

# Environmental Auditing: its own Profession?



Auditing Association of Canada

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**Dianne Saxe, Ph.D.**





# Overview

- What?
- Why?
- How?



# What is a profession?

- Personal service
- Public practice
- Essential
- Mastery of complex intellectual skill
  - long apprenticeship
  - continuing education
- Objectively correct
- Priority of public interest

## In other words --

*An occupation requiring specialized abilities on an intellectual rather than a manual level;*

*A relationship of trust and confidentiality between practitioners and clients or employers;*

*An obligation to put the public interest above all else in exchange for the privilege of a protected right to practice and self-regulating status;*

*A common heritage to which it is expected all members of the profession will contribute;*

*A bond among practitioners, embodied by a code of ethics and professional conduct, to protect the public from harm by ensuring that they and their professional colleagues practice competently and with integrity.*



# Public needs protection

- Requires the service
- Can't do it themselves
- Can't tell if it's good



# Earning public trust

- Rules of conduct
  - Public interest comes first
  - Orderly and courteous
- Minimum standards enforced
- Fair conflict resolution



# Standard Rules

- Professional Behaviour
- Integrity and Due Care
- Professional Competence
- Confidentiality
- Objectivity

# The reward of trust

- Authority:
  - Exclusive zone
  - Necessary services
- Public Licence
- Self governance





# Overview

- What?
- Why?
- How?



# Why be your own profession?

- For you
- For your clients
- For the public



# What's happening?

- Primarily unregulated:
  - Anyone can call themselves an Environmental Auditor
  - No barriers to entry
  - No recourse for shoddy work

# Minimum standards?

- Education / experience requirements uneven, unclear
- Inadequate insurance
- Conflicts of interest
- No competence enforcement

# Parts of other professions?

- *Competencies for Reclamation and Remediation*
- It has not worked in Ontario
  - Much work not QP
  - Any engineer?
  - No competence enforcement
  - Insurance /Conflict
- Reg. 511/09 / Approvals reform



# Mobility

- Provinces trying to fill in the gaps
- Different rules in different places
- Reduces competition w/o increasing quality



# Race to the bottom

- Cutting prices
  - Clients selecting on price
- Cutting corners
- Relying on juniors
- Making mistakes
  - When do clients find out?



# No time to...

- Do quality work
- Get better at:
  - relevance v. reliability
  - significance
  - estimates
  - security and controls
  - etc.





# Where does this lead?

- Failed cleanups
- Missed problems
- Unreliable reports
- Unhappy clients
- Turf poaching
- Loss of public trust
- Insurance availability/ cost
- Lawsuits



# Voluntary accreditations

- Useful concept
- Weakened by multiple versions, organizations
- Not *required* for practice
- Minimal disciplinary power

# How many acronyms?

- CECAB
- CCEP
- AAC
- CHSMSA
- CEA
- CSA
- ISO
- SCC
  - more in Alberta



# Client confusion

- What do clients need you for?
- Who can do what?
- How do they know if you're good?
  - Referrals, word of mouth?
  - Hit and miss
  - Find out during lawsuit?



# If you were a profession

- Would it be better?

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# EA a profession?

- Personal service?
- Public practice?
- Essential?
- Mastery of complex intellectual skill?
- Objectively correct?
- Priority of public interest?



# Who needs to know?

- Major environmental changes
- Carbon constrained world
  - will the CAs win this race?
- Adaptation
- Corporate/ public disclosure
- LCA
- Toxics
- Brownfields



# Would common rules help?

- Professional Behaviour?
- Integrity and Due Care?
- Professional Competence?
- Confidentiality?
- Objectivity?





# Exclusive scope?

- What are you uniquely good at?



# Public needs protection?

- Require the service?
- Can't tell if it's good?
- Hurt badly if it isn't?
- *Which do they need more:*
  - cheap?
  - good?
  - it varies?



# Is it worth it?

- For your clients:
  - Do they need quality enough to pay more?
  - Will you provide real enforcement?
- For you:
  - Is it worth:
    - the effort?
    - the cost?
    - the restrictions?



# Competition Board

- Professions: 1/5 of our service economy
- More regulated than others in OECD
- Bottom fifth of productivity per hours worked
- Half as productive as Americans
- *Reducing regulation improves competition and productivity*



# Overview

- What?
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# How?

- Define your scope
- Speak with one voice
- Learn from other professions
- Know why the public needs it
- Have a good plan



# In your plan: Scope

- What should be exclusive?
  - Title
  - Scope
- Overlapping services
- Would sub-specialties do?

# Professional Behaviour

- Governance model
  - Role of the public
  - Discipline model
  - Relationship with other professions
- Insurance
- Draft Rules





# Competence and diligence

- Entry requirements
- Keeping current
- Mobility
- Foreign training
- Grandfathering
- Support staff



# Confidentiality

- Current clients
- Former clients
- Mergers/ staff moves
- Government demands
- Within your firm



# Objectivity

- Conflicts of interest
- Firm structure?
- Rotation?



# In your strategy

- Choose a friendly jurisdiction
- Seek allies:
  - other professions
  - clients
- Prepare for a long road



# Tell your story

- Why should you be a profession?
  - for you
  - for your clients
  - for the public



# Conclusion

- Great opportunities
- System needs improvement.
- Becoming a profession might help.

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## Saxe Law Office

248 Russell Hill Road

Toronto, Ontario M4V 2T2

Tel: 416-962-5882

Fax: 416-962-8817

Email: [admin@envirolaw.com](mailto:admin@envirolaw.com)

[www.envirolaw.com](http://www.envirolaw.com)



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Dianne Saxe

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