

GOWLINGS

Incorporating the practice of SMITH LYONS

Presentation to
Canadian Environmental Auditing Association
Capitalize on the Green
External Trends and Regulatory Factors
for Auditors

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External Trends and Regulatory Factors for Auditors

- Professionalism and the Standard of Care
- Standardizing the Standard of Care
- Regulating the Standard of Care
- Expanding Horizons for Audits

External Trends and Regulatory Factors for Auditors

Professionalism and the Standard of Care

All reasonable professional care

- A flexible concept
- Reflects changing society values
- Entails a weighing of risk, costs, state of the art, industry standards

External Trends and Regulatory Factors for Auditors

Professionalism and the Standard of Care

Stakeholders

- Auditor
- Customers
- Regulators

External Trends and Regulatory Factors for Auditors

Professionalism and the Standard of Care

- Standardizing the standard of care

External Trends and Regulatory Factors for Auditors

Standardizing the Standard of Care

- CSA Phase I
- CSA Phase II
- CSA Environmental Compliance Auditing Standard
- ISO 9000 and 14000 series

External Trends and Regulatory Factors for Auditors

Regulating the Professional and the Standard

- Doctors
- Lawyers
- Accountants
- Engineers
- Environmental Auditors

External Trends and Regulatory Factors for Auditors

Ontario's Brownfield Legislation and Regulations

- Qualified Person
 - Record of Site Condition
 - Phase I Site Assessment
 - Phase II Site Assessment
 - Risk Assessments

External Trends and Regulatory Factors for Auditors

Prescribing the Standard

- Phase I in accordance with CSA Standard
- Phase II in accordance with CSA Standard
- Risk assessment procedures in accordance with *Procedures for the Use of Risk Assessment at Contaminated Sites in Ontario*, published by the MOE

External Trends and Regulatory Factors for Auditors

Expanding the Horizon for Audits

- Desire for independent verification
- Management
- Regulators
- Other stakeholders

External Trends and Regulatory Factors for Auditors

Auditing the Qualitative

- Effectiveness of management systems
- Corporate social responsibility

External Trends and Regulatory Factors for Auditors

Auditing New Metrics for Compliance Purposes

- Facility air emissions
 - SO₂
 - NO_x
 - GHG
- Establishing inventories
- Verifying reductions

External Trends and Regulatory Factors for Auditors

Reliance for New Purposes

- Corporate air emission management policies
- Corporate compliance with capped emission allowances
- Predicting the need to purchase credits
- Verifying credit creation
- Toxic substance management and compliance

External Trends and Regulatory Factors for Auditors

Trends on the Horizon

- New standards
- Prescribed methodologies
- Prescribing the auditor

External Trends and Regulatory Factors for Auditors