

**Audit of Timber Harvesting  
and Road Construction,  
Maintenance and Deactivation**

**Forest Licence A18689  
Riverside Forest Products Ltd.  
Armstrong Division**



December 1998

FPB/ARC/12

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## A. Report from the Board

This is the Board's report on a compliance audit<sup>1</sup> of Forest Licence A18689<sup>2</sup> held by Riverside Forest Products Ltd.—Armstrong Division (Riverside). Activities under this licence took place in operating areas located southwest of Salmon Arm and northwest of Vernon (see map).

The audit examined Riverside's timber harvesting, road practices, and related operational plans, for the period August 1, 1997 to August 10, 1998. The audit assessed compliance with the *Forest Practices Code of British Columbia Act* and related regulations (the Code).

The Board's conclusions are based on an audit of the following plans and practices:

- harvesting of nine cutblocks
- operational planning for two silviculture prescriptions and seven logging plans, related to the above cutblocks
- construction of 12.8 kilometres of road
- maintenance of approximately 74.3 kilometres of road
- semi-permanent deactivation of 1.9 kilometres of road
- construction and maintenance of two bridges

### Conclusions

Riverside's timber harvesting and road construction, maintenance and deactivation practices complied with Code requirements in all significant respects.

All timber harvesting activities examined in the audit were found to be in compliance with the Code. The few instances of non-compliance found in the construction, maintenance and deactivation of roads were minor in nature.

The Board acknowledges the care and attention taken by Riverside to achieve this high level of compliance.



Keith Moore  
Chair

December 7, 1998

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<sup>1</sup> Part B of this document provides background information on the Board's audit program and the process followed by the Board in preparing its report.

<sup>2</sup> The report from the auditor (Part C of this document) provides specifics about the operating areas of Forest Licence A18689, the forest planning and field activities of Riverside that were the subject of this audit, and the audit findings.

## **B. Forest Practices Board Compliance Audit Process**

### **Background**

The Forest Practices Board conducts audits of government's and agreement holder's compliance with the *Forest Practices Code of British Columbia Act* and regulations (the Code). The Board is given the authority to conduct these periodic independent audits by section 176 of the Act. Compliance audits examine forest planning and practices to determine whether or not they meet Code requirements.

The Board undertakes both "limited scope" and "full scope" compliance audits. A limited scope audit involves the examination of selected forest practices (e.g. roads, or timber harvesting, or silviculture) and the related operational planning activities. A full scope audit examines all operational planning activities and forest practices.

The Board determines how many audits it will conduct in a year, and what type of audits (limited or full scope), based on budget and other considerations. 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 Small Business Forest Enterprise Program (SBFEP) which is administered by Ministry of Forests district offices. Selection of agreement holders and district SBFEPs for audit is done randomly, using a computer program, to ensure a fair, unbiased selection of auditees.

### **Audit Standards**

Audits by the Forest Practices 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 based on criteria derived from the *Forest Practices Code of British Columbia Act* and its related regulations. Audit criteria are established for the evaluation or measurement of each practice required by the Code. 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 "Reference Manual — Compliance Audits, Version 3, May 1998".

## **Audit Process**

### **Conducting the Audit**

Once the Board selects an audit and decides on the scope of the audit (limited scope or full scope), the staff and resources required to conduct the audit and the period covered by the audit are determined. Board staff also meet with the party being audited to discuss the logistics of the audit before commencing the work.

All the activities carried out during the period subject to audit are identified. This includes activities such as the sites harvested or replanted and road sections built or deactivated during the audit period. The items that comprise each forest activity are referred to as a “population.” For example, all sites harvested form the “timber harvesting population.” All road sections constructed form the “road construction population”. The populations are then sub-divided based on factors such as the characteristics of the sites and the potential severity of the consequences of non-compliance on the sites.

The most efficient means of obtaining information to conclude whether there is compliance with the Code is chosen for each population. Because of limited resources, sampling is usually relied upon to obtain audit evidence, rather than inspecting all activities.

Individual sites and forest practices within each population have different characteristics, such as the type of terrain or type of yarding. Each population is divided into distinct sub-populations on the basis of common characteristics (e.g. steep ground vs. flat ground). A separate sample is 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 the sub-population where the risk of non-compliance is greater.

Audit work in the field includes assessments from helicopters and intensive ground procedures such as the measurement of specific features like road width. The audit teams generally spend two to three weeks in the field.

### **Evaluating the Results**

The Board recognizes that compliance with the many requirements of the Code is more a matter of degree than absolute adherence. Determining compliance requires the exercise of professional judgment within the direction provided by the Board.

Auditors collect, analyze, interpret and document information to support the audit results. The audit team, comprised of professionals and technical experts, first determines whether forest practices are in compliance with Code requirements. For those practices considered to not be in compliance, the audit team then evaluates the degree to which the practices are judged not in compliance. The significance of the non-compliance is determined based on a number of criteria

including the magnitude of the event, the frequency of its occurrence, and the severity of the consequences.

As part of the assessment process, auditors categorize their findings into the following levels of compliance:

**Compliance** — where the auditor finds that practices meet Code requirements.

**Not significant non-compliance** — where the auditor, upon reaching a non-compliance conclusion, determines that a non-compliance event, or the accumulation and consequences of a number of non-compliance events, is not significant and is not considered worthy of reporting.

**Significant non-compliance** — where the auditor determines that the event or condition, or the accumulation and consequences of a number of non-compliance events or conditions, is 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 the non-compliance. A significant breach can also result from the cumulative effect of a number of non-compliance events or conditions.

Identification of a possible significant breach requires the auditor to conduct tests to confirm whether or not there has been a breach. 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 Ministers of Forests, Energy & Mines, and Environment, Lands & Parks.

## **Reporting**

Based on the above evaluation, the auditor then prepares the “Report from the Auditor”, for submission to the Board. The party being audited is given a draft of the report before it is submitted to the Board so that the party is fully aware of the findings. The party is also kept fully informed of the audit findings throughout the process, and is given opportunities to provide additional relevant information and to ensure the auditor has complete and correct information.

Once the auditor submits the report, the Board reviews it and determines whether any party or person is potentially adversely affected by the audit findings. 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 to the public and government. The representations allow potentially adversely affected parties to present their views to the Board.

At the discretion of the Board, representations may be written or oral. The Board will generally offer written representations to potentially adversely affected parties, unless the circumstances strongly support the need for an oral hearing.

The Board then reviews both the report from the auditor and the representations before preparing its final report which includes the Board's conclusions and may also include recommendations, if appropriate.

If the Board's conclusions or recommendations result in newly adversely affected parties or persons, additional representations would be required.

Once the representations have been completed, the report is finalized and released: first to the auditee and then to the public and government.

## C. Report from the Auditor

### 1. Introduction

As part of the Forest Practices Board's 1998 compliance audit program, Forest Licence A18689 was selected for audit from the population of major forest licences within the Kamloops Forest Region. The licence, held by Riverside Forest Products Ltd., was selected randomly and not on the basis of location or level of performance.

Forest Licence A18689 is managed by the Armstrong Division of Riverside Forest Products Ltd. and is within the Kamloops Timber Supply Area (TSA), as shown on the attached map. The operating area for Forest Licence A18689 covers about 10,930 hectares, extending in a northeast to southwest direction about 40 kilometres south west of Salmon Arm and about 50 kilometres north west of Vernon.

Forest Licence A18689 has an allowable annual cut of 34,133 cubic metres.

### 2. Audit Scope

The audit examined the planning and field activities related to timber harvesting and road construction, maintenance and deactivation. These activities were assessed for compliance with the *Forest Practices Code of British Columbia Act* and related regulations (the Code), including the transitional provisions of the Code.

All timber harvesting and road construction, maintenance and deactivation activities and obligations for the period August 1, 1997, to August 10, 1998, were included in the scope of the audit. The audit included examining all aspects of operational planning - such as forest development plans<sup>1</sup>, silviculture prescriptions<sup>2</sup>, and logging plans<sup>3</sup> - that supported the activities examined.

The activities carried out during the audit, and therefore subject to audit, are described below:

- harvesting of nine cutblocks
- operational planning for two approved silviculture prescriptions related to the above harvested cutblocks
- operational planning for seven approved logging plans related to the above harvested cutblocks
- construction of 11 road section totaling 12.8 kilometres
- maintenance of approximately 74.3 kilometres of road, involving activities such as surfacing and the cleaning of culverts and ditches



- semi-permanent deactivation of two road sections totaling 1.9 kilometres
- construction and maintenance of two bridges

Section 3 describes the results of the audit. The Board's audit reference manual, "*Reference Manual - Compliance Audits, Version 3.0, May 1998*", sets out the standards and procedures that were used for this audit.

### **3. Audit Findings**

#### **Planning and practices examined**

The audit work on selected roads and cutblocks included assessments using ground-based procedures. The audit examined the following:

- harvesting of seven cutblocks, and their related silviculture prescriptions and logging plans, of which two silviculture prescriptions and seven logging plans were approved during the audit period
- harvesting of two cutblocks under exemptions from silviculture prescriptions
- construction of 10 road sections totaling 12.5 kilometres
- maintenance of approximately 69 kilometres of road
- semi-permanent deactivation of two road section totaling 1.9 kilometres
- construction and maintenance of two bridges

#### **Findings**

The audit found that Riverside Forest Products Ltd. complied, in all significant respects, with the road and timber harvesting requirements of the Code.

The audit did not identify any non-compliance items in the area of timber harvesting. The instances of non-compliance in the area of road construction, maintenance and deactivation were few in number and minor in nature.

#### 4. Audit Opinion

In my opinion, the timber harvesting and road construction, maintenance and deactivation activities carried out by Riverside Forest Products Ltd. on Forest Licence A18689 from August 1, 1997, to August 10, 1998, were in compliance, in all significant respects, with the road and harvesting requirements of the Code as of August 1998.

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.

Section 2 and 3 of this report from the auditor describes the basis of the audit work performed in reaching this opinion. The audit was conducted in accordance with the auditing standards of the Forest Practices Board. Such an audit includes examining sufficient road and timber harvesting practices to support an overall evaluation of compliance with the Code.



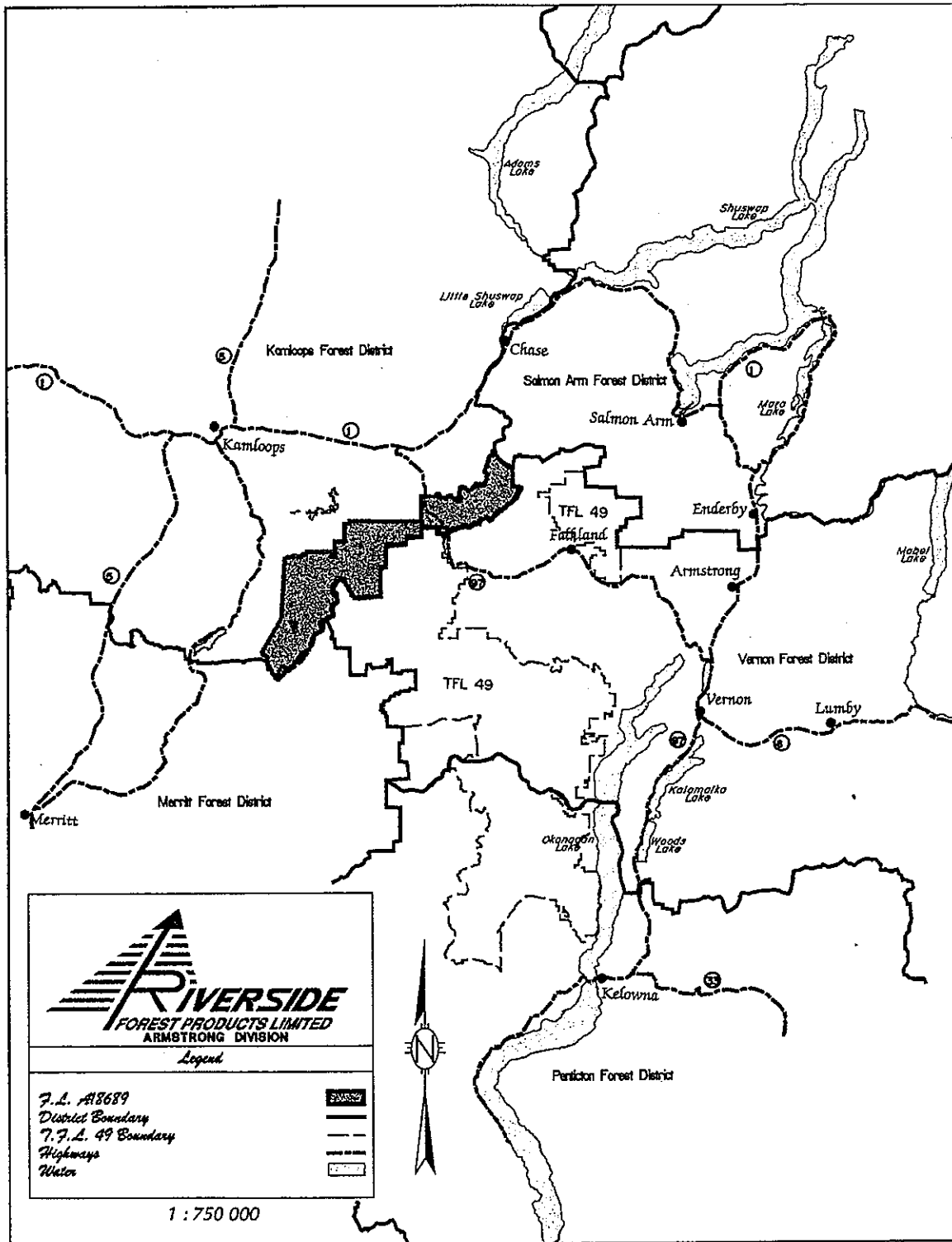
Sucha More, CA  
Auditor

Victoria, British Columbia  
November 25, 1998

## Endnotes

- <sup>1</sup> A forest development plan is an operational plan which provides the public and government agencies with information about the location and scheduling 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 forest resources (including water, fisheries, and other forest resources). It must also illustrate and describe how objectives and strategies established in higher level plans, where they have been prepared, will be carried out. Site specific plans are required to be consistent with the forest development plan.
- <sup>2</sup> A silviculture prescription is a site specific operational plan that describes the forest management objectives for an area to be harvested (a cutblock). The silviculture prescriptions examined in this audit are required to describe the management activities proposed to maintain the inherent productivity of the site, accommodate all resource values including biological diversity, and produce a free growing stand capable of meeting stated management objectives. Silviculture prescriptions must be consistent with higher level plans that encompass the area to which the prescription applies.
- <sup>3</sup> A logging plan is an operational plan that details how, when, and where timber harvesting and road construction activities will take place in a cutblock, in accordance with the approved silviculture prescription and forest development plan for the area. Information about other forest resource values, plus all current field information for the area, must be clearly shown in the logging plan.

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