

ENVIRONMENTAL AUDIT. CONCEPT AND SIGNIFICANCE

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Abstract

Environmental audit is a specific study environment, sought and used to making decisions and consists of a systematic, documented and regularly measure the organization, management, infrastructure and environmental equipment safety environmental protection requirements. The focus control practices in environmental management and how these practices are in harmony with the policies of the organization, so that they meet the regulations in force relating to the environment.

Key words: environmental audit, audit standards, management.

INTRODUCTION

Environmental audit concept is relatively new, as defined in the literature as a process of environmental assessment and review, involving analyzes, tests and confirmations to verify to what extent an entity, as a whole or certain structure components, comply with legal environment. This concept emerged in the United States in the early 80s in order to assess the environmental performance of companies in the oil and chemical industry. Confederation of British Industry defines environmental auditing as the systematic examination of the interactions between all its economic and environmental (emissions to air, water, soil, effects on surrounding areas, landscapes) and public perception about the environmental effects of companies' activities. Environmental audit is a specific study environment, sought and used to making decisions and consists of a systematic, documented and regularly measure the organization, management, infrastructure and environmental equipment safety environmental protection requirements. The focus control practices in environmental management and how these practices are in harmony with the policies of the organization, so that they meet the regulations in force relating to the environment.

Few companies have trained audit teams to audit environmental specialist. These teams may include, due to extensive problems, engineers (hydrologists, geologists, etc.), lawyers, finance specialists, persons certified ISO 14000 series of standards. A large number of organizations that provide verification audit for environmental reports, such as the Association of Chartered Certified Accountants (ACCA) in London, Canadian Institute of Chartered Accountants (CICA), the European Federation of Accountants and the Institute of Chartered Accountants (ICA) have developed guidelines

for verifying environmental and sustainability reports. European Federation of Accountants in 1995 drafted the document "Providing insurance for environmental reports" and INTOSAI has created a working group for environmental audit, which published in 2001 Guidelines for environmental audit. Working Group has conducted numerous studies and research related to this issue, and the results were published on the website INTOSAI.

The Environmental Protection Law no. 265/2006 in Romania, environmental audit is defined as a management tool for systematic, documented, periodic and objective performance of the organization, management system and processes for environmental protection order:

a) facilitating management control practices with possible impact on the environment;

b) to assess compliance with the environmental policy, including the objectives and targets of the organization. Environmental audit entity that provides leadership within it are respected environmental legislation and standards (agreement, authorization, etc.). It also certifies the involvement and awareness of staff involved in this issue. The term "environmental audit" is a name commonly agreed in the Working Group - WGEA, generally used to describe one of the many activities - such as management audits, product certification, government control measures and many other activities - who have little or no relation to the external audit. In the guidelines on environmental audit prepared by the Working Group - WGEA and INTOSAI community, the term "environmental audit" is used only in the context of external and independent audit.

MATERIAL AND METHODS

ISSAI 5110 ISSAI 5110 - Guidelines for conducting environmental audits At the XV Congress INCOSAI Cairo was established that environmental audit approach, in principle, no different from the audit approach as practiced by SAI normally, and it can include all types of audit. In this context, attention can turn audit, for example, the presentation of assets and liabilities for environmental, compliance with legislation and agreements - national and international - as environmental and measures imposed by the audited entity to promote economy, efficiency and effectiveness.

The involvement of SAIs in organizing environmental audit was thus started on the fifteenth INTOSAI Congress in Cairo in 1995, developed at the V Congress Euros, in Moscow in 2002 and marked the twentieth century INTOSAI Congress in Johannesburg in 2010. Current economic conditions require rethinking concepts, missions, strategies and objectives including its

institutional relations - on the environment. As a priority, the activity of each SAI, WGEA Working Group recommends that national and international audits in areas with serious environmental problems, such as waste management, including radioactive pollution of freshwater and sea, including pollutants from agriculture, conservation, including protection of endangered species of flora and fauna, air pollution, especially in nature. Based on the national legal framework and international agreements to which Romania is a party, the Court has a number of powers in public external audit environment.

The main specific activities of the Court of Auditors shall audit control and external public. External public audit includes mainly financial audit and performance audit.

a) The activity aims to control and check whether the administration of public and private property and state administrative units, as well as the budgets of income and expenditure by the controlled entity are consistent with the goals, objectives and tasks stipulated in the regulations by which the entity was established and whether they comply with the principles of legality, regularity, economy, efficiency and effectiveness;

b) The financial audit aims to whether the financial statements are complete, accurate and in compliance with laws and regulations, providing an opinion in this respect;

c) The performance audit activity evaluates how an entity independent program, activity or operation work the viewpoints of efficiency, economy and effectiveness. According to the Regulation on the organization and the specific activities of the Court of Auditors and the documents resulting from these activities, public external auditors shall, in the objectives and elements that relate to the environment, so both in control and in the financial audit check creation, use and management of financial resources for environmental protection, quality improvement.

The definition is found in ISSAI 5110 - Guidelines for conducting environmental audits and living conditions muncă.¹⁰ This is recorded in separate sections of the audit report and financial audit report (in any type of action control with the exception of checking the way for completion of the measures ordered by the Court following a previous check. ¹⁰ According pct.40 (d8), 80 (a), 259 (f) and 340 (g4) of the Organizing and specific activities of the Court of Auditors and the documents resulting from these activities.

At the fourth Congress of EUROSAI (European Organisation of Supreme Audit Institutions) in Paris (1999), the Court of Accounts has acquired the status of sub - coordinator for the Black Sea Working Group on Environmental Auditing EUROS. The purpose and duties of sub-zonal

coordinators derived from those of the European Coordinator, namely encouraging SAIs in Europe to attend international audit projects concerning environmental issues that take place in the context of sustainable development of various European regions by:

- Promote and initiate international environmental audits;
- The exchange including documents, standards and procedures / techniques audit;
- Spreading information on the audit findings and the environment in Europe. Environmental audit by the Court of Auditors in international environmental agreements in the nature of audit parallel / coordinated as defined in INTOSAI documents, took the form of performance audit, compliance or financial. This orientation of the institution is placed in the context concerns the International Supreme Audit Institutions to provide independent audit activities impact the environment. Conduct environmental audits.

RESULTS AND DISCUSSION

As mentioned INTOSAI audit environmental audit is not significantly different commonly practiced in SAI and it can include all types of audits: financial audit, compliance and performance audit. In addition to the elements to be taken into account in the performance audit that the three "E" (economy, efficiency, effectiveness), one can adopt the 4th "E" (environment), which is "medium" audit that impact/effect of a program, project or activity conducted on the environment, but this depends on the mandate of the SAI and environmental policy of the government, and it is desirable to take into account, but not required, in carrying out environmental audit. External public auditors will carry out environmental audits in accordance with the requirements of Regulation on specific activities of the Court of Auditors and the documents resulting from these activities.

As is known, they are structured in four categories of standards based audit activities they carry out the Court, namely:

One. General audit standards; Two. Specific standards of financial audit; Three. Specific standards of performance audit; April. Specific standards compliance audit. One. General audit standards set out the requirements that the Court of Auditors, the external public auditors must comply to achieve the engagement objectives, in terms of economy, efficiency and effectiveness.

General Standards Audit Court of Auditors are structured:

- 1.1. auditing standards including the principles of ethical conduct;
- 1.2. standard on audit documentation;

- 1.3. standard on the principles of legality and regularity;
- 1.4. standard on using the work of internal auditors;
- 1.5. standard on the use of an expert;
- 1.6. assurance and quality control standards in auditing;
- 1.7. standard for communication;
- 1.8. standard of accountability and transparency;
- 1.9. standard for following up the fulfilment of the measures ordered by the Court.

Two. Specific financial audit standards are structured as follows:

- a) The specific standards set planning stage steps you need to go through the auditor in the audit planning so as to ensure that it will perform in an economic, efficient and effective, to budget time assigned to the engagement;
- b) The specific standards set execution phase procedures and techniques used to obtain relevant audit evidence in support of the findings, conclusions and formulating recommendations and the audit opinion;
- c) Reporting Standards contain requirements specific stage on the presentation of the findings, conclusions, recommendations and expressing the audit opinion in the audit report.

Three. Specific standards of performance audit is structured as follows:

- a) Specific standards planning stage, which were established requirements and procedures for planning performance audit;
- b) Specific standards implementation phase, which were established audit procedures and techniques aimed at obtaining audit evidence to substantiate the findings, conclusions and recommendations of the external public auditor;
- c) Stage - specific reporting standards, which were established requirements regarding the presentation of findings, recommendations and preparation of performance audit report.

April. Specific standards of compliance audits are structured as follows:

- a) Specific standards planning stage through the steps that were determined to be the auditor to go through the planning stage of the audit;
- b) Specific standards implementation phase, which were established audit procedures and techniques for gathering audit evidence to support the findings, conclusions and recommendations;
- c) Stage - specific reporting standards, which were established requirements relating to the preparation of the audit report compliance.

CONCLUSIONS

The environmental audit The actions they perform audits, including those that address environmental, public external auditors must comply with the Code of Ethics and Professional Conduct and Court staff to ensure the following objectives: reliability of information and the Court of Auditors as an institution, professionalism, quality of control/external public audit, obtaining trust controlled/audited entities, strengthening the legal status of the business entity checked. The fundamental principles laid down therein are supremacy of the Constitution and the law, independence, integrity, objectivity, professional competence, confidentiality, professional conduct. Also, environmental audit, external public auditors must comply with the auditing standards of the Court.

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