

ASI-ACCREDITATION SERVICES INTERNATIONAL GmbH

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FSC Annual Surveillance of Soil Association Woodmark Programme for 2006

Forest Management Audit to Kosikhinsky Forest Enterprise

(SA-FM/COC-1181)

Russia Federation, Altai Region

Date of audit: July 24 to 27, 2006

Public Summary

	NAME	DATE
Report drafted by:	Guntars Laguns Andrey Ryzhkov	18 October 2006/ 09 November
Reviewed by ASI staff:	Hubert Bonafos	28 October 2006
Reviewed by CB:	SA	19 January 2007
Reviewed by ASI and CB	G. Laguns / SA	SA 2007 office audit
Finalized by ASI/ CB	G. Laguns	05 March 2008
Report last updated:		

Table of Content

1 BACKGROUND ----- 3

THE OPERATION AUDITED BY SA ----- 3

BRIEF DESCRIPTION OF THE COMPANY ----- 3

THE CERTIFICATION HISTORY ----- 3

ASI AUDIT DETAILS ----- 3

AUDIT AGENDA ----- 4

PEOPLE INVOLVED AND MET DURING THE AUDIT ----- 5

MAIN DOCUMENTS AND RECORDS REVIEWED ----- 5

2 AUDIT OBJECTIVES AND PLANNING ----- 6

3 ASI STAKEHOLDER CONSULTATION PROCESS ----- 6

4 AUDIT FINDINGS RELATED TO CB PERFORMANCE ----- 8

CB AUDIT TEAM IN COMPLIANCE WITH FSC-STD-20-001 ----- 8

CB AUDIT TEAM IN COMPLIANCE WITH FSC-STD-20-002 AND FSC-STD-20-003 ----- 8

CB AUDIT TEAM IN COMPLIANCE WITH FSC-STD-20-004 AND ISO 19011 ----- 8

COMPLIANCE WITH FSC-STD-20-005 ----- 9

COMPLIANCE WITH FSC-STD-20-006 ----- 9

CB AUDIT TEAM IN COMPLIANCE WITH FSC-STD-20-007 ----- 9

CB AUDIT TEAM IN COMPLIANCE WITH FSC-STD-20-008 AND FSC-STD-20-009 ----- 11

5 CB EVALUATION OF CERTIFICATE HOLDER’S COMPLIANCE. ----- 12

CERTIFICATE HOLDER COMPLIANCE WITH FSC PRINCIPLE 1 ----- 12

CERTIFICATE HOLDER COMPLIANCE WITH FSC PRINCIPLE 2 ----- 12

CERTIFICATE HOLDER COMPLIANCE WITH FSC PRINCIPLE 4 ----- 12

CERTIFICATE HOLDER COMPLIANCE WITH FSC PRINCIPLE 5 ----- 12

CERTIFICATE HOLDER COMPLIANCE WITH FSC PRINCIPLE 6 ----- 13

CERTIFICATE HOLDER COMPLIANCE WITH FSC PRINCIPLE 7 ----- 13

CERTIFICATE HOLDER COMPLIANCE WITH FSC PRINCIPLE 8 ----- 14

CERTIFICATE HOLDER COMPLIANCE WITH FSC PRINCIPLE 9 ----- 14

CERTIFICATE HOLDER COMPLIANCE WITH FSC CHAIN OF CUSTODY REQUIREMENTS ----- 15

SUMMARY OF NONCONFORMITIES AND OBSERVATIONS RESULTING FROM THIS AUDIT ---- 16

CONCLUSION AND RECOMMENDATION ----- 16

CREDITS ----- 16

OTHER ----- 16

TERMS AND DEFINITIONS ----- 16

ATTACHMENTS - NONCONFORMITY REPORTS (NCRS) ----- 18

ANNEX 1 ----- 27

1 Background

The operation audited by SA

Name	Kosikhinsky Forest Enterprise, SA-FM/COC-1181
Name of contact person	Nadia Strakhova & Vyecheslav Tolmachev
Address	656049 Barnaul, Yadrintseva St, House 78 Apt 204
Country	Russia

Brief description of the company

Certified enterprise Kosikhinsky FE is the first FSC certified company in Russia. The company is virtually a state organization with a so called “agriculture forestry enterprise” status, which means that this forest enterprise has not been a part or structural unit of the Russia Federal Forest Agency. The “agriculture” forestry enterprise status means that the enterprise is under supervision of the regional municipality’s forestry related department.

It should be noted that the location of “agriculture” forestry enterprises in the overall Russia Federation forest administration structure is still under discussion and there are planned additional reforms at the beginning of 2007.

Enterprise manages around 40 000 ha, mainly deciduous (birch) forests. There are around 40 people working in this organization.

For more information please see SA public reports on SA website.

The certification history

The company was first certified in 17 march 2000 with code SA-FM/COC-1137, then reassessed on August 2004 with new certificate (SA-FM/COC-1181) issued on 14 November 2004.

1st surveillance fro new certification period was carried on 18-21 July 2005.

This audit in 2006 was second SA surveillance audit for Kosikhinsky FE.

ASI Audit Details

Date of audit	July 24 – 27, 2006
Purpose of audit	ASI surveillance forest management audit
ASI audit team	Guntars Laguns (ASI Accreditation Programme Manager, lead auditor) Andrey Ryzhkov (ASI local expert)

Audit agenda

Date	Time	Location	Main Issues
Monday 24 July 2006			
	9:00	Meeting with SA and FSC teams	Clarification of audit scope Identification of main issues
	10:15	Travel to Company	
	11:45	Opening meeting	
	12:20	Office audit	Follow up with cars
	18:30	End of day	
Tuesday 25 July 2006			
	9:40	Meeting with region administration	
	10:40	Meeting with local administration, Koshinskij village	
	12:30	Field visit, planted P 2005 on abandoned land	Not included in FMU
	13:10	Meeting with local administration, Popkovnikovskogo village	
	14:00	Field visit, planted P, 9 year old, on abandoned land	Not included in FMU
	16:00	Selective cutting, two year old	
	16:45	Selective cutting, ongoing	
	18:25	Selective cutting, June 2006, plus protected areas	
	19:10	Afforested and reforested areas, with natural and artificial regeneration	
	19:30	End of day	
Wednesday 26 July 2006			
	9:00	Meeting with regional agency for rural forests, including meeting with representatives form Milicia forest control department	
	14:25	Office audit	Principles 1, 2, 4, 5, 7, 8
	19:30	End of day	
Thursday 27 July 2006			
	9:00	Office audit	Principle 6 and 9
	10:30	SA audit team meeting	
	11:30	<i>CoC audit</i>	<i>Not applicable to this report</i>
	17:10	Closing meeting	
	18:00	End of day	

People involved and met during the audit

CB	<ol style="list-style-type: none"> 1. Karina Seeberg Kitnaes (SA Lead Auditor) 2. Vladimir Soldatov (SA Local expert) 3. Ksenia (Interpreter)
Company	<ol style="list-style-type: none"> 1. Kondratovich M.V. – director, KGU “Kosikhinsky Leskhoz” 2. Khudyakova Tamara Alexandrovna – chief economist, KGU “Kosikhinsky Leskhoz” 3. Surkova Lyudmila Ivanovna – chief accountant, KGU “Kosikhinsky Leskhoz” 4. Chubchik Olga Alexeevna – chief forest manager, KGU “Kosikhinsky Leskhoz” 5. Nikitin Vassiliy Semyonovich – forest manager, KGU “Kosikhinsky Leskhoz” 6. Surkov Yevgeny Victorovich – forest manager, KGU “Kosikhinsky Leskhoz” 7. Surkov Victor Vassilyevich – chief of Kosikhinsky timber sawmill 8. Oskin Victor Semyonovich – chief of Nalobikhinsky timber sawmill 9. Snegireva Elena Alexeyevna – forest manager assistant, KGU “Kosikhinsky Leskhoz” 10. Popova Lidiya Timofeyevna – accountant, KGU “Kosikhinsky Leskhoz” 11. Yermolova Natalya Yevgenyevna – accountant
Others	<ol style="list-style-type: none"> 1. Tolmachev Vyacheslav Victorovich – director of Pricebatch Entr. 2. Strakhova Nadezhda Ivanovna – deputy director of Pricebatch Entr. 3. Baltzers Arkady – deputy director of TimbeProduction

Main documents and records reviewed

CB documents	<ol style="list-style-type: none"> 1. SA Woodmark Forest Certification Public Report, including 2004 main assessment information and 2005 1st surveillance information 2. GM-FM-001 Insp Manual FM 3. GM-GEN-001-01 Insp Manual GEN 4. PP-FM-001-01 Adaptation of Generic Standard
Company's documents	Different company operation documents, please see Annex 2 for details

2 Audit objectives and planning

The objectives of this forest management surveillance audit are:

1. Evaluation of certification body's performance in implementing the accredited certification system in accordance with FSC accreditation requirements.
2. Witness an audit team to determine whether or not the team:
 - a) adequately applies the procedures and instructions of the certification body;
 - b) members exhibit the characteristics of an auditor as detailed in ISO 19011;
 - c) has the required expertise of the sector in which the audit is being undertaken;
 - d) applies appropriate expertise in the correct sense;
 - e) undertakes the audit effectively and draws correct conclusions.
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 performance of the certification body.
4. Evaluation of stakeholder comments or complaints ASI received in relation to this operation.

ASI annual surveillance audits are conducted as "*witness audits*". 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 ASI surveillance procedures, 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.

3 ASI stakeholder consultation process

The ASI stakeholder consultation process consists of 2 parts:

1. public announcement of the audit on the FSC electronic fora and on the ASI website prior to the audit to solicit stakeholder comments;
2. direct interviews with selected key-stakeholders mainly conducted by the contracted local expert prior, during and after the audit.

Summary of main concerns expressed by stakeholders:

ASI team consultations with stakeholders covered representatives of Federal Service for Supervision of Natural Resources, administrative bodies of Kosikha district and Municipal Unit of v. Kosikha, Agency of Forest Management in Altai Krai and republic of Altai, Northern Forest Inventory Expedition, environmental organizations Greenpeace and WWF, Altai Krai Center for Labor protection, National working group.

During this certification process the stakeholders have met mainly with representatives of the certification body during the period 1998-2000 and in 2006. The meetings were held in village Kosikha, as well as at seminars in Moscow, dedicated to standards development and other issues of forest certification.

Most of contacted stakeholders had an opportunity to submit their comments and remarks by e-mail and direct meetings, arranged by the auditors. They also could express their attitude to the certification process at work during their meetings with representatives of Soil Association.

Respondents found it difficult to assess the work of the certification body as they know little about its activities. However, the auditors provided relevant information about the certification process during the assessment activities.

During the stakeholder consultation process it was apparent that not all respondents are familiar with the certification process at Kosikhinsky FE; they consider that they have not enough information about this process as well not all respondents are aware of the standards against which Kosikhinsky FE was assessed. It is apparent that the list of stakeholders SA use for this certification project and is attached in their reports are not up to date and should be revised to include up to date information thus ensuring that all relevant stakeholders are contacted. **See REC.SA.FM.RU.2006.01**

Activities of Kosikhinsky FE generally were assessed as satisfactory. The enterprise takes part in forest regeneration, provides assistance in fire protection, supplies local population with firewood and creates new jobs.

4 Audit findings related to CB performance

4.1 General requirements

<p>CB audit team in compliance with FSC-STD-20-001</p>	<p>There is no evidence that CB are in full compliance with all FSC-STD-20-001, part 7 requirements.</p> <p>Main issue:</p> <ul style="list-style-type: none"> Contractual relationship with certified company and CB. It appears during the audit that certified company's legal status has been changed without notice to SA in spring 2005; therefore, at a moment of this audit, SA formally does not have a contract with the legal entity responsible of management of FMU. Only regional municipality institutions are able to do conclude new contract since Kosikhinsky FE does not have legal statutory rights to sign contracts <p>ASI proposes: CAR.SA.FM.RU.2006.01</p>
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4.2 Standard used for evaluation and its adaptation

<p>CB audit team in compliance with FSC-STD-20-002 and FSC-STD-20-003</p>	<p>During the audit SA team used the SA Woodmark Western Siberia Standard. Woodmark Generic standard was adopted in year 2000 and further adaptation was carried on January 2004.</p> <p>The new SA Woodmark Generic Standard is under the evaluation process in ASI Ltd. Further comments on this standard will be available in related FSC checklist and reports.</p>
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4.3 Audit team (Qualification, preparation, etc) and audit technique (evaluation, time, opening and closing meetings, etc)

<p>CB audit team in compliance with FSC-STD-20-004 and ISO 19011</p>	<p>For this surveillance audit, the SA Woodmark audit team was made of 1 qualified lead auditor, 1 local expert, and interpreter.</p> <p>ASI audit team acknowledge that SA audit team was well prepared and enough experienced to carry FM evaluations in Russia. Communication, audit control was appropriate.</p> <p>SA before the audit did not elaborate and provide to the client the audit itinerary to ensure that audit time is used appropriately and efficiently and to facilitate better coverage of the scope of the audit.</p>
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	ASI proposes: REC.SA.FM.RU.2006.02
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4.4 Pre-evaluation visits

Compliance with FSC-STD-20-005	<p>NA</p> <p>Pre-evaluation is not applicable since this is second surveillance audit in second certification period.</p>
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4.5 Stakeholder consultation process

Compliance with FSC-STD-20-006	<p>SA informed that it performed a broad stakeholder consultation process prior to the second surveillance audit, but no comments were received. During the audit, SA audit team organized meeting with stakeholders, including meetings with the regional and local authorities as well as certified forest enterprise supervising entities.</p> <p>However, the stakeholder list, included in SA report, is not correct, since some people are not working in the positions and organizations identified in this list. Also, no contact information is provided in SA stakeholder list.</p> <p>FSC recommends updating stakeholder list for this certificate to ensure that all relevant stakeholders are contacted and relevant information is received regards to activities of this certificate holder.</p> <p>ASI proposes: REC.SA.FM.RU.2006.01</p>
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4.6 Forest management evaluation

CB audit team in compliance with FSC-STD-20-007	<p>During the audit it appears that actually there are two organizations virtually sitting in one building and same persons working in both organizations. Kosikhinsky FE is municipal organization managing forests, and then there is Kosikhinsky FE Ltd, which is limited liability company, buying standing trees from Kosikhinsky FE, harvests them, process and sell sawn material. The management and document keeping places of both companies are same. Also, during the discussions with Kosikhinsky FE management, they express that several forestry activities, like cleaning, thinning and some selective cuttings are carried out by their direct employees, for example, forest rangers.</p> <p>Generally this could cause some situation with conflict of interest when virtually Kosikhinsky FE management control activities carried out by them selves as contractors. It is recommendation for SA to ensure that</p>
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	<p>there is clear system of supervision of all activities carried in the FMU to exclude any possible COI appearance in the forest activities.</p> <p>Also, the existing management structure caused some problems during the audit, since certified company in a lot of cases when requested to show some documents missed up which company documents are relevant and showed documents which related to the Kosikhinsky Ltd and were not applicable to the scope of the audit. It required additional time for SA auditor to get clear on this situation and as well to explain to local expert that is really required by standard.</p> <p>For example, for H&S issues, when checking use of IPE some conclusions were made on the basis of documents for Kosikhinsky FE Ltd, and not for Kosikhinsky FE. It is apparent that instead of checking Kosikhinsky FE Ltd documents, SA audit team must evaluate how responsible persons in Kosikhinsky FE ensure that all contractors (including Kosikhinsky FE Ltd) working in the forest complies with FSC and RF legislation requirements for H&S issue.</p> <p>It is recommendation for SA to ensure that during the audits there are no misuse of provided documents and all information evaluated during the audit are within the scope of the audit, as well as the scope and programme of the audit is precisely planned and defined to ensure that only relevant evidence is evaluated during the audits.</p> <p>See: REC.SA.FM.RU.2006.02</p> <p>Also, ASI audit team considers that SA audit team did not sample most of the forest areas – sites to be visited independently, but let FMU staff choose sites to be visited during the audit. During the previous audits SA auditors' mapped areas that have been visited and it was recommended in the report to use this map during following audits to choose places. However, during this audit this advice has not been followed.</p> <p>Two of the five visited sites actually were not included in scope of FMU, for example, visited forest plantations established on agriculture lands belonging to local municipality;</p> <p>No areas of HCVF or areas which are managed to maintain or restore biodiversity and nature protection values were visited.</p> <p>ASI audit team consider that SA auditor(s) did not visit a sufficient variety and number of sites within FMU as to</p>
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	<p>make direct, factual observations as to compliance with relevant indicators of the applicable Forest Stewardship Standard.</p> <p>ASI proposes: REC.SA.FM.RU.2006.03</p>
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4.7 The certification reports (main report and public summary)

<p>CB audit team in compliance with FSC-STD-20-008 and FSC-STD-20-009</p>	<p>SA reports and public summary reports were checked for conformity with FSC reporting requirements.</p> <p>SA is using the reporting system when whole report is publicly available. However, there is no public summary report from 2004 upwards for this certificate holder published on SA website¹ on the time of writing this report to demonstrate that FMU complies with the FSC Principles and Criteria for Forest Stewardship.</p> <p>ASI proposes: CAR.SA.FM.RU.2006.02</p> <p>There are several occasions (e.g. 6.5,a) in the SA checklist when certain indicator is marked with “?” mark. Although internal SA procedures allows auditors to mark indicator with “?” mark, when “It is uncertain whether Norm has been met”, it is not clear how these question marks influence overall scoring of compliance with requirement. Also, such scores identifies that in recertification assessment SA does not evaluated company to demonstrate its compliance with all FSC Criteria. For example, in Criterion 6.5.a one indicator is with question mark, second is marked as not applicable, third is marked as complied with requirements. However, score for the indicator is given “3”. According SA “A score of 3 is what would be expected from a well managed enterprise of the size, type and complexity of the applicant. This level of achievement represents good forest stewardship.” It is not clear on what bases auditor gives such professional judgment as to whether this Woodmark norm and FSC Criterion has been met, since only one of two applicable indicators clearly indicate compliance on the checklist.</p> <p>Also, during the audit, it was not clear how SA auditors follow up on these question marks, to ensure that SA standard requirement is met.</p> <p>ASI proposes: CAR.SA.FM.RU.2006.03</p>
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<http://www.soilassociation.org/web/sa/saweb.nsf/68d1f1b7ac9f6dd780256f70003d3aab/f24971894fa2474b80256f2e003726b5!OpenDocument>

5 CB evaluation of certificate holder's compliance.

Note: Principles 3 and 10 are considered as not applicable to this certificate.

5.1 Principle 1

Certificate holder compliance with FSC Principle 1	Based on the findings of the audit, the ASI audit team considers that at the time of the ASI audit, SA audit team had adequately evaluated compliance with FSC Principle 1 and no nonconformity was identified.
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5.2 Principle 2

Certificate holder compliance with FSC Principle 2	Based on the findings of the audit, the ASI audit team considers that at the time of the ASI audit, SA audit team had adequately evaluated compliance with FSC Principle 2 and no nonconformity was identified.
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5.3 Principle 4

Certificate holder compliance with FSC Principle 4	<p>ASI audit team identified nonconformities against FSC principle 4 that had not been identified and addressed by SA during the certification process. At the time of the ASI audit, the certified company did not comply with requirements stated in FSC Principle 4 and SA FSC standard.</p> <p>Contractors during the harvesting activities do not comply with FSC requirements for (FSC-POL-30-401, ILO Code of Practice in Forestry works) Health and Safety in forestry works. For example in the sites visited with ongoing harvesting operations (compartment 8, 1-2) workers were missing some IPE (ears', eyes', foot', legs' protection) during the work with chainsaws.</p> <p>Also, several trees which have been sawn were left standing in the branches of other trees, and some of those trees fell down during the audit visit in the site.</p> <p>ASI proposes: CAR.SA.FM.RU.2006.04</p>
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5.4 Principle 5

Certificate holder compliance with FSC Principle 5	Based on the findings of the audit, the ASI audit team considers that at the time of the ASI audit, SA audit team had adequately evaluated compliance with FSC Principle 5 and no nonconformity was identified.
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5.5 Principle 6

<p>Certificate holder compliance with FSC Principle 6</p>	<p>ASI audit team identified nonconformities against FSC Principle 6 that had not been identified and addressed by SA during the certification process. At the time of the ASI audit, the certified company did not comply with requirements stated in FSC Principle 6 and SA FSC standard:</p> <ul style="list-style-type: none"> • No evidence available during the audit that an environmental impact assessment prior site disturbing operation has been carried out. The only environmental impact assessment which is required by the RF forest legislation is for forest management plans and inventory documents. However, such EIA (and ecological expertise) is not done for certified company's FMP. There exist elaborated instruction for EIA in company which partly covers some EIA elements, but this instruction is not implemented in the forest management activities. • There is no evidence that safeguards exist to protect rare, threatened and endangered species and their habits in FMU, as well as conservation and protection zones are established. <p>ASI proposes: CAR.SA.FM.RU.2006.05</p>
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5.6 Principle 7

<p>Certificate holder compliance with FSC Principle 7</p>	<p>ASI audit team identified nonconformities against FSC Principle 7 that had not been identified and addressed by SA during the certification process. At the time of the ASI audit, the certified company did not comply with requirements stated in FSC Principle 7 and SA FSC standard:</p> <p>Main identified issues:</p> <ul style="list-style-type: none"> • Planed environmental safeguards based on environmental assessments are not available since no overall environmental assessment is available. • No evidence that plans for the identification and protection of rare, threatened and endangered species are available. • No evidence are available that management plan are periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic
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	<p>circumstances.</p> <p>ASI proposes: CAR.SA.FM.RU.2006.06</p>
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5.7 Principle 8

<p>Certificate holder compliance with FSC Principle 8</p>	<p>In the certified company is implemented robust system of monitoring of forest harvesting, damages after forestry as well as regeneration aspects.</p> <p>Also, there are made efforts to develop monitoring system for identification and protection of nature protection areas, however, this system is not fully implemented yet.</p> <p>ASI audit team considers that monitoring system, covering nature protection and environmental issues as well as social aspects are not implemented in the company and had not been identified and addressed by SA during the certification process. At the time of the ASI audit, the certified company did not comply with requirements stated in FSC Principle 8 and SA FSC standard:</p> <p>Main issues:</p> <ul style="list-style-type: none"> • No monitoring of environmental impact assessment and social assessment are carried out. • No evidence of monitoring for flora and fauna composition. • No chain of custody procedure available in the Kosikhinsky FE. • No evidence that results of monitoring of required aspects are incorporated into the implementation and revision of the management plan. <p>ASI proposes: CAR.SA.FM.RU.2006.07</p>
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5.8 Principle 9

<p>Certificate holder compliance with FSC Principle 9</p>	<p>Certified company has initiated protection of two territories with aim to protect identified there Red Book Species. Although by region (rajon) authority decision them have been assigned protection status, however these territories are not yet legally passed all protected area's registration procedure required by RF national legislation to be registered as officially protected areas. In fact there are no formal changes in land use status of those territories. In management planning documents</p>
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	<p>these areas are still considered as commercial forests and are not taken out from calculation of AAC. It should be noted that Kosikhinsky FE is not planning any commercial activities there since those territories are considered as HCVF.</p> <p>Although ASI audit team acknowledges all the activities which certified company carried out to identify forests with high conservation values, however there were no available evidence during this audit that clear system of management, including identification and assessment of values and attributes with high conservation values, consultation process, of High Conservation Value Forests is implemented in the certified company. ASI audit team, considers that this issue had not been identified and addressed by SA during the certification process.</p> <p>ASI proposes: CAR.SA.FM.RU.2006.08</p>
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5.9 Chain of custody

<p>Certificate holder compliance with FSC chain of custody requirements</p>	<p>At the time of the ASI audit, no chain of custody was implemented in Kosikhinsky FE, since no COC procedure is available. SA did not adequately evaluate compliance with FSC requirements and did not address this nonconformity with the company.</p> <p>See: CAR.SA.FM.RU.2006.07</p>
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5.10 FSC trademark use

<p>Certificate holder compliance with FSC trademark use requirements</p>	<p>Company uses a stamp, which included FSC logo. No trademark statements included there. Also, in several occasions it was apparent that company uses FSC trademark which is in no compliance with FSC requirements.</p> <p>Also, the FSC code issued by SA is used incorrectly, since SA issued code is SA-FM/COC-1497, but on company documents is used code SM-FM/COC-1497.</p> <p>SA has raised two CARs to address non-compliance.</p>
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Summary of nonconformities and observations resulting from this audit

Major CAR(s)	Minor CAR(s)/ Closed	Observations
None	8 / 2	3

Conclusion and recommendation

Based on the findings of this audit, the ASI audit team recommends to FSC AC the continuation of the FSC forest management accreditation for SA, subject to the timely closing of the nonconformities identified during the audit and specified in the nonconformity reports (attached).

Credits

The author would like to thank Kevin Jones, Janette McKay and Karina Seeberg Kitnaes (SA Lead Auditor), Vladimir Soldatov (SA Local expert), Ksenia (Interpreter), and Nadezhda Strakhova and Viacheslav Tolmachev (Altai UK Pricebatch Ltd.), as well as all Kosikhinsky Forest Enterprise staff for their cooperation and help in organizing this ASI surveillance forest management audit.

Other

All information in this report is confidential and may not be disclosed to third parties, with the exception of the information which is to be included in the FSC Audit Public Summary Report.

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 or recommendation - REC ²

“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.”

² **Note:** Observations are related to 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. Thus, observations which are not considered by the CB may be upgraded to conditions in the following audit.

Attachments - Nonconformity reports (NCRs)

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	REC.SA.FM.RU.2006.01.	Date	27 July 2006
Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		SA FM surveillance Audit 2006	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
The list of stakeholders with their contact details and positions, used by SA for this certification project and that is attached in their reports are not up to date.			
Normative Reference(s)	NA		
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	REC.SA.FM.RU.2006.02	Date	27 July 2006
Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		SA FM surveillance Audit 2006	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
<p>There are two different legal entities in the same building with the same name (Kosikhinsky FE and Kosikhinsky FE Ltd.) and same management. This resulted in some confusion as to which organization was being audited and which documents are relevant for audited FMU.</p> <p>For example, for H&S issues, when checking use of IPE, during the audit the SA audit team evaluated documents for Kosikhinsky FE Ltd, and not for Kosikhinsky FE, so the results of this evaluation were inaccurate. Instead of checking Kosikhinsky FE Ltd documents, SA audit team must evaluate compliance of the certified company and compliance of contractors (including Kosikhinsky FE Ltd) working in the certified FMU with FSC and RF legislation requirements for H&S issue.</p> <p>SA did not elaborate and provide the client with the audit itinerary prior to the audit to ensure that audit time is used appropriately and efficiently.</p>			
Normative Reference(s)	NA		
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	REC.SA.FM.RU.2006.03	Date	27 July 2006
Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		SA FM surveillance Audit 2006	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
ASI audit team considers that SA auditor(s) did not visit a sufficient variety and number of sites within FMU as to make direct, factual observations as to compliance with relevant indicators of the applicable Forest Stewardship Standard.			
Normative Reference(s)	NA		
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SA.FM.RU.2006.02	Date	27 July 2006	
Nonconformity detected by (name of auditor)		Guntars Laguns		
Through (e.g. office audit, document review)		SA FM surveillance Audit 2006		
Nonconformity		Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
There are no public summary as well as no annual updates of SA report for Kosikhinsky FE from annual audits in 2004 and 2005 on the SA web site.				
Normative Reference(s)		FSC-STD-20-009, part 2		
Corrective Action Request: CB shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.				
Timeline for implementation		Next office audit after finalization of this report		
Corrective Action implemented by Certification Body				
Here: describe action taken in detail				
Corrective Action evaluated by ASI				
Here: describe conclusion in detail				
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*		Name auditor:	Date:	
Comments: Follow up during the office audit, April 2007 During the finalization of this report, public summary updates fro 2006 were not published on SA website: http://www.soilassociation.org/web/sa/saweb.nsf/380dc689811ca7eb80256e97004eb2bf/f949faddfbd7919180256f7000379986!OpenDocument . On SA website are two links to public summaries for this certificate: » Russia - Kosikhinsky State Forest Enterprise (SA-FM/COC-1181, 19/01/2007) » Russia - Novoyeniseisky Forest Chemical Complex (SA-FM/COC-1357), 02/08/2005 In one of links there was public summary updates for 2005 SA surveillance visit, but 2006 SA evaluation visit updates still are missing.				

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SA.FM.RU.2006.04	Date	27 July 2006	
Nonconformity detected by (name of auditor)		Guntars Laguns		
Through (e.g. office audit, document review)		SA FM surveillance Audit 2006		
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION		
At the time of the ASI audit, contractors did not comply with FSC requirements for Health and Safety in forestry works. For example in the sites visited with ongoing harvesting operations (compartment 8, 1-2) workers were missing some IPE (ears, eyes, foot, legs protection) during the work with chainsaws. Also, some of the trees which have been sawn were left standing, and two of those trees fell down during the SA visit in the site.				
Normative Reference(s)	FSC-POL-30-401, ILO Code of Practise in Forestry works, SA Woodmark Western Siberia Standard 4.2.4, FSC P&C 4.2			
Corrective Action Request: CB shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.				
Timeline for implementation		Next office audit after finalization of this report		
Corrective Action implemented by Certification Body				
Here: describe action taken in detail				
Corrective Action evaluated by ASI				
Here: describe conclusion in detail				
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*	Name auditor:		Date:	
Comments:				

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SA.FM.RU.2006.05	Date	27 July 2006
Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		SA FM surveillance Audit 2006	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
At the time of the ASI audit, the certified company did not comply with requirements stated in FSC Principle 6 and SA FSC standard, as for example, there was no evidence available during the audit that an environmental impact assessment prior site disturbing operation has been carried out. The only environmental impact assessment which is required by the RF forest legislation is for forest management plans and inventory documents. However, such EIA (and ecological expertise) is not done for certified company's FMP. There exist elaborated instruction for EIA in company which partly covers some EIA elements, but this instruction is not implemented in the forest management activities. Also, there is no evidence that safeguards exist to protect rare, threatened and endangered species and their habits in FMU, as well as conservation and protection zones are established.			
Normative Reference(s)	FSC Principle 6, Criteria 6.1, 6.2, 6.7		
Corrective Action Request: CB shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.			
Timeline for implementation		Next office audit after finalization of this report	
Corrective Action implemented by Certification Body Here: describe action taken in detail			
Corrective Action evaluated by ASI Here: describe conclusion in detail			
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*	Name auditor:	Date:	
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SA.FM.RU.2006.06	Date	27 July 2006
Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		SA FM surveillance Audit 2006	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
At the time of the ASI audit, the certified company did not comply with requirements stated in FSC Principle 7 and SA FSC standard: Main identified issues: <ul style="list-style-type: none"> • Planed environmental safeguards based on environmental assessments are not available since no overall environmental assessment is available. • No evidence that plans for the identification and protection of rare, threatened and endangered species are available. • No evidence are available that management plan are periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances. 			
Normative Reference(s)	FSC Principle 7, Criteria 7.1 f) g), 7.2		
Corrective Action Request: CB shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.			
Timeline for implementation		Next office audit after finalization of this report	
Corrective Action implemented by Certification Body			
Here: describe action taken in detail			
Corrective Action evaluated by ASI			
Here: describe conclusion in detail			
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*	Name auditor:	Date:	
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SA.FM.RU.2006.07	Date	27 July 2006	
Nonconformity detected by (name of auditor)		Guntars Laguns		
Through (e.g. office audit, document review)		SA FM surveillance Audit 2006		
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION		
ASI audit team considers that monitoring system, covering nature protection and environmental issues as well as social aspects are not implemented in the company and had not been identified and addressed by SA during the certification process. At the time of the ASI audit, the certified company did not comply with requirements stated in FSC Principle 8 and SA FSC standard: Main issues: <ul style="list-style-type: none"> • No monitoring of environmental impact assessment and social assessment are carried out. • No evidence of monitoring for flora and fauna composition. • No chain of custody procedure available in the Kosikhinsky FE. • No evidence that results of monitoring of required aspects are incorporated into the implementation and revision of the management plan. 				
Normative Reference(s)	FSC Principle 8, Criteria 8.2 d), 8.3, 8.4			
Corrective Action Request: CB shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.				
Timeline for implementation		Next office audit after finalization of this report		
Corrective Action implemented by Certification Body				
Here: describe action taken in detail				
Corrective Action evaluated by ASI				
Here: describe conclusion in detail				
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*	Name auditor:		Date:	
Comments:				

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SA.FM.RU.2006.08	Date	27 July 2006	
Nonconformity detected by (name of auditor)		Guntars Laguns		
Through (e.g. office audit, document review)		SA FM surveillance Audit 2006		
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION		
There were no available evidence during the audit that clear system of management, including identification and assessment of values and attributes with high conservation values, as well as stakeholder consultation process, of High Conservation Value Forests is implemented in the certified company.				
Normative Reference(s)	FSC Principle 8, Criteria 9.1, 9.2, 9.3, 9.4			
Corrective Action Request: CB shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.				
Timeline for implementation		Next office audit after finalization of this report		
Corrective Action implemented by Certification Body				
Here: describe action taken in detail				
Corrective Action evaluated by ASI				
Here: describe conclusion in detail				
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*	Name auditor:		Date:	
Comments:				

Annex 1

Nonconformities identified in the audit and closed during the finalization of this report

CAR.SA.FM.2006.01.Ru	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR
Nonconformity	It appears during the audit that certified company's legal status has been changed in spring 2005 without notice to SA, therefore, at a moment of this audit, SA formally does not have a contract with the legal entity responsible of management of FMU. Only regional municipality institutions are able to sign new contract since Kosikhinsky FE does not have legal statutory rights to sign contracts.
Reference	FSc-STD-20-001, part 7
Timeline	Next office audit after finalization of this report
Follow up during the office audit, April 2007	SA has issued a major CAR 2006.2 to address this issue.
Decision	CAR.SA.FM.2006.01.Ru closed on 18 April 2007

CAR.SA.FM.2006.03.Ru	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR
Nonconformity	The scoring system and observations in the SA checklist for re-assessment of Kosikhinsky FE does not clearly indicate whether or not the observed level of performance is considered to comply with the requirement of the applicable standard(s). Also, „question“ marks in SA reporting documents do not provide evidence that at the time of the re-evaluation audit, the certificate holder was in compliance with all aspects of the applicable Forest Stewardship Standard.
Reference	FSC-STD-20-008, part 4, BOX 1- 4.4; FSC-STD-20-007, part 5
Timeline	Next office audit after finalization of this report
Follow up during the office audit, April 2007	ASI reviewed SA report from 2006 evaluation visit. No uses of question marks were evident in the SA evaluation checklist.
Decision	CAR.SA.FM.2006.03.Ru closed on 18 April 2007