

ENVIRONMENTAL AUDITING IN VICTORIA

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Few Victorians would deny the importance of protecting our environment for current and future generations. The community, industry and business are demanding increasing accountability from those who are responsible for managing the state of our environment.

Many organisations are now using environmental audit as one of the range of tools available to assist in assessing the condition of the environment they manage (or can influence), prioritise actions to reduce risks to the environment as a result of their activities or to demonstrate accountability to third parties.

ENVIRONMENTAL AUDITING

An environmental audit is an assessment of the nature and extent of harm (or risk of harm) to the environment posed by an industrial process or activity, waste, substance or noise.

An environmental audit must be able to deliver authoritative advice, upon which individuals and organisations are able to rely in making decisions which affect the future of our community.

An environmental audit therefore must be:

- Independent;
- Objective;
- Credible; and
- Transparent.

VICTORIA'S AUDIT SYSTEM

An environmental audit system has operated in Victoria since 1989, and has led a national movement for auditing environmental performance and the condition of the environment.

The *Environment Protection Act 1970* provides for the statutory appointment of environmental auditors and their responsibilities, to ensure that high quality, rigorous environmental audits are conducted by appropriately qualified professionals.

USERS OF APPOINTED ENVIRONMENTAL AUDITORS

Appointed environmental auditors may be engaged by any individual or organisation from private or public sectors to provide independent, objective environmental advice.

APPLICATION OF ENVIRONMENTAL AUDIT

The scope of an environmental audit may be narrowly defined for a small area of land focussing on a single segment of the environment such as the soil and groundwater. Alternatively the scope may be as broad as all the land-use activities with a potential to generate waste within a catchment and the impacts they may have on all parts of the environment.

The environmental audit system currently has two well-established applications that cover contaminated land and industrial facilities.

The most extensive use of the system to date has been by planning authorities, government agencies and the private sector to provide assurance that potentially contaminated land is suitable for its intended use, or to advise what is required to make the land suitable for its intended use.

The continued success of auditing in contaminated land and industrial facilities has shown the audit system to be robust and flexible.

There is an opportunity to learn from the application of environmental audit in the past and to apply its principles and framework in other increasingly important areas of environmental management such as:

- Infrastructure development;
- Urban services;
- Major events;
- Primary production; and
- Natural resource management.

APPOINTING AN ENVIRONMENTAL AUDITOR

Currently, the majority of appointed environmental auditors operate from within the environmental consulting sector. A small number of environmental auditors also work in industry and government.

Appointed environmental auditors are highly qualified and skilled individuals with extensive experience in environmental science and or engineering as well as environmental auditing. They

are supported by teams of experts who provide assistance in areas outside the auditor's main field of expertise.

To be appointed as an environmental auditor under the *Environment Protection Act 1970* an individual must demonstrate their competence to a panel of experts and must nominate their support team as part of the appointment process (See EPA Publication 865 *Environmental Auditors Guidelines for Appointment and Conduct* 2002).

BENEFITS FOR USING AN APPOINTED ENVIRONMENTAL AUDITOR

A major advantage of an environmental audit conducted by an appointed environmental auditor is the attainment of reliable information with respect to the condition of the environment and any risks posed to it. An environmental auditor obtains this information through:

- Determination of actual or potential environmental impacts;
- Assessment of compliance with regulatory or other responsibilities;
- Assessment of environmental risk management; and
- An understanding of key environmental issues.

The resulting audit report can demonstrate the level of environmental performance, organisational accountability and transparency in operation.

Where the need or opportunity for improvement in environmental performance is identified, the advice provided by an environmental auditor can be relied upon as independent and authoritative. These are strong steps toward improvement in business

sustainability, stakeholder relations and providing a better future for all Victorians.

MANAGING THE SYSTEM

EPA Victoria administers the environmental audit system and maintains its ongoing integrity by thoroughly assessing applications and enforcing the mechanisms in place to ensure audits are rigorous, independent, and audit findings are addressed.

Continuing high quality auditing is achieved through:

- a statutory basis that requires the appropriate conduct of auditors, with suspension or revocation of appointment if breached;
- significant financial and custodial penalties for the provision of false or misleading information;
- requiring environmental auditors to undertake audits only within their field of expertise and that of their expert support team; and
- regular review of the work of appointed auditors.

CONTRIBUTING

EPA has developed guidelines for the appointment of environmental auditors and the conduct of audits for a number of applications.

As the system evolves there will be a need to develop guidelines for the conduct of a broader range of environmental audits and appoint auditors with relevant expertise.

EPA welcomes input from stakeholders, such as industry, government agencies, resource managers

and the community, on possible applications of the audit system.

For more information on Victoria's environmental audit system, contact EPA Victoria's Environmental Audit Unit or visit EPA's website.

Website: www.epa.vic.gov.au/envaudit

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