

# FOREST CERTIFICATION AUDITOR QUALIFICATIONS

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## Forest Certification Auditors Qualifications

### Introduction

A common question about forest certification is, who are these auditors and what are their qualifications? While sometimes posed as a fairly hostile question, it is nonetheless, a legitimate one. For many potential participants in certification or critics of the systems, auditor credibility is at the heart of certification credibility.

Qualifications for auditing firms and auditors are outlined by each individual certification program. These programs often draw upon other sources of auditing standards, the frequently cited one is *ISO 19011:2002 Guidelines for quality and/or environmental management systems auditing*.

This report provides information about auditor qualification requirements for the two most widely used forest certification programs in the United States, the Sustainable Forestry Initiative (SFI) and the Forest Stewardship Council (FSC).

Both SFI and FSC follow ISO<sup>1</sup> guidelines in their auditor requirements, but each takes a slightly different approach. In 2006, the SFI program will implement an accreditation program for forest certification auditing firms and their audit team members in partnership with the American National Standards Institute (ANSI) and the ANSI-ASQ National Accreditation Board (ANAB). The FSC has recently announced the restructuring its accreditation program for greater independence from other FSC operations and services. The newly formed organization, Accreditation Services International (ASI), is intended to strengthen the FSC Accreditation Program. In addition, ASI will explore the possibility of providing accreditation services for other national, regional and international certification systems. The impacts of these efforts on the quality and credibility of forest certification and certification audits is yet to be determined.

### The SFI Program

#### *SFI Auditor Qualifications*

The Sustainable Forestry Initiative 2005-2009 Standard, includes the SFI® Audit Procedures and Qualifications (SFI APQ)<sup>2</sup>. The SFI APQ draws reference to the “principles of auditing” from the *ISO 19011:2002 Guidelines for quality and/or environmental management systems auditing*.

The introduction to the SFI APQ states, “The Sustainable Forestry Board requires that all certification, recertification, or surveillance audits to the SFI Standard conducted by third

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<sup>1</sup> ISO is the International Organization for Standardization. More information is available in the Dovetail Report about ISO: <http://www.dovetailinc.org/DovetailISOReport.html>

<sup>2</sup> <http://www.aboutsfb.org/generalPDFs/SFBStandard2005-2009.pdf>

parties follow the guidelines provided in ISO 19011 document and satisfy the SFI APQ requirements.”

Section seven of the SFI APQ addresses the “Competence and Evaluation of SFI Auditors”. This section includes required qualifications of audit firms, audit teams, individual auditors, and lead auditors.

#### *SFI Requirements for Audit Firms*

The SFI program requires that firms conducting SFI audits are environmental management system (EMS) registrars that have been accredited by the American National Standards Institute (ANSI) or the Standards Council of Canada.

There are currently seven firms approved as SFI Third Party Certifiers<sup>3</sup> to conduct SFI certification audits. All of these firms are located in the United States or Canada. As accredited EMS registrars, these firms provide other certification and registration services in addition to forest certification and SFI assessments. Additional services include quality and environmental management system audits associated with the International Organization of Standardization, such as ISO 9000 and ISO 14000.

Included within the general guidelines for SFI auditing is a section of the SFI APQ that outlines requirements for avoiding conflicts of interest and confidentiality issues between auditing firms and clients. The SFI APQ requires firms to have a written procedure that addresses conflicts of interest and confidentiality as well as other principles such as ethical conduct, fairness, professionalism, independence, and the use of an evidence-based approach in conducting audits. All members of an audit team are required to sign a confidentiality and nonconflict-of-interest statement that includes elements listed in the SFI APQ. Examples of potential conflicts identified in the SFI APQ include a financial interest in the organization being audited, employment or consultancy within the past three years, and personal relationships. Auditors are not allowed to release certification reports or other documents without written permission from the organization being audited. Lastly, audit teams members are restricted for three years from participating in an appraisal, advising a purchaser, or brokering a purchase of property they audited without the written permission of the audited party. Auditors are required to notify the audited party of such activities for a period of at least 10 years following the audit. Auditors must disclose prior land appraisal or brokerage activity to the client before participating in an audit.

#### *SFI Requirements for Audit Teams*

The section of the SFI APQ regarding audit team qualification is brief and cited in its entirety below.

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<sup>3</sup> <http://www.aboutsfb.org/certifiers.cfm>

*“[SFI] Audit teams shall have the knowledge and skills to conduct an audit in accordance with the principles of auditing. The audit firm shall select audit team members appropriate to the scope, scale, and geography of the audit. Additionally, at least one member of the audit team shall have knowledge of forestry operations in the region undergoing the audit, at least one member shall have knowledge of applicable laws and regulations, and at least one member shall be a professional forester as defined by the Society of American Foresters (SAF), the Canadian Institute of Forestry, or licensed or registered by the state(s) or province (s) in which the certification is conducted. For forest management audits, the audit team shall have expertise that includes plant and wildlife ecology, silviculture, forest modeling, forest operations, and hydrology. One specialist per discipline is not required to meet any of the above requirements.”*

#### *SFI Requirements for Auditors*

For individual audit team members, the SFI requires that they have “education, formal training, and experience” related to four areas: “[1]forestry operations...natural resource management...wildlife, fisheries, recreation..., [2] environmental regulation..., [3] ... sustainable forestry management systems and performance standards, [4][SFI] certification requirements.”

The SFI requirements for auditors stipulate that at a minimum team members must have “completed a secondary education or equivalent.” In the absence of a professional degree in forestry or a related field, auditors “shall have a minimum of five years’ work experience.” Furthermore, “audit team members...[with] a professional degree in forestry...shall have a minimum of two years’ relevant work experience.”

Lastly, the SFI requirements state that “the provisions of Table 1 in ISO 19011 shall not apply to SFI auditors.” This statement is in reference to the *ISO 19011, Section 7, Table 1, Examples of levels of education, work experience, auditor training and audit experience for auditors conducting certification or similar audits*. This ISO table provides guidance on auditor requirements and is intended to help harmonize requirements for environmental and quality management system auditing. Suggested qualifications in this table include requiring auditors to have 20 audit days of experience during at least 4 audits and 40 hours of training. Table 1 in ISO 19011 further suggests that lead auditors have an additional 15 audit days of experience during at least three additional audits within the last two years. As with most ISO materials, the ISO 19011, Table 1 is intended to offer examples of possible qualifications and is not meant to be obligatory. Most of the 'requirements' in ISO19011 are identified as 'shoulds' rather than 'shalls'. In this manner, they become recommendations rather than obligations. Even in the case of strongly worded recommendations, justified exceptions to ISO are not uncommon. This flexibility can be a source of confusion, but it presumably reflects

recognition that qualifications, experience and training (in some combination) are important, but not the whole story.

The SFI APQ also outlines requirements for “Maintenance and Improvement of Competence” for audit team members. This section stipulates continuing education requirements for SFI auditors. Several subject areas are highlighted as appropriate for professional development, including: forest management science and technology, sustainable forest management systems, certification programs and standards, federal and state forestry and environmental laws, and certification procedures and techniques.

Auditors are asked to keep records of their education, experience and training and provide this information to the Sustainable Forestry Board (SFB) if requested.

Auditors who maintain Certified Forester status or listing by Registrar Accreditation Board or certification by the Canadian Environmental Auditing Association will “be considered to have fulfilled continuing education requirements.”

#### *SFI Requirements for Lead Auditors*

The SFI APQ requires Lead Auditors to meet the general qualifications for auditors as well as “be certified as an environmental management systems lead auditor, or equivalent, by the national accreditation body, such as the Registrar Accreditation Board or the Canadian Environmental Auditing Association.” This section of the SFI APQ further requires that the organization or firm for which the lead auditor works be accredited by ANSI to conduct ISO 14001 certifications or be listed by the Registrar Accreditation Board, or equivalent.

#### *SFI Accreditation Process for Auditing Firms and Audit Program Monitoring*

The SFI program does not accredit auditing firms. Auditing firms that are interested in providing SFI related services need to be registered and accredited by the applicable national accreditation organization. Interested firms must provide the Sustainable Forestry Board (SFB) with documentation confirming they meet the qualifications of being a registrar and also provide a list of qualified auditors. These qualifications are verified by the SFB.

The Sustainable Forestry Board (SFB) hires an independent contractor to conduct annual audits of the audit firms. The SFB also maintains a list of approved firms<sup>4</sup>. Each year, so long as the firm is actively conducting SFI audits, the contractor witnesses at least one certification or recertification audit for each approved firm. The SFB has written procedures for conducting these audits, and audit firms are required to inform the SFB of all scheduled audits.

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<sup>4</sup> <http://www.aboutsfb.org/certifiers.cfm>

## **The FSC Program**

### *FSC Auditor Qualifications*

The Forest Stewardship Council (FSC) outlines their requirements for auditors and auditing firms in the document *Qualifications for FSC certification body auditors* (FSC-STD-20-004 version 2-2).<sup>5</sup> Similarly to the SFI APQ, this FSC document cites ISO 19011 as providing the “recognized international guidelines defining such qualifications.” This FSC document addresses auditor qualifications for both forest management and chain-of-custody audits.

### *FSC General Requirements*

The FSC document, *The application of ISO/IEC Guide 65:1996 (E) by FSC accredited certification bodies* (FSC-STD-20-001 version 2-1) provides guidance on the general requirements for FSC accredited certification bodies. The contents of this document include FSC guidance on conflict of interest, confidentiality, and subcontracting among a long list of other topics.

The FSC requires approved certification bodies (e.g. auditing firms) to define minimum qualifications for lead auditors using guidance from ISO 19011 and areas of expertise and training listed in the FSC document.

### *FSC Requirements for Lead Auditors*

The FSC requires lead forest auditors to complete a formal auditor training program. This program may be conducted by or on behalf of the certification body. This program includes training in several areas, such as, the history and objectives of FSC, the local FSC Standard, stakeholder consultation techniques, certification decision making, definition and identification of non-compliances, report writing, chain of custody procedures, and use of the FSC trademark.

Lead auditors on FSC forest evaluations are also required to have participated as an auditor or observer on at least three previous forest evaluations for an FSC-accredited certification body. At least one of these evaluations must have included participation as an auditor on a main evaluation or re-evaluation. For education requirements, FSC lead auditors must have a university-level education or equivalent or five years of experience in a relevant subject. Examples of relevant subjects suggested in the FSC document are ecology, forestry, and anthropology. Lead Auditors must also have at least five years of professional experience in a relevant area of work. Examples of relevant areas listed in the FSC guidance include forest management, postgraduate research and consultancy.

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<sup>5</sup> [http://www.fsc.org/en/about/documents/Docs\\_cent/1,29](http://www.fsc.org/en/about/documents/Docs_cent/1,29)

Lead auditors for FSC chain of custody evaluations must complete a training program that covers a slightly narrower range of topics than that required for forest auditors: the history and objectives of FSC, the chain of custody standard, FSC trademark usage, and report writing. These lead auditors have a similar requirement of having participated in three previous chain of custody evaluations.

#### *FSC Requirements for Evaluation Teams*

The make up of an FSC Forest evaluation team includes:

- A qualified lead auditor
- Auditors with experience and qualifications to evaluate compliance with the FSC Standard
- At least one team member fluent in the local language
- At least one team member resident in the country or region

The FSC outlines four areas of “Key considerations for selection of auditors for main forest evaluations.” These four areas are forest management issues, social issues, environmental issues, and economic issues.

In regard to the selection of auditors to effectively address forest management issues, FSC evaluation teams are expected to include auditor(s) with “experience of forest management of the size and complexity under evaluation.”

The examples of social issues included in the key considerations include indigenous or community rights, tenure issues, or social High Conservation Values (HCVs). If these issues are likely to exist, the evaluation team is expected to include “experts with knowledge of these issues, appropriate language/dialect, and experience of interacting...in the region concerned.” The FSC evaluation teams are also expected to include members who are able to evaluate workers’ rights, health and safety regulations, and employment legislation relevant to the region.

To address environmental issues, the evaluation team is to include auditors with forest ecology experience and knowledge that is specific to the forest ecosystems under evaluation. Auditors should be knowledgeable about rare or endangered species, hydrology, soils or other locally relevant environmental impacts.

The FSC evaluation teams are also expected to include auditors who can address economic issues. These auditors should have “knowledge of the economic implications of forest management decisions in the country concerned.”

The FSC requires slightly less rigorous credentials for teams conducting forest management surveillance audits (e.g., annual re-inspections). These surveillance teams are required to include:

- An auditor experienced to evaluate to all aspects of the FSC standard
- At least one auditor who has participated in at least one main forest evaluation and at least two forest surveillance evaluations

- At least one team member who is fluent in the local language
- At least one team member who is resident to the region

The FSC's chain of custody evaluation teams are required to include:

- A qualified lead chain of custody auditor
- At least one team member who is fluent in the local language (or an interpreter)
- At least one team member with knowledge of the operational processes under evaluation

For chain of custody surveillance evaluations the team includes:

- At least one team member who has participated in at least one chain of custody main evaluation
- At least one team member who is fluent in the local language
- At least one team member with knowledge of the operational processes under evaluation

### *FSC Accreditation Process for Auditing Firms and Audit Program Monitoring*

The FSC provides accreditation services in three areas: Accreditation of Certification Bodies (e.g., auditing firms), Accreditation of FSC National Initiatives (e.g., FSC-US and FSC-Canada are accredited national initiatives), and Accreditation of FSC National Standards (e.g., the Lakes States-Central Hardwoods Regional FSC Standard). All three of these areas of service are now under the direction of the newly established Accreditation Services International (ASI), established to provide accreditation and monitoring services to the FSC Global Network.

The FSC maintains a list of accredited certification bodies as well as a list of applicants for accreditation<sup>6</sup>. Certification bodies are evaluated for accreditation to provide both forest management and chain of custody certification services. Accreditation is granted for up to a five-year period with certification bodies required to reapply after that period. The FSC accreditation process is estimated to take 9 to 18 months to complete depending upon the scope of the assessment and experience of the applicant. The FSC offers a complete application package for interested organizations. The package costs \$244 ( 200<sup>7</sup>). There is also a \$1,220 ( 1000) application fee. The applicant is responsible for paying the direct costs of the accreditation assessment which includes a document evaluation, office and field audits and report preparation. This charge includes staff costs, travel, and accommodations. The estimated total cost to apply for and complete an FSC Certification Body Accreditation process is about \$24,400 ( 20,000). If the application is successful, the FSC also charges an annual accreditation fee based on the size of the certifier's operations and certifiers must pay the costs of annual surveillance audits. The FSC accreditation process includes at least one annual surveillance audit at the head office of the certification body and to at least one forest management certificate holder and one chain of custody certification holder. These audits may be unannounced.

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<sup>6</sup> [http://www.fsc.org/en/about/accreditation/accred\\_certbod](http://www.fsc.org/en/about/accreditation/accred_certbod)

<sup>7</sup> FSC fees are stated in euros (€) because FSC is headquartered in Bonn, Germany.

## ISO 19011 Considerations

Although ISO 19011 is the standard most commonly used to define auditor qualifications, this standard is not always well understood or well implemented. Confusion over the obligatory versus the voluntary nature of ISO 19011 components has created some problems, and in response ISO and the International Accreditation Forum (IAF) recently established a task force to clarify standards for assessing auditor qualifications. The resulting document *ISO/IEC 17021, 'Conformity assessment – requirements for bodies providing audit and certification of management systems'* is currently in draft form<sup>8</sup>.

Another relevant document is the *ISO/IEC 17024:2003, Conformity assessment – general requirements for bodies operating certification of persons*. The document provides guidance for approving auditors. Some organizations see a future in which individual auditors and the auditing firms they work for are accredited. While this may seem like a step forward and a way to increase credibility of the system, others point out potential problems with such an approach. Looking past the added costs, a major challenge of this approach is developing standards for auditors that are sufficiently rigorous while also accommodating the range of qualifications that make for an effective and credible audit team member. The various certification programs already struggle with this conflict as evidenced by the design of their current auditor qualification programs that try to balance education, training and work experience. Moving toward an auditor accreditation program would likely reduce this flexibility and result in programs establishing much firmer minimum standards.

Another criticism of proposed auditor accreditation is that it does nothing to address what many view as the major threat to certification credibility – the accreditation organizations and systems themselves<sup>9</sup>. To some these organizations and the systems they operate are untrustworthy because they have a vested interest in accrediting applicants – it is what they get paid to do. Also accreditation firms often have a monopoly. For example, the ISO system recognizes one accrediting organization per country – ANSI in the United States.

A 2005 article published by the International Register of Certificated Auditors (IRCA) and written by IRCA's Director, Simon Feary, put it this way:

*The current mantra is 'auditor competence', but it should more properly be 'audit competence'. To place all the ills at the foot of the individual in the field is disingenuous. The entire audit process, from the advertising literature, the sales pitch, the audit team competence, performance in the field to the certification decision are all valid factors in determining whether the resulting certification provides value to the organization and its*

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<sup>8</sup> <http://www.irca.org/inform/issue8/BHenry.htm>

<sup>9</sup> <http://www.irca.org/inform/issue8/SFeary.htm>

*customers, is consistent with the purpose for which certification was intended, or whether it is just commercial opportunism<sup>10</sup>.*

In some ways, there is a fundamental conflict of interest in being paid to do any kind of auditing. The risk of this conflict can be mitigated to some extent by transparency, but it is still healthy to acknowledge the conflict exists and ask what, if anything, can be done about it. In an ideal world audits would be paid for by someone other than the person who is being audited or who is most attached to the outcome of the process. This type of arrangement doesn't exist for forest certification or most other certification or accreditation programs. There are possible models for this degree of separation, but these models generally require a very high degree of cooperation or regulation with companies paying money into some kind of pool, and a third party selected to evaluate the quality of the audit. Even a model such as this would likely raise conflict of interest issues of its own (e.g., the possibility of corruption) and it would likely create the need for an additional layer of bureaucracy. Clearly the issues of auditor independence and conflict of interest are real threats to certification credibility, and creative thought as to possible solutions and improvements is needed.

### **The Bottom Line**

Auditor credibility is a central component of the overall credibility of a certification program. The ISO 19011 standard is widely used as the standard defining auditor qualifications for education, training and experience. This standard recommends a level of qualifications that can be confusing as well as challenging. Efforts from ISO and ASF may add clarity to the issue. Projects currently underway by the Sustainable Forestry Board (SFB) to better define their standards for auditor and auditing firm accreditation and the Forest Stewardship Council's (FSC) recent establishment of Accreditation Services International (ASI) may also benefit the credibility of forest certification.

The bottom line is that auditor qualification requirements and even auditor accreditation are not the cure-alls to ensuring that certification audits are conducted without flaw. There are numerous aspects of certification that need to work in concert for the results to be credible and an accurate reflection of the intent of published standards. Also, even the most rigorous or widely endorsed auditor qualifications can not escape the fact that auditor skills are largely gained on the job, and therefore there needs to be a process to accommodate on-the-job training and building expertise.

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<sup>10</sup> <http://www.irca.org/inform/issue8/SFeary.htm>

*This report was prepared by*  
**DOVETAIL PARTNERS, INC.**

*Dovetail Partners is a 501(c)(3) nonprofit organization that collaborates to develop unique concepts, systems, programs, and models to foster sustainable forestry and catalyze responsible trade and consumption.*

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