



Responsible Wood

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Forest Management Systems (FMS) Scheme

Australia and New Zealand

**Requirements for bodies providing audit and certification of Forest
Management Systems**

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Contents

0.	INTRODUCTION	1
0.1	Background.....	1
0.2	Foreword	1
0.3	Transition policy for CBs	1
1.	SCOPE	2
2.	NORMATIVE REFERENCES.....	2
3.	TERMS AND DEFINITIONS	2
4.	PRINCIPLES.....	4
5.	GENERAL REQUIREMENTS	4
5.1	Legal and contractual matters	4
5.1.2	Certification agreement.....	4
6.	STRUCTURAL REQUIREMENTS	4
7.	RESOURCE REQUIREMENTS	4
7.1	Competence of personnel.....	4
7.1.2	Determination of competence criteria	4
7.1.3	Evaluation processes	4
7.2	Personnel involved in the certification activities	5
8.	INFORMATION REQUIREMENTS.....	5
8.2	Certification documents	5
8.5	Information exchange between a certification body and its clients	5
8.5.3	Notice of changes by a certified client	5
9.	PROCESS REQUIREMENTS.....	6
9.1	Pre-certification activities	6
9.1.1	Application.....	6
9.1.2	Application review	6
9.1.4	Determining audit time	7
9.1.5	Multi-site sampling.....	7
9.2	Planning audits	7

9.2.2	Audit team selection and assignments	7
9.3	Initial certification	8
9.3.1	Initial certification audit	8
9.4	Conducting audits	10
9.4.2	Conducting the opening meeting	10
9.4.7	Conducting the closing meeting	10
9.4.8	Audit report	10
9.5	Certification decision	11
9.5.3	Information for granting initial certification	11
9.6	Maintaining certification	11
9.6.2	Surveillance activities	11
9.6.4	Special audits	12
9.6.5	Suspending, withdrawing or reducing the scope of certification	12
10.	MANAGEMENT SYSTEM REQUIREMENTS FOR CERTIFICATION BODIES	13
	ANNEX A – AUDIT DURATION	14
	ANNEX B – SAMPLING RULES	19

0. Introduction

0.1 Background

This Forest Management Systems (FMS) Scheme Issue 6, including the Annexes, sets down the requirements for certification bodies (CBs) conducting audits and certification of forest management systems to the joint Australia/New Zealand Standard AS/NZS 4708.

This Scheme supersedes FMS Scheme, Issue 5. It was originally developed by a JAS-ANZ Forest Management Systems Technical Committee in consideration of certifications to AS 4708 in Australia. A second technical committee was established to revise and update the Scheme to enable its launch in New Zealand following publication of NZS AS 4708. Both committees comprised a broad and balanced representation of significantly interested parties.

At the time of publishing FMS Scheme Issue 6, certification to AS 4703:2013, NZS AS 4708:2014, and AS/NZS 4708:2021 are recognised by the Program for the Endorsement of Forest Certification (PEFC).

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0.2 Foreword

This Scheme contains requirements that supplement, but do not diminish the requirements of ISO/IEC 17021-1:2015, which is the current International Standard for bodies certifying management systems.

All the headings and their numbers in this Scheme (other than in this Introduction and the Annexes) are from ISO/IEC 17021-1:2015. Clause numbers prefixed with the letter 'J' are requirements developed by the above technical committees.

The term “**should**” indicates a recognised means of meeting a requirement of this Scheme. CBs shall comply, but they may do so in an equivalent way provided this can be demonstrated to JAS-ANZ.

The term “**shall**” indicates requirements that are mandatory.

0.3 Transition policy for CBs

Current applicants and CBs accredited to FMS Scheme Issue 5 shall immediately commence their transition to Issue 6. CBs should normally be able to make the transition by applying for a scope extension to FMS Scheme Issue 6. The application will be reviewed at the next surveillance audit.

CBs providing certificates in one country but not the other can also apply for a scope extension for the other country. They will need to comply with the JAS-ANZ Policy on transition to ISO/IEC 17021-1:2015, FMS Scheme Issue 6 and any applicable Australian or New Zealand country-specific scheme requirements.

1. Scope

No additional requirements.

2. Normative references

- *AS/NZS 4708:2021 – Sustainable Forest Management, available at: <http://www.responsiblewood.org.au>*
- *FMS Scheme Audit Duration Calculator (Excel spreadsheet), available from the JAS-ANZ MS SharePoint page for this scheme*
- *IAF MD 1:2007 (issue 1) – IAF Mandatory Document for the Certification of Multiple Sites Based on Sampling, available at www.iaf.nu*
- *IAF MD 2:2007 (Issue 1) – IAF Mandatory Document for the Transfer of Accredited Certification of Management Systems, available at www.iaf.nu*
- *ISO/IEC 17021-1:2015 – Conformity Assessment – Requirements for bodies providing audit and certification of management systems. Part 1: Requirements*
- *JAS-ANZ Policy 03/11 – Transfer of accredited management system certification, available through the JAS-ANZ SharePoint portal*

3. Terms and definitions

The following definitions also apply to this scheme:

Active block	A block where, in the 3 months prior to the audit, work is planned to happen, or was carried out, or is currently being carried out.
Block	A discrete parcel of land (e.g. a compartment or coupe) to which a forest management operation is applied. Blocks may be active or inactive and cover a range of forestry management activities.
DFA	Defined forest area, as defined in AS/NZS 4708.
District office	A client's office that conducts its activities under the supervision of a regional office.
Forest Management unit (FMU)	A set of blocks with relatively uniform characteristics, such as species composition, geographical location, tenure, and silvicultural management regime. For example: a forest manager owning 10-years rotation hardwood plantations and thinned, sawlog rotation plantations in one region/state of Australia has two FMU's, one hardwood and one softwood. If the same forest manager also had pine plantations in one region of NZ, then this would be a third FMU.
FTE	Full-time equivalent employees, including permanent and casual or temporary staff and contractors.

Group forest certification scheme	As defined in AS/NZS 4708.
Inactive block	A block where work has not commenced or has not been carried out in the 3 months prior to the audit.
Non-productive area	Land/forest from which commercial products are not harvested. Includes riparian buffer strips, habitat exclusion zones, scientific areas etc.
Regional office	A client’s office reporting directly to the client’s head office, central office, central administration or headquarters.
Sampling level	<p>A group of similar sampling units to which a CB may apply the sampling rules in Annex B. Examples of different sampling levels:</p> <ul style="list-style-type: none"> a) all regional offices b) all district offices c) all other business premises (e.g. workshops, depots, nurseries) d) all FMUs. <p>Blocks are sampled per FMU – see Annex B.</p>
Sampling unit	<p>A physical location within the scope of the forest management system and available for sampling according to Annex B. Example: a single regional office, district office, other business premises (e.g. depot, workshop, nursery), FMU or block. Analogous to “site” in IAF MD1.</p> <p>Note: “site” has a different meaning in AS/NZS 4708.</p>
Scheme Owner(s)	The FMS scheme in Australia is owned by the Australian Forestry Standard Limited trading as Responsible Wood. The FMS scheme in New Zealand is owned by the New Zealand Forest Certification Association.
Special circumstances	Special circumstances exist where forest management activities present an increased level of risk to the protection and maintenance of identified forest values such as biodiversity (including Commonwealth or state-listed species), soil and water, forest health, worker safety etc., and where verification of planning and management activities warrants extra audit time.
Stakeholder	As defined in AS/NZS 4708.
Summary report	A report prepared by the CB (which may be part of the audit report), which is in a format that can be made publicly available by the client.
Work	Any activity associated with management of the DFA for example harvesting, site preparation, planting, planning activities, inventory activities, pest and disease monitoring/control activities, hazard reduction burning, road construction or maintenance, management of recreation etc.

4. Principles

No additional principles

5. General requirements

5.1 Legal and contractual matters

5.1.2 Certification agreement

J.5.1.2.1 The certification agreement shall require a client to make publicly available on request the Summary Report referred to at clause J.9.4.8.3 and up-to-date maps of the DFA at a scale no smaller than 1:250,000.

6. Structural requirements

No additional requirements

7. Resource Requirements

7.1 Competence of personnel

7.1.2 Determination of competence criteria

J.7.1.2.1 The CB's process for determining the competencies needed in its audit teams should also consider the DFA's size, characteristics and forest types.

7.1.3 Evaluation processes

J.7.1.3.1 The CB shall have procedures for evaluating FMS Scheme auditors and audit team leaders and determining their competence. The evaluation shall include an on-site evaluation by a competent FMS Scheme audit team leader, or a competent EMS audit team leader assisted by an FMS Scheme auditor or technical expert. The CB shall ensure that the on-site evaluation includes an assessment of the candidate's ability to effectively audit all of the technical elements of AS/NZS 4708 (for evaluations in Australia and New Zealand) as well as evaluating their planning, team leading, auditing skills and technical knowledge as applicable.

Note: progression from auditor to audit team leader status may only require a partial evaluation where a previous evaluation verified the auditor's auditing skills and technical competence.

J.7.1.3.2 The competencies specified at clauses J.9.2.2.1.3 to J.9.2.2.1.5 may be demonstrated through a suitable combination of education, training and/or experience such as:

- a) professional qualifications for example, a degree or postgraduate qualification in forestry, protected area or environmental management;
- b) professional membership of a forestry-related professional body;

- c) experience gained working in a forest management context in a forest environment equivalent to that under audit (e.g. south-east eucalypt forest, radiata pine plantation);
- d) registration as a professional forester (with recognised forest auditing skills) by a forestry-related professional body.

7.2 Personnel involved in the certification activities

- J.7.2.1 The CB shall not authorise FMS Scheme audit team leaders or auditors to audit unsupervised until they have been determined to be competent. If a CB uses technical experts, its systems shall include details of how technical experts are selected and how their technical knowledge is assured on a continuing basis. The CB may rely on outside help, e.g. from industry or professional institutions.
- J.7.2.2 Certification bodies shall ensure that its personnel participate in continuous professional training and development as prescribed by the PEFC National Governing Body. See www.pefc.org.

8. Information requirements

8.2 Certification documents

- J.8.2.1 Certification documents shall also include:
 - a) a brief description of the geographic locality(ies) of the FMUs comprising the DFA in the scope of certification. See clause J.9.1.1.1;
 - b) the address for obtaining more information on the DFA (i.e. Summary Reports, DFA maps etc.). See clause J.8.5.3.1 c).
- J.8.2.2 CBs shall ensure that the information required in clause J.8.2.1 is updated whenever certification documents are re-issued for any reason, including at recertification.

8.5 Information exchange between a certification body and its clients

8.5.3 Notice of changes by a certified client

- J.8.5.3.1 The CB shall also require the client to:
 - a) maintain records of all communications including complaints and corrective actions taken in accordance with the requirements of AS/NZS 4708 and make them available to the CB on request. This includes correspondence, recommendations and actions documented by the Scheme owner(s); or correspondence with any other client, stakeholder, organisation or person relating to complaints about the client or the client's compliance with the requirements of AS/NZS 4708;
 - b) notify the CB in writing within five business days of any breach of regulatory requirements within the scope of certification to AS/NZS 4708;
 - c) maintain a DFA register with details of all separately described blocks or forest management units;

- d) maintain a system that can track additions and/or deletions to the DFA between audits and that can provide areas and maps of any changes;
- e) promptly notify the CB of any significant changes to the DFA e.g. any new or changes to sample units. See Annex B;
- f) provide the Scheme Owner(s) with an annual statement confirming the current DFA.

9. Process requirements

9.1 Pre-certification activities

9.1.1 Application

J.9.1.1.1 Audit and certification to AS/NZS 4708 can only be applied to the full range of forest management activities within the DFA. It is not permissible to certify only a part of a forest manager's management system; e.g. harvesting. In circumstances where the client is not responsible for meeting all the requirements of AS/NZS 4708 within the DFA, the CB shall ensure that the client has contractual arrangements in place with any other parties that share responsibility. The CB shall verify that all the requirements of AS/NZS 4708 are being met, including auditing the activities of other parties to any such arrangements.

J.9.1.1.2 The CB shall handle applications for transfer of certification in accordance with IAF MD 2 and JAS-ANZ Policy 03/11.

9.1.2 Application review

J.9.1.2.1 The CB shall also:

- a) review the information obtained from discussions and observations made during any pre-audit site visits;
- b) review any statutory licensing or registration requirements that may impact on the forest management system;
- c) confirm that the forest management system is capable of delivering the client's forestry management policy commitments, including the ability to meet objectives for continual improvement and established forest management performance requirements.

J.9.1.2.2 Rules for group forest certification scheme applications are:

- a) the applicant must be a legal entity, act as the contact point for the group, coordinate all communications and audit planning with the CB, and have a legally enforceable agreement with all members covered by the scope of certification;
- b) all members of the group forest certification scheme must go through the certification process concurrently and must operate on essentially similar documentation and procedures. All members must present for audit (and subsequent audits) at the same time;

- c) changes in group membership shall be managed in accordance with IAF MD1 and ISO/IEC 17021-1:2015 clauses 8.5.3 and 9.6.4.1;
- d) the CB may provide combined audit reports covering all members of the group forest certification scheme;
- e) acceptance of an application for a group forest certification scheme is at the discretion of the CB.

9.1.4 Determining audit time

J.9.1.4.1 CBs shall comply with the requirements for audit duration at Annex A.

9.1.5 Multi-site sampling

J.9.1.5.1 CBs shall apply the sampling rules at Annex B to clients with one or more sampling levels.

9.2 Planning audits

9.2.2 Audit team selection and assignments

9.2.2.1 General

J.9.2.2.1.1 The CB may appoint a competent FMS Scheme auditor as the audit team leader if that auditor is a QMS or EMS audit team leader.

J.9.2.2.1.2 The audit team member(s) conducting the technical elements of the audit must satisfy clauses J.9.2.2.1.3 to J.9.2.2.1.5 below, or be accompanied by a technical expert or auditor who does satisfy these clauses.

J.9.2.2.1.3 The audit team shall collectively possess competence (knowledge and skills) in the following areas as they apply to the forestry sector and in the context of the country the certification applies. A team may consist of one person if that person is competent in all these areas:

- a) forest planning, management and inventory processes;
- b) stakeholder engagement processes;
- c) forest ecology and biodiversity;
- d) management of forest operations;
- e) silvicultural principles and practices;
- f) forest health including management of invasive species and forest fire;
- g) soil and water management practices;
- h) carbon cycles and carbon accounting;
- i) indigenous and non-indigenous cultural heritage values;
- j) social and economic values;

- k) the regulatory environment;
- l) environmental management;
- m) workplace health and safety and industrial relations;
- n) forest business and chain of custody practices.

J.9.2.2.1.4 If the certification involves both native forest and plantations, then the competencies specified in clause J.9.2.2.1.3 must be demonstrated for each of those forest management types.

J. 9.2.2.1.5 The audit team shall be competent in interpreting and applying all requirements in the applicable country context.

For example, an Australian-approved FMS auditor shall not be approved to conduct FMS audits in New Zealand without first demonstrating competence in as a minimum (and in context of the nature, intensity and scale of forest management activities):

- a) the applicable New Zealand legislative and regulatory requirements;
- b) role and interests of tangata whenua;
- c) New Zealand environmental and biodiversity values;
- d) New Zealand forest management practices.

Equivalent requirements apply to New Zealand FMS auditors seeking to conduct FMS audits in Australia.

9.3 Initial certification

9.3.1 Initial certification audit

9.3.1.2 Stage 1

J.9.3.1.2.1 For clients with two or more sampling levels, or group forest certification schemes, stage 1 shall always include an on-site audit component and a sample of field operations.

J.9.3.1.2.2 The CB shall require the client to provide at least the following information during stage 1:

- a) Details of the scope of the management system as required by Clause 4.3 of AS/NZS 4708;
- b) an overview of the forest management system, its policies, management and organizational structure (including the location of offices, depots, nurseries etc.), the nature and extent of the DFA (and the FMUs within it), and the resources for managing the DFA;
- c) an overview of planning processes, significant aspects and impacts, environmental goals and the legislative environment;

- d) an overview of processes for protecting forest values, forest health, and systems for maintaining long-term benefits to stakeholders;
- e) an outline of how the concept of continual improvement is realised;
- f) procedures and records of internal audit and review programs, document control, and corrective/preventive action;
- g) a list of relevant stakeholders who may need to be consulted during stage 2;
- h) an overview of staff training processes; and
- i) an overview of risk management and work health and safety practices.

J.9.3.1.2.3 During stage 1 the CB will determine any additional information that may be required for detailed evaluation during stage 2 and advise the client. Such information may include:

- a) licence/permit requirements;
- b) records (including records of incidents, breaches of regulation or legislation and relevant correspondence with authorities) on which the client based its own audit of compliance with regulatory requirements;
- c) details of any internally identified nonconformities together with details of relevant corrective and preventive action taken in the previous 12 months (or since implementation of the forest management system if this is less than 12 months);
- d) records of any forest management system-related communications received and any actions taken in response to them. This includes communications and interactions with stakeholders, and the disposition of all comments made. See clause J.8.5.3.1 a).

J.9.3.1.2.4 The CB shall review the intended scope of certification during stage 1 and confirm proposed audit durations and required audit team competencies for stage 2.

9.3.1.3 Stage 2

J.9.3.1.3.1 Stage 2 shall also focus on the client's:

- a) identification of environmental, economic, social and cultural aspects and subsequent determination of their significance;
- b) objectives and targets derived from the identified significant impacts which address the full range of forest management performance requirements;
- c) consultation with relevant stakeholders identified by the client on the management of the DFA;
- d) operational control, including capacity planning, sustainable production, and maintenance of forest values;
- e) identification and evaluation of nonconformities and completion of corrective/preventive action/s;
- f) procedures for identifying and protecting biodiversity and cultural heritage values;

g) safety procedures.

J.9.3.1.3.2 The CB shall plan consultations with, and consult a sample of relevant stakeholders on the management of the DFA throughout the certification cycle. The planning and consultation shall reflect the nature and scale of the client's activities for which certification is sought or held.

Note: these stakeholders should be different to those interacted with during the normal audit process, such as employees, contractors, customers and regulators. The intent of this requirement is that some other affected and/or interested stakeholders are consulted with, such as neighbours, local government, NGO's. It is recommended that the audit team use the forest manager's list of stakeholders, and select a sample from this, which the audit team successfully contacts about 3-4. Experience has shown that verbal contact by phone or in person, is more effective than other means such as email. Consultations should cover the stakeholder opinion of engagement processes per clause 7.4.1 in AS/NZS 4708.

J.9.3.1.3.3 The CB shall have procedures for dealing with a breach of a regulatory requirement found within the scope of the AS/NZS 4708 audit as applicable. These procedures shall ensure that any such breach is raised as a minor or major nonconformity and communicated to the client. The CB shall verify that the client has notified the regulatory authority in situations that require such notification.

9.4 Conducting audits

9.4.2 Conducting the opening meeting

J.9.4.2.1 If it has not already done so, the CB shall advise the client of its procedures for dealing with a breach of a regulatory requirement if discovered during an audit.

9.4.7 Conducting the closing meeting

J.9.4.7.1 The CB shall require the client to provide an action plan (including timeframes and responsibilities) to address major and minor nonconformities identified during all audits. The CB shall review the action plan, and if satisfactory, accept it and advise the client accordingly. Where the CB determines that the action plan does not adequately address the nonconformities, the CB shall advise the client of any deficiencies and require the client to rectify the plan, prior to acceptance. The timeframes for closing out or downgrading major nonconformities shall not exceed 3 months from receipt of the audit report. The CB shall close out minor nonconformities no later than at the next audit.

9.4.8 Audit report

J.9.4.8.1 The CB shall present a report on stage 1 to the client prior to commencing stage 2. The stage 1 report shall at least include:

- a) a summary of findings from documents reviewed;
- b) a summary of findings against the requirements at clause J.9.3.1.2.2.

J.9.4.8.2 The content of all reports on stage 2, surveillance and recertification audits shall also:

- a) allow for traceability of the objective evidence used as a base to establish conformity or nonconformity with the requirements of AS/NZS 4708;
- b) summarise the most important observations, positive as well as negative, regarding the implementation and effectiveness of the client's forest management system. This should include consideration of compliance risks arising from the activities of relevant stakeholders as described at J.9.3.1.3.2.

J.9.4.8.3 Additionally, the CB shall provide a Summary Report which includes:

- a) the name and business address of the client;
- b) the name of the CB and the auditor;
- c) the date of the audit;
- d) the scope of the client's certificate;
- e) the purpose and scope of the audit;
- f) a summary of the main findings;
- g) a brief description of the FMUs/DFA;
- h) guidance as to how further details of the DFA may be accessed; and
- i) the area of the DFA. This will be the area of the DFA as advised to Responsible Wood.

J.9.4.8.4 The CB's reports shall mention any applicable qualifications for scale and intensity, as referred to in AS/NZS 4708.

J.9.4.8.5 The CB shall retain completed questionnaires/checklists/observation logs/auditor notes etc. where such records are necessary to validate findings in the audit report.

9.5 Certification decision

9.5.3 Information for granting initial certification

J.9.5.3.1 The CB shall advise the applicable Scheme Owner(s) by email of the results of each initial and recertification audit to AS/NZS 4708. The CB shall provide a copy of the certificate along with a description of the DFA in terms of area and composition, within 5 working days of issuing a new certificate.

J.9.5.3.2 The CB shall notify the applicable Scheme Owner(s) within 5 working days of it becoming aware of any changes to the client's DFA or scope of certification.

9.6 Maintaining certification

9.6.2 Surveillance activities

9.6.2.1 General

J.9.6.2.1.1 The CB shall program its surveillance activity so as to cover the full range of forest management activities relevant to AS/NZS 4708 and the timing and seasonality of

operations. The CB may schedule audits at any time during the surveillance period in order to ensure that relevant processes are audited, provided that as a minimum, surveillance activity occurs annually. The CB shall ensure that the surveillance program is consistent with the requirements of clause A.1.2.

Note: Annual surveillance is a maximum of 12 months between audits. It is acknowledged that for reasons outside of the control of the CB (illness, availability of the certificate holders' key staff, travel restrictions etc.), this frequency may sometimes be exceeded. In such cases, the reasons shall be documented and justified. In justified circumstances, the period of surveillance may be extended to a maximum of 15 months provided the next surveillance returns to the original schedule.

9.6.2.2 Surveillance audit

J.9.6.2.2.1 At each surveillance audit, the CB shall also interview responsible management and check:

- a) the functioning of procedures for periodically evaluating and reviewing compliance with AS/NZS 4708 and relevant legislation and regulations;
- b) progress of planned activities to improve the forest management system and overall performance in line with the client's forest management policy commitments;
- c) changes to the DFA;
- d) that the client has promptly advised the CB of significant changes to the DFA, and also advised the Scheme Owner(s) of changes to the DFA at least annually;
- e) that the client has made the Summary Report and the DFA map(s) publicly available on request. See clause J.5.1.2.1;
- f) the effectiveness of corrective action taken by the client to resolve nonconformities identified at previous audits; and
- g) other selected areas as appropriate.

9.6.4 Special audits

9.6.4.2 Short-notice audits

J.9.6.4.2.1 The CB shall conduct a special audit or additional surveillance activity if the client makes modifications to its forest management system that could affect its certification, if serious substantiated allegations have been raised regarding non-conformance with AS/NZS 4708 or misconduct by the certificate holder, or if other changes or significant events take place that could similarly affect certification.

9.6.5 Suspending, withdrawing or reducing the scope of certification

J.9.6.5.1 The CB shall advise the Scheme Owner(s) by email within 5 working days if certification is suspended or withdrawn, or where there are any changes in decisions relating to the status of certification of a client, and the reasons for those decisions.

10. Management system requirements for certification bodies

No additional requirements

Annex A – Audit duration

A.0 Introduction

A.0.1 The CB shall consider the nature and scale of the forestry management operation to determine the time needed to audit the client's forestry management system against the requirements of AS/NZS 4708. Audit duration is critically influenced by:

- a) the size of the DFA in hectares, its nature and extent;
- b) the number of FMUs that make up the DFA;
- c) the number of blocks within each FMU and how many are active;
- d) the geographic dispersal of FMUs;
- e) the activities being carried out within each FMU at the time of the audit;
- f) the number of FTEs (including staff and contractors);
- g) organisational arrangements, e.g. the number of regional and/or district offices; and other business premises, e.g. depots, workshops and nurseries;
- h) the complexity of forest values and the economic, cultural and environmental protection and management programs and controls required;
- i) the nature of the terrain and the length of roads within the DFA;
- j) issues surrounding transport and sale of forest products, if applicable.

A.1 Calculating audit duration

A.1.1 The CB shall use the current version of the FMS Scheme Audit Duration Calculator to determine the minimum audit duration for stage 2 and recertification audits.

A.1.2 The combined durations of all the surveillance audits conducted during the surveillance program for each certification cycle shall be no less than 1.5 times the duration of the single stage 2 initial audit.

A.1.3 The CB may allow a reduction in minimum audit duration where the certified management system integrates the requirements of other certification standards with AS/NZS 4708. The maximum allowable reduction is 25% which can only be applied if all the following conditions apply:

- a) the client is certified to AS/NZS 4708 and another relevant standard;
- b) the full audit duration of the other standard is applied;
- c) the audit assesses the requirements of both standards simultaneously; and
- d) the scope and boundary of both certifications are equivalent.

- A.1.4 Where the client has demonstrated full conformance and continual improvement in system performance over a full certification cycle, the CB may subsequently allow a reduction in audit duration of up to 25%. The combined reduction in duration from all sources may not exceed 25%.
- A.1.5 The FMS Scheme Audit Duration Calculator takes the factors in clause A.0.1 into account. It does this by separately addressing the following audit components: corporate governance; regional offices; district offices; other business premises (e.g. depots, workshops and nurseries); FMUs; and blocks. Apart from the single head office where corporate governance is audited, these components qualify as sampling levels, and are sampled according to the requirements of Annex B.
- A.1.6 The Calculator also addresses forest infrastructure, validating biodiversity assessments, and transport and sale of forest products. Sampling according to Annex B is not applicable to these components.
- A.1.7 The Calculator determines minimum audit durations for all the above components as discussed below. The number of auditor days (typically 8-hour days) provided by the calculator shall not include client management activities; planning and preparation; travel to and from the audit; report writing; or follow-up activities associated with closing nonconformities.

A.2 Corporate governance

- A.2.1 For any client, a certain amount of time is needed to effectively audit the corporate governance arrangements at a systems level, such as:
- a) the development and review of the forest management plan (including processes for identification of the full range of forest values to be managed and silvicultural practices to be adopted);
 - b) stakeholder engagement processes including complaints management;
 - c) biodiversity assessment processes, prioritisation, management and reporting;
 - d) processes for documentation and communication;
 - e) processes for determining competence, training and awareness;
 - f) operational planning;
 - g) management of staff and contractors;
 - h) monitoring and internal auditing practices;
 - i) emergency preparedness and response;
 - j) regional industry and community interactions;
 - k) safety and workers' rights.
- A.2.2 The CB shall audit corporate governance arrangements at the client's head office (also known as central office, central administration, headquarters etc.) during initial and recertification audits, and at least once during the surveillance program. At other

surveillance audits, corporate governance arrangements may be assessed remotely at regional offices, providing the auditor can access necessary documentation, records and personnel.

- A.2.3 Table 1 sets out minimum audit durations (in auditor days) for auditing corporate governance based upon the number of FTEs engaged by the client, and the size of the DFA, for stage 2 of the initial certification audit, or a recertification audit.

Table 1. Minimum audit duration for corporate governance (auditor days)

Minimum audit duration		Number of FTEs			
		<10	10-49	50-100	>100
DFA (hectares)	<1,000	0.5	1.0	1.5	2.0
	1,000 – 9,999	1.0	1.0	1.5	2.0
	10,000-99,999	1.5	1.5	1.5	2.0
	>99,999	2.0	2.0	2.0	2.0

A.3 Regional and district offices; depots, workshops and nurseries

- A.3.1 The CB shall allow sufficient time to audit the application of the centrally-managed system at all the client’s offices and other business premises. Table 2 sets out minimum audit durations (in auditor days) for auditing the number of regional offices, district offices and other business premises that need to be visited for a stage 2 initial audit or a recertification audit.

Table 2. Minimum audit duration for offices and other business premises

Type of premises	Minimum duration per premises (auditor days)
Regional office	0.5
District office	0.25
Depot, workshop, nursery etc.	0.125

Note: The hierarchy of central, regional and district offices may not be relevant for all forest managers. In such cases, offices may be considered a single sampling unit.

- A.3.2 In a group certification scheme, the CB shall treat each member as if it is a district office (minimum of 0.25 days per member).

A.4 FMUs and blocks

- A.4.1 The CB shall verify that each FMU described in the forest management plan has a relatively uniform forest type in terms of:

- a) species composition;
- b) geographical location; and

c) silvicultural management regime.

A.4.2 Table 3 sets out minimum audit durations (in auditor days) for auditing the FMUs and blocks that need to be visited for stage 2 of the initial certification audit, or a recertification audit.

Table 3. Minimum audit duration for FMUs and blocks

Type of premises	Minimum duration (auditor days)
FMU	0.5
Active block	0.125
Inactive block	0.125

A.4.3 The minimum audit duration for an FMU provides for auditing up to three active blocks and one inactive block within that FMU. Where more than three active blocks need to be sampled, CBs shall increase the audit duration pro rata. See Annex B.

A.4.4 CBs shall audit at least one one inactive block for each FMU sampled. See Annex B.

A.4.5 CBs shall audit non-productive areas in conjunction with the audit of adjacent active blocks.

A.4.6 In a group certification scheme, all members can be considered to be within the same FMU, providing the forests they are managing are consistent with the definition of an FMU. Each member may manage more than one block.

A.5 Forest infrastructure: e.g. roads, bridges and earthworks

A.5.1 Runoff from roads, extraction tracks and snig tracks is recognised as a potential risk of contamination of waterways. Effective road construction and maintenance is therefore an important matter to audit. While forest roads and earthworks for drainage can be audited in conjunction with travel to and from forest blocks and other activities within the DFA, the CB shall allow time to audit infrastructure. Table 4 sets out minimum audit durations (in auditor days) for auditing forest infrastructure for a stage 2 initial audit or a recertification audit.

Table 4. Minimum audit duration for forest infrastructure

Road length (km)	Minimum duration (auditor days)
<10	0.00
10-99	0.50
100-999	0.75
>1000	1.00

A.5.2 Audit teams shall focus audit effort on those areas where environmental risks are elevated; e.g. forest management activities in domestic water supply catchments.

A.6 Validating biodiversity assessments

- A.6.1 The CB shall review biodiversity assessments and management processes commensurate with the nature and scale of the forest within the DFA. Table 5 sets out a risk ranking from 0 (lowest) to 4 (highest) with respect to biodiversity assessment and management processes. The CB shall multiply the calculated risk ranking from Table 5 by 0.25 to determine the minimum audit duration in days with respect to assessment of biodiversity values.

Table 5. Risk ranking for assessing forest biodiversity management

Area of DFA (ha)	Native forests (harvested)		Plantations (may include custodial native forest)	
	Aust.	NZ	Aust.	NZ
<1,000	1	4	0	0.5
1,000 – 9,999	2	4	1	1
10,000- 99,999	3	4	1	1
>99,999	4	4	2	2

A.7 Transport and sale of forest products

- A.7.1 Where the client includes the transport and sale of forest products within the scope of its forest management system, the CB shall allow a minimum of 0.5 days to audit controls over these activities. This allowance is not applied where the client already has Chain of Custody certification to AS 4707 and/or PEFC ST 2002.

A.8 Special circumstances

- A.8.1 In consultation with the client, the CB may increase the audit duration where special circumstances (see definitions) exist. Any increase shall be consistent with the provisions of Annex A. The CB shall maintain records justifying any increase in audit duration.

Annex B – Sampling rules

B.0 Introduction

B.0.1 The requirements of IAF MD 1 apply except as otherwise indicated in this Annex. The headings in this Annex are taken from, or equivalent to, those in IAF MD1.

B.1 Definitions

B.1.1 See clause 3

B.2 Application

B.2.1 A client with one or more sampling levels need not be a unique legal entity (e.g. as in a group certification scheme), but all sampling units shall have a legal or contractual link with the central office or headquarters of the client and be subject to a common forest management system, which is laid down, established and subject to continuous surveillance by the central office. This means that the central office or headquarters has rights to implement corrective actions when needed at any sampling unit. Where applicable, this should be formalised by means of contracts, policies and/or procedures between the central office and the sampling units.

B.3 Eligibility of a client for sampling

B.3.1 The client's forest management system shall be centrally administered under a centrally controlled plan and subject to internal audit and review. All the sampling units (and the central office) shall have been subjected to the client's internal audit and review programs before the CB starts its audit.

B.3.2 The client shall demonstrate that it has implemented a management system that complies with AS/NZS 4708 and that all its sampling units meet the relevant requirements of the standard(s).

B.3.3 The client shall demonstrate its ability to collect and analyse data (including but not limited to the items listed below) from all sampling units and the central office, and its authority and ability to initiate organisational change if required:

- a) system documentation and system changes;
- b) complaints;
- c) evaluation of corrective actions;
- d) internal audit and review planning, and evaluation of the results.

B.3.4 A group forest certification scheme has a unique structure, but is eligible for sampling if it meets all the requirements of this Annex. For example, the applicant client representing the group forest certification scheme must have the same authority and powers (e.g. to require all members to take corrective action) as a central office or headquarters, and the group forest certification scheme must operate under a common forestry management system across all sampling units.

B.3.5 If the group forest certification scheme does not meet the eligibility criteria in this Annex, then the CB shall audit all members as if they were separate clients.

B.4 Responsibility of the certification body

No additional requirements

B.5 Sampling

B.5.1 Methodology

B.5.1.1 The sampling unit selection criteria within each sampling level should include:

- a) results of the client's internal audit and review programs, previous audits by the CB, or any existing knowledge of the client;
- b) records of complaints and communications - see clause J.8.5.3.1 a) - and other relevant aspects of corrective and preventive action;
- c) significant variations in the size of the sites and number of employees;
- d) variations in work procedures including shift work and contractors;
- e) modifications since the last audit by the CB;
- f) geographical location and dispersion;
- g) maturity of the management system that defines the significance and extent of the aspects and associated impacts; and
- h) potential interaction with sensitive environment.

B.5.1.2 In all cases where sampling is applied, the CB shall ensure that at least 25% of the sampling units are selected at random and have documented records for the random selection.

B.5.2 Size of sample

B.5.2.1 The CB shall audit central office functions at least annually, in addition to the selected sampling units. See clause A.2.2.

B.5.2.2 The CB shall calculate the number of sampling units to be audited from each sampling level by applying the square root (rounded up to the next whole number) of the number of sampling units at each sampling level.

Note: For the active sites sampling level, an example is given. The forest manager in one pine plantation FMU has 124 silviculture and 35 harvest operations in the three months leading up to the audit. This makes 159 in total. The square root of 159 rounded up is 13. So, 13 sites are to be sampled, with four sampled at random [as 25% of 13 rounded up].

B.5.2.3 When calculating the sample size for active blocks, the CB shall apply the formula at clause B.5.2.2 separately to each FMU selected to be sampled.

B.5.2.4 The CB shall sample a minimum of one inactive block for each FMU sampled.

B.5.2.5 The CB should increase the size of the sample where it determines that the activity covered by the forest management system indicates special circumstances (see Definitions).

Note: these special circumstances could include situations such as recent substantiated complaints or increased vulnerability of species.

B.5.3 Adding sampling units

B.5.3.1 When a client applies to add new sampling units to an existing certification, the CB shall treat the new sampling units as an independent set (or sets) and determine the sample size(s) accordingly. Once the new sampling units are included in the scope of certification (i.e. added to the certificate), the CB shall determine the sample size for future surveillance or recertification audits.

Note: the addition of new blocks to the defined forest area would comprise a new sampling unit for the next audit, even if they are part of an existing FMU. After that audit the new blocks could be added to a previous FMU, if applicable. For example, four new blocks are added, each with one active operation. From this new set, two are to be sampled (square root of four), with 25%, i.e., one selected at random.