How to Conduct a Texas EHS Self-Audit

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TCEQ Encourages Self Audits

TCEQ Audit Act – Statistics

- Notice of Intent
- Disclosure of Violation

Year | Notice of Intent | Disclosure of Violation
--- | --- | ---
2009 | 300 | 200
2010 | 600 | 100
2011 | 700 | 300
2012 | 500 | 200
2013 | 1,400 | 900
2014 | 1,200 | 800
2015 | 1,100 | 900
How to Conduct an Texas or EPA EHS Self-Audit

Three main Phases to an Environmental Audit:

• Phase 1 – Pre-Audit
• Phase 2 – Audit
• Phase 3 – Post-Audit
Phase 1 – Pre-Audit

• An EHS Audit can be complex, so planning is essential
• Audit means “Systematic,” i.e. planned
• Scope of Audit must be specific enough to allow the TCEQ to determine if a discovered violation is included within the Scope of the Audit
• Think through all of this carefully before sending in the Notice of Audit (“NOA”)
Phase 1 – Pre-Audit

• **Create the Audit Team**
  - Decide if:
    - 1.) all internal staff;
    - 2.) mix of internal/outside staff;
    - 3.) all outside staff;
    - 4.) outside consultants;
    - 5.) mix of above.
  - A mix of talent, skills, and perspective is very helpful

• **Develop an Audit Plan**
  - Develop Audit Plan **before** you send in the NOA
  - Can be broad, (Entire Facility – All Media) or narrow (Storage Tanks at Unit A – State Air regulations)
  - Can be for a specific permit
  - Need to prepare for the follow-up and corrective actions
Phase 1 – Pre-Audit

• Before starting the Audit; good idea to request and review pertinent documents:
  • Permits / Permit Applications
  • Feedstock/Production Records
  • Reports
    • Semi-Annual Reports, Deviation Reports
    • Emission Inventories, TRI, DMRs, Emission Events
    • CEMs, Calibrations, RATAs
    • Waste Reports, Manifests, SPCC, CERCLA/EPCRA Reports
    • Agency Files (Agency HQ and/or Region)
  • Previous Audits
    • Corrective Actions
    • **Status of prior audit items**
  • Think like a regulatory person; what would they ask for?
Phase 1 – Pre-Audit

• Based upon documents begin to list follow-up questions, requests
• If issues are identified begin to fill-in the DOV Table
  • **Very Important to stay on top of this!**
  • Ok to list items so you can keep up with them, take them off during the audit if not verified
Phase 2 – Audit

- **Introduction Meeting**
  - Set up ground rules
  - Explain what happens when issue identified, explain process

- **Daily Meeting**
  - First of Day Meeting
    - Tell what you plan to review
    - What resources you need
    - Who/What you are not getting
  - End of Day Meeting
    - What you have found
    - What/Who you need

- **Closing Meeting**
  - Review issues
  - Let plant personnel discuss
  - Plan for Audit Report
  - Timing for DOV Report
Phase 2 – Audit

- **Document Review**
  - Management/Corporate/Plant Policies on EHS
  - Compliance, Training,
  - MOC
  - Air/Water/Waste controls, monitoring, and recordkeeping
  - Emergency Response Procedures
  - Noise Monitoring
  - Complaints – Response to Complaints

- **Make sure documents are:**
  - Up to date
  - Complete
  - Consistent
  - Legally compliant
Phase 2 – Audit

**Site Inspection**
- Keep inspections to site(s) selected for audit
- Don’t go on rabbit trails
  - Wastes Time, angers plant management
  - Make notes for later review

**Evaluate Whether Operations are Compliant**
- Legal Requirements
- Company’s policies and procedures
- EHS program

**If Necessary, Take Samples**
- Short cut samples, (BWON example)

**Keep Legal informed of Audit**
Phase 2 - Audit

- **Interviews**
  - Interview EHS personnel to determine if they know their responsibilities
  - Interview Operations to see if they understand EHS
  - Review Projects to see how MOCs are handled
  - Interview Management, Operations, Maintenance, EHS to see if policies are consistently handled
  - Ask if there are issues that are of concern
  - Ask if there are things “buried under rocks”
  - Go out into the plant and ask people you see about certain issues
Phase 2 – Audit

Closing Meeting

• Make a list of all issues (don’t put down an issue that has not been discussed with the plant)
• Discuss each issue and get agreement, understand reason for disagreement
• For each agreed issue, see if you can develop corrective action, including timing
Don’t wait to start Audit Report and Disclosure Of Violation (DOV)

- DOV to TCEQ can be brief, i.e. cover letter and Table with DOVs
- Include:
  - Legal Name
  - Date of NOA
  - Certified Mail Reference
  - Date of Initiation and Completion of Audit
  - Affirmative Assertion of Violations Discovered
  - Date of Discovery of Violation
  - Duration of Violation
  - Status/Schedule of Corrective Action
## Phase 3 – Post-Audit

### Disclosure of Violation

**Name of Company:** ABC Company  
**Facility Name:** Galveston Plant  
**RN #:** RN123456789

<table>
<thead>
<tr>
<th>Violation</th>
<th>Citation</th>
<th>Violation Start Date</th>
<th>Corrective Action Plan</th>
<th>Schedule or Target Completion Date</th>
<th>Violation Status Completion or Actual Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Failure to register for permit by rule to authorize surface-coating operations</td>
<td>30 TAC 106.433(g)</td>
<td>4/23/2015</td>
<td>Submit Form PI-7 and obtain confirmation from TVEQ that the surface-coating operations are registered under permit by rule</td>
<td>8/1/2015</td>
<td>Early completion; confirmation received 6/4/2015</td>
</tr>
<tr>
<td>2. Failure to properly label used-oil containers. Employees were not trained in labeling procedures</td>
<td>30 TAC 328.26(d)</td>
<td>4/15/2015</td>
<td>All used-oil containers are now properly labeled and employee training regarding labeling procedures was conducted.</td>
<td>Complete</td>
<td>Used-oil containers labeled as of 5/8/2015</td>
</tr>
<tr>
<td>3. Failure to update Stormwater Pollution Protection Plan. The SWPPP needs to be updated to reflect current owner.</td>
<td>Stormwater General Permit TXR05000, Part III, Section A</td>
<td>4/20/2015</td>
<td>Update SWPPP to accurately reflect current owner</td>
<td>8/1/2015</td>
<td>Status update: SWPPP submission has been delayed; plan expected to be submitted by 9/30/2015</td>
</tr>
</tbody>
</table>
Phase 3 – Post-Audit

• Before you prepare a detailed Audit Report check with Legal
• Detailed Report is not needed for TCEQ Audit
• If a Detailed Report is desired and approved:
  • List issues that have been confirmed
  • Do not list issues based upon probabilities
  • Use “Area of Concern” for possible issue
• Make a List of Action Items and Follow-up
  • Action Items should identify who is responsible, when Item is to be Corrected
  • Conduct Regular Follow-up to Ensure Item is corrected
• Worse to Audit and not Follow-up
  • Issue then becomes a Knowing Violation
  • Higher penalties, criminal issues
EPA Protocols for Conducting Environmental Compliance Audits:

- [http://www2.epa.gov/compliance/audit-protocols](http://www2.epa.gov/compliance/audit-protocols)
- Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) – EPA-305-B-98-009
- Stormwater Program – EPA-300-B-05-004
- Municipal Facilities under U.S. EPA’s Wastewater Regulations – EPA 300-B-00-016
- Emergency Planning and Community Right-to-Know Act (EPCRA) and CERCLA Section 103 – EPA-305-B-01-002
- Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) – EPA-300-B-00-003
- Facilities Regulated under Subtitle D of RCRA – EPA-300-B-00-001
- Storage Tanks under the Resource Conservation and Recovery Act – EPA-300-B-00-006
- Treatment, Storage and Disposal Facilities under the Resource Conservation and Recovery Act – EPA-305-B-98-006
- Hazardous Waste Generators under the Resource Conservation and Recovery Act – EPA-305-B-01-003
- Public Water Systems under the Safe Drinking Water Act – EPA-300-B-00-005
- Facilities with PCBs, Asbestos, and Lead-based Paint Regulated under TSCA – EPA-300-B-00-004
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