

Michigan DNR Forest Certification Internal Audit Report

FMU: Newberry

Internal Audit Dates: June 28-30, 2011

Draft Internal Audit Summary Date: June 30, 2011

Audit Report Finalized: 9-13-11

Lead Auditor: Jeff Stampfly

Internal Auditors: Kerry Fitzpatrick, Kevin LaBumbard, Dan McNamee

Comments:

The internal audit of the Newberry FMU was conducted June 28-30, 2011. The scope of the audit was State Forest Land (SFL) within the Newberry FMU. The audit criteria were the April 6, 2010 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 SFL. The week before the audit two draft routes were developed for the management unit. On Tuesday, June 28, documentation review was conducted by the audit team on the two separate audit routes and final audit sites were selected. Additional documentation review and staff interviews were conducted on Tuesday afternoon. The opening meeting was conducted on Wednesday morning at the Newberry Field Office. Subsequently, participants were divided into two tour groups (west and east) and 19 different audit sites were visited. There was a brief closeout meeting at the end of the day. Audit findings were reviewed by the team on Wednesday night. Thursday morning two of the auditors returned to the field to review two additional sites. Time was also spent reviewing the audit findings, conducting follow-up interviews and reviewing documents as needed. A closing meeting was held on Thursday at 1:30 pm.

The internal audit team appreciated the cooperation, involvement, and openness of the Newberry Unit staff. The audit team was impressed with the depth of knowledge exhibited by field staff. In particular, knowledge of the Archeological and Michigan Natural Features Inventory databases, general knowledge of biodiversity, and integrated pest management. In addition, retention, reforestation record tracking and comment details in timber sale inspections were also noted as being exemplary. It was obvious from our observations that multiple resource values are being considered and appropriately addressed during the administration of timber sales and other programs. The auditors noted good working relationships between divisions, particularly between FMD and WLD.

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.

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 (SFI or FSC) principle, objective, performance measure or indicator.

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

MDNR's internal audit review process (WI 1.2) requires a record, evaluation, and report of non-conformances with forest certification WIs at all levels of the Department. Results of our audit have resulted in 1 major non-conformance, 4 minor non-conformances, and 1 opportunity for improvement. Non-conformances are documented on the Non-conformance Report forms (NCR Form 4502) below, followed by a list of opportunities for improvement (OFI's).



**2011 INTERNAL AUDIT
NON CONFORMANCE REPORT**

Unit Name Newberry		Site location See NCR 42-2011-4		Non Conformance Report Number (42 - 2011 -1) 42-2011-1	
Lead Auditor Jeff Stampfly		Team Member(s) Kerry Fitzpatrick, Kevin LaBumbard, and Dan McNamee,			
Date (mm/dd/yyyy) 6/30/2011		Work Instruction or Standard and Clause Number 1.2 – Management Review Process for Continual Improvement in the Management of Forest Resources			
<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor		Other Documents (if applicable)		Responsible Manager(s): FMD District Supervisor	
Requirement of Audited Standard/ Work Instruction: 1.2 – It is the responsibility and role of district supervisor to monitor implementation of internal and external audit corrective action plans.					
Observed Nonconformity: In accordance with WI 7.1 (unit manager must enforce and comply with PPE safety requirements) and WI 7.2 (MDNR will comply with all federal, state, and local laws and regulations including those that govern employment practice and worker safety) an NCR for operator and MDNR staff not wearing required PPEs was written against the Newberry Unit in the internal audit of 2006; Newberry Internal audit report, (7/20/2006). These same non-conformances were again noted in 2011. The FMD District Supervisor did not appear to monitor implementation of the corrective action plan as detailed in the 2006 internal audit report, “Operators will be continually reminded that they need to wear PPE when outside their equipment to meet both MIOSHA regulations and state timber contract requirements. Violations of the PPE requirements will be recorded against the 7 warnings allowed on applicable contracts.” See observations noted in NCR 42-2011-4.					
Root Cause Analysis (Describe the cause of the problem) Acting District Manager and Field Coordinator Mike Paluda retired in June of 2010. A temporary Acting Manager, was in place until a permanent District Manager was installed in March of 2011. Steve Milford is the current District Manager and had no knowledge of the 2006 internal audit report. There is no documentation of follow-up by the FMD District Forest Manager after the 2006 audit.					
Corrective Action – (To be completed by the Unit and relevant Divisions): Unit has immediately instituted changes in their letters to remind producers of PPE, and unit staff was reminded to conform to work instructions.					
Proposed Completion Date (mm/dd/yyyy): July 1, 2011					
Responsible Manager (RM Steven Milford, District Manager					
RM Signature		Steven Milford (email approval)		Date 9-13-11	
Richard Stevenson		Email approval 9-13-11		Steven Milford	
FMD Unit Manager		Signature		Date	
				FMD Dist Supervisor	
				Signature	
				Date	
CORRECTIVE ACTION PLAN ACCEPTED					
Forest Cert Specialist: Dennis Nezych					
Date 9-13-11					
Actual Completion Date (mm/dd/yyyy):					
Responsible Manager:					
Date:					
Verified by:			Closed by:		
Responsible Mgr Supervisor		Signature		Date	
				FMD FC Specialist	
				Signature	
				Date	
Follow Up Comments					



Michigan Department of Natural Resources - Forest Management Division

**2011 INTERNAL AUDIT
NON CONFORMANCE REPORT**

Unit Name Newberry		Site location Not Applicable	Non Conformance Report Number (42-2011-2) 42-2011-2
Lead Auditor Jeff Stampfly	Team Member(s) Kerry Fitzpatrick, Kevin LaBumbard, and Dan McNamee,		
Date (mm/dd/yyyy) 6/30/2011	Work Instruction or Standard and Clause Number 1.3 – Regional State Forest Management Plan Development		
<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor	Other Documents (if applicable)	Responsible Manager(s): Statewide Council Chair. Note: This is being written against the Statewide Council (SWC) Chair because the SWC has no current timeline and direction for completion of the plan.	
Requirement of Audited Standard/ Work Instruction: 1.3 - The deadline for completion of Regional State Forest Management Plans was March 2011.			
Observed Nonconformity: The EUP Regional State Forest Management Plan was not completed by March 2011.			
Root Cause Analysis (Describe the cause of the problem): Prepared by and date: David Price (July 19, 2011) The October 15, 2008 approved timeline delayed completion of Regional State Forest Management Plans to allow the incorporation of Biodiversity Stewardship Areas (BSAs) into the plans. The designation of BSAs has now been delayed, and a revised timeline for completion of plans is now required.			
Corrective Action – (To be completed by the Unit and relevant Divisions): Prepared by and date: : David Price (July 19, 2011) Statewide council needs to approve a new timeline for completion of Regional State Forest Management Plans as part of a revision to Forest Certification Work Instruction 1.3.			
Proposed Completion Date (mm/dd/yyyy): October 15, 2011 Responsible Manager (RM): Russ Mason, Statewide Council Chair			
RM Signature	Russ Mason (Email approval)	Date	9-7-2011
Richard Stevenson	Email approval	9-13-11	Steven Milford
_____	_____	_____	_____
FMD Unit Manager	Signature	Date	FMD Dist Supervisor Signature
CORRECTIVE ACTION PLAN ACCEPTED Forest Cert Specialist: Dennis Nezich Date 9-13-11			
Actual Completion Date (mm/dd/yyyy): Responsible Manager: Date:			
Verified by:		Closed by:	
_____	_____	_____	_____
Responsible Mgr Supervisor	Signature	Date	FMD FC Specialist Signature Date
Follow Up Comments			



Michigan Department of Natural Resources - Forest Management Division

**2011 INTERNAL AUDIT
NON CONFORMANCE REPORT**

Unit Name Newberry		Site location Timber sales 42-017-06-01, 42-012-10-01, 42-038-10-01		Non Conformance Report Number (42 -2011 -3) 42-2011-3	
Lead Auditor Jeff Stampfly		Team Member(s) Kevin LaBumbard, Dan McNamee, Kerry Fitzpatrick			
Date (mm/dd/yyyy) 6/30/11		Work Instruction or Standard and Clause Number 7.1 Timber Sale Preparation and Administration Procedures			
<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): FMD Unit Manager	
Requirement of Audited Standard/ Work Instruction: WI 7.1 II.4.b)ii – Administration of safety “Personal protective equipment must be properly used by all personnel, including DNR staff on State timber sales with open contracts after any on-the-ground work has started.”					
Observed Nonconformity: Compartment 126 Aspen (42-017-06-01) DNR staff (FMD and WLD) were planning to enter a sale that had been cut, but was not closed, without required PPE and staff when questioned were not clear on PPE requirements. Comp 6 Pine (42-012-10-01) Forward operator and processor operator were both outside equipment without wearing proper PPE. Mcleod Road Maple (42-038-10-01) Chainsaw operator was operating a saw without proper protective equipment (eye or face shield, hearing and leg protection were all absent). DNR Staff on both tours were confused regarding what was required by the PPE requirements of WI 7.1.					
Root Cause Analysis (Describe the cause of the problem): The work instruction does not align with MIOSHA standards. The external auditors gave instruction that hardhats needed to be worn if equipment was operating. Operators also seem to be following instructions aligned with MIOSHA Standards. Prepared by and date: Richard Stevenson 8-17-2011					
Corrective Action – (To be completed by the Unit and relevant Divisions): We inserted wording in every timber sale related letter to producers to remind them to wear PPE on job sites. Staff were reminded to conform to the current work instruction and related PPE requirements. The Work Instruction should be re-evaluated to consider making it more reflective of t MIOSHA standards. Prepared by and date: Richard Stevenson 8-17-2011					
Proposed Completion Date (mm/dd/yyyy): Unit Action was taken immediately. Completed July 1, 2011 Rewrite by 2/2012 Responsible Manager (RM): Newberry Unit Manager for PPE and Forest Certification Specialist for re-write. RM Signature Richard Stevenson (Email approval) Date 9-13-11					
Richard Stevenson Email approval 9-13-11		Steven Milford Email approval 9-13-11			
_____ FMD Unit Manager Signature Date		_____ FMD Dist Supervisor Signature			
CORRECTIVE ACTION PLAN ACCEPTED Forest Cert Specialist: Dennis Nezich Date 9-13-11					
Actual Completion Date (mm/dd/yyyy): Responsible Manager: Date:					
Verified by:			Closed by:		
_____ Responsible Mgr Supervisor Signature Date		_____ FMD FC Specialist Signature Date			
Follow Up Comments					



**2011 INTERNAL AUDIT
NON CONFORMANCE REPORT**

Unit Name Newberry		Site location Booty Birch Revisited (42-10-10-01), Nomad Pine (42-007-10-01)		Non Conformance Report Number (42 -2011 -4) 42-2011-4	
Lead Auditor Jeff Stampfly		Team Member(s) Kevin LaBumbard, Dan McNamee, Kerry Fitzpatrick			
Date (mm/dd/yyyy) 6/30/11		Work Instruction or Standard and Clause Number 7.1 Timber Sale Preparation and Administration Procedures			
<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): FMD Unit Manager	
Requirement of Audited Standard/ Work Instruction: II.1 b) Record name of SFE trained foreman and verification of core training.					
Observed Nonconformity: Booty Birch Revisited (42-10-10-01) and Nomad Pine (42-007-10-01) sale inspection forms indicate that pre-sale meetings were held, but the name of the SFE trained foreman for the sale was not recorded. In addition, the SFE core training verification box was not checked.					
Root Cause Analysis (Describe the cause of the problem): Unit Staff was not routinely noting the SFE trained Foreman. Prepared by Richard Stevenson and date: 07/01/2011					
Corrective Action – (To be completed by the Unit and relevant Divisions): Foresters were reminded to complete the new R4050 to show the SFE trained forman (this entry did not appear on sales prior to 2008) Prepared by and date: Richard Stevenson 07/01/2011					
Proposed Completion Date (mm/dd/yyyy): Implemented immediately 07/01/2011					
Responsible Manager (RM): Richard Stevenson, Unit Manager					
RM Signature		Richard Stevenson		Date 7-1-11	
Richard Stevenson		See earlier draft 8-17-11		Steven Milford	
FMD Unit Manager		Email approval 9-13-11		See earlier draft 8-24-11	
Signature		Date		Signature	
FMD Unit Manager		Date		FMD Dist Supervisor	
CORRECTIVE ACTION PLAN ACCEPTED					
Forest Cert Specialist: Dennis Nezych					
Date 9-13-11					
Actual Completion Date (mm/dd/yyyy):					
Responsible Manager:					
Date:					
Verified by:			Closed by:		
Responsible Mgr Supervisor		Signature		Date	
FMD FC Specialist		Signature		Date	
Follow Up Comments					

Opportunities for Improvement

W.I. 3.1 Forest Operations: There is an opportunity to improve documentation of Forest Treatment Proposals (FTPs) and completed work on FTPs. W42-739 calls for oak planting throughout the treatment area of the compartment. Specific stands to be treated are not listed and the Unit Manager signature is not recorded on the original. OI records indicate this broad prescription approach to planting was approved at compartment review. Over the last two years 125 saplings were planted (personal conversation with wildlife biologist), but no records could be found that document the location of the planting or their survival. OI records were not updated with this interim work.

Report and Review Procedure following the Internal Audit:

1. Nonconformance Reports (NCRs) that describe observed nonconformity 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 (DIAR) consisting of Audit team Nonconformance Reports and a brief audit summary (cover memo). Complete at closing meeting.
3. Lead Auditor will send the DIAR to FMU Manager and send a copy to Forest Certification Specialist and District FMD Supervisor within 1 week.
4. The FMU Manager will respond to the NCRs and assemble the root cause analysis and corrective actions for all NCRs in consultation with staff, or, dispute findings with an explanation. FMU Manager will send to the FMD District Supervisor with copy to FC Specialist and Lead Auditor.
5. The FMD District Supervisor will review, support, and date the NCRs. The FMD District Supervisor will send the Internal Audit Report with approved NCRs to the Forest Certification Specialist within 4 weeks of the closing meeting. A copy of this report will also be sent to the Lead Auditor.
6. The Forest Certification Specialist will consult with Lead Auditor to confirm corrective actions satisfactorily address NCRs. The FC Specialist will review and sign the NCR corrective actions to acknowledge completion. Complete within 6 weeks of closing meeting date.
7. Forest Certification Specialist will forward Final Internal Audit Report to FCIT, FMD Management Team, FMD District Supervisors, all FMU Managers, and representatives from other Divisions, as identified by the FCIT Division representatives.
8. Corrective Actions 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 specialist shall track open NCRs to confirm that all are followed through to completion.