

Audit of Forest Planning and Practices

**Burns Lake Community Forest Ltd.
Community Forest Agreement K1A**



FPB/ARC/100

June 2008

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Board Commentary

In fall 2007, the Forest Practices Board conducted a compliance audit of forest planning and practices of Long Term Community Forest Agreement K1A, held by Burns Lake Community Forest Ltd. (BLCF), in the Nadina Forest District.

The audit assessed the planning, activities and obligations undertaken by BLCF, including:

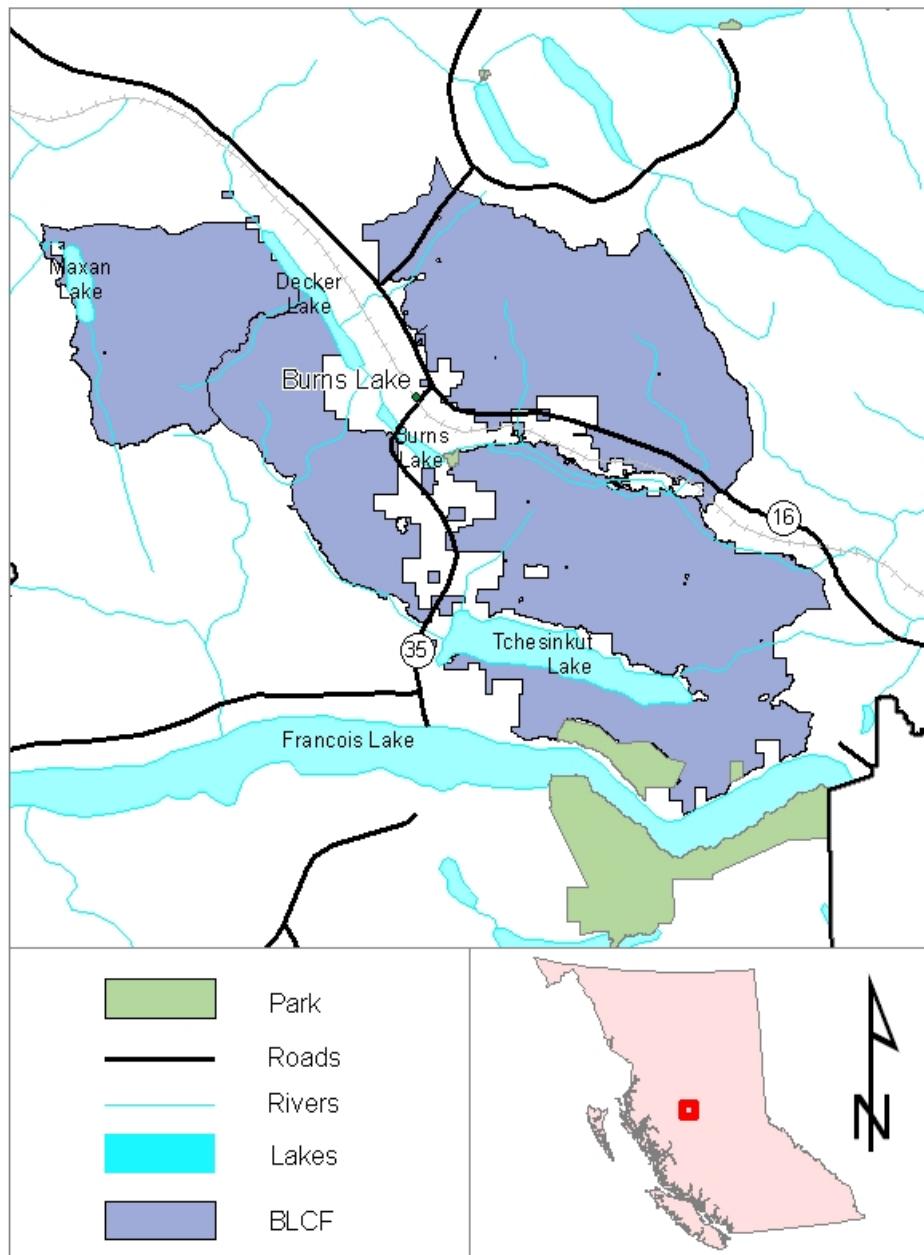
- operational planning;
- harvesting of 118 cutblocks;
- road construction and maintenance on more than 540 kilometres of road;
- 28 bridges; and
- silviculture activity on 422 blocks.

While planning and practices undertaken by BLCF complied with legislative requirements in all significant respects, the audit identified four cutblocks where harvesting practices caused excessive dispersed soil disturbance. These practices are not widespread, however they are avoidable.

BLCF recognizes the challenges posed by harvesting in wet summer conditions and has advised the Board it will make efforts to minimize soil disturbance through further educating harvesting contractors, as well as working toward a delivery schedule favouring log deliveries in the winter instead of the summer.

The BLCF is one of the first community forests in BC, and the Board is impressed with its focus on delivering economic benefits, as well as its support of outdoor recreation in the local area, through the establishment and maintenance of hiking and mountain bike trails in the community forest.

Audit of Burns Lake Community Forest



Audit Results

Background

As part of the Forest Practices Board's 2007 compliance audit program, the Board selected Burns Lake Community Forest Ltd.'s (BLCF), Community Forest Agreement K1A, in the Nadina Forest District for a full scope compliance audit. The agreement was selected randomly and not on the basis of location or level of performance.

BLCF has been operating since July 2000, and was awarded one of the first community forest pilot agreements offered in the province. In September 2004, BLCF was offered a long-term community forest agreement. This 25-year renewable forest tenure replaced the original community forest pilot agreement.

The Burns Lake community forest agreement encompasses 84,886 hectares of Crown land surrounding the Village of Burns Lake. To the west and north, the licence reaches Maxan Lake, and extends as far south and east as Tchesinkut Lake and Francois Lake (see map on page 2).

Overall, the terrain in the Burns Lake area is relatively gentle. Tree species include lodgepole pine, Engelmann/white spruce crosses, Douglas-fir, black spruce and subalpine fir, as well as trembling aspen, cottonwood, and birch.

In keeping with the BLCF's goal of maximizing local employment and economic benefits, all of its forest management, construction, and logging activities are preferentially contracted to residents of the Lakes Timber Supply Area (TSA). BLCF has supported outdoor recreational activities in the community through such activities as the establishment of new trails, and the maintenance of existing recreation trails and sites. In partnership with the Burns Lake Mountain Biking Association (BLMBA), BLCF has facilitated the development of a local mountain bike park and network of trails.

The Board's audit fieldwork took place from October 15 to 18, 2007.



Example of a mountain bike trail.

- photo courtesy of BLCF

Audit Approach and Scope

The audit examined BLCF's planning, field activities and obligations in the areas of:

- operational planning (including forest stewardship planⁱ and site plansⁱⁱ);
- timber harvesting;
- road construction and maintenance ;
- bridge construction and maintenance;
- silviculture; and
- fire protection.

These activities were assessed for compliance with the *Forest Practices Code of British Columbia Act* (Code), the *Forest and Range Practices Act* (FRPA),ⁱⁱⁱ the *Wildfire Act* (WA) and related regulations. All activities, planning and obligations for the period October 1, 2006, to October 18, 2007, were included in the scope of the audit.

The Board's audit reference manual, *Compliance Audit Reference Manual, Version 6.0*, May 2003, and the addendum to the manual for the 2007 audit season, set out the standards and procedures that were used to carry out this audit.

Higher Level Plans

The community forest is within the area covered by the Lakes District Land and Resource Management Plan (Lakes LRMP). Parts of the LRMP were declared a higher level plan,^{iv} requiring operational plans to be consistent with those parts of the Lakes LRMP. Other portions of the LRMP provide broad operational guidance for forest practices in the plan area.



Sufficiently restocked cutblock.

Planning and Practices Examined

BLCF operations under CFA K1A were approved in the 2002-2005 forest development plan (FDP)^v and the 2007-2012 forest stewardship plan (FSP). Most of the activities in the audit period were governed by the FDP and subsequent amendments.

The Board audited:

- 36 of 118 harvest cutblocks (3,303 of 5,308 hectares);
- 80 of 120 kilometres of new road construction;
- 126 of 422 kilometres of road maintenance;
- 3 of 3 new bridges constructed;

- maintenance of 17 of 25 permanent bridges;
- regeneration obligations on 15 of 122 cutblocks (18 percent by area);
- planting on 15 of 144 cutblocks; and
- fire protection planning and practices.

The Board also audited the FSP and 36 site plans to ensure compliance with applicable legislation. These plans were also assessed for consistency with higher level plan objectives, such as avoiding harvesting in areas of potential Grizzly Bear habitat, as well as avoiding activities near identified recreation trails.

There was no road deactivation and no free growing obligations due during the audit period. As a result, the Board did not audit road deactivation practices or the achievement of free growing obligations.

Findings

The audit found that the planning and field activities undertaken by BLCF on CFA K1A complied in all significant respects with the requirements of the Code, FRPA and related regulations as of October 2007.

Soil Disturbance

Soil disturbance is disturbance to the soil in the net area to be reforested resulting from the construction of temporary access structures or gouges, ruts, scalps or compacted areas resulting from forestry activities. Without rehabilitation, disturbed sites often have reduced soil productivity and may not provide optimum growing conditions for new trees. For that reason, maximum allowable amounts of soil disturbance are set in regulation.

Four cut blocks harvested during the audit period contained areas with excessive dispersed soil disturbance, likely a result of operating machinery during periods of wet soil conditions. In all four cut blocks, the maximum soil disturbance requirement of five percent was exceeded in portions ranging in size from two to ten hectares. Blocks ranged in size from 23 to 110 hectares, so these practices comply with the Code, since in each instance the five percent disturbance limit was not exceeded when averaged over the entire block (standards unit). However, this type of disturbance can be avoided by confining the timing of harvesting activities to periods of lower soil moisture. Therefore, this is a practice that requires improvement.

Audit Opinion

In my opinion, the operational planning; timber harvesting; road construction and maintenance; silviculture; and fire-protection planning and practices carried out by Burns Lake Community Forest Ltd. on Community Forest Agreement K1A from October 1, 2006, to October 18, 2007, complied in all significant respects with the requirements of the Code, FRPA, and WA and related regulations, as of October 2007. No opinion is provided regarding road deactivation activities or free-growing obligations in the field.

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 *Soil Disturbance* section of this report, which describes an area requiring improvement.

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. Such an audit includes examining sufficient forest planning and practices to support an overall evaluation of compliance with the Code, FRPA and WA.



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Director, Audits
May 14, 2008

ⁱ A forest stewardship plan (FSP) is a key planning element in the *Forest and Range Practices Act* (FRPA) framework and the only plan subject to public review and comment and government approval. In FSPs licensees are required to identify results and/or strategies consistent with government objectives for values such as water, wildlife and soils. These results and strategies must be measurable and once approved are subject to government enforcement. FSPs identify areas within which road construction and harvesting will occur but are not required to show the specific locations of future roads and cutblocks. FSPs can have a term of up to five years.

ⁱⁱ A site plan is a site-specific plan that is required in place of a silviculture prescription as of December 17, 2002, except where there is already an existing silviculture prescription. The site plan contains many of the same elements as a silviculture prescription and is designed to identify resource values and define what a free-growing stand will be on that site. However, it is not an operational plan under the *Forest Practices Code of British Columbia Act* (the Code) and does not require review or approval by government to be implemented.

ⁱⁱⁱ Most of the Code was repealed on January 31, 2004, and replaced with FRPA. The transitional provisions of FRPA state that the Code continues to apply to forest practices carried out under a forest development plan. This continues until there is an approved forest stewardship plan, at which point, the requirements of FRPA apply. Therefore, although FRPA came into effect prior to the audit period, the legislated forest practices requirements that applied to the majority of the auditee's activities were the requirements of the Code.

^{iv} A higher level plan is a forest resource management objective that is established as legally binding by a written order. The objective applies to a resource management zone, landscape unit, sensitive area, recreation site, recreation trail, or interpretive forest site. Higher level plans are a provision of the Code that give direction to operational plans.

^v A forest development plan is an operational plan that provides the public and government agencies with information about the location 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 certain forest resources prescribed by regulation. It must also be consistent with any higher level plans. Site-specific plans are required to be consistent with the forest development plan.

Appendix 1:

Forest Practices Board Compliance Audit Process

Background

The Forest Practices Board conducts audits of government and agreement-holders under the *Forest and Range Practices Act* (FRPA), section 122, and the *Wildfire Act* (WA). Compliance audits examine forest or range planning and practices to determine whether or not they meet FRPA and / or WA requirements. (The transitional provisions of FRPA state that the Code continues to apply to forest practices carried out under a forest development plan, until there is an approved forest or range stewardship plan, at which point the requirements of FRPA apply).

Selection of auditees

The Board conducts about eight or nine compliance audits annually. Most of these are audits of agreement holders. The Board also audits the government's BC Timber Sales Program (BCTS). This section describes the process for selecting agreement holders to audit.

To begin with, auditors randomly select an area of the province, such as a forest 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 Board strategic priorities (updated annually), and the type of audit is determined. At this stage, we choose the auditee(s) that best suits the selected risk and priorities. The audit selections are not based on past performance.

For example, in 2007, the Board randomly selected the Robson Valley Timber Supply Area as a location for an audit. After assessing the activities within that area, we discovered that two licensees had recently closed operations due to financial problems. As the Board has expressed concern in the past about financially strapped companies failing to meet outstanding obligations, such as reforestation, and road maintenance, the audit focused on the status of the outstanding obligations of these two licences.

For BCTS audits, a forest district within one of the 12 business areas within the province is selected randomly for audit.

Audit Standards

Audits by the Board are conducted in accordance with the auditing standards developed by the Board. These standards are consistent with 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 or replanting, and road construction or deactivation activities). 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.

A separate sample is then 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 areas where the risk of non-compliance is greater.

Audit field work includes assessments of features using helicopters as well as ground procedures, such as measuring specific features like riparian reserve zone width. The audit teams generally spend one to two weeks in the field.

Evaluating the Results

The Board recognizes that compliance with the many requirements of the Code, FRPA and WA, 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 legislated 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 Code, FRPA and WA requirements.

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 worthy of reporting. Therefore, this category of events will not be included in audit reports.

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 many non-compliance events.

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 Minister of Forests and Range.

Reporting

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

Once the auditor submits the draft report, the Board reviews it 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 representations allow parties that may potentially be adversely affected to present their views to the Board.

The Board then reviews the auditor's draft report and the representations from parties that may potentially be adversely affected before preparing its final report. Once the representations have been completed, the report is finalized and released: first to the auditee and then to the public and government.