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## Ask the Experts

by Steve Rice & Richard MacLean  
August 2002

### Auditing the Auditors

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#### How can I be assured that I am hiring independent and credible auditors for my EH&S activities?

**Steve:** In today's era of increased operational governance, I have been asked several times recently about the issue of 'auditing the auditors'. While much of the general public's concerns have focused on financial and executive integrity issues, the questions companies have been asking me concern areas such as waste management facility audits, internal operating facility audits, environmental / sustainability report audits and environmental management system audits.

While I've not done an extensive investigation into pre-audit protocols for these areas, I've not seen any that ask potential auditors specific questions like:

- Have you or your firm conducted similar audits for this (company / facility / waste contractor)? If so, what audits and for what total amount?
- Have you or your firm been retained for project management or consulting services with this (company / facility / waste contractor)? If so, what services and for what total amount?
- Have you or anyone to be designated for the audit team ever been employed by, or worked for the (company / facility / or waste contractor) being audited?

Maybe now is the time that such questions become a part of the auditor selection and pre-audit protocol process.

One simple element of an auditor audit is to check if the personnel to be used in the audit, or at least the lead auditor, have been certified by an independent organization such as the Board of [Environmental, Health & Safety Auditor Certifications](#) (BEAC). While BEAC is a nice option, it surely does not define the full population of credible EH&S auditing professionals. Also, national accreditation bodies like ANSI RAB in the U.S. and UKAS in the U.K. give licenses to companies working in the fields of environmental (ISO 14001) and quality (ISO 9001) auditing, then audits them annually for conformance. They may have protocols that can be obtained. While another nice option, these bodies do not cover other audit areas. In addition, none of these certification and accreditation organizations provides any independent review of the appropriateness of an audit firm, or auditors, for each specific project.

A very good summary of this issue of auditing the auditors was recently written by [Jim Sullivan](#), former Operations Director at the Forest Stewardship Council, and published in the March/April issue of [Ethical Corporation Magazine](#). In it, Mr. Sullivan outlines a basic audit credibility assessment tool that consists of just three core sets of questions regarding:

1. The credibility of the system,
2. The credibility of the auditor, and
3. Bonus questions.

One striking aspect of his framework is its simplicity. All three sets consist of only fifteen questions, with simple 'yes/no' responses. He also clearly qualifies the results as not providing the ultimate solution. "No situation is perfect", he states, "but if you know where the deficiencies are, you can put in place extra provisions that can improve the credibility of the audit."

And, I may add, the auditor.

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**What are the most effective methods to persuade management to build an EMS?**

**Richard:** An Environmental Management System (EMS) is generally regarded as essential by most environmental managers, yet many still struggle when trying to convince management that one is needed. Their fatal mistake is to position the EMS as something new: a package to be bought, installed and maintained as if it were a new piece of pollution control equipment. It is not and, indeed, every facility already has some sort of “management system,” whether it is well documented and sophisticated or absolutely rudimentary (e.g., Billy Bob escorts the inspectors when they show up).

I think the mystique of an EMS began with the introduction of ISO 14001 in the early 1990s. During the mid 1990's, ISO was one of the few growth areas for consultants; having a well-run system became synonymous with certification under ISO 14001. In fact, these are three separate issues (well run system – ISO 14001 – and certification), but they have been conceptually bundled together and now we have a generation of environmental professionals and business managers who think that they go hand in hand. Certification can be expensive and ISO 14001 is a conformance-based system that may do little to improve performance at facilities with pre-existing, well-run systems.

I encourage my clients to make the business case for **upgrading** the **existing** system: improve its effectiveness, cut costs, and reduce liability. I NEVER recommend that they request funding to install an EMS. The emphasis should be on streamlining what exists and bringing it up to minimum standards, while carefully selecting the documentation and record keeping practices that make sense and do not add needless bureaucracy. More companies are moving towards hybrid systems which include ISO 14001 as a lower platform, but only if certification is one of the objectives.

If ISO certification is desirable, it should be given separate consideration. The easiest justifications for certification are market dynamics, particularly in Europe and Japan, or for specific industries such as automotive parts suppliers. Company policy and public image are other common justifications, though the benefits are much harder to quantify. Compliance and liability reduction are weak justifications, since hybrid, performance-based systems such as Baldrige are better suited for such goals.

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**Which magazine or journal should I read to keep informed of current events in green marketing and sustainable development?**

**Steve:** While there are countless journals and magazines on sustainable development and a few with a partial focus on green marketing, there are none that I know of that are specifically positioned for the intersection of the two. Also, many of the green marketing publications are more like specialty newsletters that focus on narrow topics such as ‘green’ investing and electronics product/producer responsibility, albeit all from a decidedly proponent or advocacy position.

Perhaps the two journals that best fit this category are [In Business](#) magazine and the recently launched [Green@Work](#) magazine. The former focuses on entrepreneurs and small businesses in the U.S., while the latter has a very different focus on large to mid-sized businesses that operate throughout the world.

Of course, the [Green Business Letter](#) focuses on both these and other important, relevant issues. You may also want to check out [The Environmental Marketplace](#), a quarterly 'report on environmental law developments affecting the design and marketing of consumer products'.

For publications focusing exclusively on green marketing and product development, you can check out [The Ottman Report](#), a free quarterly email newsletter, or the [Journal for Sustainable Product Development](#) (UK).

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### **What are the career prospects for environmental professionals?**

**Richard:** Short term – rather dismal; long term - excellent.

The good job market for environmental professionals in the late 1980s and early 1990s produced a wave of students eager to enter the field. Regulatory stabilization, combined with consolidations and downsizing within industry, greeted the new graduates with bad news at the end of the decade. The word is beginning to filter back to campuses that EHS may not be a sure bet for a good position, especially in today's gloomy economy.

This current picture is based on anecdotal information, such as observations reported to me from colleagues in academia and industry. I witnessed it myself when I recently posted job openings on various web sites and received a flood of responses from extremely well-educated recent graduates located around the world. Middle and senior level EHS professionals have been particularly hard hit during the reorganizations over the past five years.

My suspicion is that things may have reached rock bottom and an upturn may be in store. Governance concerns by directors may put a damper on continued forced cutbacks in an image-sensitive area such as EHS. Senior positions in industry may not be backfilled or may be downgraded in position level, but this will not have the same impact as the reductions of the past. Talented individuals continue to transfer out of EHS into other areas, leaving behind openings.

The first clear upswing may be caused by the retirement of senior regulatory agency staff members. I have heard that as many as one-third will retire within the next five years. One senior, unemployed colleague in California reported recently that the job prospects looked quite good within government agencies.

As with any profession, students need to examine the job prospects at the end of ones education, not the beginning. Today, the incoming talent pool may be shrinking while the demand grows rapidly over the next four-plus years. A surge in interest in sustainable development due to some environmental “wake-up-call” would dramatically increase demand. That said, it would also be wise for students to “hedge their bets” by majoring in one of the essential competencies, such as project engineering, while continuing their environmental studies. Hard sciences and engineering always fair better in tight job markets.

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### **Have the current U.S. economy, reduced corporate staffs and further budget tightening led to a reduction in businesses’ sustainable development activity?**

**Steve:** I don’t have any definitive data on the matter, so I can’t say for sure. It does appear, however, as if the activity may have dropped off a bit if corporate attendance at conferences is a valid indicator. The conferences that I’ve been to the past few months have fewer corporate representatives attending and those business people that I have spoken to indicated that they were only staying for the day, a few hours or even just for their presentation, not for the entire conference.

As with many discretionary initiatives, I think that while the level of activity may have slackened, the intent and commitment probably remains. I also see that much of the activity is now focused inward for competitive advantage and cost reduction instead of outward for public relations. This shift is being driven by people having to prioritize their budgets and resources to address their companies’ most immediate needs and the pressure to produce tangible results.

Conference attendance is being further impacted by the fact that many corporate staffs remain on travel restrictions that require budgetary approval. In situations like that, few personnel want to set themselves up for the all-too-likely question of, “Could you explain why you told me last week that you don’t have the time (or people or budget) to do \_\_\_\_\_ , yet you want your staff to spend their time and my budget attending a non business-critical conference?”

Another reason for falling corporate attendance at such conferences may simply be the noticeable decline in the quality of presentations on the business aspects of sustainability. For example, the recent Mid-Atlantic Sustainability Conference in Newark, New Jersey was generally a well-run, pleasant event with some rather unique sessions and presenters.

The session on business and sustainability, however, was punctuated by what I believe may have been the worst presentation on the topic that I have ever experienced. Besides being overly long, there was no central thesis statement, many of the examples supporting the thesis (if there had been one) were over ten years old and often referred to companies and activities that failed to deliver on their promises. In addition, potentially opposing positions were not presented and refuted. Finally, the presentation’s ‘high point’ was a movie poster of,

and quote by, actor Steven Seagal. Despite his acting talents, I doubt that many business personnel particularly care what Steven Seagal has to say about sustainability. Also, what he said was probably a line that some screenwriter penned.

In short, the presentation convinced no one to bring sustainability into his or her company. In fact, I suspect that it may have achieved the exact opposite!

Unless conference organizers and presenters can provide more meaningful, credible presentations for the business community, then one can expect to see even less corporate attendance and, in turn, the potential for reduced (or at least redirected) business activity in the future.

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