



**Bureau Veritas Certification
North America, Inc.**

SFI 2010:2014 Audit Report

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PQC Code	E01E

Contract Number:	US.0740986	Certification Audit:		Re-Certification Audit:		Surveillance: (Indicate visit # or Pre-Assessment)	#2
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Audit Summary
<p>The scope of the surveillance audit is the Washington State Department of Natural Resources (WA DNR) forest management operations in Western and Eastern Washington. The WA DNR is composed of six regions and the audit focused on forest management operations in the Northwest and Olympic Regions in Western Washington. The WA DNR manages approximately 693, 809 acres in these two regions located on the westside of the Cascade Mountains.</p> <p>The surveillance audit was conducted on June 14-16, 2011. The opening meeting of the audit was held at the Washington Department of Natural Resources Headquarters in Olympia, WA on Tuesday, June 14, 2011. Forest Resources and Conservation Division staff Lislie Sayers, Ecosystem Services Section, Program Implementation Lead, Forest Certification; Allen Estep, Ecosystem Services Section, Program Lead, PSF/Certification; Tami Miketa, Assistant Division Manager- Ecosystem Services Section; Candace Johnson, Assistant Division Manager-Silviculture Section; Jon Tweedale, Assistant Division Manager-Product Sales Section; and Jed Herman, Division Manager were in attendance. The audit team consisting of Gregory Bassler, Lead Auditor and Tera King, Team Auditor, introduced themselves and reviewed the audit plan. Logistics of the audit plan were also discussed and the sites confirmed for the field portion of the audit to be conducted the following two days. Non-conformances and the requirements for clearing them, opportunities for improvement, and notable practices were also discussed.</p> <p>The document review portion of the audit was conducted following the opening meeting. The field audit of the Olympic Region was conducted on Wednesday, June 15, 2011. Each team auditor visited separate sites with WA DNR staff. The field audit of the Northwest Region was conducted the following day, June 16, 2011. Field files for each site were reviewed and used to determine effectiveness of the WA DNR forest management system and process. The Objectives, Performance Measures and Indicators were all verified through a review of documents and field verification of sites to meet the intent of the SFI 2010-2014 Standard. A debriefing was conducted at the end of the day by each team auditor.</p> <p>The surveillance audit was conducted under environmental auditing methodologies identified in the SFI 2010-2014 Audit Procedures and Auditor Qualifications and Accreditation (Section 9 of the Requirements for the SFI 2010-2014 Program) and standard Bureau Veritas Certification protocols and forms were applied throughout the verification. Prior to the audit, the auditor selected sites in both regions to be sampled based on management activities. The audit plan identified all new objectives, performance measures and indicators of the SFI 2010-2014 Standard and Objectives 1, 2, 3, 4, 5, 6 and 14-20 as the primary focus; however, all objectives were subject to review.</p>

The Closing Meeting for the surveillance audit was held on Monday, June 27, 2011 via conference call. From WA DNR's Forest Resources and Conservation Division Lislle Sayers, Ecosystem Services Section, Program Implementation Lead, Forest Certification; Allen Estep, Ecosystem Services Section, Program Lead, PSF/Certification; Tami Miketa, Assistant Division Manager-Ecosystem Services Section; Angus Brodie, Assistant Division Manager-Data Stewardship Section; Jon Tweedale, Assistant Division Manager-Product Sales Section; Candace Johnson, Assistant Division Manager-Silviculture Section; Tony Ifie, Alternative Energy Program Development Manager; Brule Burkhart, Budget Manager; and Jed Herman, Division Manager participated in the conference call. From WA DNR's Northwest Region Ben Cleveland, Region Manager; Laurie Bergvall, State Lands Assistant; and Al McGuire, Cascade District Manager participated in the conference call. From WA DNR's Olympic Region Sue Trettevik, Region Manager; Drew Rosanbalm, State Lands Assistant; Dave Cole, Management Forester; Bill Wells, Coast District Manager; and Mike Potter, Coast District Unit Forester participated in the conference call. Gregory Bassler, Lead Auditor, and Tera King, Team Auditor, presented and reviewed the audit findings. Confidentiality of the audit results was assured.

A total of 33 sites were visited during the field portion of the audit. WA DNR forestry personnel responsible for the activity and/or familiar with the sites were available for the audit. Ten active logging sites were visited; one was a Contract Harvest Sale and the remaining were stumpage sales. The active sale contractors were trained.

The WA DNR is a multi-site organization and has a central office or headquarters (Olympia, WA) at which certain activities are planned, controlled or managed and a network of regional offices or sites at which such activities are carried out. The Olympia, WA central office provides regions with information and guidance on activities. The scope and scale of activities are similar at all regions. All regions or sites operate under a common forest management system, policies and set of procedures that is managed and administered by the central office.

The Olympia, WA central office conducts and maintains an internal audit program to review and monitor conformance of each region. The State Land Assistants have a monthly conference call and meet quarterly. Monthly Variance Reports discussing state lands budgets, expenditures and deliverables are reviewed quarterly at the Management Review Meetings. HCP monitoring is on-going and an HCP Implementation Monitoring Report is required to be prepared annually; the 2009 Implementation Monitoring Report has not been prepared to date. The Washington Department of Fish and Wildlife (WDFW) monitors sales and planning every two years and provides results to the WA DNR; the 2009 Report continues to be in draft form. Forest Practices monitors operations and summarizes findings on an annual basis. An external SFI Performance Measures review is also conducted quarterly. In summary, the WA DNR has a good, reliable internal audit program and monitoring system carried out at headquarters to determine conformance at all regions or sites and to implement corrective actions when appropriate. There is good coordination and communication between the central office and each region.

For multi-site certifications, a site sampling method is generally used. The number of sites to be audited is equal to the square of the number of sites x 0.6 for surveillance audits. A site sampling method was used and two regions or sites plus headquarters are to be audited on an annual basis. The WA DNR is composed of six regions (Pacific Cascade, South Puget Sound, Olympic, Northwest, Northeast and Southeast) and the surveillance plan for 2011 was to audit the Northwest and Olympic Regions. Each region or site is audited on a three-year basis and these two regions were last audited in 2008. The WA DNR is in conformance with all multi-site requirements.

WA DNR did not have any substitutions or modifications to any of the Indicators. A review of previous audits was conducted to verify the effectiveness of previous audit findings and to evaluate WA DNR's past performance. The 2010 surveillance audit for DNR-managed lands in Western and Eastern Washington, focusing on forest management operations in Pacific Cascade and South Puget Sound Regions, identified one minor non-conformance and three opportunities for improvements. The minor non-conformance was cleared on August 24, 2010. Five notable practices were also issued. There were no trends in the SFI implementation of the field audit or document review that would indicate that any particular area needs special attention. A SF 61 was completed and contains specific information and audit notes.

The audit findings and conclusions included:

Non-conformances issued: No non-conformances were issued during the audit.

Opportunities for Improvements: OFI's are weaknesses in the program that may lead to a non-conformance in the future if activities are not monitored for effectiveness. Three Opportunities for Improvement were identified during the 2011 surveillance audit.

OFI-Objective 1, PM 1.1, I-4: A significant portion of the existing forest inventory data is over ten years old and should be updated before the next Sustainable Harvest Recalculation in 2014.

OFI-Objective 3, PM 3.1, I-2: In addition to requiring all logging contractors to have spill kits on site, the WA DNR should consider whether certain types of equipment (shovels and feller-bunchers) should have oil spill kits on the machine. It should also review on-site bulk fuel storage practices by contractors and educate contractors and contract administrators on any containment requirements.

OFI-Objective 20, PM 20.1, I-2: HCP implementation monitoring was started in 2009 but not concluded and the Implementation Monitoring Report was not prepared.

Notable Practices: NP's are practices and actions that are exemplary and indicate a strong commitment to the SFI intent and to continual improvement of their program. Two Notable Practices were identified during the 2011 surveillance audit.

NP-Objective 18, PM 18.2, I-1: The WA DNR, especially the Northwest and Olympic Regions, have developed good, long-term working relationships with numerous tribes which has provided cooperation in protection of cultural, water, and forest resources. The Lands Commissioner has also started yearly summits with all Tribes within Washington State to maintain the dialogue and Region staff meet regularly with Tribes to discuss local issues.

NP-Objective 5, PM 5.4, I-1: WA DNR's on-going collaboration with various recreational stakeholder groups, particularly the motorized and non-motorized users at the Reiter Foothills Forest Recreation Planning Area, is outstanding. The WA DNR is commended for its working with the various groups to create a variety of recreational opportunities and educating the public on resource protection.

BVC auditors found WA DNR Lislle Sayers, Program Implementation Lead, Forest Certification and Allen Estep, Program Lead, PSF/Certification to be effective in managing the SFI program and preparing the field audit schedule and packets. The WA DNR staff is very knowledgeable of forest management operations and all field files were complete. The auditors continue to be impressed with the WA DNR's willingness to collaborate with all stakeholders to implement management strategies to improve habitat.

Logo and label use were reviewed and Washington State Department of Natural Resources does not use the Bureau Veritas Certification logo other than for promotional purposes.

A review of the SFI, Inc. website provided evidence that the previous audit of the Washington State Department of Natural Resources SFI forest management program was submitted and posted as required for public notification.

The Washington State Department of Natural Resources continues to meet the SFI requirements and has effectively implemented the SFI 2010-2014 Standard in their forestry operations. Bureau Veritas recommends continued certification.

PLEASE SEE SF 61 AND FIELD FORMS FOR AUDIT NOTES

Summary of Audit Findings:						
Audit Date(s):	From: June 14, 2011			To: June 27, 2011		
Number of SF02's Raised:	Major:		0	Minor:		0
Is a follow up visit required:	Yes	No	X	Date(s) of follow up visit:		
Follow-up visit remarks:						
Team Leader Recommendation:						
Corrective Action Plan (s) Accepted	Yes	X	No	Date:	N/A	
Proceed to/Continue Certification	Yes	X	No	Date:	June 27,2011	
All NCR's Cleared	Yes	X	No	Date:	N/A	
Standard audit conducted against:						
1)	SFI 2010:2014	3)				
2)		4)				
Team Leader (1):		Team Members (2, 3, 4...)				
Gregory Bassler		2) Tera King				
		3)				
		4)				
		5)				
Scope of Supply: (scope statement must be verified and appear in the space below)						
Washington State Department of Natural Resource's forest management operations in Western and Eastern Washington.						
Accreditation's	ANAB					
Number of Certificates						
Proposed Date for Next Audit Event						
Date	June 2012					
Audit Report Distribution						
Client: WA DNR-Lislie Sayers, Program Implementation Lead, Forest Certification, lislie.sayers@dnr.wa.gov						
BVC – Customer Service Representative – Roshawnda Ward, roshawnda.ward@us.bureauveritas.com						

Clause	Audit Report
Opening Meeting	<p>Participants: Lislle Sayers, Ecosystem Services Section, Program Implementation Lead, Forest Certification; Allen Estep, Ecosystem Services Section, Program Lead, PSF/Certification; Tami Miketa, Assistant Division Manager- Ecosystem Services Section; Candace Johnson, Assistant Division Manager-Silviculture Section; Jon Tweedale, Assistant Division Manager-Product Sales Division; Jed Herman, Division Manager; Greg Bassler, Team Lead Auditor and Tera King, Team Auditor, were in attendance.</p> <p>Discussions:</p> <ul style="list-style-type: none"> ➤ Introductions ➤ Scope of the audit ➤ Audit schedule/plan ➤ Nonconformance types – Major / Minor ➤ Review of previous non-conformances - 0. ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	<p>Participants: From WA DNR’s Forest Resources and Conservation Division Lislle Sayers, Ecosystem Services Section, Program Implementation Lead, Forest Certification; Allen Estep, Ecosystem Services Section, Program Lead, PSF/Certification; Tami Miketa, Assistant Division Manager-Ecosystem Services Section; Angus Brodie, Assistant Division Manager-Data Stewardship Section; Jon Tweedale, Assistant Division Manager-Product Sales Section; Candace Johnson, Assistant Division Manager-Silviculture Section; Tony Ifie, Alternative Energy Program Development Manager; Brule Burkhart, Budget Manager; and Jed Herman, Division Manager participated in the conference call. From WA DNR’s Northwest Region Ben Cleveland, Region Manager; Laurie Bergvall, State Lands Assistant; and Al McGuire, Cascade District Manager, participated in the conference call. From WADNR’s Olympic Region Sue Trettevik, Region Manager; Drew Rosanbalm, State Lands Assistant; Dave Cole, Management Forester; Bill Wells, Coast District Manager; and Mike Potter, Coast District Unit Forester, participated in the conference call. Gregory Bassler, Lead Auditor and Tera King, Team Auditor participated in the conference call.</p> <p>Discussions:</p> <ul style="list-style-type: none"> ➤ Introductions and appreciation for selecting Bureau Veritas Certification. ➤ Review of audit process - process approach and sampling. ➤ Review of OFIs and System Strengths. ➤ Non-conformances – 0. ➤ Date for next audit. ➤ Reporting protocol and timing.



SF02/NA NONCONFORMITY REPORT

Company Name and Site:		<u>SF02#:</u>	
Contract #:		Department / Process:	
Date:		Standard and Clause #:	
Major	Minor	Other Documents (if applicable):	
Team Leader:		Team Member:	
Company Representative:			
REQUIREMENT OF AUDITED STANDARD:			
OBSERVED NONCONFORMITY:			
ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN (To be completed by the Company. Plan to be submitted in 30 days)			
Corrective Action Plan Date:		Company Representative:	
Root Cause Analysis and Corrective Action			

Surveillance #2 Audit Schedule

Date: Tuesday, June 14th, 2011

WA DNR Headquarters in Olympia, WA

Time	Activity	BVC Repr.	Company Repr.
8:00 AM	Opening Meeting at DNR Headquarters in Olympia	Greg Bassler Tera King	Lislie Sayers Allen Estep
9:00 AM	Document Review of Objectives 1-7 and 14- 20		
Noon	Lunch		
1:00 PM	Resume document review		
2:30 PM	Complete document review and review site selection and field audit schedule		
3:00 PM	Debriefing on document review	Bassler/King	All
5:00 PM	Depart for Olympic Region for next day field audit		

Date: Wednesday, June 15th, 2011

Olympic Region Office – Forks, WA

Time	Activity	BVC Repr.	Company Repr.
8:00 AM	Opening Meeting	Greg Bassler Tera King	Allen Estep Lislie Sayers
8:30 AM	Begin field audit and visit sites	All	All
4:45 PM	Conclude field audit and provide daily debriefing	Bassler/King	All
5:15 PM	Depart site, Travel to Northwest Region office Sedro Wooley		

Date: Thursday, June 16th, 2011

Northwest Region - Sedro Woolley, WA

Time	Activity	BVC Repr.	Company Repr.
8:00 AM	Opening Meeting	Greg Bassler Tera King	Allen Estep Lislie Sayers
8:30 AM	Begin field audit and visit sites	All	All
4:45 PM	Conclude field audit and provide daily debriefing	Bassler/King	All
5:15 PM	Depart site, travel to SeaTac		

Note: Closing meeting will be held via conference call within a week of concluding the audit.