



Hazardous Waste Section Audit Policy Guidance

What is the Hazardous Waste Section Audit Policy?

The Hazardous Waste Section Audit Policy (Audit Policy) conditions are similar to the EPA Audit Policy ([65 FR 19618; April 11, 2000](#)). A facility wishing to use the Audit Policy, must submit, in writing, information on how all nine conditions are met in order to be considered for a penalty waiver. If a facility meets the nine conditions set forth in the policy, the Hazardous Waste Section will not seek administrative or civil penalties beyond the economic benefit the company received from non-compliance. When any or all of the nine conditions are not met, the Hazardous Waste Section may consider the nature and extent of any audit or compliance system in deciding the appropriate enforcement response.

What are the nine conditions of the Audit Policy?

- 1) The violation must have been discovered through either an environmental audit, or a compliance management system that reflects due diligence in preventing, detecting, and correcting violations.
- 2) The violation must have been identified voluntarily, and not through a monitoring, sampling, or auditing procedure that is required by statute, regulation, permit, judicial or administrative order, or consent agreement.
- 3) The entity must disclose the violation in writing to NCDEQ, Hazardous Waste Section within 21 calendar days after discovery. (See "[How do I submit the written information when the Audit Policy is used?](#)")
- 4) The entity must discover the violation independently. The violation must be discovered and identified before NCDEQ, or another government agency likely would have identified the problem either through its own investigative work or from information received through a third party.
- 5) The entity must remedy any harm caused by the violation and expeditiously certify in writing to the Hazardous Waste Section that the violation has been corrected. Correction and remediation in this context include responding to spills and carrying out any removal or required remedial actions.
- 6) The entity must agree to take steps to prevent a recurrence of the violation after it has been disclosed. Preventive steps may include, but are not limited to, improvements to the entity's environmental auditing efforts or compliance management system.
- 7) Any disclosed violation may not be a violation that is the same or a closely related violation that occurred at the same facility within the past 3 years.
- 8) Disclosed violations may not be violations that result in serious actual harm to the environment, or which may have presented an imminent and substantial endangerment to public health or the environment. When events of such a consequential nature occur, violators are ineligible for penalty relief and other incentives under the Audit Policy.
- 9) The entity must cooperate with the Hazardous Waste Section and provide information to determine Policy applicability.

How do I submit the written information when the Audit Policy is used?

Documentation that includes how the nine conditions of the Audit Policy are met and any supporting information must be submitted either by mail or email to the Hazardous Waste Section Inspector covering the region where the site using the Audit Policy is located. The contact information and regions for the Hazardous Waste Section Inspectors can be found at this link:

https://files.nc.gov/ncdeq/Waste%20Management/DWM/HW/Compliance/Compliance_Map_by_Inspector.pdf

What is the history of the Audit Policy?

During the 2015 session, the North Carolina General Assembly enacted legislation establishing an "Environmental Audit Privilege and Limited Immunity" program ([SL 2015-286/HB 765, s. 4.1\(a\)](#)). This legislation was codified in the [North Carolina General Statute \(N.C.G.S.\) at Chapter 8 Articles 58.50 through 63](#). The "Enforcement Policy for Self-Reported Violations" (revised July 10, 2000) previously used by NCDEQ has been rescinded and N.C.G.S. 8-58.50 through 63 ("Environmental Audit Privilege and Limited Immunity Law") is in effect for all programs in NCDEQ except for those NCDEQ Divisions/Sections that administer federal programs. The Hazardous Waste Section administers the federal Resource Conservation and Recovery Act (RCRA) hazardous waste management program in lieu of EPA. For any NCDEQ Divisions/Sections that administer federal programs, the 2015 Environmental Audit Privilege and Limited Immunity Law is effective on the date approval is received by EPA. To date, the 2015 Environmental Audit Privilege and Limited Immunity Law is still under review by EPA ([Link to the information NCDEQ submitted to EPA](#)). Until the 2015 Environmental Audit Privilege and Limited Immunity Law is approved by EPA, the Hazardous Waste Section is utilizing conditions similar to the EPA Audit Policy ([65 FR 19618; April 11, 2000](#)).

Where can I find more information about the North Carolina hazardous waste requirements?

- Link to North Carolina hazardous waste laws and rules:
<https://deq.nc.gov/about/divisions/waste-management/hw/rules>
- North Carolina hazardous waste guidance documents can be found at this link:
<https://deq.nc.gov/about/divisions/waste-management/hw/technical-assistance-education-guidance/documents>

Who do I contact if I have questions about the Audit Policy?

Contact your local Hazardous Waste Section Inspector (contact information and region provided on the map at this link):

https://files.nc.gov/ncdeq/Waste%20Management/DWM/HW/Compliance/Compliance_Map_by_Inspector.pdf