

Project No. 012115-08

February 27, 2014

Mr. Gordon Cumming
Algonquin Forestry Authority (AFA)
222 Main Street W.
Huntsville, Ontario
CAN, P1H 1Y1

SUBJECT: REGISTRATION PROGRAM

Dear Mr. Cumming,

Please find attached the Audit Report raised as a result of our 12 Month Surveillance Audit of your management system to the CAN/CSA - Z809-2008 standard conducted in your Huntsville facility on November 21, 2013.

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

Best regards,
SAI Global

Rod Seabrook

Team Leader
Encls.

SAI GLOBAL Confidential

SUSTAINABLE FOREST MANAGEMENT SYSTEM

CAN/CSA-Z809-2008

Auditee: Algonquin Forestry Authority (AFA)
Address: 222 Main Street W. Huntsville Ontario
CAN P1H 1Y1

Contact: Mr. Gordon Cumming
Date(s) of Audit: November 21, 2013 to November 22, 2013
Total Number of Audit Days: 4
Audit Team Leader: Rod Seabrook
Type of Audit: 12 Month Surveillance Audit
Audit Frequency: 12 Months
SIC / NACE Code: 0851 A02.0

REPORT CONTENTS

1. Executive Summary
- 2.. Description of the Defined Forest Area (DFA)
3. Organization
4. Audit Findings
5. General Assessment and Recommendation

REPORT DISTRIBUTION

Algonquin Forestry Authority (AFA)
SAI GLOBAL File
Rod Seabrook

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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 Provincial Park Forest.

Site:

Algonquin Forestry Authority (AFA)
222 Main Street W.
Huntsville
Ontario
CAN, P1H 1Y1

Summary of Audit Findings:

A 12 month surveillance audit was conducted on November 21-22, 2013 on the Algonquin Forestry Authority's Algonquin Park Forest sustainable forest management system. Zero nonconformances, four Areas of Concern and three Opportunities for Improvement were identified. The audit team found that the Algonquin Forestry Authority's SMF system generally conforms to the requirements of CAN/CSA Z809-2008 and adheres to the company's requirements. Nine positive attributes of the management system were also noted.

Recommendations:

The results of the Surveillance Audit indicate that the Management System of Algonquin Forestry Authority (AFA) is suitable and effective and will continue to be recommended for registration to CAN/CSA-Z809-2008.

SECTION 2 - DESCRIPTION OF THE DEFINED FOREST AREA (DFA):

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

Area of DFA: 680,749 ha

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.

Volume and Species Harvested:

Algonquin Park Forest	
Tree Species	Percentage of DFA Area
Pwr	17%
SPF	10%
TOL	49%
INT	8%
OC	8%
MXWD	9%
Total	100 %

Algonquin Park Forest (2011-12)	
	Volume Harvested (m3)
Softwood	120,492
Hardwoods	217,373

SECTION 3 - ORGANIZATION:

Description of the DFA Workforce: The AFA has 23 permanent employees and approximately 10 seasonal staff. There are approximately 300 people involved in forestry operations in the Algonquin Park forest, most as contractors working directly for the AFA

Management Objectives and Responsibilities on the DFA: Forestry on Crown lands in Ontario is governed by the requirements of the Crown Forest Sustainability Act (1994). The purpose of the Act is ‘to provide for the Sustainability of Crown forests and, in accordance with that objective, to manage Crown forests to meet social, economic and environmental needs of present and future generations.’

The AFA sets management objectives consistent with the requirements of the CFSA during forest management planning. The four key objectives set within the plan cover biodiversity, forest cover, social and economic requirements, and silviculture. Further objectives are set within the sustainable forest management plan developed by the AFA for Algonquin Park. They cover the six criteria required by CAN/CSA Z808-08.

The AFA is responsible for planning and implementation of the forest management plan, while Ontario Parks is responsible for approval and oversight of the AFA's activities.

Aboriginals 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. There are no identified Metis interests in the Algonquin Park Forest.

The AFA Sustainable Forest Management Policy contains a commitment to working co-operatively with local Aboriginal communities to identify and implement ways of achieving a more equal participation by Aboriginal communities in the benefits provided through forest management planning in Algonquin Park. Throughout the development of the 2012 SFM Plan the AFA held discussions with Algonquin communities. Aboriginal VOITs were revised in response to Algonquin concerns and updates were made to socio-economic targets. Negotiations between the Algonquins and the Crown are ongoing with respect to an Aboriginal land claim that affects a major portion of the DFA. The AFA has stated that it is committed to monitoring the progress of the land claim and willingness to recognize associated treaty rights once finalized and where possible, contribute to any economic benefits.

Telephone interviews were held with representatives of four of ten Algonquin communities with interests in the Algonquin Park Forest as part of the audit process. Individual Algonquin Negotiation Representatives (ANRs) spoke on behalf of their respective communities (Algonquins of Pikwàkanagàn First Nation and the Algonquin communities of Bonnechere, Kijicho Manito Madaouskarini (Bancroft), and Whitney and Area). Interviewees expressed that the Algonquin Forestry Authority has been open, supportive and respectful in their dealings with the Algonquin communities.

Following the telephone interviews, the Algonquins of Ontario (AOO) provided a written summary of the input and perspectives, including what they described as eight common themes, which are presented below.

1. There continues to be a significant disconnect between the aspirations of the Algonquins to be partners in the forest industry and actual opportunities to participate in a truly meaningful manner.
2. The AOO need to be fully engaged in various operational matters, including the construction of roads and decommissioning of roads when operations are complete.
3. The current suite of objectives/indicators, desirable levels and targets associated with Aboriginal Involvement within the Forest Management Plan does not provide a fulsome enough picture of the level of engagement within the forest industry, particularly with regards to economic opportunities.
4. Efforts should be made to include specific socio-economic objectives that speak to increasing Algonquin participation in, and benefits from the forestry sector. Associated with these objectives should be measurable indicators, desirable levels and targets that allow the auditing process to more effectively track progress towards achieving such objectives.

5. Establishing a more comprehensive suite of indicators, desirable levels and targets will allow a more complete and accurate representation as to Algonquin participation in, and benefits from the forestry sector. This approach will also facilitate the development of more focused action plans in order to meet the desirable levels and targets. (A list of eight potential indicators was provided)
6. The External Forestry Working Group (involving the Sustainable Forest License (SFL) holders within the Algonquin Settlement Area) is an excellent forum that has strengthened relationships and created a trust that was not there previously. It also serves to forge a better understanding of the challenges and opportunities facing both the SFLs and the AOO. Through this forum we have already begun working together to address forestry matters related to the Algonquin treaty negotiations as well as to collaboratively develop economic opportunities to regards to access etc. but we are working in the right direction. The AOO look forward to more active engagement of the Algonquin Forestry Authority and Algonquin Park in this initiative.
7. The AOO are also looking not only for further opportunities for training and employment within the forest industry, but also allocations in order to become a full player/partner in the industry, itself.
8. As it relates to the protection of values, when there is a known value or one that has been encountered they appear to be protected. However sufficient financial resources must be provided to properly conduct comprehensive Native Values inventories. In many cases these inventories are either incomplete or have not yet been conducted. The AOO must be involved in the compilation of this information.

It should be noted that there are several mechanisms in place to address Aboriginal involvement in forestry in Algonquin Park, beyond the CSA certification process. These include the provincial Forest Management Planning process, funding by the Crown for the collection of Native Values inventories and the External Forestry Working Group identified above.

SECTION 4 - AUDIT FINDINGS:

Scope #	Registration Scope Description
1	The Sustainable Forest Management System as it applies to the defined forest area which includes the entire Algonquin Provincial Park Forest.

Audit Objective:

Stage 2 – 12 Month Surveillance

To confirm the management system complies with the applicable elements of the Standard; to confirm the organization complies with its own policies and procedures; to confirm the management system is suitable for the organization; to confirm that the management system is suitable and effective, and enables the client to achieve its own objectives.

Audit Criteria: CSA Z809:2008

Audit Scope: Facilities/organizational units/functional units audited are located in Southern Ontario. The AFA's main office is located at 222 Main Street W. Huntsville, Ontario. The DFA is known as the Algonquin Park Forest.

Description of SAI Global and the SAI Global Audit Team:

SAI Global is a third party management system certification Registrar. Established in 1984, SAI Global 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 SAI Global 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	Rod Seabrook, EP(EMSLA), R.P.F. Assoc.
Team Member	Martin Litchfield, R.P.F., EP(EMSLA)

Audit Coverage:

Noted Deviations from the Audit Plan: Interviews with First Nation community representatives could not be arranged during the on-site portion of the audit. The lead auditor spoke with the Communications Co-ordinator for the Algonquins of Ontario and agreed to extend the opportunity for input by FN communities to December 21, 2013.

Operations / Cut-Blocks Visited during the field audit include:

Algonquin Park Forest	
Block / Road Number / Name	Type of Operation Observed
Block 152-1, 147-1, 138-4, 138-1, 125-1, 123-0, 320-7	Access, harvest, skidding, topping, tree marking, temporary bridge installation
Block 327-1	Suspended harvest operation
Shirley Rd. km 44	Mechanical site preparation
Sunday Lake Rd., Bonnechere Rd.	Portable bridge installations

Personnel (i.e. Staff/contractors) interviewed:

- General Manager
- Chief Forester
- Monitoring and Measurement Supervisor
- EMS clerk
- Area Manager
- AFA supervisors (3)
- AFA Manager of operations
- AFA tree marker
- Contractor supervisor (2)

Grapple skidder operators (2)
 Line skidder operator
 Feller buncher operator (2)

Aboriginal People interviewed: Letters were sent to none Algonquin communities in the area. Interviews with community representatives could not be arranged during the on-site portion of the audit. The lead auditor spoke with the Communications Co-ordinator for the Algonquins of Ontario and agreed to extend the opportunity for input by FN communities to December 21, 2013.

VOITs verified (field & office)

Indicator	Description	Field and/or Office	Improvement
1.1.1.1.1	Ecosite area (hectares) over time	O	No annual update
1.1.1.1.2	Old age classes red and white pine	O	Target met Progress documented as 28% in 2009-10 AR Table AR-14 – no update in 2011-12
1.1.1.1.3	Hemlock presence	O	This indicator has been removed from the 2012 SFM Plan as provincial and local summaries both indicate hemlock levels are not declining, and it is already covered in the other ecosystem diversity VOITs in element 1.1.
1.1.1.2.1	Range of disturbance patch sizes within the BNV	O	Progress being made, last update was for 2010-20 FMP
1.2.1.1.1	Area of habitat for forest-dependent provincially and locally featured species	O	5 year VOIT - Met as previously reported in the 2009-10 AR
1.2.1.1.2	Critical habitat for forest-dependent Species at Risk (SAR)	O/F	Target Met - No reports of non-compliance with AOC prescriptions for SAR in 2011-12
1.2.1.2.1	Riparian buffers	O/F	Target not met –FOIP report documenting non-conformance for a minor incursion into AOC
1.2.2.1.1	Status of red spruce as documented in tree marking records, Silvicultural Effectiveness Monitoring (SEM) records and the use of local knowledge	O	Target met - Map current on Sep 17, 2012; Planting in blocks 22P11008, 22P11012 on Lake Travers Road near Edgar Lake
1.2.2.2.1	Hemlock regeneration and recruitment status	O	Target met - Lakehead University student thesis study of hemlock regeneration in the Park was produced – it found that hemlock has recovered in the study plots established in 1992

Indicator	Description	Field and/or Office	Improvement
1.3.1.1.1	Application of tree marking guidelines	O/F	Target met - Tree marking inspections demonstrated 100% compliance with prescriptions
1.3.1.1.2	Proportion of seed used in artificial renewal derived from appropriate seed zone	O	Target met - 100% of seed used was from appropriate local sources – record is 2011-12 Table AR-3 which states all seed collected was from Seed Zone 29 which covers Algonquin Park Forest
1.4.1.1.1	Identification and protection of zone boundaries	O/F	Target was not met due to one infraction in 2011-12 – Corrective action included presentation on boundary line identification and protection put on by AFA at the April 6, 2012 Contractor meeting
2.1.1.1.1	Area successfully regenerated	O/F	Target was not met under the evaluation criteria of the day, but the target is met under the variances permitted under the 2012 SFM Plan
2.2.1.1.1	Crown Managed Production Forest Area		Crown Managed Production Forest Area is no longer being used under this criteria in the 2012 SFM Plan.
3.1.1.1.1	Rate of compliance for soil conservation with the AFA site impact guidelines	O/F	Target met – No FOIP reports indicate site impact guidelines were exceeded. Field inspection of Block 3271 confirmed moving of harvest to other locations in wet weather conditions
3.2.1.1.1	Proportion of water crossings that are properly installed and removed	O/F	Target met - Verified no non-compliances in the 47 water crossing FOIP inspections
3.2.1.1.2	Compliance with prescriptions developed for the protection of water quality and fish habitat	O/F	Target met - 100% compliance Verified no non-compliances in the 110 FOIP reports
3.2.1.1.3	Number of spills that enter waterbodies	O/F	Agree with 100% compliance Inspected spill report Verified no spills entering water bodies
3.2.1.1.1	Rate of compliance for soil conservation with the AFA site impact guidelines	O/F	Target met - Agree with 100% compliance - Field inspection of Block 3271 confirmed moving of harvest to other locations in wet weather conditions
3.2.1.2.1	Impacts of aggregate pits on water quality and quantity, as	O/F	Target Met - Agree with compliance evaluation

Indicator	Description	Field and/or Office	Improvement
	measured in established monitoring wells		Reviewed aggregate protocol identified in the FMP section 6.2.10 This VOIT is not in the new 2012 VOIT matrix
5.3.2.1.1	Percentage of total volume harvested by Algonquin Aboriginal organizations/people.	O/F	2011-2012 = 16.7% Target met – above benchmark of 12.2% - viewed Makwa operations during audit
5.3.2.1.2	Percentage of tree marking by Algonquin Aboriginal organizations/people	O	Target not met. 2011-2012 = 15.6% Increase over last year, however, the reduced harvest due to the slowing economy meant further reduction in the area required to be tree marked. This indicator has been broadened in the new 2012 SFM Plan to include all silviculture completed by Algonquins
5.3.2.1.3	Provide Algonquin Aboriginal organizations/people fair sharing of economic opportunities/silvicultural activities when available	O	Value of all work to Aboriginal contractors for 2011-2012 was \$2.7 million. This VOIT has been revised slightly in the 2012 SFM Plan to track Algonquin contractors in comparison to total direct program costs, with a target of 19% set.
5.3.2.2.1	Increased participation (for Aboriginal peoples)	O	Work is ongoing on a preliminary draft Agreement-in-Principle which was made public in 2012, with consultation proceeding in 2013.
6.1.1.1.1	Respect and allow for Aboriginal treaty rights during management of forest resources/harvesting within the DFA	O	Target met - There were 0 non-compliance issues from the 33 FOIP reports where cultural heritage sites or high potential heritage values were identified within active operating units.
6.2.1.1.1	Opportunities for involvement provided to, and involvement of, Aboriginal communities in forest management planning activities	O	Target met - Six Forest Certification Advisory Group meetings were held throughout 2012 during the development of the 2012 CSA Sustainable Forest Management Plan. These meeting were well attended by representatives from the interested Algonquin

Indicator	Description	Field and/or Office	Improvement
			<p>communities. The advisory group consists of 22 members in total, 9 of which are Algonquins of Ontario representatives.</p> <p>Also, an AWS letter is sent out annually to all Algonquin communities advising them of current harvest and access planning, and EA condition 34 employment opportunities.</p>

Review of Changes:

The area of the Algonquin Park Forest available for harvesting was reduced under the “Lightening the Footprint” planning process. A total of 96,089 ha (12.6% of total park area) was added to protection zoning as either Natural Environment, Nature Reserve, Wilderness, or Historical zones.

Summary:

The findings were discussed with Mr. Gordon Cumming. The Audit Team Leader commenced the closing meeting by thanking the Algonquin Forestry Authority (AFA) staff 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 SAI Global Audit Team recorded the following audit results:

Documentation Review:

The audit team reviewed the SFM documentation (2011-12 SFM monitoring report and SFM plan) and found it to be complete and in accordance with the Standard.

Status of any previously recorded non-conformances (NCRs)

No previously recorded or outstanding NCRs.

Positive Aspects of the Management System:

- The AFA prioritized harvest plan to salvage the 2013 blowdown
- The awareness and implementation of the wood turtle protection requirements

- The development of the suite of water crossing options, including skidding bridges, temporary bridges, permanent bridges, arch culvert, regular culverts and cross-drainage pipes
- Attention to minimizing disturbance and potential for sedimentation on water crossing installations
- Excellent coverage and minimal residual damage in mechanical SIP at Km 44 on Shirley Lake Rd.
- Decision to shut down harvest in Bk 3271 to prevent excessive site disturbance
- Strip layout practices conducted to avoid seeps and minimize site disturbance
- Internal audit report is comprehensive and well written
- Comprehensive management review and detailed management review minutes

Non-conformances:

No instances of Non Conformity were encountered during the course of this audit.

Opportunities for Improvement (OFI):

- 4.4.2/7.4.2: Consider reviewing the training requirements associated with compressed gas cylinders (secured and upright)
- 4.4.6/7.4.6: Consider installing plates or covers over the lug openings in the temporary bridges to prevent gravel from entering waterways
- 4.5.2: Consider modifying procedure 4.5.2 (Evaluation of Compliance) to reflect that the FOIP compliance summary is identified in AR 6, rather than AR 12

Areas of Concern (AOC):

- 4.4.7/7.4.7: The contents of the spill kits do not consistently comply with the AFA content specifications
- 4.4.5/7.4.5: Review the currency of the paper copies of the procedures provided to contractors
- 4.4.2/7.4.2: The audit could not find any records that the temporary replacement supervisor has received the required training on the operational SOP's
- 4.4.6/7.4.6: Review the commitments and practices regarding the prevention of pollution associated with oil leaks

Please note that the Areas of Concern will be reviewed as part of the preparation for the next audit.

SECTION 5 - GENERAL ASSESSMENT AND RECOMMENDATION:

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

Surveillance Audit:

The results of the Surveillance Audit indicate that the Management System of Algonquin Forestry Authority (AFA) is suitable and effective and will continue to be recommended for registration to CAN/CSA-Z809-2008.

Next Scheduled Audit: November 17, 2014

Date(s): November 17, 2014 to November 18, 2014

Type of Audit: 24 Month Surveillance Audit

No. of Persons: 2 **No. of Audit Days Required:** 4

Rod Seabrook
SAI Global
Team Leader

Date: 02/27/2014