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**FSC Certification Report for the  
2005 Annual Audit of the:**

**Wisconsin State Forests  
Managed by the  
Wisconsin Department of Natural Resources**

**Audit Conducted by  
SCS Forest Conservation Program  
Under the Auspices of the Forest Stewardship Council**

**Certificate Number: SCS-FM/CoC-00070N  
Awarded: May 3, 2004**

**Date of Field Audit: July 11-13, 2005  
Date of Draft Report: November 26, 2005**

**Date of Final Report: February 2006**

**Certificate Awarded by:**

**Scientific Certification Systems  
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**2005 ANNUAL CERTIFICATION AUDIT OF THE  
WISCONSIN STATE FORESTS  
MANAGED BY THE  
DEPARTMENT OF NATURAL RESOURCES**

**1.0 GENERAL INFORMATION**

**1.1 FSC DATA**

Name and contact information for the certified operation:

- Applicant entity: Wisconsin DNR, Division of Forestry
- Contact person: Robert J. Mather, Director, Bureau of Forestry
- Address: 101 S. Webster St., P.O. Box 7921, Madison, WI 53707-7921
- Telephone: (608) 266-1727
- Fax: (608) 266-8576
- E-mail: Robert.Mather@dnr.state.wi.us
- Certified products: Hardwood and softwood stumpage
- Number of Acres/hectares seeking to be certified: approximately 490,000 acres (198,000 hectares)
- Nearest Town: Madison, Wisconsin
- Tenure: Public, state owned
- Forest Composition: A mosaic of conifer and hardwood cover types, classified by species dominance; e.g., White Pine, Spruce-Fir, Northern Hardwoods, Central Hardwood, Oak, Red Maple, Aspen, Pine Plantations
- Managed as: Natural Forest

**1.2 General Background**

This report describes the results of the second surveillance audit of Wisconsin Department of Natural Resource's (DNR) management of the Wisconsin State Forests, initially certified May 3, 2004. This audit was conducted according to FSC protocols and pursuant to the terms of the original forest management certificate awarded by Scientific Certification Systems (SCS-FM-00070N). All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require surveillance audits at frequencies no greater than yearly to ascertain ongoing compliance with the requirements and standards of certification. Additionally, SCS reserves the right for short-notice audits. No such short-notice audits have been conducted since issuance of this certificate.

### **1.3 Forest and Management System**

This second annual surveillance audit confirmed the fact that the Wisconsin State Forests are managed under silvicultural regimes that are compatible with the FSC definition of natural forest management.

Since the prior audit, there have been no significant changes to the land base comprising the state forest lands that the Wisconsin DNR is managing. Furthermore, there have been no major changes to the management system employed on the certified forest area. See the 2004 Certification Evaluation Report Public Summary [www.scscertified.com](http://www.scscertified.com) for a more detailed description of the Wisconsin DNR operations.

### **1.4 Environmental and Socioeconomic Context**

Since the 2004 surveillance audit, there have been no significant changes in the environmental and socioeconomic context in which DNR's management of the Wisconsin State Forests takes place. Of note, Wisconsin DNR's engagement in FSC certification takes place within a regional market-driven context in which several upper Midwest state forestry agencies are at various stages of undergoing "dual certification" under both FSC and the Sustainable Forestry Initiative (SFI). Of equal note, Wisconsin DNR has been on the forefront of this broad regional trend.

See the 2004 Certification Evaluation Report Public Summary at [www.scscertified.com](http://www.scscertified.com) for a more detailed description of the environmental and socioeconomic context.

### **1.5 Products and Services Produced**

Since the prior surveillance audit, there have been no changes in the products and services produced on the Wisconsin State Forests. As a state agency, the DNR has a clear mandate to manage the State Forests for a full suite of products (both consumable and non-consumable) and services, for the long-term benefit of the citizens of Wisconsin.

### **1.6 Chain of Custody Certification—Stump to Forest Gate**

As discussed later in this report, the 2005 annual audit included a review of the chain-of-custody control procedures for that portion of the supply chain that DNR has responsibility over. Because DNR sells standing trees (stumpage) rather than roadside logs or delivered logs, its CoC responsibilities are limited. It is the timber sale purchasers that, under the FSC system, have responsibility for assuring the integrity of the certified supply chain from the point of severance from the stump, onward.

In brief, there have been no significant changes in the Wisconsin DNR CoC procedures since the full evaluation that was conducted in late-2003 and the prior surveillance audit conducted in October, 2004.

## **2.0 THE CERTIFICATION EVALUATION PROCESS**

### **2.1 Assessment Dates**

The field and office components of this surveillance audit were completed on July 11-13, 2005.

### **2.2 Assessment Personnel**

For this surveillance audit, the team was comprised of the following personnel:

**Dr. Robert J. Hrubes, Team Leader:** Dr. Hrubes is a California registered professional forester (#2228) and forest economist with 30 years of professional experience in both public and public forest management issues. He is presently Senior Vice-President of Scientific Certification Systems. In addition to serving as team leader for the Wisconsin state forestlands evaluation, Dr. Hrubes worked in collaboration with other SCS personnel to develop the programmatic protocol that guides all SCS Forest Conservation Program evaluations. Dr. Hrubes has previously led numerous SCS Forest Conservation Program evaluations of North American public forest, industrial forest ownerships and non-industrial forests, as well as operations in Scandinavia, Chile, Japan, Malaysia, Australia and New Zealand. As the Wisconsin State Forests evaluation team leader, Dr. Hrubes is the principal author of this report, in collaboration with co-authors, Gary Zimmer and Mike Ferrucci. Dr. Hrubes holds graduate degrees in forest economics, economics and resource systems management from the University of California-Berkeley and the University of Michigan. His professional forestry degree (B.S.F. with double major in Outdoor Recreation) was awarded from Iowa State University. He was employed for 14 years, in a variety of positions ranging from research forester to operations research analyst to planning team leader, by the USDA Forest Service. Upon leaving federal service, he entered private consulting from 1988 to 2000. He has been Senior V.P. at SCS since February, 2000.

**Mr. Michael Ferrucci:** Michael Ferrucci is a founding partner and President of Interforest, LLC, and a partner in Ferrucci & Walicki, LLC, a land management company that has served private landowners in southern New England for 17 years. Its clients include private citizens, land trusts, municipalities, corporations, private water companies, and non-profit organizations. He has a B.Sc. degree in forestry from the University of Maine and a Master of Forestry degree from the Yale School of Forestry and Environmental Studies. Mr. Ferrucci's primary expertise is in management of watershed forests to provide timber, drinking water, and the protection of other values; in forest inventory and timber appraisal; hardwood forest silviculture and marketing; and the ecology and silviculture of natural forests of the eastern United States. He also lectures on private sector forestry, leadership, and forest resource management at the Yale School of Forestry and Environmental Studies.

For this project, Mr. Ferrucci functioned as an employee of NSF.

## 2.3 Assessment Process

Pursuant to SCS/FSC protocols, the annual surveillance audit process was comprised of the following components:

- Pre-audit communications, particularly with respect to DNR's action plan for addressing the Corrective Action Requests attached to the award of certification
- Preparation of a labor budget and work order to conduct the audit; authorization by DNR
- Review of written materials made available to the audit team prior to and during the field audit
- An opening meeting held on day 1 at the DNR headquarters in Madison; as part of the day 1 discussions in Madison, the auditors also met with members of the Forest Leadership Team (FLT)
- Completion of a 2+ day field audit in which 3 State Forest units (Kettle Moraine North, Point Beach, Peshtigo) selected for site visits
- An exit meeting on the last day of the field audit, held at the Peshtigo State Forest Headquarters
- Preparation of this audit report.

### 2.3.1 Offices and Sites Visited During the 2005 Audit:

For this surveillance audit, the team elected to engage in the following activities:

#### Monday July 11<sup>th</sup>, 2005

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**8:30am – 12:00**

**Madison, DNR Office  
Room 774B – Board Room**

Review of WDNR's response and actions to complete Corrective Actions. Mike Ferrucci, Robert Hrubes, Bob Mather, Paul Pingrey, Teague Prichard, Jim Warren, Jeff Barkley, Randy Hoffman, Tom Watkins, Carmen Wagner, Tom Watkins, Jeff Prey

**11:00 -12:00** Overview discussion with Forestry Leadership Team (Tim Mulhern, Paul DeLong, Darrel Zastrow, Wendy McCown, Trent Marty, Bob Mather)

The opening discussions in Madison on July 11th covered the following topics:

- General overview of DNR activities since the prior surveillance audit
- DNR's plans and actions for responding to the CARs
- Budget and staffing (vacancy) developments; status of plans for the establishment of a new, full-time certification specialist position; staff changes, particularly with regarding positions assigned certification responsibilities.
- Pending legislation (e.g., Assembly Bill 254)
- Status of Master Plan development; legislative focus thereon
- Backlog in inventory work and shortfall in acres harvested versus planned levels

**12:00 – 1:00 pm** Lunch, Madison, Reservations at Great Dane

**1:00 - 3:00 pm** Travel to Kettle Moraine State Forest Northern Unit,  
Campbellsport, WI (53010)

**3:00 - 5:00 pm** **Camblesport, KMSF NU Office**  
N1765 County Highway G Campbellsport WI 53010

**Office visit with NU KMSF staff**

Tim Beyer, Jerry Leiterman, Frank Trcka, Greg Pilarski, Paul Pingrey, Teague Prichard, Jim Warren, Bob Mather, Robert Hrubes, Mike Ferrucci, Julie Peltier, Jason Quast, Dale Katsma, Carmen Wagner, Pat Robinson, Owen Boyle

Topics raised during the office discussion:

- History and overview of the unit, including staffing
- Breakdown of revenue generation on the unit; funding profile
- Recreation program; use levels; key issues such as mountain bikes and equestrian use, ATVs
- Status and operational relevance of the 1991 Master Plan; no date yet set for generating a new plan
- Invasive exotics (e.g., garlic mustard, buckthorn)
- Open houses and other strategies for public meetings and interaction
- Challenges of inter-Bureau collaboration in management of the unit; role of the abstract process for facilitating coordination and collaboration between Bureaus
- Funding shortfalls for roads and trails maintenance
- Visual management

**Tuesday July 12<sup>th</sup>, 2005**

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**8:00am - 11:30**

**KMSF NU**

**Field visit of KMSF, North Unit**

Tim Beyer, Jerry Leiterman, Frank Trcka, Paul Pingrey, Teague Prichard, Jim Warren, Bob Mather, Robert Hrubes, Mike Ferrucci, Julie Peltier, Jason Quast, Dale Katsma, Carmen Wagner, Owen Boyle, Pat Robinson

**11:30 -1:00 pm** Lunch and Travel to Two Rivers, WI (54241)

**1:00 - 5:00 pm**

**Field visit to Point Beach State Forest**

Paul Pingrey, Teague Prichard, Jim Warren, Bob Mather, Robert Hrubes, Mike Ferrucci, Ron Jones, Guy Willman, Sue Crowley, Carmen Wagner, Jean Rombeck-Bartels, Pat Robinson, Victoria Dirst, Jeff Pritzl, Arnie Lindauer, Jeff Pritzl

Topics raised in office and field discussions:

- History and overview of the unit, including staffing
- Recreation program, which is the dominant focus of management (e.g., 27 camp sites filled throughout the summer season)
- Management direction found in the Master Plan (e.g., thinning plantations, aspen maintenance, delineation of “appropriate uses”)
- Problems with invasive exotics
- Deficiencies in identifying and recording archeological or historic sites
- Red pine planted stand management
- Chemical use and storage

**5:00 - 6:00 pm**            Travel to Green Bay

**6:00 pm**                    Dinner at Lambeau Field - Curly’s

**Wednesday July 13<sup>th</sup>, 2005**

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**7:00 – 8:15 am**            Travel to Crivitz, WI (54114)

**8:15 -9:00 am**            **Peshtigo River State Forest Headquarters**

Office discussion

John Lubbers, Dan Mertz, Aaron Buckholz, Pat Robinson, Maggie Kailhofer, Robert Hrubes, Mike Ferrucci, Paul Pingrey, Teague Prichard, Jim Warren, Bob Mather, Carmen Wagner

Topics raised during office and field discussions:

- History and overview of the unit; working relationship with adjacent state park
- Overview of Recon data and process—Recon data is 16 years old and obviously in need of updating
- Scrub oak management—need to regenerate over-mature stands
- Status of Master Planning process
- Plans for public participation
- Big tree silviculture and its application to high quality oak stands
- Recreation facilities (e.g., canoe camp)
- Road BMPs

**9:00 - 12:30 pm**            Field visit and lunch

**1:00 - 3:00 pm**            Exit interview (Peshtigo Forest Headquarters)  
Robert Hrubes, Mike Ferrucci, Paul Pingrey, Teague Prichard, Jim Warren, Bob Mather, Carmen Wagner

### 2.3.3. Summary of Field Sites Visited

#### Kettle Moraine, North:

1. Headquarters Timber Sale (67): T13N, R19E, S2,10,11 Comp 13&15; 172 acres involved, only 120 acres to be thinned. 38 to 65-year old white pine, red pine, and spruce plantations. Goal for stands to be converted to hardwood: residual BA 55-80; for stands maintained to pine: residual BA 90-130. Tamarack Circle Trail runs through sale area; invasive issues including buckthorn, honeysuckle, garlic mustard and others; past buckthorn control effort not successful; viewed 65 year-old red pine plantation on its 4<sup>th</sup> thinning
2. Jersey Flats Prairie Restoration – 200 acres, started in 1983; planting with native forbs and grasses; fire to maintain on 3 to 5-year cycle
3. Ice Age Visitor Center – built and operated in cooperation with National Park Service; full time naturalist, w two federally-funded rangers; starting to replace interpretive exhibits
4. County Road “W” Timber Sale (84): S25, T14N, R 19E; Red Pine row thinning and White Pine conversion harvest (low basal area)
5. Long Lake Campground, Recreation Areas, Shoreline Vegetation Restoration Project and Spruce Thinning. 200 site campground, day use picnic areas and beaches; replacement of grass with native plants along shoreline (many flowering plants); timber harvest of dense spruce stand adjacent to campground – T14N R19E S 25 Comp 24 Stand 19 6 acre spruce stand
6. Shamrock Road / Woodside Road wetlands restoration project – berm and standpipe for water control to create impoundment
7. Parnell Tower Timber Sale (76): T14N, R20E, S3&4; Comp31, Stand 16 – Aspen clearcut with Oak crop-tree release
8. Red Oak State Natural Area / Red Oak Habitat Preservation Area (one area no management, one area being considered for management to maintain oak component)
9. Parnell Tower Recreation Site

#### Point Beach:

1. Timber Sale 1-01: T20N, R25E, S9, Comp 301, Stands 15 & 16 – Red and White Pine Plantation thinning, 3 acres aspen clearcut, 4 acre Scotch pine plantation overstory removal
2. Dune area and natural opening – vegetation management and monitoring issues
3. Bike Trail / ridge and swale topography
4. Beach and Dune trail



5. Maintenance shop – pesticide storage area
6. Nature Center

Peshtigo:

1. Two Tall Pines Sale area (conducted by prior owner) to discuss silviculture
2. Medicine Brook Road, east side of Peshtigo River – road use, maintenance, and BMP discussion
3. Peshtigo River canoe landing and camp – discussion of recreational use and special sites
4. Caldron Falls Flowage – lunch and general discussions

**2.3.4. DNR Employees Interviewed During the Surveillance Audit:**

See the daily itinerary in Section 2.3.1, above.

**2.4 Guidelines/Standards Employed**

This annual audit was conducted using two sets of standards or considerations:

- The FSC Principles & Criteria, as augmented by FSC Lake States Regional Standard;

Since this is a surveillance audit (and per FSC protocols), the audit team did not attempt to evaluate DNR's management of the Wisconsin State Forests against the full scope of the certification standard. Over the course of five successive surveillance audits, it is required that the full scope of the standard is considered.

- The Corrective Action Requests (CARs) that were stipulated at the time of award of certification in May 2004 and that remained open after the conclusion of the first surveillance audit (later in 2004).

**3.0 RESULTS, CONCLUSIONS, CARS AND RECOMMENDATIONS**

***3.1 GENERAL DISCUSSION OF FINDINGS***

The predominant focus of this surveillance audit was two-fold:

- To review DNR's plans and actions for addressing the CARs stipulated as part of the award of certification. In that this surveillance audit took place only five months after the formal award of certification, the specified dates for closing out all but one of the CARs have not yet arrived. Thus, our focus was on the general approach and pace of DNR's response, mid-course.

- To visit three of the State Forest units not sampled during the initial audit in 2003 (Kettle Moraine North, Point Beach and Peshtigo).

Based upon the information gathered through field reconnaissance, personnel interviews and stakeholder consultation, as well as the review of supporting materials, it is the SCS audit team's conclusion that Wisconsin State Forest System's continued certification under the FSC is warranted. The policies, practices, approaches and perspectives on resource management that were in place during the initial certification audit were readily discernable in this surveillance audit. Notably, the overall level of conformance to the certification standards was found to be solid on the three State Forest Units audited for the first time and commensurate with what had been previously observed in other State Forest Units.

While there have been some changes since the 2003 and 2004 audits, the Department's commitment to its FSC certification of the State Forests remains evident. But, as is detailed below, there remain a few gaps with respect to particular components of the certification standard that require continued effort by the DNR to close.

During the course of this surveillance audit, one non-conformance was observed that requires the specification of an additional Corrective Action Request:

- Chemical use and storage procedures at Point Beach State Forest were observed to not be in conformance with label direction, state BMPs and FSC Criterion 6.7. See Section 3.2.2 of this report for the express terms of the new CAR.

### **Chain of Custody:**

The following text was part of the 2004 surveillance audit report and remains relevant this year. Thus, the text is repeated, below. It is anticipated that the chain-of-custody integrity of wood leaving the Wisconsin State Forests will be a subject addressed during the 2006 surveillance audit.

From the 2004 audit report:

“The auditors briefly engaged DNR field personnel in a discussion of chain-of-custody control of logs from the point of severance of the trees from the stumps, onward. These discussions were held at each of the three State Forest units that were visited during this audit. In summary, and with respect to the portion of the supply change under the control of the DNR, the audit team concludes that there is continued conformance to the FSC certification requirements.

However, it is apparent that without additional educational outreach/effort, there is a fairly high likelihood that the certified logs leaving the State Forests will lose their FSC-certified status due to a disruption in the certified supply chain. Specifically what we mean is that the certified status of State Forest logs is maintained *only* when each handler/owner of the logs, from the point of severance from the stump onward, is the holder a FSC-endorsed chain-of-custody certificate

or expressly covered under the FSC CoC certificate of another entity, through an “outsourcing” agreement. And more specifically, it is presently the case that very few if any of the independent logging companies that buy State Forest timber sales and then resell the wood to processing facilities hold FSC CoC certificates or even know that they need to hold a certificate if the wood is to still be certified when it reaches the processing facilities.

Despite the potential risk of a disruption in the FSC certified supply chain due State Forest wood being owned or controlled by parties not holding or being duly covered by a valid FSC chain-of-custody certificate, Wisconsin DNR’s CoC obligations are limited to:

- Adding WI DNR’s certification registration number (SCS-FM/COC-00070N) to the timber sale contract and/or sale prospectus
- Effectively notifying all purchasers of State Forest timber sales that maintaining the FSC-certified status of the procured products requires each and every owner of the product, from severance at the stump onward, to hold valid FSC-endorsed chain-of-custody certificates
- Upon request from SCS, making available the following timber sale information: purchaser’s name and contact information, species and volume sold, date of sale
- Notifying SCS and/or the FSC of any instances when a purchaser of State Forest timber (not holding a valid FSC-endorsed chain-of-custody certificate) uses the FSC logo
- Maintaining timber sale records for at least 5 years.

SCS remains committed to supporting the DNR, as best we can, in efforts to facilitate the process of assuring that purchasers of State Forest timber obtain (or be covered by) a valid chain-of-custody certificate.”

### ***3.2 GENERAL DISCUSSION OF STATUS OF CORRECTIVE ACTION REQUESTS***

Table 1, below, lists:

- the eight Corrective Action Requests (CARs) issued in conjunction with the award of certification in May 2004 *and that remained open at the end of the October 2004 first surveillance audit,*
- the SCS audit team’s assessment of DNR’s response to the CARs since October 2004, and
- the disposition of the CARs as a result of the auditors assessments during the 2005 surveillance audit.

As a result of this second surveillance audit, the 2005 audit team has determined that closure of all but one of the remaining 8 open CARs is warranted. The remaining open

CAR, to be carried over to the 2006 audit, is CAR 2004.8 (demonstrate a commitment to implementing DNR’s policies on master plan monitoring).

**General Comments:**

The SCS auditors are quite positively impressed with DNR’s overall demonstration of the attention and effort committed to the 8 CARs that remained open after the October 2004 surveillance audit. For each of these open CARs, the DNR has been able to demonstrate a substantive set of actions that have been developed and put in place, though several corrective actions remain in draft or provisional form and, as such, require further effort by DNR. The SCS auditors consider the collective responses to the open CARs to be a very positive indication of DNR’s continuing commitment to manage the state forests in conformance with the FSC standards of certification.

As is discussed below, a non-conformance was revealed during this audit that necessitates the stipulation of one additional corrective action request. This non-conformance is not considered by the auditors to be major and, as such, does not compromise the status of the FSC certification of the Wisconsin state forests.

**3.2.1. TABLE 1: SUMMARY, UPDATED STATUS OF THE ACTIVE WISCONSIN DNR CORRECTIVE ACTION REQUESTS<sup>1</sup>**

Note: To provide context and continuity in the auditing of responses to the open CARs, the notes and conclusions from the 2004 surveillance audit are included immediately following the 2005 “DNR Actions/Auditor Observations.”

<b>CAR 2004.2: Institute Tactical-Level Mechanisms for Stakeholder Input</b>
Over the course of the first year after award of certification, DNR must undertake an assessment of new or expanded mechanisms for soliciting stakeholder input with regard to decisions not addressed in the Master Plans or for providing mid-iteration input on Master Plan-level decisions on state forest units with Master Plans older than 5 years.
<b>DNR Actions/Auditor Observations:</b>
<p><b>2005:</b></p> <p>As summarized in the July 11<sup>th</sup> discussions with key DNR personnel, supported by the <i>2005 Corrective Action Accomplishments</i> report with attachments, the actions undertaken by DNR since the 2004 surveillance audit include:</p> <ul style="list-style-type: none"> <li>• Efforts at assuring that on the ground management decisions are consistent with public input received through the master planning process: <ul style="list-style-type: none"> <li>• Through the January 2005 State Forest Working Group Meeting, reminded field units that all decisions must be consistent with the current master plan</li> <li>• The FLT approved streamlining techniques for developing master plans and emphasized their preference that revision of master plans through these streamlining techniques instead of short-term interim solutions to out of date master plans; the FLT requested an issue brief on</li> </ul> </li> </ul>

<sup>1</sup> The primary sources of information as to the status of DNR’s ongoing response to the 8 open CARs were: a) the document entitled *FSC Certification Report, 2005 Corrective Action Accomplishments* that was conveyed to the audit team on July 11<sup>th</sup>, b) a binder of supporting documentation referenced in the *2005 Corrective Action Accomplishments* document and, c) oral discussions with key DNR personnel such as Bob Mather, Paul Pingrey, Darrell Zastrow and Teague Prichard.

the resources required for multiple concurrent plan revisions

- Division of Lands presented an issue brief to the FLT in April 2005 to revise and accelerate the Department's master planning process
- An ad hoc team led by the state lands specialist developed and posted new field instructions for soliciting stakeholder input on annual operations plans; all state forests held annual stakeholder meetings using the new instructions
- The State Forest Working Group is evaluating the effectiveness of the initial work plan format and is intending to include a standard in the public lands handbook
- The external DNR web site was re-designed to include the state forest superintendents' contract information and an invitation for public comments; each unit has been instructed to post public meeting notices, annual newsletters, work plans and accomplishments on the web site; each forest has its own set of web pages
- Led by Brule River, all state forests are now prepared to post on the web site their annual timber sale schedule that includes maps and sale specifications
- Each state forest conducted one or more "breakfast meetings" and user focused meetings
- With the support of regional DNR public information officers, there has been an effort to generate news releases about the benefits of participating in stakeholder input sessions
- While not yet implemented, DNR intends to identify and provide all work planning informational items the public has expressed an interest in such as capital development projects, timber sales and recreational developments.

The SCS auditors consider the above actions and strategies to constitute an earnest and substantive response to this CAR. While these new mechanisms and initiatives must receive continued effort from DNR, the auditors conclude that closure of this CAR is now warranted but that the general topic of solicitation of public input will be monitored in future surveillance audits.

**From the 2004 report:**

The Working Group has recommended that each State Forest include a procedure in their master planning process similar to what has been instituted on Brule River. The Working Group has also recommended that the Department prepare plan amendments addressing stakeholder consultation for those properties (units) that are not currently working on new master plans. The Working Group has also identified two potential hurdles that will need to be overcome: 1) central office web support to update and maintain stakeholder consultation information for each Forest, 2) providing guidance to property managers on how to prepare master plan amendments and getting them approved.

Auditor Assessment: We believe that the two-tiered general approach ( for units presently developing new master plans, to emulate the approach employed on Brule River and, b) for units not presently developing new master plans, to incorporate tactical stakeholder consultation procedures via plan amendments) to be a reasonable response to the CAR. We note that the interim procedures via plan amendments will be necessary for the majority of the state forest units, as only a few are presently at an advanced point in the master planning process. Most importantly: unless the pace of progress in addressing this CAR is accelerated above the rate pursued from May to October, the audit team is doubtful that DNR will be able to meet the stipulated time frame for this CAR.

The 2004 surveillance auditors concluded: This CAR is not yet due and, as such, is being kept open with the expectation that it can be closed out as part of the 2005 surveillance audit. DNR will need to accelerate the pace at which it strives to close this CAR.

**Status at the conclusion of this surveillance audit:**

As a result of progress made by DNR in responding to this CAR since the 2004 surveillance audit, the 2005 audit team concludes that **closure of this CAR is now warranted**. However, the continued progress made by DNR in implementing tactical-level mechanisms for securing and considering stakeholder input will be monitored in future surveillance audits.

**CAR 2004.3: Take Actions to Accelerate the Rate of Reduction of the RECON Backlog**

By the time of the first annual audit after award of certification, DNR must develop and make substantial progress in implementing an *action plan* for accelerating the rate by which the RECON backlog is reduced. Thirty-days prior to the first annual audit, DNR shall submit to SCS a brief status report on progress made in eliminating the RECON backlog.

**DNR Actions/Auditor Observations:**

**2005:**

As summarized in the July 11<sup>th</sup> discussions with key DNR personnel, supported by the *2005 Corrective Action Accomplishments* report with attachments, the actions undertaken by DNR since the 2004 surveillance audit include:

- “Core tables” have been compiled to report and track the status of RECON on each state forest and the annual progress and accomplishments made in accelerating the reduction of the backlog
- On-site evaluation and training on RECON was held in the Northern and Southern units of the Kettle Moraine State Forest
- A “field RECON camp” was held at Point Beach State Forest
- Resources were secured for digitizing RECON information on Coulee Experimental Forest
- A goal for the age of State Forest RECON data was established—the intent is for a complete RECON cycle to be completed every 15 years; FLT approved this goal as part of the Forest Certification action plan
- The FLT developed a strategy for reallocating and securing additional resources for “intensive catch-up” of all RECON data more than fifteen years old
- The Joint Finance Committee redirected up to 32 FTE positions from private land MFL planning to public land management to address the backlog in timber sales and outdated RECON information
- The state lands specialist developed draft handbook instructions to gather data on RECON status for annual reporting to the FLT
- A continuous forest inventory (CFI) is being proposed within the 2005-07 budget cycle to complement existing area-based RECON

Though some elements of DNR’s response to this CAR remain in draft form or do not yet have secured funding, the SCS auditors conclude that sufficient progress has been made to close this CAR but with the direction to future auditors to monitor this issue.

**From the 2004 report:**

The Working Group has formulated 4 recommendations for responding to this CAR:

- The central office will need to compile a summary report for each State Forest pertaining to the status of recon activities (the WG notes that apparently no such status report covering the recon issue has developed in the past)
- The Department needs to prioritize which backlog issues will receive attention and resources, within staffing and contracting constraints
- The Department will need to seek funding to establish a CFI program on the State Forests
- DNR will need to address collective bargaining issues related to contracting for services performed by Department employees, services that will need to be completed if the backlog is to be eliminated

Auditor Assessment: We see these recommended actions to be reasonable as a foundation for addressing and closing this CAR. But as of the time of this audit, these are no more than recommendations. Of overriding importance, then, is that these recommendations need to be endorsed and acted upon by the FLT at the earliest possible time if DNR is to be able to demonstrate adequate response to this CAR at the time of the 2005 annual audit, in June or July. At the pace taken from May to October, we are not confident that DNR will be able to close this CAR in the stipulated time frame.

The 2004 surveillance auditors concluded: This CAR is not yet due and, as such, is being kept open with the expectation that it can be closed out as part of the 2005 surveillance audit. DNR will need to accelerate

the pace at which it strives to close this CAR.
<b>Status at the conclusion of this surveillance audit:</b>
Based upon the actions undertaken and set in place to further accelerate the reduction in the RECON backlog, the 2005 audit team concludes that <b>closure of this CAR is warranted</b> . Continued progress in reducing and then eliminating the RECON backlog will be monitored in future surveillance audits.

<b>CAR 2004.4: Explore Opportunities for Greater Attention to Road Maintenance</b>
Over the first year after award of certification, DNR must undertake a focused inquiry into opportunities for enhancing the overall level of maintenance on the state forest road network. As part of this inquiry and follow-up actions, DNR must develop written and preferably quantitative guidelines for defining the limits of acceptable rutting on roads and trails. A brief report on progress made must be conveyed to SCS prior to the first annual audit.

**DNR Actions/Auditor Observations:**

**2005:**

As summarized in the July 11<sup>th</sup> discussions with key DNR personnel, supported by the *2005 Corrective Action Accomplishments* report with attachments, the actions undertaken by DNR since the 2004 surveillance audit include:

- A GIS data layer for roads and related attributes has been developed by the Forestry Services Bureau
- Draft language has been developed to provide instructions for collecting and maintaining roads and GIS data as well as design standards that are required for each road category; two state forests have completed all or a substantial portion of their road inventory using the draft data dictionary
- The state lands specialist established a draft timeline and cost analysis for a road inventory for each forest; the cost estimate is expected to be reviewed by the State Forest Working Group and approved by the FLT before the end of 2005
- A decision has been made to include a road access plan as part of the new master planning effort
- The Office of Forest Science has completed a draft State Forest BMP standard, including measurable parameters for ruts
- The Joint Finance Committee included \$100,000 in the budget process to maintain State Forest roads
- FISTA conducted six BMP training sessions across the state for all County Forest and State Forest staff; all relevant state forest staff attended at least one of the training sessions
- The status of the state forest inventory is included in the outline for the State Forest Annual Report
- To be completed: the state forest hydrologist is expected to evaluate and enhance the existing BMP training and then develop course material for an advanced BMP training course.

Recognizing the substantive actions already taken and on the assumption that the draft documents—particularly the rutting policy/standards—are finalized by Spring 2006, the SCS auditors conclude that closure of this CAR is warranted. The 2006 auditors are instructed to follow-up on the issue of road maintenance to confirm that the actions not yet completed at the time of the 2005 audit have, in fact, been duly followed upon and completed.

**From the 2004 report:**

As of the date of the surveillance audit (October, 2004), the Working Group had formulated four recommendations for addressing this CAR:

- Develop a GIS layer for roads and related attributes
- Develop, *as amendments to the master plans*, road access plans for each State Forest; develop a plan to complete these road access plans by June 30, 2007
- That the Office of Science Services prepare an FLT issue brief establishing a plan and schedule for revising the BMPs, for instance to more effectively defining the limits of acceptable rutting and soil compaction
- Seek sufficient funding in the budget process to maintain the road network on the State Forests.

Auditor Assessment: We believe that the four recommend actions, *if implemented*, will provide a sufficient basis upon which this CAR can be closed at the time of the 2005 annual audit. While not as aggressive as might be considered optimal, we consider the proposed time frame for completing the road access plans (middle of 2007) to be workable. We assume that the time frame for completing the revision to the BMPs to be no longer than the time frame for completing the road access plans. Conceptually, however, it would seem to make more sense if the BMPs were revised prior to rather than concurrent with completion of the road access plans.

But, as with the other CARs, much needs to be done between now and the 2005 annual audit (in June or July) in order for this CAR to be closed out on time. The first “critical path” action is for the FLT to endorse the Working Group’s recommendations and to provide the direction to the appropriate staffs necessary for getting the work completed or substantially undertaken if not fully completed.

The pace of progress in addressing this CAR will need to be accelerated between now and June 2005 if this CAR is to be closed by the stipulated due date.

The 2004 surveillance auditors concluded: This CAR is not yet due and, as such, is being kept open with the expectation that it can be closed out as part of the 2005 surveillance audit.

Note: Even though this CAR uses the term “over the first year after award of certification,” the operative due date for closing this CAR is the 2005 annual audit, which will take place in June or July.

**Status at the conclusion of this surveillance audit:**

On the premise/assurance that the DNR rutting policy will be finalized and operationalized by Spring 2006, the 2005 audit team concludes that progress made with respect to road maintenance merits **closure of this CAR**. A new CAR will likely be issued at the time of the 2006 surveillance audit if the rutting policy is not implemented this coming Spring.

**CAR 2004.5: Institute Interim Measures for Maintaining Currency of Operational Components of the Master Plans**

By the time of the first annual audit after award of certification, DNR must make substantial progress in developing and implementing protocols for updating key operational components of the Master Plans for state forest units that will not be undergoing a full re-planning within the next 5 years.

**DNR Actions/Auditor Observations:**

**2005:**

As summarized in the July 11<sup>th</sup> discussions with key DNR personnel, supported by the *2005 Corrective Action Accomplishments* report with attachments, the actions undertaken by DNR since the 2004 surveillance audit include:

- The FLT approved streamlining techniques for developing master plans and emphasized their preference that revision of master plans through these streamlining techniques instead of short-tem interim solutions to out of date master plans; the FLT requested an issue brief on the resources required for multiple concurrent plan revisions
- Division of Lands presented an issue brief to the FLT in April 2005 to revise and accelerate the Department’s master planning process
  - A recommendation was made to the Division of Lands to re-allocate the regional planners to specific programs such as forestry in order that sufficient planner resources are deployed to the state forest master plan revisions
- The Peshtigo River State Forest master plan process was initiated
  - A kick-off meeting was held for all planning teams and the timeline for completing the plan in 2007 was established
  - The revised streamlined master planning process is being used on Peshtigo River

On the basis of the actions taken by DNR since October 2004, the SCS auditors conclude that closure of this CAR is warranted. Continued efforts by DNR to maintain the currency of master plans will be a focus of subsequent surveillance audits.



**From the 2004 report:**

As of the date of this surveillance audit (early October, 2004), the Working Group had formulated the following recommendations for addressing this CAR:

- Develop procedural guidance to field units on how to amend master plans
- Find ways to jump-start the master planning process by hiring and/or contracting sufficient personnel for assessments and master plan writing
- Streamline the master planning procedures
- Establish a realistic schedule for updating the master plans
- Prepare an issue brief for FLT to assure this matter is not overlooked.

Auditor Assessment: We believe that these recommendations, if fully and promptly implemented, could form an adequate foundation for closing out the CAR within the stipulated time frame. That is, we believe that a process of developing master plan amendments can serve as a reasonable mechanism for establishing the currency of master plans that will not be undergoing full revision for the foreseeable future. Notably, the CAR requires “substantial progress” in addressing the problem of out-of-date master plans, rather than actually completing the new plans.

As with the other CARs, these or equivalent recommendations need to be endorsed and acted upon by the FLT at the earliest possible time if there is to a reasonable likelihood that DNR can demonstrate “substantial progress” by June, 2005.

The 2004 surveillance auditors concluded: This CAR is not yet due and, as such, is being kept open with the expectation that it can be closed out as part of the 2005 surveillance audit. DNR will need to accelerate the pace at which it strives to close this CAR.

**Status at the conclusion of this surveillance audit:**

Based upon the actions undertaken and set in place to further accelerate the reduction in the RECON backlog, the 2005 audit team concludes that **closure of this CAR is warranted**. Continued progress in updating key components of Master Plans not undergoing full-scale rewrites will be monitored in future surveillance audits.

**CAR 2004.6: Take Steps to Assure that Employees of Logging Companies Receive Adequate Training**

Over the first year after award of certification, DNR must develop—in collaboration with its logging contractors and other relevant organizations—mechanisms or programs aimed at improving the overall level of BMP and safety training received by woods workers (i.e., employees of logging contractors).

**DNR Actions/Auditor Observations:**

**2005:**

As summarized in the July 11<sup>th</sup> discussions with key DNR personnel, supported by the *2005 Corrective Action Accomplishments* report with attachments, the actions undertaken by DNR since the 2004 surveillance audit include:

- Contract revisions have been completed that require harvesting contractors who work on State Forest timber sales to meet SFI-FISTA training standards as a prerequisite to bidding on timber sales; the Timber Sale Handbook was revised to include the training prerequisite, effective January 1, 2006
- DNR has informed the SFI State Implementation Committee (SIC) that FISTA training requirements must be raised to include all workers on harvest sites rather than just one on-site operator; it is expected that the SIC will make changes, accordingly, in August 2005
- DNR staff have worked with FISTA to update BMP training for loggers
- Assuming budgetary support, DNR will begin a new program to subsidize the costs to participate in the Wisconsin Certified Master Logger program; administrative rules to define program operations will be developed
- These efforts at improved logger training are being pursued on all state lands, not just the state forests

On the basis of these accomplishments, the SCS auditors conclude that closure of this CAR is warranted but that this topic should be a focus of future surveillance audits.

**From the 2004 report:**

As of the date of the surveillance audit (early October, 2004), the Working Group had formulated the following recommended actions:

- Establish a new policy in which there is a preference (or perhaps a requirement) that all timber sale bidders have undergone FISTA training
- Require or encourage that FISTA training be extended to all workers on harvest sites, not just one on-site operator
- Create a statewide database for timber sale contractor performance warnings and penalties to make sure that forest unit managers are aware of contractor problems that may have occurred on another unit
- Encourage and perhaps provide funding so that the subject matter scope of FISTA training is expanded to include “more silvics, road building/design and other critical needs.”
- Post information about the pilot study (?) to require certain prerequisites to qualify to bid on timber sales
- Develop rewards or other incentives for loggers to complete training programs
- Establish a voluntary professional logger registry

Auditor Assessment: It is our sense that any and all of this laundry list of recommended actions will contribute to a demonstration of conformance to this CAR. At the time of the 2005 annual audit, we are hopeful that DNR will have been successful in implementing many if not all of these recommendations. The notion of mandating FISTA training for all woods workers rather than just the owner/contractor, in conjunction with expanding the subject matter scope of FISTA training, strikes us as the single most effective means for achieving a higher level of awareness of BMP and safety considerations on the part of all woods workers. Clearly, DNR will have to be energetic in pursuing these or other courses of action between now and next June/July.

The 2004 audit team concluded: “This CAR is not yet due and, as such, is being kept open with the expectation that it can be closed out as part of the 2005 surveillance audit. DNR will need to accelerate the pace at which it strives to close this CAR.”

Note: Even though this CAR uses the term “over the first year after award of certification,” the operative due date for closing this CAR is the 2005 annual audit, which will take place in June or July.

**Status at the conclusion of this surveillance audit:**

Based upon progress made since the 2004 surveillance audit in addressing training of logging company employees, the 2005 audit team concludes that **closure of this CAR is warranted.**

**CAR 2004.7: Begin to Assess Performance Against DNR’s “Criteria & Indicators of Sustainable Forest Management”**

By the time of the first annual audit after award of certification, DNR must make substantial progress in designing and implementing protocols for annually assessing management of the State Forests against its own Criteria and Indicators of Sustainable Forest Management.” DNR must take all actions within its control aimed at having the protocols fully operational by the time of the second annual audit, with a fully functional assessment report issued by the time of the third annual audit after award of certification.

**DNR Actions/Auditor Observations:**

**2005:**

As summarized in the July 11<sup>th</sup> discussions with key DNR personnel, supported by the *2005 Corrective Action Accomplishments* report with attachments, the actions undertaken by DNR since the 2004 surveillance audit include:

- The FLT, upon further review of the 1999 “Criteria and Indicators” document, has concluded that this document is not practical to implemented and, as such, has not been adopted for operational use
- An alternate plan is in development, with the assistance of the Bureau of Endangered Resources, that will evaluate how to develop practical and needed sustainable forest management criteria and

indicators—it was expected as of July 2005 that this effort would require another 6 months to complete

In light of the fact that DNR is now managing the state forests in accordance with two separate and third-party sets of sustainable forestry “criteria & indicators” (FSC and SFI), the SCS auditors do not take issue with DNR’s decision to abandon/not adopt the 1999 document. However, we request a concise written rationale including an update on the planning process for development of an alternative to the 1999 document, if DNR still believes that such an alternative is still needed in light of the fact that it is now operating in conformance to both FSC and SFI standards.

Upon receipt and review of this written justification for the FLT’s decision not to adopt the 1999 C&I, this CAR will be closed.

**Note: A written justification for the FLT’s decision not to adopt the 1999 C&I was subsequently conveyed to SCS. As such, this CAR is being closed.**

**From the 2004 report:**

As of the date of the surveillance audit (early October, 2004), the Working Group had formulated the following recommended actions:

- Key central office staff should evaluate and compile related to the DNR’s criteria and indicators
- Develop a template that Regions and Units can use to measure performance against the C&I; provide guidance as to which C&I should be measured at the Region level and which should be measured at the Unit level
- Consider the use of employee performance evaluations as another means for measuring performance against the C&I; better document—at least for the benefit of the certification auditors—what performance evaluations entail.

Auditor Assessment: If endorsed by the FLT and supported with sufficient direction and supporting resources, it is our sense that these recommendation can lead to closure of this CAR at the time of the June 2005 annual audit. Notably, the measuring stick for adequate conformance is to “make substantial progress” rather than completing a process for measuring Departmental performance against its own C&I. It is expected that a fully operational system would not be in place until the time of the 2006 annual audit. But, clearly, the pace will need to be accelerated between now and June/July 2005 if DNR is to be successful in demonstrating “substantial progress.”

The 2004 audit team concluded: “This CAR is not yet due and, as such, is being kept open with the expectation that it can be closed out as part of the 2005 surveillance audit. DNR will need to accelerate the pace at which it strives to close this CAR.”

**Status at the conclusion of this surveillance audit:**

Upon receipt of a written explanation and justification explaining why the Forest Leadership Team has made a determination not to adopt the 1999 Criteria & Indicators previously developed by DNR, **this CAR will be closed. Note: As mentioned above, the requested documentation was subsequently provided to SCS; as such, this CAR is now closed.**

**CAR 2004.8: Demonstrate a Commitment to Implementing DNR’s Policies on Master Plan Monitoring**

By the time of the first annual audit after award of certification, DNR must make substantive progress in implementing its existing policies on Master Plan monitoring. Prior to the first annual audit, DNR must convey to SCS a briefing report on steps taken and progress made in making the Master Plan monitoring process fully operational.

**DNR Actions/Auditor Observations:**

**2005:**

As summarized in the July 11<sup>th</sup> discussions with key DNR personnel, supported by the *2005 Corrective Action Accomplishments* report with attachments, the actions undertaken by DNR since the 2004 surveillance audit include:

- Initiated discussions with the Bureau of Finance about the possibility of expanding the current financial audit practices to include overall master plan monitoring; to implement this proposal will require state budget approval
- Established a draft outline/template for State Forest annual reports at the property level and a statewide report
- As part of the forest-level public stakeholder meetings, some forests have produced an annual report that includes master plan implementation
- Included, as a factor in individual and team performance evaluations, steps taken to implement master plans and extent to which decisions made on the state forests are consistent with the master plans
- During state forest working group meetings, policy conformance questions are raised for the purpose of facilitating consistent implementation of master plans.

In the judgment of the SCS auditors, the DNR's response to this CAR remains insufficiently complete and not adequately resolved. At the time of the audit, discussions with the Bureau of Finance could best be characterized as preliminary and lacking in assured funding to implement the idea of incorporating master plan monitoring in financial audits. As well, the template for State Forest annual reports was only in draft form; additionally, only some but not all state forests had—by July 2005—developed annual reports in the format of the new template. As such, the SCS auditors conclude that this CAR should remain open with the expectation that DNR can demonstrate sufficient resolution of its ongoing response strategies, at the time of the 2006 surveillance audit.

**From the 2004 report:**

As of the date of the surveillance audit (early October, 2004), the Working Group had formulated the following recommended actions:

- Expand the current financial audit practices to include overall master planning; as necessary, develop a funding initiative to support this work
- Establish a template for State Forest annual reports
- Tie the annual reporting to annual State Forest meetings/open houses

Auditor Assessment: It is our sense that the recommended actions, if duly implemented, will provide an adequate foundation upon which DNR can demonstrate conformance to this CAR, thereby enabling SCS to close this CAR. We note, however, that each of the recommended actions requires potentially considerable investment in staff resources; as well, it would be helpful if a lead person is designated for each action that the FLT elects to pursue. We also note that due to budget and staff reductions, the Bureau of Finance within the Department will no longer be doing the annual financial audits. This begs the question: who will do the expanded financial audits, per the first of the Working Group's recommendations?

The 2004 audit team concluded: "This CAR is not yet due and, as such, is being kept open with the expectation that it can be closed out as part of the 2005 surveillance audit. DNR will need to accelerate the pace at which it strives to close this CAR."

**Status at the conclusion of this surveillance audit:**

The 2005 audit team concludes that further response to this CAR is needed and, as such, it should **remain open** to be re-evaluated during the 2006 surveillance audit.

**CAR 2004.9: Develop a Written Crosswalk between HCVF Requirements found in P.9 and DNR's Approach to Identifying and Managing Areas of High Conservation Value**

To be completed by the time of the first annual audit after award of certification, DNR must develop a written cross-reference guide (i.e., a "crosswalk") that provides an express description of how DNR conforms to each of the affirmative analytical and consultative requirements concerning forest areas of high conservation value, as set forth in Principle 9 of the FSC Lake States Regional Standard. The written cross-reference guide is to

be posted on the DNR web-site upon its completion.

**DNR Actions/Auditor Observations:**

**2005:**

As summarized in the July 11<sup>th</sup> discussions with key DNR personnel, supported by the *2005 Corrective Action Accomplishments* report with attachments, the actions undertaken by DNR since the 2004 surveillance audit include:

- A summary guide was developed and submitted to the auditors that describes how DNR conforms to the requirements contained in FSC Principle 9.

Upon review of this summary guide, the SCS auditors concluded that it was not yet an adequate crosswalk demonstrating that DNR has, in fact, accomplished the affirmative tasks contained in FSC Principle 9. The most significant shortfall of this summary guide is that was not organized in the same format as the 4 Criteria comprising Principle 9. This finding was conveyed orally to DNR representatives at the July 14<sup>th</sup> exit meeting at Peshtigo State Forest.

On August 10, 2005, Paul Pingree of DNR submitted a revised crosswalk document to Robert Hrubes, the SCS audit team leader. Notably, the revised crosswalk was/is in the format of FSC Principle 9. Upon review of the revised document, Dr. Hrubes conveyed the following to DNR in an email reply to Pingree:

This cross walk document is on the mark. Provided that DNR posts this document on the web, you will have adequately satisfied the requirements for closure of CAR 9. Though I will go ahead and close the CAR upon confirmation that the cross walk has been posted on the web, your document could be more focused in demonstrating conformance with Criterion 9.3 which requires that specific HCVF management measures are included in the public summary of the management plan or otherwise made public. Criterion 9.3, Indicator #4 also speaks to coordination with other forest land owners.

Of course, HCVF will remain a focus of subsequent audits. I anticipate that next year's audit will include a follow-up inquiry into some of the future tense statements in the cross walk document, such as:

- A CFI system will be developed in 2006
- Expanded monitoring of criteria and indicators is being developed. HCVF are expected to play an important role.

Subsequent to this reply email, Hrubes was informed as to the availability of the revised crosswalk on the DNR web site. Accordingly, this CAR is now considered closed but the follow-up actions contained in the crosswalk will be a focus of the 2006 surveillance audit.

**From the 2004 report:**

As of the date of the surveillance audit (early October, 2004), the Working Group had formulated the following recommended action:

- Joe Kovach to work with Teague Prichard to develop a cross-reference guide

Auditor Assessment: We have no problem with the recommended action, as far as it goes. In that the scope of this CAR is narrower than all but one of the other CARs, we consider the limited extent of recommended actions formulated by the Working Group to be nonetheless sufficient. However, there is a need to assign responsibility for assuring that the completed cross-reference guide is posted on the DNR web site.

In that no substantive action had been undertaken on this CAR as of early October, it stands to reason that DNR must accelerate the pace of progress in addressing this CAR between now and June, 2005. As J. Kovach and T. Prichard begin to take on this task, we encourage either or both of them to get in touch with the SCS Lead Auditor if there are any questions as to the form and content of the requested cross-reference guide.

The 2004 audit team concluded: "This CAR is not yet due and, as such, is being kept open with the

expectation that it can be closed out as part of the 2005 surveillance audit. DNR will need to accelerate the pace at which it strives to close this CAR.”

**Status at the conclusion of this surveillance audit:**

The 2005 audit team concludes, on the basis of documentation submitted after the completion of the field phase of the audit that DNR has now adequately responded such that closure of this CAR is now warranted. Continued improvements in the crosswalk document and in DNR’s ongoing initiatives in response to Principle 9 will be a focus of subsequent surveillance audits.

**3.2.2. New Corrective Action Requests**

Resulting from the 2005 site visits to three additional state forest units, one substantive but isolated non-conformance to the FSC Lake State Regional Standards was noted and that necessitated the specification of a new Corrective Action Request:

**Observation:** During the site visit to Point Beach State Forest, the SCS auditors took the occasion to review chemical use and storage practices on the unit. A site inspection of the storage facility at the State Forest Headquarters (the chemical storage room adjunct to the garage) revealed clearly non-conforming practices. Specifically, containers of toxic chemicals such as Roundup, Garlon and Accord were not being stored in securely locked cabinets, though there was such a cabinet available. Further, the chemical storage room was not secured with a locked door (desired but not required procedure, provided that the storage cabinet is properly locked). This situation was all the more significant given the fact that Point Beach receives very high public use and relies upon summer employees, both of which increase the risk of human harm resulting from these unsafe practices, practices that do not conform with label instructions, state BMPs, and the FSC certification standards.

**Reference in the Certification Standard:** FSC Criteria 1.1, 4.2, 6.6 and 6.7

**Correct Action Request 2005.1:**

- I) Within one week from receipt of the 2005 audit report, DNR must provide SCS with written evidence that it has corrected the non-conformance regarding storage and use of chemicals at Point Beach State Forest
- II) Within 45 days from receipt of the 2005 audit report, DNR must have completed a review of chemical use and storage practices on the other State Forests and, if needed, to issuance a written advisory note to all field units on the proper storage and use of chemicals. This advisory note should be provided to SCS. Alternatively, if DNR determines that the chemical storage non-conformance is clearly limited to Point Beach such that an advisory note to all State Forests is not appropriate, DNR will provide SCS with a written justification that supports this decision.

**Note:** Subsequent to the issuance of the draft version of this audit report, WI DNR provided to SCS documentation that confirmed the corrective actions undertaken at Point Beach State Forest to assure no further incidents of inappropriate storage of hazardous chemicals. Additionally, a copy was provided to SCS of a memo distributed to all WI DNR state forest units entitled: Proper Use and Storage of Chemicals on State Forest Properties. On the basis of the corrective actions completed at Point Beach and the reminder memo sent to all state forest units, we conclude that closure of this CAR is now warranted.

**3.2 CERTIFICATION DECISION**

In the judgment of the SCS auditors, DNR’s management of the Wisconsin State Forests remains in solid conformance with the standards of certification (the FSC Lake States Regional Standards) and what is broadly expected of forest operations endorsed by the FSC. While there remains 1 open CAR from 2004 and 1 new CAR resulting from this year’s audit (note in final version of this report: the new CAR is now closed), the auditors

note that 7 of the 8 CARs open at the conclusion of the 2004 audit have now been closed. This is indicative of a strong commitment by DNR, over the past year, to complete most all of the necessary corrective actions originally requested at the time of award of certification. The auditors wish to commend DNR for the ramped up attention paid to the CARs during the past year.

This year's site visits to 3 state forests not previously selected for auditing served to further reinforce rather than weaken the basis upon which certification of the Wisconsin State Forests was awarded. With one isolated exception, the management activities and programs being undertaken on Kettle Moraine North, Point Beach and Peshtigo State Forests are exemplary in nature and clearly compatible with the FSC standards of certification.

Accordingly, it is the judgment of the SCS auditor that the certificate held by the Wisconsin Department of Natural Resources for the management of the Wisconsin State Forest System (SCS-FM/CoC-00070N) should be continued, subject to subsequent annual surveillance audits, with the next audit being the 2006 annual audit to be held in the second half of the year.