

Escanaba Forest Management Unit

2014 Final Forest Certification Internal Audit Report

Internal Audit Dates: July 22-24, 2014

Initial Post Audit Draft Internal Audit:

August 4th, 2014

Lead Auditor: Mike Donovan

Internal Auditors: Scott Jones, Susan

Thiel, Cheryl Nelson (Observer/Trainee)

Opportunities for Improvement: 3

Minor Non-Conformances: 4

Major Non-Conformances: 0

Follow-Up Required:

Opportunities for Improvement: 2

Minor Non-Conformances: 4

Major Non-Conformances: 0

Final Internal Audit Report: September 16th, 2014

Opening Comments:

The internal audit of the Escanaba forest management unit was held July 22-24, 2014. The scope of the audit was state forest land within the Escanaba 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 Management Review decisions. The June 23, 2014 version of the work instructions was not made available to the forest management unit until approximately a week prior to 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 23, 2014 AND the June 19, 2012 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, July 22, the lead auditor worked with the forest management unit manager to finalize the route and stops. We selected two audit routes: southwest of the forest management unit office towards the Menominee River and south of the office along the Cedar River. On Wednesday morning, we conducted a brief opening meeting with the audit participants at the Escanaba Field Office. The southwest team visited eight sites that included: active northern hardwoods and white pine shelterwood sites where the loggers were interviewed, culvert-related resource damage reports, buffers, boat access site and special conservation areas. The southern team also visited eight sites including: an active site with aspen, lowland hardwood and upland hardwoods; hemlock regeneration, natural pine management, campground and pathway, special conservation areas and ecological reference areas, wildlife fund acquisitions and herbicide applications.

Thursday morning we reviewed the audit findings, conducting follow-up interviews and further reviewed documents as needed. A closing meeting was held on Thursday at 1 pm. The audit team gathered evidence to determine work instruction conformance through interviews, document review and field observations.

We greatly appreciated the cooperation, involvement, and openness of the Escanaba unit staff. We were particularly impressed with how the various divisions cooperated during implementation of activities associated with managing Michigan's forests, wildlife and recreation.

Definitions:

Major Non-conformances: One or more of the Michigan Department of Natural Resource (MDNR) Sustainable Forest Certification Work Instruction requirements has not been addressed or has not been implemented to the extent that a systematic failure of the MDNR to meet a Sustainable Forest Certification (Sustainable Forestry Initiative or Forest Stewardship Council) principle, objective, performance measure or indicator occurs. (Adapted from the Sustainable Forestry Initiative Standard 2010-2014 Edition definitions.)

Minor Non-conformances: An isolated lapse in MDNR Sustainable Forest Certification Work Instruction implementation which does not indicate a systematic failure to consistently meet a Sustainable Forest Certification (Sustainable Forestry Initiative or Forest Stewardship Council) principle, objective, performance measure or indicator. (Adapted from the Sustainable Forestry Initiative Standard 2010-2014 Edition definitions.)

Opportunities for improvement: Opportunities for improvement are findings that do not indicate a current deficiency, but serve to alert the forest management unit or department to areas that could be strengthened or which could merit future attention.

The DNR's internal audit review process (WI 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. Our audit resulted in no major non-conformance, four minor non-conformance, and three opportunities for improvement. Opportunities for improvement include:

Opportunities for Improvement (OFI):

- OFI 33-1, WI 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.
- The unit should consider putting on a course on work instructions prior to the external audit in early October as the Escanaba forest management unit will be part of that audit. In this case, work instruction training is required for new staff in Wildlife Division and a solution needs to be developed and implemented before the external audit in early October. Forest Certification Specialist will discuss with the Forest Certification Coordinator. Some of the work instructions are not clear to staff and further training is needed beyond just new staff. A training opportunity should be made available to staff early in the 2015 fiscal year for the 2017 year-of-entry work. Staff in the three units being audited in October should review the work instructions prior to the audit.
- OFI 33-2, WI 4 Biodiversity Management on State Forest Land
 - Staff are not clearly identifying retention vs. trees being left for other reasons (i.e. visual management, wildlife habitat, etc.). Staff need to clearly identify and document formal retention and should not assume all scattered trees, all islands and buffer zones being left are retention.
 - It is important to recognize that designating scattered trees, clumps or groups of trees and/or buffer zones remove those areas from future management. Trees can be left for reasons other than retention and should be recognized as such and not designated as retention unless that is what is truly intended.
- OFI 33-3, WI 1.4 Biodiversity Management on State Forest Land.
 - Knowledge and understanding of the ecological role and importance of legacy trees, ecological reference areas and Type 1 old growth and Type 2 old growth in a sustainable forest management system was not evident and should be improved. There is also a belief that ecological reference areas are strict 'set asides' in which no management can occur. In fact these areas are to be managed under objectives related to the maintenance or enhancement of the values which they represent. Further training is recommended.
 - Although this might be covered off next year as part of the training related to the new biodiversity standards resulting from the major corrective action request from the 2013 external audit, the unit staff should review material related to this opportunity for improvement prior to the external audit scheduled for early October of this year.



Michigan Department of Natural Resources - Forest Resources Division

2014 INTERNAL AUDIT NON-CONFORMANCE REPORT

Unit Name: Escanaba Forest Management Unit		Site location: Compartment 47 - Walking Frog Sale		Non-Conformance Report Number (Unit Code - yyyy - #): 33-2014-1	
Lead Auditor: Mike Donovan		Team Members: Susan Thiel, Cheryl Nelson, Scott Jones			
Date: July 24, 2014		Work Instruction or Standard and Clause Number: 1.4 Biodiversity Management on State Forest Lands: To provide direction for addressing biological diversity conservation objectives. Review for rare species.			
<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor		Other Documents (if applicable): Data base query.		Responsible Manager(s) (Person identified by the internal audit team who implements the corrective action): Eric Thompson, Escanaba Forest Management Unit Manager	
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: A check of the MNFI database is being done during compartment review process. However, the documentation of the check is not being completed as indicated in the work instruction. The root cause of this non conformity is the unit manager failed to provide adequate training to staff and also failed to monitor compliance.					
Prepared by and date: Eric W. Thompson, August 28, 2014					
Corrective Action: Unit Manger has requested the Inventory and Planning Specialist to provide training to the stand examiners on how this is to be recorded in IFMAP/MiFI and how it is filed in the compartment folder. This will be part of the next pre-inventory meeting. Management review should look to clarify this work instruction as field staff do not fully understand what they are being required to do.					
Prepared by and date: Eric W. Thompson, August 28, 2014					
Proposed Completion Date: September 30, 2014 Responsible Manager: Eric W. Thompson					
Responsible Manager Signature:		Electronic		Date August 28 th , 2014	
Eric W. Thompson		Electronic September 30, 2014		Jeff Stampfly Electronic September 30, 2014	
Forest Resources Division Unit Manager		Signature Date		Forest Resources Division District Supervisor	
CORRECTIVE ACTION PLAN ACCEPTED Forest Certification Specialist: Scott Jones Date: September 30 th , 2014					
Actual Completion Date: September 30 2014 Responsible Manager: Eric W. Thompson					
Date:					
Verified by:			Closed by:		
Jeff Stampfly Electronic September 30, 2014			Scott Jones <i>Scott Jones</i> September 30, 2014		
Responsible Manager Supervisor			Forest Resources Division Forest Certification Specialist		
Signature Date			Signature Date		

Follow Up Comments:

The unit manager has suggested that the next management review should look to clarify this work instruction as field staff do not fully understand what they are being required to do. As part of the process to develop the Forest Resources Division Strategy, related policies will be reviewed and updated as necessary. This will include the Compartment Review and Inventory Policy and Procedure. Clarifications to the procedure will be reflected in revisions to the work instructions and communicated through future training.



Michigan Department of Natural Resources - Forest Resources Division

2014 INTERNAL AUDIT NON-CONFORMANCE REPORT

Unit Name: Escanaba Forest Management Unit	Site location: 2015 YOE Compartments 8, 11,41, 80, 70 96	Non-Conformance Report Number (Unit Code - yyyy - #): 33-2014-2
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Lead Auditor: Mike Donovan	Team Members: Cheryl Nelson, Scott Jones, Susan Thiel
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Date: July 24, 2014	Work Instruction or Standard and Clause Number: 2.1 Reforestation
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<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor	Other Documents (if applicable): Compartment treatment reports	Responsible Manager(s) (Person identified by the internal audit team who implements the corrective action): Eric Thompson, Forest Management Unit Manager
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Requirement of Audited Standard/Work Instruction:

Section 1 requires "Stand examiners shall make comments in the forest inventory system treatments database (Next steps comment field) reflecting an acceptable species mix should the stand not regenerate to the management objective and this must be agreed to at the compartment review."

Observed Nonconformity:

Checks of multiple compartments revealed alternative regeneration objectives are not being identified and documented on a regular basis per work instructions.

Root Cause Analysis: The root cause is confusion with the interpretation of the work instruction and what is a difficult to regenerate stand. IFMAP cover type codes allow for mixed species whereas operations inventory only allowed one cover type so alternate acceptable mixes were necessary in comments. Work instruction refers to difficult to regenerate stands as being the stands requiring comments for alternate management objective. QAQC has never picked this up as a problem. Unit manager also should be doing a better job of reviewing inventory for compliance with all policies, work instructions, guidelines, etc.

Prepared by and date: Eric W. Thompson, September 2, 2014

Corrective Action: Unit manager has requested the Forest Resources Division Timber Management Specialist to provide training. This will also be included in the QAQC that the Inventory and Planning Specialist do regularly.

Prepared by and date: Eric W. Thompson, September 2, 2014

Proposed Completion Date: September 30, 2014.

Responsible Manager: Eric W. Thompson

Responsible Manager Signature: Electronic Date September 2, 2014

Eric W. Thompson Electronic September 30, 2014 <hr/> Forest Resources Division Signature Date Unit Manager	Jeff Stampfly Electronic September 30, 2014 <hr/> Forest Resources Division Signature Date District Supervisor
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CORRECTIVE ACTION PLAN ACCEPTED

Forest Certification Specialist: Scott Jones

Date: September 30th, 2014

Actual Completion Date: September 30, 2014

Responsible Manager: Eric W. Thompson

Date:

Verified by: Jeff Stampfly Electronic September 30, 2014 <hr style="width: 80%; margin-left: 0;"/> Responsible Manager Supervisor Signature Date	Closed by: Scott Jones <i>Scott Jones</i> September 30, 2014 <hr style="width: 80%; margin-left: 0;"/> Forest Resources Division Signature Date Forest Certification Specialist
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Follow Up Comments:

Neither the work instruction nor the reforestation policy provides useful direction as to what constitutes a 'difficult to regenerate stand.' As part of the process to develop the Forest Resources Division Strategy, related polices will be reviewed and updated as necessary. This will include a review of the reforestation policy. The review should consider including direction related to difficult to regenerate cover types and any new direction should be reflected in revisions to the work instructions. Is there a way to check for alternative acceptable management objectives other than on a stand-by-stand basis?



Michigan Department of Natural Resources - Forest Resources Division

2014 INTERNAL AUDIT NON-CONFORMANCE REPORT

Unit Name: Escanaba Forest Management Unit	Site location: Multiple compartments	Non-Conformance Report Number (Unit Code - yyyy - #): 33-2014-3
Lead Auditor: Mike Donovan	Team Members: Cheryl Nelson, Scott Jones, Susan Thiel	
Date: July 24, 2014	Work Instruction or Standard and Clause Number: 2.2 Use of Pesticides and Other Chemicals on State Forest Land	
<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor	Other Documents (if applicable): FTP C33-680 and C33-690	Responsible Manager(s) (Person identified by the internal audit team who implements the corrective action): Eric Thompson, Forest Management Unit Manager
Requirement of Audited Standard/Work Instruction: A Pesticide Application Plan must be completed and attached to the Forest Treatment Proposal to include planned public notification. Chemical application is being done by a certified applicator, and Pesticide Application Plan is reviewed and approved by another certified applicator. Once spraying is complete, a Forest Treatment Proposal completion report and a Pesticide Use Evaluation Report is required to be completed. The Forest Resources Division silviculturist is to coordinate compilation of an annual report of pesticides used.		
Observed Nonconformity: The Forest Treatment Proposal did have full signatures, but no Pesticide Application Plan, Forest Treatment Proposal completion report, Pesticide Use Evaluation Report were completed. There is no documentation that the silviculturist (local certified applicator) reviewed activity. There was no documentation that the herbicide was applied by a certified applicator (i.e. Dickinson Conservation District performed treatment, but cannot tell if they were a certified applicator at time of application).		
Root Cause Analysis: Too many people lacking experience with work instructions were trying to take advantage of an outside funding source to control invasive species on state owned lands. Unit manager approved the Forest Treatment Proposal and assumed that the Pesticide Application Plan was being completed. Staff changes in wildlife division changed at the same time this was all occurring so there was no follow up.		
Prepared by and date: Eric W. Thompson September 2, 2014		
Corrective Action: Forest Treatment Proposals that require a Pesticide Application Plan should not be approved until the Pesticide Application Plan has been completed and approved by someone with the appropriate credentials (often the Timber Management Specialist). The Pesticide Application Plan and communication plan should be circulated with the forest treatment proposal for approval all at the same time. A Forest Treatment Proposal electronic approval and tracking system should be developed, one that can be easily queried and monitor.		
Prepared by and date: Eric W. Thompson September 2, 2014		
Proposed Completion Date: December 1 st , 2014		
Responsible Manager: Eric W. Thompson		
Responsible Manager Signature:	Electronic	Date September 2, 2014
Eric W. Thompson	Electronic	September 30, 2014
Forest Resources Division Unit Manager	Signature	Date
Jeff Stampfly	Electronic	September 30, 2014
Forest Resources Division District Supervisor	Signature	
CORRECTIVE ACTION PLAN ACCEPTED		
Forest Certification Specialist: Scott Jones		
Date: September 30 th , 2014		

Actual Completion Date: September 30, 2014			
Responsible Manager: Eric W. Thompson			
Date:			
Verified by:		Closed by:	
Jeff Stampfly	Electronic	September 30, 2014	Scott Jones
<i>Jeff Stampfly</i>	<i>Electronic</i>	<i>September 30, 2014</i>	<i>Scott Jones</i>
Responsible Manager Supervisor	Signature	Date	Forest Resources Division Forest Certification Specialist
			<i>Scott Jones</i> September 30, 2014
			Signature Date
Follow Up Comments:			
<p style="color: red;">Development of a Forest Treatment Proposal database is still a division priority, but no timelines for its completion have been set. A recommendation to include electronic approval and inclusion of any associated pesticide application plans and pesticide evaluation and use reports will be passed on to the development team for consideration in product design. The review of the policy and procedure should be expanded to eliminate ambiguity in the process and provide for more clear direction.</p>			



Michigan Department of Natural Resources - Forest Resources Division

2014 INTERNAL AUDIT NON-CONFORMANCE REPORT

Unit Name: Escanaba Forest Management Unit		Site location: Unit-wide		Non-Conformance Report Number (Unit Code - yyyy - #): 33-2014-4	
Lead Auditor: Mike Donovan		Team Members: Susan Thiel, Cheryl Nelson, Scott Jones			
Date: July 24, 2014		Work Instruction or Standard and Clause Number: 5.1.3 - Coordinated Natural Resource Management Research			
<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor		Other Documents (if applicable):		Responsible Manager(s) (Person identified by the internal audit team who implements the corrective action): Ron Murray - Forest Resource Division, Forest Health, Inventory and Monitoring Unit Manager	
Requirement of Audited Standard/Work Instruction: "The Forest Resources Division Forest Health, Inventory and Monitoring Unit Manager will facilitate the review and timely update of the Research Summary by March 1 st of each year and will make the summary available to all DNR staff by posting on the DNR intranet."					
Observed Nonconformity: The 2013 version of the Research Summary is posted on the internet but is incomplete. It does not contain a summary of wildlife research activity.					
Root Cause Analysis: Following meetings about the report, the Division representatives respectively submitted their portions of the report as requested, with the exception of Wildlife Division. The response time for input was very short due to a late meeting date being called by the Forest Resources Division representative. All divisions present at the meeting were in agreement that they would make the deadline. In spite of repeated requests via e-mail and in person, the Wildlife Division component was not received until well after the deadline for posting the report. Since the report preparer has no real authority to demand the input, the report was posted without that section.					
Prepared by and date: Ron Murray September 15 th , 2014					
Corrective Action: In the future, the meeting to start the reporting process will be called earlier so that more time is available for representatives to prepare the input from their division. If report input is not received by the deadline in the future, the preparer will remind the division representatives. If input is still not received, the request will be made through the appropriate administrative channels.					
Prepared by and date: Ron Murray September 15 th , 2014					
Proposed Completion Date: October 15 th , 2014					
Responsible Manager: Ron Murray					
Responsible Manager Signature		Electronic		Date September 15 th , 2014	
Eric W. Thompson		Electronic		September 30, 2014	
Forest Resources Division		Signature		Date	
Unit Manager		Jeff Stampfly		Electronic September 30, 2014	
		Forest Resources Division		Signature Date	
		District Supervisor			
CORRECTIVE ACTION PLAN ACCEPTED Forest Certification Specialist: Scott Jones Date: September 30 th , 2014					
Actual Completion Date: October 22 nd , 2014 Responsible Manager: Ron Murray Date: October 22 nd , 2014					

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Verified by: Paul Kollmeyer Responsible Manager Supervisor	Electronic Signature	October 23 rd , 2014 Date	Closed by: Scott Jones Forest Resources Division Forest Certification Specialist	<i>Scott Jones</i> Signature	October 24, 2014 Date
Follow Up Comments This non-conformance will be kept open until Wildlife Division provides the wildlife research summary. This has been completed.					