



Project No. 1607495-01

August 6, 2012

Mr. Logan Cochrane
Federation of Nova Scotia Woodland Owners
285 George Street
Stewiacke, NS
B0N 2J0

SUBJECT: REGISTRATION PROGRAM

Dear Logan,

Please find attached the Audit Report raised as a result of our Surveillance Audit of your management system to the CAN/CSA Z804-08 standard conducted during the period of on July 31 to August 3, 2012.

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

Best Regards,

A handwritten signature in black ink, appearing to read "Martin Litchfield". The signature is written in a cursive style with a large, sweeping flourish at the end.

Martin Litchfield RPF
QMI-SAI Global Team Leader
Encls.

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SUSTAINABLE FOREST MANAGEMENT GROUP CERTIFICATION PROGRAM

AUDIT REPORT CAN/CSA-Z804-08

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

Contact: Mr. Logan Cochrane
Dates of Audit: July 31, 2012 to August 3, 2012
Audit Team Leader: Martin Litchfield
Type of Audit: Year 2 Surveillance Audit
Audit Frequency: 12 Months
SIC / NACE Code: 0811 A02.0 Timber Tracts

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REPORT DISTRIBUTION

Federation of Nova Scotia Woodland Owners
QMI-SAI File
Audit Team Leader

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SECTION 1 - EXECUTIVE SUMMARY

Scope #	Scope Description
	The sustainable forest management requirements as they apply to the forest management activities on defined woodlots enrolled in the group certification program.

Site :

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

Summary of Audit Findings:

Non-conformances: 0

Areas of Concern: (4)

Opportunities for Improvement: (5)

Positive Aspects: (5)

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 for continued registration 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):

Geographic Locations, Forest Types, Size, Legal Tenure and SLF Description:

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:

Currently there are 86 woodlots enrolled in the CSA Z 804 certification program covering 10,855 ha

Legal Tenure / Licence Description:

Currently all of the 86 woodlots in the CSA Z804 certification program are private land. However, there are plans to expand the program to include the Halifax Regional Water Commission lands which also include some crown land.

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:

Management objectives are determined in consultation with the woodlot owner and the NSFOW staff. The WMP identified the roles and responsibilities for monitoring and performance expectations

Volume and Species Harvested):

The volume and species harvested vary by individual woodlots. The NSFOW program includes the following:

- 69 CSA woodlot owner participants
- 86 woodlots covering 10,855 ha

AAC Determination Process:

The management prescriptions and AAC vary by each woodlot management objectives. It is individual stand prescriptions. The general growth rate is 5 to 6 m³/ha per year.

Products Produced:

- Softwood sawlogs
- Softwood pulp
- Hardwood sawlogs
- Hardwood pulp
- Firewood
- Pellet fibre



SECTION 5 - AUDIT FINDINGS:

Scope # Scope Description

The sustainable forest management requirements as they apply to the forest management activities on defined woodlots enrolled in the group certification program.

Audit Criteria:

Description of QMI-SAI Global and the QMI-SAI Global Audit Team:

QMI-SAI Global is a third party management system certification Registrar. Established in 1984, QMI-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 QMI-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
Team Member	Ken Hall



Audit Coverage:

Woodlots Visited During the Audit:

WMP No.	Location	Area (ha)
1100	Lunenburg County	151
2001	Lunenburg County	400
Halifax Water	Halifax County	1,432
1006	Pictou County	238
1095	Pictou County	82
1071	Pictou County	31

The selection of woodlots to be inspected was developed using QMI-SAI sampling frequency calculation based upon the number of woodlots in each of the 4 size categories:

>401 ha 1 woodlot
 201-401 ha 2 woodlots
 41-200 ha 2 woodlots
 < 40 ha 1 woodlot

Personnel (i.e. Staff/contractors) interviewed in the field:

WMP 2001:

Robert Mitchell (owner)

WMP 11004:

Barry Geddes (Manager)

WMP 1006

Scott Matson (Manager)

WMP 1095

Gary Baudaux (owner)

WMP1071

David Wilson (Owner)

NSFWO:

Andrew Fedora (Executive Director)

Mike Hutchinson (Former Projects Coordinator)

Logan Cochrane (Certification Project Coordinator)



CCFM Criteria verified (field & office)

Criteria	Description	Field (F) and/or Office (O)	Audit Evidence & Improvement Opportunity
7.1.2	Protection of biodiversity	F & O	SOP's 8, 12, 13, 14, 16, 17
7.2.2	Fire, insects & disease	F & O	SOP's 7, 18, 23
7.2.3	Pesticides	F & O	SOP 16
7.2.4	Forest regeneration	F & O	SOP 11
7.3.2	Soil productivity	F & O	SOP's 7, 10, 11
7.3.3	Water quality	F & O	SOP's 8, 10, 11, 12
7.4.2	Land conversion	Office	Policy 4.1.3
7.5.2	Non-timber forest products	Field	Maple syrup production
7.5.3	Economic & social benefits	Field	Local contractors
7.6.2	Special site protection	F & O	WMP 2.7 unique areas
7.6.3	Certification notification	Office	Policy 4.3
8.2	Ownership proof	Office	PID verification AOC identified
8.3	WMP content	Office	WMP review
8.4	Training	F & O	Record inspection
8.5	Contractor operations	Field	Woodlot inspections
8.6.2	Employee safety	Field	Woodlot inspections
8.6.3	Contractor safety	Field	Woodlot inspections
8.7	Emergency response	Office	ERP numbers provided
8.8	Monitoring	F & O	<ul style="list-style-type: none"> monitoring inspection acceleration in 2012 & 2013 AOC identified
8.9	Records	Office	Office inspections AOC identified
9.8.2	Annual Report	Office	AOC identified
5.1	WMO requirements	Office	Woodlot Certification Program Systems manual R#3
5.2	Major impact notification	Field	Interviews

Evidence of the CCFM indicators and standard requirements are identified in the field verification checklist



Review of Changes:

There were 4 new Woodlot Management Plans developed since the 2011 surveillance audit.

Summary:

The findings were discussed with NSFOW staff. The Audit Team Leader commenced the closing meeting by thanking the NSFOW staff for the cooperation and courtesy extended to the audit team during the audit.

In addition, the Audit 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.

The QMI-SAI Global Audit Team recorded the following audit results:

Documentation Review:

The audit team reviewed the SFM documentation (SFM Annual Report, SFM plans), the 2012 Internal Audit, and the new Nova Alliance BMP manual.

Non-conformances:

There were no non-conformances

Status of any previously recorded non-conformances (NCRs)

No previously recorded or outstanding NCRs.

All of the previously identified AoC's and OFI's were addressed and incorporated into the NSFOW management system

Significant Issues:

There were no significant issues identified at this time. However, there was special attention to the transition of staffing with the new Certification Coordinator.



Positive Aspects of the Management System: (5)

- The woodlot owner acknowledging the installation of bridge and gate signs as a result of the Federation's BMP training session
- The incorporation of the woodlot owners objectives and management philosophy into the Woodlot Management Plans
- The implementation of an effective commercial thinning program with virtually no residual damage
- The program expansion to include the Halifax Regional Water Commission
- The development of the NFA Best Management Practices Manual

Effectiveness of the Internal Audit Program:

The Annual Internal Audit was conducted on July 23-26, 2012. The auditors were qualified and did not audit areas of their own work responsibilities. The audit included the following:

- Resolution of the 2011 Areas of Concern
- Adequacy of the planner's documentation
- Assessment of the Coordinator's management program
- Landowner's knowledge of the CSA program
- Interviews with NSFOW staff
- Interviews with Group Venture managers
- Interviews with WMP planners
- Interviews with woodlot owners

The 2012 Internal Audit conclusion was that the NSFOW program continues to meet the requirements of CSA Z804 certification requirements.

Opportunities for Improvement (OFI): (5)

8.3: The organization may wish to consider adopting one (1) woodlot management plan template that addresses both the CSA Z809 and FSC requirements rather than having two (2) separate templates.

8.6.2/8.6.3: The organization may wish to consider creating a newsletter article on WCB insurances, personal optional protection insurance (if available) to raise awareness of the woodlot owners on risk and personal liability associated with workers getting injured while working on the owner's behalf.

8.7: The organization may wish to consider reinforcing safety requirements when working alone and the need for a communication check in plan and the need to carry personal first aid supplies; pressure bandages.



9.4: The organization may wish to consider a newsletter article on ticks and associate Lyme's disease.

4.1: Consider including a section in the WMP to highlight the need to clearly mark boundaries when operations are planned in areas identified as having boundary concerns during the pre-entry meeting

Areas of Concern (AoC): (4)

8.8: The Woodlot Management Plans did not consistently identify the periodic monitoring requirements of the woodlot owner. The inspection of 3 WMP discovered that the periodic frequency of inspections was not identified as prescribed in the Systems Manual

8.9: Need to document the process and controls for obtaining records of actual woodlot activities through the annual update survey

8.2: Review and refine a system to ensure the documentation of ownership rights at the pre-entry meeting is completed as prescribed. Evidence was found that the Federation issued a Woodlot Management Plan to an applicant that has not yet provided evidence of legal ownership of the woodlot to be entered into the program.

9.8.2 Annual report. The annual report shall include a summary of information exchanged at the annual meeting, any other public input it receives, and its responses to such input. Audit evidence found that the Annual Report does not include a summary of public input that it has received over the past 12 months or any corrective actions that have been completed or are still pending as a result of an inquiry.

Please note that these Areas of concern and the Opportunities for Improvement 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 July 31-August 3, 2012 Surveillance Audit indicates that the Management System of the Nova Scotia Federation of Woodland Owners is suitable and effective and will continue to be recommended for registration to CAN/CSA-Z804-2008

Top management has demonstrated a commitment to maintain the effectiveness of the system

Next Scheduled Audit: Re-registration

Date(s): May 28-31, 2013

Type of Audit: RR

No. of Persons: 2

No. of Audit Days Required: 7 audit days

QMI-SAI Global Team Leader

Date: 6/08/2012