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FM-06 January 2009



**Rainforest
Alliance**

SmartWood Program

Forest Management
2010 Annual audit
Report for:

**Downeast Lakes Land
Trust**
In
Grand Lake Stream, ME USA

Report Finalized: February 15, 2011
Audit Dates: October 7th and 8th,
Audit Team: Ross Congo
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Certificate code(s): SW-FM/COC-002682
Certificate issued: October 16, 2007

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Standard Conversions

1 mbf = 5.1 m³
1 cord = 2.55 m³
1 gallon (US) = 3.78541 liters

1 inch = 2.54 cm
1 foot = 0.3048 m
1 yard = 0.9144 m
1 mile = 1.60934 km
1 acre = 0.404687 hectares

1 pound = 0.4536 kg
1 US ton = 907.185 kg
1 UK ton = 1016.047 kg

1. INTRODUCTION

The purpose of this report is to document annual audit conformance of Downeast Lakes Land Trust (DLLT), hereafter referred to as Forest Management Enterprise (FME). 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 which 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:	Open CARs from the 2009 audit were closed based on evidence provided to the auditor at the 2010 audit and interviews of staff to ensure that procedures had been followed since the 2009 audit. Two minor CARs were issued at the 2010 site visit.
Issues identified as controversial or hard to evaluate.	

2.2. Changes in the forest management of the FME and the associated effects on conformance with the standard.

DLLT has added an additional 6628 acre "Wabassus Lake Tract" property to their certificate scope. The property is contiguous to and is incorporated into the existing FMU with this audit. DLLT contracts forest management services with Orion Timberlands. The Orion Timberlands forester with primary responsibility for DLLT changed during the past audit period.

2.3. Stakeholder issues

No stakeholder issues were brought to SmartWood’s attention during the audit period or identified during this audit.

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 status 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:

Status Categories	Explanation
Closed	Operation has successfully met the CAR.
Open	Operation has either <u>not met</u> or has <u>partially met</u> the CAR.

Check if N/A (there are no open CARs to review)

CAR 01/09	Reference to Standard: Criteria and indicator: COC 1.3	
Non-conformance	While DLLT has procedures in place for controlling the Chain of Custody for certified products originating from the scope of the FM certificate these procedures have not been documented.	
Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>	
Corrective Action Request: DLLT shall document Chain of Custody control procedures per the requirements of <i>FM-35 SmartWood Chain of Custody standard for Forest Management Enterprises</i> .		
Timeline for conformance:	Prior to next annual audit	
Evidence to close CAR:	DLLT documented their procedures covering certified products originating from the scope of this certificate during the last audit period and provided this to the auditor during the site visit. The FME has clearly defined their forest gate as the stump and documented and implemented procedures to ensure that FSC certified materials include the correct FSC certified claim and certificate code.	
CAR Status:	CLOSED	
Follow-up Actions (if app.):		

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

CAR 01/10	Reference to Standard: NE Regional Std v9-0 7.3 and FSC-US Forest Management Standard (v1.0): 7.3.a
Non-conformance	The DLLT FMP clearly indicates that field staff training to identify RTE

Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>	plants and species on the ground will occur so that any additional areas of concern found can be mapped. RTE plants had been identified within the management plan as potentially occurring and field staff had not been trained how to identify these plant species upon areas where they are indicated to potentially occur so that additional mapping could take place.
Corrective Action Request: DLLT shall ensure all forest workers receive adequate training and supervision to ensure proper implementation of the management plan.		
Timeline for conformance:		Prior to next annual audit
Evidence to close CAR:		Pending
CAR Status:		OPEN
Follow-up Actions (if app.):		

CAR 02/10	Reference to Standard: NE Regional Std v9-0: 9.4 & FSC-US Forest Management Standard (v1.0): 9.4.a	
Non-conformance	DLLT has procedures to monitor HCVF stands if management is occurring that would impact them or on an as needed basis. In 2007, DLLT conducted a selection harvest along a mapped buffer for an SMA. The harvest was consistent with the FMP for the SMA and long term management objectives. Because the SMA occurs on a very steep slope with shallow soils, during the audit concerns regarding the windfirmness of this stand were brought up as indicating a specific risk to the HCVF characteristics of the stand. Formal monitoring of this SMA to ensure that management activities nearby had not adversely impacted the HCV attributes had not taken place in the 3 years since the area was harvested and the FMP denotes that monitoring will occur if activity near one of these SMA's occurs. Other HCVF monitoring has occurred as planned and this appears to be an anomaly. Therefore, a minor CAR, rather than a major CAR, has been issued.	
Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>	
Corrective Action Request: DLLT shall conduct monitoring to assess the effectiveness of the measures employed to maintain and enhance the applicable conservation attributes.		
Timeline for conformance:		Prior to the next annual audit
Evidence to close CAR:		Pending
CAR Status:		OPEN
Follow-up Actions (if app.):		

2.6. 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).

No new OBS have been issued as a result of this audit.

3. AUDIT PROCESS

3.1. Auditors and qualifications:

Auditor Name	Gabriel Bolton	Auditor role	Lead Auditor/Trainer
Qualifications:	<i>SmartWood Certification Quality Manager, Forester.</i> Education: Bachelor's of Science in Forestry from the University of Vermont (1996). Experience: Fourteen years of experience working as a forester in the Northeastern US with nine years of experience related to forest certification. Worked for four years as an inventory forester and 6 years as an operations forester for a private forest management company and has been with SmartWood since 2006. Serves as SmartWood's global technical expert on forest management certification, has participated in 19 CoC and 20 FM audits and assessments in addition to completing SmartWood CoC and FM Lead Assessor Training.		
Auditor Name	Ross Congo	Auditor role	Forester/Auditor
Qualifications:	Ross W. Congo is a Society of American Foresters Certified Forester #3956. He is licensed as a forester in both Maine #3514 and New Hampshire #415. He received a B.S. in Forest Management in 2005 from the University of Maine, Orono. Ross has four years experience as a Forester in the private sector working as a land manager. Currently Ross works in a salaried position at SmartWood as a CoC Associate. Ross is a SmartWood Trademark Agent, has been audit trained, and audited over 45 organizations since being hired. Ross has met Senior Auditor status for CoC audits and has been trained for Forest Management Auditing.		

3.2. Audit schedule

Date	Location /Main sites	Principal Activities
October 7 th , 2010	DLLT Offices in Grand Lake Stream, Maine	Opening meeting, evaluation of the open CAR, document review and planning field sites to be inspected.
October 7 th , 2010	Farm Cove Community Forest and Wabassus Tract	Field Visits including completed and active harvest sites, road maintenance projects and wildlife improvement projects.
October 8 th , 2010	Farm Cove Community Forest and Wabassus Tract	Field visits including completed and active harvest sites and road maintenance projects.
October 8 th , 2010	DLLT Offices in Grand Lake Stream, Maine	Audit team meeting and closing meeting.

Total number of person days used for the audit:4
 = number of auditors participating 2 X number of days spent in preparation, on site and post site visit follow-up including stakeholder consultation 2

3.3. Sampling methodology:

The audit focused on continued conformance with the FSC standards, inspection of the recently acquired Wabassus Lake tract that was added to the scope of the DLLT certificate during this audit, review of the Forest Management Plan addendum for the Wabassus Lake tract that was finalized since the last audit and review of the one open CAR issued during the

previous audit. The audit began in the morning of October 7, 2010 at the offices of Downeast Lakes Land Trust in Grand Lake Stream, Maine. During the meeting, management activities since last audit were discussed as well as progress toward meeting the outstanding CAR. Appropriate documentation was reviewed and additional documentation was requested. Sites were visited throughout the afternoon and the following morning with the goal of seeing current and past management activities on DLLT's property. Documentation pertaining to these activities was reviewed prior to, during and after the site visits. The evidence to address the open CAR issued during DLLT's 2009 audit was discussed during the opening meeting and this CAR was closed based on documentation provided and audit observations. Two new minor CARs were issued as a result of this audit.

3.4. Stakeholder consultation process

A few stakeholders were contacted to verify conformance to the standard.

Stakeholder type (i.e. NGO, government, local inhabitant etc.)	Stakeholders consulted or providing input (#)
Local	1
Community Members	1
Staff	3

3.5. Changes to Certification Standards

Forest stewardship standard used in audit:	FSC US Northeast Standard version 9.0
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:	DLLT will be evaluated against the new FSC-US Forest Management Standard (v1.0) during their 2011 annual audit. A crosswalk tool has been created to highlight the differences in this standard.
Implications for FME:	Not applicable - no new requirements