

## Environmental Compliance Audit

This is typically an audit, by Abricon, of a company's operations as a means of assessing its environmental compliance and performance. The aim of the audit is to assess whether the company is complying with environmental regulations, and if appropriate, its own environmental standards and environmental management systems.

We structure our compliance audits according to accepted norms and standards such as ISO 14010 (1996). It will involve a comprehensive examination and assessment of the environmental effects of the management and operation of the business both within a local and a wider national context and produce an objective analysis of environmental performance and compliance.

An environmental compliance audit essentially involves three main questions for a business:

- What is it doing?
- Can it improve what it is doing?
- Is there anything else it can do?

Ideally, any environmental auditing should take place within a larger framework – that of developing and implementing corporate SHE quality management systems and corporate environmental policies. Auditing is not a method of environmental management nor does auditing by itself improve environmental performance. Regulatory Environmental management systems and policies set the standards for environmental compliance and performance; the purpose of the audit is to assess whether these standards are met.

The scope of an Abricon environmental audit is, typically, wide and will affect all aspects of the operation and efficiency of a business. The broad principles are:

- To check compliance with corporate environmental policy and environmental management systems;
- To identify environmental problems relating to operations, processes, services and regulatory compliance before they become liabilities;
- To enhance operational efficiency;
- To assist the company when preparing budgets for addressing environmental problems;
- To help set priorities for pollution control activities;
- To enhance external relations with wider stakeholders such as local and national government authorities, local residents, lenders (bankers, financial institutions, venture capitalists), insurers, pressure groups, trade unions and the media;
- To instil confidence in shareholders, employees, customers, suppliers, market makers and third party outsiders, thereby encouraging them to support the company;
- To be prepared to meet the increasing public demand for openness, presentation, disclosure and discussion of information on corporate environmental performance, paving the way for corporate environmental or social reporting (CER/CSR);
- To be used as an effective risk management tool to minimise, or avoid altogether, liability arising from damage caused by waste generated on site, or liability as a result of damage caused by a waste contractor off site;
- To reduce the risks in relation to, and to ensure more effective control of, any crisis or emergency, such as a leakage caused by vandalism or explosion;
- To enable comparison ("benchmarking") of performance with competitors in the same industrial sector and industry in general;
- To establish or maintain a good risk rating with e.g. Moody's Industrial Manual, or Standard & Poor's Register) to attract institutional investors.

## Environmental Compliance Audit cont.

### Carrying out an environmental compliance audit

To perform the audit, Abricon would typically follow a stepwise approach:

1. Issue a Pre-Audit Questionnaire to the management of the subject business, to gather information on the site, its setting, processes and impacts.
2. Supplement the information gathered by a search of commercially available environmental databases and in-house information.
3. Investigate any files held by local and national regulators on the subject business.
4. Visit the site to examine all environmental documentation held there, walk over the site, and interview management and staff involved in the management of the company's environmental "footprint".
5. Carry out a gap analysis to define the extent of any missing information, and close any gaps by further investigation.
6. Produce a report identifying all environmental performance issues and regulatory non-compliances, and estimating the costs of addressing them.

