

Instant Benchmarking: Integrated Audits and Technology in Audit Programs

2012 National Winter Meeting
Phoenix, AZ
10 January 2012

Introduction

- Session overview
- Small group discussions and instant benchmarking
- Parting thoughts



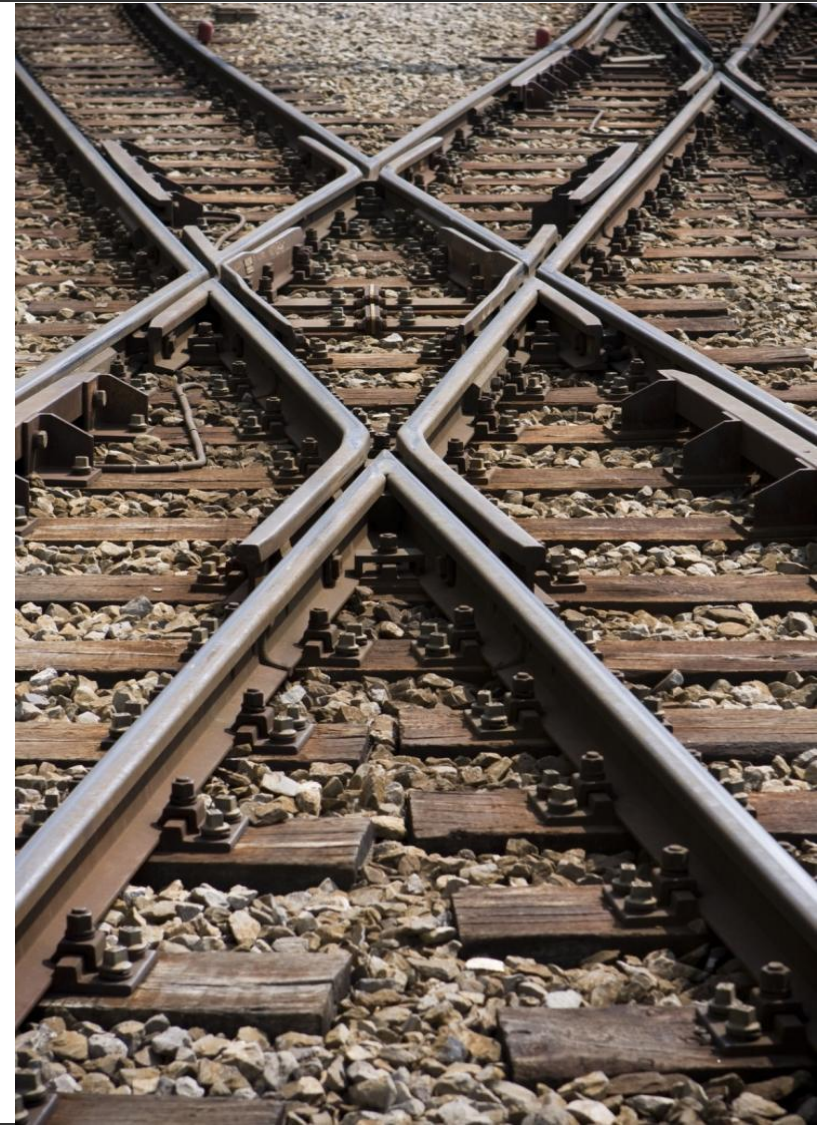
Overview

- Objectives
 - Exchange information
 - Benchmark
- Topics to be covered
 - Integrated audits
 - Technology in audit programs



Overview (cont'd)

- Logistics
 - Brief introduction of each topic
 - Roundtable discussion
 - Instant benchmarking
 - Use of response cards to survey meeting attendees
 - Facilitated discussion of survey results
- Results will be posted on The Auditing Roundtable and BEAC websites
- Remember our objectives and please respect everyone's time and opinions



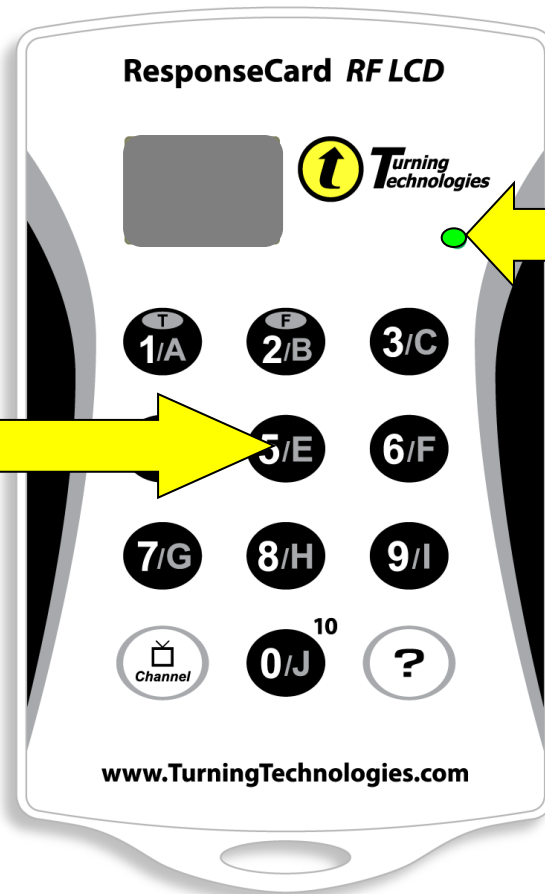
Our Plan...

- ~30 minutes for each of the two topics
 - 2-minute introduction
 - 10-minute small group discussion
 - 3-minute survey
 - 15-minute large group discussion
 - Wrap up



Instructions for Response Cards

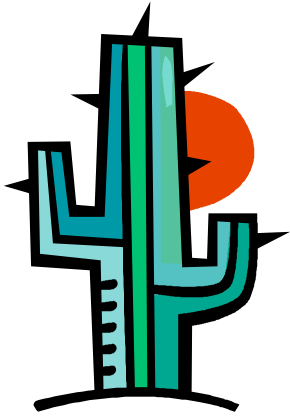
1. When the question and answers are displayed, press the button corresponding to your answer(s)



2. You will get a green light to indicate that the response was accepted

Which iconic person/object is most closely associated with Arizona?

1.



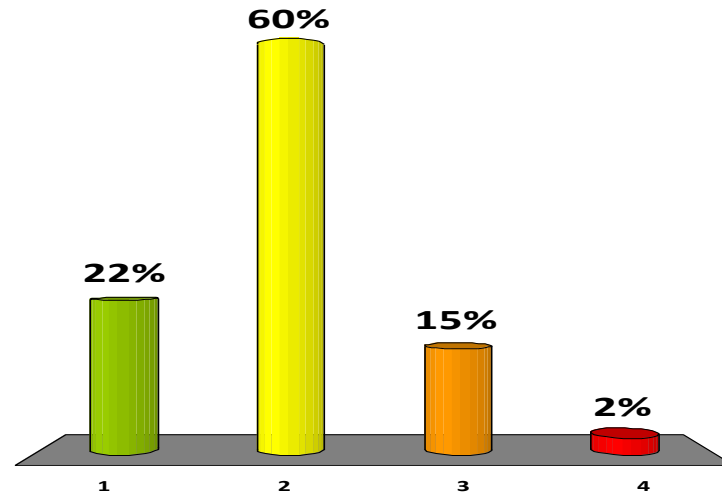
2.



3.



4.



Topic 1: Integrated Audits

How many times have we all heard “...but the (other) auditors were just here last week?” Many organizations have separate audit staffs for environment, health, safety, quality, operations, finance, management systems, compliance, security, social responsibility, energy, “green initiatives”, etc.

Are there synergies to be gained in combining some of these audits? Or is the current common framework of “each function has its own audit process” one that we can expect to see for years to come?

Where integrated audits have been tried, have they worked? If so, what were the benefits? If not, why not?

Topic 1: Integrated Audits – Survey Questions

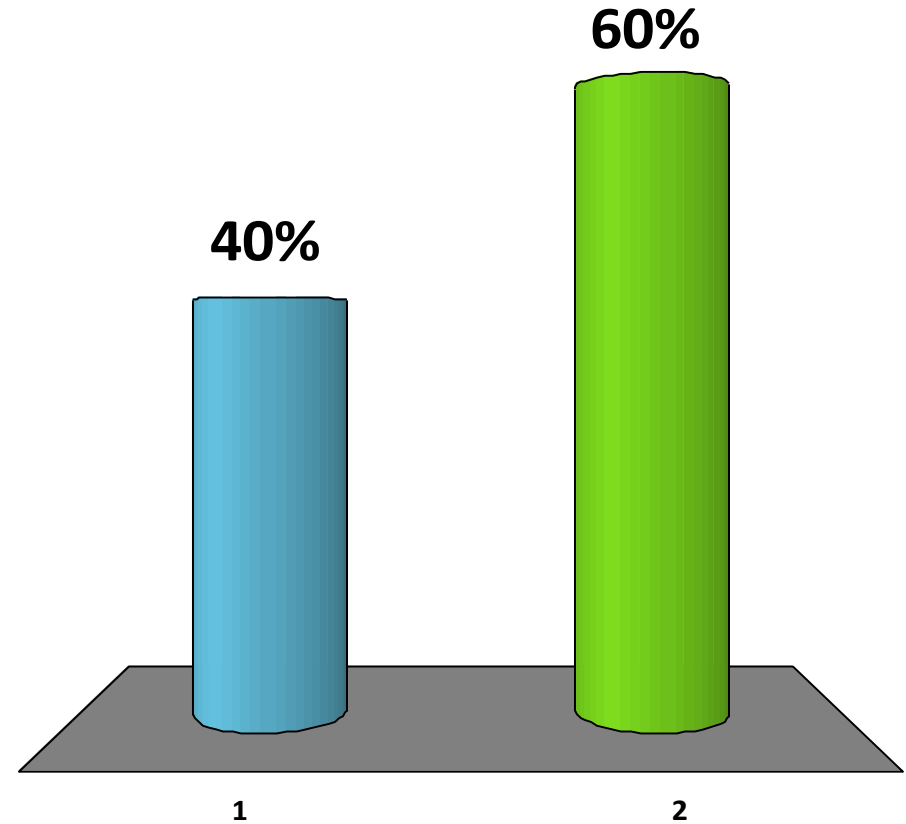
- Have you participated in an integrated audit?
- Which program areas would be most beneficial to integrate with EHS audits?
- What benefits is the organization most likely to gain through the performance of integrated audits?
- What are the potential negative aspects of integrated audits?
- If you have participated in an integrated audit, what was your overall opinion of the experience?

Have you participated in an integrated audit?

1. Yes

2. No

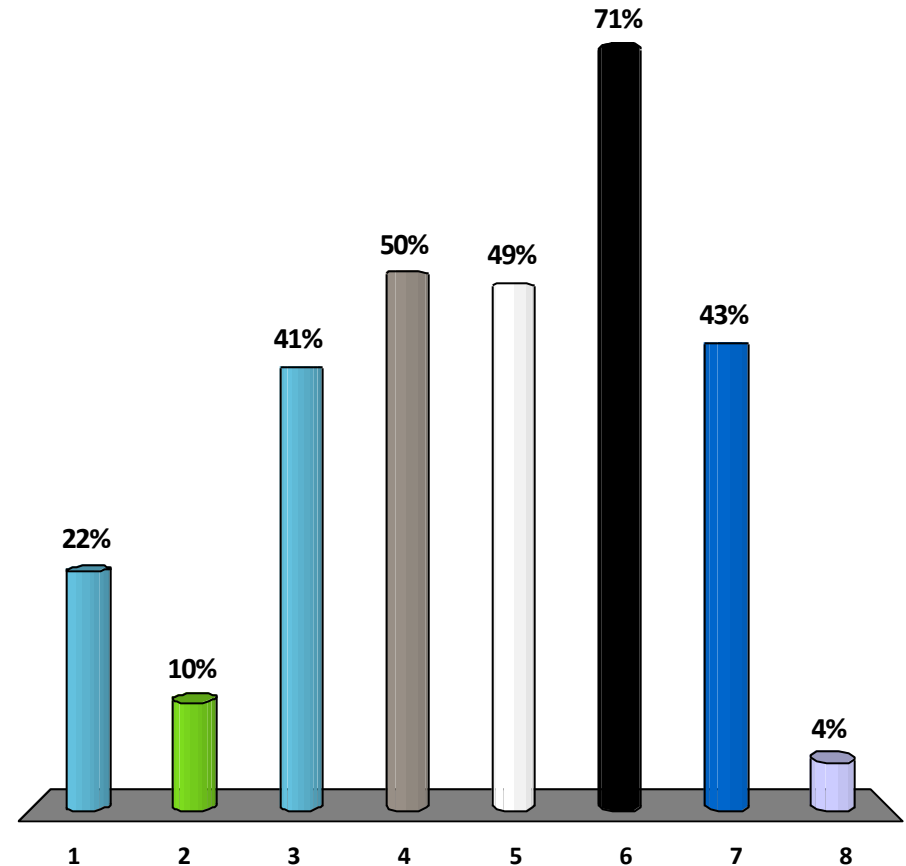
Note: an “integrated audit” is defined for the purpose of this survey as any audit that includes both EHS topical coverage and other non-traditional topics (e.g., financial)



Which program areas would be most beneficial to integrate with EHS audits?

Select the top 3 choices:

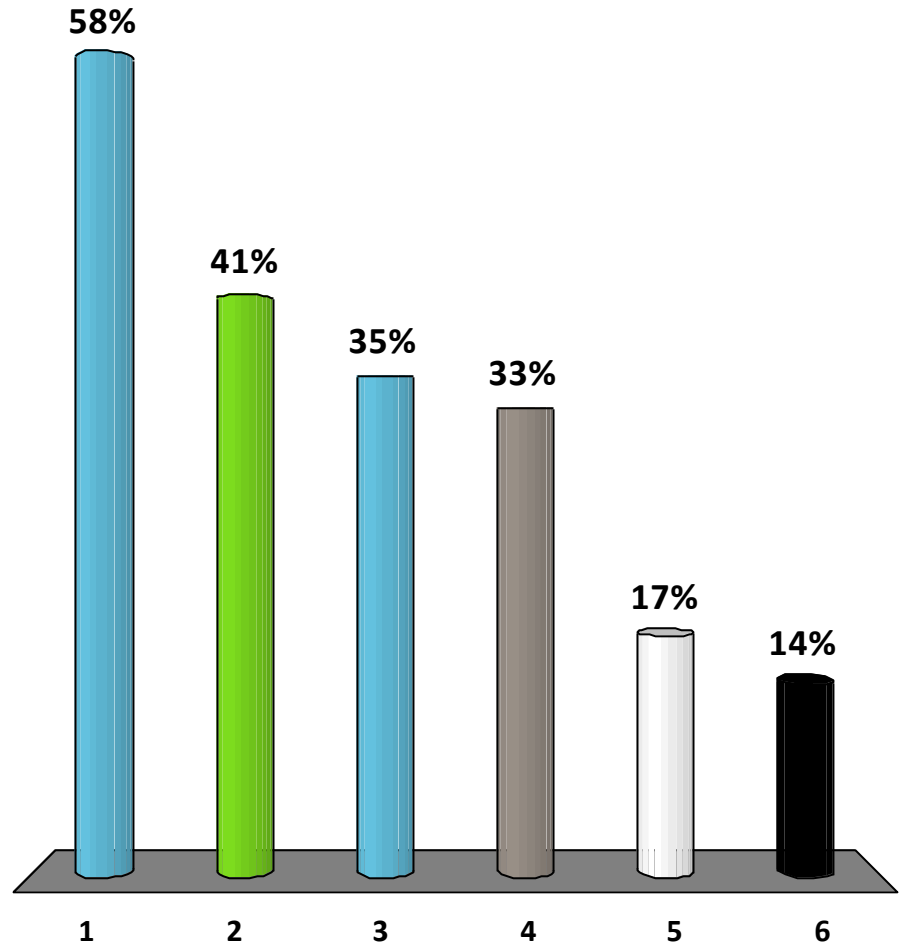
1. Quality
2. Finance
3. Operations
4. Energy
5. Security
6. Sustainability
7. Green initiatives
8. Other



What benefits is the organization most likely to gain through the performance of integrated audits?

Select the top 2 choices:

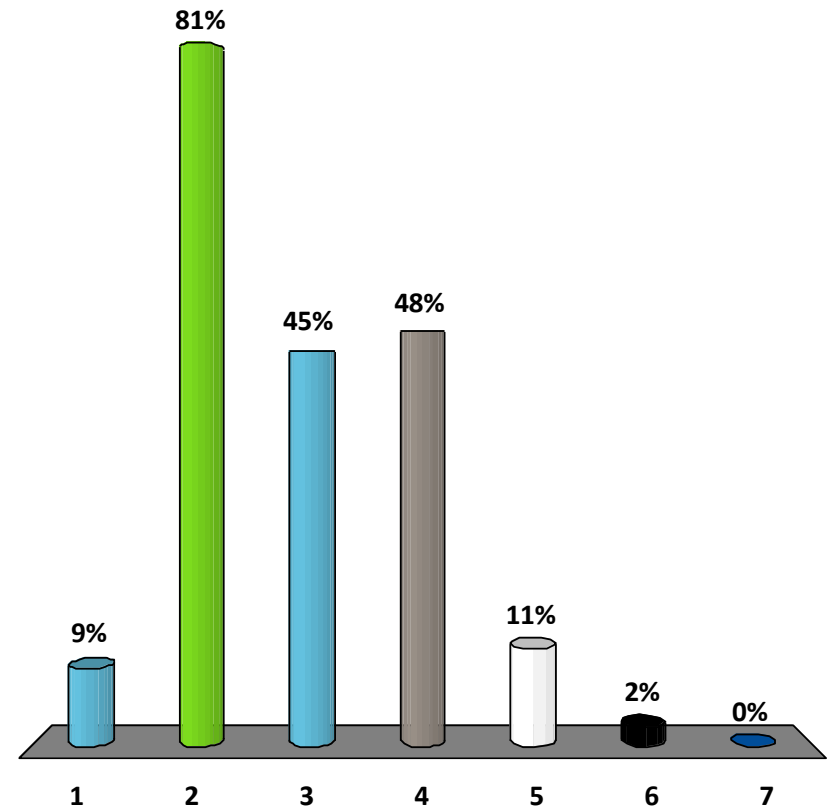
1. Broader view of business activities
2. Audit results have an enhanced business context
3. More productive for auditees
4. One assessment methodology produces more consistency
5. Improved action plans
6. Other



What are the potential negative aspects of integrated audits?

Select the top 2 choices:

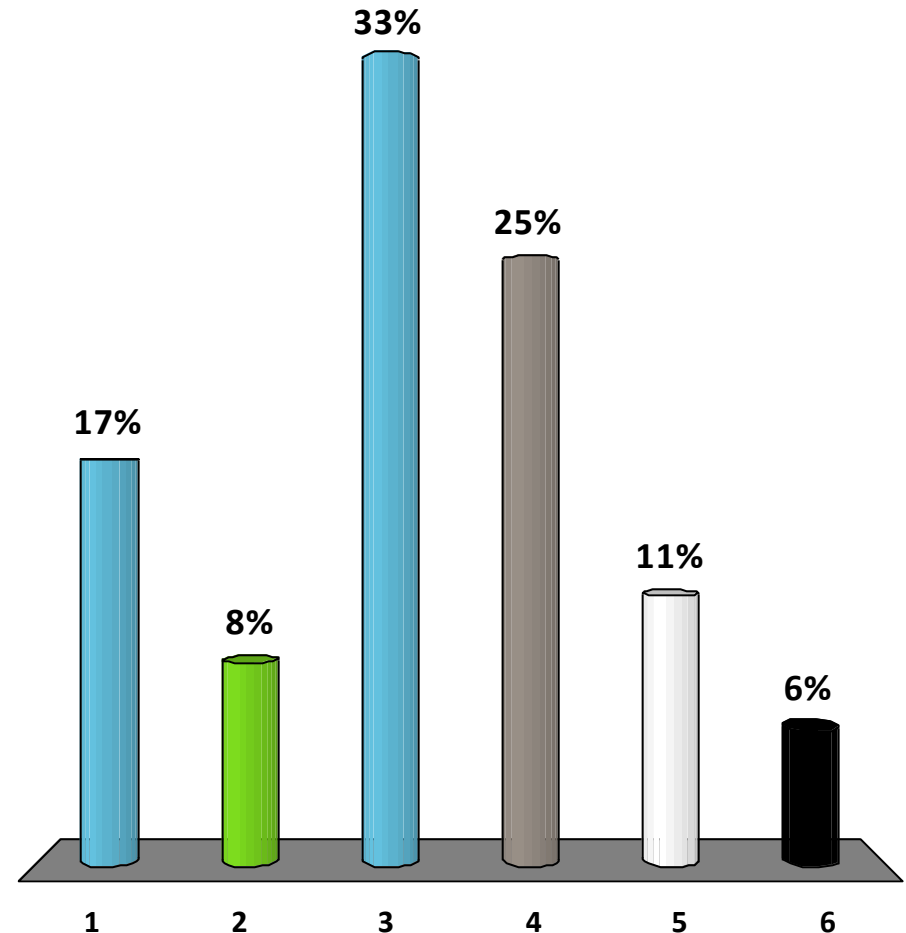
1. Confusing for auditees
2. Competition for time/attention from auditees
3. Decreased focus on specific areas of interest
4. Less time available to complete in-depth reviews
5. Too difficult to schedule
6. Audit results difficult to understand
7. Other



If you have participated in an integrated audit, what was your overall opinion of the experience?

Select one response:

1. It was more productive than a single focus audit
2. It was the same as a single focus audit
3. It was less productive than a single focus audit
4. It was a great learning experience
5. It was a near-disaster
6. Other



Topic 2: Technology in the Audit Process

Remember the old days of heavy briefcases, paper checklists, and voluminous, poorly organized working papers? Handwritten report drafts? Calling cards and phone booths? How did we ever audit before the Internet, laptops, GPSs, and smart phones?

Technology continues to evolve rapidly and the auditing profession has already benefited from new audit tools and resources that leverage these technology advancements.

This topic is focused on the tools and technology used by today's EHS auditors and thoughts about what future tools and resources will be needed to improve efficiency and effectiveness, thereby maximizing overall value to the organization.

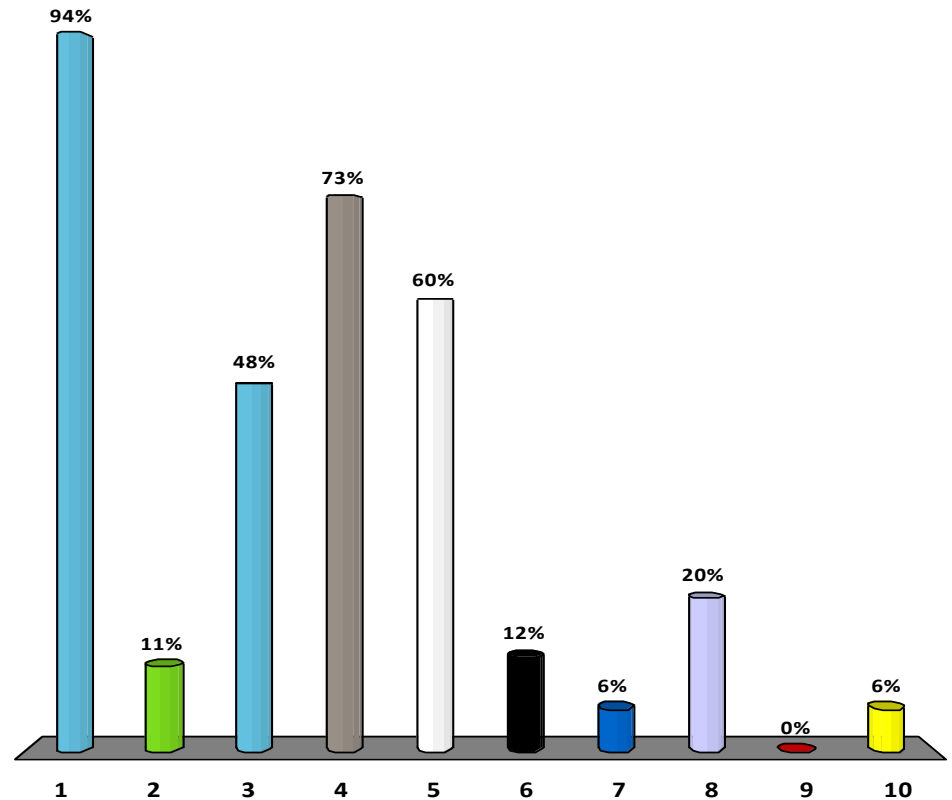
Topic 2: Technology in the audit process - questions

- What technology do you ACTUALLY use in your audit program?
- What aspects of auditing will benefit most from technology?
- What are the likely benefits of the further introduction of technology into the EHS audit process?
- What are the potential downsides of the further introduction of technology into the EHS audit process?
- What has the most potential for technological improvement in EHS auditing?

What technology do you ACTUALLY use in your audit program?

Select all that apply:

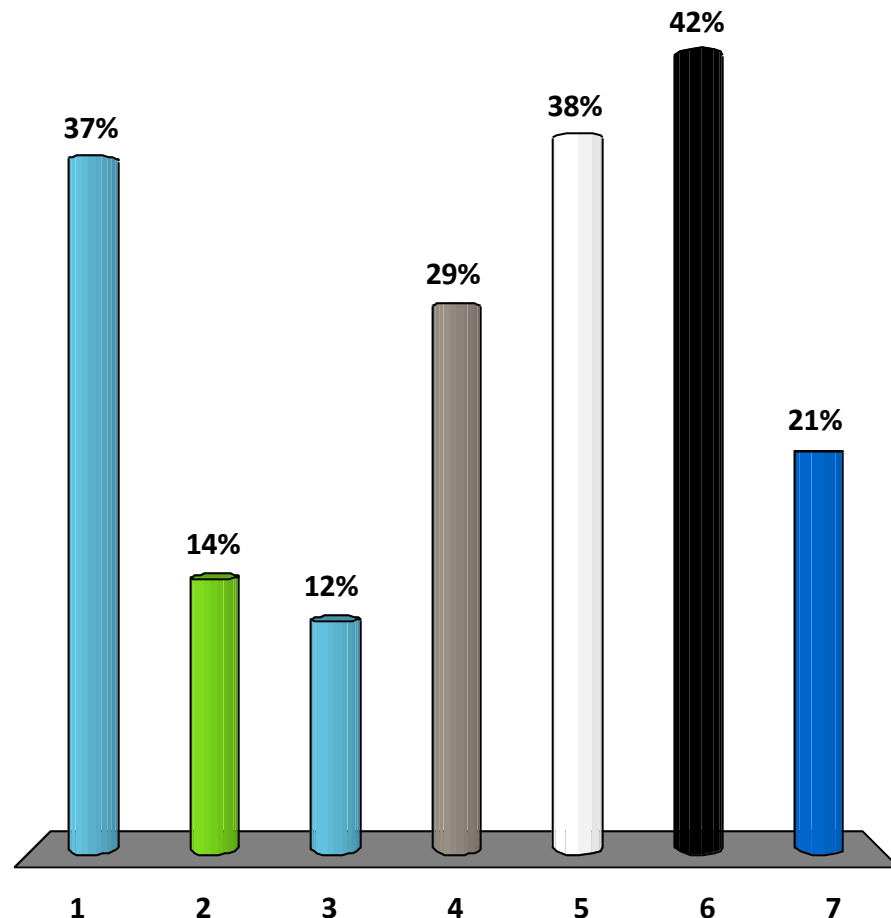
1. Laptops
2. iPad or other electronic tablet
3. Smart phones (Blackberry, iPhone, other)
4. Cameras
5. On-line conferencing
6. On-line chat
7. Cloud computing
8. On-line collaboration
9. None
10. Other



What aspects of auditing will benefit most from technology?

Select your top 2 choices:

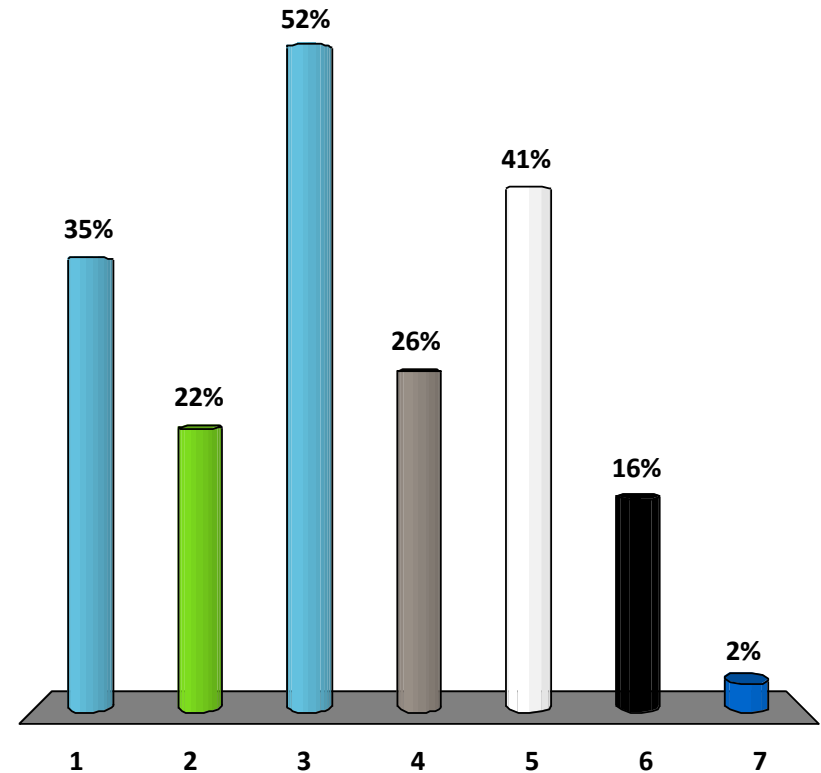
1. Audit program management
2. Audit planning
3. Auditor training/competency maintenance
4. Audit preparation
5. On-site auditing
6. Reporting
7. Post-audit work



What are the likely benefits of the further introduction of technology into the EHS audit process?

Select the top 2 choices:

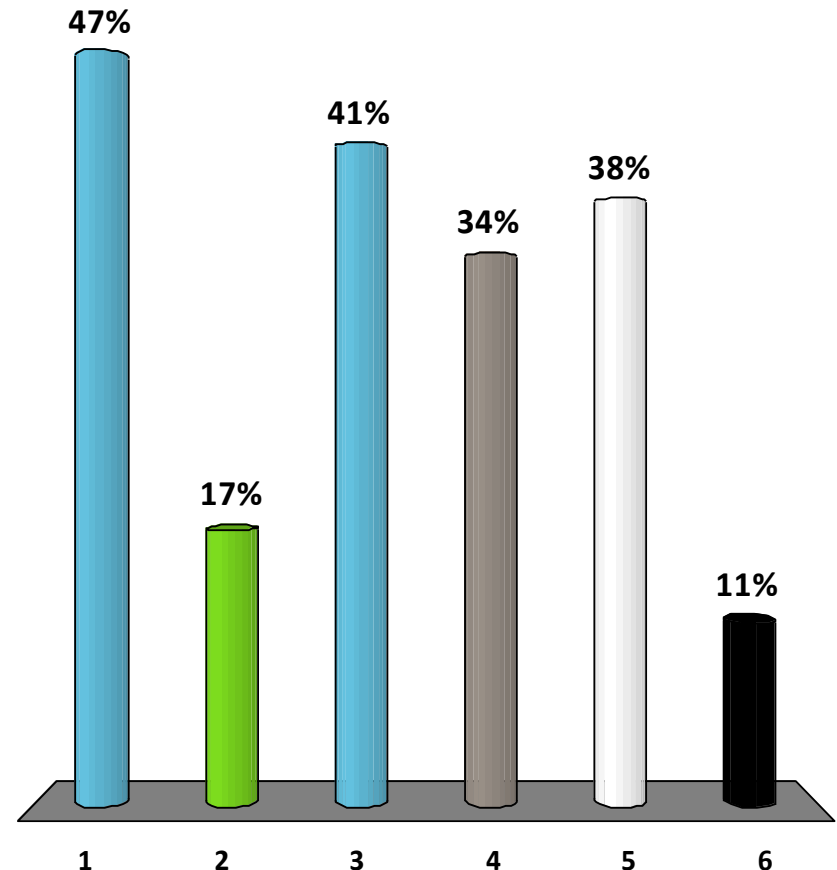
1. Shorter audit cycle time
2. Cost reduction
3. Improved auditor performance
4. Information disseminated to more individuals for review
5. Easier collaboration
6. More time for analysis
7. Other



What are the potential downsides of the further introduction of technology into the EHS audit process?

Select the top 2 choices:

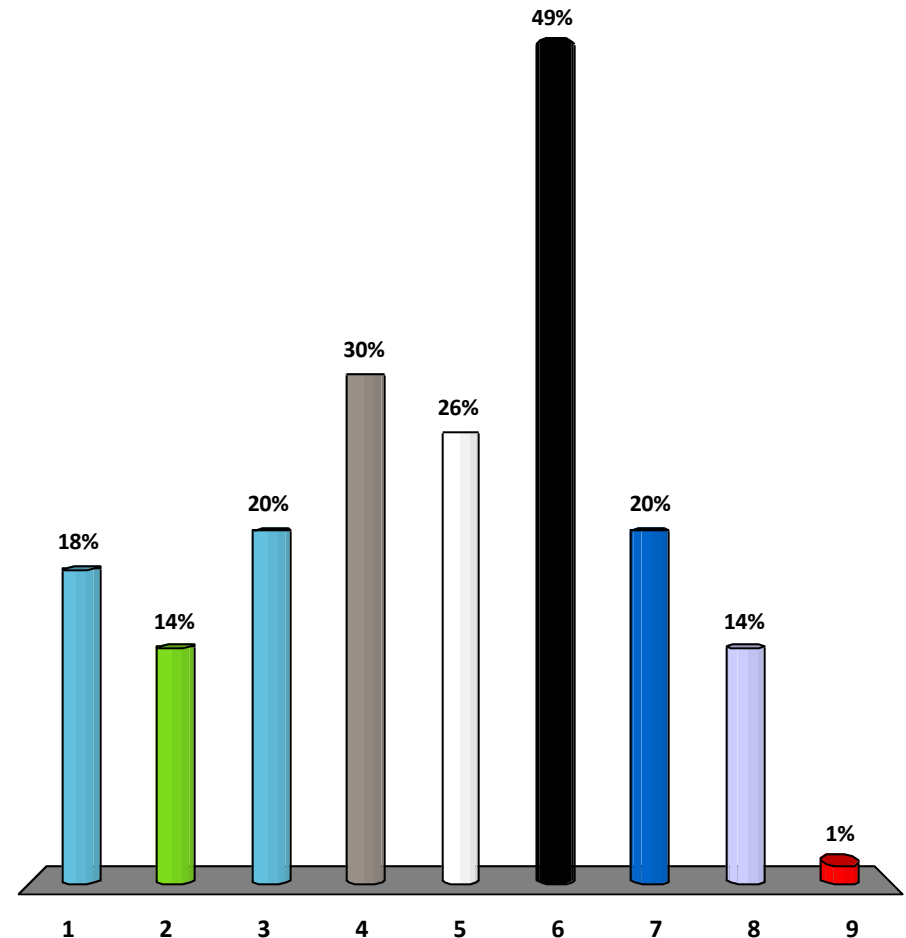
1. Decreased personal contact in the audit process
2. Cost increases
3. Increased possibility of the misinterpretation of information, observations, etc.
4. Less control over audit-related information
5. Less security over audit-related information
6. Other



What has the most potential for technological improvement in EHS auditing?

Select the top 2 choices:

1. Risk-based audit scheduling and scoping
2. Auditor training
3. Verification of compliance/conformance
4. Use of audit protocols
5. Audit report writing
6. Corrective action tracking
7. Communications (such as virtual meetings)
8. Remote auditing
9. Other



Topic 3: Remote Auditing

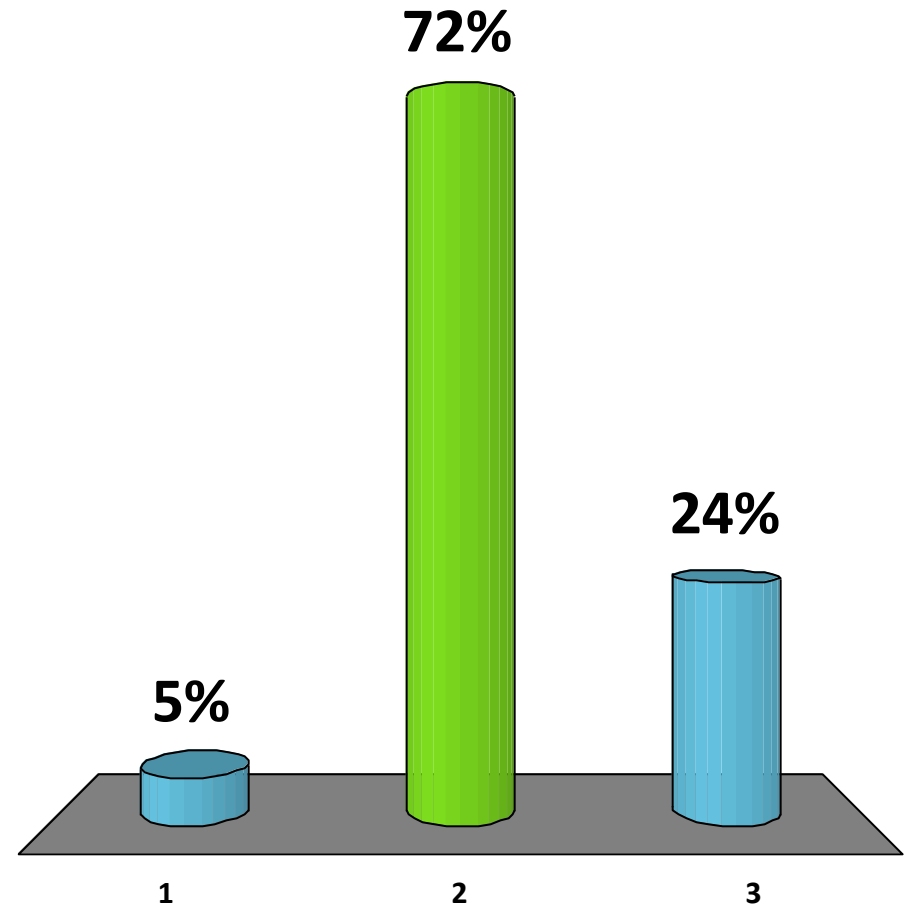
The concept of performing EHS audits “remotely” (i.e., the audit team is physically separate from the facility/activity being audited) has been discussed for many years. Although there have been isolated situations in which remote auditing techniques have been deployed with some modicum of success, the concept remains little more than a long-term vision for many organizations (and isn’t even on the “radar screen” of others), with commonly cited benefits of expediting the audit process, cost reduction, and auditor safety.

Please answer the survey question from the perspective of your organization (whether associated with an internal audit process or a third-party audit service provider), making the assumption that the technology to perform “remote audits” is readily available and cost-effective to deploy.

Can EHS auditing (compliance verification and conformance evaluations) be performed remotely?

Select one response:

1. Yes, for all aspects of an EHS audit
2. Yes, but only for limited aspects of an EHS audit
3. No, auditors must be physically present on site for all aspects of an EHS audit



Parting Thoughts



- *Déjà vu*: EHS audit programs are dynamic by definition and by practice - if your audit program is not, it's likely time to “step back” and determine if maximum value is being provided to key stakeholders
- Context, context, context...EHS audits often have suffered from not having the proper business context so as to gain proper attention from management and to best leverage results
- We've come a long way in our discipline in terms of technology, but we have some catching up to do...and we need to properly position ourselves to maximize the use of technology in the future
- We hope that the discussions and survey results today have provided you with a few takeaways for your audit program/processes

Thank You!

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