Roscommon Forest Management Unit

2016 Forest Certification Internal Audit Report

Internal Audit Dates: August 23-25, 2016
Initial Post Audit Draft Audit Report: August 25th, 2016
Lead Auditor: Scott Jones
Internal Auditors: Rick-James Hill, Jennifer Kleitch
Trainees: Robert Tylka, Rachel McDonald

Opportunities for Improvement: 3
Minor Non-Conformances: 8
Multi-Unit Non-Conformances: 0
Major Non-Conformances: 0
Follow-Up Required:
Opportunities for Improvement: 0
Minor Non-Conformances: 1
Multi-Unit Non-Conformances: 0

Second Draft Internal Audit Report

Opening Comments:

The internal audit of the Roscommon forest management unit was held August 22nd through August 25th, 2016. The scope of the audit was state forest land within the Roscommon forest management unit. The audit criteria were the June 1, 2016 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 1, 2016 version of the work instructions was not made available to the forest management unit staff until six 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 1st, 2016 AND the June 1st, 2015 versions of work instructions, the activity warranted a non-conformance designation.

A candidate set of compartments and topics was sent to the forest management unit manager prior to arrival of the audit team. On Tuesday August 22nd, the lead auditor worked with the forest management unit manager to finalize the route and stops. We selected two audit routes: 1) West Tour – Roscommon County and 2) East Tour – Ogemaw County. On Tuesday afternoon, we conducted an opening meeting with the audit participants at the Roscommon Operational Service Centre 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. On Wednesday the West Tour visited sites that included: resource damage reports, dike maintenance, the use of crane mats, an oil well brine spill site, a controlled burn site, and timber sales focused on red pine thinning, mixed hardwood clearcut, oak thinning, and an aspen clearcut. The East Tour focused

on an oil well spill resource damage report, two burns, site treatment following a burn and timber sales focused on oak thinning, a Kirtland's warbler harvest, an aspen-jack pine harvest and an aspen clearcut. 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
- Could trigger 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 Roscommon unit staff. We were particularly impressed with the following aspects of their management program:

1. The degree of cooperation between Parks and Recreation Division and Forest Resources Division staff that permitted timely and efficient use of off-road vehicle grant funding in addressing resource damage sites on the unit.
2. The innovative use of slash in an ephemeral wetland to discourage the use of off-road and four-wheel drive vehicles from further damaging the wetland and allowing the wetland to be rehabilitated.
3. The degree of collaboration between Wildlife and Forest Resources division staff in the management of endangered species such as Kirtland's warbler and eastern massasauga

rattlesnake.

4. The degree of consideration afforded to the extensive trail network in the unit when harvesting timber.
5. The willingness of staff to cooperate with a contractor and the local power utility company to effect the harvest of trees on the powerline right-of-way to make use of the timber creating a win-win-win scenario for all involved parties.
6. Timber sale inspections were carried out on a regular basis, there was a good rapport with the contractors and the notes were extensive.
7. The fact that the trail specialist was reaching out to the trail user groups in a proactive manner when forest treatments were adjacent to trials.
8. Trespass issues are mainly due to the high degree of public use of the state forest in this unit and there is an excellent effort expended by staff to resolve these issues without undue escalation.

An audit theme was added for the 2016 audits and this theme was the pesticide/herbicide application process defined in Work Instruction 2.2. The audit of this theme for the Roscommon unit resulted in one non-conformance.

Opportunities for Improvement (OFI):

OFI 71-1, W.I. 1.4 Biodiversity Management on State Forest Lands

Multiple staff were not familiar with work instruction 1.4. Specifically, when asked if certain locations were coded with designations as High Conservation Value Areas/Designated Habitat Areas and Ecological Reference Areas they were unsure as to the designation and what it meant in terms of appropriate activities within those locations. Training on work instruction 1.4 is recommended.

Staff have been reminded to review the requirements of the work instruction and Keith Kintigh has agreed to work with staff to provide training and direction to resolve this issue.

OFI 71-2, W.I. 2.3 Integrated Pest Management and Forest Health

Many staff within the unit have gone through training regarding Forest Resources Division Guidelines for Decontamination Methods by Risk Level for Terrestrial Activities and Equipment. However, some have not yet had this training. Additional training on decontamination for staff that have not had the training previously should be held.

Staff attended decontamination training session provided in October 2016.

In addition, producers are not required to decontaminate equipment when moving between sales or prior to arriving on site. Requirements for producers should be developed statewide and enacted as soon as practicable.

This issue is beyond the scope of the forest management unit to resolve and will be discussed during the management review process. This issue is not addressed in the appropriate work instruction. Revision is necessary to resolve this issue and the solution will take some time to implement. The management review process is the appropriate vehicle for discussion and resolution.

Oak wilt was noted as a growing issue in the unit. Resources and strategies need to be developed for field staff to help identify and treat areas affected. Implementation of strategies to prevent the spread of oak wilt, such as limiting right-of-way clearing operations to oak wilt timing specs, are recommended. More staff training on identification and other methods for control should be enacted as well.

OFI 71-3, W.I. 2.2 Application of Pesticides and Other Chemicals on State Forest Land

Paperwork associated with all Forest Treatment Proposals must have copies included in the appropriate compartment file in the forest management unit office. It was found that forest treatment completion reports related to the application of herbicides were not consistently found in the compartment files in the forest management unit office. This is a continuation of a problem identified in the 2012 audit that has still not been completely addressed.

A new spreadsheet has been created to track forest cultivation treatments to prevent future occurrences of reports being lost due to filing in only one compartment file, where treatments for multiple compartments have been included or combined into one treatment record. A staff forester has been assigned to maintain the spreadsheet.

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 Non-Conformance 71-2016-01

- Work Instruction 2.2 Use of Pesticides and Other Chemicals on the State Forest

Requirement of Audited Standard/Work Instruction:

- 2.2.1.a When a Forest Treatment Proposal requiring a pesticide application is approved, complete a Pesticide Application Plan. Attach the Pesticide Application Plan to the Forest Treatment Proposal.
- 2.2.1.c ...Upon completion of a pesticide application for all DNR authored projects, DNR staff will complete a Forest Treatment Completion form (form R-4080-1) and attach a Pesticide Use Evaluation Report (form R-4029-1).

Observed Non-Conformity:

- C71-852 for Compartment 2, Stand 38 – there does not appear to be either a Pesticide Application Plan or a Pesticide Use Evaluation Report for this location.
- C71-904 for Compartment 3, Stands 39 and 48 – there does not appear to be a Pesticide Use Evaluation Report for this location

Root Cause:

- Documentation could not be located during the audit because paperwork for multiple compartments were combined and filed in only one compartment file. There was not note of this in the other compartment file.

Corrective Action:

- Locate the documentation and file/label in correct location. To prevent future occurrences a new spreadsheet has been created to track forest cultivation treatments (FTPs) and maintenance of the spreadsheets has been assigned to one of the foresters.

Actual Completion Date: April 1st, 2017

Date of Closure: June 1st, 2017

Minor Non-Conformance 71-2016-02

- Work Instruction 3.1 Forest Operations – Intrusive Activities

Requirement of Audited Standard/Work Instruction:

- 3.1 Completion of intrusive activities will be documented by completion of a R4048-1 Forest Treatment Completion Report, and where appropriate updating of MiFI Stand and Treatment databases, including creation of any 'Next Step' treatments. Treatments which are multi- year in nature will have partial treatments reported to the Land Administering Division manager on an annual basis.

Observed Non-Conformity:

- The Keno Road Burn was burned in 2015 there is a burn report but no Forest Treatment Proposal partial completion. Partial completions are required yearly for intrusive activities.

Root Cause:

- Wildlife Staff believed that for wildlife prescribed burns, Forest Treatment Proposals were created by Wildlife Division, but completion reports were authored by the Forest Resources Division Forest Fire Supervisor who completed the burn.

Corrective Action:

- In the future, Wildlife staff will complete completion reports for prescribed burns requested by the Wildlife Division in consultation with the Forest Resources Division Forest Fire Supervisor to ensure an accurate assessment of the completion of burn objectives is included within the report.

Actual Completion Date: January 24th, 2017

Date of Closure: January 25th, 2017

Minor Non-Conformance 71-2016-03

- Work Instruction 3.1 Forest Operations – Intrusive Activities

Requirement of Audited Standard/Work Instruction:

- 3.1.2 Intrusive Activities
  Operations review: Forest Resources, Wildlife, Parks and Recreation and Fisheries divisions will review and approve all intrusive activity performed or permitted by any DNR division on State Forest lands at appropriate level(s), and these approvals will be documented. ... The R4048 Forest Treatment Proposal shall be used to document Forest Resources, Wildlife, Parks and Recreation, Fisheries and Law and Enforcement division approvals of intrusive activities. Completion of intrusive activities will also be documented by completion of a R4048-1 Forest Treatment Completion Report. Treatments which are multi- year in nature will have partial treatments reported to the Land Administering Division manager on an annual basis. Documentation of completed Forest Treatment Proposals will be kept in the compartment file and forest inventory records will be updated annually.

Observed Non-Conformity:

- C71-889 for Compartment 134, Stand 45 – the inventory does not seem to be up-to-date. This site was trenched in 2011, hand planted in 2012 and only one completion report covering both treatments was provided to the unit based on a request on August 25th, 2016 – it could not be found in the compartment files.

- C71-905 for Compartment 3, Stands 64 and 65 – the inventory does not seem to be up-to-date.
- C71-852 for Compartment 2, Stand 38 – there seems to be no Forest Treatment Completion Report for this location.
- The replant treatment in Compartment 2, Stand 38 and Compartment 47, Stands 29 and 129 does not appear to have a Forest Treatment Proposal.
- C71-904 for Compartment 3, Stands 39 and 48 – there appears to be no Forest Treatment Completion Report for this location.

Root Cause:

- Better tracking of Forest Treatment Proposals at the unit level is needed. The switching from IFMAP (old inventory system) to MiFI and renumbering of stands seems to have contributed to the problem.

Corrective Action:

- Unit has forwarded all relevant documents regarding these Forest Treatment Proposals to the auditors.
- The MiFI system should provide better for tracking of Forest Treatment Proposals. In addition, unit will review the Forest Treatment Proposal log this winter to search for and correct any discrepancies in the filing system. This topic will be discussed and further direction will be provided to staff at a unit staff meeting that will include the Timber Management Specialist.

Actual Completion Date: April 1st, 2017

Date of Closure: June 1st, 2017

Minor Non-Conformance 71-2016-04

- Work Instruction 3.1 Forest Operations Part 2 (Intrusive Activities)

Requirement of Audited Standard/Work Instruction:

- W.I. 3.1 Table: ALL Timber Sale Proposals in which treatments were not approved at compartment review will require approval via post-review procedure in Chapter 7 of the Operations Inventory Manual or policy 32.22.15

Observed Non-Conformity:

- Multiple sites had major changes in prescription that did not have Chapter 7-approval or where the Chapter 7 was not provided to the audit team. Multiple forest treatments have had methods added such as roller chopping being added to a planting forest treatment proposal with no documentation. For example, Timber Sale 71-009-14-01 Canoe Camps Overpass had one unit that had Scotch Pine and the treatment in the end did not match the management objective. No Chapter 7 variance was offered to document the change in management objective for this stand/payment unit.

Root Cause:

- Failure to document changes in prescription as per Chapter 7 requirements.

Corrective Action:

- Unit will have this as a topic at a unit meeting/staff training and review, to refresh memories and prevent future issues with conformance.

Actual Completion Date: December 13th, 2016.

Date of Closure: January 20th, 2017.

Minor Non-Conformance 71-2016-05

- Work Instruction 3.1 Best Management Practices

Requirement of Audited Standard/Work Instruction:

- 2 Intrusive Activities – 4 Water Quality: The operating division will be responsible for protecting water quality and will document potential impacts as part of the operations approval process. The current Michigan DNR/DEQ Sustainable Soil and Water Quality Practices on Forest Land (2009) will be the standard guide for water quality in state forest operations. 7 Site Productivity: Forest operations shall strive to maintain or minimize the loss of forest and soil productivity, avoid excessive soil disturbance and modify soil management techniques if soil degradation occurs.
- Best Management Practices Manual: 3. Fuels, Lubricants and Spills: Chemical releases in Michigan are potentially reportable under one or more of twenty-six different state and federal regulations.
- Spill Prevention Best Management Practices: Provide receptacles in maintenance areas ... for collecting solid wastes ... and other trash. The materials collected in these receptacles must be disposed of properly, at an approved solid waste site. Empty oil barrels should be recycled or properly disposed of as solid waste at an approved landfill. Where a spill does contaminate soil, the contaminated material must be removed from the site and deposited at a facility licensed for that purpose.
- Spills: When spills of fuel or lubricants do occur an emergency situation may exist. An operator must be prepared to take action to keep the spill from spreading and entering the water courses on the site. {Part 31 (Section 3109) Water Resources Protection (Discharge into state waters) of the Natural Resources and Environmental Protection Act, 1994 PA 451 as amended}.

Observed Non-Conformity:

- On an audit field tour, an oil & gas production site operated by Tallman Industries Oil was observed to contain multiple oil spills, illegal storage of multiple substances associated with production, as well as trash and equipment. This site is located in an area managed for Kirtland Warbler habitat. Lease # 4389D covers this area but was not found in the unit files. Oil and related chemicals have spilled and have potentially contaminated the water table and the soil. On this site there has been a loss of forest and soil productivity. Despite being reported in June of 2013 to Jim Armbruster of DEQ, nothing has been done to address these conditions and prevent the spill from spreading and entering the water table. Hydrogen sulfide gas in the vicinity of this site likely caused an auditor to develop a headache after only 20 minutes on site suggesting that there is an air quality issue as well.

Root Cause:

- Roles of both the DEQ and DNR need to be defined in management of these sites. This includes clarification of existing rules and regulations regarding the leases, land use, who does what, and who has the legal ability to get compliance, and how to contact the lease holders/producer so that they have clear direction.

Corrective Action:

- Face-to-face meeting between DNR Forest Resources Division personnel and DEQ Oil and Gas Management should be set up, and communication improved. Cleanup timelines to be set and the leaseholders notified of the need to comply.

Actual Completion Date: April 3rd, 2018

Date of Closure: April 12, 2018

Minor Non-Conformance 71-2016-06

- 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 Forest Resources Division unit manager who is responsible for the site. The unit manager is responsible for recording and tracking all Best Management Practice problems that are reported.

Observed Non-Conformity:

- 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

(71094722006002) or for which the rehabilitation work has been completed (71107722013001); some have incomplete data; and some have no useful information at all (71096722006053, 711087722006006, 71095722006030, 71082722008008 and 71064722006038 although newer Resource Damage Reports were more completely filled out). Staff were unaware of who was responsible for closing Resource Damage Reports after the work was complete or who was responsible for management of the database. There are more than enough to indicate a systematic failure.

Root Cause:

- Errors in the database are probably caused by either old reports which contain data that needs to be ground-truthed and verified or removed from the system. Need for staff training in how to enter/maintain/close Resource Damage Reports and when it is appropriate to close the reports

Corrective Action:

- Hold a training session to enlighten staff as to how to enter reports, what data is pertinent and how to use the Citrix Resource Damage Report database system. Make status of Resource Damage Report grants and repairs as a topic of at least three staff meetings in the unit per year. Assign old Resource Damage Report for re-evaluation and update.

Actual Completion Date: January 20th, 2017.

Date of Closure: January 20th, 2017.

Minor Non-Conformance 71-2016-07

- Work Instruction 7.1 Timber Sale Preparation and Administration Procedures

Requirement of Audited Standard/Work Instruction:

- 7.1.4.a.2. Oil Spills and Cleanup of Area. Check that producers have an oil spill kit on-site.

Observed Non-Conformity:

- Producer on active timber sale did not have oil spill kit on-site when inspected during the audit.

Root Cause:

- Producers and/or contract holder may be unaware or lax on compliance with forest certification standard to have spill kit.

Corrective Action:

- Letter will be written/sent to all contract holders that the forest certification requirement of having a spill kit on site needs to be met. Staff inspecting timber sales will check sales frequently for presence of spill kit.

Actual Completion Date: January 20th, 2017.

Date of Closure: January 20th, 2017.

Minor Non-Conformance 71-2016-08

- Work Instruction 7.1 Timber Sale Preparation and Administration Procedures

Requirement of Audited Standard/Work Instruction:

- 7.1.2. Timber sale contract inspection process - Ongoing inspections and documentation: Document "not acceptable" or substandard performance along with corrective actions as requested on R-4050. Unacceptable performance must be followed up with a letter or personal contact with the contractor to explain conditions and required corrective actions. Document steps taken to correct "not acceptable" conditions.

Observed Non-Conformity:

- Clareoskee Oak Thin: Sale administrator said he observed substandard performance in regards to contract specification 3.4.1 (Damaged Timber) and stopped harvesting operations. No documentation of this performance and subsequent corrective action was found in the Field Inspection Report.

- Silsby Rd Harvest, Clareoskee Oak Thin: Field observation on audit observed "not acceptable" (exceeding 20% and 10%, respectively) damage on saplings and seedlings exceeding contract specification 3.4.1 (Damaged Timber). Sale administrators do not quantify pre- and post-harvest regeneration.
- Greenwood Maple Timber Sale: Field inspection notes indicated logger was given permission by administrator to move into a unit early, contradicting bark slip specification (5.2.3.3). Documentation should include a contract amendment.

Root Cause:

- Staff need to be more diligent in documenting adjustments and minor changes in timber sale contracts as they administer sales, so that these adjustments can be tracked and audited.

Corrective Action:

- Awareness training will be given at a unit meeting and all staff administering timber sales will be reminded of the importance of documenting changes or adjustments during contract administration.

Actual Completion Date: January 20th, 2017.

Date of Closure: January 20th, 2017.