

# Environmental Auditing in Business Unit

Hamid Ravan Paknoodezh  
Research Scholar Department of Commerce  
University of Kerala  
Trivandrum, India

## *Abstract*

The primary purpose of this essay is to review definitions of environmental auditing and its processes, characteristics, benefits and all kinds of it.

The necessity of answering for current operating (operation) and future of organizations and economic institutes about environmental subjects caused a new brand creation of auditing profession, which is called environmental auditing. This auditing observes and evaluates the main procedure of financial institutes and organizations about the environment.

## *Introduction*

In recent years concerns about the environment, protection increases remarkably and transformers to the main subject for organizations, companies, governments, and citizenries(citizens) enterprises and agencies in different economical parts focus their attention and efforts on constant improvements of environment and protection of human's health in production and current activities and future activities. Therefore, now companies can deny the effecting of environmental principles none of which directly effect, their activities with setting new rules a customer forces and demand and supply of markets.

The necessity of awareness and attention increases about environmental subjects and organization's responsibilities front these subjects, caused a new branch creation of auditing profession named environmental auditing. This kind of auditing observes primary procedure of organizations about environmental topics and evaluates the risk of certain exogenous activities of economic subjects and its effects on the environment.

Observation auditing (auditing of past (previous) responsibilities, current obligations, and future responsibilities), process auditing (auditing of buying effect or procedure a new company, auditing the effect of the environment of organizations location, auditing of manufacturing production and auditing of processes of environmental.

**Keywords:** Environment, Environmental auditing, observation auditing, process auditing.

In this kind of auditing, organization environmental operations observe (audits) based on processes, purposes, and rules (laws) refer to the environment. Therefore mention processes and objectives should define clearly and should document as well because, this subject can cause noteworthy enhancement for practical procedure management in companies and economic institutes (death, 2004)

Environmental auditing transforms to the important tool which protects and achieves the standards of environment's pollutions control. This kind of auditing is defined as systematic observation, documentary, intermittent and none side view rules and environmental rules by organizations and economic institutes. Environmental auditing can have different goals such as affirmation of environmental necessity's observation, environmental management system's effects evaluation and evaluating the risk which is caused by legal and illegal activities of economic institutes. (Fery and Johnson 2000)

## ***Research history:***

Former researchers in the field of environmental auditing can be categorized.

In two groups:

**A)** group one include researches which focus on the definitions, benefits (profits) and problems of this kind of auditing

De Moor and de Beedle (2005) define environmental auditing as a procedure which observes organization and economical institute's systems, activities and processes about environmental subjects.

Picard believes environmental auditing is a voluntary or mandatory or from legal (governmental) organizations which provide useful information about trading and economic activities effects an environment.

Maltbay (1995) define environmental auditing as management tools for evaluating systematic, documentary, intermittent and none side of how environmental activities of organization controls.

These activities are accomplished by simplification of controlling environmental management and evaluating observation of environmental processes of organizations.

Stanford believes (2004) environmental auditing is a voluntary consideration from processes and organizations activities for evaluating of overrating least rules and environmental rules and profits and environmental management system effects. And observation of damages which occur to environment by organization's processes

Gilbert and gold (1998) also know environmental auditing a systematic procedure which observes proposed announcement about observation aspects of environmental activities of organizations and standards which are used to measure the effects of actions in the method of ability and capability and reports the results to people.

Flemish (2004) defines this auditing a tool to protect environmental management system. He believes for achieving this target we should consider the entrance and output results of them on the environment, managing energy, management and producing technique.

Cahill (2002) also defines environmental auditing and assembling, analyzing, interpreting and sufficient information documentary procedure to achieve auditing goals.

Limberg (1996) after a lot of observations come to this result. Which environmental auditing is so extended and one of its characteristics is it has no certain rule and discipline, and this characteristic makes this special and different.

Unhee (1997) knows environmental auditing a part of auditing science which has positive and negative aspects. He believes high expenses of this auditing the negative as the pact of it which users should pay that.

In contrast, Solomon (2000) believes the expenses of doing this auditing is company's duty. He thinks that this auditing is needed to be assured of overrating rules and

Thinks that this auditing is needed to be assured of overrating standards and environmental rules and important environmental auditing profit.

Nyquist (reducing problem anon cement in the future against company

Stan wick believes reducing risks and improvement of people's opinion about the company and its activities are to 2000) come to this result with his research that companies can use competition profits of this auditing if they keep their connection with the environment.

Demoor and de Beedle mentioned assembling (providing) information for making management decision guarantee returning debts and better management for activities and making an extra tool for evaluating procedure as an environmental auditing profit.

**B)** The group is researching white observes all kind of environmental auditing processes and effective principle on it.

Humphrey and et al. categorized environmental auditing in tow groups which audit conditions overrating rules and environmental rules and audits environmental management system.

In Boral and salsa opinion environmental auditing is an observation auditing which another auditing is in

contact with it and environmental management auditing system is one of its branches.

Tucker and Kasper (1998) believe environmental auditing and environmental management auditing system are the same and their goal is to observe how environmental rules overrated by the administration.

Elliot and Patton (1998) observed the effects of rules on environmental auditing in this research them.

Thinks that this auditing is needed to be assured of overrating rules and categorized companies in to threaten groups and none threaten groups for the environment. The result of research showed that the second group had more defecation for environmental auditing.

Gable and Sinclair (1994) observes the effect of giving manager awards to defecate for environmental auditing, and they concluded that there is a direct relation between then Mishra and et al.(1997) observers the effect of having obligations for revealing information and the importance of environmental auditing and they concluded that wake auditing reports an obligation might out have the negative effect on its organization defecation for environmental auditing. Larrinaga and all (2002) also showed in same research that geographical conditions effect environmental auditing.

Arens and et al. (2003) divided environmental auditing into four processes like financial auditing which is accepting employer programming auditing content test assembling evidence evaluating and reporting.

Grobstein and grating (1984) also categorized environmental auditing into three steps primary programming extending program and applying for program

Lemoore and delete (2004) believe environmental auditing includes three levels activities before auditing, activities during auditing activities after auditing.

Cohen and Hannah (2000) categorized auditing into four steps set a contract, having the schedule, having a test and assembling evidence and reports it.

In Hayes and et al. (1999) opinion auditing has 3 step, two steps of (process) accepting employer and

programming are the same and shouldn't have different defecation.

Medley (1997) divide environmental auditing to interior auditing and independent auditing, and he believes each of these two auditing, participate in environmental auditing procedure. But demanding for independent auditing is more.

Kite and et al.(2001) extend the research of medley (1997) and came to this result that interior auditing has more import role in environmental auditing Karapetrovicand will bear (2001) they announce in their research hart procedure of general environmental auditing and financial auditing are the same. They believe in the environmental auditing process, account compares real conditions with standard auditing and if detect any error will report it to manage to mean.

Horton sings and doing believes auditing must consider the important cycle of schedule, apply (operate) observing (audit) and reforming in auditing procedure.

Gray (2001) observes the characteristic of the accountant for doing the job of environmental auditing. He being independent none \_ side, honest, and having professional knowledge are the key characteristics to be an accountant.

Amberg and et al. (2001) knows the ability of auditing environmental management system and is in depending on Karapetrovicand management system and being independent accountant the two important characteristics of an environmental auditing accountant the characteristic of environmental auditing:

Environmental audit, including compliance auditing, is (audit responsibilities past, current, and future) and auditing processes (education audit firm, audit area, and the establishment organization, products and auditing management)

Environmental audit leading to improved work environment and saving resources is

Also, before the environmental issues become main problems for enterprises, environmental auditing discovered that and enabled organizational areas in need of improvement of technology, management and operational changes, which identifies.

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