



ENVIRONMENT ISSUES AN OBLIGATION FOR ENVIRONMENTAL AUDITING

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Introduction:

The industrialized globe has already used up many of the Earth's natural resources, and now all are realizing that it will be dangerous to carry on in the same way if we want to protect the future of our earth and those who live on it. The environment has become a major consideration for any decision-making for the development of any organizations. There is growing identification that environmental issues are related with almost all activities of an organization. The relationship between organizations and the environment can be seen in two ways, with organizations likely to affect the environment and vice versa. Public pressure over environmental issues has also created restrictions on industry and there has been increasing recognition of the importance of the environment by politicians. Pressure on business and industry for improving its environmental performance comes from several sides. An effective way of addressing environmental issues in organization is through systematic environmental management. Business leaders whose initial response was defensive are now convinced of the need for more proactive towards environmental issues. However to respond effectively to the public pressures and government regulations, industry faces numerous difficulties in understanding their obligations, responsibilities and rights while setting up and operating an industrial unit.

Key words: environmental issues, environmental auditing, environmental performance

Business and the Environment

Business and environment are depending on each other. They are affecting directly and indirectly on each other. For Example: Direct relation: local air quality may decrease due to emissions, water and energy consumption etc. Indirect connection: hazardous waste produced after the end of the product's life, traffic, Climate Change etc.

Bhopal gas tragedy was one of the world's worst human-created disasters. In 1984, thousands of people died as a result of a leak of deadly methyl-isocyanate gas at the Union Carbide factory in Bhopal, India.

Environmental awareness is the amount of information a person knows about the environment, how much they are aware of the environment. Concern over the rate at which the Earth's resources are being used has led to the development of the concept of "Sustainable development". To enable society to develop in a sustainable manner, there is a need to change the approach other than that which has previously been employed. Business entities have a crucial role to play in determining the future of the globe and in working towards achieving sustainable development.

An audit is an evaluation of an organization's performance and resources in a particular field. An audit is a methodical examination, involving analyses, tests and confirmations, of procedures and practices whose aim is to verify whether they comply with legal requirements, internal policies and accepted practices. A statutory audit is an audit which determines the degree of company compliance with current or prospective legislation or standards.

The term 'environmental audit' is broad. Many definitions cover auditing in the private and public sector. It can be said as "A systematic, documented, periodic and objective review by a regulated entity of facility operations and practices related to meeting environmental requirements (USEPA)." Environmental auditing is mainly a technical inquiry of collecting environmental data. This may be an important aspect, particularly in analyzing the state of the real environment. Corporate environmental audits are conducted to ensure that the corporations concerned are complying with that framework, including requirement plans. Corporate environmental audits are an extension of environmental compliance commitments or requirements. Environmental auditing is defined, by the International Chamber of Commerce (ICC), as "a management tool comprising systematic, documented, periodic and

objective evaluation of how well environmental organization, management and equipment are performing with the aim of helping to safeguard the environment". Environmental auditing began in the USA in the 1970s as an internal control tool, which helped companies to make sure that they were meeting regulatory requirements.

Objectives: The objective of this research paper is to understand the impact of business operations on environment and the need for corrective steps by going for environment auditing.

Methodology: This study is based on Secondary data. The data is collected from different newspapers, articles in magazines and websites.

Objectives of Environmental Auditing

1. An environmental auditing, which is designed and implemented properly, can enhance an industry's environmental performance.
2. Observing the scale of optimum utilization of the resources and evaluating the company at national & international level.
3. To suggest for using alternative source of energy for the conservation of energy resources.
4. Evaluation of waste water quality and determination of waste water characteristics & their effects on the living system.
5. Classification of the categories of solid waste, hazardous waste, their sources, quantities & characteristics.
6. Introduction and implementation of time saving technologies in production.
7. Maintain the health of Labour / Occupational.
8. To help to minimize wastages

Types of Environmental Auditing

Many types of audit have been carried out by companies, such as:

- ✓ Compliance audit - the most widespread type of audit consisting of checks against environmental legislation and company policy
- ✓ Issues audit - an assessment of how a company's activities relate to an environmental issue
- ✓ Health and safety audit - an evaluation of risks and contingency planning
- ✓ Site audit - an audit of a particular site to examine actual or potential environmental problems
- ✓ Corporate audit - an audit of the whole company and its policies, structures, procedures and practices

- ✓ Due diligence audit - an assessment of potential environmental and financial risks and liabilities carried out before a company merger or site acquisition or divestiture
- ✓ Activity or operational audit - an assessment of activities that may cross company departments or units
- ✓ Product or life cycle audit - an analysis of environmental impacts of a product throughout all stages of its design, production, use and disposal, including its reuse and recycling

The Regulation specifies that an environment audit should include at least the following steps:

- i. Planning of the audit activities (programme), including definition of responsibilities for the audit;
- ii. Review of the environmental protection policies of the company;
- iii. Assessment of the organization, management and its equipment;
- iv. Gathering of data and relevant information;
- v. Evaluation of the overall performance;
- vi. Identification of areas of improvement;
- vii. And Internal reporting to the top management;

Environmental Audit Programme in India:

The concept of environmental auditing in industrial sector in India, appears to have first got into meaningful discussions in the beginning of the 1990s. Numbers of polluting industries were identified for submission of regular environmental audit report. These are:

1. Cement factories (above 200 tonnes per day production)
2. Thermal power plants
3. Fermentation/Distillery factories
4. Sugar factories
5. Fertilizer and sulphuric acid plants
6. Integrated iron and steel plants
7. Pulp & paper Industries (above 30 tonnes per day production)
8. Oil refineries
9. Caustic soda plants
10. Petrochemicals plants
11. Pesticide formulation and manufacturing plants
12. Leather processing industries including tanneries

13. Basic drugs and pharmaceuticals manufacturing plants
14. Dye and Dye intermediates
15. Zinc smelting industries
16. Copper smelting industries
17. Aluminium smelting industries
18. Lead smelting industries.

On the whole, the environmental audit studies were not intended for completing only any of the regulatory requirements, but with the basic philosophy that at least those industries which need priority attention in the sense of pollution control.

To conclude – Environmental auditing can produce number of benefits for an organization, including cost savings and improved management effectiveness and both large and small organizations can benefit from undertaking an audit. But, Environmental auditing alone does not facilitate improvements to environmental performance. Audits simply identify areas that should be addressed by an overall environmental management system (EMS)

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