

Module Six

Principles,
Criteria,
Indicators and
Standards -
*Auditor Training
for Second Party
audits*



Aim of the Module

“Train DWAF staff to audit against PCI&S”

- Benefits of auditing.
- The characteristics of a good auditor.
- Manual Layout.
- Auditing.
- Use of the Manual.
- Non-conformance.
- Advice.

Audits provide an evaluation of the standard of management

Audits are:

- Systematic
- Documented
- Periodic
- Objective



Why must PCI&S be audited?

- The basic aim of PCI&S audits is to verify whether the infield practises of the company/estate/region are prescribing to PCI&S, and to verify if the requirements of PCI&S have been integrated into forestry management at ground level.



But audits do not only check progress. They also:

- Recommend corrective actions to improve management.
- Verify the correctness of reporting.
- Follow up on previous audit findings and recommendations.
- Ensure that the company is prescribing to legally prescribed as well as environmental and social standards.

The objective of PCI&S auditing is to determine the quality of management throughout the company and to ensure that reporting is accurate.



What will the benefits of auditing be?

INTERNAL BENEFITS

- Improved awareness at a local level to compliance with the requirements of PCI&S.
- Evaluates and identifies the need for training programmes.
- Assures management that PCI&S is being implemented at local level.
- Boosts morale, loyalty and pride.
- Actively measures progress and improvement.

What will be benefits of auditing be?

EXTERNAL AND PUBLIC INTERESTS

- Demonstrate a commitment to PCI&S.
- Demonstrate a commitment to SFM.
- Provides for an objective summary for State of the Forests reporting.
- Provides confidence and credibility.

Audits can be experienced as positive or negative, depending on the quality of the auditor, the attitude of staff and the objectivity of the audit.

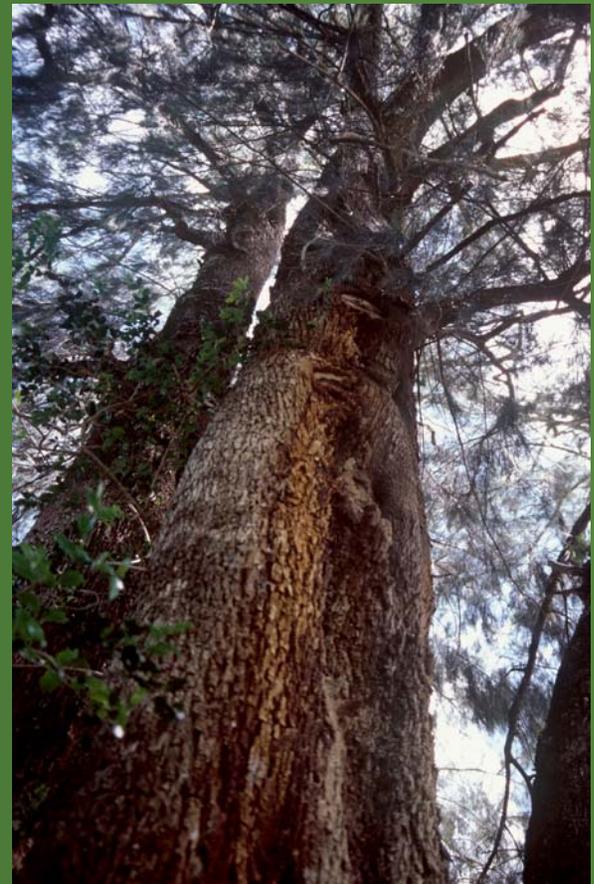


The characteristics of a good auditor.

- Personal attributes
 - Independence
 - Objectivity
 - make sound judgements
 - sensitivity to conventions and culture
- Sound skills and knowledge of the issues being audited.
- Formal audit training and auditing experience.

What makes a good auditor?

- Integrity.
- Independence.
- Knowledge.
- Training.



Integrity

- Competent.
- Professional.
- Diplomatic.
- Able to reach sound judgements based on objective evidence.
- Ability to react with sensitivity.

Independence

- The auditor must be independent of the line group that they audit.
- The audit must report to the same level or higher than the function or group that he/she audits.

Knowledge

- PCI&S.
- Technical, environmental and social aspects of forestry.
- Relevant requirements of forestry law.
- Minimum standards.

Training

- Relevant tertiary experience.
- Relevant in field experience.



Auditors must not be:

- Biased.
- Vindictive.
- Subjective.

How will audits work?

- Levels of auditing:
 - First Party audits.
 - Second Party audits.
 - Third Party audits.



First Party audits in DWAF

- First Party audit:
 - Estate Manager audits his/her own activities and amend management activities on the FMU accordingly.
 - Auditor? Estate Manager.
 - What will be audited? The Steps.
Use the manual to constantly check if management is compliant with the requirements of PCI&S and SFM.
- = Self audit.

Second Party audits in DWAF

- Second Party Audits:
 - District Forest Manager conducts an audit on a neighbouring District (peer review) or another officer is appointed by the Regional Forestry Manager to conduct this audit.
- Auditor? District Manager of another District or Area Manager of another Area.
- What will be audited? The Steps.

This is a Peer review audit.

Third Party audits in the DWAF

- Third party audits:
 - Audits are performed by independent auditors from outside the FMU and company. The DDG Regional Coordination & Support is responsible for organising this audit. These auditors are not associated with the management of the FMU and no conflict of interest should exist.
 - Auditor? (could also be outside consultants).
 - What will be audited? A sample of estates or districts.
- = Independent review audits.

How will auditing work?

- Different levels of auditing.
- Second Party Audits:
 - Annual (scheduled by March 2006).
 - District Managers are auditors.
 - Sample (1/3) or all if possible.
 - Formal process of reporting and addressing corrective action requests (CAR's).
- Third Party audits:
 - Sample of estates audited against PCI&S.

Non-conformance

A non-conformance is the non-fulfilment of a specified requirement.

A Corrective Action Request (CAR) is issued when a non-conformance is found.



Preparing for the audit

1. Scheduling and notification.
2. Pre-audit planning:
 - Obtain relevant documentation (Annual report, forestry statistics survey questionnaire, previous 2nd and 3rd party audit reports, regional forest management plan, estate operational plan).
 - Review the Audit manual checklist.
 - Review past history or past non-conformances.

2. Pre-audit planning cont..

- Practical arrangements.
- Determine time required.
- Prepare/review checklist.

3. Pre-audit meeting

- Explain the scope of the audit.
- State general areas to be audit.
- Work out an audit route.

4. Audit

- Audit strategy – sequence.
- Fact finding and objective evidence.
- Information collection.
- Managing audit findings – raising a non-conformance.
- Present findings.

5. Completion of documentation

Advantages of the Audit template for the auditor:

- Acts as a guide to the auditor.
- Ensures objective evidence is collected.
- Can make notes.
- Records information for follow-ups and future audits.

Advantages of the audit template for the estate staff being audited:

- Acts as a guideline to help prepare for the audit.
- Assists to train staff.
- Assists as a guideline to support improvement in the implementation of PCI&S.

Audit Template Layout

Ecological

Ecological
Criterion I

Criterion I: Natural forests are protected

1.1 Indicator 1.1: Implementation of forest protection plans.

Applies to: Natural forest Plantation forest State Corporate Medium Small

Measure 1.1.1: Percentage of forest protection posts on staff establishment plan that have been filled.

Management goal: Numbers of protection personnel match the required number estimated by the forest manager to effectively manage the threats to the forest.

References: Procedure for the Protection of Forests (01 01); Proforma: Transgression Reporting Sheet; Proforma: Permit; Draft License. Guidelines; License. Business Process; License. Database; Law Enforcement Strategy; Forest Guard Tactical Deployment Plan; Procedure for Quarterly (1001) and Annual PCIS Reporting (1002)

Key steps	Observation:	CAR:
<ol style="list-style-type: none"> 1. Quantify threat by recording all transgressions, and monitor on a regular basis. 2. Calculate and fill posts for forest protection and record costs per hectare 3. Implement a permit system to regulate authorised licenced activities. 4. Develop and implement tactical guard deployment plan 5. Monitor effectiveness of tactical guard deployment plan. 6. Ensure current management plans reflect the results of monitoring and/ or reporting (refer to Procedure 1001 & 1002). 	<p>Auditors guideline: Check that the manager has calculated his staff needs against his staff establishment and that he has planned his staff deployment routine. Check that the Transgression reporting sheet and the Permit/Licence system are being used.</p>	

Examples

How will dealing with CAR's be followed up?

- The auditor and Estate manager “negotiate” CAR's, however the Auditor has the “final say”.
- The auditor develops a summary sheet of his findings. Sent to Estate Manager, Area Manager/District Manager.
- Estate Manager will respond to Audit report by incorporating CAR actions into planning.
- District/Area Manager ensures CAR's are attended to.

Auditing advice

- Be thorough.
- Examine documents.
- Observe activities and conditions.
- Collect sufficient evidence.
- Hard factual evidence.
- Interview.

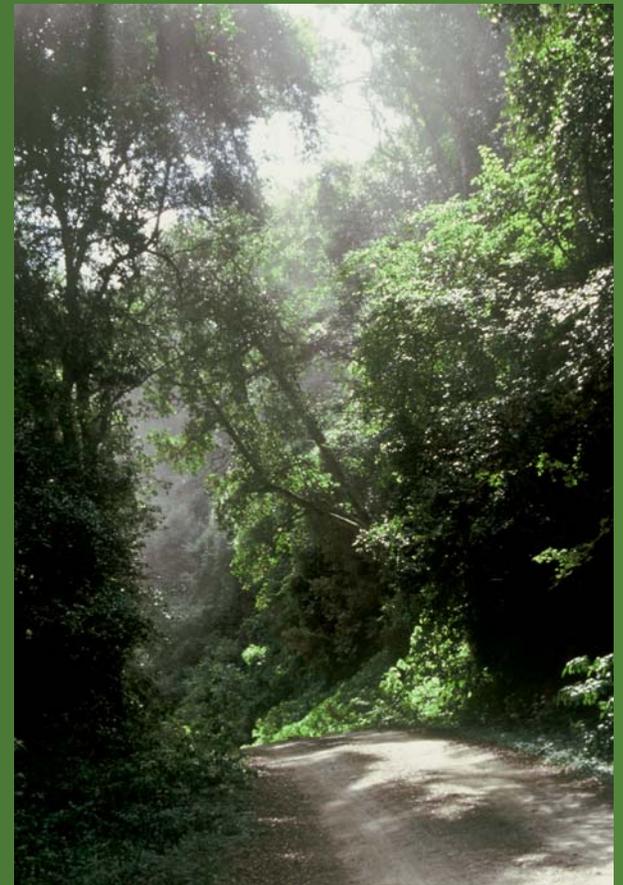


Audit advice

- Human factors:
 - Time wasting – say that the audit will be extended.
 - The “royal tour” – stick to your audit programme.
 - Provocation – remain calm and polite.
 - Pre-selected sample – select your own.

- Human factors cont.
 - Pity – show empathy but get on with it.
 - Absentees – notify the manager.
 - Language problem – have a translator.
 - Bribes – refuse them and report.
- Other problem situations:
 - Obtain advice of an independent third party.

The audit is only complete once the findings of the audit have been adequately reported and the findings addressed.



End of Module Six.