

Our Ref:
Your Ref:

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Dear Duncan



FOREST AUDIT PROGRAM OPERATIONAL PLANNING FINAL AUDIT REPORT

VicForests welcomes the Forest Audit Program – Operational Planning final report and notes the high standard of compliance found. Areas for improvement identified by the auditors will be considered by VicForests, and proposed improvements to VicForests coupe planning process will be made where appropriate.

VicForests has provided a formal response to the 18 recommendations identified within the audit report and proposed actions VicForests will take where appropriate (Appendix One).

It should be noted that VicForests believes that a number of the recommendations could have been improved if the audit process had included regional office visits, rather than simply a desktop based process. VicForests believe the sourcing of the audit information through interviews and electronic data transfer only, limited the ability to fully consider the elements being audited. VicForests' operational planning activities are based across a range of regional offices and the official coupe plan is a registered coupe file for each operation. Future operational planning audits should consider this when preparing their audit plan.

The majority of the recommendations have already been addressed through the introduction of a new electronic operational information system (CENGEA). However, there are a number of other improvements that VicForests plans to make to our systems to address the recommendations of the audit.

Thank you for the opportunity to comment on the final audit report. Should you have any questions regarding VicForests response please contact Krystina Kny – Manager Environmental Systems.

Yours sincerely

A large, stylized signature in blue ink, appearing to read "Lachlan Spencer", is written over the text.

Lachlan Spencer
Acting Director Corporate Affairs

Appendix One: VicForests' Response to Audit Recommendations

VicForests Recommendation 1: *VicForests review the method of preparation of the FCP to achieve a document that can be electronically reproduced in its final and approved form adds value to the role of the target audience and clearly communicates necessary controls and information.*

VicForests Response: VicForests notes the auditor's comments regarding alternative methods for approving and storing approved coupe plans. VicForests disagrees with the auditor that the approved coupe plan must be electronically approved and stored. VicForests processes have been developed so that the approved version of the plan is a controlled hard copy version within a registered file. This aligns with VicForests record management procedures.

VicForests Action: No further action

VicForests Recommendation 2: *All prints of the VicForests FCP generated by CIS default to a "draft" watermark, and that it is a selection option for a "final" to be produced.*

VicForests Response: The new CENGEA system will only finalise a Forest Coupe Plan once all required information has been entered. During the planning stages, the Forest Coupe Plan has a "draft" watermark as well as a summary of issues or sections of the plan that still require input on the first page.

VicForests Action: This recommendation has already been addressed. No further actions

VicForests Recommendation 3: *VicForests review the document VicForests Instructions Coupe Planning 2010 on the basis of the findings of this audit and incorporate into this document clear directions on levels of authority and the requirements to approve a FCP.*

VicForests Response: VicForests notes the auditor's comments regarding delegation of authority to approve coupe plans and amendments. VicForests disagrees that the current level of delegation is inappropriate. The delegation level applied by VicForests recognises the training and experience of staff and also provides for a flexible and operationally efficient planning process. VicForests believes that the auditor did not provide compelling arguments for amending this delegation.

VicForests Action: No further action

VicForests Recommendation 4: *All amendments to the FCP be included in an amendment section within the FCP, and require approval at a district manager level or equivalent.*

VicForests Response: VicForests notes the auditor's comments regarding the system employed by VicForests to manage operational amendments to the Forest Coupe Plan during operations. VicForests disagrees that the removal of the Coupe Diary from the Forest Coupe Plan will introduce a more robust process. As described above VicForests disagrees with the auditor regarding the level of delegation to amend Forest

Coupe Plans. Furthermore the recommendation by the auditor proposes approval by a position that does not exist within the VicForests structure.

VicForests Action: No further action

VicForests Recommendation 5: *FCP amendments be removed from the role of the Coupe Diary, and that the Coupe Diary be recognised as a quality assurance document, not a planning document.*

VicForests Response: The Coupe Diary forms part of the Forest Coupe Plan and is an operationally practical document that records and approves coupe specific arrangements between the Harvesting Forester and harvesting contractor. As noted above, VicForests does not agree that the removal of the coupe diary from the planning process will create an improved and more robust planning process.

VicForests Action: No further action

VicForests Recommendation 6: *Approval sign off be located at the conclusion of the document to ensure the approver is accountable for the content and quality of the entire document.*

VicForests Response: VicForests disagrees that the placement of the approval section has any impact on the accountability of the approval of the coupe plan. VicForests' system clearly outlines the responsibilities and accountabilities of those who sign the coupe plan.

VicForests Action: No further action

VicForests Recommendation 7: *FCPs contain a distribution list identifying the Licensee, harvesting contractor and neighbours by name.*

VicForests Response: The Forest Coupe Plan is an agreement between VicForests and the harvesting contractor. VicForests systems do not dictate (as suggested by the auditor) that the Forest Coupe Plan be routinely distributed to other parties. VicForests Coupe Planning Instruction outlines the process to be undertaken if additional parties request a copy of the coupe plan. Neighbour notification is a separate process and recorded in the Communications Register, and where appropriate VicForests can provide a copy of the Forest Coupe Plan to the public.

As the auditor did not clearly reference which Instruction provided the direction claimed within the audit report VicForests is unable to respond to the recommendation.

VicForests Action: No further action

VicForests Recommendation 8: *VicForests review Table 9.1 of the VicForests Instructions Coupe Planning Feb 2010, V 3.9 to sequence the production of mapping prior to documentation review and approval.*

VicForests Response: VicForests agrees with the recommendation to create a clearer guidance regarding the sequencing required to create a Forest Coupe Plan.

VicForests Action: VicForests will review the Summary of Key Steps in VicForests Instruction – Coupe Planning to ensure necessary information is peer reviewed

VicForests Recommendation 9: *VicForests reviews its commitments to identify and map habitat trees in CIS and FCPs to ensure conformance with those commitments.*

VicForests Response: VicForests agrees with the auditor that there was an inconsistency found between the VicForests Instructions and documentation audited. In these instances VicForests marked habitat trees in the field and not transposed their location onto the map and/or have supervised contractor selection and protection of trees during operation.

VicForests Action: VicForests will review the requirements to record locations of habitat trees within operations and ensure that operational practices reflect system requirements

VicForests Recommendation 10: *FCPs present the recommended maximum distance between cross drains based on the General Slope and Soil Erosion Hazard.*

VicForests Response: A range of requirements including maximum distance between cross drain are located in the Utilisation Procedures which forms a critical component of the Forest Coupe Plan. Therefore the requirements of this recommendation are already met.

VicForests Action: No further action

VicForests Recommendation 11: *VicForests remove from the FCP information on soil surveys not directly relevant to the operation of timber harvesting.*

VicForests Response: VicForests notes the auditor's recommendation that VicForests provide less information regarding soils information within the coupe plan. VicForests believes that this demonstrates a narrow view of who the audience of the forest coupe plan may be, and the capacity of harvesting contractors interpreting technical information. VicForests believes placing this information in an alternate document is inefficient and unnecessary.

VicForests Action: No further action

VicForests Recommendation 12: *Archaeological assets of indigenous and non-indigenous heritage be reported separately in the CIS and the FCP.*

VicForests Response: VicForests has replaced its electronic planning system since this audit was undertaken. Aboriginal Cultural Heritage and other historic sites of significance are now separate entries in VicForests' new system (CENGEA).

VicForests Action: No further action

VicForests Recommendation 13: *The FCP not be finalised until the results of all AAV and other checks can be reported in the FCP.*

VicForests Response: VicForests has replaced its electronic planning system since this audit was undertaken. A Forest Coupe Plan can not be finalised without results from an AAV check.

VicForests Action: No further action

VicForests Recommendation 14: *The historic and archaeological values reported in the FCP are described in detail and control measures articulated.*

VicForests Response: VicForests has replaced its electronic planning system since this audit was undertaken. The new system (CENGEA) has improved the layout of the Forest Coupe Plans so that historic and archaeological values and control measures are now more clearly identified in the Forest Coupe Plan.

VicForests Action: No further action

VicForests Recommendation 15: *All historic and archaeological values reported in the FCP be identified in the Context map.*

VicForests Response: VicForests disputes this recommendation as it is based on identifying values well outside the planned harvest area. Historic and archaeological values are displayed on the context or coupe reference map if they are within the scale of the map. In all cases where operations could have a potential impact, the historic value is displayed on the appropriate map.

VicForests Action: No further action

VicForests Recommendation 16: *The FCP disclose when a value of cultural heritage has been identified if there is any requirement for consultation or a cultural heritage management plan and if such a requirement exists that the process is complete.*

VicForests Response: VicForests notes the auditor's recommendation regarding cultural heritage management consultation and planning.

VicForests Action: VicForests will review current practices to ensure all requirements regarding cultural heritage consultation and planning are clearly articulated within the forest coupe planning process

VicForests Recommendation 17: *Biodiversity values that are reported in the FCP are described in detail and control measures articulated.*

VicForests Response: VicForests has replaced its electronic planning system since this audit was undertaken. The new system (CENGEA) has improved the layout of the Forest Coupe Plans so that biodiversity values and control measures are now more clearly identified in the Forest Coupe Plan.

VicForests Action: No further action

VicForests Recommendation 18: *It is recommended that in coupes containing multiple biodiversity values a process is implemented that demonstrates how the precautionary principle is applied.*

VicForests Response: VicForests notes the auditor's recommendation in regards to this requirement.

VicForests Action: VicForests will consider its approach to reporting management of biodiversity values within the Forest Coupe Plan