



**Forest
Practices
Board**

Audit of Range Planning and Practices

*Range Agreements RAN073763, RAN074477,
RAN077890, RAN077784 and RAN077893
Rocky Mountain Natural Resource District*

FPB/ARC/225

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Audit Results

Background

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 Forest Practices Board's 2018 compliance audit program, the Board randomly selected the Rocky Mountain Natural Resource District as the location for a full scope compliance audit. Within the district, the Board selected five range agreements for grazing (RAN073763, RAN74477, RAN077890, RAN077784 and RAN077893) for audit, based on each having at least 20 drinking water licences within 500 metres of its boundary.

The range agreements for grazing (hereafter referred to as range tenures) are located between Cranbrook and Golden, and near Fernie (see map below).

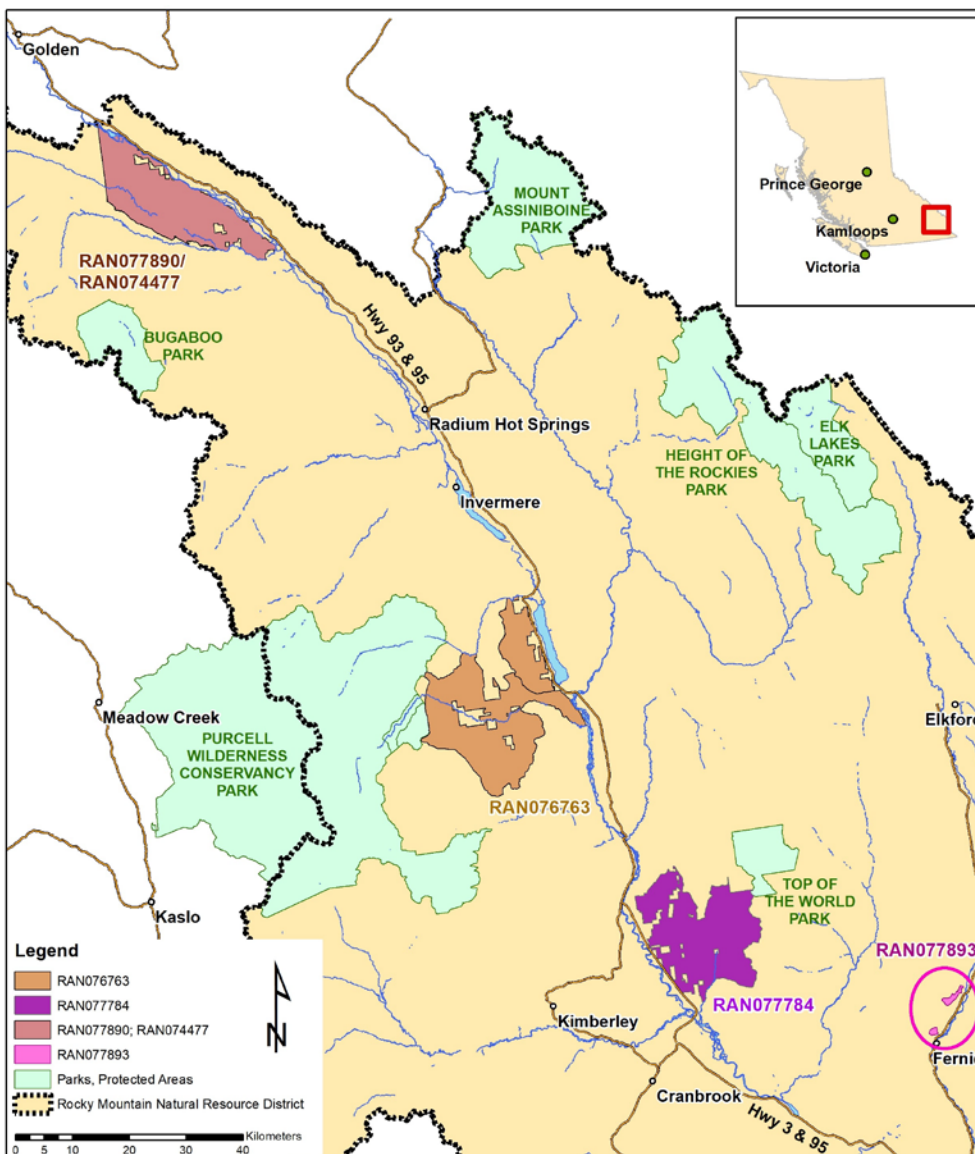


Figure 1. Map of range tenures audited

Below are definitions of some 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.

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.

Audit Approach and Scope

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

- Compliance with range use plans (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, Natural Resource Operations and Rural Development (FLNRORD).
- Compliance with range practice requirements on the range tenures, 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*)

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 holders 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, 2016, to September 21, 2018.

A professional agrologist/forester, a professional forester and a chartered professional accountant made up the audit team. Fieldwork took place between September 17 and 21, 2018.

Planning and Practices Examined and Findings

Audit Results – RAN073763

Description of the grazing tenure

RAN073763 is held by Brian McKersie. The 12 630-hectare agreement area is located approximately 29 kilometres south of Invermere (see map on page 1).

The range agreement has 1613 AUMs authorized for grazing between May 23 and October 25. It is managed as 12 pastures and is bordered primarily by private land to the east, a park to the west and Crown land to the north and south.

Required content of the range use plan

The approved range use plan included all required content. The plan was valid for the period January 1, 2014, to December 31, 2018.

Compliance with the range use plan and practice requirements

Auditors found that the tenure holder met the requirements in the RUP, including maintaining minimum stubble heights, not exceeding maximum browse utilization, and adhering to ministerial orders on wildlife habitat areas (Lewis Woodpecker and Badger). Auditors found that livestock use at the time of the field audit complied with the grazing schedule in the plan.

All practice requirements related to protection of water quality, licensed waterworks, riparian areas (see Figure 2), fish habitat and upland areas were met. In one riparian area, livestock use was in compliance, but the area showed signs of heavier use by livestock. This riparian area is shared with a guide outfitter, who holds an overlapping tenure on a portion of RAN073763. Care needs to be taken to ensure this riparian area is protected in the future.

Range developments were functional and well maintained.



Figure 2. Example riparian area

Audit Results – RAN074477 & RAN077890

Description of the grazing tenure

RAN074477 is held by Peter Mason, and RAN077890 is held by Richard Tegart. RAN074477 and RAN077890 are overlapping range agreements for the same 27 743-hectare area, which is located 21.5 kilometres south of Golden (see map on page 1).

RAN074477 has 185 AUMs authorized for grazing between July 1 and October 31, whereas RAN077890 has 153 AUMs authorized for June 1 to October 15. The range tenure is managed as three pastures and is bordered by the Columbia River to the north and Crown land on the remaining boundaries.

Required content of the range use plan

Both approved range use plans included all required content and are valid for the period January 1, 2015, to December 31, 2019.

Compliance with the range use plan and practice requirements

Auditors found that the range agreement holders met the requirements of the RUPs for maintaining minimum stubble heights and not exceeding maximum browse utilization. The range agreement holders also met the requirements to protect riparian and upland areas and to maintain range developments.

Grazing Schedule

FRPA requires agreement holders to ensure that grazing follows the RUP. Changes to the grazing schedule, which are contained within the RUP, must be reported to FLNRORD's range staff. Communicating modifications to the grazing schedule, such as changes in livestock numbers and timing of pasture use, enables effective management of the range resource.

No livestock had been turned out on the range agreement area prior to the field audit in September 2018 by either range tenure holder. The agreement holder for RAN074477 notified FLNRORD via a phone call, but no notification was made by RAN077890. As no amendment to the grazing schedule was in place, the range agreement holder for RAN077890 did not meet the requirements outlined in the grazing schedule. As no livestock had been turned out on the range agreement prior to the field audit in September 2018 for RAN077890, and no amendment to the grazing schedule was in place, the range agreement holder did not meet the requirements outlined in the grazing schedule. As the range agreement area has not been adversely impacted, not amending the grazing schedule to reflect what has occurred on the ground is considered an area requiring improvement.

Audit Results – RAN077784

Description of grazing tenure

RAN077784 is held by Long Valley Grazing Association, a group that is comprised of four separate ranching operations. The 29 287-hectare agreement area is located 17 kilometres north of Cranbrook (see map on page 1).

The range agreement has 850 AUMs authorized for grazing between May 15 and October 18. It is managed as seven pastures and is bordered by Highway 93 & 95 to the west and primarily Crown land to the east. There is a combination of private and Crown land to the north and south.

Required content of the range use plan

The approved range use plan was in effect for the period from January 1, 2014, to December 31, 2018, and included all required content.

Compliance with the range use plan and practice requirements

The Long Valley Grazing Association met requirements in the RUP, including maintaining minimum stubble heights, not exceeding maximum browse utilization, and adhering to ministerial orders on wildlife habitat areas (Flammulated Owl) and big horn sheep winter range. Auditors found that livestock use at the time of the field audit complied with the grazing schedule in the plan.

In addition, the Long Valley Grazing Association complied with all applicable range practice requirements. Protection of water quality, licensed waterworks, riparian areas, fish habitat



Figure 3. Seeded pasture

and upland areas was achieved as required. In one upland area, livestock use was in compliance, but showed signs of heavier use by livestock (see Figure 3). This area was historically seeded with domestic vegetation. Care needs to be taken to ensure stubble heights are adhered to and livestock are not permitted to congregate for extended periods in this area.

The majority of the range developments were functional and maintained. There was some unmaintained fence surrounding the pasture with domestic seeding, which should be removed or repaired (see Figure 3).

Auditors found the one pasture was not included within the Exhibit A map. This was determined to be an administrative error, as the pasture was included within the approved RUP. The Exhibit A map has since been amended to include this pasture.

Audit Results – RAN077893

Description of the grazing tenure

RAN077893 is held by Terry Polacik. The 524-hectare agreement area is located 1 kilometre north of Fernie (see map on page 1).

The range agreement has 34 AUMs authorized for grazing between June 1 and September 30. It is managed as four pastures and is bordered by private land to the east and south, and Crown land to the west and north.

Required content of range use plan

The approved range use plan included all required content. The plan is valid for the period January 1, 2016, to December 31, 2020.

Compliance with the range use plan and practice requirements

Auditors found that the tenure holder met the requirements in the RUP, including maintaining minimum stubble heights and not exceeding maximum browse utilization. All practice requirements related to protection of water quality, licensed waterworks, riparian areas, fish habitat and upland areas were met. Range developments were functional and well maintained (Figure 4).

Grazing Schedule

Auditors did identify a minor discrepancy between the grazing schedule in the RUP and what occurred in the field, with regard to the early removal of livestock.

Livestock were removed in early July due to concerns about drought conditions and domestic animals negatively interacting with livestock. However, the agreement holder did not notify FLNRORD of this change to the grazing schedule.

Although this is a non-compliance with section 45(1)(b) of FRPA,¹ as the removal of livestock in this situation is good management and the range agreement area has not been adversely impacted, not amending the grazing schedule to reflect what has occurred on the ground is considered an area requiring improvement.



Figure 4. Maintained range development

¹ *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.

Audit Opinion

In my opinion, the range planning and practices carried out between September 1, 2016, and September 21, 2018, under range agreements RAN073763, held by Brian McKersie.; RAN074477, held by Peter Mason; RAN077890, held by Richard Tegart; RAN077784, held by the Long Valley Grazing Association and RAN077893, held by Terry Polacik, complied in all significant respects with the requirements of the *Forest and Range Practices Act* and the *Range Planning and Practices Regulation*, as of September 2018. 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* sections of the report for RAN077890 and RAN077893, which describe two areas requiring improvement.

The *Audit Approach and Scope* and the *Planning and Practices Examined and Findings* 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
February 5, 2019

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*. Compliance audits examine forest or range planning and practices to determine whether or not they meet FRPA and / or *Wildfire Act* requirements. The Board conducts about 10 compliance audits annually. Most of these are audits of agreement holders. The Board also audits the government's BC Timber Sales Program (BCTS).

Selection of Auditees

To begin with, auditors randomly select an area of the Province, such as a natural resource 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, auditors choose the auditee(s) that best suits the selected risk and priorities. The audit selections are not based on past performance.

For example, in 2016, the Board randomly selected the Dawson Creek portion of the Peace Natural Resource District as a location for an audit. After assessing the activities within the area, it was noted that there were two community forest agreements that had not yet been audited by the Board. As the Board strives to audit an array of licence types and sizes each year, these two community forest agreements were selected for audit.

For BCTS audits, a district or timber supply area within 2 of the 12 business areas in the province are selected randomly for audit. Only those areas that have not been audited by the Board in the past five years are eligible for selection.

Audit Standards

The audits are conducted in accordance with auditing standards developed by the Board. These standards include 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 and 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. For smaller audits, the sample will include the full population.

Auditors' work includes interviewing licensee staff, reviewing applicable plans, assessing features from helicopters and measuring specific features like riparian reserve zone width using ground procedures. The audit teams generally spend three to five days in the field.

Evaluating the Results

The Board recognizes that compliance with the requirements of FRPA and the *Wildfire Act* 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 legal 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 *Wildfire Act* requirements.

Unsound Practice – where the auditor identifies a significant practice that, although in compliance with FRPA or the *Wildfire Act*, 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, these events 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 more non-compliance events.

If a significant breach of the legislation 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, Natural Resource Operations and Rural Development.

Reporting

Based on the above evaluation, the auditor then prepares a draft audit report. The party being audited is given a copy of the draft report for review and comment before it is submitted to the Board.

The Board reviews the draft report 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 reviews representations from parties that may potentially be adversely affected, makes any necessary changes to the report, and decides if recommendations are warranted. The report is then finalized and released: first to the auditee and then to the public and government seven days later.



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