



REPORT Forest Certification



BC Timber Sales – Strait of Georgia Business Area 2010 SFI Surveillance Audit

In August and September 2010, an audit team from KPMG Performance Registrar Inc. (KPMG PRI) carried out a limited scope SFI surveillance audit of the BC Timber Sales – Strait of Georgia Business Area (Strait of Georgia BA) woodlands operations against selected requirements of the 2005 – 2009 edition of the Sustainable Forestry Initiative® (SFI) standard. This Summary Report provides an overview of the process and KPMG’s findings.

Description of BCTS Strait of Georgia’s Crown Land Forest Operations

British Columbia (BC) Timber Sales is an autonomous organization within the Ministry of Forests and Range, with financial and operational independence from regional and district operations. This organization is comprised of 12 business areas 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 m³) of the provincial allowable annual cut (AAC).

The Strait of Georgia Business Area (“BA”), situated on Vancouver Island and the Sunshine Coast of BC, encompasses the Campbell River, South Island and Sunshine Coast Forest Districts. The scope of the SFI certificate covers the Strait of Georgia BA’s sustainable forest management planning and practices within its entire Business Area, which encompasses its operations in the Strathcona, Arrowsmith, Sunshine Coast and Pacific Timber Supply Areas (TSA) and in Tree Farm Licences’ (TFL) 44, 45, 46, 54 and 57. The current operating area encompasses over 516,000 hectares with an allocated annual cut of approximately 1.6 million m³.

Strait of Georgia BA crown land woodlands operations are managed from the timber sales office located in Campbell River, BC, which is supported by four field teams: two located at the office in Campbell River, BC and one team in each located in Port Alberni, BC and Powell River, BC.

Scope of Certification

BCTS sustainable forest management planning and practices in the Strathcona, Arrowsmith, Sunshine Coast and Pacific Timber Supply Areas (TSAs) and Tree Farm Licenses’ (TFLs’) 44, 45, 46, 54 and 57.



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Audit Scope

The audit was conducted against the requirements of the 2005-2009 edition of the SFI standard, and incorporated a limited scope assessment against the SFI program objectives for:

- Water quality and riparian protection;
- Visual quality;
- Legal and regulatory compliance; and
- Management review and continual improvement.

In addition, the audit assessed progress in implementing the SFI 2010-2014 standard. The scope of the 2010 SFI surveillance audit included all of BCTS Strait of Georgia’s woodlands operations managed by the two Campbell River field teams and the Powell River field team.

History of BCTS Strait of Georgia’s SFI Certification

BCTS Strait of Georgia Business Area has had SFI sustainable forest management (SFM) certification since 2008. In addition, BCTS Strait of Georgia first achieved ISO 14001 certification of its entire Business Area in 2004 and has since, along with the other 11 Business Areas in BC, received Corporate ISO 14001 certification under a multi-site certificate in 2010.

The Audit

- **Surveillance Audit Approach** – Surveillance audits are designed to provide evidence of continuing implementation of SFI requirements and require a full assessment of performance against selected applicable elements of the standard.
- **Audit Team** – The surveillance audit was conducted by a two person audit team, both of whom are registered professional foresters and certified environmental auditors. The lead auditor on the engagement, Craig Roessler, is also an Environmental Management System (EMS) Lead Auditor.
- **SFI Program Representative** – Janice Mathers, the BCTS Strait of Georgia Certification Standards Officer served as BCTS Strait of Georgia’s SFI program representative during the audit.
- **2010 SFI Surveillance Audit** – The 2010 SFI surveillance audit involved an on-site assessment of BCTS SFM systems’ and forestry operations’ conformance to the requirements of the SFI standard. The audit involved a review of key SFM system and planning documentation and records, interviews with a sample of staff and licensee / contractor employees and field inspections of a sample of sites. The audit was conducted August 30 – September 1, 2010.
- **Audit Focus Areas** – In addition to assessing actions taken with respect to previously identified minor nonconformity and opportunities for improvement and actions to maintain SFI conformance against selected elements sampled during this audit, the 2010 audit assessed the operation’s progress in implementing the incremental requirements of the SFI 2010-2014 standard.

Audit Results	
Open non-conformities from previous audits	0
New major non-conformities	0
New minor non-conformities	1
New opportunities for improvement	2

Types of audit findings

Major non-conformities:

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

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

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 and must be addressed by the operation.

Opportunities for Improvement:

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

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- **Audit Sample** – The field audit involved inspections of construction, maintenance and deactivation practices on 18 roads, harvesting practices on 17 blocks, regeneration practices on 7 silviculture units and environmental practices on 1 active log dump.

Use of Substitute Indicators

The audit was based on the indicators included in the 2005-2009 version of the SFI standard. No substitute indicators were used during the 2010 surveillance audit.

Audit Objectives

The objective of the audit was to evaluate the SFM system at BC Timber Sales – Strait of Georgia Business Area, its implementation, effectiveness and conformance with the requirements of SFI.

Audit Conclusions

The audit found that the BCTS Strait of Georgia’s SFM system:

- Was in full conformance with the requirements of the SFI requirements included within the scope of the audit;
- Continues to be effectively implemented, and;
- Is sufficient to systematically meet the commitments included within the organization’s SFI-SFM policy, provided that the system continues to be implemented and maintained as required.

As a result, a decision has been reached by KPMG to continue to certify the operations of BCTS Strait of Georgia to the SFI standard.

Primary sources of evidence assessed to determine conformity with the SFI 2005-2009 standard are presented in the following table:

SFI Objective #	Key Evidence of Conformity
1 – Forest Management Planning	Not in scope during this surveillance audit.
2 – Forest Productivity	Not in scope during this surveillance audit.
3 – Protection and Maintenance of Water Resources	SFM Plan, SFI Implementation Matrix, Forest Stewardship Plans (FSPs), EMS, watershed assessments, stream assessments, sample of Site Plans (SPs), Harvest Plans (HPs) sample of BCTS and licensee inspections, field inspections.
4 – Conservation of Biological Diversity	Not in scope during this surveillance audit.
5 – Management of Visual Quality	SFM Plan, SFI Implementation Matrix, Forest Stewardship Plans (FSPs), EMS, visual impact assessments, sample of Site Plans (SPs), Harvest Plans (HPs) sample of BCTS and licensee inspections, field inspections.
6 – Protection of Special Sites	Not in scope during this surveillance audit.
7 – Efficient Use of Forest Resources	Not in scope during this surveillance audit.



The field audit observed numerous examples of blocks that were well designed and developed to protect sensitive visual resource values.

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SFI Objective #	Key Evidence of Conformity
8 – Procurement	Not applicable – BCTS does not procure fibre.
9 – Forestry Research, Science and Technology	Not in scope during this surveillance audit.
10 – Training and Education	Not in scope during this surveillance audit.
11 – Legal and Regulatory Compliance	SFM Plan, inspection records, internal audit records, compliance tracking records, Ministry of Forests’ compliance and enforcement records, planting records, action plans, EMS, electronic subscription to laws and regulations, field inspections.
12 – Community Involvement & Outreach	Not in scope during this surveillance audit.
13 – Management Review and Continual Improvement	SFM Plan, SFI Implementation Matrix, EMS, SFI management review agenda/meeting minutes/inputs; Internal audit report; BCTS Provincial Internal Audit Program and Plan (2009 – 2012); Internal audit action plans; sample of BCTS and licensee inspections.



The field audit included a review of recently installed watercourse crossing structures to verify the protection and maintenance of water resources.

Good Practices

A number of good practices were noted during the 2010 audit. The following list outlines some of the more notable examples observed by the audit team:

- **Objective 5** – The operation is doing an effective job of assessing and managing visual resource values. The field audit observed numerous examples of well established and implemented block design elements which served to blend the blocks into the surrounding landscape and provided effective visual screens from sensitive visual areas.
- **Objective 10** – Commitment to the SFM system and EMS amongst staff and licensees was determined to be very strong.
- **Objective 13** – The last annual management review conducted at the operation included a thorough assessment and documentation of performance against SFI indicators.

Follow-up on open non-conformities from previous audits

At the time of this assessment there was 1 open non-conformity from previous audits. The audit team reviewed the implementation of the action plans developed by BCTS Strait of Georgia to address these issues, and found that they had been effectively implemented. Consequently, all non-conformities from previous audits were closed.

New Areas of Non-conformity

One minor non-conformity was identified during the audit:

- **Performance Measure 2.4** – Although the audit determined that the operation was doing an effective job overall of protecting forests from damaging agents, portions of two harvest blocks were planted this past spring with tree species which are

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vulnerable to damaging agents known to exist in the areas being planted (i.e., Douglas-fir and root rot on one block and Western red cedar and ungulate browsing on another).

New Opportunities for Improvement

Two opportunities for improvement were identified during the audit:

- **Performance Measure 3.1** – Water management practices could have been improved upon on one harvest block where operations had been suspended for some time – i.e., ditches were not kept clear of debris, a cross-drain culvert was not well installed to effectively drain ditch water and a culvert draining a non-fish bearing stream was damaged (albeit it was not yet a barrier to water flow).
- **Performance Measures’ 2.1 and 7.1** – Field review of another block observed yarded logs that were left on the block for an extended period of time, resulting in deteriorating log quality, the occupation of plantable sites, delayed planting on the block and associated growth of competing vegetation.

Corrective Action Plans

The corrective action plans designed to address the root causes of the non-conformities identified during the audit have been developed by BCTS Strait of Georgia and reviewed and approved by KPMG PRI. The next audit will include a follow-up assessment of these issues to confirm that the corrective action plans have been effectively implemented.



The audit determined that overall BC Timber Sales Strait of Georgia continues to effectively implement its SFM system to promote the protection of resource values on the ground.

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