

# Environmental Audit



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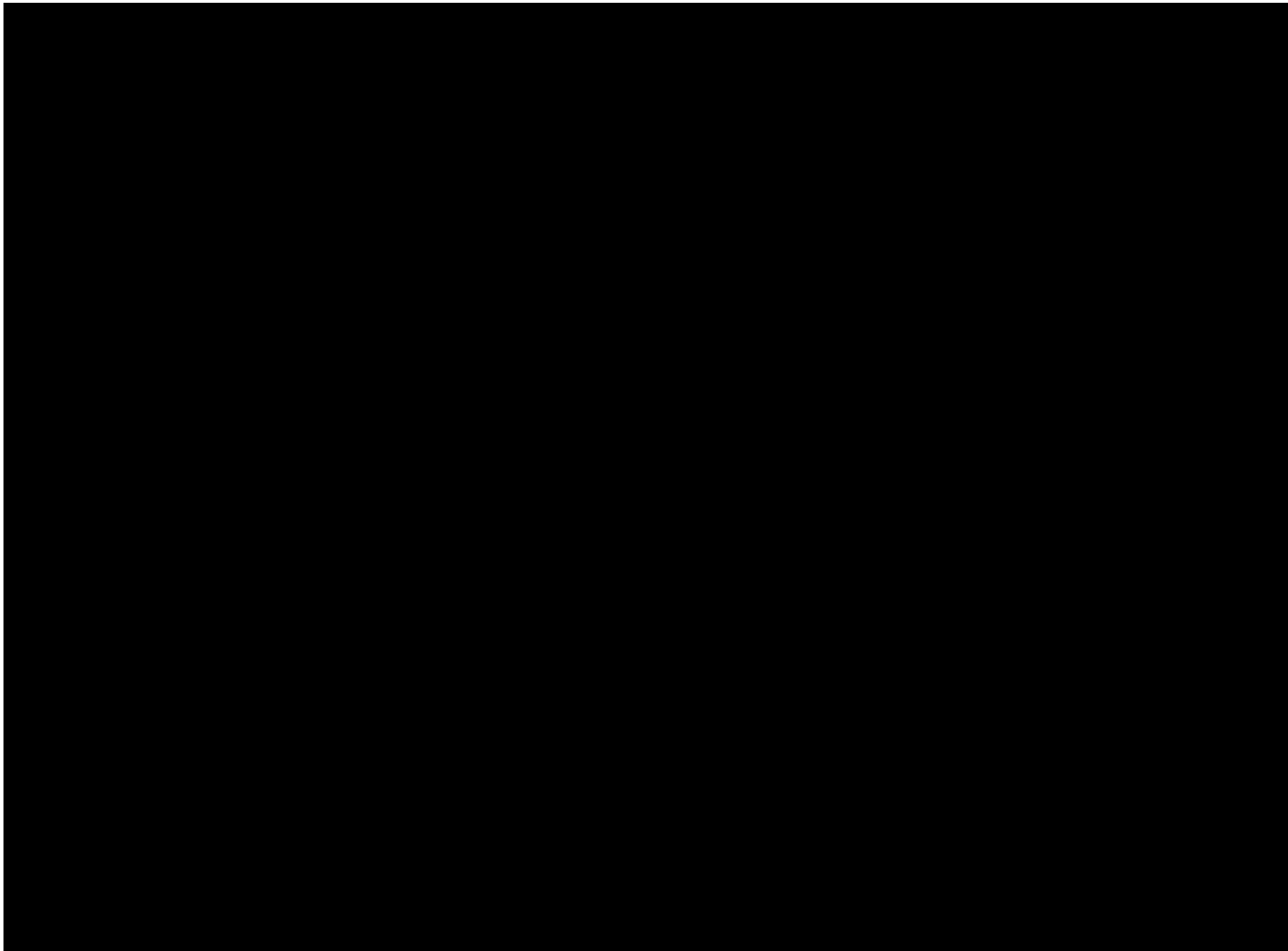
# What do you mean ?

*A management tool comprising systematic, documented, periodic and objective evaluation of how well environmental organisation, management and equipment are performing with the aim of helping to safeguard the environment by facilitating management control of practices and assessing compliance with company policies, which would include regulatory requirements and standards applicable.*

*Source: International Chamber of Commerce (1989)*

# Features of Environmental Audit

- Management tool
- Aim of environmental audit
- EIA
- Systematic process
- Documentation
- Periodic
- Objective evaluation
- Environmental performance

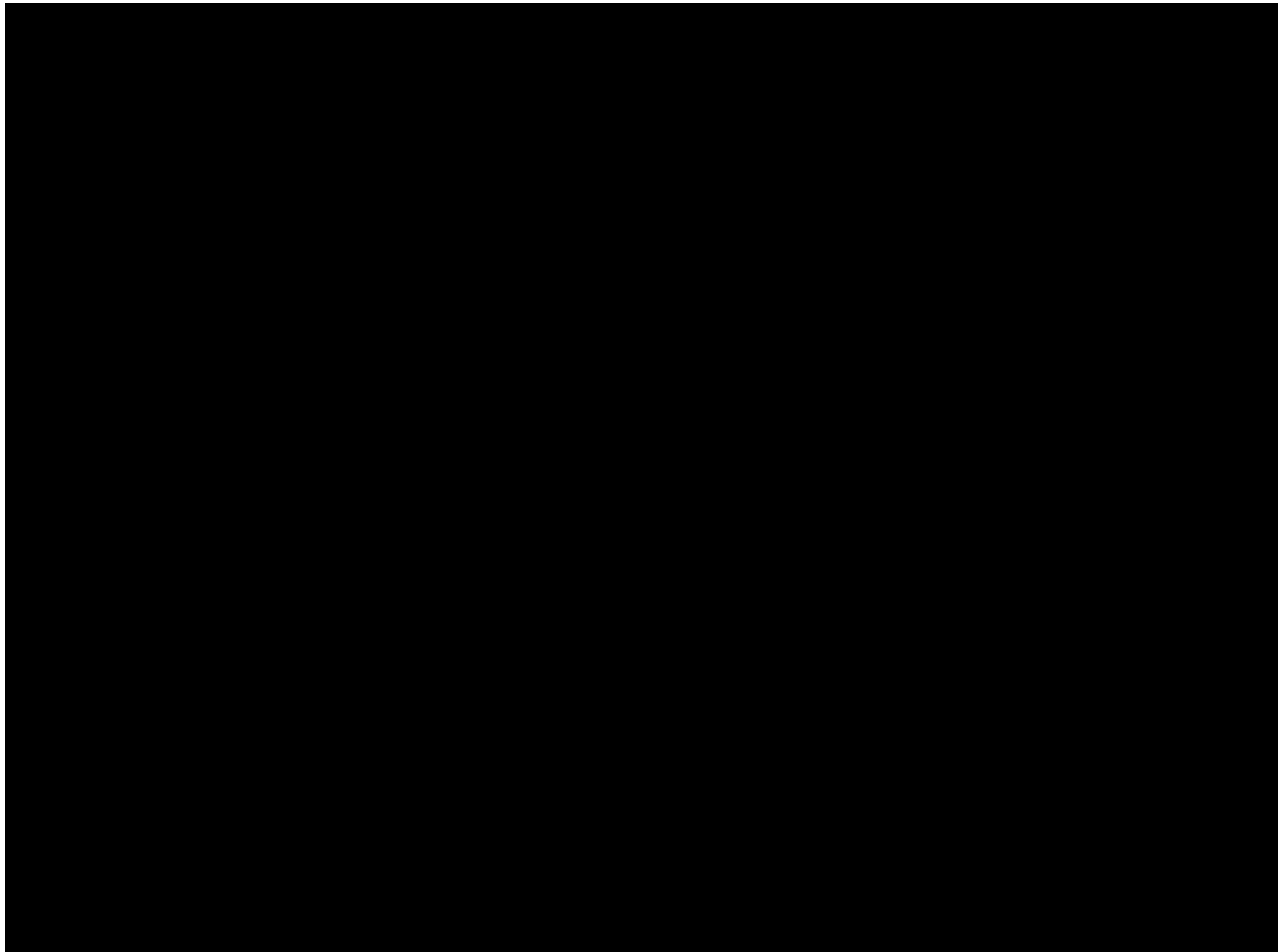


# Objective of Environmental audit

- Determine and document compliance status
- Improve environmental performance
- Assist facility management
- Increase overall level of environmental awareness
- Development of environmental management control system
- Improve risk management systems
- Protect corporation from potential liabilities
- Develop a basis for optimising environmental resources.

# Benefits of Environmental Auditing

- Improves efficiency of EMS
- Compliance with environmental laws and standards
- Risk mitigation
- Meeting stakeholders expectations
- Reduction in operational inefficiencies
- Encourages continual improvement
- Compliance with certification requirements
- Employee awareness
- Helps management in decision-making





# 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.

# Environmental Compliance Audit

- Benefits:
  - ✓ Helps in ensuring compliance with laws.
  - ✓ Reduces risk / costs with non-compliance.
  - ✓ 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.

# Environmental Performance Audit

- 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.

# Environmental Financial Audit

- Benefits:
  - ✓ International Auditing Practices Statement (IAPS) 1010. Environmental Matters affect financial statements.
  - ✓ Initiatives to prevent damage to Environment.
  - ✓ Consequences of violating laws.
  - ✓ Consequences of damage to resources.
  - ✓ Consequences of vicarious liability levied by law.

# Environmental Audit Process

## Stage – I Pre-audit / Planning stage

- Collection of data
- Define objectives of audit
- Define scope
- Choose criteria
- Select the team members
- Develop audit plan and protocols
- Address On-site needs



# Environmental Audit Process

## Stage-II Onsite / Field Audit

- Opening conference
- Facility tour
- Site/facility inspection
- Evidence
- Records/document review
- Staff interviews
- Initial review of findings
- Closing/exit conference

# Environmental Audit Process

## Stage-III Post Audit

- Final evaluation of findings
- Drafting of preliminary audit report
- Approval of the management
- Holding of exit conference
- Discussion on recommendations, if any
- Preparation and submission of final report

## Stage-IV Follow up / Review stage

# E A R

- Contains findings / results / recommendations
- Concise & informative – easy to interpret & understand
- Auditor ensures accuracy of data

# Contents of report

1. Executive Summary
2. Introduction
3. Objectives
4. Scope
5. Criteria
6. Approach & methodology used
7. Evidences used
8. Findings - (Elaborated in next to next slide)

# Contents of report

9. Conclusion

10. Recommendations

11. Signatures of auditor with date

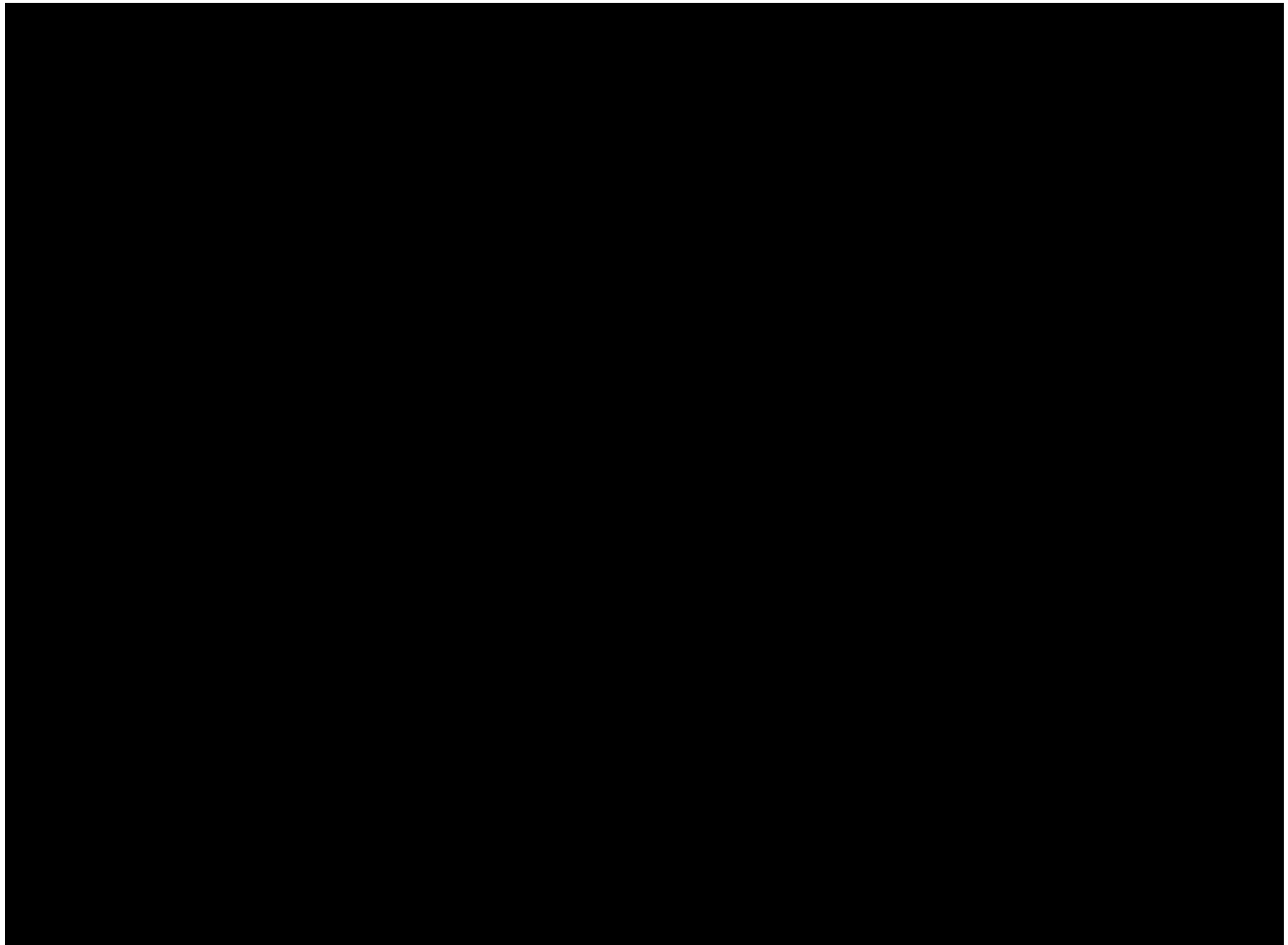
# Contents of report

## 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

# Tools & Techniques Used

- Checklist
- Questionnaires
- Questioning
- Observation
- Photographs / Electronic data
- Research





# References:

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- Compliance Audit Handbook – Dept. of Environment and Conservation (Aus) (2006)
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Thank  
you