

Audit of Forest Planning and Practices

*District of Mission
Tree Farm Licence 26*

FPB/ARC/117

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Table of Contents

Audit Results	1
Background.....	1
Audit Approach and Scope	1
Planning and Practices Examined.....	3
Audit Opinion	4
Appendix 1: Forest Practices Board Compliance Audit Process	6

Audit Results

Background

As part of its 2009 compliance audit program, the Forest Practices Board randomly selected the Chilliwack Forest District as the location for a full scope compliance audit.

Within the district, the Board selected Tree Farm Licence (TFL) 26, held by the District of Mission (DOM), as the licence for audit. Information about the Board's compliance audit process is provided in Appendix 1.

TFL 26 is located in the northern part of Mission, approximately 70 kilometres east of Vancouver in the north-central Fraser Valley (refer to map on page 2). The licence encompasses approximately 10,000 hectares split into two similar-sized parts on either side of the lower arm of Stave Lake. More specifically, one area surrounds Steelhead Creek, and the other area is to the north of Stave Falls along the western shores of the Stave Reservoir.

TFL 26 was the first and only municipally-held TFL in British Columbia from 1958 until the early 1990s.

The Board's audit fieldwork took place from September 29 to October 1, 2009.

Audit Approach and Scope

The Board conducted a full scope compliance audit in which harvesting, roads, silviculture, protection activities, and associated planning undertaken between September 1, 2007, and October 1, 2009, were all examined.

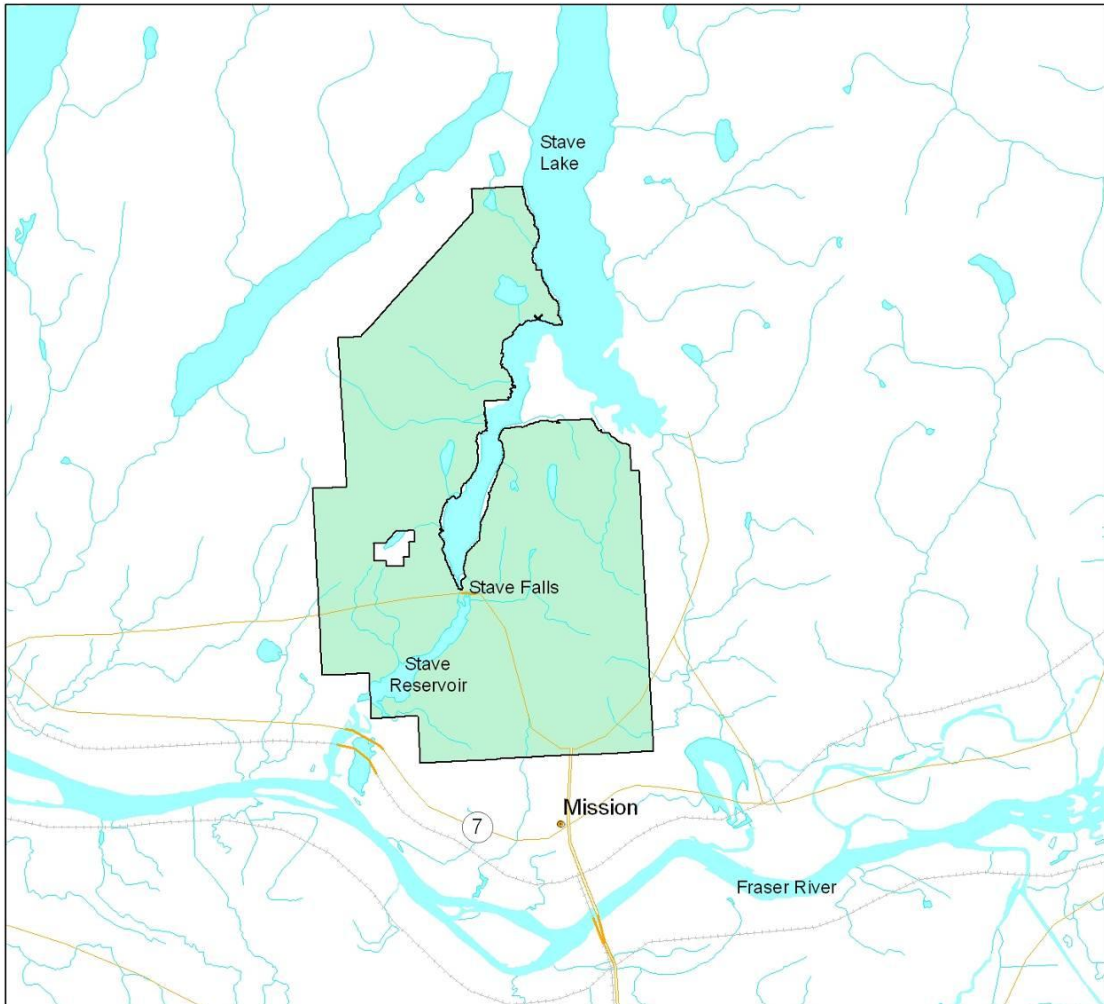
These forest activities and associated planning were assessed for compliance with the *Forest and Range Practices Act (FRPA)*ⁱ and the *Wildfire Act (WA)*, and related regulations, as well as certain transitional elements of the *Forest Practices Code of British Columbia Act (the Code)*.


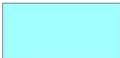

The Board's *Compliance Audit Reference Manual, Version 6.0, May 2003*, and the addendum to the manual for the 2009 audit season, set out the standards and procedures that were used to carry out this audit.



Figure 1: An example of leave trees that have been topped for wind-firming.

**Audit of Forest Planning and Practices
District of Mission
Tree Farm Licence 26**



-  TFL 26
-  Water
-  Roads



Higher Level Plans

Although there are no higher level plans in the Chilliwack Forest District that are applicable to TFL 26, the activities of DOM on TFL 26 are subject to the grand-parented objectives from the Code for known scenic areas, and the provincial non-spatial old growth order.

Planning and Practices Examined

Planning

The planned activities of DOM on TFL 26 were set out in the *Forest Development Plan 2003-2007 District of Mission, Mission Municipal Forest (FDP)*, with a final submission dated August 18, 2003, along with seven major amendments and 13 minor amendments to this FDP. The *District of Mission 2007 - 2010 Forest Stewardship Plan (FSPⁱⁱ)* details the objectives, results, and strategies that the licensee's harvesting, roads, and silviculture activities were subject to after April 1, 2007.

The FSP's results and strategies included commitments such as:

- the referral of cultural heritage resource information to, and consultation with, the relevant First Nation band;
- 'leave tree' requirements in the riparian management zone of streams, wetlands (see example, Figure 2), and lakes; and
- visual quality objectives for known scenic areas in the TFL.



Figure 2: Riparian management zone on a wetland.

Site level plansⁱⁱⁱ for all of the cutblocks harvested in the audit period were audited for consistency with the FDP objectives and FSP results and strategies. Harvesting, road, silviculture and protection activities were examined for compliance with site-level plans. The FDP, FSP and site plans were assessed for consistency with the grand-parented objectives from the Code for known scenic areas and the provincial non-spatial old growth order.

Given the proximity of DOM forestry activities to Mission residential areas, providing current information to local residents is important. The auditors note that the DOM forestry department informs the public of its forestry operations, such as road closures and harvest activities, using its webpage and other means.

Timber Harvesting

During the audit period, DOM harvested approximately 136 hectares in 21 cutblocks, totaling approximately 70,000 cubic metres of timber. The Board audited all of these cutblocks.

Road Construction and Maintenance

During the audit period, there were 159 kilometres of roads with road maintenance obligations, involving 17 major structures and bridges, and 2.9 kilometres of new road construction within TFL 26. There was no road deactivation during the audit period. The Board audited 90 kilometres of road maintenance, all 17 major structures and all of the new road construction.

Some of the roads that were maintained in the audit period were actively used for industrial purposes, while others were not. The maintenance standards for active roads are different from the standards for wilderness roads. There are also roads on the TFL that have not been used for industrial purposes since the effective date of the Code (June 15, 1995). These roads are referred to as old roads and the DOM is not required to maintain them.

Silviculture Obligations and Activities

The Board audited:

- regeneration obligations on 24 of 32 cutblocks;
- free-growing obligations on 12 of 12 cutblocks;
- planting activities on 13 of 23 cutblocks;
- fertilization activities (manual or aerial) on 1 of 21 cutblocks; and
- 6 of 16 cutblocks that were manually brushed.

Fire Protection Planning and Activities

During the audit period, the DOM undertook fire hazard assessments on 19 cutblocks, fire hazard abatement activities on 18 of those cutblocks, and had active high-risk operations (harvesting) on two cutblocks for which fire tools and water suppression systems were required at the time of the audit fieldwork. The Board audited all of DOM's fire protection activities and planning.

Audit Opinion

In my opinion, the timber harvesting, road construction and maintenance, silviculture, fire protection activities, and associated planning carried out by the District of Mission on Tree Farm Licence 26, between September 1, 2007, and October 1, 2009, complied in all significant respects with the requirements of the *Forest and Range Practices Act* (FRPA), the *Wildfire Act* (WA), and related regulations, and certain transitional elements of the *Forest Practices Code of British Columbia Act* (the Code), as of October 2009. No opinion is provided regarding road deactivation practices.

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.

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, the WA and the Code.

A handwritten signature in black ink that reads "C R Mosher". The signature is written in a cursive, flowing style.

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

Victoria, British Columbia
April 27, 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 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.

ⁱ 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 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.

ⁱⁱ A forest stewardship plan (FSP) is a key planning element in the 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.

ⁱⁱⁱ 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.