



LegalSource™ Audit Report for Bord na Móna Plc

Annual audit 2018

Report date: 19/11/2018

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Organisation Contact

Bord na Móna Plc, Leabeg, Boora, Co. Offaly, Ireland

Audit managed by

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A. Introduction

The purpose of this report is to document conformance with the requirements of the LegalSource standard by Bord na Móna Plc hereafter referred to as "Organisation". The report presents findings of LegalSource auditors, who have evaluated the Organisation's systems and performance against the applicable requirements. The sections below provide the audit conclusions and follow-up actions required by the Organisation.

Dispute resolution: If stakeholders have concerns or comments about the LegalSource standard or the auditing body, they are encouraged to contact their closest NEPCon regional office. Formal concerns and complaints should be sent in writing.

B. Scope

The LegalSource audit, report and certificate covers the following scope:

Report Type	
Report type:	Confidential

Organisation Details	
Primary contact:	Eamonn Lee, Biomass Sustainability & Project Manager
Address:	Bord na Móna Plc, Main Street, Newbridge, County Kildare, Ireland.
Tel/Web/Email:	Tel: +353 (0)86 3830244 Email: Eamon.lee@bnm.ie
Jurisdiction of primary legal entity:	Ireland
Primary Activity	Broker/trader with physical storage

Certificate Scope	
Certificate Type	<input checked="" type="checkbox"/> Single site certificate <input type="checkbox"/> Group/ Multi-site certificate
Standards Evaluated:	<input checked="" type="checkbox"/> LegalSource Standard (LS-02) v2 <input type="checkbox"/> NEPCon Generic Chain of Custody Standard (NC-STD-01) <input type="checkbox"/> NEPCon Generic Group & Multi-Site Standard (NC-STD-02)
Product scope:	<p>Woodchips (CN 4401 Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms)</p> <p>Species: Pine (<i>Pinus ellioti</i>), eucalyptus (<i>Eucalyptus camaldulensis</i> and <i>Eucalyptus grandis</i> x <i>Urophylla</i>) and rubberwood (<i>Hevea brasiliensis</i>)</p> <p>Origin: South Africa, Cameroon</p>
Changes to certificate scope since last audit:	None

Certificate Sites or Group members	
Site 1:	
Site name:	BNM, Leabeg
Site Address/ Tel/Web/Email:	Bord na Móna Plc, Leabeg, Boora, Co. Offaly, Ireland. Tel: 086 3830244 Email: Eamon.lee@bnm.ie
Site Activity:	Broker/trader with physical storage
Product Scope:	See scope description above
Site visited during audit:	<input checked="" type="checkbox"/>

Evaluation Process	
Audit team:	Sarah Hickman
Description of Audit Process:	The auditor visited the Organisation's offices in Leabeg on 9 th October and was welcomed by Eamonn Lee, Biomass Sustainability & Project Manager. The Biomass Sustainability & Project Manager provided an introduction to the company and an overview of the Organisation's due diligence to the auditor. The audit proceeded with a review of the Organisation's due diligence procedures and risk assessment results for supply chains. Discussion was had regarding the new LegalSource standard version before a closing meeting.
Actions taken by Organisation prior to report finalisation:	Provided some additional evidence requested during the evaluation.
Notes for the next audit:	

C. Audit Findings

Audit Conclusion:	
Organisation approved: No non-conformances issued	<input checked="" type="checkbox"/>
Organisation not approved:	<input type="checkbox"/>
Additional comments:	

Non-Conformances

Non-conformance reports (NCRs) describe the non-conformances identified during audits. NCRs include defined timelines for the Organisation to demonstrate conformance. MAJOR non-conformances issued during assessments/reassessments shall be closed prior to issuance of the certificate. MAJOR non-conformances issued during annual audits shall be closed within the timeline specified in the NCR, or result in certificate suspension. Where applicable, all non-conformances against standard requirements are shown below:

NONE

Observations

Observations (Obs) are issued for the early stages of a problem which does not in and of itself constitute a non-conformance, but which the auditor considers may lead to a future non-conformance if not addressed by the Organisation or where general improvements may be made. Where applicable, all observations are shown below:

OBS number: 17218	Standard & Requirement:	LegalSource standard (V2) - 6.3
Description of findings leading to observation:	The Biomass Sustainability & Project Manager stated that the supplier was aware of requirement that suppliers notify the Organisation of changes to supply chains prior to these changes being made - and they will ask whenever a new order is placed if the supply chain information have changed.	
Observation:	It is suggested that this requirement is made formally (e.g. via purchase orders or contracts) between buyer and seller that the seller provides this information as required.	

OBS number: 24192	Standard & Requirement:	LegalSource standard (V2) - 6.4
Description of findings leading to observation:	The organisation informed suppliers of their information requirements as part of LS certification and obtained the suppliers consent for cooperation if additional information or onsite work is required. Documents were signed by Engie in 2017 however Verdo's documents were signed in 2015.	
Observation:	No material was purchased from Verdo during the audit period but it is recommended that these documents are refreshed if further	

	purchased are made to ensure the supplier maintains its cooperation.
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OBS number: 24197	Standard & Requirement:	LegalSource standard (V2) – 2.4
Description of findings leading to observation:	The organisation identified the need for refresher training for the Biomass Sustainability & Project Manager prior to next years internal audit. The auditor agreed that this was a good idea based on the time since past training was undertaken.	
Observation:	It is recommended that refresher training is undertaken by the Biomass Sustainability & Project Manager to maintain up-to-date with timber legality and due diligence best practice.	

OBS number: 24202	Standard & Requirement:	LegalSource standard (V2) – 7.7
Description of findings leading to observation:	The organisation conducts robust risk assessment, conducting a site assessment for all supply chains, sourcing certified and requesting a third-party audits where the country of origin falls below 50 on Transparency International’s Corruption Perception Index (CPI). During the interview Biomass Sustainability & Project Manger gave examples of sources of information he draws upon when considering risk. The organisation used DD-10 (EXH 8) to pull the different facets risk assessment together and record results. However, it does lack some detail in the narrative and could be improved with references sources of information.	
Observation:	The Biomass Sustainability & Project Manager should ensure the risk assessment details are recorded in full in DD-10.	

D. Closed Non-Conformances

Closed Non-Conformances

This section indicates where the Organisation has adequately addressed non-conformances issued during or since the last audit.

Any non-conformances which cannot be closed remain open and appear in Section C (above). Failure to comply with a minor non-conformance results in the NCR being upgraded to major; the specified follow-up action is required by the Organisation or involuntary suspension will take place.

NCR number: 17213	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource standard (V2) - 4.3		
Description of Non-conformance:			

BNM has in place a generic company-wide complaints procedure (EXH 5). This information was collected by the Biomass Sustainability & Project Manager, who however, was not aware of the added requirement in V2 of the LegalSource standard.

The existing complaint procedure does cover some basic requirements around timeframes and responsibilities, but nothing regarding appropriate corrective actions or maintenance of records.

Corrective action request:	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
NCR conformance deadline:	By next annual audit, but not later than 12 months after report finalisation date
Client evidence:	Updated Complaints Procedure V.1 (EXH 7) was provided following the onsite audit (before finalisation of the report).
Evaluation of Evidence:	<p>The Biomass Sustainability & Projects Manager confirmed that the organisation has not received any complaints during the audit period.</p> <p>The organisation's complaints procedure V.1 (EXH 7) is a separate document and held within the Biomass Sustainability & Projects Manager due diligence folder (paper and electronic). This was updated to include a requirement to assess the evidence and provide a receipt of the complaint within two weeks. The Biomass Sustainability & Projects Manager demonstrated good awareness of the complaints procedure.</p>
NCR Status:	CLOSED
Comments (optional):	