Forest management audits — a learning experience¹

by Tony VanBuskirk²

During the fall of 1995, Repap New Brunswick Inc. had its first external Audit done on their Crown Land Licenses situated in North Eastern New Brunswick. This paper describes the pre-audit preparation and post-audit follow-up by Repap New Brunswick Inc.

Key words: environmental auditing, sustainable forestry, forest certification

Au cours de l'automne 1995, Repap New Brunswick Inc. a procédé à la première vérification externe de ses concessions forestières sur terres publiques du nord-est du Nouveau-Brunswick. Cet article décrit les préparatifs antérieurs à la vérification et le suivi effectué par Repap New Brunswick Inc.

Mots clés: vérification environnementale, foresterie durable, certification forestière

Introduction

For most of us the word "audit" has negative connotations. After all, who really enjoys having their business reviewed annually to ensure all financial matters are in order? With another type of auditing on the horizon, *forest management auditing*, those involved in the forest industry wonder why a double dose of misery is deserved.

At Repap New Brunswick Inc., we thought forest auditing would cause headaches and upset stomachs. Was an audit on forest practices necessary, or was it an underhanded means of increasing the sales of Tylenol® and Tums®?

A Changing World — New Forestry

In recent years a *New Forestry* approach has developed that incorporates ecosystem management, biodiversity, certification and sustainable forest management. There was a need identified for a system to measure how industry is meeting the requirements of *New Forestry*; the measurement tool was the "third party forest audit".

The necessity of the third party is due, in large part, to public mistrust of big industry and big government. Since we work in a business where you are "guilty until proven innocent", the only judge and jury that will gain public and customer trust may be the independent audit approach.

Understanding Auditing and Certification

It is human nature to fear that which is not well understood. In 1994, at Repap New Brunswick Inc., we decided that we had better do internal research on certification. As part of the ongoing Woodlands, Strategic Plan initiative, a committee was formed consisting of five staff members to monitor the certification process. Through correspondence with Canadian Pulp & Paper Association, this committee developed a comprehension of previously misunderstood concepts relating to certification. A vital component of this Sustainable Forest Management (SFM) certification process was *forest management auditing*.

On the 8 and 9 March 1995, a sustainable Forest Management workshop was held on the Miramichi. Representatives from the Canadian Standards Association Committee, industry, private woodlots, government, training institutions, audit firms, First Nations and concerned citizens met to discuss the Canadian Standards Association protocols and how well Repap New Brunswick Inc. met the standards. The exercise proved extremely useful in creating an awareness within our organization about certification and audits.

The research committee at Repap Woodlands suggested that an internal audit by a professional forest management auditing firm be done on Repap's Crown Licenses. Price Waterhouse was chosen to do the audit.

Audit Objectives

There was uncertainty as to which SFM initiative to audit. It was decided that the audit should be based on three separate sets of criteria:

1. *General Management Audit* — This set of protocols was based on the Forest Management Agreement for Crown Lands in New Brunswick and company policy. This was, at this period in time, of utmost importance.
2. *Canadian Standards Association SFM Criteria* — Repap is committed to CSA Standards and we were interested to see how our operations would compare to this system's stringent criteria and indicators.
3. *Forest Stewardship Council SFM Criteria* — We thought it would be worthwhile to be measured with this criteria that deals with forestry on a global context.

Future audits will probably concentrate on only one of these three sets of criteria. However, in an effort to gain the maximum amount of exposure to all the processes, and get the maximum return for our dollars spent, it was decided to use all three sets of criteria for our introductory audit.

The audit sample was taken from a list of blocks provided by Repap where harvesting, silviculture and road construction had taken place within the past five years. Higher risk blocks,

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where forest management standards would be difficult to meet, were purposely chosen.

Audit Training

There was a two day Forest Management Auditing Workshop given by Price Waterhouse to train 15 Repap personnel to be forest auditors. This training, given on 18 and 19 October, 1995, produced a two fold advantage.

1. Personnel got a better idea of what to expect during the forthcoming audit by Price Waterhouse.
2. Repap personnel could now competently do internal audits on company operations.

Audit training is a separate cost from the audit itself. This training is extremely valuable to those unfamiliar to the audit process.

Conducting the Audit

In advance to the arrival of the audit team, one full day was spent on logistical considerations of where to go and what to assess. Since the audit team was only going to be on the Miramichi for five days, the success of this organizational day was key to the overall success of the audit field work.

One of the five days was spent by the audit team reviewing long range management plans, annual operating plans, reports, Forest Management Agreements, Government Legislation and safety procedures. No piece of paper was left unturned. The audit team also had discussions with Repap staff to determine SFM awareness levels.

Two complete days were spent in the field examining silviculture treatments, harvest areas and road construction practices. Safety and compliance were checked on every active operation. In total, 18 different sites were visited. A complete day was required to consolidate notes into a preliminary audit report.

On the fifth day, 3 November, the audit team presented their summary to Woodlands staff. The general breakdown of their summary had two distinct categories.

1. Good management practices
2. Audit findings — Practices requiring improvements

Where Do We Go From Here?

Each audit finding requires an *Action Plan*. It is critical that an Action Plan be developed and implemented; if not, the audit report is worthless.

Developing an action plan requires dedication and commitment. Some action plans may simply require a phone call while others may take years to accomplish. Through research, business improvement processes and dedication towards continuous improvement, we will move closer to certification.

Observations, Recommendations, Concerns

- Forest Management Audits are a new cost to be incurred on Woodlands organizations... budget accordingly.
- Documentation is a major item in a Forest Management Audit. Verbal approvals are meaningless. Record keeping systems may need to be improved.
- An experienced audit team is essential. Make sure there is representation on the team from your forest region.
- Get all the background information available on certification and audits. This research will help in deciding what process to use when auditing. Assess what your customers want.
- Take the Auditing Trainers Course if possible.
- Inform contractors and labour force about upcoming audits and share the audit results with the labour force.
- This is a learning process for companies, auditors and everyone involved.

Conclusion

The audit results will permit companies to focus on what needs improvement; they will also verify if a company's past improvement initiatives were successful. Customers will have verification that they are purchasing forest products from a well managed supply. The major benefit will be for Canadians because they will have an unbiased account of how the Nation's forests are being managed.

For us at Repap New Brunswick Inc., having completed our first audit was a rewarding and educational experience. Our pre-audit anxieties, headaches and upset stomachs are past memories. Ahead lies hard work and commitment to implement action plans resulting from the audit process.

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