

EXECUTIVE DIGEST

FOREST MANAGEMENT DIVISION

INTRODUCTION

This report, issued in October 2001, contains the results of our performance audit* of the Forest Management Division (FMD), Department of Natural Resources.

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency*.

BACKGROUND

FMD's stated mission* is to provide for the protection, integrated management, and responsible use of a healthy, productive, and undiminished forest resource base for the social, recreational, environmental, and economic benefit of the people of the State. FMD accomplishes its mission through the activities of its five organizational sections located in Lansing (State Forest Operations, Forest Resource Protection, Recreation and Trails, Cooperative Resource Programs, and Program Services) and field operations.

For the fiscal year ended September 30, 2000, FMD expenditures totaled approximately \$44.4 million. As of March 31, 2001, FMD had 332 full-time employees.

AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS

Audit Objective: To assess the effectiveness and efficiency of FMD's timber and forestry activities.

Conclusion: Based on our analysis of available data, it appeared that FMD's timber and forestry activities were efficient. However, it was not clear whether timber and forestry activities were effective because there were not clear, unified, and measurable program goals* and objectives* (Finding 1). We also noted reportable conditions* related to the updating of the operations inventory* database and liability insurance (Findings 2 and 3).

Noteworthy Accomplishments: FMD developed the Integrated Forest Monitoring, Assessment and Prescription (IFMAP) System, a forest resources inventory system that addresses all lands in Michigan. Decisions once made only within the context of State land will now be made in concert with other land management agencies and the public. In addition to the Statewide forest inventory, the IFMAP System is redesigning the resources inventory process for State-owned lands.

Audit Objective: To assess the effectiveness and efficiency of FMD's forest resource protection activities.

Conclusion: Our assessment disclosed that FMD's forest resource protection activities were generally effective and efficient. However, we noted reportable conditions related to program goals and objectives, fire suppression training, and forest fire suppression costs (Findings 1, 4, and 5).

Noteworthy Accomplishments: The U.S. Forest Service recognized FMD in 1999 and 2000 for excellent cooperation in supporting the national fire suppression effort. Suppression resources were dispatched to 13 different states. The State of Montana also recognized Michigan's efforts in assisting Montana in suppressing the fires impacting its forests. FMD sent 82 firefighters and foresters to other states for 1,591 days during fiscal years 1999-2000 and 1998-99 to assist fighting large national forest fires. The U.S. Forest Service reimburses the State for all labor and subsistent costs. FMD recognizes the training value that its employees receive assisting in the suppression of these fires.

Audit Objective: To assess the effectiveness and efficiency of FMD's recreation and trails programs.

Conclusion: **FMD's recreation and trails programs were generally effective and efficient.** However, we noted reportable conditions related to program goals and objectives and State forest campgrounds (Findings 1 and 6).

**AUDIT SCOPE AND
METHODOLOGY**

Our audit scope was to examine the program and other records of the Forest Management Division. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our methodology included examination of FMD records and activities primarily for the period October 1, 1998 through March 31, 2001. We conducted a preliminary review of FMD's operations to gain an understanding of its activities. We analyzed how FMD determined if it accomplished its mission and if the State Forest Operations, Forest Resource Protection, and Recreation

and Trails Sections met their goals and objectives. We tested FMD's timber sale activities and examined stand* and compartment* prescriptions*. Also, we analyzed forest fire data and tested fire reports and supporting documentation to determine whether responsible parties were billed for fire suppression costs. Further, we evaluated the development of the trail network plans and FMD maintenance of the snowmobile and off-road vehicle trails.

In addition, we surveyed interest groups, including requesting input from timber harvesters regarding their association with FMD (see supplemental information).

**AGENCY RESPONSES
AND PRIOR AUDIT
FOLLOW-UP**

Our audit report includes 6 findings and 8 corresponding recommendations. The preliminary response prepared by the Department of Natural Resources indicates that it agrees with the recommendations.

FMD had complied with 6 of the 7 prior audit recommendations. One recommendation was rewritten for inclusion in this report.