

# Forestry Audit: British Columbia Timber Sales Queen Charlotte Islands



FPB/ARC/83

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## Board Commentary

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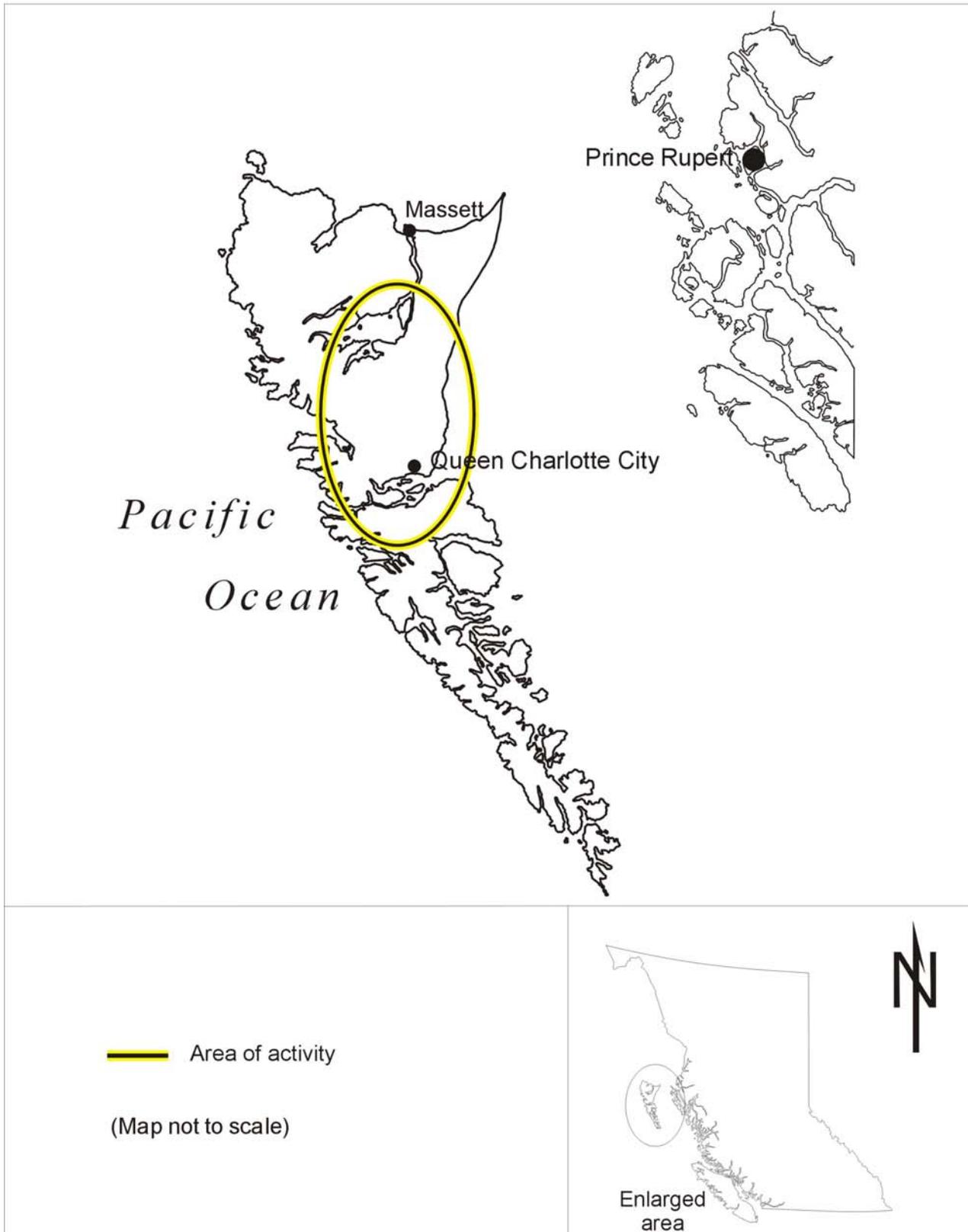
In summer 2006, the Board conducted a compliance audit of forest planning and practices of the British Columbia Timber Sales (BCTS) program, and timber sale licence holders, in the Queen Charlotte Islands Forest District (see map on page 2). Activities are administered by the BCTS Chinook Business Area office located in Chilliwack.

The audit assessed the planning, activities and obligations of the BCTS program and the holders of 13 timber sale licences, including;

- operational planning;
- more than eighty kilometres of road work;
- 18 bridges;
- 19 free-growing blocks; and
- 24 harvesting cutblocks.

The Board is pleased to note that BCTS and its timber sale licence holders in the Queen Charlotte Islands complied with legislative requirements in all significant respects, and encourages them to continue to comply with legal requirements for planning and forest practices.

# Queen Charlotte Islands British Columbia Timber Sales



# Audit Results

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## Background

As part of the Forest Practices Board's 2006 compliance audit program, the British Columbia Timber Sales (BCTS) program and timber sale licence holders in the Queen Charlotte Islands were selected for audit.

BCTS is an independent organization within the BC Ministry of Forests and Range that develops Crown timber for auction. BCTS's allowable annual cut from the Queen Charlotte Islands timber supply area is approximately 157,000 cubic metres and it will grow to 305,000 cubic metres as a result of a reallocation process.

Timber is offered for sale to registrants in the BCTS program. BCTS prepares operational plans and issues timber sale licences and road permits. Successful bidders are awarded timber sale licences and must fulfill licence, permit and operational plan obligations, including timber harvesting and road work within cutblocks.

The Queen Charlotte Islands portion of BCTS's operating area was selected randomly, and not on the basis of location or past performance. Additional information on the compliance audit process is provided in Appendix 1.

The Board's audit fieldwork took place from May 8-12, 2006.

## Audit Approach and Scope

The audit examined both BCTS's and timber sale licence holders' obligations and activities.

BCTS is responsible for operational planning, including preparing forest development plans (FDP)<sup>1</sup> and site plans;<sup>2</sup> silviculture; and most road construction, maintenance and deactivation outside of cutblocks.

Timber sale licensees are responsible for timber harvesting; fire protection; and road construction, maintenance and deactivation within cutblocks.

These activities were assessed for compliance with the *Forest Practices Code of British Columbia Act* (the Code), the *Forest and Range Practices Act* (FRPA),<sup>3</sup> and the *Wildfire Act* (WA) and related regulations. All activities, planning and obligations for the period May 1, 2005, to May 12, 2006, 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 2006 audit season, set out the standards and procedures that were used to carry out this audit.

## Planning and Practices Examined

### **BCTS Responsibilities**

BCTS planned activities in its 2003-2007 FDP. The plan has been amended many times since it was approved in 2002. The Board audited the FDP and the amendments to ensure compliance with applicable legislation.

Sixty-one cutblocks were required to be free growing during the audit period. Auditors reviewed the documentation for all 61 blocks and sampled 19 of them in the field. The total area sampled was 319 hectares.

BCTS constructed 4.2 kilometres of forest service road and deactivated 8.1 kilometres of road. Auditors reviewed all construction and deactivation. Auditors also examined 56 of the 110 kilometres of road maintained by BCTS.

Three bridges were installed during the audit period by BCTS, and all were reviewed in the field. Another 17 bridges were required to be maintained by BCTS during the same period and auditors sampled 14 of them.

### Timber Sale Licence Holders' Responsibilities

Twenty-four cutblocks totaling 486 hectares were harvested under 13 different timber sales during the audit period. The Board audited all of the cutblocks.

Auditors examined 9.6 of the 18.4 kilometres of in-block roads constructed during the audit period. Four kilometres of road was maintained by licensees and audited.

One bridge was required to be maintained by a licensee and it was examined in the field.

Finally, five active work sites were encountered during the audit. Fire tool inspections were carried out on all five sites.

## Audit Opinion

In my opinion, the operational planning; timber harvesting; silviculture; road construction; maintenance and deactivation; and fire-protection planning carried out by BCTS and timber sale licence holders in the Queen Charlotte Islands Forest District for the period May 1, 2005, to May 12, 2006, complied in all significant respects with the requirements of the Code, FRPA, WA and related regulations as of May 2006.

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 the Code, FRPA and WA.



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<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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 auditee were the requirements of the Code.

# Appendix 1: Forest Practices Board Compliance Audit Process

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## Background

The Forest Practices Board conducts audits of government and agreement-holders for compliance with the *Forest Practices and Range Practices Act* (FRPA) and the *Wildfire Act* (WA). The Board has the authority to conduct these periodic independent audits under section 122(1) of FRPA and section 68(1) of WA. Compliance audits examine forest planning and practices to determine whether or not they meet FRPA and WA requirements.

Most of the *Forest Practices Code of British Columbia Act* (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, until there is an approved forest stewardship plan, at which point the requirements of FRPA apply.

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 British Columbia Timber Sales (BCTS) program. Selection for audit, of both areas and licensees or agreement-holders to be audited, is made randomly to ensure a fair, unbiased selection.

## 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 audits determine compliance with the Code, FRPA and WA, based on criteria derived from those Acts and related regulations. 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 randomly selects an audit licensee and area, 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 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.