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OSWER Docket, EPA Docket Center
Mail Code 2822-1T
Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460
Attention Docket ID No. EPA-HQ-OEM-2015-0725

Submitted electronically via www.regulations.gov
ATN: Mr. James Belke

Dear Mr. Belke:

RE: EPA's Proposed Accidental Release Prevention Requirements: Risk Management Programs Under the Clean Air Act

On behalf of The Institute of Internal Auditors (IIA), I appreciate the opportunity to respond to the Environmental Protection Agency's proposed revisions to 40 CFR Part 68 Accidental Release Prevention Requirements: Risk Management Programs Under the Clean Air Act; Proposed Rule, 81 Fed. Reg 16,338 (March 14, 2016). The IIA, the globally recognized authority and provider of standards, guidance, and certifications for the internal auditing profession, is dedicated to the development of high standards and professional practice of environmental, health and safety (EHS) auditing through administration of hallmark certifications, including the Certified Professional Environmental Auditor (CPEA) and Certified Process Safety Auditor (CPSA). The IIA represents more than 180,000 members worldwide, with one third of those in the United States.

The focus of our comments is the EPA's approach to assuring auditor independence in the proposed rules with respect to audits triggered by accidental releases having significant impacts. In particular, we ask the EPA to consider the following points and revise its referenced proposal accordingly:

1. The IIA agrees that auditor independence is crucially important to ensuring the completeness and integrity of audit results, but we believe that such independence can be assured whether the team comprises

internal or external auditors. We also believe that internal auditors typically have a better understanding of the process subject to the audit and that this understanding improves the quality and depth of audits. The IIA's *Standards*, principles and ethics provide assurance that internal auditors will exhibit a high level of independence. The EPA's suggestion that a third-party auditor would uncover more information than a qualified internal auditor is not supported by the efficiencies and effectiveness gained in the longstanding practice of independent and objective internal auditing.

2. Any certification requirements must focus on audit skills. The IIA does not believe the proposed requirement that the auditor be a professional engineer is appropriate. Professional engineering licensure does not include auditing techniques, nor does it automatically qualify these individuals to perform an effective audit. The IIA's certifications, *Standards*, and governance of internal auditors ensure the highest level of competency and professionalism. The EPA's proposal to require professional licensure would conflict with these well-vetted certification requirements and disqualify many certified internal auditors, reducing eligibility and overriding expert qualifications without justification.
3. The IIA submits that the EPA's proposal to prohibit consultants from performing audits due to previous or potential future work at the company goes too far. Such prohibitions would reduce an already limited pool of qualified individuals capable of performing an effective audit. Further, restrictions on future employment would fall particularly hard on individual employees, making it difficult for companies to staff audits. (These prohibitions may also be difficult to enforce, as it is not clear how the EPA would preclude employees who participate in audits pursuant to the rules from subsequently pursuing work for the companies in question several years later.) The EPA's proposed requirements would have the unintended consequence of reducing the quality of audits, as many highly qualified auditors would be barred from conducting audits. They also would adversely affect small to midsize audit businesses by limiting their ability to perform work.

Internal audit is an independent and objective assurance and consulting function designed to improve an organization's operations. It brings a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes. The profession is guided by The IIA's *International Standards for the Professional Practice of Internal Auditing (Standards)*. The aforementioned CPEA and CPSA certifications are awarded under exacting guidelines by the Board of Environmental, Health & Safety Auditor Certifications (BEAC), an independent, nonprofit corporation that submitted its own comments to the EPA proposal. The IIA supports those comments.

I appreciate your consideration of The IIA's comments. If additional information is required, please contact Kathy Anderson, Managing Director, North American Advocacy, at 407-937-1291 or kathy.anderson@theiia.org.

Sincerely,

A handwritten signature in black ink that reads "Richard F. Chambers". The signature is written in a cursive style with a large, looping initial "R".

Richard F. Chambers, CIA, QIAL, CGAP, CCSA, CRMA
President and Chief Executive Officer