



Project No. 012115-04

December 19, 2007

Mr. Gordon Cumming
ALGONQUIN FORESTRY AUTHORITY (AFA)
222 Main Street W.
Huntsville, Ontario
CAN, P1H 1Y1

SUBJECT: REGISTRATION PROGRAM

Dear

Please find attached the Audit Report raised as a result of our Registration Audit of your management system to the CAN/CSA - Z809-2002 standard conducted in the Algonquin Park forest during the period of December 10-14, 2007.

We thank you and your organization for the support and co-operation given during the audit.

Best Regards,

A handwritten signature in black ink, appearing to read 'Martin Litchfield', is written in a cursive style.

Martin Litchfield RPF
QMI Team Leader
Encls.

QMI Confidential



Accreditation number No.19/06
Validity of the accreditation
from 2007/01/16 to the
expiration date 2011/01/15

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CONFIDENTIAL

SUSTAINABLE FOREST MANAGEMENT SYSTEM

AUDIT REPORT CAN/CSA-Z809-1996 (or CAN/CSA-Z809-2002) (& ISO 14001-1996)

Auditee: ALGONQUIN FORESTRY AUTHORITY (AFA)
Address: 222 Main Street W. Huntsville Ontario
CAN P1H 1Y1

Contact: Gordon Cumming
Chief Forester

Dates of Audit: December 10, 2007 to December 14, 2007
Audit Team Leader: Martin Litchfield RPF
Type of Audit: Registration Audit
Audit Frequency: 12 Months
SIC / NACE Code: 0851 A02.0

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REPORT DISTRIBUTION

ALGONQUIN FORESTRY AUTHORITY (AFA)
QMI File
Martin Litchfield

Statement of Confidentiality

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SECTION 1 - EXECUTIVE SUMMARY

Scope #	Scope Description
1	The sustainable forest management system as it applies to the defined forest area, which includes the entire Algonquin Park forest.

Site:

ALGONQUIN FORESTRY AUTHORITY (AFA)
 222 Main Street W.
 Huntsville
 Ontario
 CAN, P1H 1Y1

Summary of Audit Findings:

1. There were **no** non-conformances
2. There were 6 system weakness opportunities
3. There were 3 opportunity for improvement recommendations

Recommendation:

The Algonquin Forestry Authority is recommended for initial registration to the CSA Z809: 2002 standard.

SECTION 2 - INTRODUCTION TO CAN/CSA Z809-2002

The Canadian Standards Association (CSA) developed Canada's National Standard on Sustainable Forest Management CAN/CSA Z809, in response to heightened awareness about forest management practices. The Standard was developed by a SFM Technical Committee in an open and inclusive process managed by CSA. The SFM Technical Committee is required to review the Standard periodically to ensure it incorporates knowledge gained through time and implementation. As the first edition of the Standard was published in 1996, the committee has published a revised version in 2002. The Standards Council of Canada (SCC) accredits CSA to write standards and approves them as National Standards.

Sustainable Forest Management (SFM) refers to the way a defined forest area is managed to maintain and enhance the long-term health of forest ecosystems for current and future generations. This Standard, which utilizes a continual improvement approach, requires public participation, practical demonstration of sustainable forest management practices, and a management commitment to a management system. SFM takes into account environmental, social and economic factors.

Public Participation - The CSA Standard requires organizations to seek comprehensive and continuing public participation, including a special effort for Aboriginal Peoples, at the local community level for each defined forest areas. The public identifies forest values of specific importance to their environmental, social and economic concerns and needs. The public also takes part with the organization to identify and select SFM goals, indicators and objectives to ensure these values are addressed.

Performance - By following a SFM plan that incorporates the values, goals, indicators and objectives, identified by the public process, which can be traced back to the Canadian Council of Forest Ministers (CCFM) set of



Management Systems Registration

Sustainable Forest Management Criteria, together with other legal requirements, performance can be demonstrated on the ground.

Systems and Continual Improvement- The CSA Standard has system requirements, which are consistent with the internationally recognized ISO14001 Environmental Management System Standard. The system follows the concept of “plan – do – check – act”. The system framework helps an organization implement, track and monitor their progress towards meeting the economic, social and ecological performance objectives for the defined forest area. The Standard uses adaptive management procedures with recognize that SFM is a dynamic process that must incorporate new knowledge acquired through time, experience and research. The Standard requires there be an annual report on the indicator objectives with an annual review of the system and performance in the forest to identify areas for continual improvement.

Third Party Independent Audits - To become certified to the Standard is strictly voluntary but the organization must go through a third party independent audit of the SFM Requirements in the Standard. The audit is conducted by a Registrar accredited by the Standards Council of Canada. In addition the individual auditors employed or contracted by the Registrar have the requisite forestry expertise and are certified as environmental management systems auditors by the Canadian Environmental Auditing Association.

SECTION 3 - DESCRIPTION OF THE DEFINED FOREST AREA (DFA):

Geographic Locations, Forest Types, Size, Legal Tenure and DFA Description:

The Algonquin Park forest is the northern-most forest management unit in the Ministry of Natural Resources southern region for their administrative purposes in Ontario, Canada. The forest contains two basic forest complexes - tolerant hardwoods and hemlock that primarily occupy the Precambrian Uplands on the west, and white/ red pine, poplar and white birch found mainly in the eastern Ottawa Lowlands.

Area of DFA: 680,293 hectares – total forested area

Legal Tenure / Licence Description: The entire Algonquin Park forest constitutes the Defined Forest Area (DFA). Forest management activities occur only within the Recreation and Utilization Zone (R/U zone) of the Park as defined in the Algonquin Provincial Park Management Plan.

SECTION 4 - ORGANIZATION:

Description of the DFA Workforce: AFA has 23 permanent employees and approximately 10 seasonal staff. There are approximately 420 people involved in forestry operations in the Algonquin Park forest, most as contractors working directly for AFA.

Management Objectives and Responsibilities on the DFA: AFA's objective is to ensure the long-term health of Algonquin Park's forest while producing a sustainable supply of forest products for the forest industry of the region. AFA is responsible for forest planning, harvesting, distribution of wood products, renewal and tending.



Volume and Species Harvested 2006/2007:

Conifer = 214,288
 Hardwood = 378,221
 Total = 592,509 m³

AAC Determination Process: Allowable harvest levels are determined through the Ontario government's approved Forest Management Plan for the Algonquin Park forest. The computer model used for this calculation is the Strategic Forest Management Model.

Products Produced and Mills Associated with the DFA Timber:

The Algonquin Park forest supplies 13 mills with regular volumes & another 5-10 smaller mills with surplus volumes. Products include sawlog material (42%), pulp quality material (57%) and specialty products (veneer/poles 1%)

First Nations Consultation Process:

First Nations are consulted throughout the development and implementation of the Forest Management Plan for the Algonquin Park forest. First Nations are either involved through regular public consultation opportunities or through a customized process defined by the community. First Nation members are actively involved with the forest management planning team, the local citizens committee and the forest certification advisory group.

SECTION 5 - AUDIT FINDINGS:

Scope #	Scope Description
1	The sustainable forest management system as it applies to the defined forest area, which includes the entire Algonquin Park forest.

Audit Criteria:

To evaluate the suitability, adequacy and effectiveness of the organization's Management System in meeting the requirements of the CSA Z809: 2002 standard and the organization's Management System Documentation, for the declared scope of registration.

Audit Coverage

The audit activities covered all of the organizational and activities as identified in the Audit Plan. The audit methodology included interviews of 41 operators, 5 contactor supervisors, and 8 AFA staff. The audit evaluated performance in the following forestry processes:

- Road construction
- Road maintenance
- Feller bunchers
- Conventional cutting
- Skidding



- Forwarding
- Graders
- Sand trucks
- Service trucks
- Merchandizing yards
- Bridge construction
- Temporary bridges

Description of QMI and the QMI Audit Team:

Quality Management Institute (QMI) is a third party management system certification Registrar. QMI is a Division of the CSA Group. Established in 1984, QMI has worked with thousands of organizations in North America and around the world, issuing registration certificates to those that meet international and national management system standards.

The QMI Sustainable Forest Management audit team members bring with them considerable experience in the area of sustainable forest management and environmental management systems auditing. Audit teams are comprised of certified auditors and registered professional foresters. All audit team members are subject to strict confidentiality and conflict of interest agreements.

The following personnel conducted this audit:

Audit Team

<u>Position</u>	<u>Name</u>
Team Leader	Martin Litchfield RPF
Team Member	Bruce Ferguson RPF

Type of Audit:	Initial Registration		
Audit Dates:	December 10, 2007	to	December 14, 2007
Duration of Audit:	Persons: 2		Days: 2

Audit Coverage:

Operations Visited during the field audit include:

1. Tom Fisher block
2. Dombroski block
3. Jessup block
4. Pembroke processing yard
5. Madawaska processing yard
6. Achray garage
7. Robinson block
8. Visneskie block
9. Makwa block



Personnel interviewed in the field:

- 41 operators
- 5 contract supervisors
- 8 AFA staff

Members of the public participation process interviewed:

1. Barry Bridgeford
2. Paul Stephen
3. Dave Euler
4. John Doering
5. Don Spring
6. John Winter
7. Mike Wilton

In addition, 4 members of the Public Advisory Committee attended the closing meeting of the audit where the audit findings and recommendations were reviewed and discussed.

Provincial Government personnel interviewed:

- John Winters Algonquin Park Superintendent
- Darrell Reynolds MNR compliance specialist

Summary:

The findings were discussed with AFA staff. The Audit Team Leader commenced the closing meeting by thanking the ALGONQUIN FORESTRY AUTHORITY (AFA) staff and the Public Advisory Committee for the cooperation and courtesy extended to the audit team during the audit.

In addition, the Audit Team Leader detailed the registration process, the requirements for future surveillance audits, and the re-assessment process.

The official closing meeting was attended by the personnel listed in Attachment #2.

The QMI Audit Team recorded the following audit results:

Documentation Review:

The audit team reviewed the SFM documentation including the interim SFM monitoring, SFM plan, VOIT's and PAC satisfaction summary.

Non-conformances:

NCR No.	Clause No.	Clause Description	Type	Response Due
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There were no non-conformances

Status of any previously recorded non-conformances (NCRs)

No previously recorded or outstanding NCRs.

Significant Issues:

The SFM system is based on the current 2005-2010 approved Forest Management Plan. A new plan is being prepared for the 2010-2020 period. This new plan will incorporate any new land use or forest management strategies directed by the Ontario government. At that time, the VOIT's may be reviewed and revised for applicability.

Positive Aspects of the Management System:

1. The design and installation of water crossings to minimize pollution and protect water quality and fisheries values.
2. The involvement and commitment of the Public Advisory Committee.
3. The design and strategic location of skid trails to minimize damage.
4. The pride and commitment of harvesting contractors/employees in improving the Algonquin Park forest.
5. The innovative development of the feller-buncher, processor and forwarder combination in the Robinson operations to minimize the impact on the environment.

Effectiveness of the Internal Quality Audit System:

The annual audit was performed according to the procedure in verifying the effectiveness of the management system. The internal audit was conducted by Craig Howard of Bioforest Technologies during the period of October 22-26, 2007.

Opportunities for Improvement:

Recommendations:

- 7.4.4 Documentation

Consider greater integration of the CSA requirements and terminology into the EMS MSP's.

- 7.3.6 Setting DFA Specific Performance Requirements

Consider documenting an explanation for benchmarks that fall below the 100% compliance target (ie..impact on meeting the objective).



- 7.4.6 Operational Control

Consider reviewing the operational controls for machine maintenance to ensure that equipment is properly maintained and repairs are not causing the disposition of waste fluids onto the ground.

System Weakness:

- 7.3.4 Rights and Regulations

Review the compliance with the CFSA small top utilization regulation.

- 7.4.2 Training, Awareness, Qualifications and Knowledge

Review the implementation of the procedure to ensure training and training records are completed for all DFA workers as per MSP 4.4.2.

- 7.4.4 Documentation

Review and revise the integration of the ISO and CSA documentation to address the requirements of both standards.

- 7.4.5 Document Control

Review the implementation of the procedure to ensure that obsolete documents (MSDS, SOP's, old ERP stickers) are not being used.

- 7.5.1 Monitoring and Measurement

Review the development and implementation of the FOIP monitoring reports to ensure consistency in reporting between AFA and MNR.

- 7.5.1 Monitoring and Measurement

Review the monitoring of fuel management (tank certification, WHMIS, TDG) and compressed gas controls to ensure prevention of pollution and conformance with legal requirements.



Please note that these Opportunities for Improvement will be reviewed as part of the preparation for the next audit.

SECTION 6 - GENERAL ASSESSMENT AND RECOMMENDATION:

Based on the review of the organization's SFM program, and the audit results, the following recommendation is made:

Registration :

The results of this Registration Audit indicate that the Management System of ALGONQUIN FORESTRY AUTHORITY (AFA) is suitable and effective, and will be recommended for registration to the CAN/CSA-Z809-2002

An effective inter-action exists between all elements of the management system;
The entire management system is effective in light of any changes
Top management has demonstrated a commitment to maintain the effectiveness of the system

Next Scheduled Audit: December 09, 2008

Date(s): December 09, 2008 to December 10, 2008

Type of Audit: 12 Month Surveillance Audit

No. of Persons: 2

No. of Audit Days Required: 4

A handwritten signature in black ink, appearing to read 'Martin Litchfield', is written across the page.

Martin Litchfield RPF
QMI Team Leader

Date: 12/19/2007