

USING EHS AUDITS TO ENHANCE BUSINESS PERFORMANCE

OUR TEAM FOR TODAY'S PRESENTATION



TODD ALLSHOUSE

VICE PRESIDENT, HEALTH AND SAFETY SERVICES



ERIN RYMSA

DIRECTOR, HEALTH AND SAFETY SERVICES



KRISTIAN WITT

VICE PRESIDENT, ENVIRONMENTAL SERVICES

SPECIAL GUEST SPEAKER

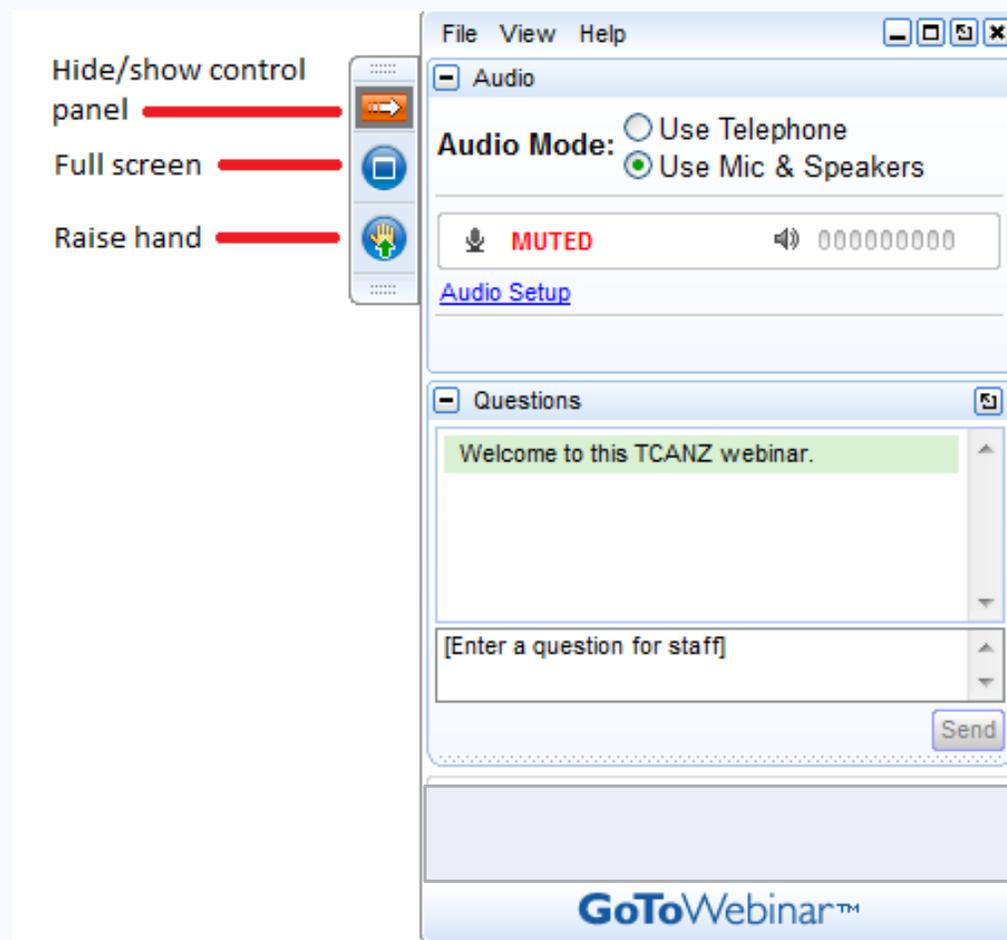


PAUL M. SCHMIDT, ESQ.

Post &
Schell_{P.C.}
ATTORNEYS AT LAW

HOUSEKEEPING

- This presentation is being recorded and will be shared.
- Everyone will be muted to prevent background noise.
- Use the question button to log your question.



TODAY'S TOPICS



1. Purpose and benefits of auditing
2. When to initiate an audit
3. Audit types and formats
4. Implementing an effective audit process
5. Legal Aspects

PURPOSE AND BENEFITS OF AUDITS

- Learn what regulation apply and why
- Identify and reduce risks
- Reduce costs and improve compliance performance
- ISO or other Management Systems
- Benchmark EHS performance and culture
- Due diligence
- Continuous improvement and good faith



WHAT PROMPTS AN AUDIT

- Uncertain of applicable regulatory requirements
- Employee/management transition
- After an incident or regulatory inspection
- Required by company policy or management system
- Preparing for third-party audit
- Acquisitions or new operations
- Want to improve EHS culture



AUDIT TYPES

Compliance-focused

- Drill-down audits
- *Gap assessments*
- Regulatory review

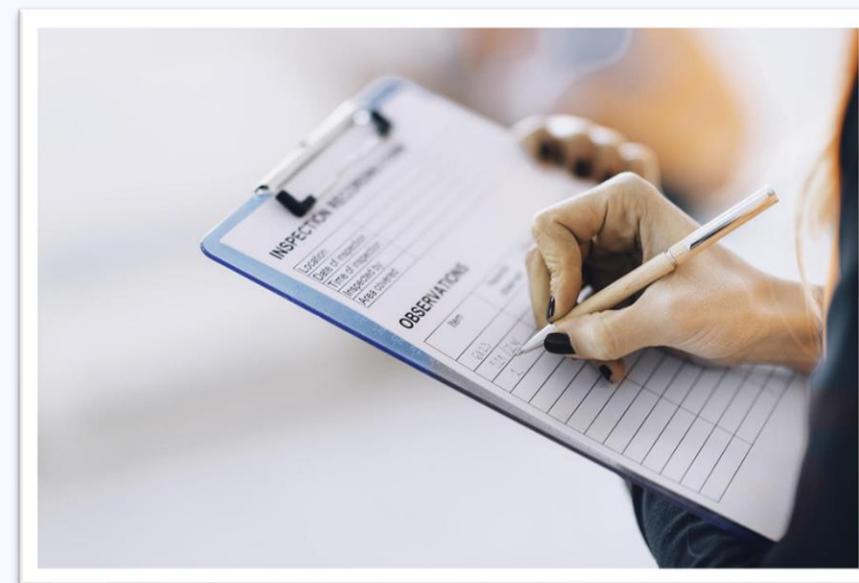
Subcontractor/Supplier/Vendor audits

Management system audits

Sustainability and culture

AUDIT METHODOLOGY

- In person
- Hybrid/Virtual
- Desktop



INTERNAL AUDITORS

PROS:

- Understanding of internal policies and operations
- May be more cost effective

CONS:

- Possible biases
- May have less audit or industry experience
- Competing priorities

EXTERNAL AUDITORS

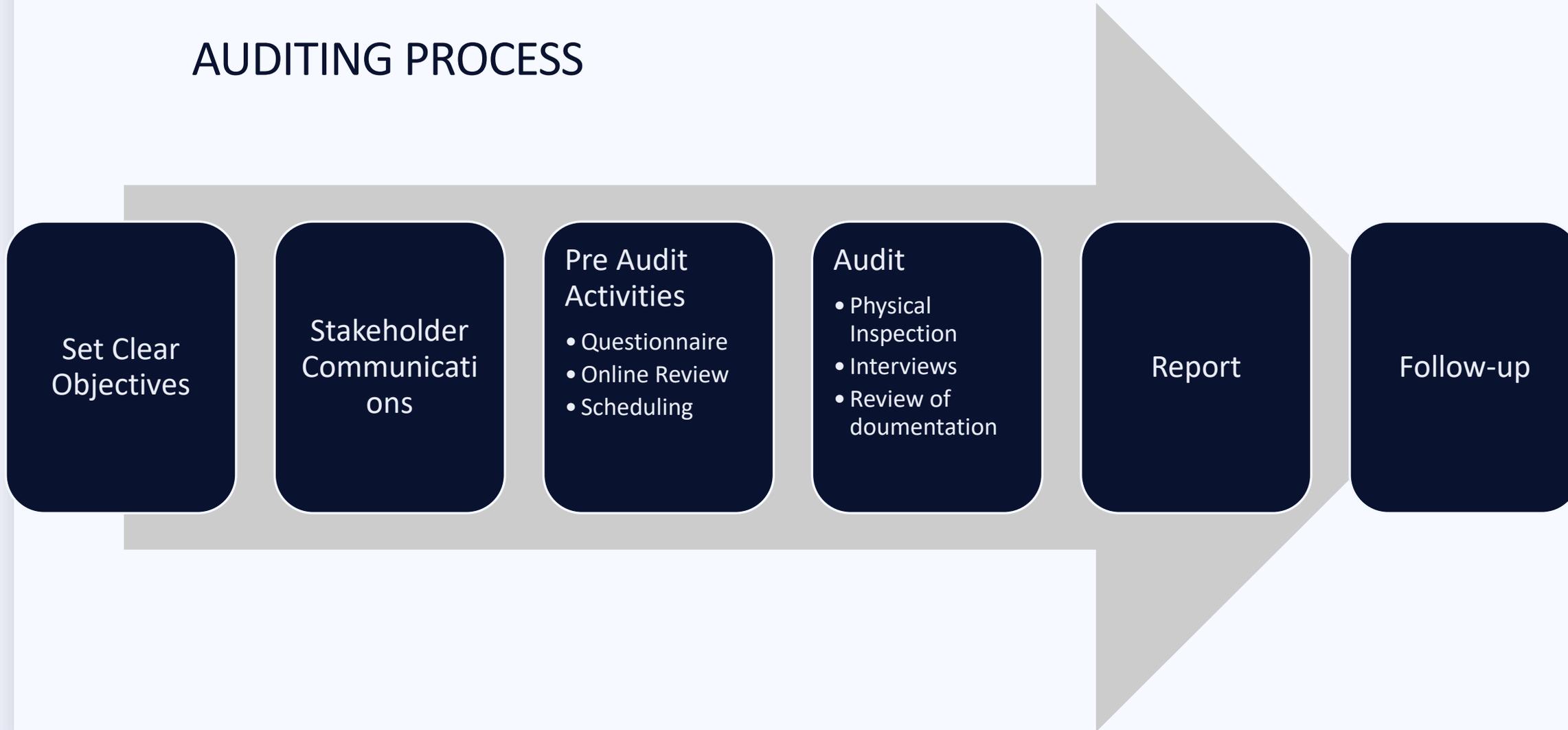
PROS:

- More objective, less biased
- Trained in audit protocols and report preparation
- Industry experience and ability to benchmark
- Focused on auditing task

CONS:

- Less understanding of company policies/operations
- Cost

AUDITING PROCESS



Set Clear
Objectives

Stakeholder
Communicati
ons

Pre Audit
Activities

- Questionnaire
- Online Review
- Scheduling

Audit

- Physical Inspection
- Interviews
- Review of documentation

Report

Follow-up

WHAT SHOULD YOU DO WITH YOUR AUDIT RESULTS?

- Audit Report
- Identify Corrective Actions
- Implement Corrections
- Verify Corrective Actions Worked
- Report to Agencies



KEYS TO A SUCCESSFUL AUDIT PROGRAM

- Assemble the right audit team
- Be Prepared
- Define the Audit Scope
- Prepare to act on findings
- Follow-up

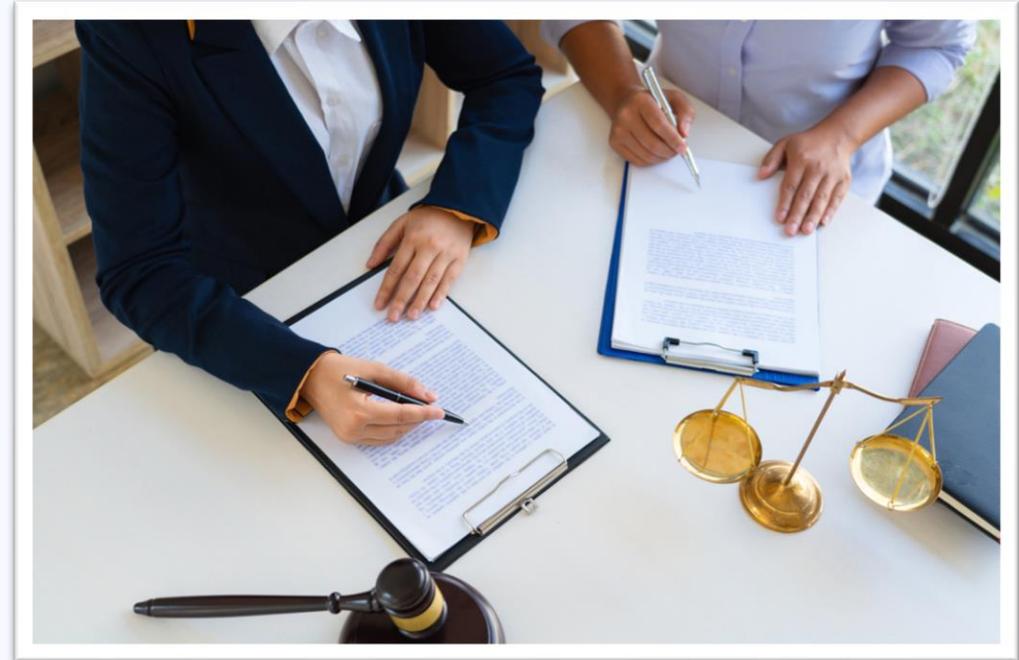


COMPLIANCE AUDITS

LEGAL CONSIDERATIONS IN HOW AND WHY TO DO THEM

QUESTIONS WE WILL ANSWER

- What are the benefits of a compliance audit?
- What favorable agency policies exist?
- Why should I use a lawyer?
- What will the lawyer do?



PURPOSES OF COMPLIANCE AUDITS

- Obtain leniency on potential fines and enforcement
- Cease possible unknown violations
- Address violations when convenient
- Minimize possible harms and indirect losses



MAIN EHS POLICIES:

- EPA's 2000 "Incentives for Self- Policing: Discovery, Disclosure, Correction and Prevention of Violations"
- EPA's "Small Business Compliance Policy"
- PADEP's "Policy to Encourage Voluntary Compliance by Means of Environmental Compliance Audits and Implementation of Compliance Management Systems"
- OSHA's "Final Policy Concerning the Occupational Safety and Health Administration's Treatment of Voluntary Employer Safety and Health Self-Audits"

GUIDING PRINCIPLES:

- Employ a qualified consultant
- Use a systematic audit process
- Be ready to get approvals/funding to disclose and correct
- Employ counsel to run it as “legal advice”, some of which is covered by the Attorney-Client Privilege
- Limit communications of legal advice to “control group”



WHY EMPLOY COUNSEL:

- Someone needs to manage (marshal, placate, inform) all levels of client personnel and the consultant
- Protect the report and analyses from discovery/disclosure to the extent possible – does not protect facts
- Define and maintain a limited and adequate scope and goals, and employ an efficient holistic process
- Minimize discoverable incriminating statements by employees and (some) consultants
- Provide legal opinions to support disclosure and correction

WHAT THE ATTORNEY WILL DO:

- Hire the consultant(s) and direct them and client team.
- Where practicable, collect the information from the client and pass it to the consultant
- Review (and edit) the draft report
- Pass preliminary findings and final report onto client
- Have consultant prepare recommendations to attorney
- Oversee Root Cause analysis, suggested changes
- Prepare holistic exposure analysis, risk management plan





ENVIRONMENT, HEALTH AND SAFETY (EHS) AUDITING SERVICES

Questions?

Thank You.



Connect with us for a 15 minute
consultation.

GET IN TOUCH:

KWITT@COMPLIANCEPLACE.COM

TALLSHOUSE@COMPLIANCEPLACE.COM

PSCHMIDT@POSTSCHELL.COM

WWW.COMPLIANCEPLACE.COM