

Project No. 1607495-02

July 3, 2014

M. John MacDougall
Federation of Nova Scotia Woodland Owners
285 George Street
Stewiacke, NS
B0N 2J0

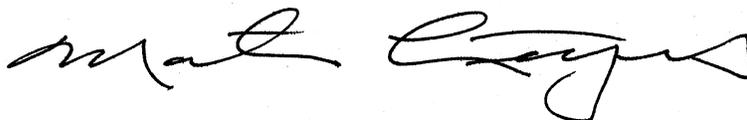
SUBJECT: REGISTRATION PROGRAM

Dear M. MacDougall,

Please find attached the Audit Report raised as a result of our S1 audit of your management system to the CAN/CSA-Z804-08 standard conducted in your Federation of Nova Scotia Woodland Owners facility on May 19 2014.

We thank you and your organization for the support and co-operation given during the audit.

Best Regards,



Martin Litchfield
Audit team leader
SAI Global Team Leader
Encls.

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CONFIDENTIAL**SUSTAINABLE FOREST MANAGEMENT SYSTEM****CAN/CSA-Z804-2008**

Auditee: Federation of Nova Scotia Woodland Owners
Address: Federation of Nova Scotia Woodland Owners
285 George Street
Stewiacke, NS
B0N 2J0

Contact: M. John MacDougall
Date(s) of Audit: May 19 2014 and May 23, 2014
Audit Team Leader: Martin Litchfield
Acting Team Leader: Daniel Martin
Type of Audit: S1
Audit Frequency: Annual
SIC / NACE Code: 0811 / A02.0 Timber Tracts

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REPORT DISTRIBUTION

M. John MacDougall
SAI GLOBAL File
Martin Litchfield

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SECTION 1 - EXECUTIVE SUMMARY

Scope #	Scope Description
	Forest management activities on defined woodlots enrolled in the 9715 ha group certification program.

Site:

Federation of Nova Scotia Woodland Owners
285 George Street
Stewiacke, NS
B0N 2J0

Summary of Audit Findings:

The Federation of Nova Scotia Woodland Owners (FNSWO) has established, implemented and maintained a group certification program that has been determined to meet the requirements of CAN/CSA Z804-08.

Recommendations:

FNSWO is recommended to maintain the certification to CAN/CSA Z804-08.

SECTION 2 - INTRODUCTION TO CAN/CSA Z804-2008

This is the first edition of the CSA Z804, Sustainable forest management for woodlots and other small area forests. The Canadian Federation of Woodlot Owners established the Pan-Canadian Woodlot Certification Program and approached CSA to develop a sustainable forest management standard for woodlots through a multi-stakeholder process. The resulting Standard, CSA Z804 is intended for use by woodlot owners or managers of forests up to 4000 hectares, and has been developed in response to public expectations about responsible forest management. This Standard also addresses the desire of woodlot owners to gain recognition for the quality of their management, encourages improvement in the management of their lands, and strengthens their position in a market that increasingly demands forest products from lands where forest management has been certified. At the same time, it takes into consideration the small size of woodlots, their low net revenues, the limited resources of woodlot owners, and the fact that, in many cases, the requirements of CAN/CSA-Z809, Sustainable Forest Management: Requirements and Guidance are impractical for small forests.

This Standard addresses the sustainable forest management of defined woodlots, including the requirements for public consultation, performance, and system frameworks promoting continual improvement. It also lists the specific requirements that must be addressed, audited, and approved before certification can be achieved. Commitment of the woodlot owner to sustainable forest management and the adoption of appropriate practices to achieve it will ensure the perpetuation of woodlot forests along with their many economic, ecological, social, and cultural benefits. At the same time, the acquired and legal rights of private woodlot owners to set their own management objectives should be respected.

Performance - By following a SFM plan that incorporates the objectives which can be traced back to the Canadian Council of Forest Ministers (CCFM) set of Sustainable Forest Management Criteria, together with other legal requirements, performance can be demonstrated on the ground.

Systems and Continual Improvement- The CSA Z804 Standard incorporates some specific system requirements which include Monitoring and corrective actions, emergency preparedness and response, training and record keeping and internal audit program in the case of Group certification.

Third Party Independent Audits - To become certified to the Standard is strictly voluntary but the organization must go through a third party independent audit of the SFM Requirements in the Standard. The audit is conducted by a Registrar accredited by the Standards Council of Canada. In addition the individual auditors employed or contracted by the Registrar have the requisite forestry expertise and are certified as environmental management systems auditors.

SECTION 3 - DESCRIPTION OF THE DEFINED WOODLOT AREA(S) (DWA):

The FNSWO Certification Program is developed for application to small- private forests and is not designed for use by industrial landowners whose main business is forest products manufacturing.

The FNSWO Certification Program is for a defined woodlot with a forest area of 15 to 5000-acres.

The defined woodlot is the area covered by the woodlot forest management plan.

The FNSWO reviews and approves all woodlot management plans before entry is granted into the group of certified woodlots to ensure all requirements are met.

The defined woodlot may comprise one or more contiguous, legally described lots under the same ownership with a single forest management plan, as long as they are close in geographical reference and do not exceed 5000-acres.

Non-contiguous, legally described lots under the same ownership must be covered with separate forest management plans.

The Certification Program is available to all small woodlot owners in Nova Scotia upon request.

Area of DWA:

The CSA program now totals 55 landowners and 69 woodlots covering 9715 ha.

Legal Tenure / Licence Description:

The legal tenure of each woodlot is verified before the development of the Woodlot Management Plans. The planner requires a copy of the deed and PID information for each woodlot.

SECTION 4 – WOODLOT MANAGEMENT ORGANIZATION:

Description:

The FNSWO has prepared a Policy Manual that describes the system requirements for woodlot management organizations, woodlot management planners and woodlot owners wishing to be certified for practicing sustainable forest management. It describes the requirements for sustainable forest management on a defined woodlot, including the nature of the commitment, the requirements for public consultation, the performance requirements, and a system framework that promotes continual improvement. It also lists the specific requirements that must be addressed, audited and approved in order for certification to be achieved under the FNSWO program.

Respect for private property rights is an important value in Sustainable Forest Management. The legal rights of private woodlot owners to set their own management objectives are respected under the FNSWO certification program.

The defined boundaries for participating woodlots are as described in the woodlot management plans and are based on a legal description and appropriate supporting maps

Management Objectives and Responsibilities:

The management objectives are developed with the woodlot owner and are specific to the owner's wishes. All WMP's have a component of riparian protection and wildlife habitat protection. The 2014 audit verified the wide range of management objectives from:

- 5.1 – Woodlot management organization
- 5.2 – Woodlot owners
- 7.2 - CCFM Criterion 2 - Maintenance and enhancement of forest ecosystems conditions and productivity
- 7.3 - CCFM Criterion 3 – Conservation of soil and water resources
- 8.1 – General
- 8.2 – Ownership rights and boundaries
- 8.3 – Woodlot management plan
- 8.4 – Training, awareness, and competence
- 8.5 – Forest management operations
- 8.6 – Workplace health and safety
- 9.4 – Administrative requirements
- 9.5 – Management system and control requirements
- 9.8 – Data and reporting requirements

Volume and Species Harvested:

- All Acadian Forest species of Hardwoods and Softwoods. Actual harvest for 2013 was 6,366 m³

AAC Determination Process:

- The AAC is determined for each individual woodlot. The cumulative AAC for the CSA woodlots is 26,395 m³

Products Produced:

- Softwood logs
- Softwood studwood
- Softwood pulp

- Hardwood logs
- Hardwood pulp
- Firewood

SECTION 5 - AUDIT FINDINGS:

Scope # **Scope Description**
 Forest management activities on defined woodlots enrolled in the 9715 ha group certification program.

Audit Criteria: CSA Z804:2008

Description of SAI Global and the SAI Global Audit Team:

SAI Global is a third party management system certification Registrar. Established in 1984, SAI Global has worked with thousands of organizations in North America and around the world, issuing registration certificates to those that meet international and national management system standards.

The SAI Global Sustainable Forest Management audit team members bring with them considerable experience in the area of sustainable forest management and environmental management systems auditing. Audit teams are comprised of certified auditors and registered professional foresters. All audit team members are subject to strict confidentiality and conflict of interest agreements.

The following personnel conducted this audit:

Audit Team

<u>Position</u>	<u>Name</u>
Team leader	Martin Litchfield RPF
Acting team leader	Daniel Martin, ing.f.

Audit Coverage:

Woodlots Visited During the Audit:

WMP No.	Owner/Location	Area (ha)
#1010	George (Bill) and Jacqueline Amirault	20 ha
#1064	Michael Warner	82 ha
#2001	Robert Mitchell	401 ha
#901	Paul Gervison	281 ha
#1017	Alan and Gretchen Peveril	141 ha
#915	Peter Francis, Dodge Lot	58 ha
#1028	Chris Hutchinson	226 ha
#2003	Halifax Water – Tomahawk Block	1468 ha

Personnel (ie Staff/contractors) interviewed in the field:

- Woodlot owners: (4)
- Staff (2)
- Employees (2)

CCFM Criteria verified (field & office)

Criteria	Description	Field and/or Office	Improvement
1	Conservation of biological diversity	Field and Office	<p>Federation of Nova Scotia Woodland Owners, Woodlot Certification Program, Systems Manual, Revision 4, March 28, 2014.</p> <p>Woodlot inspections observed riparian buffers and wildlife habitat protection.</p>
2	Maintenance and enhancement of forest ecosystem conditions and productivity	Field and Office	<p>Woodlot Management Plans Reviewed and verified activities in the field; #1010, 1064, 2001, 901, 1017, 915, 1028, 2003.</p> <p>Federation of Nova Scotia Woodland Owners, Woodlot Certification Program, Systems Manual, Revision 4, March 28, 2014.</p> <p>AOC 2014-02 (7.2.2) – The table under section 7 of the Systems Manual is not updated. The table says that criterion 7.2.2(a) is listed in the table as under SOP 12.7, but in reality, it is under SOP 12.8.</p>
3	Conservation of soil and water resources	Field and Office	<p>All plans reviewed contained guidance for soil and water conservation and protection.</p> <p>On WMP 2001 and 915, the audit found that the implementation of the road maintenance BMP's was not adequately applied.</p> <p>AOC 2014-03 (7.3.2) - The implementation of the road maintenance BMP's are not being consistently applied. There was evidence of erosions and gullyng on WMP 2001 and 0915. There were no diversion ditches evident.</p>
4	Forest ecosystem contributions to global ecological cycles	Field	<p>Woodlot Management Plans Reviewed and verified activities in the field; #1010, 1064, 2001, 901, 1017, 915,</p>

			1028, 2003. No deforestation or conversion to non-forest use was witnessed in the course of the audit.
5	Multiple benefits to society	Field and Office	Woodlot Management Plans Reviewed and verified activities in the field; #1010, 1064, 2001, 901, 1017, 915, 1028, 2003. Woodlots showed use of silvicultural systems appropriate to the species and stand conditions.

Review of Changes:

There were no new CSA woodlot plans added since the 2013 re-registration audit.

Summary:

The findings were discussed with M. John MacDougall as well as M. Tom Berry. The Audit's Acting Team Leader commenced the closing meeting by thanking the Federation of Nova Scotia Woodland Owners staff for the cooperation and courtesy extended to the audit team during the audit.

In addition, the Audit's Acting Team Leader detailed the registration process, the requirements for future surveillance audits, and the re-assessment process.

The official closing meeting was attended by the personnel listed in Attachment #2 (see presence sheet attached on file)

The SAI Global Audit Team recorded the following audit results:

Documentation Review:

The audit team reviewed the SFM documentation including the SFM systems manual, the SFM Annual Report, the WMP plans and the monitoring reports.

Non-conformances:

There were no non-conformances identified during the 2014 audit.

Status of any previously recorded non-conformances (NCRs)

No previously recorded or outstanding NCRs.

NCR Nos. now closed:

NCR Nos.

Significant Issues:

Significant changes in the management team personnel have taken place in the past 6 months. A new Executive Director was hired. The certification coordinator has left and has not been replaced (at the time of the audit).

Positive Aspects of the Management System:

- Woodlot owner knowledge of contents of their management plans
- Good fiber utilization
- Management plan implementation in the forest.

Effectiveness of the Internal Audit Program:

NSFWO has a risk based auditing program depending on the size of the woodlots. Implementation of the monitoring program is lacking and an Area of Concern was raised for this issue (AOC 2014-04)

Opportunities for Improvement (OFI):

- 7.2.2 – Consider updating the index in Section 12 (SOP) of the Systems Manual
- Consider ensuring the dates on the checklist and the controlled document summary are the same (March 21, 2014 or March 28, 2014 (D024))

Areas of Concern (AoC):

- 2014-01 (5.1) - The 2013 audit reports are not available on the web site as required by the FNSWO procedure.
- 2014-02 (7.2.2) – The table under section 7 of the Systems Manual is not updated. The table says that criterion 7.2.2(a) is listed in the table as under SOP 12.7, but in reality, it is under SOP 12.8.
- 2014-03 (7.3.2) - The implementation of the road maintenance BMP's are not being consistently applied. There was evidence of erosions and gulying on WMP 2001 and 0915. There were no diversion ditches evident
- 2014-04 (9.5) - Internal management system and controls have not been consistently and effectively implemented.

Please note that these Areas of Concern will be reviewed as part of the preparation for the next audit.

SECTION 6 - GENERAL ASSESSMENT AND RECOMMENDATION:

Based on the review of the company's SFM program, and the audit results, the following recommendation is made:

Surveillance Audit:

The results of the Surveillance Audit indicates that the Management System of the Federation of Nova Scotia Woodlands Owners is suitable and effective and will continue to be recommended for registration to CAN/CSA-Z804-2008

An effective inter-action exists between all elements of the management system;
The entire management system is effective in light of any changes
Top management has demonstrated a commitment to maintain the effectiveness of the system.

Next Scheduled Audit:**Date(s):** August 24 2015 to August 25 2015**Type of Audit:** S2**No. of Persons:** 2**No. of Audit Days Required:** 4

M. Martin Litchfield
Audit team leader
SAI Global Team Leader

Daniel Martin
Acting team leader

Date: May 26, 2014