

# The Value of Environmental Auditing: an IEMA Senior Management Briefing

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Environmental auditing can provide insight and bring benefits to the governance and oversight of your organisational goals.

The translation of boardroom strategy into operational delivery is becoming ever more complex and challenging. With societal expectations increasing and regulations diverging into new areas, organisations need to manage social, environmental and economic risks and opportunities right through the supply chain.

One of the key tools for improving business performance and providing assurance to senior leaders and stakeholders is through implementing a high-quality environmental audit programme. Environmental audits deliver valuable information on an organisation's performance across all elements of the business function which, in common with other forms of business intelligence, can provide assurance or form the basis for decision-making.

In June 2020, IEMA released an extensive guidance document on the Value of Environmental Auditing detailing how management can support and benefit from effective environmental audits. Intended primarily for those responsible for managing environmental audit programmes within organisations, it affirms the role played by Auditors in adding value to the organisation that they support.

The IEMA Environmental Auditing Steering Group recognises that senior managers have ultimate control, and therefore responsibility, for the audits. This senior management briefing paper has therefore been developed to enable them to support staff conducting the audits.

#### Benefits of effective environmental audits include:

- Encouraging **genuine improvement** across the business by identifying the root causes of poor performance;
- Providing insights into **factors behind key performance indicators (KPIs)**;
- Delivering **evidence of compliance status**, with regulatory requirements or other commitments;
- Providing confirmation to management of the **effectiveness of environmental sustainability strategy**.
- Helping to communicate to staff involved in audits **the importance of their contributions to environmental performance**.

#### Environmental audits add financial value by:

- Identifying opportunities for improving operational efficiency, delivering **significant financial returns**;
- Helping organisations **avoid environmental incidents or failures of compliance**, with consequent costs and reputational damage;
- Helping to provide greater assurance and lower potential risk, resulting in **better negotiating capacity** with insurance providers and regulators;
- Encouraging good performance, helping to **achieve corporate objectives** and raising the profile of the organisation, its products and services;



- Providing confidence in the reliability of environmental performance metrics reported externally
- Reducing demands on management time by promoting good performance and negating the need for management intervention.
- Providing or verifying information used as the basis for developing important corporate programmes such as progression towards carbon net zero pursuits.

In order to maximise the benefits, an organisation should be carrying out audits on all its processes, on a regular basis to ensure that the processes are functioning as intended. It may also be subject to external audits, possibly by a regulator, a customer or even a certification body. Equally, the organisation may choose to carry out external audits on its own suppliers. A breakdown of key requirements for successful completion of both internal and external audits is detailed below.

### Internal audits

Internal environmental audit programmes contribute to all of the above listed benefits and values through a regular schedule of risk-based audits, focusing on areas of high priority. They provide ongoing insights into organisational performance, allowing action to be initiated promptly where necessary. In order to be effective, they need to be resourced adequately and supported: this includes;

- Having a sufficient number of competent, registered auditors who can apply their judgement to ensure the audit findings are relevant and add value (to find out more on how to become an IEMA registered auditor please access the [IEMA EA auditor register here](#))
- Allowing adequate time for undertaking audits
- Recognition by senior management that environmental audits are an important element of business management and commitment to follow up on audit findings.
- Support by senior management of the development of an operational culture where scrutiny is accepted as a positive process;
- Being underpinned by suitable technology and systems to analyse the data generated from audits and derive insights from it.

The results from a well-resourced and managed audit programme should provide confirmation that the added value far outweighs the costs of the programme.

### External certification audits

External certification audits provide assurance to stakeholders that an organisation has an Environmental Management System that meets the requirements of ISO 14001 (an international standard which helps organisations achieve the intended outcomes of their environmental management systems) and also supports



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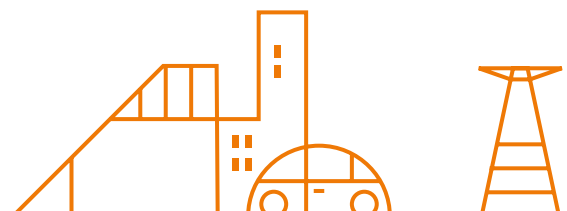
its own environmental strategy. This may be a specific condition imposed by key customers, and also it may lead to enhanced relationships with regulators who recognise that certified environmental management systems help to deliver compliance. In order to derive maximum benefit from external audits, organisations should:

- Select a suitable certification body (ideally accredited by UKAS) with a track record and understanding of your business sector;
- Ensure that the certification body uses registered auditors that are competent, environmentally knowledgeable, and familiar with the organisation's activities, technologies and practices;
- Ensure that there is mutual understanding of the key issues and where to focus audit effort;
- Specify that findings are reported in a clear and transparent format.

### Conclusion

For sustainable business growth and financial success, it is imperative for the senior management to recognise the benefits of effective environmental auditing, support and resource the audit programme, and allocate adequate time to reviewing and acting on the output.

Under-resourced and poorly executed audits may result in complacency, with potentially serious deficiencies in performances being undetected and opportunities to add value being missed.



# Key IEMA Resources

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Senior managers can help their organisation by ensuring that their staff are familiar with relevant IEMA training courses. In that way they will progress through IEMA membership levels to ultimately become managers who can deliver the best outcomes from audits.

In 2020, IEMA produced detailed guidance documents and webinars outlining key principles and practical recommendations to support professionals in their work as the environmental auditing discipline continues to evolve. This programme will continue in 2021.

These are available below:

- IEMA Guidance - The Value of Environmental Auditing (2020) – [Click here](#)
- IEMA Guidance – Ten Golden Rules of Remote Auditing (2020) – [Click here](#)
- Watch the IEMA webinar: Adapting to Covid-19 – Remote Auditing (April 2020)– [Click here](#)

Whether you're an internal or a lead auditor, IEMA has an extensive programme of training courses available to support your professional development (To find out more about the available IEMA training on environmental auditing [please click here](#))

For information on how to become a registered IEMA Auditor, please check out the [IEMA EA Auditor Register here](#).

For further information about IEMA's Environmental Auditing work programme please contact [policy@iema.net](mailto:policy@iema.net).



# Acknowledgements

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## About IEMA

IEMA is the professional body for everyone working in environment and sustainability. We're committed to supporting, encouraging and improving the confidence and performance, profile and recognition of all these professionals. We do this by providing resources and tools, research and knowledge sharing along with high quality formal training and qualifications to meet the real world needs of members from their first steps on the career ladder, right to the very top.

We believe that together we can change perceptions and attitudes about the relevance and vital importance of sustainability as a progressive force for good. Together we're transforming the world to sustainability.

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