

Fishbeck, Thompson, Carr & Huber, Inc.

# Do's and Don'ts of Environmental Report Writing: Auditing

East Michigan Chapter A&WMA  
Workshop  
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# Types of Environmental Writing

- Correspondence
  - Internal
  - External
- Permit Applications
- Compliance Reports
- Response to Violations
- Audits

# Types of Audits

- Environmental Compliance
  - ▣ Comparison to permits or regulations
- Conformance
  - ▣ ISO
  - ▣ Company standards
- Transactional
  - ▣ Part of *Due Diligence*
- Benchmarking/Best Practices
  - ▣ Comparison to *Best of Best*

# Compliance Audits – Benefits

- ❑ Better Understand Facility's Compliance Status
- ❑ Identify Opportunities for Improvement
- ❑ Reduce Potential Legal and/or Financial Liabilities
- ❑ Improved Communication/Relationship with Various Stakeholders
- ❑ Information for Expenditure Planning
- ❑ Employee Education

# Compliance Audits – Risks

- Potential Risks
  - ▣ Disclosure of confidential business information
  - ▣ Wording of audit findings is an inadvertent admission against interest
  - ▣ Inaccurate wording of audit findings
  - ▣ Disclosure of audit findings not adequately controlled to maintain confidentiality or privilege
  - ▣ Audit findings not corrected in a timely manner
- Manage/Control Risks Through Audit Process

# Compliance Audit Process

- Three Stages of Conducting an Audit
  - Before
    - Determine whether client needs/desires privilege
      - Attorney-Client
      - State Audit Immunity
      - Federal Audit Procedure
    - Pre-notification to facility
    - Establish Auditor Independence
    - Develop Audit Plan
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# Audit Plan

- Sets Stage for How Audit is Conducted
- Contents:
  - ▣ Establish *Audit Authority*
  - ▣ Develop *Audit Objective & Scope*
  - ▣ Identify *Audit Entity & Audit Team*
  - ▣ Set *Audit Schedule*, identify logistics/special needs
  - ▣ Identify *Health & Safety* issues
  - ▣ Audit report - preparation details
    - Record retention
    - Working document management
    - Maximizing audit confidentiality
  - ▣ Identify process to address issues encountered during audit

# Compliance Audit Process

## □ Three Stages of Conducting an Audit



### □ During

- Kick-off meeting with affected personnel
- Use written protocol/checklist
- Gather data
  - physical inspection
  - interviews
  - record review
- Make copies
- Periodic, on-going *Audit Team* meetings



# Audit Tools

- Audit Procedure/Checklist
- Copies of:
  - Applicable rules
  - Permits
  - Permit exemption analysis
  - Site-specific records
    - Emissions/Discharge reports
    - Testing reports/data
    - Analytical data
  - Violations
  - Agency inspection reports
  - Agency correspondence
  - Past internal audit reports

# Compliance Audit Process

- Three Stages of Conducting an Audit
  - 
  - 
  - After
    - Closing meeting
    - *Audit Report*
    - Facility responds to report with an *Action Plan*

# Audit Report Requirements

- ❑ Objective, Not Subjective
- ❑ Clear
- ❑ Concise
- ❑ Constructive
- ❑ Timely
- ❑ Spell-Out Audit Criteria
- ❑ Audit Findings – Positive or Negative
- ❑ Open Issues

# Audit Report Writing Pitfalls

- Ambiguity
- Vagueness
- Inaccuracy
- Conclusions of Law/Statements of Law
- TMI – Red Herrings
- Typos
- Misuse of Words
- Emotion

# Tips & Tricks

- Write it; set it aside; re-read it.
- Second set of eyes.
- Don't let feelings interfere with assessment.
- Develop standard reporting format.
- Use checklists.
- State facts; work from facts.
- Double-check references.
- Spell check, but don't rely exclusively on it.

# Conclusion

Questions?

*Thank-you for your time and attention!*