RESORTING TO GREEN AUDIT A PATH TOWARDS SUSTAINABILITY

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ABSTRACT

In the present scenario organizations are facing numerous challenges, issues and risks. One of the biggest one is the ‘Global Warming’. Environmental changes, depletion of natural resources. A flexible, secure, dynamic infrastructure has to be devised to help organizations address critical energy and power costs. Perhaps the time has come when it becomes immensely essential to unearth that up to what extent an organization is contributing towards environmental sustainability by adoption of techniques like Green Audit. Green Audit emphasizes the role of methods and practices that reduce a company's environmental impact. Green audit advantage enables and empowers an organization to meet all the Global warming related challenges and at the same time help to contribute back so even an organization can participate and contribute to environmental corporate responsibility. In the present article an endeavour has been made by the author to analyze green audit from all relevant perspectives and finally reaching to some specific conclusions.

KEYWORDS: Green Audit, Environmental Audit, Eco Friendly, Green Initiatives, et.

INTRODUCTION

According to Macmillan Dictionary Green Audit is an examination of what a company is doing to prevent its business activities from harming the environment.

According to Cambridge Dictionary Online Green audit is an official examination of the effects of a company or other organization has on the environment, especially the damage it causes.

Auditing environmental performance, especially aspects of performance not required by law, is a relatively new phenomenon. Few organizations conducted environmental audits a decade ago and comprehensive audits that examine the full range of an organization’s operations -- including the impacts of creating and delivering its goods and services, the sourcing of its supplies and raw materials, the operations of its offices and other facilities, and its relationship with employees, suppliers, customers, and others -- remain relatively rare.

Recently, increased attention has been paid to green auditing by companies, academic organizations, and government agencies. The recent growth of green auditing fits with a variety
of business and social trends, including changing stakeholder expectations and a growing focus on the environmental impacts of the private sector.

Green Audit is ultimately about corporate responsibility. Scientific research and statistical analysis conducted by Green Audit uncovers the truth about statements made by national governments, large multinationals and the military with regard to the health effects of environmental pollution.

**THE OBJECTIVES OF GREEN AUDIT ARE**

- Become Energy Efficient
- Save Natural Resources
- Optimize Process
- Enhance Infrastructure
- Reduce dependency on Natural Resources
- Initiate Recycling Initiatives
- Imbibe Environmental Corporate Responsibility Culture
- Imbibe Green IT Culture
- Ensure Continuous Improvement in Green IT posture
- Realize Branding Goals

**GREEN AUDIT RESEARCHERS**

Green Audit's founders were Chris Busby Patrick Adams and Molly Scott Cato. Patrick Adams left the operation in 1995 to become a farmer in Devon. Chris has a first-class Honours degree in Chemistry from London University and a PhD in chemical physics from the University of Kent. He is Scientific Secretary of the European Committee on Radiation Risk and a member of the UK Department of Health Committee Examining Radiation Risk for Internal Emitters (CERRIE) (www.cerrie.org). He also sits on the UK Ministry of Defence Depleted Uranium Oversight Board (www.duob.org) and in National Speaker on Science and Technology for the Green Party of England and Wales. Chris is a fellow of the University of Liverpool in the Faculty of Medicine. He is also scientific advisor of the Low level Radiation Campaign (www.llrc.org) which he helped to set up in 1995. Green Audit was founded in 1992 as an environmental consultancy and review organization with the aim of monitoring the performance of companies and organizations whose activities might threaten the environment and the health of citizens. Democratic values are threatened when information is kept from the public and all routes of access are controlled.
The aim of Green Audit is to give citizens the information they need to be able to question the companies which are destroying the environment we all depend on. It was the worrying recognition that such information is presently suppressed and restricted which provided the impetus for the founding of Green Audit.

Green Audit undertakes and supports independent studies in the general areas of environmental public health, pollution, energy efficiency, and social and policy research in relevant areas. It is in on-line, networked communication with similar organizations and environmental databases worldwide so that any new threat to humanity can be monitored and evaluated.

Green audits are tools that companies and other organizations use to identify or define their full range of environmental impacts and assess their operations’ compliance with applicable laws and regulations, as well as with the expectations of their various stakeholders. They also serve as a means to identify opportunities to save money, enhance work quality, improve employee health and safety, reduce liabilities, and achieve other forms of business value.

Companies and organizations conduct green audits of their operations for a number of reasons: to ensure that their environmental performance is in compliance with applicable laws and regulations, to identify potential liabilities, to align environmental performance with their stated goals and strategy, to identify opportunities to reduce costs or increase revenue, to improve process and materials efficiency, and in response to stakeholder requests for increased disclosure.

Conducting an audit usually requires outside expertise. The current marketplace offers a wide range of services that carry varying levels of cost and expertise.

- Nonprofit assessment programs -- available through federal, state, and local government agencies, as well as trade associations and universities -- offer free or low-cost on-site assessments concerning issues such as compliance and waste reduction. For example, Colorado’s Pollution Prevention Partnership, a voluntary alliance of business, government, and public interest groups, offers free, confidential assistance to smaller companies.

- Large accounting firms typically offer environmental auditing services as part of their client relationships. For example, Price Waterhouse Coopers operates an environmental services division, which aims to help companies understand environmental impacts, risks, and opportunities, as well as address performance measures.

- Environmental services firms, more often than not, promise the expertise of individuals with engineering backgrounds. For example, ERM, with 120 offices in 34 countries, conducts audits for process safety, waste disposal, health and safety practices, chemicals handling, product safety, emergency procedures, and staff training.

- Independent auditors tend to offer more customized services and often specialize in certain sectors, organizational sizes, or geographic regions. Many extend well beyond compliance issues to address stakeholder-driven mandates and voluntary certification programs. For example, Mabbett & Associates Ltd. provides tailored auditing and
training packages to help businesses in Glasgow, Scotland, improve energy efficiency and implement environmental management systems based on ISO 14001 standards.

Green audits come in all shapes and sizes. Companies may conduct an audit to examine general practices, regulatory compliance, environmental management systems, communications, risk, energy use, and materials and other supply-side issues, as well as conduct audits that combine any or all of these components.

The size of an audit ranges from informal self-reporting on specific initiatives -- using checklists, for example -- to the utilization of an independent third party to conduct or verify comprehensive examinations that measure the full range of environmental impacts among a company’s entire operations and activities.

The scope of an audit, and the methodologies used to uncover objective evidence, may include:

- Measuring key environmental parameters
- Analyzing raw and test data
- Reviewing purchase orders and invoices
- Inspecting facilities
- Interviewing employees, managers, and executives
- Communicating with contractors, vendors, customers, and regulators
- Examining policies, internal records, reports, and public statements relating to the environment
- Comparing audit results to previous audits, as well as to industry standards and best practices.

There are also a variety of strategies for using the results of audits. Some organizations keep results strictly for internal use, while others choose to publicize them widely.

- Bethlehem Steel maintains an environmental compliance index that tracks the number of incidents reported to or cited by government agencies relative to air pollution, water discharges, oil and chemical spills, and notices of violation. The company uses the index as a benchmark for continuous improvement in environmental performance.
• The Body Shop was recognized by British nonprofit Sustainability for its comprehensive reporting on social and environmental impacts -- and the company’s efforts to address these issues.

THE UPSIDE

• Operating efficiencies. Well-designed audits go beyond identifying the effectiveness and efficiency of environmental programs; they pave the way for savings from eliminating wasteful practices, lowering error rates, reducing clean-up or set-up time, and other efficiencies.

• Quality. Operational improvements often result in higher quality of goods and services.

• HEALTH AND SAFETY. Audits can identify where lower-risk materials may be substituted for toxic materials, or how handling practices may reduce employees’ risk of exposure.

• LIABILITY PROTECTION. Audits also can pinpoint practices or situations that pose liabilities to an organization -- giving it the ability to resolve problems before they result in costly legal actions.

• REGULATORY COMPLIANCE. Voluntary assessments may offer corporations the opportunity to scrutinize -- and remedy -- violations of government regulations while providing some protection from penalties.

• INTERNAL COORDINATION. Because audits pull together information from various areas -- such as purchasing, facility management, and operations -- they give organizations the opportunity to coordinate, collaborate, and seek efficiencies across departments, facilities, and business units.

• STAKEHOLDER COMMUNICATIONS. The dialogues with stakeholders that are part of some environmental audits can provide an organization with valuable insight about how it is perceived externally.

• PUBLIC IMAGE. Many stakeholders look favorably at organizations that identify problems through self-audits, especially if they publicly disclose the problems, demonstrate how they are working to solve them, and develop management systems to reduce the likelihood of recurrence.

• STRATEGIC MANAGEMENT. Audits can help companies prioritize initiatives so as to provide the greatest environmental and economic returns.

• MISSION STATEMENTS. In addition, audits can help organizations align their activities with their mission statements or ethical codes by identifying where there are gaps between the two.
REALITY CHECK

- **TIME AND OTHER RESOURCES.** A comprehensive audit can take a considerable amount of time and personnel resources. In many companies, such audits require acquiring data from a disparate number of facilities and departments -- then trying to normalize and analyze it. Many companies find that a comprehensive audit is not possible on the first try; rather, they begin with aggregating data that exists, then performing a gap analysis to determine what additional information must be gathered in the future to round out the picture.

- **CONFIDENTIALITY.** The principal concern is whether information gleaned from a voluntary audit is privileged, and whether an organization conducting a voluntary environmental audit should be penalized for violations or other liabilities it discovers in the process. To encourage greater use of audits, more than half of U.S. states have enacted privilege or immunity legislation, which typically grants information generated through an audit a privilege against disclosure in an administrative or judicial proceeding, as well as limited immunity from fines and penalties if an organization voluntarily discloses and corrects violations in a timely manner.

ACTION PLAN

Any audit should have top management’s approval and resources, giving auditors -- whether internal or external -- the authority and means to conduct a thorough investigation. For all types of green audits, there are several generally acknowledged good practices for companies to follow:

- **DETERMINE THE SCOPE.** A company seeking to conduct an audit will need to determine early on what aspects of its operations it plans to assess. The scope may be as narrow as a single program, department, or facility, or as comprehensive as all aspects of all parts of a company’s worldwide operations.

- **IDENTIFY METRICS AND BENCHMARKS.** Determine how the audit will be evaluated -- that is, the measures of success that will be used -- before information is collected. It may be helpful to research the methods of other companies.

- **COMMUNICATE THE GOALS OF THE AUDIT.** Sharing these goals throughout the organization, from top to bottom, underscores the importance of the process.

- **ESTABLISH A "NO BLAME" POLICY.** This assurance from management will help encourage employees to be forthright in disclosing information to auditors.

- **CONDUCT THE AUDIT DURING NORMAL OPERATIONS.** Doing so will derive "typical" operational experiences. This also facilitates auditors’ ability to ask questions of employees.
SUMMARIZE THE FINDINGS. The audit should reach some conclusions about what was learned, including the costs and benefits of the company’s environmental impact, its strengths and weaknesses in policy statements and management systems, and feedback from employees.

VERIFY THE RESULTS. A growing number of companies are having their audits verified by a credible, independent third party. In many cases, the third-party organization is also involved with the design and implementation of the audit.

SHARE THE FINDINGS. Potential audiences include employees, shareholders, regulators, community organizations, environmental organizations, labor unions, and the news media. Some companies also make them available on the Web.

REPEAT THE PROCESS. Environmental audits are most useful when they are conducted on a regular basis, enabling companies and stakeholders to track progress. Many companies also try to continuously improve the audit process -- widening their outreach to stakeholders, refining the metrics and benchmarks, and widening the scope to include new aspects of business operations.

CONCLUDING OBSERVATIONS

1) Every company be it multinational, big or medium should be under compulsion to undertake green audit and submit report publicly the copy of which should be submitted to the concerned department of the government who have made such report mandatory.

2) The green audit report submitted should not be a mere submission only there should be a mechanism to verify the material facts of actual a initiatives taken by the concerned company.

3) The authority/department of the government should pay surprise visit to the companies in order to have a glimpse of the actual state of affairs of the green initiatives taken by the company. The deviations recorded during the visit should be handed over to the CEO of the company who should be ultimately responsible to fill the gap.

4) In every company the Chief Executive Officer should include green initiative in his regular monitoring and follow up. This should not be left to the other managers of the organization. i.e matters relating to green initiatives should be included in the priority list of the company and it should be subject to regular follow up and strict vigil in the board of directors meeting.

5) Conducting green audit should be made compulsory not only for well being of the company but also contribute the long term sustainability of the company. A company should not forget that it is born in the society and functions in the society so it can not make its journey green disregarding the adverse environmental impacts which it creates in the course of its journey. So it has an inescapable obligation towards the environment and the society al large.
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