



**Forest
Practices
Board**

Audit of Range Planning and Practices

*Thompson Rivers Natural Resource District
Range Agreement for Grazing RAN 077749*

FPB/ARC/205

August 2017

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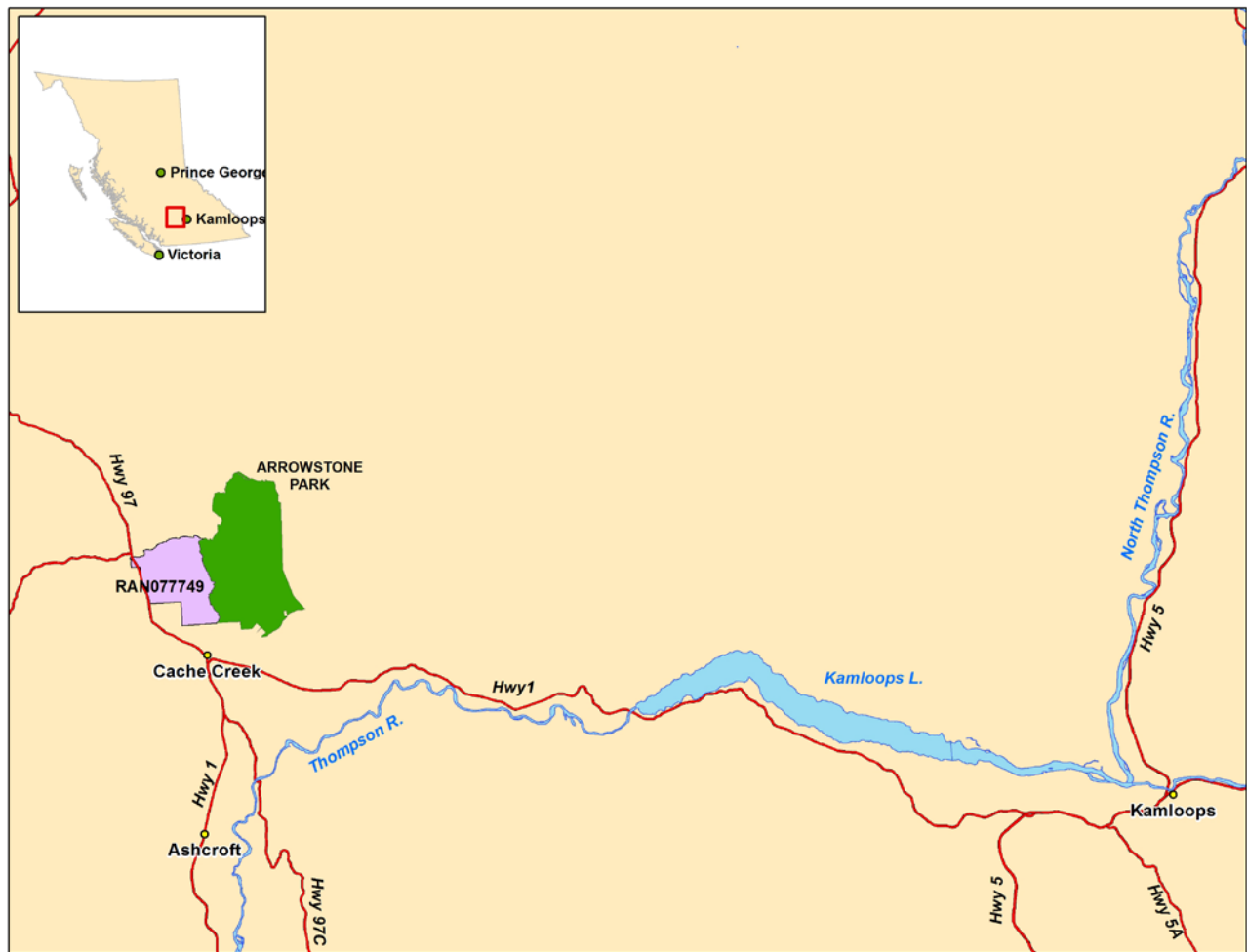
Introduction

The Forest Practices Board is the public's watchdog for sound forest and range practices in British Columbia. One of the Board's roles is to audit the planning and practices of range agreement holders to ensure compliance with the *Forest and Range Practices Act* (FRPA).

As part of the Board's 2016 compliance audit program, the Board randomly selected the Thompson Rivers Natural Resource District as the location for a full scope compliance audit. Within the district, the Board selected five range agreements for grazing based on their geographic location. This is the audit report for one of those agreements, RAN077749. This tenure is located north of Cache Creek (see map below). Results for the other four range agreements are reported separately.

This report describes what the Board audited and the results. Detailed information about the Board's compliance audit process is provided in Appendix 1.

Map of the Range Agreement Area Audited



Audit Results – RAN077749

Background

RAN077749 is held by Archie Williams and Cash Isnardy. The range agreement area is 2773 hectares and is located 2.4 kilometres north of Cache Creek (see map on page 1).

The range agreement has 244 AUMs authorized for grazing between April 1 and October 15. It is managed as three pastures and is bordered by private land and the Bonaparte Indian Reserve to the south and west, Crown land to the north, and Arrowstone Park to the east.

Audit Approach and Scope

The standards and procedures used to carry out this audit are set out in the Board's *Compliance Audit Reference Manual, Version 7.1, July 2016*. Auditor's work involved interviewing the range agreement holder and ministry staff, reviewing the RUP and maps, and examining the majority of activities undertaken in the field within the two-year audit period of September 1, 2014, to October 3, 2016.

A professional agrologist/forester, a biologist and a chartered professional accountant made up the audit team. Fieldwork took place on September 14 and October 3, 2016.

Below are definitions of common terms used in the audit report.

Animal unit month (AUM): This is the quantity of forage consumed by a 450-kilogram cow (with or without calf) in a 30-day period. Because bulls consume more forage than cows, they account for 1.5 AUMs for each 30-day period of grazing.

Assessment of riparian areas: FRPA requires tenure holders to ensure range practices protect riparian areas – areas adjacent to classified streams, lakes and wetlands. Riparian vegetation adjacent to other non-classified waterbodies, like a seepage, are not included in FRPAs definition of *riparian area*.

Range readiness criteria: These criteria in the range use plan (RUP) are used to determine when Crown range is ready for grazing to begin.

Planning and Practices Examined

The audit examined range planning and practices for compliance with FRPA and the *Range Planning and Practices Regulation*. This included an examination of:

- Compliance with RUPs and any amendments (including maps and the grazing schedule, which identifies the period of use, number of livestock and AUMs authorized for grazing).
- Records maintained by range users (if applicable) and the Ministry of Forests, Lands and Natural Resource Operations (FLNRO).
- Compliance with range practice requirements, with a focus on requirements to protect riparian areas, upland areas, drinking water quality, licenced waterworks, fish habitat and maintenance of range developments. (Note: auditors did not assess compliance with range readiness criteria).

Audit Findings

Compliance with the Range Use Plan and Practice Requirements

The range agreement was issued in 1998 under RAN077674 to a third party, but the livestock using the area were owned and managed by Archie Williams. In 2013, the range agreement was transferred to Archie Williams and Cash Isnardy, and a new range agreement—RAN077749—was issued.

As the RUP for RAN077674 was valid until December 31, 2016, and included all required content, the RUP was assigned to RAN077749. Auditors assessed compliance with its requirements, and found that the range agreement holder met the requirements of the RUP for stubble heights and actions to establish or maintain desired plant communities. In addition, the range agreement holder met FRPA's requirements to protect water quality, licensed waterworks and fish habitat.

Grazing Schedule

Livestock were observed in the Bottom Burn pasture in September and were in the correct location, according to the June 2016 grazing schedule amendment. In October, livestock were observed in Arrowstone Park, which was not consistent with the amended grazing schedule. (The range agreement holder believed this area was within the Powerline pasture – see the *Grazing in Arrowstone Park* section below.) This is a non-compliance with section 45(1)(b) of FRPAⁱ for not grazing livestock in accordance with the RUP, and is considered an area for improvement.

Grazing in Arrowstone Park

Arrowstone Park is 6153 hectares and borders the east boundary of RAN077749. There is no fence or natural range barrier separating the park from the range agreement area. In addition, there is a powerline located through the southern portion of the range agreement area and the park. This powerline, and its associated access road, provides unobstructed access between the range agreement area and Arrowstone Park. Auditors found grazing had occurred on approximately 50 hectares of the park.

This 50-hectare area lies between the eastern boundary of the range agreement area and Lopez Creek, in Arrowstone Park. The range agreement holder has historically used this area and believed it was within the Powerline pasture and was part of his range agreement area. This area contains two of the range agreement's most reliable water sources, located 30 to 75 metres within the park. Activities within the boundaries of the park are not governed by FRPA and are outside the scope of the audit; therefore, the audit makes no conclusions on this issue. However, FLNRO range staff and BC Parks staff are working co-operatively towards an acceptable resolution of this issue.

Audit Opinion

In my opinion, the range planning and practices carried out by Archie Williams and Cash Isnardy on range agreement RAN077749, between September 1, 2014, and October 3, 2016, complied in all significant respects with the requirements of the *Forest and Range Practices Act* and the *Range Planning and Practices Regulation*, as of October 2016. No opinion is provided regarding range readiness criteria.

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 *Grazing Schedule* section of the 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, including adherence to the auditor independence standards and the ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Such an audit includes examining sufficient range planning and practices to support an overall evaluation of compliance with FRPA.



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Victoria, British Columbia
May 23, 2017

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.

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 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 2010, the Board randomly selected the Mackenzie District as a location for an audit. After assessing the activities within that area, we discovered that a large licensee 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, and we knew that some of the licence area is very remote, a new licence holder was selected for audit.

For BCTS audits, a 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 Canadian 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 specific features using helicopters and ground procedures, such as measuring riparian reserve zone width. The audit teams generally spend one week in the field.

Evaluating the Results

The Board recognizes that compliance with the many requirements of 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 FRPA and WA requirements.

Unsound Practice – where the auditor identifies a significant practice that, although found to be in compliance with FRPA or WA, is not considered to be sound management.

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 generally worthy of reporting. However, in certain circumstances, events that are considered not significant non-compliance may be reported as an area requiring improvement.

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, Lands and Natural Resource Operations.

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 *Forest and Range Practices Act: General*

- 45 (1) A person who grazes livestock, cuts hay or carries out or maintains a range development on Crown range must do so in accordance with
- (a) this Act, the regulations and the standards, and
 - (b) the applicable range use or range stewardship plan.



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