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**FSC Certification Report for the  
2006 Annual Audit of the:**

**Wisconsin State Forests  
Managed by the  
Wisconsin Department of Natural Resources**

**Audit Conducted by  
SCS Forest Conservation Program  
Under the Auspices of the Forest Stewardship Council**

**Certificate Number: SCS-FM/CoC-00070N  
Awarded: May 3, 2004**

**Date of Field Audit: July 10-14, 2006  
Date of Draft Report: March 23, 2007**

**Date of Final Report: March 26 2007**

**Certificate Awarded by:**

**Scientific Certification Systems  
2000 Powell St. Suite 1350  
Emeryville, CA 94612  
Contact: Dave Wager**

**2005 ANNUAL CERTIFICATION AUDIT OF THE  
WISCONSIN STATE FORESTS  
MANAGED BY THE  
DEPARTMENT OF NATURAL RESOURCES**

**1.0 GENERAL INFORMATION**

**1.1 FSC DATA**

Name and contact information for the certified operation:

- Applicant entity: Wisconsin DNR, Division of Forestry
- Contact person: Robert J. Mather, Director, Bureau of Forestry
- Address: 101 S. Webster St., P.O. Box 7921, Madison, WI 53707-7921
- Telephone: (608) 266-1727
- Fax: (608) 266-8576
- E-mail: Robert.Mather@dnr.state.wi.us
- Certified products: Hardwood and softwood stumpage
- Number of Acres/hectares certified: approximately 510,761 acres (206,698 hectares)
- Nearest Town: Madison, Wisconsin
- Tenure: Public, state owned
- Forest Composition: A mosaic of conifer and hardwood cover types, classified by species dominance; e.g., White Pine, Spruce-Fir, Northern Hardwoods, Central Hardwood, Oak, Red Maple, Aspen, Pine Plantations
- Managed as: Natural Forest

**1.2 General Background**

This report describes the results of the third surveillance audit of Wisconsin Department of Natural Resources' (DNR) management of the Wisconsin State Forests, initially certified May 3, 2004. This audit was conducted according to FSC protocols and pursuant to the terms of the original forest management certificate awarded by Scientific Certification Systems (SCS-FM-00070N). All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require surveillance audits at frequencies no greater than yearly to ascertain ongoing compliance with the requirements and standards of certification. Additionally, SCS reserves the right for short-notice audits. No such short-notice audits have been conducted since issuance of this certificate.

### **1.3 Forest and Management System**

This third annual surveillance audit confirmed the fact that the Wisconsin State Forests are managed under silvicultural regimes that are fully compatible with the FSC definition of natural forest management.

Since the 2005 annual surveillance audit, there have been no significant changes to the land base comprising the state forest lands that the Wisconsin DNR is managing. Furthermore, there have been no major changes to the management system employed on the certified forest area. See the 2004 Certification Evaluation Report Public Summary [www.scscertified.com](http://www.scscertified.com) for a more detailed description of the Wisconsin DNR operations.

### **1.4 Environmental and Socioeconomic Context**

Since the 2004 surveillance audit, there have been no significant changes in the environmental and socioeconomic context in which DNR's management of the Wisconsin State Forests takes place. Of note, Wisconsin DNR's engagement in FSC certification takes place within a regional market-driven context in which several upper Midwest state forestry agencies are at various stages of undergoing "dual certification" under both FSC and the Sustainable Forestry Initiative (SFI). Of equal note, Wisconsin DNR has been on the forefront of this broad regional trend.

See the 2004 Certification Evaluation Report Public Summary at [www.scscertified.com](http://www.scscertified.com) for a more detailed description of the environmental and socioeconomic context.

### **1.5 Products and Services Produced**

Since the prior surveillance audit, there have been no changes in the products and services produced on the Wisconsin State Forests. As a state agency, the DNR has a clear mandate to manage the State Forests for a full suite of products (both consumable and non-consumable) and services, for the long-term benefit of the citizens of Wisconsin.

### **1.6 Chain of Custody Certification—Stump to Forest Gate**

As discussed later in this report, the 2006 annual audit, that is the subject of this report, included a review of the chain-of-custody control procedures for that portion of the supply chain that DNR has responsibility over. Because DNR sells standing trees (stumpage) rather than roadside logs or delivered logs, its CoC responsibilities are limited. It is the timber sale purchasers that, under the FSC system, have responsibility for assuring the integrity of the certified supply chain from the point of severance from the stump, onward.

In brief, there have been no significant changes in the Wisconsin DNR CoC procedures since the full evaluation that was conducted in late-2003 and the prior surveillance audit conducted in July, 2005.

## **2.0 THE CERTIFICATION EVALUATION PROCESS**

### **2.1 Assessment Dates**

The field and office components of this surveillance audit were completed on July 10-14, 2006.

### **2.2 Assessment Personnel**

For this surveillance audit, the team was comprised of the following personnel:

**Dr. Robert J. Hrubes, Team Leader:** Dr. Hrubes is a California registered professional forester (#2228) and forest economist with over 30 years of professional experience in both public and public forest management issues. He is presently Senior Vice-President of Scientific Certification Systems. In addition to serving as team leader for the Wisconsin state forestlands evaluation, Dr. Hrubes worked in collaboration with other SCS personnel to develop the programmatic protocol that guides all SCS Forest Conservation Program evaluations. Dr. Hrubes has previously led numerous SCS Forest Conservation Program evaluations of North American public forest, industrial forest ownerships and non-industrial forests, as well as operations in Scandinavia, Chile, Japan, Malaysia, Australia and New Zealand. As the Wisconsin State Forests evaluation team leader, Dr. Hrubes is the principal author of this report, in collaboration with co-authors, Gary Zimmer and Mike Ferrucci. Dr. Hrubes holds graduate degrees in forest economics, economics and resource systems management from the University of California-Berkeley and the University of Michigan. His professional forestry degree (B.S.F. with double major in Outdoor Recreation) was awarded from Iowa State University. He was employed for 14 years, in a variety of positions ranging from research forester to operations research analyst to planning team leader, by the USDA Forest Service. Upon leaving federal service, he entered private consulting from 1988 to 2000. He has been Senior V.P. at SCS since February, 2000.

**Mr. Michael Ferrucci:** Michael Ferrucci is a founding partner and President of Interforest, LLC, and a partner in Ferrucci & Walicki, LLC, a land management company that has served private landowners in southern New England for 18 years. Its clients include private citizens, land trusts, municipalities, corporations, private water companies, and non-profit organizations. He has a B.Sc. degree in forestry from the University of Maine and a Master of Forestry degree from the Yale School of Forestry and Environmental Studies. Mr. Ferrucci's primary expertise is in management of watershed forests to provide timber, drinking water, and the protection of other values; in forest inventory and timber appraisal; hardwood forest silviculture and marketing; and the ecology and silviculture of natural forests of the eastern United States. He also lectures on private sector forestry, leadership, and forest resource management at the Yale School of Forestry and Environmental Studies.

For this project, Mr. Ferrucci functioned as an employee of NSF.

## **2.3 Assessment Process**

Pursuant to SCS/FSC protocols, the annual surveillance audit process was comprised of the following components:

- Pre-audit communications
- Preparation of a labor budget and work order to conduct the audit; authorization by DNR
- Review of written materials made available to the audit team prior to and during the field audit
- General discussions on matters pertinent to the Wisconsin State Forests certification, en route from Madison to Superior, WI.
- Completion of a 3-day field audit in which 2 State Forest units (Brule River and American Legion/Highlands) selected for site visits
- An exit meeting on the day following the field component of the audit, held at DNR Headquarters in Madison
- Preparation of this audit report.

### **2.3.1 Offices and Sites Visited During the 2005 Audit:**

For this surveillance audit, the team pursued the following audit itinerary:

#### **Monday July 10<sup>th</sup>, 2006**

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##### **1:00 - 2:30 pm – Madison Airport**

Review revised SFI standards.

Mike Ferrucci, Bob Mather, Paul Pingrey, Teague Prichard

##### **2:30 - Travel**

##### **Travel to Superior, Wisconsin**

Continue discussion of revised SFI standards

Robert Hrubes, Mike Ferrucci, Bob Mather, Paul Pingrey, Teague Prichard

##### **8:30 pm – Barker Inn Hotel**

Initial Consultation and review of response and progress made on CARs

Robert Hrubes, Mike Ferrucci, Bob Mather, Paul Pingrey, Teague Prichard

Overnight Superior, WI, Barkers Island Inn, Superior WI

Topics covered in discussions on July 10<sup>th</sup> included:

- General overview of developments in State Forest System management since the 2005 annual surveillance audit: funding, staffing, master planning
- Status review of open CARs
- Possible extension of the scope of the certificate to include other WDNR-managed state forestlands

#### **Tuesday July 11<sup>th</sup>, 2006**

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**8:00 am - 10:00**

**Brule River State Forest Headquarters**

6250 S. Ranger Rd. Brule, WI 54820, 715-372-5678

**Office Visit with Brule River Staff Forest**

Steve Petersen, Dave Schulz, Kevin Feind, Bob Mather, Robert Hrubes, Mike Ferrucci, Teague Prichard, Paul Pingrey, Colleen Matula, Ted Gostomski, Mike Luedeke, Greg Kessler

**10:00 -4:30 pm**

Brule River State Forest Field Audit and Field Lunch

Box Lunch Twin Gables (12 people)

**4:30 pm****Exit Interview with Brule River Staff****Travel to Boulder Junction, WI**

Overnight Boulder Junction Boulder Bear Lodge

Topics covered on July 11<sup>th</sup> included:

- General overview of activities and program development on Brule River since the last time that SCS had visited this forest unit (2004)
- Discussion about stakeholder outreach and consultation approaches and results
- Recreation management challenges and issues: trail planning, construction and maintenance, campground maintenance, snowmobile and ATV use management and planning
- Forest productivity projects: planting in hail damaged areas, oak and white pine planting, pre-sale scarification, site prep (anchor chaining), prescribed burning
- Special projects: response to emerald ash borer, water quality monitoring, beach monitoring, gypsy moth monitoring, feral pig control, fishway monitoring, water chemistry following heavy rain events
- Consultation with tribes

**Wednesday July 12<sup>th</sup>, 2006**

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**8:00am - 10:30****Northern Highland American Legion State Forest Headquarters in Trout Lake**

4125 Cty Hwy M Boulder Junction, WI 54512

**Office Visit with NHAL Staff**

Bob Mather, Robert Hrubes, Mike Ferrucci, Gary Zimmer, Randy Hoffman, Ted Gostomski, Paul Pingrey, Teague Prichard, Jeff Olsen, Cal Doering, Craig Dalton, Jim Wetterau, Todd Anderson, Paul Stearns, Bob Schepper, Mike Luedeke, Linda Wynn, Colleen Matula, Jim Warren, Carmen Wagner, Dennis Leith (a.m only)

**10:30 -5:00 pm****NHAL State Forest Field Audit****Field Lunch (21 people)**

Same individuals as above

Overnight Minocqua, WI. The Waters.

Topics covered on July 12<sup>th</sup> and July 13<sup>th</sup> included:

- Final adoption and early implementation of the NHAL Master Plan
- Staffing
- Stakeholder interactions such as through the NHAL Forest Public Meeting
- Timber management program: sale establishment, allowable harvest determination, status of Recon program and fieldwork
- Monitoring activities: gypsy moth, insect surveys
- Goshawk management training
- Control of invasives such as garlic mustard and 2-line borer; development of invasives BMPs
- Timber harvest field reconnaissance visits to numerous harvest sites: seed orchard thinning, oak thinnings, harvesting near and in campgrounds,
- Development of a connector ATV trail through the Forest: establishment of a “Sustainable ATV Trail Stakeholder Group” and status of progress made in forging a plan that will be agreeable to both ATV proponents and environmental groups
- Road maintenance and improvements

#### **Thursday July 13<sup>th</sup>, 2006**

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**7:00 am - 8:00**

Breakfast, Minocqua, The Island Cafe

**8:00 -1:00 pm**

**DNR Woodruff Office**

8770 HWY J WOODRUFF WI 54568 715-356-5211

Continue field audit with NHAL Staff

(Same individuals as above)

Topics covered on July 13<sup>th</sup>:

- See list of topics, above, for July 12 and 13.

**12:30 - 1:45 pm**

Exit Interview with NHAL staff and Lunch

(Camp American Legion)

Field Lunch (approx 20 people)

**2:00 pm – 5:30**

Travel to Madison

Overnight in Madison downtown Inn on the Park

#### **Friday July 14<sup>th</sup>, 2005**

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**8:00 – 9:00 am**

**DNR Headquarters Madison, Room 413**

Summary of 2006 Audit and Exit Interview

### **2.3.2. DNR Employees Interviewed During the Surveillance Audit:**

See the daily itinerary in Section 2.3.1, above.

## **2.4 Guidelines/Standards Employed**

This annual audit was conducted using two sets of standards or considerations:

- The FSC Principles & Criteria, as augmented by FSC Lake States Regional Standard;

Since this is a surveillance audit (and per FSC protocols), the audit team did not attempt to evaluate DNR's management of the Wisconsin State Forests against the full scope of the certification standard. Over the course of five successive surveillance audits, it is required that the full scope of the standard is considered.

- The Corrective Action Requests (CARs) that remained open after the conclusion of the second surveillance audit (in July 2005).

## **3.0 RESULTS, CONCLUSIONS, CARS AND RECOMMENDATIONS**

### **3.1 GENERAL DISCUSSION OF FINDINGS**

The predominant focus of this 2006 surveillance audit was two-fold:

- To review DNR's plans and actions for addressing the one CAR that remained open after conclusion of the 2005 annual audit (subject: Master Plan monitoring)
- To visit two State Forest units that had been included in the sample-based field audits conducted in 2003 that subsequently justified award of certification in May 2004 (Brule River and Northern Highlands/American Legion).

Based upon the information gathered through field reconnaissance, personnel interviews and stakeholder consultation, as well as the review of supporting materials, it is the SCS audit team's conclusion that Wisconsin State Forest System's continued certification under the aegis of the Forest Stewardship Council is warranted. The policies, practices, approaches and perspectives on resource management that were in place during prior certification audits were readily discernable in this surveillance audit, as well. Notably, the overall level of conformance to the certification standards was found to be solid on the two State Forest properties audited this year.

### **Chain of Custody:**

This annual surveillance audit revealed that DNR is properly following FSC chain-of-custody procedures but with one minor exception—documentation associated with timber



sales do not consistently include the DNR's FM/CoC certificate number (some State Forest Superintendents are employing the certificate number while others are not). This deficiency is addressed through a new Minor CAR (see below).

The problem of uncertified independent loggers purchasing State Forest timber sales still persists. The point is that the certified status of State Forest timber is lost when it is sold to an uncertified logger. SCS is continuing to work with other certification bodies as well as FSC-US to develop procedures and guidance that may overcome this break in the chain of certificates and we are hopeful that we can provide DNR with a possible solution to this problem at the time of the 2007 surveillance audit.

### **3.2 GENERAL DISCUSSION OF STATUS OF CORRECTIVE ACTION REQUESTS**

At the time that the 2006 annual surveillance audit commenced, there was one open Corrective Action Request, Minor CAR 2004.8.

Table 1, below, lists:

- the one Corrective Action Request (CAR) issued in conjunction with the award of certification in May 2004 *and that remained open at the end of the July 2005 annual surveillance audit,*
- the SCS audit team's assessment of DNR's response to this CAR since July 2005, and
- the disposition of this CAR as a result of the auditors assessments during the 2006 surveillance audit as well as the presentation of new CARs arising from this year's audit.

As a result of this 2006 surveillance audit, the SCS audit team has determined that DNR must devote greater attention to implementation of master plan monitoring protocols. Accordingly, the audit team reached the conclusion that Minor CAR 2004.8 should be closed out and replaced by a new, Major CAR (as well as a follow-on Minor CAR) in order to underscore the auditors' sense that DNR must place greater attention on this matter.

#### **3.2.1. TABLE 1: SUMMARY, UPDATED STATUS OF THE ACTIVE WISCONSIN DNR CORRECTIVE ACTION REQUESTS<sup>1</sup>**

At the onset of the 2006 annual surveillance audit, only one Corrective Action Request from prior audits remained open.

<b>CAR 2004.8: Demonstrate a Commitment to Implementing DNR's Policies on Master Plan Monitoring</b>
By the time of the first annual audit after award of certification, DNR must make substantive progress in implementing its existing policies on Master Plan monitoring. Prior to the first annual audit, DNR must convey to SCS a briefing report on steps taken and progress made in making the Master Plan monitoring process fully operational.

**DNR Actions/Auditor Observations:****2006:**

DNR provided the following summary of actions taken over the prior year response to CAR 2004.8:

- Division of Forestry staff participated and presented information at a multi-agency Monitoring Summit in April, 2006 sponsored by the DNR. The focus of the meeting was to present the current state of knowledge on monitoring systems and discuss indicators of ecosystem health and develop a statewide monitoring plan. Forestry staff presented information on master planning and the forest inventory and monitoring systems for master plan development and implementation, including RECON, CFI and regional landscape assessments.
- Developed an implementation plan for the recently completed NHAL master plan that includes a listing of all recreation objectives and recreation developments, objectives for each land management area, boundary expansion, fisheries, etc. Elements in the monitoring plan include; current status, specific actions and objectives, monitoring timeframe, funding and resource names.
- Developed a specific wildlife monitoring plan for the NHAL that outlines key monitoring needs, frequency of monitoring and resources needed.
- Capital Develop plan updated for NHAL. All existing capital developments are revised based on completion of master plan. Linked back to the goals and objectives of plan. All new developments scheduled for completion based on issue based priorities determined in the master plan
- Established sub-team at State Forest Working Group to address state forest master plan monitoring needs. Team includes Jeff Olsen (NHAL), Steve Petersen, (Brule), Paul Pingrey, Teague Prichard, Bob Dahl, and Julie Rodenberg.
- The Departments Capital Development Plan is the primary system to track recreational and facility developments. Status of active development projects are reviewed by regional management teams, Facilities and Lands, and Forestry budget manager on an ongoing basis with a full review annually. All projects are submitted through regional management teams for approval. The regional management team and Facilities and Lands evaluate the project and check if the project is consistent with the master plan. If the project is a new or significant upgrade the proposed developed is routed the Bureau in the Central Office. (see capital development form and list of active and scheduled developments)
- Act 166 was signed by the Governor in spring of 2006 that requires the Department to monitoring the RECON and timber sale activities on state forests. The Division must report on an annual basis to the Council on Forestry on all timber sales and identify sustainable harvest levels were met. The act also states that master plans shall guide sustainable harvest levels based on RECON and resource needs. Core reports are drafted to monitoring timber sale activity.
- Annual reports completed for Brule and NHAL and Statewide State Forest annual report in draft form. Annual reports provide status and trends of sustainable forestry including monitoring the forest management accomplishments, recreation developments, land acquisitions, public meeting, RECON and other key issues.
- Financial audits were determined by State Forest leadership team to be outside the scope of this corrective action.
- Significant upgrades are in progress to redesign and add functionality to the existing forest recon system. Additional reporting and trend tables will be included in the upgrade. This will allow foresters and property managers assess whether the land management goals and objectives are being met.

- The authorization of \$300,000 to design and implement a continuous forest inventory will allow the Division to monitor trends over time using a reliable method. Variables included in the inventory and monitoring system include forest cover type, growth and yield, soils, habitat type, crown health, vegetation and structure and coarse woody debris. The monitoring system will allow the Division to report at the property level and management units identified in the master plan.
- The Division has endorsed SFI and FSC to annual monitoring state forest operations through the use of annual audits and 5 year full assessments. A large portion of the indicators evaluated in the annual audits link back to each properties master plan and compliance with the plan and operation policies.
- Completed Law Enforcement Study for the Division. Section includes recommendation specific top State Forest Law enforcement, recreation and timber management. FLT addressing each management review item and recommendation over the next 6 months.
- Forest Health Study completed that includes review of systems and policies, including inventorying and monitory of State Lands.

These accomplishments notwithstanding, and on the basis of discussions with Wisconsin DNR personnel over the 3.5-day 2006 surveillance audit, the SCS auditors conclude that the Department is still struggling to marshal adequate financial and staff resources needed to establish fully functional master plan monitoring protocols. Due to this lingering difficulty, the SCS auditors informed DNR on July 14<sup>th</sup> at the exit interview in Madison that Minor CAR 2004.8 would be closed and replaced by a new Major CAR as well as a new, follow-on Minor CAR (see below).

To provide context and continuity, below are the audit findings for 2004 and 2005 regarding this CAR:

**From the 2005 report:**

As summarized in the July 11<sup>th</sup> discussions with key DNR personnel, supported by the *2005 Corrective Action Accomplishments* report with attachments, the actions undertaken by DNR since the 2004 surveillance audit include:

- Initiated discussions with the Bureau of Finance about the possibility of expanding the current financial audit practices to include overall master plan monitoring; to implement this proposal will require state budget approval
- Established a draft outline/template for State Forest annual reports at the property level and a statewide report
- As part of the forest-level public stakeholder meetings, some forests have produced an annual report that includes master plan implementation
- Included, as a factor in individual and team performance evaluations, steps taken to implement master plans and extent to which decisions made on the state forests are consistent with the master plans
- During state forest working group meetings, policy conformance questions are raised for the purpose of facilitating consistent implementation of master plans.

In the judgment of the SCS auditors, the DNR's response to this CAR remains insufficiently complete and not adequately resolved. At the time of the audit, discussions with the Bureau of Finance could best be characterized as preliminary and lacking in assured funding to implement the idea of incorporating master plan monitoring in financial audits. As well, the template for State Forest annual reports was only in draft form; additionally, only some but not all state forests had—by July 2005—developed annual reports in the format of the new template. As such, the SCS auditors conclude that this CAR should remain open with the expectation that DNR can demonstrate sufficient resolution of its ongoing response strategies, at the time of the 2006 surveillance audit.

**From the 2004 report:**

As of the date of the surveillance audit (early October, 2004), the Working Group had formulated the following recommended actions:

- Expand the current financial audit practices to include overall master planning; as necessary, develop a funding initiative to support this work
- Establish a template for State Forest annual reports
- Tie the annual reporting to annual State Forest meetings/open houses

Auditor Assessment: It is our sense that the recommended actions, if duly implemented, will provide an adequate foundation upon which DNR can demonstrate conformance to this CAR, thereby enabling SCS to close this CAR. We note, however, that each of the recommended actions requires potentially considerable investment in staff resources; as well, it would be helpful if a lead person is designated for each action that the FLT elects to pursue. We also note that due to budget and staff reductions, the Bureau of Finance within the Department will no longer be doing the annual financial audits. This begs the question: who will do the expanded financial audits, per the first of the Working Group's recommendations?

The 2004 audit team concluded: "This CAR is not yet due and, as such, is being kept open with the expectation that it can be closed out as part of the 2005 surveillance audit. DNR will need to accelerate the pace at which it strives to close this CAR."

**Status at the conclusion of the 2006 surveillance audit (July):**

The 2006 audit team concludes that DNR must now place greater emphasis on addressing the issue of Master Plan monitoring; as such, this CAR is being closed, to be replaced by a new, Major CAR and a follow-on Minor CAR (see below).

### 3.2.2. TABLE 2: NEW CORRECTIVE ACTION REQUESTS

Resulting from the 2006 site visits to two state forest units (Brule River and Northern Highlands/American Legion) as well as extensive discussions with DNR personnel from headquarters, one new Major CAR and two new Minor CARs have been issued:

<b>Observation:</b> From discussions with DNR headquarters staff as well as field personnel stationed on the State Forests, the auditors conclude that Departmental procedures and efforts for instituting structured, regular Master Plan monitoring are, at present, not assuring adequate conformance with the management plan monitoring requirements of the FSC Lake States Regional Standard.	
<b>CAR 2006.1 (Major)</b>  <b>This CAR replaces CAR 2004.8.</b>	<p>DNR must make substantive progress in implementing its existing policies on Master Plan monitoring.</p> <p>The Wisconsin DNR Division of Forestry will expand the existing Wisconsin State Forest Monitoring and Evaluation guide (1998) to develop an effective monitoring and evaluation program for individual property master plans. The guidelines will include instructions for training State Forest staff about master plan content and templates for implementation, effectiveness and validation monitoring. A process will include regional leadership review to ensure the monitoring and implementation plan is being followed. The Regions' reports are to be submitted annually to the Chief State Forester and Forestry Leadership Team.</p> <p>Specific actions and outcomes:</p> <ol style="list-style-type: none"> <li>1. Produce an outline including required monitoring and evaluation elements that will be used by each property to create a report specific to its master plan.</li> <li>2. Submit the outline and an issue brief to the Forestry Leadership Team, providing options and a recommended monitoring and</li> </ol>

	evaluation approach, including an implementation timeline. 3. After FLT approval, distribute master plan monitoring guidance to properties. Provide a copy to SCS.
<b>Deadline</b>	November 15, 2007
<b>Reference</b>	<i>FSC Criterion 8.1</i>

**Note: On February 4, 2007, DNR submitted via email evidence of actions taken response to this CAR:**

**“DNR Actions**

- Wisconsin’s State Forest Monitoring and Evaluation Guide (1998) was updated to reflect recent master planning guidance. The guidance includes the elements and steps each property must take to complete a Monitoring and Evaluation plan and annual report. The guidance also includes a process to ensure regional review and approval of plans and reports. The general monitoring and evaluation strategy was approved by the Forestry Leadership Team in October 2006.
  - Guidance includes 1.) Monitoring and Evaluation Guide, B.) Monitoring and evaluation plan (form), 3.) Annual Monitoring and Evaluation Template and 4.) Procedures to develop review and approve annual monitoring and evaluation plan and report.
- Guidance was distributed to properties for review and comment as part of FLT issue brief process.
- Training on how to use the guide and develop a monitoring and evaluation plan and report was conducted at the Jan, 2007 State Forest Working Group meeting. All State Forest Superintendents were present. Final Guidance and templates were distributed to FLT and all property superintendents.”

**Auditor Response: DNR has completed the tasks stipulated in Major CAR 2006.1: master plan monitoring protocols and guidelines have been revised and updated, the Forestry Leadership Team approved the revised procedures in October 2006, the new guidance has been conveyed to each State Forest unit and training was conducted for all State Forest Superintendents in January 2007, and copies of the revised guidance documents have been conveyed to SCS.**

***Accordingly, we conclude that closure of Major CAR 2006.1 is now warranted.***

<b>Observation:</b> See Major CAR 2006.1. This Minor CAR is a companion and follow-on to Major CAR 2006.1	
<b>CAR 2006.2 (Minor)</b>  <b>This CAR replaces CAR 2004.8.</b>	a) By January 31, 2007, conduct Northern Highland/American Legion State Forest staff training for the recently completed master plan. The training will connect the plan writers with the plan implementers and include the monitoring and evaluation report.  b) By June 15, 2007, complete a monitoring and evaluation report for each State Forest. Provide copies to SCS.
<b>Deadline</b>	Part (a): January 31, 2007; Part (b): June 25, 2007

Reference	FSC Criterion 8.1
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**Note: On February 4, 2007, DNR submitted via email evidence of actions taken response to this CAR:**

**“DNR Actions**

A.) The NHAL State Forest conducted a master plan training session on October 26, 2006. All property staff was required to attend. Additional Department staff involved in drafting the master plan participated and explained sections of the plan. The training session was six hours and covered all of the master plan elements. Future annual properties and field visits will include master plan elements.

B.) Each state forest is expected to complete a monitoring and evaluation report by June 15<sup>th</sup>. The report will be reviewed by regional leadership and submitted for signature from the state forester. IN PROGRESS”

**Auditor Response: DNR has completed one of the two tasks stipulated in this Minor CAR—a training session was held on NHAL State Forest on October 26, 2006, well in advance of the stipulated deadline of January 31, 2007.**

**Efforts are underway for completing a monitoring and evaluation report for each State Forest.**

**The auditors take positive note of progress made, to date, by DNR to close out this Minor CAR. This Minor CAR will be kept open until the July 2007 annual surveillance audit, at which time it is expected that DNR will provide evidence of completion of task (b) such that the Minor CAR can be closed.**

<b>Observation:</b> The certificate number associated with timber sold from the Wisconsin State Forests is not being consistently included on all timber sale prospectuses (bid invitation documents); there is inconsistency in protocol across State Forests.	
<b>CAR 2006.3 (Minor)</b>	Take appropriate actions to assure that all State Forest timber sale prospectuses include the Wisconsin State Forest’s FSC FM/CoC certificate number. Provide SCS with evidence of actions taken to assure conformance with this request.
<b>Deadline</b>	December 31, 2006
<b>Reference</b>	FSC Criterion 8.3

**Note: On February 4, 2007, DNR submitted via email evidence of actions taken response to this CAR:**

**“DNR Actions**

- A memo from the Chief State Forester was sent to all state forest staff explaining the policy to include the FSC and SFI Forest Certification numbers on all correspondence related to the sale of forest products. The memo further communicated the need use the Certificate number when the Certification logo is used.”

**Auditor Response:** By preparing and distributing a memo from the Chief State Forester to all state forest staff clarifying the FSC chain of custody requirements, particularly the need to include the FSC certificate number on all correspondence related to the sale of forest products, DNR has completed what was requested in this Minor.

***Accordingly, we conclude that closure of Minor CAR 2006.3 is now warranted.***

### ***3.2 CERTIFICATION DECISION***

The SCS auditors, considering the information gathered during the 2006 annual surveillance audit, conclude that DNR's management of the Wisconsin State Forests remains in solid conformance with the standards of certification (the FSC Lake States Regional Standard) and what is broadly expected of forest operations endorsed by the FSC. However, one issue first raised in the 2004 certification evaluation (Master Plan monitoring) was found to require more focused attention by DNR and was raised to a Major CAR accompanied by a new, companion Minor CAR. Notably, DNR demonstrated a strong commitment to addressing these CARs after the July 2006 audit and prior to finalization of this audit report. As a result of the actions taken, Major CAR 2006.1 has been closed as part of issuance of this report while Minor Car 2006.2 will remain open until the 2007 surveillance audit.

Another minor issue arose during the 2006 audit—including the DNR's chain of custody certification number on all documents associated with the sale of timber products. Minor CAR 2006.3 was issued after the July 2006 audit in response to this issue. Likewise, DNR quickly implemented the necessary corrective actions and this Minor CAR has also been closed as part of issuance of this report.

DNR's earnest response to the three CARs issued shortly after the July 2006 audit reinforce the foundation of the FSC-endorsed certification of the Wisconsin State Forest System.

The 2006 site visits were to two state forests that have been previously selected for auditing in prior years and, as such, provided an opportunity to gauge progress made in improving the overall management programs on these two units since award of certification in 2004. Our strong sense is that management of these two state forest units has indeed progressed towards even more robust conformance with the FSC Lake States Regional Standard.

Accordingly, it is the judgment of the SCS auditors that the certificate held by the Wisconsin Department of Natural Resources for the management of the Wisconsin State Forest System (SCS-FM/CoC-00070N) should be continued, subject to subsequent annual surveillance audits, with the next audit being scheduled July, 2007.