



**BUREAU  
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**Bureau Veritas Certification  
North America, Inc.  
SFI Audit Report**

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PQC Code	E01E

Contract Number:	US.1215025	Certification Audit:		Re-Certification Audit:		Surveillance: (Indicate visit # or Pre-Assessment)	#1
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**Audit Summary**

**Introduction**

A surveillance audit of the Washington State Department of Natural Resources (WA DNR) was conducted on May 20-23, 2013. The audit was conducted by Gregory Bassler, Lead Auditor and Gary Ellingson, Team Auditor.

**Audit Scope, Objectives and Process**

The scope of the surveillance audit was the Washington State Department of Natural Resources forest management operations in Western and Eastern Washington. The objective was to verify the effectiveness of the Washington DNR's SFI Forest Land Management program and conformance to the Requirements of the SFI 2010-2014 Program. All performance measures in Objectives 1, 7, 14, 15, 16, 17, 19 and 20 and selected performance measures in Objectives 2, 3, 4, and 5 identified in the surveillance audit plan were audited. All indicators however; pertaining to land management of the SFI 2010-2014 Standard was subject to review.

The opening meeting of the audit was held at the Washington Department of Natural Resources Headquarters in Olympia, WA on Monday, May 20, 2013. Lislie Sayers, HCP and Scientific Consultation Section, Program Implementation Lead, Forest Certification; Allen Estep, Acting Assistant Division Manager-HCP and Scientific Consultation Section; Duane Emmons, Program Development Specialist; Paul Bialkowski, Assistant Division Manager-Product Sales Section; Tony Ifie, Assistant Division Manager-Training; Brule Burkhart, State Lands Budget; Julie Sackett, Forest Resources Division Manager; Greg Bassler, Team Lead Auditor and Gary Ellingson, Team Auditor, were in attendance.

The audit team 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 on Wednesday and Thursday. Non-conformances and the requirements for clearing them, Opportunities For Improvement, and Notable Practices were also discussed. The closing meeting time was confirmed and was to be held by conference call at 3:00 PM, Thursday, May 30, 2013.

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 Objectives, Performance Measures and Indicators of the SFI 2010-2014 Standard and all Objectives were subject to review.

**Audit Plan**

The document review portion of the audit began immediately following the opening meeting on Monday

morning and was completed on Tuesday. The field audit of the Southeast Region was conducted on Wednesday, May 22, 2013 and the field audit of the Northeast Region was conducted on Thursday, May 23, 2013. Each team auditor visited separate sites with WA DNR staff on both field audit days. The audit plan is included in this report and is maintained on file by Bureau Veritas Certification.

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 each day by each team auditor.

### **Company Information**

The Washington State Department of Natural Resources manages 5.6 million acres of forest, range, agricultural, aquatic and commercial lands for the people of Washington; 2.1 million acres are forested. To manage this work more effectively, the WA DNR has 12 Divisions focused on a specific business area and 6 Regions located throughout the state of Washington. The lands generate more than \$200 million a year, much of it to support public schools, state institutions, and county services.

### **Multi-Site Requirements**

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.

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 0.8 for renewal 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 audit plan for 2013 was to audit the Northeast and Southeast Regions. The WA DNR manages approximately 618,718 acres in these two regions located on the Eastside of the Cascade Mountains. Each region or site is audited on a three-year basis and these two regions were last audited in 2009. The WA DNR is in conformance with all multi-site requirements.

<b>Sites</b>	<b>Sites Audited During this Renewal Event</b>
Olympia, WA (Central Office)	X
South Puget Sound Region	
Pacific Cascade Region	
Northeast Region	X
Southeast Region	X
Northwest Region	
Olympic Region	

### **Audit Results**

A total of 25 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. Timber sale jackets or Contract Administration field files were available for review at each site. Two active logging sites were visited; one was a Contract Harvest Sale and one was a Stumpage Sale. Logging and hauling operations were active on one sale and the other sale was shut down due to wet weather. Both contractors were on site, were interviewed and were WCLA trained loggers. All field sites visited were in compliance with all laws and in conformance with the Standard.

A minor Non-conformance was uncovered during the document review portion of the audit. WA DNR Policy PO14-004 states the Department shall determine the sustainable harvest level for the sustainable harvest units

in Eastern Washington on a decadal basis. The last calculation was performed in 1996. The WA DNR has a plan and methodology for calculating the sustainable harvest level and has made several approximations. Sold volume for the five Eastern Washington sustainable harvest units has been substantially below the calculated sustainable harvest level of 85 MMBF for the past 3 fiscal years.

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 the Fiscal Year 2012 monitoring report was completed.

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.

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. 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. An SF61 was completed and contains specific information and audit notes.

## Findings

### Previous non-conformances:

The 2012 renewal audit of DNR-managed lands focused on forest management operations in the South Puget Sound and Pacific Cascade Regions. One minor non-conformance was identified regarding chemical use-monitoring. The WA DNR prepared and implemented an excellent correct action plan and the non-conformance was closed.

**Non-conformances:** One minor non-conformance was issued in regards to forest inventory and recalculation of planned harvests for the Eastside of Washington.

- 1. PM 1.1, Ind. 4: The sustainable harvest level for the sustainable harvest units in Eastern Washington have not been recalculated on a decadal basis as required by WA DNR Policy PO14-004. An SF02 nonconformity report was completed and is included as part of this audit report.*

**Opportunities for Improvement:** OFI's are areas or opportunities (environmental, operational efficiency, cost effectiveness) to improve. No opportunities for Improvement were issued during the surveillance audit.

### Notable Practices:

NP's are innovative practices and actions that indicate a strong commitment to the SFI intent and to improving environmental performance. No Notable Practices were identified during the surveillance audit.

### Logo/label use:

Logo and label use was reviewed and Washington State Department of Natural Resources does not use the SFI label or logo other than for promotional purposes. Use of the logo/label was approved and in conformance with all logo/label use rules. The WA DNR does not use the Bureau Veritas Certification logo.

### SFI reporting:

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.

## Conclusions

The Closing Meeting for the surveillance audit was held on Thursday, May 30, 2013 via conference call. Gregory Bassler, Lead Auditor, and Gary Ellingson, Team Auditor, presented and reviewed the audit findings. Confidentiality of the audit results was assured. The Washington State Department of Natural Resources was

recommended for continued certification. To clear the Non-conformance, a corrective action plan and actions must be submitted to Bureau Veritas and the Lead Auditor for review and approval within 90 days of the closing meeting date (August 30, 2013).

### Surveillance Audit Schedule

**Date: Monday, May 20, 2013**

**WA DNR Headquarters in Olympia, WA**

Time	Activity	BVC Repr.	Company Repr.
10:30 AM	Opening Meeting at DNR Headquarters in Olympia	Greg Bassler Gary Ellingson	Lislie Sayers Duane Emmons
11:00 AM	Begin Document Review of Objectives 1-7 and 14- 20	Bassler/ Ellingson	Sayers/Emmons
4:45 PM	Debriefing on document review	Bassler/ Ellingson	All
5:00 PM	Depart site		

**Date: Tuesday, May 21, 2013**

**WA DNR Headquarters in Olympia, WA**

Time	Activity	BVC Repr.	Company Repr.
8:00 AM	Continue Document Review of Objectives 1-7 and 14- 20	Greg Bassler Gary Ellingson	Lislie Sayers Duane Emmons
Noon	Lunch		
1:00 PM	Resume document review		
4:00 PM	Complete document review and review site selection and field audit schedule		
4:30 PM	Debriefing on document review	Bassler/ Ellingson	All
5:00 PM	Depart for Trout Lake and Ellensburg		

**Date: Wednesday, May 22, 2013**  
**(Klickitat District), WA**

**Southeast Region – Ellensburg (Alpine District) and Trout Lake**

Time	Activity	BVC Repr.	Company Repr.
7:30 AM	Opening Meeting –Trout Lake (Klickitat District)	Greg Bassler	Lislie Sayers
7:30 AM	Opening Meeting – Ellensburg (Alpine District)	Gary Ellingson	Duane Emmons
3:30 PM	Conclude field audit and provide daily debriefing	Bassler / Ellingson	All
4:00 PM	Depart site, Travel to Omak and Spokane		

**Date: Thursday, May 23, 2013**  
**(Arcadia District), WA**

**Northeast Region – Omak (Highlands District) and Spokane**

Time	Activity	BVC Repr.	Company Repr.
7:30 AM	Opening Meeting – Spokane (Arcadia District)	Greg Bassler	Lislie Sayers
7:30 AM	Opening Meeting – Loomis State Forest (Highlands District)	Gary Ellingson	Duane Emmons
4:00 PM	Conclude field audit and provide daily debriefing	Bassler/ Ellinson	All
4:30 PM	Depart sites		

**SEE SF61/SF71 FOR AUDIT NOTES**

Summary of Audit Findings:						
Audit Date(s):	From: May 20, 2013			To: May 30, 2013		
Number of SF02's Raised:	Major:		0		Minor:	1
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:	June 30, 2013	
Proceed to/Continue Certification	Yes	X	No	Date:	May 30, 2013	
All NCR's Cleared	Yes	No	X	Date:		
Standard audit conducted against:						
1)	SFI 2010:2014	3)				
2)		4)				
Team Leader (1):	Team Members (2, 3, 4...)					
Gregory Bassler, EMS-LA	2) Gary Ellingson, Team Auditor					
	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	1					
Proposed Date for Next Audit Event						
Date	May 2014					
Audit Report Distribution						
Client: WA DNR-Lislie Sayers, Program Implementation Lead, Forest Certification, <a href="mailto:lislie.sayers@dnr.wa.gov">lislie.sayers@dnr.wa.gov</a>						
BVC – Customer Service Representative – Melani Potts, <a href="mailto:melani.potts@us.bureauveritas.com">melani.potts@us.bureauveritas.com</a>						

Clause	Audit Report
Opening Meeting	<p>Participants: Lislle Sayers, HCP and Scientific Consultation Section, Program Implementation</p> <p>Discussions: Lead, Forest Certification; Allen Estep, Acting Assistant Division Manager-HCP and Scientific Consultation Section; Duane Emmons, Program Development Specialist; Paul Bialkowsky, Assistant Division Manager-Product Sales Section; Tony Ifie, Assistant Division Manager-Training; Brule Burkhart, State Lands Budget; Julie Sackett, Forest Resources Division Manager; Greg Bassler, Team Lead Auditor and Gary Ellingson, Team Auditor, were in attendance.</p> <ul style="list-style-type: none"> <li>➤ Introductions</li> <li>➤ Scope of the audit</li> <li>➤ Audit schedule/plan</li> <li>➤ Nonconformance types – Major / Minor</li> <li>➤ Review of previous non-conformances - 1</li> <li>➤ Process approach to auditing and audit sampling</li> <li>➤ Confidentiality agreement</li> <li>➤ Termination of the audit</li> <li>➤ Appeals process</li> <li>➤ Closing meeting timing</li> </ul>
Closing Meeting	<p>Participants: Lislle Sayers, HCP and Scientific Consultation Section, Program Implementation</p> <p>Discussions: Lead, Forest Certification; Allen Estep, Acting Assistant Division Manager-HCP and Scientific Consultation Section; Duane Emmons, Program Development Specialist; Julie Sackett, Forest Resources Division Manager; Heather McPherson, Acting Policy for Sustainable Forest/Forest Certification Program Lead; Angus Brodie, Assistant Division Manager-Forest Informatics and Planning Section; Ken McNamee, SE Region District Manager-Alpine; Loren Torgerson, NE Region Manager; Bob McKeller, NE Region Assistant Region Manager-State Lands; Tim Vugteveen, NE Region District Manager-Highlands; Myron Boles NE Region Unit Forester-Highlands; Sam Steinshouer, NE Region Silviculturist-Highlands District; Greg Bassler, Team Lead Auditor and Gary Ellingson, Team Auditor, were in attendance via conference call.</p> <ul style="list-style-type: none"> <li>➤ Introductions and appreciation for selecting Bureau Veritas Certification</li> <li>➤ Review of audit process - process approach and sampling</li> <li>➤ Review of OFIs and System Strengths</li> <li>➤ Non-conformances - 1</li> <li>➤ Date for next audit</li> <li>➤ Reporting protocol and timing</li> </ul>



**SF02/NA NONCONFORMITY REPORT**

Company Name and Site:			<u>SF02#:</u>
Washington State Department of Natural Resources			01
Contract #:	Department / Process:	Team Leader:	
US1215025	Natural Resources	Gregory Bassler	
Date:	Standard and Clause #:	Team Member:	
May 30, 2013	SFI 2010:2014, 1.1.4	Gary Ellingson	
Major	Minor	Other Documents (if applicable):	Company Representative:
	X		Lislie Sayers

**REQUIREMENT OF AUDITED STANDARD:**

Periodically update forest inventory and recalculation of planned harvests.

**OBSERVED NONCONFORMITY:**

The sustainable harvest level for the sustainable harvest units in Eastern Washington have not been recalculated on a decadal basis as required by WA DNR Policy PO14-004.

**ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN**  
(To be completed by the Company. Plan to be submitted in 30 days)

Corrective Action Plan Date:	June 30, 2013	Company Representative:	Lislie Sayers
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**Root Cause Analysis and Corrective Action**

**Root Cause(s)** - Four issues are found to be the root cause of the delay to calculate the eastside sustainable harvest:

1. Lack of adequate forest inventory data for lands on the eastern slopes of the Cascades range.
2. Lack of data on local operational constraints.
3. Complex set of policy objectives within an environment containing complex natural disturbances dynamics (pests, disease and fire).
4. Lack of resources to gather adequate data and information and to conduct appropriate analysis.

**Corrective Action Plan** - Three actions are planned for Fiscal Year(FY) 2014 (July 1, 2013 - June 30, 2014):

1. The Department has reinitiated the funding for its forest inventory program, has and is hiring new staff. The current focus of the inventory program is to explore the use of remote sensing data sources (LiDAR, ortho-photography, radar, etc.) to provide accurate and timely forest inventory data for the sustainable harvest calculation. Current efforts are focused on the Ahtanum Landscape in Central Washington. LiDAR was flown for this landscape in 2006. Ground sampling is expected to be completed by end of December 2013. Analysis and modeling of forest inventory and wildlife habitat attributes is expected to be completed by April 2014. Based on this work, an initial stratification of the forest inventory for eastern Washington will be completed by June 30, 2014.
2. Data collection of local operation constraints has been initiated with region staff (June 2013) and is expected to be completed by the end of December 2013.
3. A second iteration of forest estate models for the Klickitat sustainable harvest unit, including modeling of all current policies, wildlife habitats and forest health hazards is expected to be completed by June 2014.

**ROOT CAUSE AND CORRECTIVE ACTION PLAN ACCEPTANCE REPORT**

(To be completed by Bureau Veritas Certification – Verify effective identification of Root Cause and acceptance of Corrective Action Plan)



Root Cause: The root cause analysis correctly identified the factors leading to the non-conformance.													
Corrective Action Plan: The corrective action plan if successfully implemented will achieve conformance.													
Plan Accepted:		Yes	X	No		Comments:		Corrective action plan implementation will be checked at the next surveillance audit.					
Auditor:		Gregory Bassler					Date:		June 30, 2013				
<b>CORRECTIVE ACTION IMPLEMENTATION</b>													
(To be completed by Company – Provide objective evidence. Must be completed by the next surveillance)													
Corrective Action Completion Date:						Company Representative:							
Corrective Action Implementation:													
Method used to verify effectiveness of action taken:													
<b>CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT</b>													
(To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)													
Accepted:			Yes		No		Nonconformance Downgraded:			Yes		No	
Follow Up Comments:													
Auditor:							Date:						