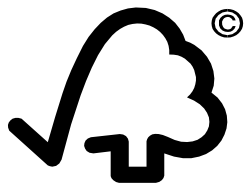


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SmartWood

Practical conservation through certified forestry

Forest Management **2007 Annual audit** Report for:

Algoma Forest in Sault Ste. Marie

Certificate code:	SW-FM/CoC-1550
Auditors:	Tom Clark Bruce Byford, RPF
Audit Dates:	May 28-30, 2007
Report Finalized:	August 28, 2007
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1. INTRODUCTION

The purpose of this report is to document annual audit conformance of Clergue Forest Management Inc., hereafter referred to as CFMI, or the managers. The report presents the findings of SmartWood auditors who have evaluated company systems and performance against FSC forest management standards and policies. Section 2 of this report provides the audit conclusions and any necessary follow-up actions by the company through corrective action requests.

SmartWood audit reports include information that will become public information. Sections 1-3 will be posted on SmartWood's website according to FSC requirements. All appendices will remain confidential.

Dispute resolution: If SmartWood clients encounter organizations or individuals having concerns or comments about Rainforest Alliance / SmartWood and our services, these parties are strongly encouraged to contact SmartWood regional or Headquarters offices directly (see contact information on report cover). Formal complaints or concerns should be sent in writing.

2. AUDIT FINDINGS AND RESULTS

2.1. Audit conclusion

Based on Company's conformance with FSC and SmartWood requirements, the audit team makes the following recommendation:	
<input checked="" type="checkbox"/>	Certification requirements <u>met</u>, certificate maintenance recommended Upon acceptance of CAR(s) issued below
<input type="checkbox"/>	Certification requirements <u>not met</u>:
Additional comments:	
Issues identified as controversial or hard to evaluate.	

2.2. Changes in the forest management of the FME

A new General Manager has been appointed at Clergue Forest Management Inc. The previous manager retired after successfully steering the company for a long period.

A recent Independent Forest Audit was conducted on the Algoma Forest. It was not available during the audit, but will be reviewed during the next annual audit.

Recent mill closures have had a serious impact on harvest levels. This has had impacts on renewal activity, employment, and all aspects of management. The company is not able to

address these directly because almost all of the products of the forest are commodities for which pricing is set elsewhere.

Interest in bio-fibre from the forest has been pursued at the government level. A policy document is up for review and there are concerns about that policy. These are described in the APPENDIX III: Forest management standard conformance. In short, the new policy, if adopted, would reduce renewal fees available for low quality stands.

2.3. Stakeholder issues

A number of comments were received from stakeholders about the management of the forest:

Comment	SmartWood response
<p>1. Past high grading has left low volume, low quality hardwood dominated stands with little white pine or white spruce. Old virgin white pine stands declining w/o regenerating. Without fire or intense silvicultural intervention these stands will not regain their original condition or representation in the forest. Attitudes, economics and technology conspire against fire or silviculture in low economic value stands.</p>	<p>This is a legacy of past management. Unfortunately the management company is not in a position to address this with their own funding, but is seeking funding from the Forestry Futures Committee. This has been difficult. More rigorous silvicultural programs today should not leave this problem.</p>
<p>2. Newer forestry activities are attempting to maintain or enhance conifer. May be successful with spruce but white pine is expensive and uncertain (mostly because of blister rust).</p>	<p>The company and the government have gone to considerable effort to renew pine, and the silvicultural challenge is still there. Harvest of old pine has been reduced and a strategy is in place. This will continue to be reviewed but the audit team, but the company appears to be using best approach possible.</p>
<p>3. Hemlock, red oak and other GLSL species rare. More effort can be put into uncommon tree species regeneration.</p>	<p>This is currently a CAR and is discussed below in the report.</p>
<p>4. Some wood waste apparent in logging operations. Company appears determined to stop it.</p>	<p>We have placed an Observation on start up procedures and this may be related to that. Wood waste management is a problem in a number of SFLs. Inadequate piling of slash was noted on two sites by the audit team. In both instances compliance inspections had noted the problem, and they were being addressed, or damage to remaining stems was an issue.</p>
<p>5. Forestry only possible north of Superior because of Opportunity 1 in Forest Accord and b/c mining roads provide access. Otherwise terrain is too rugged and birch dominance would mean it would be uneconomical. White spruce is a smaller, though significant and impressive component of the forest. They reach a large size and are well formed, healthy. Forest operations appear to high-grade spruce and better birch, leaving lower quality birch, balsam fir and suppressed spruce. They should be leaving</p>	<p>This is a major concern in many SFLs. Ability to renew forest stands to appropriate types can be expensive. This is discussed with respect to White pine, but not often spruce in the northern part of the forest. Note that the second comment acknowledges that some success with spruce occurs...we believe the primary issue is on low value stands where only a few large spruce stems are removed.</p>

dominant spruce on site.	
6. Mining operations eliminate and degrade forest and improve conditions for bears. Pin cherry, blueberries, other shrubs abound. Incidental human garbage may also attract bears.	The ability of the company to influence this activity is limited. We believe this problem is focused on some high value mining areas.
7. Recent winters have been milder, less snow. Logging and road access mean wolves and moose may be more common close to Lake Superior. Result of roads and climate is that Caribou in Pukaskwa and Superior coast projected to be extirpated in 10 years.	At this point there is a provincial strategy in place, but this needs to be followed by local (or regional) conservation plans or recovery plans. Given that in this part of the province the caribou have been extirpated, and the focus is on reintroduction, it is not likely to receive high priority. Regardless, the company is still supportive of efforts, but have been clear that they do not have financial resources to assist in the recovery. The company is neither the land owner, nor the decision maker for land-use, nor the wildlife manager. Support in principle is appropriate and the company has been doing that.

2.4. Conformance with applicable corrective action requests

The section below describes the activities of the certificate holder to address each applicable corrective action issued during previous evaluations. For each CAR a finding is presented along with a description of its current status using the following categories. Failure to meet CARs will result in nonconformances being upgraded from minor to major nonconformances with conformance required within 3 months with risk of suspension or termination of the SmartWood certificate if Major CARs are not met. . The following classification is used to indicate the status of the CAR:

CAR Status Categories	Explanation
Closed	Certified operation has successfully met the CAR and addressed the underlying nonconformance.
Open	Certified operation has <u>not met</u> the CAR; underlying nonconformance is still present. CAR becomes a Major CAR with a 3 month deadline for conformance

CAR Condition 3.2	Reference to Standard: 3.2
Nonconformance	First Nations have historically had a limited role in forest management planning process on the Algoma Forest.
Major Minor X	
Corrective Action Request:	

<p>CFMI in cooperation with the OMNR and affected First Nations shall develop and implement a strategy to facilitate a greater involvement of local First Nations in the forest management planning process. Elements of this strategy must include a process/mechanism for the exchange of information (e.g. values maps) and a reporting system that documents FN rights, concerns, issues and interests and the CFMI response/action.</p>	
<p>Timeline for conformance:</p>	<p>By the end of year two of certification</p>
<p>Evidence to close CAR:</p>	<p>CFMI continues to make efforts to involve First Nations in the forest management planning process. CFMI staff have held meetings with affected First Nations and provided copies of correspondence sent to each First Nation. The letters to each First Nation requests participation on the 2010 FMP planning team and on the Aboriginal Task Force.</p> <p>A written strategy has been prepared by Clergue staff (24/05/2007 Version 1) for the integration of TEK in the FMP planning process. The strategy documents a six-step procedure for the collection of values, the evaluation of the adequacy of current protection standards and the collection of additional values information and the integration of prescriptions in the 2010 forest management plan. The TEK strategy does not outline methodologies to engage First Nations, procedures for documenting FN rights, concerns, issues and interests, the target communities, or timelines for strategy implementation. The TEK strategy relies heavily on the existing OMNR values collection and Native Peoples Consultation Processes.</p> <p>The efforts of CFMI to engage First Nations in forest management have, to date, met with limited success. The Michipicoten First Nation has signed a Memorandum of Understanding with Clergue to:</p> <ul style="list-style-type: none"> • Promote economic opportunities for First Nation members • Develop and implement a strategy to facilitate a greater involvement of Michipicoten FN members in the forest management planning process • To develop and implement a strategy that will incorporate TEK into the forest management planning process • To ensure that Michipicoten FN members are aware of forest management planning activities that are taking place on an on-going basis within the vicinity of their communities. <p>Other effected First Nations have not signed MOUs. Only the Michipicoten and Thessalon First Nations have assigned</p>

	<p>representatives to the planning team. Members of the Garden River First Nation undertake silvicultural work on the Forest.</p> <p>Clergue maintains an “open door” policy and will meet with individuals from First Nation communities to discuss and address any issues or concerns related to the forest management activities.</p>
CAR Status:	CLOSED
Follow-up Actions (if app.):	<p>Observation 1/07:</p> <p>CFMI should continue its efforts to meaningfully engage First Nations in the forest management planning process. These efforts need to extend beyond the OMNR First Nations Consultation requirements of the Forest Management Planning Manual.</p>

CAR Condition 3.4	Reference to Standard: 3.4
Nonconformance	Traditional Ecological Knowledge has not been incorporated into the forest management planning process or operations on the Algoma Forest.
Major Minor X	
Corrective Action Request:	
CFMI shall develop a strategy to determine and document the interest of local First Nations in participating in the collection and integration of Traditional Ecological Knowledge. In instances where First Nations have expressed an interest in integrating TEK in the planning process, CFMI will develop and implement a collaborative process with the OMNR and FN to collect TEK data and information and integrate this information into the 2010 Forest Management Plan	
Timeline for conformance:	By the end of year two of certification
Evidence to close CAR:	A strategy has been prepared by Clergue staff (24/05/2007 Version 1) for the integration of TEK in the FMP planning process. The strategy documents a six step procedure for the collection of values, the evaluation of the adequacy of current protection standards and the collection of additional values information and the integration of prescriptions in the 2010 forest management plan. The TEK strategy does not outline methodologies to engage First Nations, procedures for documenting FN rights, concerns, issues and interests, the target communities, or timelines for strategy implementation.
CAR Status:	CLOSED
Follow-up Actions (if app.):	Observation 2/07: CFMI needs to address shortcomings with its TEK strategy with clear documentation of the methodologies to engage First Nations, procedures for documenting FN rights, concerns, issues and interests, and

	timelines for the implementation of the six steps.
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CAR Condition 6.6	Reference to Standard: 6.6
Non-conformance	Written justification of current levels of herbicide use was lacking, and low or declining use of herbicides could not be demonstrated due to lack of adequate trend data.
Major X Minor	
Corrective Action Request:	
<p>Clergue shall prepare a report that:</p> <ul style="list-style-type: none"> • compiles information on herbicide use since 2000, which identifies the volume of active ingredient and the area treated; • outlines Clergue policy and procedures to minimize use of herbicides and justify under what conditions their use is essential to meet silvicultural objectives; • develops benchmarks on herbicide use against which future performance can be measured; and • sets quantitative targets for meaningful continuous reduction in herbicide use for tending and site preparation. 	
Timeline for conformance:	Within 6 months of finalization of the first annual audit report
Evidence to close CAR:	<p>CFMI provided total active ingredient usage and method of application since the inception of Clergue as a company.</p> <p>Evidence provided:</p> <ol style="list-style-type: none"> 1) Usage since 2000: <ul style="list-style-type: none"> 2000 -- 3210L 2001 – 256L 2002 – 4623L 2003 – 4223L 2004 – 1063L 2005 – 3461L 2) The company provided a 10 page summary of their policy and procedure for allocation of pesticide. 3) The company provided an independent review of their program as additional evidence of the need for chemical use. This opinion was provided by a senior Forestry Canada scientist. This evidence is not to sway the argument for or against chemicals but to provide support of the company’s claim that they meet the “essential to meet silvicultural objectives” condition of the indicator. 4) In our field visit we reviewed sites where pesticide

	<p>application occurred (stops 5, 7 and 8).</p> <p>In brief, the company is in a silvicultural dilemma because of the need to increase conifer component for several species (White Pine, White Spruce). We verified this need with interviews (3) and site visits to several locations where the nominal forest unit is being overtaken by species that will change the unit. In essence, in order to maintain the forest unit as described in the plan, and as agreed upon by the planning team and as generally accepted by the public, there is a need for chemical use on the forest.</p> <p>The short time horizon since Clergue took over management of the forest has not provided a very stable baseline of chemical use. It is difficult to forecast the chemical usage profile for the foreseeable future because actual harvest profile has become unpredictable due to poor markets and business problems for shareholders. In addition, spray contractors do not find the small usage and small contracts on Algoma attractive. Ironically the small usage creates a problem for future reductions.</p> <p>SmartWood opinion on the approach to this indicator is as follows:</p> <ul style="list-style-type: none">• The indicator does not explicitly say anything about the setting of trend line or about setting a short-term target.• It is possible to meet the spirit of the criterion over a long time frame. Long term vigilance by CFMI over their effort to reduce chemical may be pragmatic and enable efficient use of chemicals, as well as a genuine effort to find alternatives. <p>Target setting can be done through long term forecasts (possibly several decades) based on projected practical renewal needs in the FMP.</p> <p>The forecast would need to show a plan for long-term reductions. Targets and trends would be used as verifiers to ensure that the company is following the forecast as best they can. During future audits, if there is a variance, there needs to be a good explanation. Realistically, forecast should include an estimate of variance because of the difficulty with contractors, and harvest levels. Over five year period, through the FMP process, the company knows generally what is expected to be renewed, and based on this should be able to provide a long term (20 or 30 year) forecast of herbicide usage. Verifier for the immediate future would be the rolling average of chemical use over a number of years. The variability is so high that it is not likely to provide a good</p>
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	<p>verifier in the short term.</p> <p>The advantage of setting a long forecast period based directly on projections of forest renewal, and the wood supply model is that there will be a benchmark that will be more auditable. However, there is a risk of the company deferring the real commitment to reduction to the far future.</p> <p>Verifiers:</p> <p>The usual BMPs for chemical use would still be verifiers:</p> <ul style="list-style-type: none"> • annual field surveys to ensure only areas that really need it are treated (ie partial stands). • GIS controlled spray • actual use of alternative methods. • monitoring of progress of other companies toward real reductions. <p>Continually exceeding the forecast with a poor explanation, or over a number of years will lead to a CAR, which may be very difficult to rectify, given the long-term nature of tracking pesticide profiles.</p> <p>A new CAR is placed to require CFMI to produce a long term forecast of pesticide use.</p>
CAR Status:	CLOSED
Follow-up Actions (if app.):	<p>New CAR issued 1/07: CFMI will provide a long-term forecast (>20 year) of anticipated pesticide use based on development of the next Forest Management Plan; including a time frame for achieving reduction of usage.</p> <p>Note to next audit team (CAR 1/07) : The next audit team will be required to verify the herbicide use forecast prior to the completion of the next FMP, based on information developed in preparation of the plan.</p>

CAR Condition 9.2.b	Reference to Standard: 9.2	
Non-conformance	The management plan (FMP) or HCVF report lacks the required description of specific measures	
Major X		
<p>Corrective Action Request:</p> <p>Clergue shall incorporate in the HCVF report the specific strategies and management actions to ensure the maintenance and/or enhancement of all HCVs consistent with the precautionary approach.</p>		
Timeline for conformance:	Within 6 months of finalization of the first annual audit report	

Evidence to close CAR:

CFMI has provided management prescriptions for all of the designated HCVs in the report entitled “High Conservation Value in the Algoma Forest” (undated, no version number).

The HCVs designated by the managers are listed in Table 14 of the Algoma HCVF report. This table also contains the prescriptions and monitoring requirements, which address this CAR. Monitoring is discussed under CAR 9.4 later in this report. Prescriptions are provided in the back of the HCVF report in an unnamed Appendix. This constitutes the Area of Concern Tables from the FMP (Table FMP 17). These do constitute the prescriptions; it is difficult to connect the prescriptions with Table 14, which contains only a brief summary of the management actions. The FMP 17 contents is not cross linked with Table 14 in the HCVF report. The purpose of the HCVF report is generally to convey information to a wide international audience. The report is not helpful in that regard. Readers would be lost in trying to connect the HCVs with the prescriptions.

Technically, the managers have met the requirements of the CAR. Specific concern was raised about caribou management. This is discussed in some detail in the HCVF report. Ongoing efforts to reestablish caribou on the unit. Discussions with government staff during the audit highlighted the complications. At this point there is a provincial strategy in place, but this needs to be followed by local (or regional) conservation plans or recovery plans. Given that in this part of the province the caribou have been extirpated, and the focus is on reintroduction, it is not likely to receive high priority. Regardless the company is still supportive of efforts, but has been clear that they do not have financial resources to assist in the recovery.

There is ambiguity about Table 4 in the report which states those species are “...considered HCV where they are found...” This appears to be a designation that those species are HCVs, but they do not appear in other lists. It is possible the managers intend these to be “possible HCVs” which is an interim designation. The company needs to clarify their definition of HCVs and resolve whether the list of “coarse filter” species requires HCVF designation and consequently specific prescriptions and the precautionary approach. These species normally are addressed through general conservation practices.

The company has made impressive training efforts to instruct tree-marking staff to be able to identify all the species listed in the report as HCVs, including those in Table 4. The efforts to

	make the HCV prescriptions operational are evidence that the values are taken seriously. For this reason the communications aspect of this indicator are placed as an observation.
CAR Status:	CLOSED
Follow-up Actions (if app.):	Observation 1/07: The company should edit the HCVF report to make it more communicative and helpful to a broad audience and to clarify HCVF designations (Table 4); improve cross-referencing of technical information.

CAR 1/06	Reference to Standard: 3.1	
Non-conformance	CFMI has not confirmed with Batchawana First Nation their interest in entering into a MOU agreement with respect to forest management.	
Major	Minor X	
Corrective Action Request:		
Clergue Forest Management Inc. shall provide documentary evidence of its effort to confirm with Batchewana First Nation their interest in pursuing the MOU agreement developed by CFMI.		
Timeline for conformance:	By the end of year two of certification	
Evidence to close CAR:	CFMI provided correspondence dated December 8, 2006 to Chief Sayers of the Batchewana First Nation that states, "...there are several specific initiatives that may facilitate developing lines of communication.The development of a Memorandum of Agreement with First Nations to outline avenues of interaction including economic opportunities. A memo to file was also provided which indicates that the CFMI General Manager and Silviculture Forester attended a meeting (13/02/2007) where the possibility of developing a MOU was discussed. The memo indicates that the parties agreed to "concentrate on the forest management plan initially and then as we develop stronger ties we could move forward with an MOU."	
CAR Status:	CLOSED	
Follow-up Actions (if app.):	As in CR 3.2 same observation (repeated here):Observation 1/07: CFMI should continue its efforts to meaningfully engage First Nations in the forest management planning process. These efforts need to extend beyond the OMNR First Nations Consultation requirements of the Forest Management Planning Manual.	

CAR 02/06		Reference to Standard: 9.1
Non-conformance		The procedures used to identify values, confirm in them in the field, and determine appropriate the management actions and monitoring needs to be explained
Major	Minor X	
Corrective Action Request:		
CFMI shall develop strategies with technical input and consultation with interested parties to identify management strategies to maintain or enhance those HCV's that Clergue affects through management activities.		
Timeline for conformance:		Prior to next annual audit
Evidence to close CAR:		<p>This Condition is similar to 9.2 b, which calls for management prescriptions for HCVs. We examined the actual prescriptions that are in place for each of the HCVs.</p> <p>Most HCVs have a prescription in FMP 17 except: Marten-- which are dealt with extensively in the FMP; and tree species Hemlock, Spruce dominated mixedwoods, Red and White pine, and red Oak. There are silvicultural prescriptions for each of these species. Silvicultural effectiveness monitoring is required when there is forestry activity.</p> <p>Finally three rare ecosystem types are identified and prescriptions have been worked out. These are not referenced or described in the HCVF report.</p> <p>The observation that is on CAR 9.2 b addresses this same concern. Transparency in addressing HCVs is important.</p>
CAR Status:		CLOSED
Follow-up Actions (if app.):		Observation: as in 9.2 b

CAR Condition 4.4.a		Reference to Standard: 4.4
Non-conformance		
Major	Minor X	
Corrective Action Request:		
Clergue is to work with the OMNR and the Wawa LCC to expand the interests that are present on the Wawa LCC.		
Timeline for conformance:		By the end of year 2 of certification
Evidence to close CAR:		OMNR made an effort to broaden representation and enlist new members in the LCC by advertising in the Algoma News (2x) for nominations to fill membership vacancies in the Wawa

	LCC. The District Manager also sent letters to various stakeholder organizations in groups soliciting for membership. Unfortunately, these efforts only resulted in one group nominating a candidate. Despite the poor results the LCC has a membership of 10. LCC members are volunteers with full private and business lives. Participation on an LCC brings with it extra work, time and educational demands. In small northern communities such as Wawa there is a limited base to draw upon for LCC membership and many additional demands are placed on the same people for a full spectrum of social, business and charitable committees. The interview with the Wawa OMNR Area Supervisor indicated that despite the gaps in representation that the LCC was functioning well and was not unduly hindered by the lack of representation of all identified groups.
CAR Status:	CLOSED
Follow-up Actions (if app.):	

CAR Condition 4.4.b	Reference to Standard: 4.4	
Non-conformance		
Major	Minor X	
Corrective Action Request:		
As a component of the planning process for the 2010 Forest Management Plan, CFMI is to work with OMNR to prepare a more comprehensive socio-economic profile of forest uses and in particular document the importance of tourism and recreation		
Timeline for conformance:	By the end of year 2 of certification	
Evidence to close CAR:	For the 2010 plan a social and economic description (SED) is being prepared for background information prior to the Invitation to Participate (December 2007). The SED Template (Appendix IV, 2004 Forest Management Planning Manual contains 11 requirements for recreation and tourism that must be looked at to prepare the description. Additionally, CFMI and Weyerhaeuser have cooperated in the Crown Land Use Atlas Harmonization Project (CLUAH) project in the Wawa District, which is being completed with input from tourism outfitters and recreational users of the Forest.	
CAR Status:	CLOSED	
Follow-up Actions (if app.):		

CAR Condition 6.1.a	Reference to Standard: 6.1	
Non-conformance		
Major	Minor X	
Corrective Action Request:		
Clergue shall incorporate consideration of the management of surrounding forest lands into its management of the Algoma/Wawa Forest with emphasis on impact assessment, connectivity, establishment of core areas and High Conservation Value Forests		
Timeline for conformance:	By the end of year three of certification	
Evidence to close CAR:	Pending	
CAR Status:	OPEN	
Follow-up Actions (if app.):		

CAR Condition 6.1.b	Reference to Standard: 6.1	
Non-conformance		
Major	Minor X	
Corrective Action Request:		
Clergue will have completed the writing and peer review of the PIC report.		
Timeline for conformance:	By the end of year two of certification	
Evidence to close CAR:	<p>CFMI has provided a Report entitled “ Algoma Forest Pre-industrial Condition report (CFMI May 11, 2007). This report is a review of the information on the PIC in the forest, and covers a range of data sources (Pinto 2005 MNR; St. Mary’s Ltd. Collection). Information about species abundance and distribution is the primary focus. The historical information in the data collection would be considered a world-class resource, although the lack of internet access (although planned) reduces its availability.</p> <p>A review of the 2005 Algoma FMP for the strategies to address the species identified shows that there exists a strategy for white pine. Yellow birch and Hemlock which have historic documented reduction from the historic levels do not have explicit strategies, but are addressed through the ground rules for appropriate forest units.</p> <p>In short the PIC report has assessed the historic condition; species in need of restoration have been identified, the current FMP include a strategy for one of those, and silvicultural ground rules for the others. The development of the next plan</p>	

	<p>will require that the PIC report be considered, and that strategies be prepared for species which are designated to need restoration. Based on the current information in the 2005 FMP, it is not likely to be a dramatic change from the current direction.</p> <p>Other aspects of the PIC analysis need also to be considered, in particular old growth (discussed later in this report) and natural disturbance pattern. The latter is addressed through the development of an historic fire disturbance template based on: Ontario Forest Research Institute data; as well as the approach of Perera (2003). In future this will be part of the landscape guide for the preparation of Forest Management Plans. This description in the PIC analysis meets the requirement of the indicator.</p> <p>We have left a note to future auditors to ensure the incorporation of the results of the PIC analysis is complete. Peer review has been undertaken. The company will be required to incorporate changes as appropriate. As part of the original CAR, this has been placed in a new CAR.</p>
CAR Status:	CLOSED
Follow-up Actions (if app.):	<p>NEW CAR 2/07 CFMI must complete the peer review of the PIC analysis and incorporate changes as appropriate.</p> <p>Note to next audit team: CFMI will need to refer to, and implement silvicultural strategies if necessary based on PIC analysis in the next FMP for species requiring recovery plans.</p>

CAR Condition 6.1.c	Reference to Standard: 6.1	
Non-conformance		
Major	Minor	X
Corrective Action Request:		
Clergue shall prepare a document addressing landscape and site level benchmarks in accordance with the requirements of criteria 6.16 and 6.17.		
Timeline for conformance:	By the end of year two of certification	
Evidence to close CAR:	A Benchmark report entitled "The Algoma Forest Benchmarking Report" is provided by CFMI. The report addresses four elements of the FSC indicator: age class, watershed intactness, road density, patch size.	

	<p>Age class is reviewed as part of the CORE areas analysis, and based on FMP information. Cross-referencing in this section is vague, but it can be followed. Watershed disturbance is described in the FMP. Road density is depicted in an excellent map. Patch size assessment is based on the NDPG methodology. Ontario spends a considerable effort on documented patch size distribution both historical and current. The 2005 Algoma FMP documents this.</p> <p>The report does not reference specific tables from the FMP which would help for clarity. These should be more explicit (not longer) ensuring that outside readers can follow the reference especially for cross-references to the FMP document. Specifically the discussion of age-class is illustrated with an excellent map, however it is difficult to assess specific conclusions without the FMP table that describes age class on the forest.</p> <p>This meets the requirement of the standard</p>
CAR Status:	CLOSED
Follow-up Actions (if app.):	

CAR Condition 6.3.a	Reference to Standard: 6.3	
Non-conformance		
Major	Minor X	
Corrective Action Request:		
As a component of the planning process for the 2010 Forest Management Plan, Clergue shall spatially depict forest condition over the long term planning horizon.		
Timeline for conformance:	By the end of year three of certification	
Evidence to close CAR:		
CAR Status:	OPEN or CLOSED	
Follow-up Actions (if app.):		

CAR Condition 6.3.b	Reference to Standard: 6.3.b	
Non-conformance		
Major	Minor X	
Corrective Action Request:		
Clergue will identify hemlock, red oak, and other significantly under-represented forest		

units/communities relative to the PIC (see 6.5) and develop strategies including site-specific prescriptions to increase their abundance over time. Clergue should initiate the planning and implementation of suitable treatments as quickly as possible.	
Timeline for conformance:	By the end of year two of certification
Evidence to close CAR:	<p>CFMI provided distribution maps for five species: Hemlock, Yellow Birch, White Spruce, Red Oak and White Pine.</p> <p>The company needs to implement strategies to move these species toward historical levels, if they are identified in the PIC analysis. This is described above in 6.1 b. At this time there are silvicultural ground rules that favour these species. The most appropriate time to develop strategies is during the do this is during the development of the next plan.</p> <p>There is a note to the next audit team in 6.1 b to ensure that strategies are developed as required.</p>
CAR Status:	CLOSED
Follow-up Actions (if app.):	Note to next audit team, same as 6.1 b.

CAR Condition 6.3.c	Reference to Standard: 6.3	
Non-conformance		
Major	Minor X	
Corrective Action Request:		
Clergue will develop targets and retain old-growth on the Algoma Forest consistent with the pre-industrial condition report or a minimum of 20%.		
Timeline for conformance:	By the end of year two of certification	
Evidence to close CAR:	<p>The company has submitted their evidence for compliance with this CAR as part of the benchmarking report described above, and the PIC analysis report, also described above.</p> <p>The PIC analysis provides a description of old growth based on the conventional SFMM analysis of the null model (No logging). This is the target that is set for the FMP to comply with the Provincial old growth policy. These targets are set within the PIC analysis. This complies with the indicator and the CAR.</p> <p>In addition, in the Benchmark analysis Table 2 provides a description of the maturity of core areas. Although the benchmark analysis does not conform to conventional</p>	

	<p>approach to core areas (see CAR 6.3e), it does provide some evidence of the amount of old forest. At 25% for core areas, not including conventional FMP marten core areas, and only large blocks, the forest seems to have an ample supply of old forest. We note that the managers have acknowledged that part of this is comprised of selection harvest, which has a continuous canopy cover. It may not be considered true old growth. This is oblique evidence of the old growth component. Although the company meets the requirement for extant old growth, and with protected areas are likely to be able to do so for the foreseeable future; there are areas in the production forest where the old growth is succeeding to different forest types, due to lack of disturbance. This means that some stands which still have old trees may not in fact be characteristic of the old growth that people envision. The company feels some of these stands need intervention to ensure they do not lose, for example the entire white pine component in the old growth pine stands.</p> <p>We have sufficient evidence that the old growth requirement is met, however, another important test is whether the provincial policy requirement is met. This means a more quantitative analysis during plan preparation for 2010 with the new landscape guide as part of that consideration.</p> <p>We have accepted that the CAR is met at this time, but we do leave a note for the next audit team to confirm that the preparation for the next plan has addressed the requirements of the PIC analysis (which is consistent with the government requirements according to that analysis)</p>
CAR Status:	CLOSED
Follow-up Actions (if app.):	Note for next audit team: With the next FMP and the new landscape guide, the company will need to revisit the old growth status and ensure that the provincial policy is met, which may change during the next plan.

CAR Condition 6.3.d	Reference to Standard: 6.3	
Non-conformance		
Major	Minor X	
<p>Corrective Action Request:</p> <p>Clergue shall implement residual retention levels approximating levels expected in natural post-disturbance conditions identified by the PIC analysis.</p>		
Timeline for conformance:	By the end of year three of certification	

Evidence to close CAR:	<p>CFMI is compliance with the Ontario government requirements for residual structure. This came into effect after the adoption of the 2005 Algoma plan, which requires the use of the Natural Disturbance Emulation Guide. In other assessments the enforcement of the NDPG has been taken as evidence for meeting this indicator.</p> <p>Discussion with stakeholders did not raise concerns about the way the residual is distributed. In addition, half of the forest is in the GLSL forest type and there is a predominance of selection harvest, which meets the FSC requirement.</p> <p>This CAR is closed.</p>
CAR Status:	CLOSED
Follow-up Actions (if app.):	

CAR Condition 6.3.e	Reference to Standard: 6.3	
Non-conformance		
Major	Minor X	
Corrective Action Request:		
<p>Clergue will undertake an analysis of cores on the Algoma forest and ensure that at least 20% (higher if guided by PIC) of the landscape is maintained as FSC core habitat.</p>		
Timeline for conformance:	By the end of year two of certification	
Evidence to close CAR:	<p>CFMI provided an analysis of core areas on the forest as part of the report called "The Algoma Forest Benchmarking Report". Overall, the audit team was concerned that the amount of core is calculated in a manner that is not conventional for a few reasons, however it shows that the amount of core meets and surpasses the requirement.</p> <p>For consistency with the usual interpretation of core area we make the following notes:</p> <ul style="list-style-type: none"> • PIC may reduce the amount of core required, and a more full evaluation of the PIC may reduce the amount of core required. • Parks and CRs are acceptable as CORE, but only when distributed in a reasonable way across the landscape. In particular Lake Superior Park is a concern. • Lake Superior does not provide a balanced distribution of cores; it is not all mature and there is not a good inventory within the park. The managers must reduce the amount of the Park that is included as core. Assuming Lake Superior Park is 100% core is not reasonable; 	

	<p>managers need to know the actual core contribution.</p> <ul style="list-style-type: none"> • The managers should use marten cores as FSC cores. These are a better fit with the profile of cores as defined by the indicator. • Cores can be changed from one area to another around the landscape, and the core analysis should acknowledge this. Future ability to model spatially on the unit will assist with the analysis. • The managers refer to the definition of “Primarily mature and old forest” They argue that 40% would meet this definition. This is confusing since the % reported in the core areas are all in the 80% range, which is well within the amount required. The managers should drop the discussion of minimum percentages. • Generally cores should avoid use of riparian buffers that are too narrow to comply with the concept of core. Small amounts are acceptable. • Managers are correct to not use surface of lakes and rivers in the denominator or numerator for the calculation of % core. <p>The CAR is met and replaced with a more specific one to address the details of the analysis. The forest meets the minimum core requirement, however the managers method of accounting for the area should be done in a more conventional manner.</p>
CAR Status:	CLOSED
Follow-up Actions (if app.):	New CAR 3/07: CFMI shall refine their assessment of FSC core areas to provide a more quantitative estimate in line with conventional understanding of core areas.

CAR Condition 6.3.g	Reference to Standard: 6.3	
Non-conformance		
Major	Minor X	
<p>Corrective Action Request:</p> <p>Clergue will in consultation with the OMNR develop a comprehensive access management plan that gives due consideration to sensitive values as required by the standard. The plan must describe abandonment and maintenance strategies for all roads and water crossings in the Algoma Forest and assign responsibility for their management.</p>		
Timeline for conformance:	By the end of year three of certification	
Evidence to close CAR:	Pending	
CAR Status:	OPEN or CLOSED	

Follow-up Actions (if app.):	
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CAR Condition 6.4	Reference to Standard: Criteria and indicator
Non-conformance	
Major	Minor X
Corrective Action Request:	
<p>Clergue shall have initiated formal discussions with First Nations, ENGO's and other stakeholders to identify gaps in protected area representation, and have approached the provincial government with proposals or options to complete the protected areas network on the Algoma Forest.</p>	
Timeline for conformance:	By the end of year three of certification
Evidence to close CAR:	<p>Companies need to be proactive in addressing deferrals of areas that may be candidate protected areas and particularly for getting the gap analysis reviewed. There are a number of aspects of the standard that should be borne in mind as the company sets about addressing the CAR:</p> <ol style="list-style-type: none"> 1. There may be more than one gap analysis, and there may not be agreement upon which one is best. That does not preclude getting a gap analysis reviewed; in fact it may inform the process. 2. In the event that there are significant changes to the gap analysis after the review is done, there should be a new review once there is a new picture of the gaps. 3. A review of the larger regional conservation landscape would meet the requirement, as long as protected area gaps at the ecodistrict level are addressed, as the standard directs. 4. There are many possible reviewers as long as they are not involved with any of the parties in discussion, and logically the reviewer would be mutually agreed upon by the parties. 5. There could be more than one reviewer. <p>We make this note a clear notification to the company that action is required and that other SFLs have received major CARs because of this requirement. CFMI should provide a peer review of the gap analysis.</p>
CAR Status:	Pending
Follow-up Actions (if app.):	

CAR Condition 9.2.a	Reference to Standard: Criteria and indicator
Non-conformance	

Major	Minor X	
Corrective Action Request:		
Clergue will obtain input from local First Nations and incorporate their input into the HCVF report.		
Timeline for conformance:		By the end of year two of certification
Evidence to close CAR:		<p>As part of the development of the 2010 plan CFMI and the planning team will engage FNs in discussion of values. First Nation members and others will not be familiar with the HCV designation rules. The NBS requires managers to be diligent about assessment of HCVs and they are responsible for making designation decisions based the FSC criteria.</p> <p>There are various times during the FMP process when First Nations are engaged to discuss values, one such instance is the development of the Historic Forest Condition and Future Desired Forest and Benefits section. There is a potential wealth of information that can be derived from such exercises which speaks to HCVs. Managers and MNR should not limit the value of information that is brought forth during the FMP process, and utilize it only in the context as given; the information should be assessed as to how it fits into the larger picture.</p> <p>FMP consultation requirements can address HCV requirements as long as managers understand the concept. At this time evidence that managers are diligent about HCVs. Placing a CAR at this time would prejudge the process that will follow in the next two years. Instead we leave an observation that the managers should evaluate native HCVs when the FMP process evaluates those values.</p>
CAR Status:		CLOSED
Follow-up Actions (if app.):		Observation 4/07 : CFMI should revisit HCV designation after the FMP open house with FNs to ensure that HCVs are appropriately designated.

CAR Condition 9.4		Reference to Standard: Criteria and indicator
Non-conformance		
Major	Minor X	
Corrective Action Request:		
Clergue, in collaboration with OMNR and/or other partners, shall implement and participate in a monitoring program for all known HCVs on the Algoma Forest.		
Timeline for conformance:		By the end of year two of certification

Evidence to close CAR:	<p>The managers have completed the report entitled “HCVF in the Algoma Forest” (CFMI, undated). This is also discussed above in CAR 9.2 b. The HCVs designated by the managers are listed in Table 14 of the Algoma HCVF report. This table also contains the prescriptions and monitoring requirements, which address this CAR. Monitoring is briefly explained in this table. The manager need to be aware that this report is a public document, and it is the source of information for an international audience who scrutinize the way CFMI address their HCVs. The HCV report is used as a communications document. They need to clearly cross-reference or explicitly describe how monitoring is done.</p> <p>In Ontario, monitoring the effectiveness of prescriptions is the test for ensuring that the precautionary approach is taken. It is not adequate to be vague about monitoring procedures. Based on our discussions we are confident that good monitoring is occurring. But auditors have access to much more information than the general public. This CAR is closed and an observation is placed to improve the description of monitoring in the report.</p>
CAR Status:	CLOSED
Follow-up Actions (if app.):	Observation 5/ 07: CFMI should more fully cross-reference or describe the monitoring requirements for each of the designated HCVs with more information about government programs, or other sources to ensure that it is understandable by outside readers.

2.5. Notes for future audits issued at the last annual audit

Note for future annual audits related to Criterion 6.5: Review field operations for continued improvement with respect to the protection of the forest environment during harvesting operations.

No active operations were underway at the time of the audit. This note is left for the next audit. The audit team placed an observation that the managers should ensure that formal “Start-up” is followed to ensure all workers are familiar with the FMP requirements.

Note for future annual audit related to Criterion 6.3: Auditors will have to verify CFMI worked together with the OMNR to develop direction and training for operational staff on appropriate identification and protection of ephemeral and intermittent streams.

No active operations were underway at the time of the audit. This note is left for the next audit.

2.6. Audit observations issued at the last annual audit

Observations are very minor problems or the early stages of a problem that does not of itself constitute non-compliance, but which the auditor considers may lead to a future non-compliance if not addressed by the client.

Observation	Reference Std #
Observation 01/06: Connectivity report should be finalized and include maps or any other tool so that the report can be a practical tool for forest management planning.	6.3
Observation 02/06: Clergue should conduct further analysis to verify the assumption that the current forest has more old growth than historic condition because of reduced natural disturbance due to recent fire suppression	6.1 and 6.3
Observation 03/06: Clergue should revise its Standard Operational Field Procedures manual to make sure it addresses all the required management actions for the HCVs mentioned in the HCVF report.	9.3

Observation 01/06: Connectivity report should be finalized and include maps or any other tool so that the report can be a practical tool for forest management planning.

Audit team Findings: An informative Connectivity report was provided by CFMI.

Follow up actions: Observation closed

Observation 02/06: Clergue should conduct further analysis to verify the assumption that the current forest has more old growth than historic condition because of reduced natural disturbance due to recent fire suppression

Audit team Findings: PIC analysis is completed. This is discussed in 6.3 c and the following note is included.

Follow up actions: Observation closed. Note for next audit team: With the next FMP and the new landscape guide, the company will need to revisit the old growth status and ensure that the provincial policy is met, which may change during the next plan.

Observation 03/06: Clergue should revise its Standard Operational Field Procedures manual to make sure it addresses all the required management actions for the HCVs mentioned in the HCVF report.

Audit team Findings: The HCV report now includes the prescriptions for the HCVs, although a new observation is placed.

Follow up actions: Observation closed, new Observation 07 1 from above: The company should edit the HCVF report to make it more communicative and helpful to a broad audience and to clarify HCVF designations (Table 4); improve cross-referencing of technical information.

2.7. New corrective actions issued as a result of this audit

CAR 1/07		Reference to Standard: 6.6
Non-conformance		CFMI needs to prepare a long-term forecast of their herbicide usage based on their upcoming planning exercise. This will form the basis for long-term verification of compliance to the indicator. The next audit team will be required to verify this forecast prior to the completion of the next FMP, based on information developed in preparation of the plan.
Major	Minor X	
Corrective Action Request:		
CFMI will provide a long-term forecast (>20 year) of anticipated pesticide use based on development of the next Forest Management Plan; including a time frame for achieving reduction of usage.		
Timeline for conformance:		By the next annual audit
Evidence to close CAR:		Pending
CAR Status:		OPEN
Follow-up Actions (if app.):		

CAR 2/07		Reference to Standard: 6.1
Non-conformance		The peer review of the PIC analysis was still outstanding although it had been in the hands of the reviewers for about a month at the time of the completion of the audit.
Major	Minor X	
Corrective Action Request:		
CFMI must complete the peer review of the PIC analysis and incorporate changes as appropriate.		
Timeline for conformance:		By the next annual audit
Evidence to close CAR:		Pending
CAR Status:		OPEN

Follow-up Actions (if app.):	
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CAR 3/07	Reference to Standard: 6.3
Non-conformance	Core area analysis was complete, but used some non-conventional assumptions.
Major	Minor X
Corrective Action Request:	
FMI shall refine their assessment of FSC core areas to provide a more quantitative estimate in line with conventional understanding of core areas.	
Timeline for conformance:	By the next annual audit
Evidence to close CAR:	Pending
CAR Status:	OPEN
Follow-up Actions (if app.):	

2.8. Audit observations

Observations are very minor problems or the early stages of a problem which does not of itself constitute a non-conformance, but which the auditor considers may lead to a future non-conformance if not addressed by the client. An observation may be a warning signal on a particular issue that, if not addressed, could turn into a CAR in the future (or a pre-condition or condition during a 5 year re-assessment).

OBS 1/07	Reference Standard & Requirement:
The efforts of CFMI to engage First Nations in forest management have, to date, met with limited success.	
Observation: CFMI should continue its efforts to meaningfully engage First Nations in the forest management planning process. These efforts need to extend beyond the OMNR First Nations Consultation requirements of the Forest Management Planning Manual.	

OBS 2/07	Reference Standard & Requirement:
The strategy appears to rely heavily on the existing OMNR values collection and Native Peoples Consultation Processes.	
Observation: CFMI needs to address shortcomings with its TEK strategy with clear documentation of the methodologies to engage First Nations, procedures for documenting FN rights, concerns, issues and interests, and timelines for the implementation of the six steps.	

OBS 3/07	Reference Standard & Requirement:
CFMI has provided management prescriptions for all of the designated HCVs but they need to be more communicative	
Observation: The company should edit the HCVF report to make it more communicative and helpful to a broad audience and to clarify HCVF designations (Table 4); improve cross-referencing of technical information.	

OBS 4/07	Reference Standard & Requirement:
Observation: CFMI should revisit HCV designation after the FMP open house with FNs to ensure that HCVs are appropriately designated.	

OBS 5/07	Reference Standard & Requirement:
Observation: CFMI should more fully cross-reference or describe the monitoring requirements for each of the designated HCVs with more information about government programs, or other sources to ensure that it is understandable by outside readers.	

OBS 6/07	Reference Standard & Requirement:
There was concern raised by several sources that the company has not been tight with formal start up procedures. This has caused some situations in which the company was unaware of activity that was occurring on the forest. This compromises the compliance program, which can result in non-conformance with this criterion (avoid damage to other resources).	
Observation: Observation: The company should complete formal “start up” procedures for new activities in the forest, and ensure that necessary compliance inspectors are informed.	

PENDING CARs from initial assessment

CAR Condition 6.1.a	Reference to Standard: 6.1
Non-conformance	[Description of non-conformance]
Major	Minor X
Corrective Action Request:	
Clergue shall incorporate consideration of the management of surrounding forest lands into its management of the Algoma/Wawa Forest with emphasis on impact assessment, connectivity,	

establishment of core areas and High Conservation Value Forests	
Timeline for conformance:	By the end of year three of certification
Evidence to close CAR:	Pending
CAR Status:	OPEN
Follow-up Actions (if app.):	

CAR Condition 6.3.a	Reference to Standard: 6.3	
Non-conformance	[Description of non-conformance]	
Major	Minor X	
Corrective Action Request:		
As a component of the planning process for the 2010 Forest Management Plan, Clergue shall spatially depict forest condition over the long term planning horizon.		
Timeline for conformance:	By the end of year three of certification	
Evidence to close CAR:		
CAR Status:	OPEN or CLOSED	
Follow-up Actions (if app.):		

CAR Condition 6.3.g	Reference to Standard: 6.3	
Non-conformance	[Description of non-conformance]	
Major	Minor X	
Corrective Action Request:		
Clergue will in consultation with the OMNR develop a comprehensive access management plan that gives due consideration to sensitive values as required by the standard. The plan must describe abandonment and maintenance strategies for all roads and water crossings in the Algoma Forest and assign responsibility for their management.		
Timeline for conformance:	By the end of year three of certification	
Evidence to close CAR:	Pending	
CAR Status:	OPEN or CLOSED	
Follow-up Actions (if app.):		

CAR Condition 6.4	Reference to Standard: Criteria and indicator	
Non-conformance	[Description of non-conformance]	
Major	Minor X	
Corrective Action Request:		
Clergue shall have initiated formal discussions with First Nations, ENGO's and other stakeholders to identify gaps in protected area representation, and have approached the provincial government with		

proposals or options to complete the protected areas network on the Algoma Forest.	
Timeline for conformance:	By the end of year three of certification
Evidence to close CAR:	<p>NOTES made in year 2 audit: Companies need to be proactive in addressing deferrals of areas that may be candidate protected areas and particularly for getting the gap analysis reviewed. There are a number of aspects of the standard that should be borne in mind as the company sets about addressing the CAR:</p> <ol style="list-style-type: none"> 1. There may be more than one gap analysis, and there may not be agreement upon which one is best. That does not preclude getting a gap analysis reviewed; in fact it may inform the process. 2. In the event that there are significant changes to the gap analysis after the review is done, there should be a new review once there is a new picture of the gaps. 3. A review of the larger regional conservation landscape would meet the requirement, as long as protected area gaps at the ecodistrict level are addressed, as the standard directs. 4. There are many possible reviewers as long as they are not involved with any of the parties in discussion, and logically the reviewer would be mutually agreed upon by the parties. 5. There could be more than one reviewer. <p>We make this note a clear notification to the company that action is required and that other SFLs have received major CARs because of this requirement. CFMI should provide a peer review of the gap analysis.</p>
CAR Status:	Pending
Follow-up Actions (if app.):	

2.9. Notes to next audit team:

1. Auditors will verify that CFMI refers to and implements silvicultural strategies if necessary based on PIC analysis in the next FMP for species requiring recovery plans.
2. With the next FMP and the new landscape guide, the company will need to revisit the old growth status and ensure that the provincial policy is met, which may change during the next plan.
3. Note to next audit team (CAR 1-07) : The next audit team will be required to verify the herbicide use forecast prior to the completion of the next FMP, based on information developed in preparation of the plan.

3. AUDIT PROCESS

3.1. Auditors and qualifications:

Tom Clark has spent twenty-five years as a consulting ecologist focused on wildlife ecology and forest management. Part of Tom's work is forest management auditing, using the Independent Forest Audit (IFA) process in Ontario, and numerous assessments using various Forest Stewardship Council (FSC) standards in Canada and the U.S. Tom has a strong public forest policy background as co-author of *Diversity: Forests, People, Communities*, the framework for developing public forest policy in Ontario, and vision within the Crown Forest Sustainability Act (1994). He is currently a member of the OMNR Deputy Minister's Provincial Forest Policy Committee. Tom has been part of a team completing program reviews of the IFA system for MNR, as well as a comprehensive review of all of the operational and environmental manuals used to implement forestry on crown land in Ontario. He has been on the Board of CPAWS -- Wildlands since 2000, and previously, was Chair of the Friends of Quetico Park and on the Board of the Federation of Ontario Naturalists. Tom was also the first Chair of Westwind Forest Stewardship, a non-profit community based forest management company, holding the Sustainable Forest License for the French Severn Forest and the first large public forest FSC certified in Canada. He is currently on the Minister's advisory group for the new Endangered Species Act.

Bruce Byford R.P.F. is the President of Arbex Forest Resource Consultants Ltd. Established in 1971, Arbex provides professional services in natural resource planning and management, forest audits, geographic information systems (GIS) and forest operations to governments, non-governmental organizations, First Nations and the private sector throughout Canada, the Caribbean, Central America, Africa, and South East Asia. Bruce is a Registered Professional Forester with over 27 years of experience. He has ISO 14001 Lead Auditor and SmartWood Assessor training. Bruce has been Lead Auditor on twelve Independent Forest Audits in Ontario. As a consultant to SmartWood he has participated as Lead Assessor and/or Forest Management Specialist on certification and annual assessments in Ontario, New Brunswick, Nova Scotia and Quebec.

3.2. Audit schedule

Date	Location /main sites	Principal activities
May 25	Conf call	Discussion with Clergue staff about details of audit; review of audit plan
May 28	Clergue office	Review of CARs, Principles
May 29	Field visit through the southern portion of the forest by truck	Site map included showing the stops made (10) during the one day field audit
May 30	Clergue Office	Closing meeting; review of some outstanding items
June 1 - 15	Telephone	Review of CARs; stakeholder and First Nation consultation continues.
June 15-30		Report write-up
July 30		Draft report sent to Algoma

August 22		Comments from Algoma received
August 28		Final report
Total number of person days used for the audit: 3.5 = number of auditors participating 2 times total number of days spent for the audit 2.		

3.3. Sampling methodology:

On the first day of the audit the discussion focused on CARs, as well as ongoing management issues. This provided an overview of the management system and changes to the forest.

Field sites were chosen based on the outstanding CARs and logistical availability given the large size of the forest. Focus was on old growth pine sites, and other values that interviews with staff/workers and stakeholders). Review of recent forestry operations including renewal and harvesting.

Ten sites were selected, about half in advance of the tour and half were random stops.

The audit team contacted a four of the stakeholders that had expressed interest in the original assessment. As well the three First Nations were contacted. Government staff, who have the oversight responsibility were contacted. Non conformances were reviewed.

3.4. Stakeholder and First Nation consultation process

Stakeholders ere contacted two weeks prior to the audit including four of the stakeholders that had expressed interest in the original assessment. As well the three First Nations were contacted. Government staff, who have the oversight responsibility were also contacted.

An observer was on the audit as a representative of an provincial/national environmental group.

Comments were received from several sources, and these are addressed above in section 2.3.

Stakeholder or First Nation type (i.e. NGO, government, local inhabitant etc.)	Number notified (#)	Respondents or providing input (#)
ENGOS	4	2
Govt agencies	1	4
Contractors	1	1
First Nation/ aboriginal	3	2

3.5. Changes to Certification Standards

Forest stewardship standard used in audit:	National Boreal Standard
Revisions to the standard since the last audit:	<input checked="" type="checkbox"/> No changes to standard. <input type="checkbox"/> Standard was changed (detail changes below)

Changes in standard:	
Implications for FME:	Conformance to new requirements verified