in minimizing the wastes through modern cleaner technologies.
11. Regular environmental auditing once in a year will help in producing environmentally educated & technically sound

12. Improve risk management systems, Protect corporation from potential liabilities

Types of Environmental Audit

- Environmental Compliance Audit
- Environmental Performance Audit
- Environmental Financial Audit

Environmental Compliance Audit

Objective – To provide assurance to organisational activities are conducted in accordance with environmental laws, standards, guidelines, policies.

Criteria – National law, International Agreements, Applicable Standards, Industry Guidelines or Corporate Policy.

Benefits:

- Helps in ensuring compliance with laws.
- Reduces risk/costs with non-compliance.
- The gap between promises and results.
- Pollution & Waste reducing, conserving resources.
- Helps in improving Environmental Performance.

Environmental Performance Audit

Objective – To assess whether an organisation meets its environmental objectives, is effective in producing environmental results with efficiency and economy.

Criteria – Indicators prescribed by professional institutes, Govt. / NGO, academic literature or Environmental Organisation.

Benefits:

- Health & Safety Audit
- Site Audit
- Activity Audit
- Process Audit
- Product Life Cycle audit

Environmental Financial Audit

Objective – To enable an auditor to establish whether the reporting entity has appropriately recognised, valued & reported all significant environmental costs, benefits, assets, liabilities and contingencies.

Criteria – Standards issued by recognised bodies, standard-setting authorities & other academic literature.

Benefits:

- International Auditing Practices Statement (IAPS)1010.
Environmental Matters affect financial statements.
- Initiatives to prevent damage to the Environment.
- Consequences of violating laws.

- Consequences of damage to resources.
- Consequences of vicarious liability levied by law.

ENVIRONMENTAL AUDIT SCHEME AND ITS COMPONENTS

The environmental system is with a broad aim for a green environment.

- It helps in reducing waste.
- It helps in assessing compliance with a regulatory requirement.
- It also helps in prevention control of the effect of pollutant
- It promotes the relationship between qualified technician professionals, industries, industrial association, public authorities etc.

PRINCIPLE AREAS OF ENVIRONMENTAL AUDITING

- Material Audit
- Energy Audit
- Water Audit
- Health and Safety audit

- Environmental Quality Audit
- Waste Audit
- Engineering Audit
- Compliance Audit

ENVIRONMENTAL AUDIT ACTIVITIES

1. Pre-audit activities - These include the selection of the expert team and development of a plan.

There are four key activities.

- Submitting a pre-visit questionnaire of the facility.
- Reviewing relevant regulation.
- Defining audit scope and team responsibilities
- Reviewing audit checklists.

2. On-site activities -Meeting of the team with the appropriate personnel of the unit The 3 primary functions on-site activities are

- Record &documentation review
- Interview with staff
- Physical inspection of the facilities

3. Post-audit Activities- Development of raw material balance analysis for each process unit of the industry highlighting the proposed utilization of raw material and ideas regarding reuse can be thought of.

- Issue of a draft report
- Issue of the final report

ADVANTAGES

- Preparation of Environmental management plan.
- Assessment of environmental input and risks.
- Identifying areas of strength and weakness for improvements.
- Evaluation of pollution control.
- Verification of compliance with laws.
- Assuring the safety of plant, environment & human beings.
- Enhancement of loss prevention, manpower development and marketing.
- Budgeting for pollution control, waste prevention, reduction, recycling and reuse.
- Providing an opportunity for management to give credit for good environmental performance.

Contents of report

Findings -

- Status of compliance with environmental legislative & standard requirements
- Status of conformity with internal environmental policies
- Status of good environmental practices implementation

- Measurements of environmental costs, benefits, assets and liabilities, risks & contingencies
- Level of staff awareness
- Overall status of environmental performance

SUGGESTIONS

- For popularization of environmental auditing in India and to serve as important environmental management tool for the improvement of companies and industries
- To complete the environmental legislation and quality adoption of cleaner technologies. For prevention and abatement of different types of pollution by the Indian corporate sector and organizations.
- An environmental audit report must be published annually by the companies, mandatory for all Indian companies.
- The environment report must reach the public so that it would succeed in minimizing the communication between the public and industries.