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FSC Annual Surveillance of SCS for 2006

Forest Management Audit to Michigan Department of Natural Resources, USA (SCS-FM/COC-090N)

Date of audit: 23-27 October 2006

Public Summary, prepared by ASI based on the final ASI audit report.

	NAME	DATE
Report drafted by:	Hans Joachim Droste	02 July 2007
Reviewed by ASI:	Hubert de Bonafos	02 July 2007
Reviewed by local expert:	Bill Wilkinson	04 July 2007
Reviewed by CAB:	Robert Hrubes	08 July 2007
Finalized by ASI:	Hans Joachim Droste	09 July 2007
Report last updated:		

Credits

The authors would like to thank Dr Robert Hrubes from SCS and his team as well as Denis Nezich, Mike Paluda, and Larry Pedersen from MI DNR and their staff for preparing and making the arrangements that made this audit possible and efficient.

1 Background

The operation audited by SCS

Name of operation	Michigan Department of Natural Resources (MI DNR)
Type of certificate	Single FM with multiple FMUs
Total area	3.75 million acres
Type of management	State-owned temperate natural and semi-natural forests
Name of contact person	Dennis Nezich
Address	1990 US-41, South Marquette, MI 49855
Country	USA
Phone number	906-228-6501
Fax number	517-373-2443
URL	www.michigan.gov/dnr
E-mail address	nezichd@michigan.gov

Brief description of the operation

The Michigan Department of Natural Resources (MI DNR) is responsible for the management of the Michigan state forestlands on an area of 1.6 Mio ha (about 21% of the state's timberland). DNR also provides guidance and planning information for working with private landowners, environmental regulators, and other governmental agencies to achieve landscape and habitat goals for natural resources management.

The areas managed by the DNR within the State Forest System are largely non-contiguous tracts of forest that are scattered throughout the landscapes of the Northern Lower Peninsula of Michigan and all of Upper Peninsula of Michigan. Over half (51.6%) of DNR-owned forestland is located in the Northern Lower Peninsula ecoregion. The Eastern Upper Peninsula and Western Upper Peninsula ecoregions contain 26.5% and 21.9% of forestland respectively. In contrast to the statewide landscape, the largest DNR community type is aspen (22 percent), followed by northern hardwoods (13 percent), jack pine (9 percent), red pine (7 percent), mixed swamp conifers (6 percent), oak (6 percent), and cedar swamp (6 percent) The long range trend in Michigan is towards more mature forests with incrementally increasing average tree diameters.

More information about MI DNR can be obtained from their website at www.michigan.gov/dnr. The website also includes a public version of the management plan.

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The certification history

Pre-audit	25-29 October 2004
Main audit:	18-30 September 2005
Date of certificate issue	31 December 2005
“Special audit”	March 2006
Date of 1st surveillance	23-27 October 2006 (this audit)

ASI Audit Details

Purpose of audit	Annual surveillance following complaints
ASI lead auditor	Hans Joachim Droste (Accreditation Program Manager)
Local Expert/ translator	Bill Wilkinson (Consultant)
Audit language	English
Sites visited	Crystal Falls FMU, Shingleton FMU, Escanaba FMU (all Upper Peninsular)

Audit agenda

24 Oct 2006	
07:15	Opening meeting at Crystal Falls
07:45	Introduction to DNR (presentations)
10:30 – 16:15	Field trips <u>Group 1</u> (RH/ BW): Far and Away Timber Sale, ORV Site, Patchy Thin Timber Sale, Garmin Aspen Timber Sale <u>Group 2</u> (MF, AD): Chamber Pot Sale, Animal Planet Sale, Spot Lake Road, Sundown Aspen Salvage Sale, temporary bridge, Bates Lake Salvage Sale, Michigan Creek Bridge, Smith Creek Bridge Project, Fence River Bridge, salvage sites, Nolan Creek Culvert, McDuff Sale Compartment 127, Prescribed Burn.
16:15 – 17:00	Debriefing
25 Oct 2006 (CAR review day in the office)	
08:30 – 09:00	Opening meeting at Marquette Regional Office
09:00 -17:00	Presentations on corrective actions by DNR
18:00 - 21:00	ASI meeting with stakeholder and FSC member Sierra Club
26 Oct 2006	
08:15	Opening meeting at Shingleton
08:30 – 10:00	Introduction to Shingleton FMU (presentations)
10:15 – 15:00	Field trips <u>Group 1</u> (RH, AD): Compartment 118 (Restoration), Ducey Spruce/Aspen Timber Sale, Compartment 179 (High Bend Hardwood Sale), Compartment 173 (North Hardwood Sale). <u>Group 2</u> (MF, BW): Holland Ditch Aspen Sale (Compartment 188), MPC Hardwoods Timbersale, Star Creek Bridge, Star Creek Road Rock, Petrel Corner Hardwoods Sale (Compartment 183), Compartment 174.
15:00 – 15:30	Debriefing

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17:00 – 18:30	“Open house” in Marquette
27 Oct 2006	
07:15	Opening meeting at Escabana
07:30 – 09:00	Introduction to Escabana FMU (presentations)
09:15 – 12:00	Field trips <u>Group 1</u> (HR, AD) : Olsen Bridge (ORV illegal use control), Cedar River Campground, Aspen Management (planned timber sale), illegal ORV use area <u>Group 2</u> (MF, BW) : DeTemple Road Project, Demene Creek Portable Bridge (Compartment 7/8), Trolls Beginning Timber Sale (Compartment 8)
12:20 – 14:00	Internal auditor meeting
14:00 – 14:30	Closing meeting
14:30	Adjourn and ASI feedback

People involved in the audit

SCS team	Dr Robert Hrubes (lead auditor) Mr Michael Ferrucci (consultant, co-auditor) Mr Sterling Griffin (co-auditor)
Michigan DNR	Key DNR team members included Dennis Nesich, Forest Certification Specialist, Larry Pedersen, Forest Planning and Operations Unit Manager, Jim Ferris, Timber Management Specialist, Kim Herman, Monitoring Specialist, as well as Mike Paluda, Upper Peninsula Field Coordinator, and Penney Melchoir, Acting Assistant Chief of the Wildlife Division from the state office in Lansing. Many other DNR employees from Forest Management Units (FMU) and regional and state offices participated in some portion of the audit.
Others	Marvin Roberson (Sierra Club Forest Policy Specialist) Tim Flynn (President Flynn Lumber) Dave Allen (member of Sierra Club)

2 Audit objectives and planning

The objectives of this forest management surveillance audit are:

1. Evaluation of certification body's performance in implementing the accredited certification system in accordance with FSC accreditation requirements.
2. Witness an audit team to determine whether or not the team:
 - a) adequately applies the procedures and instructions of the certification body;
 - b) members exhibit the characteristics of an auditor as detailed in ISO 19011;
 - c) has the required expertise of the sector in which the audit is being undertaken;
 - d) applies appropriate expertise in the correct sense;
 - e) undertakes the audit effectively and draws correct conclusions.
3. Evaluation of the conformity of the certificate holder with FSC and certification body's certification requirements, in so far as this is necessary to verify the performance of the certification body.
4. Evaluation of stakeholder comments or complaints ASI received in relation to this operation.

ASI annual surveillance audits are based on a sample of the valid certificates of the audited CB within the scope of accreditation. The number of audits per year is determined by ASI surveillance policy; sampling is based on the ASI sampling procedure. Due to the nature of the ASI surveillance procedure, the audit evidence is necessarily based on a sample of the information available and therefore there is always an element of uncertainty in the audit findings.

3 ASI stakeholder consultation process

The stakeholder consultation process employed by ASI consisted of several parts:

1. announcement of the audit on the FSC electronic fora about one month prior to the audit to solicit stakeholder comments;
2. direct interviews with selected key-stakeholders conducted by the contracted local expert prior, during and after the audit.

In the first part ASI received comprehensive comments from Sierra Club which earlier lodged an appeal with SCS against the certification of MI DNR. The appeal was rejected by SCS because of formal shortcomings in submitting the appeal on time. Sierra Club forwarded their concerns (38 items, see attachment) to ASI for consideration in the audit. The list of issues is identical with the list sent to SCS as part of their appeal. Since it was not possible for ASI to follow-up on all items raised by Sierra Club in the course of a witness audit, Mr Wilkinson prepared a list of the main issues for the ASI audit (see table below). Most of the points were also discussed between the ASI team and Sierra Club representatives (Mr.'s Flynn and Roberson) at a personal meeting in Marquette on 25 October 2006.

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In the second part Mr Wilkinson attempted to contact about 50 stakeholders out of the stakeholder list originally assembled by SCS comprising of 523 stakeholder individuals or groups (= 10% sample). These stakeholders were chosen to represent a range of interests, including recreational users such as, hunting associations, snowmobile and off-road vehicle users, birdwatchers, fishermen; conservation and environmental groups both local and regional (including Sierra Club), timber and logging interests, members of the Lake States FSC Working Group (regional standards development committee), and American Indian tribal groups.

Sierra Club's main comments	ASI response
<p>Standard 6.4, which under the Lake States Standards is considered a "Fatal Flaw", was not used correctly in this assessment. Instead of using the Lake States Standards, SCS cited the national FSC Standard. The Lake States Standard in this case is significantly more detailed. Lake States Standards 6.4.a, 6.4.c, and 6.4.d are not cited at all in the evaluation report.</p>	<p>SCS used V2.0 of the Lake States Standard in the October 2005 main assessment of Michigan DNR because that was the operative version of the standard at that point in time. Version 2.0 of the Lake Standards, used in October 2005, had only 4 indicators for Criterion 6.4. On December 12, 2005 Greg Blomstrom distributed a memo to the CBs announcing the release of new versions of the Lake States standard as well as other U.S. regional standards for use in 2006. The version that was posted in early 2006 had a date of February 10, 2005 on the cover page. This of course caused confusion and led stakeholders to conclude that SCS used the wrong version of the standard during the audit in October 2005. Bill Wilkinson confirmed that Version 3.0 had a February 2005 date on its cover page even though it did not become available for use until early 2006. This concern was apparently alleviated by Mr. Wilkinson at the Marquette meeting. The appropriate standard was used, but the process for posting and dating standards by FSC US could be improved.</p>
<p>An assertion that even-aged management of aspen is tantamount to plantation management and should have been evaluated under P-10</p>	<p>The audit team visited several aspen stands on the audit, but due to the stand structure, the species composition, and the management regime observed, could not confirm beyond any reasonable doubt that these stands could be classified as plantations. Such management was also a topic of discussion during several presentations and audit meetings, and is a focus of concern for SCS and MI DNR. It appears that Sierra Club's concerns are perhaps too highly critical of DNR management. Stands classified as "aspen stands" actually contain a high proportion of other species. In some cases DNR does not overtly plan for regeneration of those species, but in all the stands visited they</p>

	<p>made up a substantial portion of the stand stocking. There does not appear to be a concerted effort by DNR to manage only for aspen in these stands. DNR personnel are well aware of stands where natural succession into more mature mixed species stand composition will be allowed to take place. SC concerns that a much too high proportion of the landscape managed by DNR for early successional species appears to be based on an ideal that is not practical for DNR to manage to given the multitude of stakeholder concerns that it must respond to. The steps being taken by DNR to manage for a broader range of species within aspen stands and to allow some stands to succeed into other types appears valid, if not up to the level SC would support. One harvest unit was visited where little structural diversity was retained after clearcutting. However, this was a blowdown salvage sale, and other portions of the blowdown area were not being harvested. Overall, it appeared structural and functional diversity was being addressed by DNR in its management actions.</p> <p>Other “plantation” management, such as red and jack pine, was not able to be observed due to the limited scope of the audit. Many of the sites of concern to SC are on the Lower Peninsula. However, ASI auditor inquiry addressed by DNR and SCS indicates that such management most likely would fall within even-aged natural forest management under the FSC standards (Principles 1-9) rather than plantations (Principle 10). Aspen management did not appear to constitute plantation management. The assertion by SC that the FSC Lake States Standard was designed to highly constrain aspen coppice management is contradicted by the white paper written by the Coordinator of the LS Working Group, Mr. Phil Guillery.</p>
<p>Concerns about the designation (or lack of) of High Conservation Value Forests by DNR as defined under Principle 9</p>	<p>The ASI team was able to build up sufficient evidence through interviews with various DNR staff and review of documentation that DNR is currently not in full compliance with FSC requirements for public consultation in relation to the 4 key elements of Principle 9:</p> <ol style="list-style-type: none"> 1. Definition of conservation attributes; 2. Assessment of conservation attributes;

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	<p>3. Management options to maintain or enhance the conservation attributes; 4. Monitoring system to verify the effectiveness of the applied management regime.</p> <p>While DNR has put in place a mechanism for citizens to recommend areas for consideration as High Conservation Value Areas, stakeholder consultation/input mechanisms for other aspects of FSC's Principle 9 are not yet in place. This finding was shared by SCS. They subsequently raised CAR 2006.2 against MI DNR asking them to develop and implement a public consultation mechanism for the full range of activities mandated by FSC Principle 9.</p>
<p>Assertion that the public participation processes for public forests as specified in the Lake States Standard are not being adequately addressed by DNR or evaluated by SCS</p>	<p>It seems that Sierra Club would like the DNR to put its entire management scheme out for public review. This clearly is not being done. The question to ASI is, is DNR conducting adequate stakeholder outreach that is accessible to the average person, to the level expected by FSC? The ASI team participated in an <u>open house</u> event at Gwinn FMU on 26 October 2006. It was poorly attended by the public, only a few visitors and many DNR personnel were on site. No presentation by DNR but plenty of DNR personnel available for consultation. Materials laid out on table. The ASI team concluded that the open house is not an effective mechanism to gather stakeholder input. This finding was shared by SCS. They subsequently raised CAR 2006.5 against MI DNR asking them to improve overall stakeholder satisfaction with DNR's efforts at transparency and consultative decision making.</p>
<p>Assertion that Environmental Assessments as outlined under Criterion 6.1 are not being adequately conducted by MI DNR and should not have been accepted as such by SCS</p>	<p>The ASI team evaluated the EIA process and concludes that an impact evaluation is done in a formalized way involving expertise from the different divisions of the department. However, this process is not well documented and not transparent for stakeholders who are invited to comment on proposed management options in the open house meetings. Based on interviews and documentation, the ASI audit team at his point does not see the need to increase formalities in the EIA process but sees a deficit in documenting and communicating the process and the results in a way that is easily accessible for the public. This finding was</p>

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	<p>shared by SCS. They subsequently raised CAR 2006.3 against MI DNR asking them for cohesively documenting the environmental assessments.</p>
<p>A question as to the sustainability of the DNR management in its adherence to Criterion 6.3.b.—Genetic, species, and ecosystem diversity. SC believes that the goal of the new MI forest management plan is to “eliminate older forest stands”.</p>	<p>It appears that while elimination of older stands may have been in fact a goal in the past, present DNR management is paying much more attention to managing for older age classes in a wider variety of stands. Although natural disturbances may not produce the exact mix of species or age classes being managed for by MI DNR, the trend appears to be moving away from simplification and more toward diversity. FSC certification appears to have provided a positive influence in this regard. Rather than rubber-stamping DNR management, SCS has helped move them toward more environmentally diverse management. This management is not completely ideal from an environmental perspective, but given the social and economic pressures associated with managing such a large public forest, the trend seems positive rather than negative, and generally consistent with FSC direction. DNR reported that there is a mesic conifer initiative in place and on the western UP they expect this timber type to increase 100% on DNR lands.</p>
<p>Criterion 8.1 requires monitoring but DNR does not monitor for effectiveness, e.g., the degree to which goals and objectives have been achieved.</p>	<p>DNR follows no monitoring protocol: Although monitoring <i>per se</i> is only now being formally addressed by DNR. The DNR system appears to monitor practices and the results of practices in a fairly substantive way. The development of Work Instructions has put a lot of pressure on DNR personnel to pay attention to all the results of their actions and documents the results. ASI agrees with SC that monitoring has been a weak spot in DNR management to date, but the trend to better conduct monitoring seems quite positive.</p>
<p>There is no public scrutiny of DNR policies, such as the Work Instructions</p>	<p>SC would like the DNR to put its entire management scheme out for public review. This clearly is not being done. The question to the assessor and auditor is, is DNR conducting adequate stakeholder outreach that is accessible to the average person, to the level expected by FSC? Not enough time was devoted to this issue during the audit to fully evaluate this issue, which is at the level of the entire DNR operation, and cannot be well</p>

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	<p>evaluated during a surveillance audit. However, the CAR issued by SCS at the conclusion of the audit, requiring the DNR develop a better strategy to improve documentation of stakeholder input, appears to go a long way toward addressing this concern.</p>
<p>The FSC standard is “not being visibly met.”</p>	<p>This statement does not appear to be the case. Most of the indicators in the FSC Lakes States Regional Standard seem to be fairly well met, as much as could be observed by the auditors during the field trips. CARs are being addressed and closed. MI DNR appears to recognize the intent of the FSC standards and has gone to some length to adjust its management to conform to the standards. Additional CARS and annual audits will serve to continue this process. MI DNR has suffered from budget cuts and is under pressure from a host of stakeholder groups, which poses some real difficulty in changing direction in as timely a manner as SC, or SCS, would prefer. Sierra Club as well as other stakeholders should continue to apply pressure to help DNR understand its concerns about the environmental effects of its management.</p> <p>Long term goals are documented in the <u>ecoregional plans</u> under development. The audit team observed that there is considerable uncertainty as to the expected level of quantitative direction that should be incorporated into the eco-regional plans. Members of the eco-regional planning teams, when asked, express an expectation that the plans should/will contain direction of sufficient detail so as to provide clear guidance to the Compartment Review/OI process, yet the current draft of the East UP Plan now lacks such detail. Without this detail, the audit team does not believe that the eco-regional plans will provide the critical link between state-wide biodiversity/multi-resource goals/objectives and FMU (field-level) resource management decisions. This finding was shared by SCS. They subsequently raised CAR 2006.4 against MI DNR asking them to assure that the eco-regional plans incorporate specific, quantitative direction/guidance that will effectively inform decision making at the compartment level.</p>

	<p>Sierra Club makes some valid points about DNR performance and the SCS evaluation of the DNR. Finally however, it is worth noting that Mr. Dave Allen, also a SC member in MI and interviewed by ASI, had a much more positive view of DNR management and responsiveness to public concerns than do the other SC members ASI met with during the audit.</p>
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4 Audit findings

CAB AUDIT PERFORMANCE	
FSC requirements	Findings and conclusions
Standard adaptation (20-003)	SCS used the FSC accredited Lake States Standards. Therefore, a local adaptation process was not required. There was some initial confusion however regarding the version used but this concern was apparently alleviated.
Auditor qualification (20-004)	The audit was conducted by a 3 person team: Dr Hrubes and Mr Ferrucci. Both were already members of the main audit team. The third member of the team was Mr Sterling Griffin (auditor in training). All of them are Registered Professional Foresters and have the required qualification and experience to conduct forest management audits in the FSC system.
Stakeholder consultation (20-006)	<p>The Master MI DNR stakeholder list contained the names and contact information for 523 stakeholder individuals or groups that SCS contacted or attempted to contact during their assessment process. In terms of SCS's assessment process, it is noted that only two persons who responded to Mr. Wilkinson's stakeholder outreach remembered being contacted by SCS during the assessment, and one of those received no response to the input he provided.</p> <p>The ASI team expressed a concern regarding stakeholder outreach and documentation of the same. Overall, there was very poor acknowledgement by stakeholders of SCS outreach efforts. Most of the stakeholders contacted by Mr. Wilkinson whom SCS evidently attempted to contact had no memory of the outreach. There was no record on file at the SCS office of any responses resulting from stakeholder outreach, at least as provided by Mr. Wager. The master stakeholder list included, for the 11 tribal groups listed on the</p>

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	<p>master stakeholder list, only mailing addresses and no email addresses or phone numbers. Mr. Wilkinson admitted that his own outreach did not bear a lot of fruit, and the average stakeholder or group may not be very responsive unless they feel their interests are being directly impacted. However, similar deficiencies were noted by FSC/ ASI in past SCS audits. ASI noted to SCS that stakeholder outreach, and particularly the documentation of such, would be a focus of the upcoming office audit. Although this potential problem could have been the focus of a Recommendation or CAR, there is some evidence it may be a systemic problem within SCS and therefore should be evaluated at the organizational level. To be fair it must be stated that this observation is a representative result for most CB's stakeholder processes and therefore seems to indicate also a problem within the FSC stakeholder consultation approach in a broader sense.</p>
<p>Evaluation process (20-007; ISO 19011)</p>	<p>The audit was conducted as a joint FSC and SFI audit. The SCS audit team conducted a professional and systematic audit and was able to adequately separate the issues of both certification systems from each other. Corrective action for pending CARs was thoroughly reviewed. Audit evidence to verify continued compliance of MI DNR with certification requirements was adequately collected through interviews, evaluation of documents and records and field inspections. The audit was structured and conducted following the FSC requirements for surveillance audits as well as the recommendations of ISO 19011.</p> <p>The following <u>key issues</u> were selected by SCS for their 2006 audit:</p> <ul style="list-style-type: none"> • Aspen management • Road maintenance • Resource Damage Reporting system • Hardwood management • ORV issues • Deer management
<p>Audit report (20-008)</p>	<p>The audit report was written by the lead auditor, Dr Robert Hrubec, covers 141 pages (including the 2006 update) and mainly does comply with FSC report writing requirements.</p> <p>The ASI team seconded some concerns of Sierra Club in regard to the main audit report. Some indicators were not addressed at all. One was addressed by stating there was no evidence to the</p>

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	contrary Some indicators were addressed by referencing DNR documents or procedures but DNR performance was not overtly evaluated. The ASI team noted that these are minor and correctible problems that do not rise to the level of a CAR within the context of the largely very good assessment of a very large and complex public forestry operation; however, these items should be better dealt with in the future.
Public summary (20-009)	The public summary report was published on the SCS website within the timeline required by FSC. All information as supposed is included.
Application of relevant FSC policies and guidelines	N/A

SCS response to the Sierra Club appeal:

In general, stakeholder consultation provides an essential and effective means of verification for many indicators of the applicable Forest Stewardship Standard. National and local stakeholders can provide relevant information as to an applicant's compliance with the environmental, legal, social, or economic requirements of the Forest Stewardship Standard.

In 2006, Sierra Club lodged an appeal with SCS against the certification of MI DNR. The appeal was rejected by SCS because SC failed to act within the time frame that SCS had in place, approved by the FSC through their accreditation program. However, while it did not procedurally accept SC's intervention as an "appeal," SCS did consider the comments and input submitted by SC. With the new interpretation following further guidance gained from ISO 17011 it is no longer possible for certification bodies to reject stakeholder comments in the form of appeals just because of formal errors, such as missed timelines. Stakeholders have the right to submit their comments at any time and certification bodies are committed to evaluate the information and opinions given objectively and meaningfully. After a recent revision of their complaints and appeals procedure, SCS is in full compliance with the current ASI interpretation of the FSC requirements for disputes, complainants and appeals procedures.

5 Nonconformities and observations

Major CAR(s)	Minor CAR(s)	Observations
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See nonconformity reports (attached) for details.

6 Conclusion and recommendation

Dr. Hrubes and his colleagues conducted a very professional annual audit. MI DNR is a highly complex operation and though there have been some loose ends, DNR is trying very hard to meet FSC requirements. It appears from the brief observation during the

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audit that MI DNR, at least on the Upper Peninsular, is taking FSC certification very seriously, and that the CARs applied to date have been effective in addressing and correcting deficiencies.

Sierra Club and other stakeholders made some valid points about DNR performance and the SCS evaluation of the DNR. The ASI audit team is satisfied that the CARs raised by SCS address the main issues the ASI team detected in this audit. Therefore, it was not necessary to issue CARs against SCS. ASI will however closely monitor the follow-up activities of DNR and SCS after this audit and reserves the right to take corrective action as necessary in the future.

Based on the findings of this audit, the ASI lead auditor recommends to FSC AC the continuation of the FSC forest management accreditation for SCS.

Attachments

Nonconformity reports (NCRs)

Annex 1: Nonconformity reports (NCRs)

ACCREDITATION SERVICES INTERNATIONAL GmbH

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	REC.SCS.FM.DNR.2006.01	Date	02 July 2007
Issue detected by (name of auditor)	Bill WILKINSON		
Through (e.g. office audit, document review)	FM Surveillance Audit 2006		
Recommendation:	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
<p>During future audits, SCS should evaluate the role of the DNR \Branch of Parks and Recreation, as well as any other branches of the DNR not directly evaluated in the assessment, to ensure that they are not taking actions outside the scope of the certificate. If such actions are taking place within the certified forest. SCS should take measures to exclude such actions or lands from the certificate, or include them within the certificate.</p>			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	REC.SCS.FM.DNR.2006.02	Date	02 July 2007
Issue detected by (name of auditor)		Bill WILKINSON	
Through (e.g. office audit, document review)		FM Surveillance Audit 2006	
Recommendation:	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
<p>SCS should ensure that every indicator is evaluated on its own merits. In addition, references to guidance documents should not be used to score performance of indicators, unless the presence of a guidance document is the thrust of the indicator. Finally, stating that there is no evidence that the requirements of an indicator are not being met should not be used to score an indicator when more positive affirmation of performance can be made.</p>			