



**Forest
Practices
Board**

Audit of Forest Planning and Practices

Quesnel Forest District

- *Woodlot Licence W1050*

FPB/ARC/115

March 2010

Table of Contents

Board Commentary..... 1

Audit Results..... 3

 Background..... 3

 Audit Approach and Scope..... 3

 Planning and Practices Examined..... 4

 Findings 5

 Audit Opinion 5

Appendix 1: Forest Practices Board Compliance Audit Process 7

Board Commentary

In June 2009, the Board conducted a full-scope compliance audit of forest planning and practices on woodlot licence W1050 in the Quesnel Forest District. This woodlot is located within one hour's driving distance of Quesnel (see map on page 2).

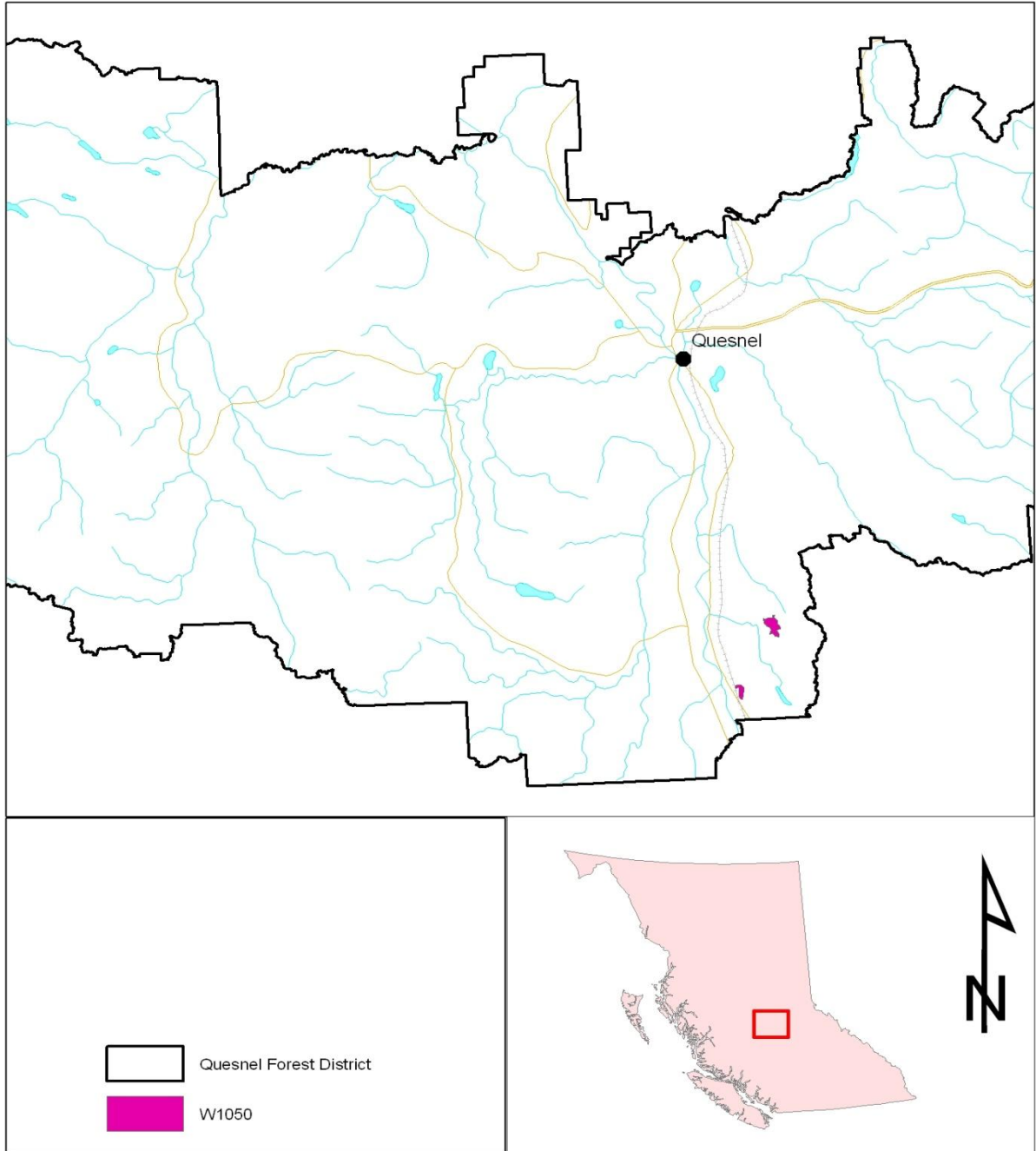
The audit assessed 15 cutblocks, more than 12 kilometres of road activities and obligations, as well as operational planning.

The Board notes that the holder of woodlot licence W1050 complied with legislative requirements in all significant respects.

However, the audit identified two cutblocks where the licensee had not burnt the harvesting waste, resulting in a fire hazard, and one 55-hectare cutblock where the licensee was unable to confirm that regeneration obligations had been met.

The Board notes that, subsequent to the audit, the licensee has burnt some of the harvesting waste and acknowledges the licensee's verbal commitment to address the remainder of the outstanding obligations. However, the Board requests the licensee to report back to the Board by December 31, 2010 on the progress made in abating the fire hazard, as well as the status of the outstanding reforestation obligations on the identified cutblock.

Audit of Quesnel Woodlots



Audit Results

Background

As part of the Forest Practices Board's 2009 compliance audit program, the Board selected five woodlot licences in the Quesnel Forest District (the licences) for audit. This is the audit report for woodlot licence W1050. Results for the other four woodlot licences are provided in separate audit reports.

The Board randomly selected the Quesnel Forest District and, from the population of licences within the forest district, noted that woodlot licences had not been audited in recent years. However, while the forest district was selected randomly, the individual woodlot licences were selected based on the level of harvest activity occurring between January 2007 and April 2009, and not on performance or geographic location.

Woodlot licence W1050 is located in the Southern Interior Forest Region and is situated within one hours' driving distance from Quesnel.

It was issued to the original licence holder in 1992, and then transferred to the current licence holder in 2005. The woodlot consists of two parcels of land located approximately 55 kilometres south of Quesnel, near McLeese Lake in the upper James Mountain Road area and in the Rim Rock Road area. Access to the woodlot is by Highway #97, secondary roads, the James Mountain Forest Service Road (FSR) and the Hill Lake Road. The licence has an allowable annual cut of 450 cubic metres.



Regenerating pine stand on W1050.

The topography in this woodlot is a configuration of mid- and upper- slopes, benches and ridge tops. Soils are generally stable and well drained. Elevations of the licence range from 640 to 980 metres and the licence lies within subzone variants of the sub-boreal spruce biogeoclimatic zone. The area has a climate of hot, dry summers and cold winters with shallow snow packs. A mix of tree species typical to the area includes white spruce, lodgepole pine, Douglas fir and trembling aspen.

The Board's audit fieldwork for this woodlot took place on June 16 and 17, 2009.

Audit Approach and Scope

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

- operational planning (including a forest development planⁱ and site plansⁱⁱ);
- timber harvesting;

- road construction, maintenance and deactivation;
- silviculture obligations; and
- fire hazard assessment and abatement.

These activities were assessed for compliance with the *Forest and Range Practices Act* (FRPAⁱⁱⁱ), the *Wildfire Act* (WA) and related regulations (in particular, the *Woodlot Licence Forest Management Regulation* (WLFMR), and the *Woodlot Licence Planning and Practices Regulation* (WLPPR)) and applicable transitional elements of the *Forest Practices Code of British Columbia Act* (the Code). All activities, planning and obligations for the period January 1, 2007, to the day of the field audit in June 2009, 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 2009 audit season, set out the standards and procedures that were used to carry out this audit.

Planning and Practices Examined

Higher Level Plans

The Quesnel Forest District covers a large geographic area under the Cariboo-Chilcotin Land Use Plan (CCLUP). In January 1996, parts of the CCLUP were declared a higher level plan under the Forest Practices Code. CCLUP commitments are extensive, but most of these commitments relate to the achievement of an objective over a broad landbase and have limited application for a specific woodlot. The audit found that there were no site-level requirements identified in the CCLUP that were directly applicable to this woodlot.

Operational Planning

During the audit period, the holder of licence W1050 conducted harvesting authorized by a forest development plan (FDP) amendment approved in March 2006, and cutting permit (CP) 'Y'. Site plans were prepared for some of the blocks in this cutting permit and the remainder of the blocks were site plan exempt.

Practices

The audit work for this woodlot included an evaluation of records and plans, and on-the-ground inspections of roads and cutblocks. No aerial assessments were undertaken.

The holder of woodlot licence W1050 harvested 13 cutblocks, constructed 0.3 kilometres of road and maintained 12.4 kilometres of road. All the cutblocks and new road, and 8.4 kilometres of existing road, were audited. With respect to silviculture, auditors assessed both cutblocks with silviculture obligations. There were no active work sites, no silviculture activities and no deactivated roads.

Findings

The audit found that the planning and field activities undertaken by the holder of woodlot licence W1050 complied in all significant respects with the requirements of FRPA, WA and related regulations, and applicable transitional elements of the Code as of June 2009.

Obligations

Under FRPA and the WA, and as part of forest development plan, site plan, and cutting permit requirements, woodlot licence holders are responsible for a number of post-harvest obligations. These obligations include:

- the timely completion of fire hazard assessments and abatement;
- ensuring that harvested areas are re-stocked with a sufficient number of well-spaced and desirable seedlings within the specified timelines;
- the maintenance of roads and bridges;
- ensuring that harvested areas with reforestation obligations meet free-growing specifications; and
- the submission of an annual report specifying the nature of forest management activities that have been undertaken.

On woodlot W1050, the audit found that the licence holder was in non-compliance for some obligations, and partially unaware of others. Specifically, the licensee had not burnt the harvesting waste, resulting in a fire hazard on two cutblocks, and was unable to confirm that regeneration obligations have been met on a 55-hectare cutblock. Although these non-compliances were not considered significant, given their limited scale and extent, ensuring full post-harvest and reforestation obligations are met on the woodlot is the legal responsibility of the licence holder, and also a necessity for sound forest management. This is considered an area requiring improvement.

Audit Opinion

In my opinion, the operational planning, timber harvesting, road construction, road maintenance, fire hazard abatement and silviculture carried out at woodlot licence W1050 complied in all significant respects with the requirements of the *Forest and Range Practices Act*, the *Wildfire Act* and related regulations, as well as applicable transitional elements of the *Forest Practices Code of British Columbia Act*, as of June 2009. No opinion is provided regarding fire tools and road deactivation activities.

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 *Obligations* 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 FRPA, WA and the Code.

A handwritten signature in black ink that reads "C R Mosher". The letters are cursive and fluidly connected.

Christopher R. Mosher CA, CEA(SFM)
Director, Audits

Victoria, British Columbia
January 20, 2010

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 8 or 9 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 fieldwork includes assessments of features using helicopters and 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 draft report from the auditor 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.

ⁱ 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.

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 Code and does not require review or approval by government to be implemented.

ⁱⁱⁱ Most of the *Forest Practices Code of British Columbia Act* (the Code) was repealed on January 31, 2004 and replaced with the *Forest and Range Practices Act* (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 woodlot licence 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 three of the five auditees were the requirements of the Code.



**Forest
Practices
Board**

PO Box 9905, Stn Prov Govt
Victoria, BC, Canada V8X 9R1

Tel. 250.213.4700 | Fax 250.213.4725 | Toll Free 1.800.994.5899

For more information on the Board, please visit our website at: www.fpb.gov.bc.ca