



Audit of Forest Planning and Practices

**Pacific Inland Resources
a Division of West Fraser Mills Ltd.
Forest Licence A16830**

FPB/ARC/23

December 1999

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Report from the Board

A. Report from the Board

This is the Forest Practices Board's report on a compliance audit¹ of Forest Licence A16830² held by Pacific Inland Resources, a division of West Fraser Mills Ltd. (PIR). PIR's operating areas are located around Babine Lake, north along the Babine and Nilkitkwa Rivers and in the Telkwa River Valley (see map).

The audit examined PIR's operational planning, timber harvesting, silviculture, fire protection, and road construction, maintenance and deactivation for the period July 1, 1998 to July 1, 1999 to assess compliance with the Forest Practices Code of British Columbia Act and related regulations (the Code).

The Board's conclusions are based on an audit of the following plans and practices:

- operational plans approved during the audit period, including the 1998-2003 Forest Development Plan, a fire preparedness plan, and 52 silviculture prescriptions
- operational plans approved before the audit period, related to the practices audited
- harvesting of 48 cutblocks
- construction of 95.8 kilometres of road, including three bridges
- maintenance of approximately 431 kilometres of road
- permanent and semi-permanent deactivation of 46.1 kilometres of road
- silviculture activities on 194 cutblocks
- fire protection activities

Conclusions

Pacific Inland Resources' operational planning and forest practices complied with Code requirements in all significant respects. The instances of non-compliance identified were few in number and minor in nature.

PIR's practices adjacent to very small streams, seeps and seasonal drainages provided more protection than the Code requires and resulted in relatively little disturbance to those areas. PIR also retained more trees and understory vegetation within cutblocks than is required by the Code. This provides habitat for wildlife and reduces the visual impact of logging.

1 Part B of this document provides background information on the Board's audit program and the process followed by the Board in preparing its report.

2 The report from the auditor (Part C of this document) provides specifics about the operating areas of Forest Licence A16830 and the forest planning and field activities of Pacific Inland Resources Ltd. that were the subject of this audit, and the audit findings.

The Board notes that PIR's 1998-2003 Forest Development Plan included a commitment to manage forest resources according to the Bulkley Land and Resource Management Plan³ (LRMP) and its identified values. The Code requires that a forest development plan specify measures that will be carried out to protect forest resources. Normally, broad objectives for the management of non-timber resources will be set out in higher level plans. In the Bulkley Forest District, such direction is provided by the Bulkley LRMP and associated objectives contained in landscape unit plans. However, PIR's forest development plan was not legally required to address these objectives, since neither the LRMP, nor the landscape unit plans, were designated as higher level plans when PIR submitted the forest development plan for approval.

The Board notes Pacific Inland Resources' positive step in stating its intent to be consistent with the LRMP.

A handwritten signature in black ink, appearing to read "Keith Moore", with a stylized flourish at the end.

Keith Moore
Chair

December 7, 1999

The single person panel of the Board that considered the Report from the Auditor and concluded this report was Keith Moore.

3 The Bulkley Land and Resource Management Plan was developed by the Bulkley Community Resources Board and government agencies to address land use and resource issues in the Bulkley Forest District. It was completed in 1996 and approved by the provincial Cabinet in April 1998.

Forest Practices Board Compliance Audit Process

B. Forest Practices Board Compliance Audit Process

Background

The Forest Practices Board conducts audits of government's and agreement holder's compliance with the *Forest Practices Code of British Columbia Act* and regulations (the Code). The Board is given the authority to conduct these periodic independent audits by section 176 of the Act. Compliance audits examine forest planning and practices to determine whether or not they meet Code requirements.

The Board undertakes both "limited scope" and "full scope" compliance audits. A limited scope audit involves the examination of selected forest practices (e.g., roads, or timber harvesting, or silviculture) and the related operational planning activities. A full scope audit examines all operational planning activities and forest practices.

The Board determines how many audits it will conduct in a year, and what type of audits (limited or full scope), based on budget and other considerations. The Board audits agreement holders who have forest licences or other tenures under the *Forest Act* or the *Range Act*. The Board also audits government's Small Business Forest Enterprise Program (SBFEP) which is administered by Ministry of Forests district offices. Selection of agreement holders and district SBFEPs for audit is done randomly, using a computer program, to ensure a fair, unbiased selection of auditees.

Audit Standards

Audits by the Forest Practices Board are conducted in accordance with the auditing standards developed by the Board. These standards are consistent with generally accepted auditing standards.

The audits determine compliance with the Code based on criteria derived from the Forest Practices Code of British Columbia Act and its related regulations. Audit criteria are established for the evaluation or measurement of each practice required by the Code. The criteria reflect judgments about the level of performance that constitutes compliance with each requirement.

The standards and procedures for compliance audits are described in the Board's Compliance Audit Reference Manual.

Audit Process

Conducting the Audit

Once the Board selects an audit and decides on the scope of the audit (limited scope or full scope), the staff and resources required to conduct the audit and the period covered by the audit are determined. Board staff also meet with the party being audited to discuss the logistics of the audit before commencing the work.

All the activities carried out during the period subject to audit are identified. This includes activities such as the sites harvested or replanted and road sections built or deactivated during the audit period. The items that comprise each forest activity are referred to as a “population.” For example, all sites harvested form the “timber harvesting population.” All road sections constructed form the “road construction population.” The populations are then sub-divided based on factors such as the characteristics of the sites and the potential severity of the consequences of non-compliance on the sites.

The most efficient means of obtaining information to conclude whether there is compliance with the Code is chosen for each population. Because of limited resources, sampling is usually relied upon to obtain audit evidence, rather than inspecting all activities.

Individual sites and forest practices within each population have different characteristics, such as the type of terrain or type of yarding. Each population is divided into distinct sub-populations on the basis of common characteristics (e.g., steep ground vs. flat ground). A separate sample is selected 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 the sub-population where the risk of non-compliance is greater.

Audit work in the field includes assessments from helicopters and intensive ground procedures such as the measurement of specific features like road width. The audit teams generally spend two to three weeks in the field.

Evaluating the Results

The Board recognizes that compliance with the many requirements of the Code is more a matter of degree than absolute adherence. Determining compliance requires the exercise of professional judgment within the direction provided by the Board.

Auditors collect, analyze, interpret and document information to support the audit results. The audit team, comprised of professionals and technical experts, first determines whether forest practices are in compliance with Code requirements. For those practices considered to not be in

compliance, the audit team then evaluates the degree to which the practices are judged not in compliance. The significance of the non-compliance is determined based on a number of criteria including the magnitude of the event, the frequency of its occurrence, and the severity of the consequences.

As part of the assessment process, auditors categorize their findings into the following levels of compliance:

Compliance – where the auditor finds that practices meet Code requirements.

Not significant non-compliance – where the auditor, upon reaching a non-compliance conclusion, determines that a non-compliance event, or the accumulation and consequences of a number of non-compliance events, is not significant and is not considered worthy of reporting.

Significant non-compliance – where the auditor determines that the event or condition, or the accumulation and consequences of a number of non-compliance events or conditions, is 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 the non-compliance. A significant breach can also result from the cumulative effect of a number of non-compliance events or conditions.

Identification of a possible significant breach requires the auditor to conduct tests to confirm whether or not there has been a breach. If it is determined that a significant breach has occurred, the auditor is required by the Forest Practices Board Regulation to immediately advise the Board, the party being audited, and the Ministers of Forests, Energy & Mines, and Environment, Lands & Parks.

Reporting

Based on the above evaluation, the auditor then prepares the “Report from the Auditor” for submission to the Board. The party being audited is given a draft of the report before it is submitted to the Board so that the party is fully aware of the findings. The party is also kept fully informed of the audit findings throughout the process, and is given opportunities to provide additional relevant information and to ensure the auditor has complete and correct information.

Once the auditor submits the report, the Board reviews it and determines whether any party or person is potentially adversely affected by the audit findings. 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 to the public and government. The representations allow potentially adversely affected parties to present their views to the Board.

At the discretion of the Board, representations may be written or oral. The Board will generally offer written representations to potentially adversely affected parties, unless the circumstances strongly support the need for an oral hearing.

The Board then reviews both the report from the auditor and the representations before preparing its final report, which includes the Board's conclusions and may also include recommendations, if appropriate.

If the Board's conclusions or recommendations result in newly adversely affected parties or persons, additional representations would be required.

Once the representations have been completed, the report is finalized and released: first to the auditee and then to the public and government.

Report from the Auditor

C. Report from the Auditor

1. Introduction

As part of the Forest Practices Board's 1999 compliance audit program, Forest Licence A16830 (the licence) was selected for audit from the population of major forest licences within the Prince Rupert Forest Region. The licence was selected randomly and not on the basis of location or level of performance. The licence is held by Pacific Inland Resources (PIR), a division of West Fraser Mills Ltd.

The licence is a volume based forest licence within the Bulkley Forest District and lies within the Bulkley Timber Supply Area (TSA). The main communities within the TSA are Smithers, Telkwa, Moricetown and Fort Babine.

Forest licences do not have specific borders within which activities take place. However, the traditional "operating areas" for the licence, although widespread across the TSA, are fairly well defined. The primary areas of operation are in the vicinity of Babine Lake, north along the Babine and Nilkitkwa Rivers and in the Telkwa River Valley (see attached map).

The volume of timber cut under the licence during the audit period was approximately equal to the allowable annual cut of 311,562 cubic metres.

2. Audit Scope

The audit examined the activities of PIR in the areas of operational planning (such as forest development plans¹, silviculture prescriptions² and logging plans³ where applicable), timber harvesting, silviculture, fire protection, and road construction, maintenance and deactivation. These activities were assessed for compliance with the Forest Practices Code of British Columbia Act and related regulations (the Code), including the transitional provisions of the Code.

All activities, planning and obligations for the period July 1, 1998, to July 1, 1999, were included in the scope of the audit.

PIR's activities during the audit period were:

- harvesting of 48 cutblocks
- construction of 43 road sections totaling approximately 95.8 kilometres, including three bridges
- maintenance of approximately 431 kilometres of road, involving activities such as surfacing and the cleaning of culverts and ditches

- permanent and semi-permanent deactivation of 22 road sections totaling 46.1 kilometres
- silviculture activities, such as site preparation, planting, brushing and regeneration surveys, on 194 cutblocks
- protection activities including fire preparedness planning, fuel management, and hazard abatement

Operational plans approved during the period included the 1998-2003 forest development plan and silviculture prescriptions for 52 cutblocks, of which two cutblocks were also harvested during the period.

Section 3 describes the audit of these activities and the results. The Board's audit reference manual, Compliance Audit Reference Manual, Version 4.0, May 1999 sets out the standards and procedures that were used to carry out this audit.

3. Audit Findings

Planning and practices examined

The audit work on selected plans, roads and cutblocks included ground-based procedures and assessments from the air using helicopters. The audit examined the following:

- 15 cutblocks harvested during the period
- one cutblock where harvesting activity had not yet commenced but the related silviculture prescription had been approved
- construction of 20 road sections totaling approximately 49.2 kilometres and nine bridges
- maintenance of 10 bridges and approximately 213 kilometres of road involving activities such as surfacing and the cleaning of culverts and ditches
- permanent and semi-permanent deactivation of seven road sections, totaling 14.8 kilometres
- silviculture activities on 22 cutblocks
- adherence to the fire preparedness plan at 14 active timber harvesting and road construction sites

In addition to the above samples, the audit team examined all of the operating areas for the licence at an overview level in assessing the forest development plan. This was achieved through helicopter overview flights that examined a high proportion of the remaining planned and harvested cutblocks within the audit population as well as specific management challenges to be addressed in the plan, such as forest health.

Findings

The audit found that PIR complied, in all significant respects, with the operational planning, timber harvesting, silviculture, fire protection, road construction, maintenance and deactivation requirements of the Code. The instances of non-compliance were few in number and minor in nature.

Notable Practices

Riparian management

The audit found that logging activities in the vicinity of small streams, seeps and drainages were carried out with a high degree of sensitivity. Of particular note was the retention of non-merchantable trees and understorey vegetation around seeps and drainages that are not considered streams under the Code and hence did not require protection under the Code.

Retention of stand structure attributes during harvesting

A notable proportion of stand structure was retained in many cutblocks after harvesting. This reduces the visual impact of harvesting practices, provides increased cover for wildlife and contributes an ongoing source of coarse woody debris and wildlife trees. This is being achieved by retaining understorey vegetation consisting of advanced regeneration that is suitable for forming the next crop as well as leaving wildlife trees and stubs. These practices are in addition to existing wildlife tree patch and riparian reserve zone requirements under the Code.

4.0 Other Comments

Requirements of the Forest Practices Code

The PIR forest development plan was required to specify measures that would be carried out to protect forest resources (*Forest Practices Code of British Columbia Act section 10(1)(c)*). To meet this requirement, the plan had to meet the specific requirements of the *Operational Planning Regulation* and the objectives of any landscape level plans which had been designated by government as higher level plans.

Under the Forest Practices Code, such landscape level planning is expected to provide direction to forest development plans through the setting of landscape level objectives, which typically include objectives for the maintenance of successional stages of the forest, biodiversity and for the management of habitat for specific species, such as grizzly bear.

In the Bulkley District such direction is provided by the Bulkley Land and Resource Management Plan (LRMP) and associated objectives contained in landscape unit plans. However, at the time of submission of PIR's forest development plan there were no plans designated as higher level plans under the Code.

The LRMP was formally approved by Cabinet in April, 1998 and the biodiversity objectives in landscape unit plans were approved as higher level plans under the Code in November, 1998.

In preparing its forest development plan, PIR considered the draft LRMP, associated draft landscape unit plans, the existing Babine River Interim Local Resource Use Plan (which predates the Code and has now been replaced by the LRMP) and direction provided by the forest service district manager.

As a result, while no higher level plans were in place, PIR's forest development plan was consistent with the spirit and intent of the management direction in the draft LRMP and associated biodiversity objectives in draft landscape unit plans.

5.0 Audit Opinion

In my opinion, the operational planning, timber harvesting, silviculture, fire protection and road construction, maintenance and deactivation activities of Pacific Inland Resources were in compliance, in all significant respects, with the related Code requirements as of July 1999.

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.

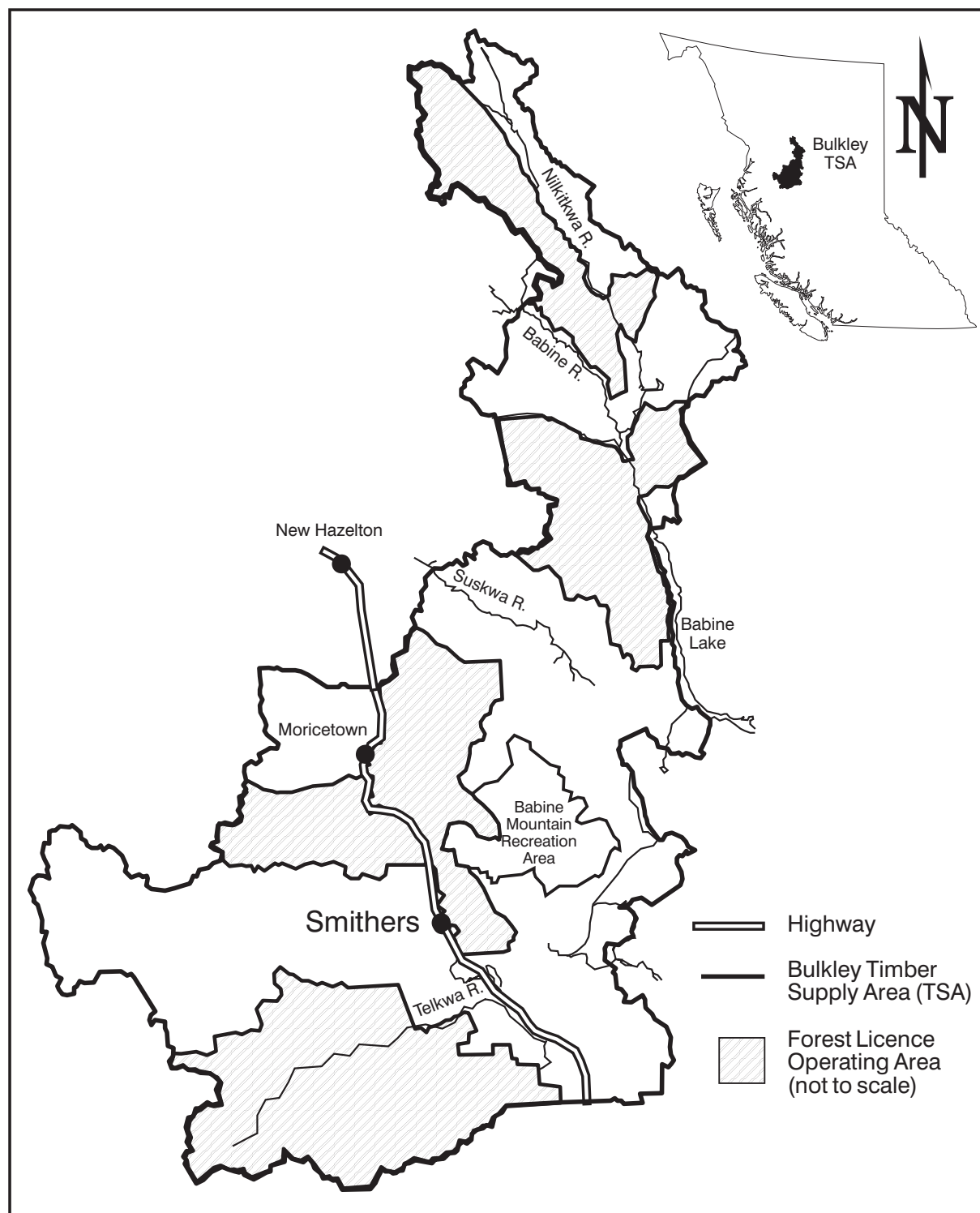
Sections 2 and 3 of this report from the auditor describe the basis of the audit work performed in reaching the above opinion. The audit was conducted in accordance with the auditing standards of the Forest Practices Board. Such an audit includes examining sufficient forest planning and practices to support an overall evaluation of compliance with the Code.

A handwritten signature in black ink that reads "Chris Ridley-Thomas". The signature is written in a cursive, flowing style.

Chris Ridley-Thomas, R.P. Bio.
Auditor

Vancouver, British Columbia
November 15, 1999

Audit of Pacific Inland Resources (PIR)
A Division of West Fraser Mills Ltd.
Forest Licence A16830



Endnotes

- 1 A forest development plan is an operational plan which provides the public and government agencies with information about the location and scheduling of proposed roads and cutblocks for harvesting timber over a period of at least five years. The plan must specify measures that will be carried out to protect forest resources (including water, fisheries, and other forest resources). It must also illustrate and describe how objectives and strategies established in higher level plans, where they have been prepared, will be carried out. Site specific plans are required to be consistent with the forest development plan.
- 2 A silviculture prescription is a site specific operational plan that describes the forest management objectives for an area to be harvested (a cutblock). The silviculture prescriptions examined in the audit are required to describe the management activities proposed to maintain the inherent productivity of the site, accommodate all resource values including biological diversity, and produce a free growing stand capable of meeting stated management objectives. Silviculture prescriptions must be consistent with higher level plans that encompass the area to which the prescription applies.
- 3 A logging plan is an operational plan that details how, when, and where timber harvesting and road construction activities will take place in a cutblock, in accordance with the approved silviculture prescription and forest development plan for the area. Information about other forest resource values, plus all current field information for the area, must be clearly shown in the logging plan. The requirement to prepare logging plans was repealed on June 15, 1998, but may be in effect in limited circumstances. Logging plans approved before June 15, 1998 continue to be in effect until timber harvesting is completed.



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NEWS RELEASE

For Immediate Release
December 15, 1999

Pacific Inland Resources Gets Clean Audit From Forest Practices Board

VICTORIA - Pacific Inland Resources' operations near Smithers complied with the Forest Practices Code in all significant respects, according to a Forest Practices Board audit released today.

"In addition to the clean audit opinion, there are some notable practices in this audit. Pacific Inland Resources kept more vegetation and trees beside small streams and within cutblocks than the code requires. This provides habitat for wildlife and reduces the visual impact of logging," said Keith Moore, board chair. "Pacific Inland Resources also took a positive step in making a commitment to carry out their operations in ways that would meet the intent of the Bulkley Land and Resource Management Plan. This is a land-use plan for the area developed through a public planning process."

The audit examined all aspects of Pacific Inland Resources' operational planning and forest practices in the field. The activities audited within Forest Licence A16830 were carried out between July 1, 1998, and July 1, 1999.

Pacific Inland Resources' main operating areas are around Smithers, Telkwa, Moricetown and Fort Babine. The primary areas of operation are near Babine Lake, north along the Babine and Nikitkwa rivers and in the Telkwa River Valley. Pacific Inland Resources is a division of West Fraser Mills Ltd.

This licence was selected for audit randomly, not on the basis of location or level of performance.

The board has undertaken nine compliance audits this year. Pacific Inland Resources is the third 1999 audit report to be published.

The Forest Practices Board is B.C.'s independent watchdog for sound forest practices. The board reports to the public and government about compliance with the Forest Practices Code and the achievement of its intent. The board's main roles are auditing forest practices, investigating public complaints, undertaking special investigations of any code-related forestry issues, participating in administrative reviews and appeals and providing reports on board activities, findings and recommendations.



[Backgrounder](#)

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Pacific Inland Resources - FL A16830

The audit examined Pacific Inland Resources' operational planning, timber harvesting, silviculture, fire protection, and road construction, maintenance and deactivation for the period July 1, 1998, to July 1, 1999.

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