

Atlanta Forest Management Unit

2015 Forest Certification Internal Audit Report

Internal Audit Report:

Opening Comments:

The internal audit of the Atlanta forest management unit was held July 14th through July 16st, 2015. The scope of the audit was state forest land within the Atlanta forest management unit. The audit criteria were the June 23, 2014 version of the work instructions (WIs) and all supporting DNR policy, procedures, rules, management guides, guidance documents, plans and handbooks that were relevant to the management of state forest land including any Management Review decisions.

The June 23, 2015 version of the work instructions was not made available to the forest management unit staff until two weeks before the internal audit, so the audit team agreed to evaluate any potential non-conformances against the prior version of the work instructions. We agreed that if the observed activity was not in conformance with the June 23rd, 2015 AND the June 23rd, 2014 versions of work instructions, the activity warranted a non-conformance designation. The audit team consisted of Scott Jones, lead auditor and staff auditors Pat Ruppen, Eric Thompson and Ernie Houghton.

A candidate set of sites and topics was sent to the forest management unit manager prior to arrival of the audit team. On Tuesday July 14th, the lead auditor worked with the forest management unit manager to finalize the route and stops. We selected two audit routes: 1) West Tour - west and north of the forest management unit office towards Rattlesnake Hills and Avery Hills management areas and 2) East Tour - southwest of the office into the Rattlesnake Hills and Thunder Bay Outwash management areas. On Tuesday afternoon, we conducted an opening meeting with the audit participants at the Atlanta Field Office which consisted of staff introductions, purpose of the audit, management unit overview and a series of staff presentations covering a number of topics that would likely not get fully addressed in the field. The west team visited 11 sites that included: planted red pine (and two elk on the way), aspen, opening maintenance, other mixed upland deciduous, mixed northern hardwood, aspen-oak, red oak and a burn site. The east team visited 12 sites including: planted red pine, natural red pine, mixed upland deciduous with conifer, natural jack pine, lowland pine, pine-oak mix, oak, aspen-oak and aspen sites. Thursday morning we reviewed the audit findings, conducted follow-up interviews and further reviewed documents as needed. A closing meeting was held on Thursday at 1:00 pm. The audit team gathered evidence to determine work instruction conformance through interviews, document review and field observations.

Definitions:

Opportunities for improvement: An opportunity for improvement is a finding that does not necessarily represent a deficiency, but does indicate a function that can be strengthened thus improving some aspect of forest management or preventing a potential non-conformance in the future.

Unit-Level Minor Non-Conformance: A lapse in the implementation of a forest certification work instruction. A minor non-conformance is written against an individual work instruction – it does not cover multiple work instructions.

- Written against the responsible position.

Unit-Level Major Non-Conformance: This is issued against something that would jeopardize certification such as the use of a banned chemical, an external audit non-conformance that has not been addressed at the unit level or the use of a plant that is a genetically modified organism.

- Written against the unit manager.

Multi-Unit Non-Conformance: Two or more occurrences of the same or similar unit-level major non-conformances or three or more occurrences of a unit-level minor non-conformance or as recommended by the audit team and approved by the Forest Certification Team following the internal audit process.

- Written against higher levels of management
- Automatically triggers a ‘theme’ for the next round of internal audits (i.e. all units get assessed).

Audit Findings:

We greatly appreciated the cooperation, involvement and openness of the Atlanta unit staff. We were particularly impressed with the following aspects of their management program:

- The auditors were very impressed with how quickly new staff had picked up on knowledge needed to manage unit resources.
- The auditors were impressed with the teamwork among district and unit staff from all divisions.
- Unit staff have made a concerted effort to learn from issues such as the Chippewa Hills to prevent future occurrences.
- Unit staff had gone to the effort to learn more about the capabilities of different harvest equipment on different sites by having a presentation on the subject by Pat Potter.
- Staff picked up old discarded tires on one of the sites that we visited on the field tour.
- Staff are doing a good job with pre-sale check lists, timber sale inspection and reporting and completing the timber sale completion report.
- Fire supervisor has shown a passionate interest in dealing with chronic resource damage resulting from illegal off-road vehicle abuse.
- Good knowledge of trespass management processes and recreation trail specifications on timber sales.
- The auditors were also impressed with the fact that the wildlife staff had a target for

opening area and that they knew where they were in relation to that target.

An audit theme was added for the 2015 audits and this theme consisted of a review of the timber sale inspection forms and notes. The audit of this theme for the Atlanta unit did not result in a unit-level minor non-conformance or an opportunity for improvement as it was being well addressed by the unit staff.

Opportunities for Improvement (OFI):

OFI 54-1, W.I. 1.1 Strategic Framework for Sustainable Management of State Forest Land

- Multiple new staff did not have Work Instruction training. Emphasis on understanding the Work Instructions is highly recommended for the upcoming external audit.
All unit staff attended Work Instruction training provided for the 2015 external audit and will take refreshers as they become available.

OFI 54-2, W. I. 1.2 Management Review Process for Continual Improvement in the Management of Forest Resources

- Staff need to make themselves familiar with the forest certification report page and its contents, particularly the management review report and the research summary.
Staff have been told to review this page by the Unit Manager after the internal audit was completed and prior to the external audit happened to ensure they were prepared.

OFI 54-3, W.I. 2.1.1 Reforestation

- Several treatment reports were examined that were lacking complete data or had inaccurate data. Acceptable regeneration and next step treatments were missing. Inaccurate records should be updated as the opportunities arise.
Many errors were found that were created from transferring data from IFMAP to MiFI. Staff continue to identify and resolve issues on a daily basis while working in the MiFI system.

OFI 54-04, W. I. 3.1 Forest Operations

- Other division should provide written input as a co-manager on timber treatment proposals. Currently, input is undocumented.
Parks and Recreation and Fisheries divisions sent written comments for treatments that affect their respective programs and these are included in the compartment review packet. Wildlife Division works with Forest Resources Division as the treatments are created and provide verbal input at onsite meetings, pre-review and informal discussions and forester update the treatment to reflect necessary changes.

OFI 54-05, W.I. 3.1 Forest Operations

- Copies of the timber sale proposal should be sent to the wildlife biologist, fisheries biologist, timber management specialists and park staff if the treatment is within 500 feet of a facility as directed in the work instruction.
The unit tracking spreadsheet was updated with a column to ensure other divisions not located in the Atlanta office are notified and emailed a copy of the Timber Sale Proposal prior to it being advertised when required by the work instructions.

OFI 54-6, W.I. 5.1 Research

- During a stop at a well site it was noticed the site was covered with knapweed. The group had a discussion regarding the difficulty of reclaiming abandoned well sites with non-invasive species of plants. Steve Milford, the East NLP District Supervisor mentioned an ongoing study to find ways to reclaim these disturbed well sites. A copy of the study abstract was provided upon request by Greg Gatesy, land use specialist; however, the study was not found on the 2014 annual research summary. Even though this study is externally funded it is suggested that it be included in the annual research summary because it takes place on state forest land and because a successful reclamation protocol would have far-reaching benefits for regenerating excessively disturbed sites.

The unit will monitor for research being done and for further opportunities. The unit will also ensure that any identified research projects are included in the annual research summary.

The DNR's internal audit review process (Work Instruction 1.2) requires a record, evaluation and report of non-conformances with forest certification standards and related work instruction at all levels of the department. As part of that process, we documented the unit's conformity with policy, procedures, management review decisions and work instructions. The observed non-conformances are listed below. There were eight unit-level minor non-conformances and no unit-level major non-conformances.

Minor Multi-Unit Non-Conformance 54-2015-01:

- Work Instruction 1.3 Regional State Forest Management Plan Implementation and Revision Requirement of Audited Standard/Work Instruction:
 - Section 4 of this work instruction speaks to plan review and revision and includes that management direction will be consistent with divisional program goals and objectives for resource uses. This direction is important to carry over and inform work instruction 1.6 which speaks to forest management unit analysis.

Observed Nonconformity:

- Specific rationale and direction with respect to featured species is not available to field staff and when questioned they indicated that they had very little understanding of featured species and did not understand how to apply the concept in their work. This issue came up as an opportunity for improvement in 2014 and was assigned for completion in the 2015 Management Review, but it has not been completed and field staff continues to operate in the absence of direction which could result in compromised program goals and objectives.

Root Cause Analysis:

- Rationale had not been released in its final form for use field staff despite being used in the development of the regional state forest management plans. The direction contained in the individual species reports was not readily accessible to field staff.

Corrective Action:

- Complete the individual species reports and make the reports available to field staff. There will also be some guidance provided for wildlife staff to use in the development of forest management prescriptions on both state forest and private forest land to benefit these featured species and wildlife in general.

Actual Completion Date: October 18th, 2016
Date of Closure: October 18th, 2016

Minor Non-Conformance 54-2015-02:

- Work Instruction 1.3 Regional State Forest Management Plan Implementation and Revision Requirement of Audited Standard/Work Instruction:

- 1.3-3: Plan Monitoring and Reporting – Monitoring works to its greatest advantage in that it validates if management decisions are correctly interpreted and implemented such that decisions achieve desired results.

Observed Nonconformity:

- Several examples were noted at field tour sites where inventory, treatments, expected next steps and management objectives did not make sense. Some contract specifications were not practical considering the field conditions.

Root Cause Analysis:

- Examples found were in a compartment a former new employee completed; he was not fully trained in DNR work instructions and policies and was given an impractical amount of work to complete in his first year. Staff that did follow up timber treatments were also new employees and not fully trained on Forest Certification work instructions and unaware of the process to follow to implement changes.

Corrective Action:

- New staffs are not given such a large workload and being mentored by experienced staff in their first year of employment. Unit staffs now work much closer with district Timber Management Specialist and Planner to ensure work is completed according to department guidelines and policy, including the work instructions. Newer employees' work is field checked as part of the unit's compartment review process to ensure quality data is being collected and proper silvicultural treatments are being implemented.

Actual Completion Date: August 31, 2015
Date of Closure: September 2nd, 2016

Minor Multi-Unit Non-Conformance 54-2012-03:

- Work Instruction 1.4 Biodiversity Management on State Forest Lands: To provide direction for addressing biological diversity conservation objectives. Review for rare species.

Requirement of Audited Standard/Work Instruction:

- A check of the Natural Heritage database records is **REQUIRED** in all cases because of the dynamic nature of the database. Record determination and resources used to make determination in IFMAP Opportunistic Field Survey (OFS) locked comments and place a signed and dated copy in the Compartment File.

Observed Nonconformity:

- A description of the determination and resources used to make the determination is not being included in the Opportunistic Field Survey locked comments and there is no signed and dated copy in the compartment file. A locked compartment query revealed no evidence of conformity with this work instruction detail in the forest management unit.

Root Cause Analysis:

- 1) Staff are confused as to what is expected of them, due to many factors: inadequate training of staff on the requirements of and how to successfully complete documentation; lack of clarity in the work instruction as to what is required, including directions to use the 'locked box comments' in a way that is not consistent with how it has been used traditionally; the Rare Species Review process (last approved in 2008) is out-of-date and does not reflect the current business framework (IFMAP vs. OI vs. MiFI, no compartment review by MNFI, etc.); lack of consistency between the process and the work instruction - the work instruction was updated to reflect a 2011 draft revised process that was ultimately not approved and therefore currently references a document that doesn't exist (the unapproved revised process) instead of the more recently approved 2008 process; and the work instruction refers to the 'Natural Heritage Database' which does not match the way that this database is commonly referenced by staff ('MNFI data') or how it is referenced in other locations ('MNFI Element Occurrences' in the GDSE). 2) Inconsistent manager oversight ensuring that rare species review is completed and documented.

Corrective Action:

- Phase 1) The ultimate corrective action is to completely revise the Rare Species Review process (including Joint Management Team approval), update the work instruction to reflect changes and provide training to staff on the new process. Phase 2) However, since there is another group working on the above revision an interim resolution is needed and that resolution is multi-fold: re-name the group layer in the GDSE from 'MNFI Element Occurrences' to "Natural Heritage Database;" update the Inventory Status tool to document that a check of the Natural Heritage Database has been completed and ensure there is a space for comments if any species area identified as being potentially negatively affected by the proposed treatment; update the Timber Sale Checklist to require and document a re-check of the Natural Heritage Database prior to implementation of the treatment and provide space for comments to document any new species identified; update the work instruction to clarify that when treatments/intrusive activities are proposed outside a year-of-entry, the treatment sponsor (whoever initiates the memo asking for approval of a new treatment) must document in the proposal request that the rare species review has been completed, if any species were identified as being potentially negatively affected and how the treatment was modified to avoid any impacts to the species; update the work instruction to clarify what database is to be checked, where the documentation is being done and what should be documented (a review was completed, whether or not any species were identified and what was done to ensure there were no impacts to those species); and send a memo from FRD and WD assistant chiefs to division staffs describing the interim process and clarifying that the data managed by MNFI which is to be used in this process is held in the 'Natural Heritage Database' (formerly referred to as the 'MNFI Element Occurrences').

Actual Completion Date: May 10th, 2016.

Closure Date: May 13th, 2016

Minor Multi-Unit Non-Conformance 54-2015-04:

- Work Instruction 3.2 Best Management Practices Non-Conformance Reporting Instructions

Requirement of Audited Standard/Work Instruction:

- 3.2-4 DNR employees must report problems using a non-conformance report form. This information will be sent to the FRD Unit manager who is responsible for the site. The unit manager is responsible for recording and tracking all BMP problems reported.

Observed Nonconformity:

- Although there is an extensive database going back to 2005, the database is not being maintained to the standard suggested in WI 3.2-4. The information that should be included in the database for each entry is often incomplete and in some cases totally absent which makes conformance to WI 3.2-5 difficult and sub-standard. Completion dates are often missing for entries that have a closed status indicated; some have incomplete data; and some have no useful information at all. There are more than enough to indicate a systematic failure.
- **Root Cause Analysis:**
- Several unit staff were not aware of database requirements to be updated as work was done and a lead person was not identified to ensure these updates were being done.

Corrective Action:

- A one hour training session will be held at the unit level demonstrating how to fully complete the RDR form and explaining the importance of each item of information that needs to be collected. The unit manager and fire supervisor will teach the training session. The fire supervisor will be assigned as the unit lead to ensure the database is updated timely and correctly.
- **Actual Completion Date:** June 29th, 2016
- **Closure Date:** July 6th, 2016

Minor Non-Conformance 54-2015-05:

- Work Instruction 3.1 Forest Operations

Requirement of Audited Standard/Work Instruction:

- 3.1 Forest Operations, 2) Intrusive Activities: Staff shall comply with the Intrusive Activity Review and Approval Process on certified State Forest land.

Observed Nonconformity:

- Fifteen land use permits issued in FY15 were reviewed. One permit was not approved at the field coordinator level (50' of new road) and one permit contained no accompanying approvals in the file. These permits had no signature or e-mails attached. It would be beneficial to note the various approvals on the R1138-3 as opposed to only having the printed emails. Issue and/or expiration dates missing - 8 permits did not contain one or both of the required dates. Listed issue date was prior to applicant signing the permit on 4 occasions. Level of use not determined - 10 permits did not have a level of use determined or quantified. The use level should be determined for each application since it aids in the determination of fees to charge (Form IC 1141). Use level and Form IC 1141 should be a part of each permit to help support the fee assessment. Bond collected but no monitoring fee charged - 6 permits. Monitoring fee may not be mandated but, returning a bond typically requires a site inspection more involved than a casual drive-by to ensure proper performance. The applicant should be expected to pay this fee. Applicant did not sign Exhibit A on one permit. One approval specified the need to block a new section of road but this didn't make it onto the conditions or additional requirements of the permit. Tracking - consider having a spreadsheet or some type of list that would aid in tracking open permits, need for inspection, need for return of bond, etc.

Corrective Action:

- Unit Staff will fill out form R1138 and other associated forms completely to make it easier to review and track. The unit will assess the need for monitoring fees on future permits issued. The unit will also start to use a spreadsheet to help track the permit signatures, status and

performance bonds. This spreadsheet will be used in fiscal year 2016 which starts on October 1st, 2015.

Actual Completion Date: October 1, 2015
Closed October 6th, 2015

Minor Non-Conformance 54-2015-06

- Work Instruction 8.1 Michigan Department of Natural Resources staff training for state forest management

Observed Nonconformity:

- Not all employees have been trained in the work instructions. There is a general lack of working knowledge of site evaluation for wildlife featured species, threatened and endangered species, road closure procedures, identifying and documenting legacy trees, red pine guidelines and Chapter Seven variances. Many of the employees are recent hires and some of the required training for employees has not been offered since their hire date. Unit manager and fire supervisor cover training needs during performance evaluations and maintain those records; however, staff is not familiar with the list of core program training requirements or their individual training plan.

Corrective Action:

- Unit supervisor and staff will continue to work with training coordinators to ensure staff are attending all trainings pertinent to their job duties. Unit staff have all recently updated their training records, form R4252 again to prepare for upcoming trainings offered at the division wide in-service in February 2016. All unit staff will be attending upcoming Forest Certification Audit training in September.

Actual Completion Date: September 2, 2015
Closure Date October 6, 2015.

Lead Auditor: Scott Jones

Staff Auditors: Pat Ruppen, Eric Thompson and Ernie Houghton