Chapter 6
Environmental Audit in Integrated Audit System

ABSTRACT

The niche of a narrow literature in the field inspires the core objective of this chapter which is to develop a coherent and eco-efficient outline for environmental audit in an integrated audit management system. The research paradigm is based on the stakeholder theory refined with Hart's vision of the entity based on natural resources in order to recognize the natural environment as the main stakeholder of any entity. The revision of the literature enables ascertaining the determining factors for an environmental audit integrated in the audit management system. The result is built on the management component of the continuous improvement and creates knowledge for a way of action to implement an environmental management system and environmental auditing and implicitly, to react to social corporate responsibility. Future researches regard the increase the auditor's role in integrating various areas of the sustainability reports.

INTRODUCTION

Placed in the context of stakeholder theory, the main objective of this chapter is to develop a coherent and eco-efficient framework for environmental audit in an integrated audit management system. The starting point is the normative-managerial approach of the theory, offered and argued by Donaldson and Preston (1995). The normative approach involves using of accepted concepts and theories in the field, to substantiate the structures, attitudes and management practices designed to equally consider and meet the interests of all stakeholder groups. Gomes and Gomes (2007) believe that stakeholder theory is opposable to the understanding of the influences that an entity has and perceives, as a member of the community and environment in which it operates. In this context, the authors consider stakeholder theory to be the theoretical alternative to the junction between the resource dependence theory and the institutional theory, with the entity's social and cultural compliance under the environmental pressures as a central point (Scott, 1998). The foundation of resource dependence theory is the existence of relationships between the entity and the specialized environment in which it operates (Orrù, Biggart, &

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Hamilton, 1991). Like Jacobs (1997), Phillips and Reichart (2000) or Haigh and Griffiths (2009), this discourse recognizes the natural environment as the main stakeholder of any entity. The environment influences the entity performance and is directly affected by the entity activities. From this perspective, the vision of the entity based on natural resources developed by Hart (1995) is the theoretical paradigm complementary to stakeholder theory, which offers the same challenge for environmental audit as part of an integrated audit management system.

The sovereign opinion on the entity activities is assumed by the auditing process used to improve its functionality in a large variety of fields (Jasch, 2000) and to transfer information between non competing entities (Ammenberg & Sundin, 2005). The audit process is influenced by the attitudes and beliefs of each individual/group, which are parts of the ethical environment organization (Meyers, 2004; Martinov-Bennie & Pflugrath, 2009), and it is a tool of management control (Verschoor & Reijnders, 2001, cited in Mironeasa & Codina, 2013). Improving functionality in miscellaneous turfs, audits generate benefits in a variety of the environmental aspects dimensions. First, audits should decrease costs, especially, the costs of compliance with any effluent limit imposed by the relevant environmental protection agency. For instance, audits should offer information relating to the most cost-effectively set up to better control the pollution. Second, audits should increase the social responsibility promoting a "green" image. Third, audits may generate other regulatory and non-regulatory benefits; for instance, if the regulator body knows the audit engagements then, these engagements may generate goodwill that might increase the awareness of the authorities on the future potential issues (Earnhart & Leonard, 2013).

The current chapter aims to contribute to the literature from the perspective of the effects and actions need to adapt to the climate change, as a substantiation to assess the current level of environmental management and to identify environmental and social elements that are relevant for entities to include in their corporative management. Achieving the objective, has determined, in the first section of the research work, the description of the scientific context by developing the concept of adaptation to global climate change and multiple perspectives identified in approaching the concept, both in the literature and international regulators. Next section discusses the environmental audits in the context of an integrated audit system as the European Union Eco-Management and Audit Scheme (EMAS), which requires assessing the current degree of environmental management implementation. The following section completes this picture with a managerial approach on environmental audit to create a coherent framework for an eco-efficient corporative management. Finally, there are presented the future research directions and conclusions of the debate conducted along the chapter.

DETERMINANTS AND THEORETICAL GROUNDWORK

The context of sustainable development is strongly influenced by current global climate changes. The extent and intensity of environmental impacts caused international, national, regional, local, and individual positions and actions (in terms of individuals and economic entities). In a broader sense, climate change is understood as any form of climate deviation that has no physical cause and is not statistical in nature. The causes of this complex phenomenon are *natural* (changes in solar activity, long-term alterations of the Earth's orbit, internal natural processes of the climate system) and *anthropological* (the increase in carbon dioxide and other greenhouse gases atmospheric concentration). In a narrow sense, climate change indicates significant alterations of climatological elements during a given period, entailing economic, social and environmental consequences. Climate change is an environmental problem