

Visual Quality Audit Methodology – July 2009

Introduction

This document presents the Board's approach and methodology for auditing visual quality management. Visual quality is one of the 11 key values referenced in FRPA legislation.

The Board's authority to undertake this audit is set out in Section 122(1)(a) of the *Forest and Range Practices Act* (FRPA). Comparable provisions are set out in section 214 (with respect to the transitional period under FRPA) and section 11 of the *Forest Practices Board Regulation* (with respect to activities before January 31, 2004).

The approach and methodology described in this document is scheduled for testing through the conduct of a pilot audit.

Part A of this document provides an overview of the conceptual and technical approach to auditing visual quality management. Included in this part is discussion of the audit objectives and significant scope and design issues. Part B of this document sets out for an audit as a whole the key audit stages.

The approach and methodology contained in this document reflects the Board's transitional audit approach which is intended to be consistent with the results-based approach of FRPA. Key aspects of this approach include:

- the use of criteria and indicators to assess and report on licensees' forest planning and practices in relation to the achievement of government objectives and
- the examination of licensees' systems to gain assurance related to the achievement of government objectives.

The Board recognizes that conducting a pilot audit of visual quality management during the transition period from the Code to FRPA may result in limited opportunity to assess forest planning and practices that reflect FRPA requirements. Many licensees may choose to operate under approved operational plans until they are required to prepare a Forest Stewardship Plan (by December 31, 2005). In addition, to assess whether visual quality practices have been effective, in most cases more than one year's harvesting and road construction activity will be assessed. Therefore, the majority of planning and practices subject to audit will have been conducted under the Code.

The Board has determined that it will be more meaningful to the public, and to the success of FRPA and improvement of management of visual quality, for the Board to examine the results of forest practices and the management systems used to achieve those results. The examination of effectiveness criteria in the pilot visual quality management audit will enable the assessment of key aspects of visual quality management.

A. Overview of Conceptual and Technical Approach

Audit Objectives

There are two objectives of this visual quality management audit:

1. to reach a conclusion regarding the level of compliance with the visual quality requirements of FRPA within the audit unit; and
2. to assess and conclude on the effectiveness of managing visual quality where forest practices have occurred.

In determining compliance with FRPA requirements, the audit will examine two primary aspects; whether appropriate planning (visual impact assessments) have been completed and followed in scenic areas; and whether higher level plan requirements for visual quality management have been met.

In considering the effectiveness of forest practices, it is necessary to define, for the purpose of this audit, what constitutes effective practices. To date, effectiveness criteria have been developed for a number of the key values identified in FRPA legislation by the FRPA Resource Evaluation Working Group (FREP Group). For visual quality, the work undertaken to date primarily consists of draft procedures for effectiveness evaluation of visual quality. These procedures have undergone field testing and revision in June and July of this year, and are designed to assist evaluation of whether forest practices are meeting visual quality objectives (VQOs) or visual quality classes (VQCs), where objectives have not been established. The procedures do not in themselves establish effectiveness criteria for visual quality management. However, they provide a framework to enable a consistent assessment of achievement of objectives in an inherently subjective realm.

Over time, the Board anticipates continued development and refinement of visual quality effectiveness criteria. In the interim, the following general effectiveness criteria warrant consideration and therefore the audit will assess them where possible:

- Documented public input relating to visual quality has been fully addressed by operators through operational planning and forest practices in audit units.
- Within audit units, scenic areas are designated over areas of visual sensitivity.
- Within audit units, VQOs (or VQCs) within scenic areas are appropriate to manage visual quality.
- Within designated scenic areas, visual management meets or exceeds established VQOs or VQCs.
- Within designated scenic areas, good landscape design is fully utilized to reduce visual impacts.
- Auditees have management systems in place to achieve VQOs and VQCs and they are working effectively.

More broadly defined criteria, such as “Visual impacts in scenic areas are acceptable to the public” are outside the scope of this audit.

Audit Unit & Auditees

Expressing an opinion regarding the level of compliance by an individual tenure holder may not provide an adequate level of information to the public about visual quality management. For example, in scenic areas where VQOs have not been formally established, there is no legal requirement to achieve a given visual quality. It is possible for a licensee to comply with legal requirements for visual management without achieving effective visual management. Audit examination and reporting on practices relating to the previously listed effectiveness criteria will provide the public a more complete accounting of visual management in the audit area.

It is important that the audit unit in a visual quality management audit is of sufficient size to assess the impacts of forest management for key visual values. The audit unit will include operations of several licensees in the area to enable a more comprehensive assessment of visual quality management.

Given the interrelated roles of licensees and district staff, the audit unit may include activities of both licensees and of the district manager. For example, the district manager may have specific responsibilities to ensure that VQOs are met in scenic areas with more than one operator. The district manager has also had responsibility for identifying key visual quality values. The district manager’s activities related to these responsibilities will be assessed as part of the pilot visual quality management audit.

Audit Approach

A key focus of both compliance and effectiveness evaluations will be on the results of forest practices on visual quality. The audit population will consist of the scenic areas within the audit unit, each with an associated VQO or VQC. Samples will be assessed on whether an objective or class has been met considering the visual effects of harvesting, road construction and other forest practices on applicable landforms.

In addition, compliance evaluations will examine adherence of applicable approved operational plans to FRPA and related regulations, and to the visual quality components of any higher-level plans or objectives relevant to the audit area.

Effectiveness evaluations will focus on the indicators previously stated.

Audit assurance will be obtained through:

- detailed examinations of auditee systems used to manage visual quality
- examination of visual inventory information, operational plans and associated visual impact assessments and relevant public input

- examination of a sample of scenic areas containing visual effects from forest practices, through photography, measurement of change and consideration of other aspects of the change, including design
- evaluation of the appropriateness of the VQO or VQC of scenic areas, including those with or without change.

The sampling methodology will be risk-based, taking into consideration these and potentially additional risk criteria:

- preliminary assessment of auditees' visual management systems strengths and weaknesses
- general level of exposure of the site to the public
- level of harvest activity
- visual absorption capacity of the site
- sites of elevated public interest or concern

Audit Period

The Board's compliance audits completed to date have generally included a period of activity of approximately one year. This enabled the audits to examine the full spectrum of an auditee's forestry activities in its normal course of business – operational planning through harvesting and silviculture activities. This was desirable in that the objective of the compliance audits is to express an opinion as to the auditee's level of compliance.

To enable meaningful assessments about the effectiveness of forest practices in relation to visual quality values, a longer audit period is required. Activities from January 1, 2002, onwards will be examined. Further, approved cutblocks that have not yet been harvested will be considered as well. This will enable a full assessment of the achievement of current forest practices in meeting visual quality objectives.

Audit Reporting

Under the Code, the Board utilized a two-report model for audits—a Report from the Auditor and a Report from the Board.

Under FRPA, the Board will utilize a one-report model comprising three main sections—Board commentary, audit findings and conclusions, and auditee commentary. This longer-form reporting model is designed to provide more comprehensive information about the results of forest practices and examination of management systems.

In the Board commentary section, Board members' comments about the results of the audit are reported, including recommendations. For example, the Board may wish to comment on the results of an audit in relation to other audits conducted or developing trends.

In the audit findings and conclusions section, findings and conclusions about licensees' compliance with FRPA as well as performance related to effectiveness criteria are reported. Audit findings may include the impact of forest practices on forest resources, findings in relation to criteria, findings in relation to government's objectives and comments on licensee management systems. This section will include a description of any non-compliance observations that are considered significant.

It is intended that in the auditee commentary section, a summary of the auditee's response to the audit be reported. Before releasing its audit reports, the Board will provide auditees an opportunity to review and make comments about the results of the audit. A summary of these comments may be included in the Board's audit report.

Similar to existing process, the Board will provide for representations by third parties who may be adversely affected by the content of a Board audit report.

Audit reports will continue to be publicly reported.

B. Summary of Key Audit Stages

This section provides an overview of the stages of an audit visible to auditees. The technical design of the audit develops, generally from the scoping visit through to completion.

- 1. Selection of the Forest District** (*Timing: June 2004*)
 - A District is randomly selected from the population of Districts.
- 2. Audit Notification** (*Timing: week of July 5, 2004*)
 - The District is notified in writing by the Director of Audits that it has been selected as the audit unit for a pilot visual quality management audit.
 - All licence holders in the District (except those subject to audit during the past five years or those with an AAC < 10,000m³) are notified in writing that the District has been selected as the audit unit for a pilot visual quality management audit and that they may be audited.
- 3. Scoping visit** (*Timing: week of July 19, 2004*)
 - Audit team members attend a meeting with District staff to discuss the audit and answer any questions related to the audit.
 - Auditors collect scenic area, licensee operating area and recent forest practices information to assist in identifying potential audit units in the district.
- 4. Selection of Audit Unit** (*Timing: by July 23*)
 - An area within the district is selected by the auditors as the audit unit.

5. **Notification of Forest Licence Holders** (*Timing: week of July 26, 2004*)
 - Licensees within the audit unit are notified of the location(s) and planned examination dates of the activities.
6. **Pre-Site Visit Audit Procedures** (*Timing: week of August 3, 2004*)
 - Auditors gather preliminary information at the licence holders' offices, or information to be sent to the FPB office and interviews are held with licensee staff over the phone.
7. **Audit Field Work** (*Timing: week of August 16, 2004*)
 - The audit team carries out the Board's audit procedures
8. **Wrap-up Meeting** (*Timing: immediately following completion of audit field work*)
 - The audit team meets with auditees to discuss the audit steps completed and remaining.
9. **Analysis** (*following audit fieldwork*)
 - The audit team analyses photographic record of visual disturbance etc , develops findings and conclusions etc
10. **Exit meeting(s)**
 - Auditors attend a meeting with auditees to discuss the results of the audit (Note: consideration will be given to holding individual exit meetings where circumstances warrant).
11. **Draft Audit Report**
 - The Lead Auditor and audit team prepares the draft audit report and distributes it to the auditees for review and comment.
12. **Final Audit Report**
 - The Lead Auditor and audit team finalizes the audit report.