



Full Stakeholder OCP Training Webinar Question & Answer

Feb 04 2015 (Early Session)

1. Is the financial auditor for a 3rd party audit the same or different to your CB?
The auditor would need to be a third party, and could be a financial auditor or the certificate holder's certificate body, a different certification body or some other type of credible third party. This will still be in draft state and will be revised based on stakeholder feedback.
2. Key element 3- why is there a need to document details like contact person of the supplier?
These requirements are still in draft state and the contact person of the supplier is not necessary information and will likely be removed from this draft criterion.
3. What happens if the supplier does not have internet access at all and therefore cannot verify their transaction?
We understand that not all certificate holders have reliable or any internet access. Therefore there are various methods to meet the requirement.
If your supplier has no internet access, you can choose manual verification (e.g. third party audit). They also will have the possibility to allow another party to help with OCP registration and confirm claims. This can be any party that is fit to do the job (e.g. group manager, data entry firm or consultant).
4. FSC is about to start the survey to find out the scale of unacceptable misleading claim. Then how can you say at this moment there is a need to close the gap in FSC CoC system when the scale of problem is unknown and may be very small?
There have been significant cases where alleged FSC products have been found to not be FSC certified, causing financial and reputational problems for the companies selling these products and for the FSC system as a whole. There is no legitimate, tolerable threshold for misleading claims of any type, as each and every one of them reduces the credibility of the FSC system and could be catastrophic. As the number of FSC certified companies grows, so does the risk of fraudulent claims.
5. So if the client gets financial audits, does it already satisfy the requirement of transaction verification?
The financial audits shall include FSC transaction verification that satisfies the key elements mentioned in the presentation. Note: the 6 criteria are in draft state & we are looking for feedback on them.



6. You mentioned earlier that regarding the level of risk of the supplier, everything wouldn't have to be entered. Do we consider a partial recording of transactions only?

The organization shall match **0-100%** claims per audit period. (Percentage or Number of claims) based on the risk matrix. That means certificate holders at low risk using traceability platforms may not need to enter all purchase claims for verification. They can also choose to consolidate all claims and may match them annually. If they implement manual verification, their auditor can sample a certain amount of transactions in order to verify that the volume matches the certificate holder's suppliers' internal records.

7. How does OCP work?

Please go to the [OCP informational site](#) and [OCP help center](#) for OCP manuals and demo videos.

8. How could the OCP work if the suppliers do not participate as well?

Transaction verification can be met via several methods. The buyer and seller need to determine which method works best for both parties and agree on that method. The [OCP support desk](#) can provide OCP training support if needed.

9. Have you considered an option for ASI to verify transactions (with helps from CBs and CHs) instead of CHs. It does not cause much burden for CHs while still strengthening the integrity of FSC.

Our current standards and processes, along with the significant volume of FSC products traded, do not enable either certification bodies or ASI to detect discrepancies in the volumes reported by buyers and then used for "volume credits," whether caused intentionally or through negligence. This makes it nearly impossible to detect this type of fraud.

10. What if client does not know the species of products, such as pulp and paper?

Species is only required to be part of transaction verification if it's a required to be recorded on sales documents, per 6.1.1 and 12.2.1 of the COC standard (FSC-STD-40-004) or by law. "Species" and "countries of origin" are optional if you buy from a COC certificate holder.

11. Can you add multiple species and multi countries, which is used in pulp purchases?

Yes, you can (as demonstrated).

A future feature of the OCP will be a way to create a group of species, e.g. "mixed hardwood", and then populate which species are in that group for you. So, you don't have to type each species individually every time.

12. Why have the draft criterion of transaction verification not been included in the first draft of 004 v3? (My question is related to the CRITERIA (risk matrix, additional on-site audits etc.)

The risk matrix is mentioned in the notes on page 17 of [the revised COC standard](#):

"Certification Bodies will audit the method chosen by the organization to ensure accuracy. The accreditation standard (FSC-STD-20-011) will include criteria that dictate audit requirements based



on the FSC requirements of scale, intensity and risk. The risk criteria will have an independent consultation period in 2015 before FSC-STD-40-004 is finalized.”

FSC is still determining the risk matrix and open for suggestions. The 20-011 standard will be released for official public consultation in 2015. However, please provide any input and/or suggestions now so we can incorporate your feedback into this development process.

13. The risk-based approach is not fully explained in the revised COC standard. In order to gain good comments on the risk based approach, then you will need to include more detail about risk-based approach in the revised standard itself.

Please refer to Question 12.

14. The gap mentioned - transaction verification due to different CBs and auditors - is this not already covered by ASI auditors? They can audit any company in whole chain from the final product back to any point in the COC.

Please refer to Question 9.

15. So is it your CB auditor or someone like PWC to do the verification audit?

Please refer to Question 1.

16. Currently volume summaries are established by product group. So far even the product type seems to be an optional field? In other words, how can the volume summary exported from the OCP fulfill the COC standard requirements?

FSC is only requiring information to be entered into the OCP that is required by the COC standard to be on invoices. However, we have heard strong support for adding “product type” to the OCP so this is available and optional. FSC certificate holders may wish to enter product types for each FSC certified purchase in order to optimize the OCP as a volume summary tool.

17. Why does FSC employ a consultant to make a survey? Why does not ASI investigate the extent of fraud? And reports back to FSC?

FSC’s current standards and processes, along with the significant volume of FSC products traded, do not enable either certification bodies or ASI to detect discrepancies in the volumes reported by buyers and then used for “volume credits,” whether caused intentionally or through negligence. This makes it nearly impossible to detect this type of fraud. Therefore, FSC has engaged an independent consultant to help FSC carry out a study of the extent of inaccurate claims and mismatching volumes. Ed Pepke, an internationally recognized forest products and market analyst, will help FSC obtain more data on the extent of the problem of incorrect or false claims – also called origination errors – and mismatching volumes within the FSC system.