


## REPORTING TO MANAGEMENT ABOUT YOUR ENVIRONMENTAL AUDITING PROGRAM

Texas Association of Environmental Professionals  
June 17, 2010 – Brady's Landing



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## Five Things Management Was Afraid You Would Tell Them



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### What Does Your Management Want to Hear?


“Nothing!”



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### What Does Your Management Want to Hear?


“No Problems”



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### What Management Ought to Know


- ▶ About Auditing Programs
- ▶ About Your Program Design
- ▶ About the Audits That Have Been Conducted



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### About Auditing Programs

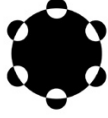

- ▶ Auditing is Good for the Organization
- ▶ Dwight Eisenhower: “The uninspected inevitably deteriorates.”



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### About Auditing Programs



- ▶ Professional Standards for
  - Conducting EHS Audits
  - Design of EHS Auditing Programs
- ▶ Certification Program for EHS Auditors



### The Auditing Roundtable


The Professional Organization For EHS Auditors

- ▶ Oldest and Largest Organization of EHS Auditing Professionals
- ▶ [www.auditing-roundtable.org](http://www.auditing-roundtable.org)
- ▶ September 8–10 in Baltimore, MD
  - “The Changing Climate for EHS Auditing”
- ▶ Regional meeting day before the Texas Bar Environmental Superconference


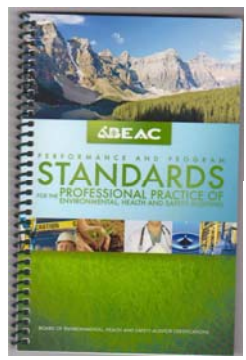


### The Board of EHS Auditor Certifications

- ▶ Formed by The Auditing Roundtable and the Institute of Internal Auditors in 1997
- ▶ [www.beac.org](http://www.beac.org)
- ▶ Certifications for:
  - Environmental Compliance
  - Health and Safety Compliance
  - Management Systems
  - ACC Responsible Care Management Systems




### BEAC Standards for the Professional Practice of EHS Auditing




### BEAC Auditing Standards

- ▶ Four Sections:
  - Independence
  - Due Professional Care
  - Performance of Audit Work
  - Audit Program
- ▶ Presented as:
  - Standards
  - Guidance
  - Recommended Practices




### About Auditing Programs

- ▶ In Most Cases Audits Are Not Required
- ▶ But the Public Expects It




### About Auditing Programs

- ▶ The Public and Government Hate Privilege




### About Auditing Programs

- ▶ Real Incentives Exist for Disclosing Results of Audits Outside the Organization




### About Auditing Programs

- ▶ Auditing is Good for the Organization
- ▶ Standards and Certifications
- ▶ Public Expects Audits
- ▶ Privilege Hated
- ▶ Incentives for Disclosure Are Real




### About Your Program Design

- ▶ Whether to Use Standards and Certified Auditors
- ▶ What is Internal Reporting Mechanism
- ▶ Who is Responsible for Corrective and Preventive Action
- ▶ Whether to Conduct Audits Under Privilege
- ▶ Is There an Expectation to Disclose Results




### About Audit Results

- ▶ Full Report of Findings Directed to Facility Manager
- ▶ Copy to Facility Manager's Boss
- ▶ Others (e.g., EHS Reps, Legal)



### About Audit Results

- ▶ Both Facility Manager and Boss Should Be Responsible for Corrective and Preventive Action
- ▶ Boss Influences Facility Manager's Objectives, Budget and Compensation



### About Audit Results

- ▶ Facility Manager Reports Progress on the Action Plan and Its Ultimate Completion
- ▶ Audit Program Manager Reports

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### About Audit Results

- ▶ Quarterly Report of Action Plan Completion Performance
  - # of Findings
  - # and % Actions Completed
  - # and % Actions Completed On-Time
  - Description of High Priority Actions Late or Still Not Completed after 180 Days

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### Lesson From Quality Systems

- ▶ What Gets Measured, Improves.
- ▶ On-Time Completion Performance Doubled From 40% to 80% After First Year
- ▶ Incorporated On-Time Completion Performance Into Managers' Compensation and Approached 100%

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### The 30-Second Elevator Ride

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### 30-Second Elevator Ride

"I can't get the sound of those horns at the World Cup Soccer Matches out of my head."

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### 30-Second Elevator Ride

"My audit team just got back from Beaumont, and the site was in excellent shape. I hope you pass on to the VP that we think they're doing a great job."

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### 30-Second Elevator Ride

“I’ve scheduled a conference call with Dallas on Thursday to review some of their target dates. I’m confident we’ll come to an agreement.”

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### 30-Second Elevator Ride

“There’s an important issue behind schedule out in Odessa. I could use your help getting them back on track. When would be a good time for us to call the Site Manager?”

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**Thank You!**

**Questions?**

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