

# **ACCREDITATION SERVICES INTERNATIONAL GmbH**

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## **FSC Surveillance Forest Management Audit of ICILA**

**Forest Management Audit to  
Teteriv development-production state forestry (ICILA-FM/COC-1006),  
and  
Belocorovichi state forestry (renewal audit)  
in Ukraine**

**Date of audit: June 5 to 9, 2006**

(Public Summary)

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November 2006**

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## 1 General information

### 1.1 The forest enterprise audited by ICILA

<b>Name</b>	Teteriv development - production state forestry (ICILA-FM/COC-1006) Belcorovichi state forestry (renewal audit after suspension in 2005)
<b>Country</b>	Ukraine

### 1.2 ASI Audit Details

<b>Date of audit</b>	June 5 to 9, 2006
<b>Purpose of audit</b>	<p>ASI surveillance forest management audit</p> <p>The objectives of this forest management surveillance audit were:</p> <ol style="list-style-type: none"> <li>1. Evaluation of certification body's performance in implementing their documented accredited certification system in accordance with FSC accreditation requirements.</li> <li>2. Witness a certification body's audit team to determine whether the audit team: <ul style="list-style-type: none"> <li>• adequately applies the procedures and instructions of the certification body;</li> <li>• members exhibit the characteristics of an auditor as detailed in ISO 19011;</li> <li>• has the required expertise for the audit which is being undertaken;</li> <li>• applies appropriate auditing techniques and expertise in evaluating compliance with the certification requirements;</li> <li>• undertakes the audit thoroughly and effectively and draws correct conclusions.</li> </ul> </li> <li>3. Evaluation of the conformity of the certificate holder with FSC and certification body's certification requirements in so far as this is necessary to verify the conclusions of the certification body.</li> <li>4. Evaluation of stakeholder comments or complaints received in relation to this operation.</li> </ol> <p>ASI annual surveillance audits are based on a sample of the valid certificates of the audited CB within the scope of accreditation. The number of audits per year is determined by ASI surveillance policy; sampling is based on the ASI sampling procedure. Due to the nature of the ASI surveillance procedure, the audit evidence is only based on a sample of the information available and therefore there is always an element of uncertainty in the audit findings.</p>
<b>ASI audit team</b>	<p>Guntars Laguns (ASI Accreditation Programme Manager, lead auditor)</p> <p>Pavlo Popovich (ASI local expert)</p> <p>Paolo Tranquillini (ASI Accreditation Programme Manager, auditor in training)</p>

## 2 Stakeholder consultations by ASI audit team

### 2.1 Consultation process

ASI announced the surveillance audit on the FSC electronic fora for FSC National Initiatives, Certification Bodies and FSC members at the end of May 2006.

In addition, a stakeholder consultation process was carried out by the ASI audit team prior and after the field audit. Selected stakeholders who had previously been consulted by ICILA as well other stakeholders were contacted by e-mail and interviewed by phone and private meetings.

A number of comments were received prior the ASI surveillance audit. A summary of the comments received are presented below.

### 2.1 Main concerns expressed by stakeholders

Stakeholder Comments	ASI response
Consultation with stakeholders are weak and not sufficient	ASI audit team raised <b>CAR.ICILA.FM.2006.05.UA</b>
Stakeholders do not know about CB dispute resolution procedure	ASI audit team raised <b>CAR.ICILA.FM.2006.05.UA</b>
Stakeholders have not been contacted by ICILA audit team	ASI audit team raised <b>CAR.ICILA.FM.2006.05.UA</b>
Ecological aspects are not sufficiently considered by FMU during its activities and are not in line with modern requirements of the forest management	ASI audit team raised <b>CAR.ICILA.FM.2006.10.UA</b> <b>CAR.ICILA.FM.2006.13.UA</b>
Absence of monitoring system for nature protection aspects, e.g. protection of rare species	ASI audit team raised <b>CAR.ICILA.FM.2006.12.UA</b> <b>CAR.ICILA.FM.2006.13.UA</b>

## 3 The certified company

### 3.1 Brief description of the company

There were overall four companies (certificates) certified in the Ukraine by ICILA, however one company was suspended in year 2005. Suspended enterprise, Belocorovichi FE, during this audit was audited by ICILA to verify compliance with relevant standards whether certificate can be renewed.

All certified FMU are State Owned Forest Enterprises managing state forests. Enterprises consists of two basic structures – forestry and production units. In production unit are included harvesting and sawmilling activities. Forestry unit is responsible for planning and supervising activities by ensuring compliance with legal requirements.

### 3.2 The certification history

All companies started certification in early 2000, when they established a group which was certified by another accredited certification body. In 2003 all FMUs decided to go for individual single FMU certification and ICILA was selected as the Certification Body.

In end of 2003 ICILA carried out a main assessment for four FMUs, which was followed with two subsequent surveillance visits – June 2004 and April 2005. In the last surveillance the FSC FM/CoC certificate for Belocorovichi FE was suspended.

## 4 Summary of findings

### 4.1 Background

During this ASI surveillance audit of ICILA, the ASI audit team identified a number of non-compliances that have been addressed and fully documented in ASI final surveillance report. All areas of concern related to the interpretation and implementation of FSC certification procedures and requirements were addressed by the Corrective Action Requests (CAR) presented below.

### 4.2 Summary of nonconformities and observations detected in the audit

Major CARs	Minor CARs	Observations
7	6	2

### 4.3 Nonconformities identified in the audit

ICILA shall implement appropriate measures to correct the following nonconformity and to prevent re-occurrence, within the given timeline.

CAR.ICILA.FM.2006.01.UA	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR
Nonconformity	<p>During the audit it appears that's certified companies are missing certification contracts or their status is unclear for management of companies. Also, in case of suspension client was not appropriately informed about the ICILA decision.</p> <p>Also it was not clear how peer review comments were incorporated in certification report.</p> <p>Thus during the audit there was no evidence that ICILA comply with all FSC-STD-20-001 requirements.</p>
Normative Reference	FSC-STD-20-001 parts 7, 18
Timeline	Next office audit

CAR.ICILA.FM.2006.02.UA	<input checked="" type="checkbox"/> MAJOR <input type="checkbox"/> MINOR
Nonconformity	<p>Standard used by ICILA team during this audit does not comply with FSC requirements for evaluation standards to ensure that indicators should refer to a single aspect of performance to be evaluated, shall include elements that contribute to the achievement of the objective of the applicable FSC Criterion, shall specify outcomes or levels (i.e. thresholds) of performance that are measurable during an evaluation.</p> <p>The nonconformity is considered as Major since FSC objective of requirements for evaluation standards is to improve consistency and transparency in certification decisions thereby to enhance the credibility of the FSC certification scheme as a whole.</p>
Normative Reference	FSC-STD-20-002, part 3.7, 3.9, 3.11, 3.12
Timeline	1 month after finalization of this report

<b>CAR.ICILA.FM.2006.03.UA</b>	<input checked="" type="checkbox"/> MAJOR <input type="checkbox"/> MINOR
Nonconformity	<p>Standard adaptation is not appropriate and does not comply with FSC-STD-20-003 requirements. None of consulted stakeholders were aware of ICILA standard adaptation process before certification as well as there are no evidence that local features are considered in the standard since only 3 additional indicators are included in ICILA generic checklist.</p> <p>This CAR is considered as Major because objective of FSC requirements for standard adaptation is to ensure that the certification body has identified any forest stewardship issues which are considered difficult or controversial in the region concerned and has determined, in consultation with local stakeholders and prior to the audit itself, how such issues should be evaluated for the purpose of certification.</p>
Normative Reference	FSC-STD-20-003, part 3, 4.3, 4.4
Timeline	1 month after finalization of this report
<b>CAR.ICILA.FM.2006.04.UA</b>	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR
Nonconformity	In several occasions ICILA auditors based their conclusions on explanations of FMU representatives without evaluating objective documented evidence.
Normative Reference	FSC-STD-20-004, ISO 19011, part 6.5.4 – 6.5.6.
Timeline	Next office audit
<b>CAR.ICILA.FM.2006.05.UA</b>	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR
Nonconformity	<p>There was no evidence that stakeholder consultation conducted by ICILA was appropriate and comply with FSC-STD-20-006 requirements.</p> <p>Several stakeholders expressed that ICILA have not contacted them before certification process as well as none of interviewed stakeholders were aware of existence of the ICILA's mechanisms for resolution of complaints or disputes, as well as other FSC-STD-20-006 part 2 requirements.</p> <p>It was evident that a lot of activities of stakeholder consultation process actually were carried out by the external parties, but not by ICILA audit team.</p>
Normative Reference	FSC-STD-20-006, part 1.1, 1.4, 2
Timeline	Next office audit
<b>CAR.ICILA.FM.2006.06.UA</b>	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR
Nonconformity	ICILA auditor(s) did not visit a sufficient variety and number of sites within each FMU selected for evaluation as to make direct, factual observations as to compliance with all the indicators of the applicable Forest Stewardship Standard as well as time given for auditors for this audit was not sufficient to complete all the requirements of the assessment.
Normative Reference	FSC-STD-20-007, part 3.4.2.
Timeline	Next office audit

<b>CAR.ICILA.FM.2006.07.UA</b>	<input checked="" type="checkbox"/> MAJOR <input type="checkbox"/> MINOR
Nonconformity	There is no evidence that certified forest enterprises production sites (sawmills) are evaluated against relevant FSC standards (CoC) and separate report prepared as requested by FSC requirements.  This CAR is raised as Major since certificate holders are selling certified timber without proper its chain of custody system evaluation.
Normative Reference	FSC-STD-20-008, box 1, part 6.2
Timeline	1 month after finalization of this report
<b>CAR.ICILA.FM.2006.08.UA</b>	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR
Nonconformity	ICILA audit reports for these certification audits are not in line with FSC requirements.
Normative Reference	FSC-STD-20-008, part A) FSC-STD-20-009, part A), 1.1 and 7
Timeline	Next office audit
<b>CAR.ICILA.FM.2006.09.UA</b>	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR
Nonconformity	During the certification process, ICILA audit team did not appropriately evaluate compliance with all requirements of FSC Principle 1 in terms of certificate holder compliance with all national and local laws and administrative requirements.
Normative Reference	FSC Principle 1, Criteria 1.1
Timeline	Next office audit
<b>CAR.ICILA.FM.2006.10.UA</b>	<input checked="" type="checkbox"/> MAJOR <input type="checkbox"/> MINOR
Nonconformity	During the certification process, ICILA audit team did not appropriately evaluate compliance with requirements of FSC Principle 6.  The CAR is raised as Major because of significant certificate holder non compliance with relevant FSC Principle.
Normative Reference	FSC Principle 6, Criteria 6.1, 6.2, 6.3, 6.4, 6.7
Timeline	1 month after finalization of this report
<b>CAR.ICILA.FM.2006.11.UA</b>	<input checked="" type="checkbox"/> MAJOR <input type="checkbox"/> MINOR
Nonconformity	During the certification process, ICILA audit team did not appropriately evaluate compliance with requirements of FSC Principle 7.  The CAR is raised as Major because of significant certificate holder non compliance with relevant FSC Principle.
Normative Reference	FSC Principle 7, Criteria 7.1, 7.4
Timeline	1 month after finalization of this report
<b>CAR.ICILA.FM.2006.12.UA</b>	<input checked="" type="checkbox"/> MAJOR <input type="checkbox"/> MINOR
Nonconformity	During the certification process, ICILA audit team did not appropriately evaluate compliance with requirements of FSC-STD-20-007; FSC Principle 8.  The CAR is raised as Major because of significant certificate holder non compliance with relevant FSC Principle.
Normative Reference	FSC Principle 8, Criteria 8.2 c) d), 8.4, 8.5
Timeline	1 month after finalization of this report

<b>CAR.ICILA.FM.2006.13.UA</b>	(X) MAJOR ( ) MINOR
Nonconformity	During the certification process, ICILA audit team did not appropriately evaluate compliance with requirements of FSC Principle 9. The CAR is raised as Major because of significant certificate holder non compliance with relevant FSC Principle.
Normative Reference	FSC Principle 9, Criteria 9.1, 9.2, 9.3, 9.4
Timeline	1 month after finalization of this report

1.3 The ASI auditor proposes the following recommendations:

Observation	During the audit it was apparent that auditors started to get tired after extensive auditing week which may cause incomplete assessment of some of the aspects in the audit.
<b>REC.ICILA.FM.2006.01.UA</b>	It is recommendation for ICILA to give auditors spare time for rest between audits to ensure more efficient audit for each certificate holder.

Observation	Each of ICILA team has their own translator, who also worked as a local expert. However, in several occasions ICILA teams during evaluation split in two parts and one translator is not enough to ensure that both ICILA auditors have proper translations during the audit.
<b>REC.ICILA.FM.2006.02.UA</b>	It is recommendation for ICILA to consider use of more translators if audit team is going to be split in parts.

## 5 Overall Conclusion

### 5.1 Implementation of CB documented certification system and procedures

<b>The implementation of some of ICILA documented certification procedures was not adequate</b>	See the following CARs:  <ul style="list-style-type: none"> <li>- <b>CAR.ICILA.FM.2006.01.UA</b></li> <li>- <b>CAR.ICILA.FM.2006.02.UA</b></li> <li>- <b>CAR.ICILA.FM.2006.03.UA</b></li> <li>- <b>CAR.ICILA.FM.2006.04.UA</b></li> <li>- <b>CAR.ICILA.FM.2006.05.UA</b></li> <li>- <b>CAR.ICILA.FM.2006.06.UA</b></li> <li>- <b>CAR.ICILA.FM.2006.07.UA</b></li> <li>- <b>CAR.ICILA.FM.2006.08.UA</b></li> </ul>
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### 5.2 Certificate holder's compliance with FSC Principles and Criteria of Forest Stewardship

<b>ASI audit team considers that at time of ASI audit, the certification body had not adequately evaluated compliance of the certificate holder compliance with the following FSC certification requirements and CB had not requested appropriate corrective actions</b>	See the following CARs:  <ul style="list-style-type: none"> <li>- <b>CAR.ICILA.FM.2006.09.UA</b></li> <li>- <b>CAR.ICILA.FM.2006.10.UA</b></li> <li>- <b>CAR.ICILA.FM.2006.11.UA</b></li> <li>- <b>CAR.ICILA.FM.2006.12.UA</b></li> <li>- <b>CAR.ICILA.FM.2006.13.UA</b></li> </ul>
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## 5 Terms and definitions

**Nonconformity:** The absence of, or the failure to implement and maintain, one or more management system requirements of the reference standards, or a situation which would, on the basis of available objective evidence raise significant doubt as to the credibility of the certificates issued by the applicant body. ASI procedures for nonconformity and corrective action requests are included in ASI QMS, procedure **ASI-PRO-20-116 Corrective action procedure.**

*Note:*

□A “nonconformance” is a product that does not meet specifications;

□A “nonconformity” is a process that does not meet specifications.

According to their severity, nonconformity is graded into three categories:

### **Major Nonconformity - CAR**

“A systematic failure or significant deficiency -either as a single incident or a combination of a number of similar incidents- in a significant part of the quality system, or the lack of implementation of such a part, governed by applicable standards. A number of minor nonconformities against one requirement of the reference standards can represent a total breakdown of the system and thus be considered a major nonconformity.”

### **Minor Nonconformity - CAR**

“An isolated or sporadic lapse in the content or implementation of procedures or records which could reasonable lead to failure of the system if not corrected. If a pattern of minor nonconformities occurs over successive assessments, it may represent a total breakdown of the system and a major non-conformance shall be issued.”

### **Observation - REC**

“An area of concern, a process, document, or activity that is currently conforming that may if not improved, result in a nonconforming system, product or service. Observations shall be recorded in the audit report for the benefit of the customer.”