

AUDIT OF FOREST PLANNING AND PRACTICES

Woodlot Licence W2044
Campbell River Natural Resource District

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FPB/ARC/263



**Forest
Practices
Board**

BC'S INDEPENDENT
WATCHDOG FOR
SOUND FOREST &
RANGE PRACTICES

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Introduction

The Forest Practices Board is BC's independent watchdog for sound forest and range practices. The Board's role includes auditing forest industry practices to determine compliance with the *Forest and Range Practices Act* (FRPA) and the *Wildfire Act*.

As part of its 2022 compliance audit program, the Board randomly selected the Campbell River Natural Resource District (District) as the location for a full scope compliance audit. Within the District, the Board selected five woodlot licences for audit: W0085, W2001, W2004, W2044, and W2046. These five woodlot licences harvested the most timber volume of all woodlots in the District between October 2020 and October 2022.

This report explains what the Board audited and the findings for woodlot W2044. The woodlot location is shown on the map in **Figure 1**. Results for the other woodlots are reported separately. Detailed information about the Board's compliance audit process is provided in **Appendix 1**.

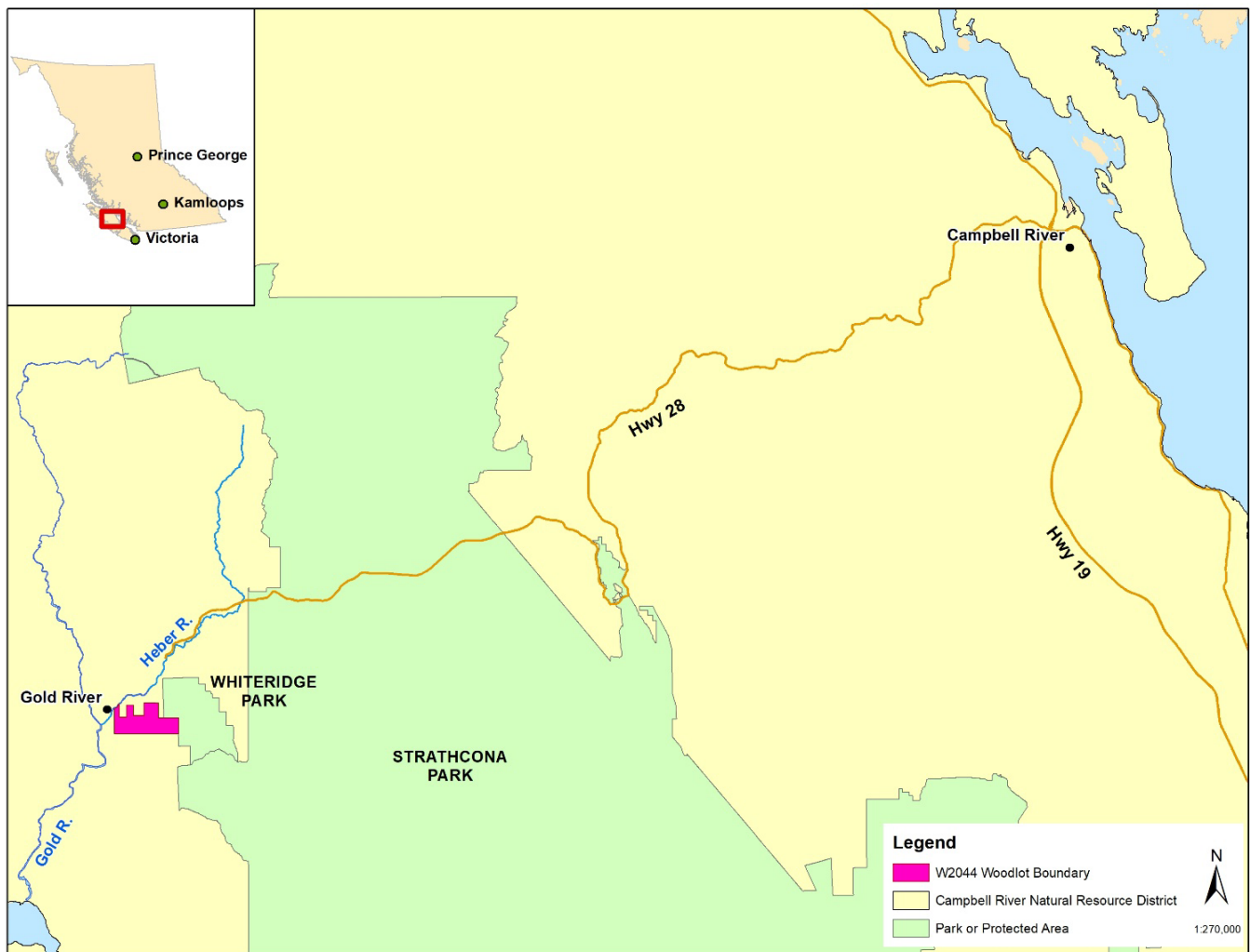


Figure 1. Location Map of Woodlot Licence W2044

Audit Results – Woodlot Licence W2044

Background

This audit took place within the territories of the Mowachaht / Muchalaht Peoples. The Forest Practices Board acknowledges First Nations' connection to the area that continues to this day.

Woodlot licence W2044 was awarded in 2010. It is 491 hectares in size and has an allowable annual cut of 3 180 cubic metres. During the approximately two-year audit period, the licensee harvested about 14 250 cubic metres of timber.¹

W2044 was transferred from 551945 B.C. Ltd. (551945 BC) to Matchlee General Partner Ltd. (MGP) during the audit period. On June 30, 2021, the parties signed and entered a *Woodlot Management and Sale Agreement*, whereby 551945 BC was responsible for all planning and activities prior to that date and MGP for all planning and activities after that date. The official date of transfer for woodlot W2044 to MGP was April 14, 2022.

Audit Approach and Scope

This full scope compliance audit looked at all activities carried out on W2044 between October 1, 2020, and October 18, 2022. This included all harvesting, road, silviculture, wildfire protection activities and associated planning. The only activities attributable to 551945 BC were those that existed or occurred before June 30, 2021, including the woodlot licence plan (WLP¹) and the maintenance obligations of existing roads and crossing structures. MGP was responsible for all other activities and obligations.

Auditors assessed these activities for compliance with FRPA, the *Wildfire Act*, and applicable regulations - in particular, the *Woodlot Licence Planning and Practices Regulation* (WLPPR). Auditors' work involved interviewing both woodlot licensees, reviewing the woodlot licence plan, assessing silviculture records, and field visits. Sites were accessed using pickup trucks.

The standards and procedures used to carry out this audit are set out in the Board's *Compliance Audit Reference Manual, Version 7.1, July 2016*.

Two forest professionals and a professional forester/geoscientist made up the audit team. Field work took place on October 18, 2022.

Planning and Practices Examined and Findings

The following sections describe the activities and obligations audited and the findings.

Operational Planning

551945 BC was required to prepare a WLP to operate on W2044. WLPs can have a term of up to 10 years. *Woodlot Licence #W2044 – Woodlot Licence Plan* was originally approved in 2011 and expired on July 12, 2021. MGP obtained a

¹ Even though the allowable annual cut (AAC) is relatively small, woodlot tenure holders may harvest up to 120 percent of their accumulated 5-year AACs in 1 or 2 years.

cutting permit (CP) prior to the WLP expiring, after which harvest operations began. This is permitted by the WLPPR,² as long as MGP acted in accordance with the WLP as if it had not expired.

Woodlot Licence #W2044 – Woodlot Licence Plan must include content specified in the WLPPR,³ which includes elements of FRPA that apply to all timber tenures in BC, and also more specific requirements for the local area that is legislated through land use planning and government orders. The WLP must also identify the landscape units within which W2044 is located.

W2044 falls within the Gold Landscape Unit (GLU). There was no approved landscape unit plan that legally established resource objectives for the GLU. The summary *Vancouver Island Land Use Plan* (VILUP) designates the GLU as a general management zone (RMZ 22 – Gold) with high fish, wildlife, and biodiversity values. The WLP committed to meeting the management regimes identified in the VILUP for RMZ 22, which includes general objectives and strategies for access management, karst, biodiversity, cultural heritage values, fish, recreation, timber visuals, watersheds and wildlife.

A visual quality objective (VQO) and recreation feature were established within W2044 by ministerial orders under the *Government Actions Regulation* (GAR). The VQO applies to the portion of W2044 that faces and is visible from the Village of Gold River. The WLP committed to meeting the VQO and described how it would modify harvesting to achieve the VQO. The WLP identified and committed to not harvest a recreation feature along the Heber River.

MGP adopted the one cutting permit approach,⁴ which does not require licensees to spatially identify road and cutblock configurations prior to operations. Unlike larger licensees with Forest Stewardship Plans, the WLPPR does not require MGP to develop site plans for harvesting and road activities. The requirement is to conduct activities in a manner that is consistent with, and meets the commitments contained in, the WLP.

The audit team evaluated the WLP and found that it met all requirements. No issues were identified with operational planning.

Timber Harvesting

MGP harvested timber from 7 cutblocks during the audit period. The total harvested area was 26.1 hectares, and auditors visited all 7 cutblocks.

Finding: Visual Quality Objective and Compliance with Woodlot Licence Plan

Section 59ⁱⁱ of the WLPPR and a commitment made in the WLP (section 21ⁱⁱⁱ of FRPA) require MGP to meet the established VQO when harvesting and road building in W2044.

In December 2005, a GAR order established a VQO of partial retention (PR) over the western portion of W2044, which includes a prominent foreground ridge visible from the Village of Gold River. MGP did not meet the established VQO when it harvested four cutblocks inside the PR area and did not comply with section 59 of the WLPPR and section 21 of FRPA.

A VQO of PR⁵ means that harvesting and road building, when viewed from a significant public viewpoint, can occur to the extent that it is easy to see (as opposed to very easy to see), small to medium in scale, and natural in

² Section 6(2)(b) of the WLPPR.

³ See WLPPR Division 2, sections 7 to 16.

⁴ The “one cutting permit” concept is that there would be one cutting permit for an entire woodlot licence and the licensee reports on its activities after they were completed. This has the added advantage that the licensee would submit final cutblock boundaries once, resulting in lower administration and data storage costs, rather than the current practice for larger licences where proposed cutblock boundaries are submitted at the outset and subsequent amendments submitted before a final cutblock boundary is realized.

⁵ Legal definitions of “Categories of visually altered forest landscape” are found in section 1.1 of the *Forest Practices and Planning Regulation* (FPPR)

appearance, but not rectilinear⁶ or geometric in form. The scale achieved by harvesting and road building can be assessed numerically, and the general rule for PR is that cutblocks and roads should make up seven percent or less of the visible landform. This numerical assessment of the percent alteration is usually a good predictor of visual quality and supports applying the criteria for each VQO in the legislation. Auditors analyzed the appearance of the cutblocks from four viewpoints throughout Gold River using provincial standards.^{iv} The cutblocks were very easy to see, large in scale, and rectilinear but not natural in appearance. The numerical analysis found that the scale of harvesting and roads was substantially more than seven percent of the visible landform.

MGP did not meet the VQO, and these are significant non-compliances.

Road Construction, Maintenance and Deactivation

551945 BC maintained 3.4 kilometres of road until June 30, 2021, after which MGP took over the obligation. MGP constructed 0.2 kilometres of road during the audit period, and 551945 BC did not construct any roads. Auditors examined all of the constructed and maintained road. There was no deactivation of roads or bridges during the audit period, and there are no bridges within W2044.

Culverts were functioning as intended, natural drainage patterns were maintained, and road prisms were stable.

The auditors did not identify any issues with road maintenance or construction.

Silviculture Activities and Obligations

Within the audit period, MGP planted seven cutblocks and brushed four cutblocks. Auditors reviewed three planted cutblocks and two brushed cutblocks. Cutblocks appeared healthy and well stocked. All silviculture activities were reported on time.

Auditors did not identify any compliance concerns with silviculture activities and obligations.

Fire Protection Activities

Fire Preparedness

Auditors did not assess fire preparedness since there were no active operations during the audit fieldwork.

Finding: Fire Hazard Assessments

The *Wildfire Regulation*^v sets out the 3-month timeframes for W2044 that begin when harvesting starts, within which MGP is required to assess a fire hazard when carrying out timber harvesting, including an assessment of the fuel hazard and the associated risk of a fire starting or spreading. Furthermore, the licensee must provide a copy of a fire hazard assessment to an official when requested. If the assessment identifies a hazard, it must be abated.

Hazard assessments were required for seven cutblocks in W2044 during the audit period. Harvesting began in three cutblocks on October 1, 2021, and on January 1, 2022, for the other four cutblocks. Therefore, multiple hazard assessments were required because one assessment is required every three months until completion of harvesting. MGP did not complete a hazard assessment for any of the seven cutblocks within the audit period. MGP could not demonstrate that it was diligent in assessing the hazard, which is a non-compliance with the *Wildfire Act*.^{vi}

This non-compliance is not considered significant since MGP completed fire hazard assessments for each block after the audit period and described a plan to abate the fire hazards. At the time of the audit, there was ample

⁶ **Rectilinear** means “contained by, consisting of, or moving in a straight line or lines. Examples include straight cutblock boundary lines and roads.

opportunity to implement the abatement plans before the two-year abatement timeframe expired.

Fire Hazard Abatement

MGP was the only party with hazard abatement obligations during the audit period. Seven cutblocks were within the two-year abatement timeframe during the audit period, but the time frames had not expired.

The fire hazard assessments for these cutblocks determined that abatement was not required for four cutblocks. For the other three cutblocks, the fire hazard assessments specified actions to abate the remaining fuels after locals collect firewood.

The auditors did not identify any issues with fire hazard abatement.

Audit Opinion

In my opinion, except for the issues identified below, the operational planning, timber harvesting, road maintenance and construction, silviculture, and fire protection activities carried out under woodlot licence W2044, held by Matchlee General Partner Ltd. and 551945 B.C. Ltd., between October 1, 2020, and October 18, 2022, complied in all significant respects with the requirements of the *Forest and Range Practices Act*, the *Wildfire Act* and related regulations, as of October 2022.

In reference to compliance, the term “in all significant respects” recognizes that there may be minor instances of non-compliance that either may not be detected by the audit, or that are detected but not considered worthy of inclusion in the audit report.

Without qualifying my opinion, I draw attention to the *Timber Harvesting* section of the report, which describes significant non-compliances related to not meeting a VQO and not following the WLP; and the *Fire Hazard Assessments* section, which describes an area requiring improvement related to not completing fire hazard assessments in the required timeframes.

The *Audit Approach and Scope* and the *Planning and Practices Examined* sections of this report describe the basis of the audit work performed in reaching the above conclusion. The audit was conducted in accordance with the auditing standards of the Forest Practices Board, including adherence to the auditor independence standards and the ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. Such an audit includes examining sufficient forest planning and practices to support an overall evaluation of compliance with *Forest and Range Practices Act*, and the *Wildfire Act*.



Daryl Spencer, RPF
Auditor of Record

Victoria, British Columbia
July 18, 2023

Appendix 1: Forest Practices Board's Compliance Audit Process

Background

The Forest Practices Board conducts audits of government and agreement-holders under section 122 of the *Forest and Range Practices Act* (FRPA) and section 68 of the *Wildfire Act*. Compliance audits examine forest or range planning and practices to determine whether or not they comply with the applicable requirements of FRPA and the *Wildfire Act*. The Board conducts 6-8 compliance audits annually. Most of these are audits of agreement holders. The Board also audits the government's BC Timber Sales Program (BCTS).

Selection of Auditees

To begin with, auditors randomly select an area of the Province, such as a natural resource district. Then the auditors review the forest resources, geographic features, operating conditions and other factors in the area selected. These are considered in conjunction with the Board's strategic priorities, and the type of audit is determined. At this stage, auditors choose the auditee(s) that best suit(s) the selected risk and priorities.

For example, in 2016, the Board randomly selected the Dawson Creek portion of the Peace Natural Resource District as a location for an audit. After assessing the activities within the area, auditors noted that there were two community forest agreements that had not yet been audited by the Board. As the Board strives to audit an array of licence types and sizes each year, these two community forest agreements were selected for audit.

For BCTS audits, a district or timber supply area within 1 of the 12 BCTS business areas in the province is selected randomly for audit. The audit selections are not based on past performance.

Only those licensees or BCTS operations that have not been audited by the Board in the past five years are eligible for selection.

Audit Standards

The audits are conducted in accordance with auditing standards developed by the Board. These standards include adherence to the auditor independence standards and the ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and are consistent with Canadian generally accepted auditing standards. The standards for compliance audits are described in the Board's Compliance Audit Reference Manual.

Audit Process

Conducting the Audit

Once the Board randomly selects an area or district and determines the scope of audit to be conducted and the licensee(s) to be audited, all activities carried out during the period subject to audit are identified (such as harvesting, replanting, road construction, road deactivation). Items that make up each forest activity are referred to as a population. For example, all sites harvested form the timber harvesting population and all road sections constructed form the road construction population.

The auditors select a separate sample for each population (e.g., the cutblocks selected for auditing timber harvesting). Within each population, more audit effort (i.e., more audit sampling) is allocated to areas where the

risk of non-compliance is greater. For smaller audits, the sample will include the full population. Auditors also consider factors such as geographic distribution and values potentially affected by activities to ensure an adequate sample.

Auditors' work includes interviewing licensee staff, reviewing the auditee's applicable plans, reviewing applicable government orders, assessing some features from helicopters and measuring specific features like riparian reserve zone widths using ground procedures. The audit teams generally spend three to five days in the field.

Evaluating the Results

The Board recognizes that compliance with the requirements of FRPA and the *Wildfire Act* is more a matter of degree than absolute adherence. Determining compliance, and assessing the significance of non-compliance, requires the exercise of professional judgment within the direction provided by the Board.

The audit team, composed of professionals and technical experts, first determines whether forest practices comply with legal requirements. For those practices considered to not be in compliance, the audit team then evaluates the significance of the non-compliance, based on a number of criteria, including the magnitude of the event, the frequency of its occurrence and the severity of the consequences.

Auditors categorize their findings into the following levels of compliance:

Compliance – where the auditor finds that practices meet FRPA and *Wildfire Act* requirements.

Unsound Practice – where the auditor identifies a significant practice that, although in compliance with FRPA or the *Wildfire Act*, is not considered to be sound management.

Not significant non-compliance – where the auditor, upon reaching a non-compliance conclusion, determines that one or more non-compliance event(s) is not significant and not generally worthy of reporting. However, in certain circumstances, these events may be reported as an area requiring improvement.

Significant non-compliance – where the auditor determines a non-compliance event(s) or condition(s) is, or has the potential to be, significant and is considered worthy of reporting.

Significant breach – where the auditor finds that significant harm has occurred, or is beginning to occur, to persons or the environment as a result of one or more non-compliance events.

If a significant breach of the legislation has occurred, the auditor is required by the *Forest Practices Board Regulation* to immediately advise the Board, the party being audited, and the responsible Minister(s).

Reporting

Based on the above evaluation, the auditor then prepares a draft audit report. The party being audited is given a copy of the draft report for review and comment before it is submitted to the Board.

The Board reviews the draft report and determines if the audit findings may adversely affect any party or person. If so, the party or person must be given an opportunity to make representations before the Board decides the matter and issues a final report. The opportunity to make representations allows parties that may potentially be adversely affected to present their views to the Board.

The Board reviews representations from parties that may potentially be adversely affected, makes any necessary changes to the report, and decides if recommendations are warranted. The report is then finalized and released: first to the auditee and then to the public and government seven days later.

ENDNOTES

ⁱ A woodlot licence plan (WLP) is a key planning element in the FRPA framework and is subject to public review and comment, and government approval. In its WLP, both the previous tenure holder and Matchlee General Partner Ltd. are required to identify performance requirements and measures consistent with applicable government objectives for resource values. Performance requirements must be measurable and once approved, are subject to government enforcement. WLPs also identify areas where timber harvesting will be avoided or modified, depending on resource interest requirements in the woodlot area. The WLP map shows resource interests within the woodlot area, such as scenic areas, community watersheds and recreation areas but does not specifically show where road construction and harvesting will occur. WLPs can have a term of up to ten years.

ⁱⁱ **WLPPR section 59: Visual Quality Objectives**

Unless exempted under section 78(1) [*minister may grant exemptions*], if a visual quality objective applies to a woodlot licence area, a woodlot licence holder must carry out primary forest activities in the area only in a manner that is consistent with the visual quality objective.

ⁱⁱⁱ **FRPA section 21: Compliance with plans**

- 1) The holder of a forest stewardship plan or a woodlot licence plan must ensure that the intended results specified in the plan are achieved and the strategies described in the plan are carried out.
- 2) Despite the expiry of a forest stewardship plan or a woodlot licence plan, subsection (1) continues to apply to the holder of the expired plan if, in relation to any result, strategy or other provision of the plan that was in effect immediately before the expiry of the plan, there is no provision in another plan applicable to that holder for the same area to which the expired plan applied, that is identified as being a replacement for the result, strategy or other provision.
- 2.1) If a forest stewardship plan is amended to remove the holder of a licence or an agreement as a party to the plan, subsection (1) continues to apply to that holder if, in relation to any result, strategy or other provision of the plan that applied to the holder immediately before the amendment, there is no provision in another plan, applicable to that holder for the same area to which the amended plan applies, that is identified as being a replacement for the result, strategy or other provision.
- 2.2) If a forest stewardship plan is amended to remove the timber sales manager as a party to the plan, subsection (1) continues to apply to the timber sales manager if, in relation to any result, strategy or other provision of the plan that applied to the holder immediately before the amendment, there is no provision in another plan, applicable to the timber sales manager for the same area to which the amended plan applies, that is identified as being a replacement for the result, strategy or other provision.
- 3) For the purpose of the continued application of subsection (1) required by subsection (2), a forest stewardship or a woodlot licence plan may be amended as if unexpired.

In its WLP, for scenic areas, MGP commits to:

- Within scenic areas harvesting will be modified to achieve the VQO objectives. Harvesting will be modified by:
 - cut block size and design,
 - utilizing dispersed and group retention to screen openings,
 - scheduling of harvesting in visible areas. Defer harvesting adjacent to previously cut areas until adjacent areas are sufficiently "greened up"
- Manage for windthrow so that damage to leave areas does not result in the VQO being exceeded.

^{iv} Jacques Marc, MFR Forest Practices Branch. 2008. *Protocol for Visual Quality Effectiveness Evaluations Procedures and Standards*. Forest and Range Evaluation Program (FREP), B.C. Min. For. Range and B.C. Min. Env., Victoria, B.C.

^v **Wildfire Regulation section 11: Hazard assessment**

- 1) For the purposes of section 7 of the Act,
 - a) each of the following is a prescribed activity under subsections (1) and (2) of that section:
 - i) operating a waste disposal site;
 - ii) operating a dry land sort;
 - iii) operating a camp associated with an industrial activity, and
 - b) each of the following is a prescribed circumstance under subsection (1) of that section:
 - i) an industrial activity or an activity prescribed under paragraph (a) of subsection (1) creates or increases a fire hazard or is likely to do so;
 - ii) an official notifies a person carrying out an industrial activity or an activity prescribed under paragraph (a) of subsection (1) that a fire hazard exists at the site of the activity or operation.
- 2) Subject to subsection (3.1) of this section, the prescribed intervals, at which persons described in section 7 (1) of the Act must conduct fire hazard assessments, are
 - a) 3 month intervals during the period in which the persons are carrying on the industrial activity or the prescribed activity in an area inside, or within 2 km of, the boundaries of
 - i) a local government under paragraphs (d) to (f) of the definition of "local government" in section 1 of the Act, or
 - ii) a fire protection district in a regional district, and
 - b) the shorter interval between the most recent 3 month interval and the date on which the activity ceases for an expected period of 3 months or more.
- 3) Subject to subsection (3.1) of this section, the prescribed intervals, at which persons described in section 7 (1) of the Act must conduct fire hazard assessments, are

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- a) 6 month intervals during the period during which the persons, in any area other than the area described in subsection (2), are carrying on the industrial activity or the prescribed activity, and
 - b) the shorter interval between the most recent 6 month interval and the date on which the activity ceases for an expected period of 6 months or more.
- 3.1) The prescribed intervals, at which a person described in section 7 (1) of the Act who is a qualified holder must conduct fire hazard assessments, are the intervals
- a) set out in subsection (2) or (3) of this section, as applicable, or
 - b) specified by a professional forester or a registered forest technologist.
- 4) A person required to conduct a fire hazard assessment under section 7 (1) of the Act must
- a) ensure that the fire hazard assessment includes an assessment of the fuel hazard and its associated risk of a fire starting or spreading, and
 - b) provide a copy of the fire hazard assessment when requested to do so by an official.
- 5) A person referred to in section 7 (1) of the Act is exempt from section 7 (1) of the Act in respect of an area if a person referred to in section 7 (2.1) of the Act is required to abate fire hazards in respect of that area

^{vi} **Wildfire Act section 7: Hazard assessment and abatement**

- 1) In prescribed circumstances and at prescribed intervals, a person carrying out an industrial activity or a prescribed activity on forest land or grass land or within 1 km of forest land or grass land must conduct fire hazard assessments.
- 2) A person, other than a person who is in a prescribed class of persons referred to in subsection (2.1), carrying out an industrial activity or a prescribed activity, must, within a prescribed time period and to the prescribed extent, abate a fire hazard of which the person is aware or ought reasonably to be aware.
 - 2.1) A person who is in a prescribed class of persons must, within the prescribed time period and to the prescribed extent, abate a fire hazard on a prescribed area.
 - 2.2) A person referred to in subsection (2) is not required to abate a fire hazard on an area if a person referred to in subsection (2.1) is required to abate the fire hazard.
- 3) Despite subsections (2) and (2.1), if an official identifies circumstances that the official considers constitute a fire hazard in relation to
 - a) an industrial activity, or
 - b) a prescribed activity referred to in subsections (2) and (2.1),the official by written order may require the applicable person to abate the fire hazard by a specified date.
- 4) A person who is the subject of an order under subsection (3) and to whom written notice of the order has been given must comply with the order.



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