How to Conduct an Environmental Audit

Three main Phases to an Environmental Audit:

• Phase 1 – Pre-Audit
• Phase 2 – Audit
• Phase 3 – Post-Audit
Phase 1 – Pre-Audit

• An EHS Audit can be complex, so planning is essential
• Audit means “Systematic” i.e. planned
• Scope of Audit must be specific enough to allow the TCEQ to determine if a discovered violation is included within the Scope of the audit
• Think through all of this carefully before sending in the NOA
Phase 1 – Pre-Audit

• Create the Audit Team
  • Decide if:
    • 1.) all internal staff;
    • 2.) mix of internal/outside staff;
    • 3.) all outside staff;
    • 4.) outside consultants;
    • 5.) mix of above.
  • A mix of talent, skills, and perspective is very helpful

• Develop an Audit Plan
  • Develop Audit Plan before you send in the NOA
  • Can be broad, (Entire Facility – All Media) or narrow (Storage Tanks at Unit A – State Air regulations)
  • Can be for a specific permit
  • Need to prepare for the follow-up and corrective actions
Phase 1 – Pre-Audit

• Before starting the Audit it is a good idea to request and review pertinent documents:
  • Permits / Permit Applications
  • Feedstock/Production Records
  • Reports
    • Semi-Annual Reports, Deviation Reports
    • Emission Inventories, TRI, DMRs, Emission Events
    • CEMs, Calibrations,
    • Waste Reports, Manifests, SPCC, CERCLA/EPCRA Reports
    • Agency Files
  • Previous Audits
    • Corrective Action
    • Status of prior audit items

• Think like a regulatory person; what would they ask for?
Phase 1 – Pre-Audit

• Based upon documents begin to list follow-up questions, requests
• If issues are identified begin to fill-in the DOV Table
  • Very Important to stay on top of this!
  • Ok to list items so you can keep up with them, take them off during the audit if not verified
Phase 2 – Audit

- **Introduction Meeting**
  - Set up ground rules
  - Explain what happens when issue identified

- **Daily Meeting**
  - First of Day Meeting
    - Tell what you plan to review
    - What resources you need
    - Who/What you are not getting
  - End of Day Meeting
    - What you have found
    - What/Who you need

- **Closing Meeting**
  - Review issues
  - Let plant personnel discuss
  - Plan for Audit Report
  - Timing for DOV Report
Phase 2 – Audit

• **Document Review**
  • Management/Corporate/Plant Policies on EHS
  • Compliance, Training,
  • MOC
  • Air/Water/Waste controls, monitoring, and recordkeeping
  • Emergency Response Procedures
  • Noise Monitoring
  • Complaints – Response to Complaints

• **Make sure documents are:**
  • Up to date
  • Complete
  • Consistent
  • Legally compliant
Phase 2 – Audit

• Site Inspection
  • Keep inspections to site(s) selected for audit
  • Don’t go on rabbit trails
    • Wastes Time, angers plant
    • Make note for later

• Evaluate Whether Operations are Compliant
  • Legal Requirements
  • Company’s policies and procedures
  • EHS program

• If Necessary Take Samples
  • Short cut samples, (BWON example)

• Keep Legal informed of Audit
Phase 2 - Audit

• Interviews
  • Interview EHS personnel to determine if they know their responsibilities
  • Interview operations to see if the understand EHS
  • Review projects to see how MOC is handled
  • Interview Management, Operations, Maintenance, EHS to see if policies are consistently handled
  • Ask if there are issues that are of concern
  • Ask if there are things “buried under rocks”
  • Go out into the plant and ask people you see about certain issues
Phase 2 – Audit

Closing Meeting

• Make a list of all issues (don’t put down an issue that has not been discussed with the plant)
• Discuss each issue and get agreement, understand reason for disagreement
• For each agreed issue see if you can develop corrective action, including timing
Phase 3 – Post-Audit

Don’t wait to start Audit Report and DOV

- DOV to TCEQ can be brief, i.e. cover letter and Table with DOVs
- Include:
  - Legal Name
  - Date of NOA
  - Certified Mail Reference
  - Date of Initiation and Completion of Audit
  - Affirmative Assertion of Violations Discovered
  - Date of Discovery of Violation
  - Duration of Violation
  - Status/Schedule of Corrective Action
# Phase 3 – Post-Audit

## Disclosure of Violation

**Name of Company:** ABC Company  
**Facility Name:** Galveston Plant  
**RN #:** RN123456789

<table>
<thead>
<tr>
<th>Violation</th>
<th>Citation</th>
<th>Violation Start Date</th>
<th>Corrective Action Plan</th>
<th>Schedule or Target Completion Date</th>
<th>Violation Status Completion or Actual Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Failure to register for permit by rule to authorize surface-coating operations</td>
<td>30 TAC 106.433(g)</td>
<td>4/23/2015</td>
<td>Submit Form PI-7 and obtain confirmation from TVEQ that the surface-coating operations are registered under permit by rule</td>
<td>8/1/2015</td>
<td>Early completion; confirmation received 6/4/2015</td>
</tr>
<tr>
<td>2. Failure to properly label used-oil containers. Employees were not trained in labeling procedures</td>
<td>30 TAC 328.26(d)</td>
<td>4/15/2015</td>
<td>All used-oil containers are now properly labeled and employee training regarding labeling procedures was conducted.</td>
<td>Complete</td>
<td>Used-oil containers labeled as of 5/8/2015</td>
</tr>
<tr>
<td>3. Failure to update Stormwater Pollution Protection Plan. The SWPPP needs to be updated to reflect current owner.</td>
<td>Stormwater General Permit TXR05000, Part III, Section A</td>
<td>4/20/2015</td>
<td>Update SWPPP to accurately reflect current owner</td>
<td>8/1/2015</td>
<td>Status update: SWPPP submission has been delayed; plan expected to be submitted by 9/30/2015</td>
</tr>
</tbody>
</table>
Phase 3 – Post-Audit

• Before you prepare a detailed Audit Report check with Legal

• Detailed Report is not needed for TCEQ Audit

• If a Detailed Report is desired and approved:
  • List issues that have been confirmed
  • Do not list issues based upon probabilities
  • Use “Area of Concern” for possible issue

• Make a List of Action Items and Follow-up
  • Action Items should identify who is responsible, when Item is to be Corrected
  • Conduct Regular Follow-up to Ensure Item is corrected

• Worse to Audit and not Follow-up
  • Issue then becomes a Knowing Violation
  • Higher penalties, criminal issues
EPA Protocols for Conducting Environmental Compliance Audits:

- [http://www2.epa.gov/compliance/audit-protocols](http://www2.epa.gov/compliance/audit-protocols)
- Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) – [EPA-305-B-98-009](http://www2.epa.gov/compliance/audit-protocols)
- Stormwater Program – [EPA-300-B-05-004](http://www2.epa.gov/compliance/audit-protocols)
- Municipal Facilities under U.S. EPA’s Wastewater Regulations – [EPA 300-B-00-016](http://www2.epa.gov/compliance/audit-protocols)
- Emergency Planning and Community Right-to-Know Act (EPCRA) and CERCLA Section 103 – [EPA-305-B-01-002](http://www2.epa.gov/compliance/audit-protocols)
- Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) – [EPA-300-B-00-003](http://www2.epa.gov/compliance/audit-protocols)
- Facilities Regulated under Subtitle D of RCRA – [EPA-300-B-00-001](http://www2.epa.gov/compliance/audit-protocols)
- Storage Tanks under the Resource Conservation and Recovery Act – [EPA-300-B-00-006](http://www2.epa.gov/compliance/audit-protocols)
- Treatment, Storage and Disposal Facilities under the Resource Conservation and Recovery Act – [EPA-305-B-98-006](http://www2.epa.gov/compliance/audit-protocols)
- Hazardous Waste Generators under the Resource Conservation and Recovery Act – [EPA-305-B-01-003](http://www2.epa.gov/compliance/audit-protocols)
- Public Water Systems under the Safe Drinking Water Act – [EPA-300-B-00-005](http://www2.epa.gov/compliance/audit-protocols)
- Facilities with PCBs, Asbestos, and Lead-based Paint Regulated under TSCA – [EPA-300-B-00-004](http://www2.epa.gov/compliance/audit-protocols)