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Mr. Richard Cooper  
Certification Standards Officer  
BC Timber Sales  
Kamloops Timber Sales Office  
1265 Dalhousie Drive  
Kamloops, BC V2C 5Z5

October 22, 2009

Dear Rick:

**Re: CSA and SFI Surveillance Audit Report for BC Timber Sales, Kamloops Business Area**

Our CSA and SFI Surveillance Audit Report for BC Timber Sales, Kamloops Business Area is attached. The report documents the results of the audit that took place during the period October 19 – 22, 2009.

As communicated to you in the audit notification letter, you are required to submit corrective action plans to address all identified non-conformities within 30 days of the date of the closing meeting. Upon receipt by KPMG PRI, these will be reviewed to verify that they adequately address the root cause(s) of the non-conformities identified during the audit, and either approved or returned to you for revision.

We value the ongoing working relationship that we have with BC Timber Sales, Kamloops Business Area, and appreciate the assistance provided to the audit team by Company staff and contractors during the audit process.

If you have any questions regarding the results of the audit or what is required in the way of corrective actions, please call me at the phone number listed below.

Yours truly,

Sylvi Holmsen, RPF, CA, CEA(SFM)  
*Senior Systems Assessor*  
KPMG Performance Registrar Inc.  
604-691-3431

Enc: CSA and SFI Surveillance Audit Report for BC Timber Sales, Kamloops Business Area



## **CSA Z809 and SFI Surveillance Audit Report for BC Timber Sales, Kamloops Business Area**

**October 22, 2009**

The information in this audit report is confidential and may be legally privileged. It is intended solely for the use of the intended recipient, BC Timber Sales, Kamloops Business Area. Access to this audit report by anyone else is unauthorized. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it, is prohibited and may be unlawful. Any opinions contained in this audit report are subject to the terms and conditions expressed in the governing KPMG PRI client engagement contract.



## Table of Contents

A.	Client Information.....	1
B.	Document Review Findings.....	1
C.	Audit Details .....	1
D.	Audit Findings.....	2
E.	Corrective Action Plans .....	5
F.	Focus Areas for Next Audit Visit .....	5

## A. Client Information

<b>Client Name:</b>	BC Timber Sales, Kamloops Business Area
<b>Audit Criteria:</b>	CSA Z809-2002 and SFI 2005-2009
<b>Scope of Registration:</b>	<p><b>ISO 14001: Kamloops Business Area</b>          Forestry operations on Crown forest land including planning and performance on active and completed timber sales as well as EMS conformance by individual participating B.C. Timber Sales licencees, permittees and contractors.</p> <p><b>CSA: Kamloops TSA</b>          BC Timber Sales operations within the BCTS Kamloops Defined Forest Area and responsibilities under the Kamloops TSA Sustainable Forest Management Plan which covers the entire Kamloops Timber Supply Area.</p> <p><b>CSA: Merritt TSA</b>          BC Timber Sales operations within the BCTS Merritt Defined Forest Area and responsibilities under the Merritt TSA Sustainable Forest Management Plan which covers the entire Merritt Timber Supply Area.</p> <p><b>SFI: 100 Mile House TSA</b>          Sustainable forestry for BCTS planning and operations in the 100 Mile House Timber Supply Area (TSA)</p>
<b>Client Representative:</b>	Richard Cooper, Certification Standards Officer
<b>Assessment Number:</b>	ISO 14001: #2265.08 CSA Kamloops TSA: #2265.16 CSA Merritt TSA: #2265.17 SFI 100 Mile House TSA: #PRI-SFIS-032

## B. Document Review Findings

This was a limited scope surveillance audit against selected elements of the CSA Z809 and SFI standards. As such, no formal document review was required in advance of the audit.

## C. Audit Details

<b>Type of Audit:</b>	Surveillance audit
<b>Date(s) of Audit:</b>	October 19 – 22, 2009
<b>Date of Next Assessment:</b>	October 2010
<b>Audit team:</b>	Lead auditor: Sylvi Holmsen Audit team members: Gregor Macintosh
<b>Audit Report Distribution:</b>	BC Timber Sales, Kamloops Business Area KPMG PRI audit files

<b>Audit objective(s):</b>	The objective(s) of the audit was to evaluate the environmental and sustainable forest management system at BC Timber Sales, Kamloops Business Area, its implementation, effectiveness and conformance with the requirements of CSA Z809 and SFI. These objective(s) were met.																		
<b>Audit scope:</b>	<p>The scope of the audit included:          The elements of CSA Z809 and SFI outlined in the audit plan.          Activities conducted under the Company's management system during the period October 10, 2008 - October 22, 2009.</p> <p>Visits to the following Company operations:</p> <p>Site 1. Kamloops Timber Sales Office          Site 2. Clearwater Field Team (Kamloops TSA)          Site 3. Merritt Field Team (Merritt TSA)          Site 4. 100 Mile House Field Team (100 Mile House TSA)</p>																		
<b>Audit sample size:</b>	<p>Number of field sites visited during the audit:</p> <table border="1" data-bbox="581 873 1330 1083"> <thead> <tr> <th data-bbox="581 873 829 951"></th> <th data-bbox="829 873 987 951">Kamloops</th> <th data-bbox="987 873 1144 951">Merritt</th> <th data-bbox="1144 873 1330 951">100 Mile House</th> </tr> </thead> <tbody> <tr> <td data-bbox="581 951 829 995">Roads:</td> <td data-bbox="829 951 987 995">4</td> <td data-bbox="987 951 1144 995">4</td> <td data-bbox="1144 951 1330 995">2</td> </tr> <tr> <td data-bbox="581 995 829 1039">Harvesting:</td> <td data-bbox="829 995 987 1039">2</td> <td data-bbox="987 995 1144 1039">4</td> <td data-bbox="1144 995 1330 1039">1</td> </tr> <tr> <td data-bbox="581 1039 829 1083">Silviculture:</td> <td data-bbox="829 1039 987 1083">6</td> <td data-bbox="987 1039 1144 1083">5</td> <td data-bbox="1144 1039 1330 1083">3</td> </tr> </tbody> </table>				Kamloops	Merritt	100 Mile House	Roads:	4	4	2	Harvesting:	2	4	1	Silviculture:	6	5	3
	Kamloops	Merritt	100 Mile House																
Roads:	4	4	2																
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## D. Audit Findings

### Good Practices

The following good practices were noted during the audit:

1. BCTS has developed action plans to deal with opportunities for improvement identified during the 2009 internal audit.
2. 100 Mile House staff have a project to plan and develop a timber sale using staff resources rather relying on contractors to allow them to get more experience completing the field work
3. Use of the Block Task function in GENUS to identify and track block specific commitments.
4. Review of a site plan map for a site preparation block indicated that wet areas on the block had been identified on the map
5. All of the EMS records in the block files were complete.
6. Good use of obstacle planting in areas with high cattle use.

## Follow-up on open non-conformities from previous audits

At the time of this assessment there were **no** open non-conformities from previous audits.

## Major non-conformities

No major non-conformities were identified during the audit.

## Minor non-conformities

No minor non-conformities were identified during the audit.

## Opportunities for improvement

The following opportunities for improvement were identified during the audit:

1. **Opportunity for improvement:** BCTS-TKA-2009-OFI-A1-01

**Standard/Element(s):** SFI: PM 13.1  
**Client Procedure:** Internal Audit  
**Location:** 100 Mile House TSA

The audit identified the following weakness in BC Timber Sales, Kamloops Business Area's procedures to assess SFI performance. The operation relies on a number of EMS elements including the internal audit, however, recent changes to the internal audit program have limited the assessment of performance and effectiveness of the SFMS to selected elements of the EMS and CSA related elements for the Merritt and Kamloops TSA and did not include an assessment against SFI indicators for the 100 Mile House TSA.

2. **Opportunity for improvement:** BCTS-TKA-2009-OFI-A1-02

**Standard/Element(s):** ISO: 4.5.3  
CSA: 7.5.2  
SFI: 13.1  
**Client Procedure:** Incident Report  
**Location:** All

The audit identified the following opportunity for improvement in BC Timber Sales, Kamloops Business Area's procedures for investigating and documenting incidents. A review of a sample of incident reports indicated that while the incidents are investigated and documented, the form does not direct the user to conclude on conformance with EMS requirements or procedures and effectiveness of the procedures.

## **Audit conclusions**

### **Kamloops and Merritt TSAs**

The audit found that BC Timber Sales, Kamloops Business Area's environmental and sustainable forest management systems for the Kamloops and Merritt TSAs:

- Were in full conformance with the requirements of the CSA Z809 requirements included within the scope of the audit, except where noted otherwise in this report;
- Continue to be effectively implemented, and;
- Is sufficient to systematically meet the commitments included within the Company's environmental and SFM policy, provided that the system continues to be implemented and maintained as required.

As a result, a decision has been reached by the lead auditor/audit team to recommend that BC Timber Sales, Kamloops Business Areas operations in the Kamloops and Merritt TSAs continue to be registered to the CSA Z809 standard.

### **100 Mile House TSA**

The audit found that BC Timber Sales, Kamloops Business Area's sustainable forest management system in the 100 Mile House TSA:

- Was in full conformance with the requirements of the SFI standard included within the scope of the audit, except where noted otherwise in this report;
- Continues to be effectively implemented, and;
- Is sufficient to systematically meet the commitments included within the Company's environmental and SFM policies, provided that the system continues to be implemented and maintained as required.

As a result, a decision has been reached by the lead auditor/audit team to recommend that BC Timber Sales-Kamloops Business Area operations in the 100 Mile House TSA continues to be registered to the SFI standard.

Note: BCTS Kamloops Business Area is now part of a multi-site ISO 14001 EMS registration which is in the process of being registered by KPMG PRI. This field audit was not part of the ISO 14001 sample selected. However, the lead auditor considered the ISO 14001 implications of the results above as follows:

- BCTS multi-site registration – nothing was observed during the field audit that would indicate any significant issues that could preclude BCTS multi-site registration.
- Existing BCTS Kamloops Business Area single site registration – nothing was observed during the field audit that would indicate any significant issues that would preclude maintenance of the BCTS Kamloops Business Area single site registration until the BCTS multi-site registration process is completed.

Our assessment by its nature is a sample and is not intended to be as comprehensive as your internal inspection and auditing procedures. It is possible for nonconforming issues to remain undetected. Our next assessment will verify that your internal inspection and auditing procedures have continued to operate as the primary mechanism to ensure that your sustainable forest management system remains effectively implemented and continues to improve.

## **E. Corrective Action Plans**

No corrective action plans are required, however, KPMG PRI will assess the implementation of corrective actions to address opportunities for improvement at the next assessment.

## **F. Focus Areas for Next Audit Visit**

The following issues/potential concerns have been identified as focus areas for the next audit visit:

1. Revisions to the Kamloops and Merritt sustainable forest management plans.
2. Assessment of SFMS performance in 100 Mile House against the SFI standard.