



## BC Timber Sales – 2011 SFI Certification/ISO 14001 Surveillance Audit

Between January and August 2011 an audit team from KPMG Performance Registrar Inc. (KPMG PRI) carried out a multi-site certification audit of BC Timber Sales' operations within selected Business Areas against the requirements of the Sustainable Forestry Initiative® (SFI) 2010-2014 standard. To provide for a more efficient audit, an ISO 14001 surveillance audit was conducted at the same time. This Certification Summary Report provides an overview of the process and KPMG's findings.

### Description of the BC Timber Sales Organization

BC Timber Sales is an autonomous organization within the Ministry of Forests, Lands and Natural Resource Operations (MFLNRO), with financial and operational independence from Regional and District operations. The organization is comprised of 12 Business Areas with an operational presence in 33 locations across the province, and supports the Ministry's goal of providing British Columbians with sustainable benefits from the commercial use of public forests. BC Timber Sales provides these benefits by planning, developing and selling through auction a substantial and representative portion of the province's annual available timber volume. The bid prices received from auctioned timber drive the Market Pricing System for setting stumpage in coastal and interior operating areas of the province. The organization manages about 20% (16 million m<sup>3</sup>) of the provincial allowable annual cut (AAC).



### BC Timber Sales Certifications

All 12 BC Timber Sales Business Areas are covered under a multi-site ISO 14001 certificate, which is valid until May 18, 2013. The organization also holds several single-site CSA Z809 certificates covering portions of 7 Business Areas. BC Timber Sales has historically held a number of single-site SFI 2005-2009 certificates covering portions of various Business Areas. These have recently been replaced with a multi-site SFI 2010-2014 certificate, which is valid until September 11, 2014.

### Scope of the BC Timber Sales SFI Certification

The BC Timber Sales multi-site SFI certificate applies to sustainable forest management planning and practices (roads, harvesting and silviculture) conducted by BC Timber Sales Corporate staff, Business Area staff, licensees/permittees and contractors (LPCs) in portions of the following Business Areas:

- Babine Business Area
- Cariboo-Chilcotin Business Area
- Chinook Business Area
- Kamloops Business Area
- Kootenay Business Area
- Okanagan-Columbia Business Area
- Peace-Liard Business Area
- Seaward-tlasta Business Area
- Skeena Business Area
- Strait of Georgia Business Area

A detailed listing of applicable forest management units is included as Appendix B of the BC Timber Sales Provincial Sustainable Forest Management plan at:

[www.for.gov.bc.ca/bcts/forestcertification/BCTS\\_Provincial\\_SusForestMangtPlan.pdf](http://www.for.gov.bc.ca/bcts/forestcertification/BCTS_Provincial_SusForestMangtPlan.pdf).

BC Timber Sales has a combined AAC apportionment of 8,949,511 m<sup>3</sup> per year within the forest management units covered under its multi-site SFI certificate, which equates to a prorated area under management of 7,134,129 hectares.



## Audit Scope

The ISO 14001 portion of the audit included a limited scope assessment of the BC Timber Sales environmental management system (EMS) against selected requirements of the ISO 14001:2004 standard. The SFI portion of the audit was conducted against the requirements of the 2010-2014 edition of the SFI standard, and incorporated a full scope assessment against the SFI program objectives for:

- Forest management planning;
- Forest productivity;
- Protection and maintenance of water resources;
- Conservation of biological diversity;
- Management of visual quality and recreation benefits;
- Protection of special sites;
- Efficient use of forest resources;
- Legal and regulatory compliance;
- Forestry research, science and technology;
- Training and education;
- Community involvement in the practice of sustainable forestry;
- Public land management responsibilities;
- Communications and public reporting, and;
- Management review and continual improvement.

## The Audit

- **Audit Team** – The audit was conducted by Dave Bebb, RPF, EP(EMSLA), Del Ferguson, P.Geo., Dip.ForEng., Sylvi Holmsen, RPF, CA, EP(EMSLA), Dennis Lozinsky, RPF, Gregor Macintosh, RPF, EP(EMSLA), Yurgen Menninga, RPF, John Phillips, RPF and Bodo von Schilling, RPF, EP(EMSLA). All of the members of the audit team have conducted numerous forest management audits under a variety of standards including SFI, ISO 14001, CSA Z809 and FSC.
- **Combined SFI certification/ISO 14001 Surveillance Audit** – The audit included an on-site assessment of the BC Timber Sales EMS and SFI program. Site visits were made to a total of 8 Business Areas, including 6 out of the 10 that are included within the scope of the BC Timber Sales SFI certificate. In addition, the audit included an assessment of the BC Timber Sales Corporate Office’s implementation of the SFI program requirements that are applicable at the corporate level. The audit involved a review of selected EMS and SFI records, interviews with a sample of staff, LPCs and local stakeholders, and visits to several field sites (60 roads, 66 cutblocks and 34 silviculture sites) to assess conformance with the requirements of the SFI standard.
- **BC Timber Sales’ SFI Program Representative** – Rein Kahlke, RPF, BC Timber Sales Certification Officer served as the organization’s corporate level SFI program representative during the audit. In addition, the various Certification Standards Officers located at each of the BC Timber Sales Business Area offices included in the audit sample acted as the SFI program representatives at the Business Area level.

### BC Timber Sales 2011 SFI Certification Audit Findings

Open non-conformities from previous audits	1
New major non-conformities	0
New minor non-conformities	3
New opportunities for improvement	6

#### **Types of audit findings** **Major non-conformities:**

Are pervasive or critical to the achievement of the SFM Objectives.

#### **Minor non-conformities:**

Are isolated incidents that are non-critical to the achievement of SFM Objectives.

All non-conformities require the development of a corrective action plan within 30 days of the audit, which must be fully implemented by the operation within 3 months.

Major non-conformities must be addressed immediately or certification cannot be achieved / maintained.

#### **Opportunities for Improvement:**

Are not non-conformities but are comments on specific areas of the SFM System where improvements can be made.

### Audit Objectives

The following audit objectives were included within the scope of the audit:

- A full scope certification audit against the requirements of the 2010-2014 version of the SFI standard.
- A limited scope surveillance audit against selected requirements of the ISO 14001:2004 standard.

### Use of Substitute SFI Indicators

The SFI portion of the audit involved an assessment of conformance against the applicable objectives, performance measures and indicators included in the 2010-2014 version of the SFI standard. None of the indicators included in the SFI standard were modified or substituted for the purpose of this audit.

### Audit Conclusions

BC Timber Sales' EMS and SFI program were found to be effectively implemented by the participating Business Areas included in the audit sample, and continue to meet the requirements of ISO 14001:2004 and SFI 2010-2014 except where noted otherwise in the balance of this report. As a result, BC Timber Sales will continue to be certified to the ISO 14001 and SFI standards.

### Evidence of Conformity with SFI 2010-2014

Primary sources of evidence assessed to determine conformity with the SFI 2010-2014 standard are presented in Table 1 below.

SFI Objective #	Key Evidence of Conformity
1. Forest Management Planning	Sustainable forest management (SFM) plan, forest stewardship plans (FSPs), Vegetation Resource Inventory (VRI) information, Timber Supply Review (TSR) results and Allowable Annual Cut (AAC) rationales, AAC apportionments, harvest records, interviews with a sample of BC Timber Sales staff.
2. Forest Productivity	SFM plan, FSPs, EMS operational controls, site plans & logging plans (SPs & LPs), interviews with a sample of staff and LPCs, inspection of a sample of field sites.
3. Protection and Maintenance of Water Resources	SFM plan, FSPs, EMS operational controls, SPs & LPs, interviews with a sample of staff and LPCs, inspection of a sample of field sites.
4. Conservation of Biological Diversity	SFM plan, FSPs, interviews with planning staff, wildlife and biodiversity information contained in Business Area Geographic Information Systems (GIS), SPs & LPs, inspection of a sample of field sites.



The audit involved a review of selected EMS and SFI records, interviews with a sample of staff, LPCs and local stakeholders, and visits to several field sites (60 roads, 66 cutblocks and 34 silviculture sites) to assess conformance with the requirements of the SFI standard.

SFI Objective #	Key Evidence of Conformity
5. Management of Visual Quality and Recreational Benefits	SFM plan, FSPs, SPs & LPs, interviews with a sample of staff and LPCs, inspection of a sample of field sites.
6. Protection of Special Sites	SFM plan, FSPs, SPs & LPs, interviews with a sample of staff and LPCs, inspection of a sample of field sites.
7. Efficient Use of Forest Resources	SFM plan, FSPs, staff and LPC interviews, inspection of a sample of field sites.
8. Landowner Outreach	SFI Objectives 8-13 are not applicable as BC Timber Sales does not procure wood fibre.
9. Use of Qualified Resource and Logging Professionals	NA.
10. Adherence to Best Management Practices	NA.
11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and Major Tropical Wilderness Areas	NA.
12. Avoidance of Controversial Sources including Illegal Logging	NA.
13. Avoidance of Controversial Sources including Sources without Effective Social Laws	NA.
14. Legal and Regulatory Compliance	SFM plan and related monitoring results, EMS non-compliance records, inspection of a sample of field sites.
15. Forestry Research & Technology	Records of recent research projects, BC Timber Sales staff interviews.
16. Training and Education	EMS, staff and LPC training records, internal audit results, inspection of a sample of field sites, staff and LPC interviews.
17. Community Involvement in the Practice of Sustainable Forestry	Western Canada SFI Implementation Committee (WCSIC) minutes, records of community outreach, staff interviews.
18. Public Land Management Responsibilities	FSP and TSL agency, stakeholder and First Nations (FN) referral correspondence, SPs, stakeholder and FN consultation records, inspection of a sample of field sites.
19. Communications and Public Reporting	Previous external audit reports.
20. Management Review and Continual Improvement	SFM plan, corporate and Business Area management reviews internal audit reports and associated action plans, staff interviews.



The audit took place between January and August 2011. Site visits were made to a total of 8 Business Areas, including 6 out of the 10 that are included within the scope of the BC Timber Sales SFI certificate. To ensure that the audit included an assessment of as broad a range of operating conditions as possible, some of the site visits were conducted during the winter months.

## Good Practices

A number of good practices were identified during the course of the 2011 BC Timber Sales ISO 14001/SFI audit. Examples included:

- SFI Objective 3 (protection and maintenance of water resources) – Riparian protection measures for the Bulkley operating area are enhanced by a comprehensive network of Core Ecosystems, Landscape Corridors and Special Management Zones. (Babine)
- SFI Objective 3 (protection and maintenance of water resources) – On one TSL the LPC had established well placed & constructed cross-ditches during the late winter to divert surface run-off during spring runoff. Note that licensees in other regions with similar winter/soil conditions have suggested the practice of road deactivation in winter is too difficult and elect to do so in the fall, after the freshet. (Peace-Liard)
- SFI Objective 3 (protection and maintenance of water resources) – The Chinook Business Area has established and implemented effective controls/guidelines for promoting the minimization of soil disturbance and stream sedimentation (including wet weather and ground-based harvesting guidelines conveyed to LPCs). Overall low levels of site disturbance were observed on the blocks field reviewed. (Chinook)
- SFI Objective 4 (wildlife habitat and conservation of biological diversity) – Implementation of Strategic Land Reserve Designs (SLRDs), a non-legal (voluntary) initiative to meet land use biodiversity targets under Ecosystem-Based Management (EBM). (Seaward-tlasta)
- SFI Objective 4 (wildlife habitat and conservation of biological diversity) – All sites audited had effective implementation of coarse woody debris (CWD) and leave tree prescriptions, as well as protection of leave trees during operations. The locally-developed CWD prescription is also an operational strength. (Peace-Liard)
- SFI Objective 14 (legal and regulatory compliance) – The 2010 Kamloops Business Area internal audit included 3 BC Timber Sales staff from the BA (although from different field teams from those that they audited to ensure independence). The use of staff on internal audit teams provides an opportunity for cross-pollination and sharing of information regarding different approaches to forest management that might not otherwise occur with an audit team composed entirely of outside contractors. (Kamloops)
- SFI Objective 14 (legal and regulatory compliance) – The audit noted the effective use of a tracking sheet for the annual operating plan process that ensures commitments and requirements for each block are clearly identified and tracked for SP development. (Kootenay)
- SFI Objective 18 (public land management responsibilities) – Comprehensive and well documented First Nation and stakeholder operational planning referral/consultation process that goes significantly beyond the legally mandated FSP process. Numerous examples noted of actively working with stakeholders to address their concerns. (Chinook)
- SFI Objective 20 (management review and continual improvement) – The 2010 Provincial Management Review BA Report Summaries provided a good level of detail regarding BA-specific performance under the EMS. (Corporate)
- SFI Objective 20 (management review and continual improvement) – Recent move to a bi-annual review of emerging issues/progress towards meeting the



The BCTS EMS includes a variety of written procedures (known as Environmental Operating Procedures and Environmental Field Procedures) that are designed to help reduce the risks of negative environmental impacts associated with forest practices. LPCs are trained in their use, and are expected to maintain copies of these procedures on active worksites for reference.

targets included in the corporate EMP (i.e., an annual corporate level management review plus a mid-year management review update). (Corporate)

NB: The above list of good practices is not intended to be a comprehensive list of all of the noteworthy or progressive forest practices that are taking place at the operations included in the 2011 audit sample. Rather, they are simply observations made by the audit team that were deemed worthy of inclusion in this public summary report as a means to highlight some of the positive aspects of the organization's forest management practices.

### Follow-up on Findings from Previous Audits

At the time of this assessment there were a total of 5 open non-conformities from previous ISO 14001 audits that were applicable at the corporate level, as well as 9 open SFI non-conformities that had been raised in relation to the various Business Area-specific SFI certificates that pre-date the current multi-site SFI certification. The audit team reviewed the implementation of the action plans developed by BC Timber Sales to address these issues, and found that they had been effectively implemented in the large majority of instances. As a result, all of the previous corporate level ISO 14001 non-conformities and 8 out of the 9 Business Area-specific SFI non-conformities have now been closed. The one remaining open non-conformity relates to ongoing weaknesses in the content and timing of action plans developed by the Cariboo-Chilcotin Business Area to address internal audit findings.

Future audits will include an assessment of all open findings from previous audits to assess the organization's continued progress towards addressing these issues.

### New Areas of Nonconformity

The 2011 BC Timber Sales ISO 14001/SFI audit identified a total of 6 new minor non-conformities, 3 of which related to the requirements of the SFI standard, as follows:

- SFI Objective 14 (legal and regulatory compliance) – SFI Performance Measure 14.1 requires that Program Participants have systems to achieve compliance with applicable laws and regulations. The audit found that the required operational controls were in place. However, the following weaknesses in their implementation were noted:
  - The audit observed incomplete spill kits associated with fuel tanks and logging equipment working on 2 active sites. (Kamloops)
  - Inadequate deactivation of an excavator trail traversing a number of S6 streams had resulted in disruption of the natural drainage pattern of one of the streams and sediment movement down the trail and entry into another stream. (Chinook)
- SFI Objective 14 (legal and regulatory compliance) – The requirements of SFI Performance Measure 14.1 are addressed in part through the BC Timber Sales Incident Tracking System (ITS). However, while the audit found that the ITS system was implemented as required in most instances, the following weaknesses were identified:
  - While the Bulkley operation has identified several timber sales which are not in compliance with FG regulations and has developed action plans to address these non-compliances, these action plans are not tracked in ITS as required by BC Timber Sales process. (Babine)
  - Review of the ITS found that one incident (a 50 litre fuel spill) had been reported but not entered in ITS. (Babine)



The BCTS organization is comprised of 12 Business Areas with an operational presence in 33 locations across the province. This helps to ensure that BCTS operations are representative of the wide range of operating conditions that are present in the province, including (as depicted above) some remote operations that are only accessible by water.

- The audit noted a number of incidents at the Seaward-tlasta Business Area (e.g., an equipment fire involving the loss of logging equipment , etc.) that had not been entered to ITS as required. (Seaward-tlasta)
- Although it was confirmed that the Chinook Business Area is actively addressing a number of regeneration delay and free growing issues, they have not all been fully captured and managed (including with detailed action plans) in the ITS. (Chinook)
- SFI Objective 14 (legal and regulatory compliance) – The BC Timber Sales EMS includes a variety of procedures (e.g., BC Timber Sales and LPC self inspections, etc.) that are intended to help address the requirements of SFI Performance Measure 14.1. However, inspection of a sample of active operations identified the following weaknesses in BC Timber Sales and LPC self inspections:
  - The audit found that although the required BC Timber Sales and LPC inspections for a TSL had been completed as required, both inspections failed to identify the presence of a non-specification fuel tank greater than 450 litres in size that was not in compliance with the requirements of the Transportation of Dangerous Goods (TDG) Regulations. (Peace-Liard)
  - The BC Timber Sales EMS requires that tidy tanks > 450 litres must be inspected by a licensed facility every 5 years. However, on 2 TSLs, three tanks were noted that had no certification mark listing date of manufacture or inspection, so the inspection requirement could not be demonstrated. This issue was not identified in the LPC or BC Timber Sales inspection checklists. (Peace-Liard)
  - The BC Timber Sales project risk rating form is used to establish inspection frequencies for active operations. The audit found that this was implemented correctly in most instances. However, while the risk ranking for one site specified one intermediate and one final inspection to be completed, this requirement had been overridden with a comment on the risk form stating 'no inspections required', and none were completed. (Peace-Liard)
  - The audit found that the LPC had not completed the required monthly self-inspection of active operations for one TSL in 100 Mile House operating area. (Kamloops)
  - Review of a sample of BC Timber Sales harvest inspections found a number of instances where the BC Timber Sales inspections did not assess the implementation of LPC self-inspections, which is a significant element of the monitoring process. (Cariboo-Chilcotin)

### New Opportunities for Improvement

The 2011 BC Timber Sales ISO 14001/SFI audit identified a total of 8 new opportunities for improvement, 6 of which related to the requirements of the SFI standard, as follows:

- SFI Objective 1 (forest management planning) – A review of the TSR information for the Cranbrook and Invermere TSAs identified an opportunity for BC Timber Sales to assess the quality of the information supporting the allowable cut decisions. Although the AAC determination is set by the Provincial Chief Forester, the determinations were made in 2005 and the next review has been extended to 2015. As a result, the determinations do not reflect current inventory data. NB: The issue of outdated forest inventory data is potentially provincial in scope, although most acute in areas that have been significantly impacted by the mountain pine beetle.



The audit noted a number of good practices in relation to the riparian management practices that were observed in the field.

- SFI Objective 7 (efficient use of forest resources) – The audit noted elevated levels of logging waste on a number of the helicopter logging blocks included in the audit sample. The issue of elevated waste levels on helicopter logging blocks, which is not unique to BC Timber Sales, has the potential to create challenges for future reforestation efforts. (Seaward-tlasta)
- SFI Objective 14 (legal and regulatory compliance) – The audit noted a few isolated weaknesses in the implementation of the ITS system (e.g., weaknesses in the identification of root cause, 1 incident that was addressed in an incident report but was not being tracked in ITS and had not been reported to Compliance & Enforcement Branch). (Peace-Liard and Kootenay)
- SFI Objective 16 (training and education) – The audit found that the training requirements outlined under the ISO 14001 and SFI standards and the BC Timber Sales EMS were met in the large majority of instances. However, isolated weaknesses were identified in relation to LPC training and awareness (e.g., a few operators who were interviewed were not adequately aware of the EMS stop-work procedures, isolated examples were noted of LPC equipment operators who had worked in the interior of the province on more benign ground but were lacking a good understanding of what practices are acceptable when installing drainage structures on fish creeks in steep coastal terrain, etc.).
- SFI Objective 20 (management review and continual improvement) – The BC Timber Sales SFI management review process includes a requirement for participating Business Areas to report their performance in relation to selected SFI indicators using the Local Business Area Report Template. However, review of the December 2010 Provincial SFI Management Review Business Area Report Summaries identified a number of instances of incomplete and/or inconsistent reporting. (Corporate)
- SFI Objective 20 (management review and continual improvement) – Review of the most recent Cariboo-Chilcotin management review found that, although reasonably thorough, no assessment had been made regarding the implementation of the action items identified in the previous management review. (Cariboo-Chilcotin)



Although isolated weaknesses were noted in relation to the tracking of action plans to address reforestation blocks that are not in compliance with free growing requirements, the audit found that the BCTS reforestation program was effective in meeting these requirements in the large majority of instances.

### Corrective Action Plans

Corrective action plans designed to address the root cause(s) of the findings identified during the 2011 audit have been developed by BC Timber Sales and reviewed and approved by KPMG PRI. The next surveillance audit will include a follow-up assessment of these issues to confirm that the corrective action plans developed to address them have been implemented as required.

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