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Certification Standards Officer  
BC Timber Sales  
Kamloops Timber Sales Office  
1265 Dalhousie Drive  
Kamloops, B.C. V2C 5Z5

October 20, 2017

Dear Lorne:

**Re: 2017 CSA Z809 Re-certification/ISO 14001 and SFI Forest Management Surveillance Audit Report for BC Timber Sales – Kamloops Business Area**

Our 2017 CSA Z809 re-certification/ISO 14001 and SFI forest management surveillance/scope expansion 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 16-20, 2017.

As communicated to you previously, you are required to submit corrective/preventive action plans to address all identified non-conformities within 30 days of the date of this report. 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 BCTS staff and LPCs 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,

Dave Bebb, RPF, EP(EMSLA)  
*Vice President, Registration Operations*  
*KPMG Performance Registrar Inc.*  
604-691-3451

cc: Rein Kahlke, RPF, BCTS Certification Officer

Enc: 2017 CSA Z809 Re-certification/ISO 14001 and SFI Forest Management Surveillance/Scope Expansion Audit Report for BC Timber Sales – Kamloops Business Area



**2017 CSA Z809 Re-certification/ISO 14001 and SFI  
Forest Management Surveillance/Scope Expansion  
Audit Report for BC Timber Sales – Kamloops Business  
Area**

**October 20, 2017**

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## A. Client Information

<b>Client Name:</b>	BC Timber Sales – Kamloops Business Area (TKA)
<b>Audit Criteria:</b>	CSA Z809-08 ISO 14001:2004 SFI 2015-2019 Forest Management Standard The processes and documentation defined in the BCTS Kamloops management system Applicable Laws and Regulations
<b>Scope of Registration:</b>	<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. <b>CSA Z809: Nicola Thompson Fraser DFA</b> Forestry operations on Crown forest land including planning and performance on active and completed timber sales as well as SFM system conformance by individual participating BCTS licensees, permittees and contractors within the Nicola Thompson Fraser (NTF) Defined Forest Area (BCTS operations within the Kamloops, Merritt and Lillooet TSAs and TFL 18). <b>SFI: 100 Mile House TSA</b> Sustainable forestry for BCTS planning and operations in the 100 Mile House Timber Supply Area (TSA).
<b>Client Representative:</b>	Lorne Wood, RFT, Certification Standards Officer
<b>Assessment Number:</b>	ISO 14001: #2265.08 CSA Z809: #2265.16 SFI 100 Mile House TSA: #PRI-SFI-032

## B. Document Review Findings

The 2017 BC Timber Sales – Kamloops Business Area (BCTS Kamloops or TKA) audit included an off-site review of various documents and records against the requirements of the CSA Z809 standard. A total of 1 area of concern (AOC) was identified in relation to broken hyperlinks to external documents (e.g., various TSA level AAC rationale documents) in the NTF SFM plan. However, these hyperlinks were fixed prior to the conclusion of the field audit. As a result, the AOC has been closed and has not been brought forward as an audit finding in this report.

## C. Audit Details

<b>Type of Audit:</b>	ISO 14001 : Surveillance (A2) CSA Z809: Re-certification (RR) – Nicola Thompson Fraser DFA SFI: Surveillance (A1) – 100 Mile operating area Field portion of the TKA SFI 2015-2019 forest management scope expansion audit
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<b>Date(s) of Audit:</b>	Document Review: October 10-11, 2017 Field Audit: October 16-20, 2017
<b>Date of Next Assessment:</b>	Winter 2018 (off-site portion of the TKA SFI 2015-2019 Forest Management standard scope expansion audit).
<b>Audit team:</b>	Lead auditor: Dave Bebb Audit team members: Branden Beatty
<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 are to evaluate the sustainable forest management system at BCTS Kamloops to: <ul style="list-style-type: none"> <li>• Determine its conformance with the requirements of CSA Z809-08, ISO 14001 and the SFI Forest Management Standard;</li> <li>• Evaluate the ability of the system to ensure that BCTS Kamloops meets applicable regulatory requirements;</li> <li>• Evaluate the effectiveness of the system in ensuring that BCTS Kamloops meets its specified objectives, and;</li> <li>• Identify opportunities for improvement.</li> </ul> These objective(s) were met.
<b>Audit scope:</b>	The scope of the 2017 TKA audit included: <ul style="list-style-type: none"> <li>• A full-scope assessment against the requirements of the CSA Z809-08 standard.</li> <li>• A limited scope assessment against selected elements of the ISO 14001:2004 standard.</li> <li>• A limited scope assessment against selected elements of the SFI 2015-2019 forest management standard (TKA operations in the 100 Mile TSA only).</li> <li>• The field portion of the TKA SFI 2015-2019 forest management scope expansion audit (non-100 Mile portion of the Business Area).</li> </ul> The applicable elements of the various standards that were assessed are outlined in the May 1, 2017-April 30, 2018 BCTS audit plan. Activities conducted under the Operation’s management system during the period October 20, 2016 – October 20, 2017. Visits to the following Kamloops BA operations: Site 1. Kamloops Timber Sales Office Site 2. Kamloops Field Team (Kamloops TSA) Site 3. Merritt Field Team (Merritt TSA) Site 4. 100 Mile House Field Team (100 Mile TSA)
<b>Significant Issues Impacting the Audit Program</b>	Safety considerations associated a severe windstorm on October 17, 2017 resulted in a reduction in the audit sample size in the 100 Mile House operating area. However, overall an adequate number of field sites were still visited during the week to enable the audit team to reach conclusions regarding TKA’s conformance with the applicable standards.

<b>Significant changes to the client’s management system since the previous audit:</b>	<p>There have not been any significant changes to the BCTS EMS since the previous audit site visit. However, TKA is in the process of revising various BA level procedures and documents (e.g., TKA SFI 2015-2019 Roles and Responsibilities Matrix) to support the expansion of the operation’s existing SFI 2015-2019 forest management certification (which is currently limited to TKA operations in the 100 Mile TSA) to cover the entire TKA Business Area. Once the entire TKA Business Area is certified to the SFI Forest Management Standard (expected by early spring 2018) TKA plans to drop its existing CSA Z809-08 certification for the portion of the Business Area covered by the NTF SFM plan.</p>																				
<b>Deviations from the audit plan:</b>	<p>There were no deviations from the audit plan.</p>																				
<b>Audit sample size:</b>	<p>Number of field sites visited during the audit:</p> <table border="1" data-bbox="505 762 1373 978"> <thead> <tr> <th></th> <th>Kamloops</th> <th>Merritt</th> <th>100 Mile House</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Roads:</td> <td>4</td> <td>2</td> <td>3</td> <td>9</td> </tr> <tr> <td>Harvesting:</td> <td>5</td> <td>1</td> <td>4</td> <td>10</td> </tr> <tr> <td>Silviculture:</td> <td>6</td> <td>5</td> <td>2</td> <td>13</td> </tr> </tbody> </table>		Kamloops	Merritt	100 Mile House	Total	Roads:	4	2	3	9	Harvesting:	5	1	4	10	Silviculture:	6	5	2	13
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## **D. Audit Findings**

### **Good Practices**

The following good practices were noted during the audit:

1. ISO 14001 Element 4.4.6/CSA Z809 Element 7.4.6/SFI Forest Management Performance Measure 9.1: Review of a sample of site plans and related supporting documents found that they were of a high quality and did a good job of addressing the resource management issues present.
2. SFI Forest Management Performance Measure 2.1: Inspection of a sample of recently reforested sites noted timely reforestation of harvested sites with a good mix of coniferous tree species, resulting in diverse stands that are more resistant to potential future pest outbreaks and the impacts of climate change.
3. ISO 14001 Element 4.6/CSA Element 7.6/SFI Forest Management Performance Measure 15.1: Review of the record of the 2016-2017 TKA EMS and SFM system management review found that the review was thorough and well documented and included supplementary notes regarding the results of the Business Area management review beyond those required to be reported provincially in Tables 012-1 and 012-2.
4. SFI Forest Management Performance Measure 2.1: BCTS (including TKA) has recently implemented a performance rating system for silviculture contractors that is used in the evaluation of future bids. This system is a good step towards helping ensure a better quality product from silviculture contractors.
5. SFI Forest Management Performance Measure 2.3: Staff interviews and a field tour of a recent fire in the 100 Mile House area found that TKA staff had devoted considerable staff time and resources in helping to combat forest fires during the 2017 fire season.

## Evidence of conformity with SFI 2015-2019 Forest Management Standard

The primary sources of evidence assessed to determine conformity with the SFI 2015-2019 Forest Management Standard are presented in the following table:

SFI Forest Management Objective #	Sources of Key Evidence of Conformity
1. Forest Management Planning	SFM Plan, geographic information system, forest inventory records, harvesting records, interviews with planning staff.
2. Forest Health and Productivity	Site plans, silviculture reports, field inspections.
3. Protection and Maintenance of Water Resources	Field inspections of riparian areas, review of site plans & harvest plans.
4. Conservation of Biological Diversity	SFM Plan, FSP, site plans, interviews with planning staff, field inspections.
5. Management of Visual Quality and Recreational Benefits	SFM Plan, FSP, harvest plans, field inspections.
6. Protection of Special Sites	SFM Plan, FSP, site plans, special site inspections.
7. Efficient Use of Fibre Resources	SFM Plan, waste reports, field inspections.
8. Recognize and Respect Indigenous Peoples' Rights	BCTS policy on Indigenous Peoples' rights, records of consultation with local Indigenous Peoples, pre-audit questionnaire responses, interviews with Company staff and representatives of local Indigenous Peoples.
9. Legal and Regulatory Compliance	SFM Plan, environmental management plan (EMP), health & safety policy, field inspections, interviews with regulatory agency personnel.
10. Forestry Research, Science & Technology	SFM Plan, EMP, records of research projects and funding, staff interviews.
11. Training and Education	SFM Plan, EMP, training records, SIC minutes & resources, interviews with staff and contractors.
12. Community Involvement and Landowner Outreach	SFM Plan, EMP, SIC minutes & resources, community and landowner outreach records, staff interviews.
13. Public Land Management Responsibilities	Records of cooperative public land planning processes, forest management plan, FSPs and associated referral process, site plans, records of plan referrals to local stakeholders, staff interviews.
14. Communications and Public Reporting	Certification summary report, annual report to SFI Inc.
15. Management Review and Continual Improvement	SFM Plan, management review records, internal audit and related action plans.

## Use of Certification Documents and Marks

BCTS does not produce any products to which certification marks are applied. As such, certification marks are only used off-product and for promotional purposes only. The audit found that the TKA Business Area is effectively controlling the use of the certification documents and marks.

## Follow-up on open non-conformities and opportunities for improvement from previous ISO 14001, CSA Z809 and SFI audits

At the time of this assessment there were no open minor non-conformities and 1 opportunity for improvement from previous external BCTS Kamloops ISO 14001, CSA Z809 and SFI audits. The audit team reviewed the implementation of the action plan developed by BCTS Kamloops to address the open opportunity for improvement and found that it had been implemented as required. The current status of the open findings from previous BCTS Kamloops ISO 14001, CSA Z809 and SFI audits are outlined below.

### Status of open minor non-conformities from previous audits

N/A.

### Status of open opportunities for improvement from previous audits

- **TKA-2016-OFI-01** (the 2016 audit found that TKA had not maintained a comprehensive file containing all of the SFM Plan monitoring information to support what TKA had reported to the NTF SFM Plan Facilitator) – An interview with the CSO and a review of the records supporting the NTF SFM planning monitoring information submitted by TKA for the January 1-December 31, 2016 NTF SFM plan annual monitoring report found that adequate supporting information is now being maintained by TKA. **OFI closed.**

## Major non-conformities

No major non-conformity was identified during the audit.

## Minor non-conformities

The following 1 minor non-conformities were identified during the audit:

1. **Minor non-conformity: TKA-2017-NC-01**

**Standard/Element(s): ISO 14001 Element 4.4.6; SFI Performance Measure 9.1**

**Client Procedure: EFP 06**

**Location: 100 Mile TSA**

EFP 06 requires that large stationary fuel tanks (i.e., tanks with a capacity of >3000 litres) that are stored on the ground to have collision protection. However, the audit found one 100 Mile House contractor (Charlie Gainer Contracting) to be storing fuel in a >3000 litre double walled stationary fuel tank on a road accessing an active timber sale without the collision protection required by EFP 06.

## Opportunities for improvement

The following 5 opportunities for improvement were also identified during the audit:

1. **Opportunity for improvement: TKA-2017-OFI-01**

**Standard/Element(s): ISO 14001 Element 4.3.3**

**Client Procedure: Environmental Management Program (Table 006-1)**

**Location: Kamloops Business Area**

Review of the current (April 1, 2017-March 31, 2018) TKA EMP found that: (1) the EMP does not include any actions to achieve the targets that have been set (i.e., the standard text in the “actions to achieve targets” column of the template describes how a BA should identify the targets, but does not include any actions to achieve those targets once they have been set), and (2) rather than assigning responsibility for implementing the actions to achieve the targets to field staff (who in many cases are the ones who would need to implement actions in order to improve environmental performance on the ground), all of the EMP responsibilities have been assigned to the CSO.

2. **Opportunity for improvement: TKA-2017-OFI-02**

**Standard/Element(s): ISO 14001 Element 4.5.3; CSA Z809 Element 7.5.2; SFI Forest Management Performance Measure 9.1**

**Client Procedure: Incident Tracking System (ITS)**

**Location: Kamloops Business Area**

Review of TKA ITS records found that the large majority of action plans that had been developed to address the environmental incidents that had been identified during the past year had been implemented as required by the planned completion date. However, the following 2 out of 28 ITS incidents had overdue action plans:

- APN-TKA-2017-0242 (required improvement in road drainage through the installation of larger culverts and ditch-blocks).
- APN-TKA-2017-0246 (removal of a log fill from an S6 that had been placed in the stream for site prep access).

Note: Demands on TKA staff time associated with the 2017 fire season had an impact on the Business Area’s ability to meet some action plan timelines.

3. **Opportunity for improvement: TKA-2017-OFI-03**

**Standard/Element(s): ISO 14001 Element 4.5.1, CSA Z809 Element 7.5.1; SFI Performance Measure 9.1**

**Client Procedure: Silviculture Surveys**

**Location: Kamloops Business Area**

Field inspection of a silviculture site (A80475 Block 2) noted an area of NSR (approximately 2-3 hectares in size) that had not been identified in a 2013 silviculture survey. The block was logged in 2008 and the late free growing date is in 2023 (although a free growing survey has been scheduled for 2017). The 2013 survey should have stratified out this area of NSR which should have then been fill-planted. Given that there is now only 6 years until the end of the late free growing date it is likely that it will now need to be extended.

4. **Opportunity for improvement: TKA-2017-OFI-04**  
**Standard/Element(s): ISO 14001 Element 4.5.1, CSA Z809 Element 7.5.1; SFI Performance Measure 9.1**  
**Client Procedure: Annual Cutblock and Road Review**  
**Location: Kamloops Business Area**

TKA conducts a detailed annual cutblock and road review on a sample of sites managed by each field team as a means to assess compliance with applicable regulatory requirements. However, there is an opportunity to expand the cutblock and road review program to include a detailed review of EMS implementation by TKA staff and LPCs as a means to provide an additional means of internal oversight on EMS implementation beyond that afforded by the internal audits.

5. **Opportunity for improvement: TKA-2017-OFI-05**  
**Standard/Element(s): CSA Z809 Elements 7.4.2 and 7.5.3**  
**Client Procedure: EFP 02, LPC Training Records**  
**Location: 100 Mile TSA**

EFP 02 requires LPCs to maintain a copy of employee training records on-site. This requirement was found to have been met on the majority of the active sites inspected during the audit. However, while TLC contracting in 100 Mile House (working on A92817 Block MHR20133) was found to be maintaining training sign-offs for their employees, the audit found one missing signature for a buncher operator working on the block.

## **Audit conclusions**

### **CSA Z809-08 Re-certification Audit – Nicola Thompson Fraser DFA**

The audit found that BC Timber Sales, Kamloops Business Area's sustainable forest management system for the Nicola Thompson Fraser DFA:

- Was in full conformance with the requirements of the CSA Z809 standard included within the scope of the audit, including the requirement to complete internal audits and management reviews at planned intervals, except where noted otherwise in this report;
- Has been effectively implemented, and;
- Is sufficient to systematically meet applicable requirements and expected outcomes, provided that the systems continue to be maintained as required.

In addition, the audit found that the scope of BC Timber Sales, Kamloops Business Area's certification to the CSA Z809 standard is appropriate.

As a result, a decision has been reached by the lead auditor to recommend that BC Timber Sales – Kamloops Business Areas operations within the Nicola Thompson Fraser DFA be re-certified to the CSA Z809-08 standard.

The CSA Z809-08 re-certification file will be subject to a KPMG Independent Technical Review as required by our accreditation. Provided the Independent Technical Reviewer approves the recommendation, BC Timber Sales –Kamloops Business Area will receive a replacement CSA Z809-08 certificate of registration in approximately 4 weeks from the completion of the audit.

### **SFI Surveillance Audit – 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 2015-2019 forest management 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 Organization’s environmental and SFM policies, provided that the system continues to be implemented and maintained as required.

### **ISO 14001 Surveillance Audit: BC Timber Sales – Kamloops Business Area**

The audit found that BC Timber Sales – Kamloops Business Area’s environmental management system:

- Was in full conformance with the requirements of the ISO 14001 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 Organization’s environmental policies, provided that the system continues to be implemented and maintained as required.

NB: Nothing has come to our attention during this assessment that would individually preclude a recommendation for continued registration of BCTS to the ISO 14001 and SFI forest management standards. However, provincial level conclusions regarding conformance to the ISO 14001 and SFI standards cannot be made until the results of this assessment are consolidated with those of the other business units being sampled as part of the 2017/18 multi-site ISO 14001 and SFI surveillance audits.

### **SFI Scope Expansion Audit – Portion of the Business Area Excluding the 100 Mile TSA**

The field portion of the TKA SFI 2015-2019 scope expansion audit did not identify any findings that would preclude the expansion of TKA’s existing SFI 2015-2019 forest management certification to include the entire Business Area. However, addition off-site audit work is required in early 2018 (i.e., review of various documents and telephone interviews with selected TKA staff) before an overall conclusion on TKA’s conformance with the SFI 2015-2015 forest management standard within the entire Business Area can be reached.

NB: 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 systems remain effectively implemented and continue to improve.

## **E. Corrective Action Plans**

Written corrective action plans that are designed to address the root causes of all identified non-conformities are required within 30 days of the closing meeting. These will be reviewed by KPMG PRI for adequacy, and either approved or returned for revision.

A template for TKA to develop the required corrective action plans will be provided to you for this purpose. Please complete the appropriate section of this template and e-mail your proposed corrective actions to the KPMG PRI lead auditor for review.

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

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

1. Implementation and effectiveness of action plans developed to address the open findings from the 2017 and previous audits.
2. Expansion of the existing TKA SFI 2015-2019 forest management certification (which is currently limited to TKA operations within the 100 Mile TSA) to include the entire Business Area.
3. Advisory Bulletin No. 2015/09/22 outlines the requirement for TSL holders to have a plan for conducting primary forest activities and the circumstances under which an amendment to the plan may be required. The audit found the license holder of TSL A93339 Block BA873 to have changed the harvesting system from cable-yarding to a conventional approach for the majority of the block. While the license holder provided a rationale for the change and communicated this to TKA, there has to date been no revision to the site plan for this block. Although it may be feasible to log a greater proportion of the block using conventional means than originally prescribed without failing to meet the FSP results and strategies that pertain to this block, there is a machine free portion of the block at the north end that a TSFA recommended not be accessed by a temporary road due to the need to cross a potentially unstable gully (hence the reason that cable logging of this area was prescribed). The next audit will include a follow-up on BCTS' efforts to work with the licence holder to address the risks to the achievement of the FSP results and strategies that the proposed change in harvesting system may create, as well as the application of the requirements outlined in Advisory Bulletin No. 2015/09/22 on other sites where a change to the plan is proposed by the TSL holder.