

Cadillac Forest Management Unit

2015 Forest Certification Internal Audit Report

Internal Audit Dates: August 4-6, 2015	Opportunities for Improvement: 7
Initial Post Audit Draft Internal Audit: August 6 th , 2015	Minor Non-Conformances: 2
Lead Auditor: Scott Jones	Major Non-Conformances: 0
Internal Auditors: Mike Donovan, Jennifer Kleitch, Scott Whitcomb	Multi-Unit Non-Conformances: 3
Trainees: Heidi Frei	Follow-Up Required: Opportunities for Improvement: 0 Minor Non-Conformances: 0 Multi-Unit Non-Conformances: 0

Internal Audit Report:**Opening Comments:**

The internal audit of the Cadillac forest management unit was held August 4th through August 6th, 2015. The scope of the audit was state forest land within the Cadillac 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 seven 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.

A candidate set of sites and topics was sent to the forest management unit manager prior to arrival of the audit team. On Tuesday August 4th, the lead auditor worked with the forest management unit manager to finalize the route and stops. We selected two audit routes: 1) North Tour - north and east of the Cadillac Operation Service Center towards Upper Muskegon and Manistee River Valley management areas and 2) South Tour - east of the Baldwin field office into the Lake County Moraines and Evert Block management areas. On Tuesday afternoon, we conducted an opening meeting with the audit participants at the Cadillac 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 north team visited nine sites that included: aspen-oak, mixed northern hardwood, maple association, red pine, pine-oak, aspen, two oak sites, a burn site, a burn and herbicide treatment site and we discussed a couple of resource damage sites. The south team visited nine sites consisting mostly of oak, aspen-oak, aspen sites, resource damage sites and a boat access. 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 Cadillac unit staff. We were particularly impressed with the following aspects of their management program:

1. The staff effort related to reaching out to the public by scheduling the compartment review open house while the deer check station was operating and bringing the wolverine exhibit to the Cadillac office at the same time. Outreach to the public in this way makes a good impression and encourages participation in our processes.
2. The experimental treatment of beech regeneration with a combination of burning and herbicide and the associated communication effort to share the results.
3. The level of cooperation and trust among the various division staff working on the unit.

4. The success of the prescribed burn program in the unit.
5. The professionalism and knowledge of the unit staff.
6. The quality of the work on the ground and oversight of operations.
7. The unit's knowledge of forest health pests and diseases and responsiveness to recommendations of the forest health specialists. Issues related to oak wilt and decline was promptly identified and addressed (e.g. Compartment 112, Stands 48 & 33 and Compartment 132 Stand 1).

An audit theme was added for the 2015 audits and this theme consisted of the timber sale inspection forms and notes. The audit of this theme for the Cadillac unit resulted in no non-conformances or opportunities for improvement.

Opportunities for Improvement (OFI):

OFI 63-1, WI 1.1 Strategic Framework for Sustainable Management of State Forest Land

The DNR uses the work instructions to guide planning, operations, and review of state forest management. Currently, the work instructions seem to be lacking in providing guidance on invasive species management; especially management practices related to early detection and rapid response and decontamination.

This is a statewide issue that was also picked up in the external audit. Guidelines for handling invasive species will be developed and disseminated to staff along with some training likely in 2016.

OFI 63-2, WI 1.1 Strategic Framework for Sustainable Management of State Forest Land

Roads are likely the single largest source of resource degradation on the state forest system; and at the same time, the pathway for citizen enjoyment of this public resource. The purpose of Work Instructions is to provide guidance on sustainable management of state forest lands. Yet there is no work instruction calling the development of a road plan for state forest that incorporates the public desire for access balanced with the public desire for high quality natural resources.

This is a statewide issue that will be dealt with as part of a larger initiative to map all roads on the state forest over the next few years. Revisions to the work instructions may not be necessary right now.

OFI 63-3, 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.

Staff is now familiar with the forest certification report page and its contents. The reports will be topics of discussion at future staff meetings.

OFI 63-4, WI 2.2 Use of Pesticides and Other Chemicals on State Forest Land

In the Compartment 117 Stand 8 experimental treatment of beech and ironwood regeneration there were inconsistencies in documentation. The documentation failed to clearly link treatment to planned objectives and the prescription. Records of observed chemical application did not coincide with the treatment proposal and the objective (target species varied from MiFI report, Forest Treatment Proposal, Pesticide Application Plan and Pesticide Use Evaluation Report).

OFI 63-5, WI 3.1 Forest Operations

There were some inconsistencies between MiFI treatment types, comments and acreages and those reflected in timber sale contracts. This may be a result of data transfer issues between Operations Inventory, IFMAP and MiFI. However, information provided in MiFI should reflect what is proposed or was completed on the ground. If a treatment is changed at compartment review, those changes should also be reflected in MiFI.

OFI 63-6, W. I. 5.1 Research Summary

Staff need to make themselves familiar with the forest certification report page and its contents, particularly the research summary. Also, experimental applications need to be documented and brought to the attention of the research coordinator.

Staff is now familiar with the forest certification report page and its contents. The reports will be topics of discussion at future staff meetings.

OFI 63-7, WI 6.1 Implementing Public Information and Educational Opportunities on State Forests.

On special projects that impact visual or aesthetic values of recreational users in concentrated recreation areas such as the Goose Lake Campground oak wilt project, communication efforts prior to treatment is lacking. Public information meetings or other communication tactics on special projects are an option to fulfill the intent of the work instruction.

The Unit did place “what’s happening here” signs at the location during the harvest. We had a press release as well. Both of these notifications came after the harvest had already started. We have had numerous press releases prior to our most recent oak wilt projects and future notifications will occur well in advance of and at the site of the work on the ground.

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 five unit-level minor non-conformances and no unit-level major non-conformances.

Minor Non-Conformance 63-2015-01

- 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 Non-conformity:

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

Root cause:

- 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 18, 2016

Date of Closure: October 20, 2016

Minor Non-Conformance 63-2015-02

- 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:

- 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 12, 2016

Date of Closure: May 13, 2016

Minor Non-Conformance 63-2015-03

- Work Instruction 1.6 Forest Management Unit Analysis

Requirement of Audited Standard/Work Instruction:

- 1.6-2 Pre-Inventory Meeting: This meeting is a group meeting for the FMU involving all affected Divisions and programs. The FRD IPS will consult with co-managers to schedule and coordinate the meeting. The FRD District Supervisor will ensure meetings occur; are coordinated with other staff and other Division interests; and are properly documented.
- 1.6- Pre-Review Meeting: The pre-review meeting (which is different from the pre-inventory meeting) will be held for each FMU. It will involve all affected Divisions and program staff, for the purpose of discussing and refining preliminary prescriptions. The IPS will schedule and coordinate the meeting with relevant DNR staff.

Observed Nonconformity:

- Fisheries staff is absent from both meetings and do not appear to be providing any input or contributing to the discussions.

Root Cause:

- Fisheries Division Central Lake Michigan Management Unit has been understaffed and filling positions with working out-of-class status. Other division priorities have also contributed to lack of attendance. Employee's serving in the unit manager position lacked the necessary training and were often unaware of their role in the process.

Corrective Action:

- Fisheries Division will seek work instruction training opportunities and pay closer attention to notification of upcoming meetings.

- Forest Management Division recognizes that many of Fisheries Division staff are new to their roles and will take additional steps such as personally notifying the supervisor of critical compartment review meetings and work instruction training opportunities.

Actual completion date: October 30, 2015

Date of Closure: April 25, 2016

Minor Non-Conformance 63-2015-04

- Work Instruction 3.6 Forest Operations

Requirement of Audited Standard/Work Instruction

- 3.1-2 Invasive Activities: The R4048 Forest Treatment Proposal (FTP) shall be used to document FRD, WD, PRD, FD, and LED approvals of invasive activities. Completion of invasive activities will also be documented by completion of a R4048-1 Forest Treatment Completion Report.

Observed Nonconformity:

- Fisheries projects have no Forest Treatment Proposal completion reports as required by the work instruction.

Root Cause:

- Forest Treatment Proposals are rare occurrences for Fisheries Division. Again staffing issues, lack of training and other division priorities have resulted in incomplete reporting.

Corrective Action:

- Future Forest Treatment Proposals will include completion reports done by Fisheries Division staff. Scott Heintzelman will keep tabs of these completion reports as necessary.

Actual Completion Date: October 30, 2015

Date of Closure: April 25, 2016

Minor Non-Conformance 63-2015-05

- 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 not useful information at all (e.g., 6300732014002). There are more than

enough to indicate a systematic failure. There are also missing resource damage reports, such as for the Edgetts Bridge boating access site.

Root Cause:

- There has never been a User's Guide created for this Database. Lack of training and lack of a User's Guide has created this problem with the RDR Database.

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: March 17, 2015

Date of Closure: June 13, 2016

Internal Audit: Post Audit Procedure, Responsibilities and Timelines

1. Non-conformance Reports (NCRs) that describe observed non-conformity with forest certification work instructions will be prepared by lead and staff auditors during internal audits.
2. Lead Auditor will prepare a draft internal audit report consisting of audit team non-conformance reports and a brief audit summary that will be left with the forest management unit manager at the closing meeting.
3. Lead auditor will send the draft internal audit report to forest management unit manager and send a copy to Forest Certification Planner and district FRD supervisor within one week of the audit team's post audit conference call.
4. Immediately following the completion of the internal audit process, the Forest Certification Planner will convene a meeting of the Forest Certification Team that will include the lead auditors, to discuss and decide as to whether or not there are any multi-unit non-conformances and to assign responsibility for root cause and corrective action determinations. These multi-unit non-conformances will be captured in the management review report, but will be tracked by the Forest Certification Planner to their conclusion.
5. The Forest Certification Planner will consult with lead auditor to confirm corrective actions satisfactorily address non-conformance reports. The Forest Certification Planner will review and sign the non-conformance corrective actions to acknowledge completion. Completion is expected within six weeks of closing meeting date.
6. Within six weeks of the closing meeting, the Forest Certification Planner will convene a conference call including the lead auditor, FRD district supervisor and the forest management unit manager to discuss and confirm that the root causes and corrective actions satisfactorily address the non-conformances and approve any that are completed.
7. Forest Certification Planner will forward final internal audit report to Forest Certification Team, FRD Management Team, FRD district supervisors, all forest management unit

managers and representatives from other divisions, as identified by the Forest Certification Team.

8. Corrective actions that require a longer implementation period will be cleared via notification by the responsible manager that corrective actions are complete and via verification by the responsible manager's supervisor.
9. The Forest Certification Planner shall track open non-conformance reports to confirm that all are followed through to completion.