

# REPORT Forest Certification



## BC Timber Sales Skeena Business Area 2010 SFI Surveillance Audit

In September 2010, an audit team from KPMG Performance Registrar Inc. (KPMG PRI) carried out an SFI surveillance audit of the BC Timber Sales Skeena Business Area (Skeena BA) woodlands operations in northwestern British Columbia against the requirements of the 2005 - 2009 edition of the Sustainable Forestry Initiative® (SFI) standard, plus an assessment of progress in implementing the SFI 2010-2014 standard. This Summary Report provides an overview of the process and KPMG's findings.

### Description of Skeena's Crown Land Forest Operations

BC Timber Sales is an autonomous organization within the Ministry of Forest 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 for other crown land forest management licensees.

The Skeena BA, situated in northwestern British Columbia, manages its crown land woodlands from the timber sales office in Terrace, BC with three field teams – two of which are located at the office in Terrace, and one located in New Hazelton.

The BA's current operating area encompasses over 1,765,000 hectares with an allocated annual cut of approximately one million cubic metres.

### Scope of Certification

BCTS sustainable forest management planning and practices in the Kalum, Nass, Kispiox, Cassiar and North Coast Timber Supply Areas (TSA) and in Tree Farm Licences (TFL) 1 and 41.

### Audit Scope

The surveillance 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:

- Long-term Harvest Levels (SFI Objective 1);
- Efficient Use of Forest Resources (SFI Objective 7);
- Training and Education (SFI objective 10);
- Compliance with Legal and Regulatory Requirements (SFI objective 11);
- Public and Forestry Community Involvement in the Practice of



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Sustainable Forestry (SFI objective 12);

- Management Review and Continual Improvement (SFI objective 13);

In addition, the 2010 surveillance audit assessed the progress that the Skeena Business Area has made in implementing the additional requirements of the 2010-2014 edition of the SFI standard. The scope of the 2010 SFI surveillance audit included the BCTS Skeena’s woodlands operations managed by the Terrace and Hazelton field teams.

### History of BCTS Skeena’s SFI Certification

BCTS Skeena Business Area has had SFI sustainable forest management (SFM) certification since 2007. In addition, BCTS Skeena first achieved ISO 14001 certification of its entire Business Area in 2005 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 Yurgen Menninga, RPF and Dennis Lozinsky, RPF, EMS(LA). Yurgen Menninga acted as the lead auditor on this engagement.
- *SFI Program Representative* – Mathew Peasgood, RFT, Certification Standards Officer served as BCTS Skeena’s SFI program representative during the audit.
- *2010 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 September 15 – 17, 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 Sample* – The field audit involved inspections of construction, maintenance and deactivation practices on 6 roads, harvesting practices on 7 blocks and regeneration practices on 7 silviculture units.

### 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 surveillance audit.

### Audit Objectives

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

### Audit results

New major nonconformities	0
New minor nonconformities	2
New opportunities for improvement	1

### Types of audit findings

#### Major nonconformities:

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

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

#### Minor nonconformities:

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

All non-conformities (major and minor) require an action plan within 30 days 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 Conclusions

The audit found that the BCTS Skeena’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 Skeena 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 – Long Term harvest Levels	Timber Supply Review, apportionment and harvest tracking information, interviews with key staff.
2 – Forest Productivity	Not in scope during this surveillance audit.
3 – Protection and Maintenance of Water Resources	Not in scope during this surveillance audit.
4 – Conservation of Biological Diversity	Not in scope during this surveillance audit.
5 – Management of Visual Quality	Not in scope during this surveillance audit.
6 – Protection of Special Sites	Not in scope during this surveillance audit.
7 – Efficient Use of Forest Resources	Waste tracking data, interviews with key staff, field inspections.
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	Training records, training needs matrix, pre-works, interviews with sample of staff and contractors.
11 – Legal and Regulatory Compliance	SFM Plan, inspection records, internal audit records, compliance tracking records, Ministry of Forests’ compliance and enforcement records, action plans, EMS, electronic subscription to laws and regulations, field inspections.
12 – Community Involvement & Outreach	SFM Plan, correspondence records respecting referrals and public review of FSPs, First Nation consultation records, public complaints records, outreach tracking table, interviews with key staff.
13 – Management Review and Continual Improvement	SFM Plan, SFI Implementation Matrix, EMS, SFI management review agenda/meeting minutes/inputs; sample of BCTS and licensee inspections, interviews with key staff.



The Hazelton area (shown in photo) attracts recreational users such as fly fishers and tourists bound for the Alaska State Ferry terminal in Prince Rupert. The area is also renowned for its commercial forest mushroom picking. BC Timber Sales Skeena considers the non-timber resource values which supports these activities in its forest planning and management decisions.



Single and group retention is applied for biodiversity purposes, providing diverse structure to the new forest in addition to habitat opportunities for a variety of wildlife species.

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### Good Practices

The following good practices was identified by the audit team during the 2010 audit:

- Objective 10 – Contractors interviewed during the field audit demonstrated a good overall level of knowledge of relevant operational and environmental issues. Correspondingly, the field audit observed noteworthy examples of pre-works which provided an effective level of operational detail and guidance to contractors.

### Follow-up on Findings 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 Skeena to address these issues, and found that they had been effectively implemented. Consequently, all nonconformities from previous audits were closed.

### Areas of Nonconformity

Full conformance was found in relation to the majority of the indicators assessed. However, our audit team identified two minor nonconformities as follows:

- **Performance Measure 10.1** – Isolated weaknesses in awareness was demonstrated by one staff member (respecting the legal requirements of road deactivation) and a contractor (respecting the existence of SFI and the fact that BCTS is SFI certified) who were interviewed. In addition, staff training records were found to be incomplete.
- **Performance Measure 11.1** – The field audit of active operations identified 1 fuel tank that did not meet Transportation of Dangerous Goods legal requirements.

### Opportunities for Improvement

The following opportunity for improvement was identified during the audit:

- **Performance Measure 12.3** – Although the Business Area planning department has a comprehensive and effective system for tracking stakeholder communications, the audit found that this system is not a part of the Environmental Management System (i.e. there is no link between the tracking system and the Standard Operating Procedures, Sustainable Forest Management Plan, etc.) The continued use and maintenance of this document would be more reliable if it were linked to the EMS system.

### Corrective Action Plans

Corrective action plans designed to address the root cause of the nonconformities identified during the audit have been developed by the Skeena BA and reviewed and approved by KPMG PRI. The next scheduled 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.



Allocated annual harvest levels in the Skeena Business Area are based on the Chief Forester's Annual Allowable Cut determinations established for TSAs and TFLs, which in turn are based on long-term timber and non-timber resource analyses that incorporate a variety of resource values, users, forest and site productivity, yield and inventory considerations in calculating the long-term sustainable harvest level. Operations conducted within the Business Area are guided by operational level site plans, which are consistent with the landscape- and stand-level objectives, results and strategies established for a variety of forest resources in the Forest Stewardship Plans. In addition, the Business Area's sustainable and environmental management systems provide additional processes and controls to support the effective planning and management of its operations.

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