



## **Audit of Forest Planning and Practices**

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*100 Mile Development Corporation  
Community Forest Agreement K2W*

**FPB/ARC/234**

January 2020

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# Audit Results

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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 practices of the forest industry to ensure compliance with the *Forest and Range Practices Act* (FRPA) and the *Wildfire Act*.

As part of its 2019 compliance audit program, the Board randomly selected the 100 Mile House Natural Resource District as a location for a full scope compliance audit. Within the district, the Board selected community forest agreement K2W (CFA K2W), held by 100 Mile Development Corporation (100 Mile DC), for audit.

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



*A cutblock in community forest K2W near 100 Mile House.*

## Background

Community forest agreement K2W was awarded to 100 Mile DC in 2009. It currently has an allowable annual cut (AAC) of 22 500 cubic metres. The AAC was increased earlier in 2019, to accommodate timber salvage and fuel management practices, and is scheduled to be reduced back to its base AAC of 18 500 cubic metres in 10 years. The 100 Mile DC harvested approximately 30 400 cubic metres during the two-year audit period. West Fraser Mills Ltd. and DWB Consulting Services Ltd. plan and supervise forestry activities on behalf of 100 Mile DC.

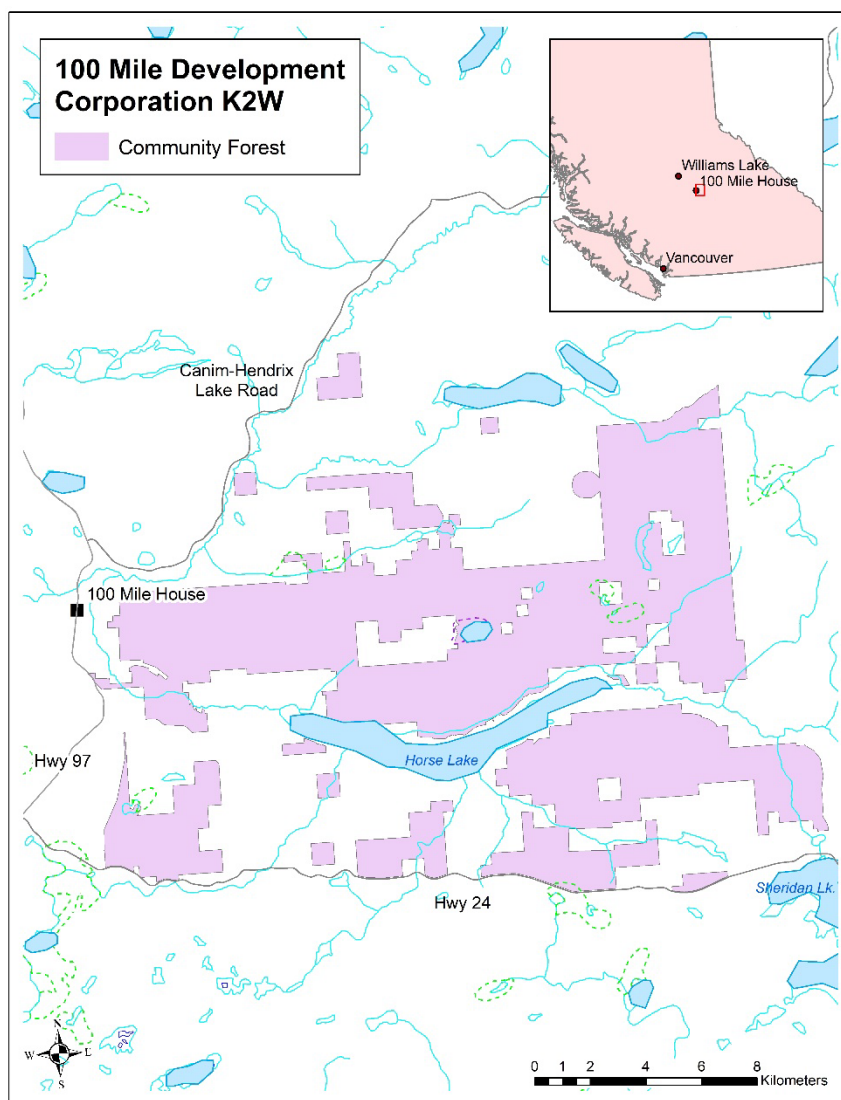
East of 100 Mile House, several non-contiguous parcels surrounding Horse Lake make up the defined area of CFA K2W. It extends between the Canim-Hendrix Lake Road to the north and Highway 24 at Sheridan Lake to the south, (see map on page 2). CFA K2W is within three landscape units<sup>1</sup> designated under the Cariboo Chilcotin Land Use Plan (CCLUP). The terrain is gentle to rolling, and

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<sup>1</sup> A planning area delineation based on topographic or geographic features. Typically, landscape units cover a watershed or series of watersheds, and range in size from 5 000 to 400 000 hectares.

the tenure straddles the dry-belt Douglas-fir and sub-boreal spruce ecosystems that dominate the central portion of the 100 Mile House Natural Resource District. Forest stands are generally mixes of Douglas-fir, lodgepole pine, spruce, and aspen.

**Map of the Audit Area**



## Audit Approach and Scope

This was a full scope compliance audit with a two-year timeframe. Activities carried out in CFA K2W between September 1, 2017, and September 19, 2019 were eligible for audit. The activities included operational planning (involving the preparation of a forest stewardship plan (FSP)<sup>i</sup> and site plans), harvesting, road and major structure<sup>2</sup> construction, maintenance and deactivation, silviculture and wildfire protection.

<sup>2</sup> Major structure includes bridges and major culverts.

- Bridge means a temporary or permanent crossing structure with a span length equal to or greater than 6 metres or an abutment height of 4 metres or greater.
- Major culvert has a pipe diameter of 2 metres or greater or is a pipe arch or open bottom arch with a span greater than 2.13 metres.

Auditors assessed these activities for compliance with FRPA, the *Wildfire Act*, and related regulations. Auditors' work involved interviewing planning and operational staff and contractors that work on CFA K2W, conducting an office review of operational plans and silviculture records, and visiting sites to review field practices. Sites were accessed by truck. One forest professional, one forest professional/geoscientist-in-training and a chartered professional accountant made up the audit team. The audit team was in the field on September 18 and 19, 2019.

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*.

## **Planning and Practices Examined**

### **Operational Planning**

The 100 Mile House Natural Resource District is one of three districts in the Cariboo Region. All forest licensees in the region must plan and implement forestry activities to be consistent with the CCLUP. The document that links the CCLUP and operational planning in community forests is the FSP. The 100 Mile DC operations audited were planned under two FSPs; the District of 100 Mile House Forest Stewardship Plan for CFA K2W (FSP 565) and the West Fraser Mills Limited 100 Mile House Woodlands Forest Stewardship Plan (FSP 182). 100 Mile DC must ensure its planning and practices are consistent with these FSPs.

Auditors examined FSPs 182 and 565 for consistency with legal requirements, including content requirements, and consistency with objectives set by the government.

Auditors also assessed whether site plans accurately identified site conditions, during harvesting, road and silviculture field sampling.

### **Timber Harvesting**

100 Mile DC harvested 23 cutblocks, including 12 blowdown salvage cutblocks, during the audit period. Auditors examined 22 of these cutblocks.

### **Road and Major Structure Construction, Maintenance and Deactivation**

100 Mile DC constructed 34.6 and maintained 34.7 kilometres of road during the audit period.

Auditors examined 17.5 kilometres of the constructed roads and 26.8 kilometres of the maintained roads.

100 Mile DC did not construct, maintain, or deactivate any major structures in CFA K2W during the audit period, nor did it deactivate any roads.

### **Silviculture Activities and Obligations**

100 Mile DC planted 13 cutblocks, site prepared 3 cutblocks and had 8 cutblocks with regeneration obligations due during the audit period. There were no cutblocks with free-growing obligations due during the audit period.

Auditors sampled eight of the planted cutblocks, all three of the site prepared cutblocks and six of the cutblocks with regeneration obligations due.

Auditors examined all of the above cutblocks for compliance with annual reporting requirements and the chief forester's seed transfer guidelines.



## **Wildfire Protection**

100 Mile DC had one active operation during the field audit, which auditors examined for compliance with requirements for fire preparedness.

100 Mile DC abated fire hazards on 22 cutblocks and had 22 cutblocks with fire hazard assessments due during the audit period. Auditors examined fire hazard assessments in all of these cutblocks and hazard abatement in 21 cutblocks.

## **Findings**

### **Operational Planning**

The FSPs and site plans were consistent with FRPA requirements. The FSPs incorporated the requirements of government orders and notices. 100 Mile DC addressed site-specific resources in the site plans by accurately identifying and prescribing practices for resource features.

100 Mile DC met CCLUP order requirements by avoiding constrained areas, or appropriately tailoring its activities to be consistent with the Order.

100 Mile DC documentation shows that it shares cutblock and road development plans with First Nations. Operational plans are field checked by First Nations representatives when warranted.

Auditors had no concerns with operational planning.

### **Timber Harvesting**

100 Mile DC addressed soil disturbance and visual quality by operating on a snowpack and retaining enough timber to screen visual impacts. Auditors found that pre-harvest planning and harvest execution met soil disturbance and visual quality objectives.

Harvest boundary locations excluded most streams from harvest areas. Loggers retained streamside vegetation and established machine-free zones within riparian management areas.

Harvesting practices were consistent with site plans and there were no issues with timber harvesting.

### **Road and Major Structure Construction, Maintenance and Deactivation**

100 Mile DC built and maintained road on gentle and rolling terrain, posing few risks to environmental features. Auditors found that roads were well drained and stable. 100 Mile DC reactivated existing roads where possible. Roads were well constructed and maintained, and the mapping was accurate for all roads sampled.

Few stream crossings were noted during field reviews of the road maintenance population, and properly sized culverts were in place to maintain natural surface drainage.

Auditors found no issues with road construction and maintenance.

### **Silviculture Activities and Obligations**

100 Mile DC's silviculture program was well managed and executed. Suitable tree species and stock were planted in all cutblocks and regeneration requirements and chief forester's seed transfer guidelines were met.

All annual reporting obligations were up to date.

Auditors found no issues with silviculture activities or obligations.

## Wildfire Protection

Auditors found 100 Mile DC had adequate fire tools on site for the one active harvest operation, it had notified the fire centre of its activities and was operating in accordance with fire restrictions in place during the field audit. 100 Mile DC met fire preparedness requirements.

100 Mile DC harvested timber in the wildland urban interface<sup>3</sup> to the east of 100 Mile House. The objective was to reduce the risk of a fire starting and spreading by removing fuels that are more flammable and promoting the regeneration of less-flammable deciduous trees. The treatment is linked to the Ministry of Forests, Lands, Natural Resource Operations and Rural Development's landscape level fuel break implementation planning.<sup>ii</sup>

100 Mile DC met all fire hazard assessment and abatement requirements.



*A cutblock in community forest K2W near 100 Mile House, where 100 Mile DC harvested timber in a wildland urban interface to manage fuels and reduce the risk of fire to the community.*

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<sup>3</sup> Wildland Urban Interface is an area where human development meets or is intermingled with forest and grassland fuel types.

## Audit Opinion

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In my opinion, the operational planning, timber harvesting, road construction, road maintenance, silviculture, and fire protection activities carried out by 100 Mile Development Corporation on community forest agreement K2W between September 1, 2017, and September 19, 2019, complied in all significant respects with the requirements of the *Forest and Range Practices Act*, the *Wildfire Act* and related regulations, as of September 2019. There is no opinion provided for road deactivation or major structures.

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, 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 forest planning and practices to support an overall evaluation of compliance with the *Forest and Range Practices Act* and the *Wildfire Act*.



Christopher R. Mosher CPA, CA, EP(CEA)  
Director, Audits

Victoria, British Columbia  
January 17, 2020



# Appendix 1:

## Forest Practices Board Compliance Audit Process

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### 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.

## ENDNOTE

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<sup>i</sup> A forest stewardship plan (FSP) is a key planning element in the FRPA framework and the only plan subject to public review and comment and government approval. In its FSP, BCTS is required to identify results and/or strategies consistent with government objectives for values such as water, wildlife and soils. These results and strategies must be measurable and once approved are subject to government enforcement. FSPs identify areas within which road construction and harvesting will occur but are not required to show the specific locations of future roads and cutblocks. FSPs can have a term of up to five years.

<sup>ii</sup> Fuel break implementation as developed using the [FLNRORD Standard for Developing Tactical Overview and Operational Unit Plans for Wildfire Risk Reduction](#) and is consistent with wildfire mitigation recommendations in the [2017 Wildfire Recovery Plan, South Cariboo Region](#).



**Forest  
Practices  
Board**

PO Box 9905 Stn Prov Govt

Victoria, BC V8X 9R1 Canada

Tel. 250.213.4700 | Fax 250.213.4725 | Toll Free 1.800.994.5899

For more information on the Board, please visit our website at: [www.bcfpb.ca](http://www.bcfpb.ca)