



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

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*Clinton & District Community Forest of BC Limited  
Community Forest Agreement K4F*

**FPB/ARC/235**

February 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 K4F (CFA K4F), held by Clinton & District Community Forest of BC Limited (CDCF), 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.



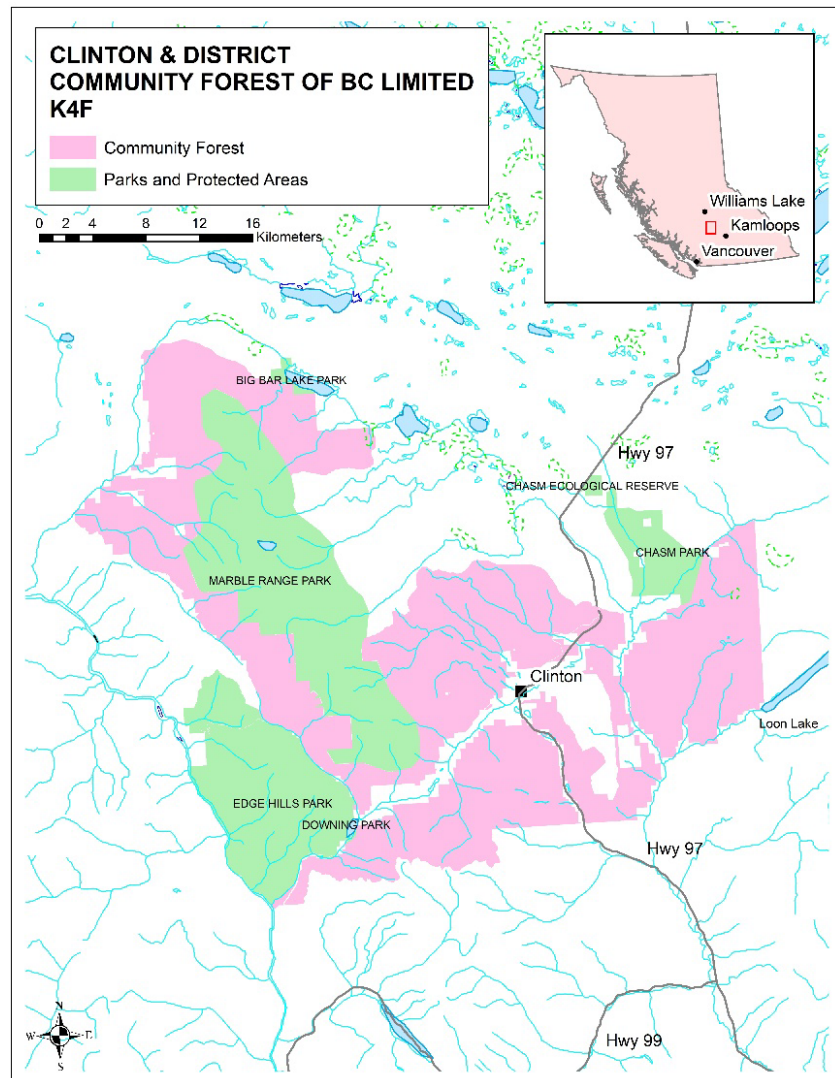
*A cutblock in community forest K4F near Clinton.*

## Background

Community forest agreement K4F was awarded to CDCF in 2014. It has an allowable annual cut of 20 000 cubic metres. Approximately 63 000 cubic metres was harvested during the two-year audit period<sup>1</sup>, of which over 70 percent was salvage of timber damaged by the Elephant Hill wildfire in 2017. Other timber harvesting operations targeted the salvage of lodgepole pine stands infested with bark beetles, in order to contain or minimize beetle spread. Planning and practices are managed out of CDCF's office in the village of Clinton.

The defined area of CFA K4F consists of two parcels of land on either side of Highway 97, extending from Loon Lake to Chasm Park and surrounding Marble Range Provincial Park (see map below). Terrain to the west and south of Clinton is mountainous, with montane spruce and Engelmann spruce - subalpine fir ecosystems. However, most of CFA K4F is in the southern portion of the Fraser Plateau and is dominated by the dry-belt Douglas-fir ecosystem.

Map of the Audit Area



<sup>1</sup> The maximum allowable harvest volume for the licence was 100 000 cubic metres over the cut control period, of which 83 000 cubic metres was harvested.



## Audit Approach and Scope

This was a full scope compliance audit with a two-year timeframe. Activities carried out in CFA K4F between September 1, 2017, and September 17, 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.

Auditors assessed these activities for compliance with FRPA, the *Wildfire Act*, and related regulations. Auditors' work involved interviewing the planning and operational staff who work on CFA K4F, 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 16 and 17, 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 Cariboo Chilcotin Land Use Plan (CCLUP). The document that links the CCLUP and operational planning in community forests is the FSP. The CDCF operations audited were planned under the West Fraser Mills Limited 100 Mile House Woodlands Forest Stewardship Plan (FSP 182). CDCF must ensure its planning and practices are consistent with the FSP.

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

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

### Timber Harvesting

CDCF harvested 17 cutblocks during the audit period. Auditors examined 15 of these cutblocks.

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

CDCF constructed 31.7 kilometres and maintained 48.4 kilometres of road during the audit period. Auditors examined 12.5 kilometres of the constructed road and 30.6 kilometres of the maintained road.

CDCF did not construct, maintain, or deactivate any major structures in CFA K4F during the audit period nor deactivate any roads.

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<sup>2</sup> Major structures include bridges and major culverts, where:

- 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.
- A major culvert has a pipe diameter of 2 metres or greater or is an open bottom arch with a span greater than 2.13 metres.

## **Silviculture Activities and Obligations**

CDCF planted two cutblocks and had two cutblocks with regeneration obligations due during the audit period, all of which auditors field sampled.

There were no cutblocks with free-growing obligations due during the audit period.

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

## **Wildfire Protection**

There were no active operations in CFA K4F during the field audit, although there was equipment and fire tools on site at one partially completed cutblock, which the auditors assessed for fire preparedness.

CDCF abated fire hazards on 17 cutblocks and had 15 cutblocks with fire hazard assessments due during the audit period. Auditors sampled 15 of these cutblocks.

## **Findings**

### **Operational Planning**

The FSP and site plans for CFA K4F were consistent with FRPA requirements. The FSP incorporated the requirements of government orders and notices. CDCF addressed site-specific resources in site plans by accurately identifying and prescribing practices for resource features.

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

CDCF consulted with appropriate First Nations regarding cutblock and road development. All site plans were field checked by First Nations representatives prior to road construction or harvesting.

Auditors had no concerns with operational planning.

### **Timber Harvesting**

CDCF 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.

CDCF managed riparian areas by excluding most streams from harvest areas, retaining streamside vegetation and establishing machine-free zones to buffer riparian-management areas.

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

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

Generally, roads within CFA K4F are on gentle terrain and road construction poses few risks to environmental resources and safety. Auditors found that roads were well drained and stable. CDCF re-activated existing road networks where possible. Roads were well constructed and maintained, and the mapping was accurate for all roads sampled.

Few stream crossings were noted during the field reviews. Where streams were encountered, CDCF had installed properly sized culverts to maintain natural surface drainage.

Auditors found no issues with road construction and maintenance.

## **Silviculture Activities and Obligations**

The silviculture program in CFA K4F was well managed and executed. Suitable tree species and stock were planted in all cutblocks. Regeneration requirements and chief forester's seed transfer guidelines were met.

For operations within the Elephant Hill wildfire complex, CDCF works with district staff to ensure its planning and activities are consistent with the principles for silviculture and reforestation endorsed by the Elephant Hill Wildfire Recovery Joint Leadership Council in 2018,<sup>ii</sup> which includes recovery strategies and standards for reforestation and retention.

All annual reporting obligations were up to date and accurate.

Auditors found no issues with silviculture activities or obligations.

## **Wildfire Protection**

Operations were not active in CFA K4F during the field audit, but auditors found that harvest equipment parked in one cutblock contained adequate fire tools. In addition, CDCF kept a fire tool cache in Clinton, which it shared with the Clinton Volunteer Fire Department for suppression purposes.

### ***Hazard Assessment***

CDCF regularly abated fire hazards but did not complete formal hazard assessments. CDCF stated it conducts ocular assessments of fuel loading as part of its post harvest inspections, but has no formal record for any of the 15 cutblocks where fire hazard assessments were due. Completing a fire hazard assessment is a legal requirement under section 11 of the *Wildfire Act Regulation* and it demonstrates that a licensee has been diligent.

### ***Hazard Abatement***

CDCF either piled or piled and burned slash on all 15 cutblocks and monitored burned areas, using infrared heat sensing, to ensure they were extinguished. CDCF met the abatement requirements in the *Wildfire Act*.

Since fire hazards are being abated in an effective and timely manner, the hazard assessment non-compliance is considered an area for improvement.

Subsequent to the audit, CDCF stated they have developed and implemented a hazard assessment procedure.

# 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 Clinton & District Community Forest of BC Ltd. on community forest agreement K4F, between September 1, 2017, and September 17, 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.

Without qualifying my opinion, I draw attention to the *Wildfire Protection* 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 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, the licensee 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> Elephant Hill Wildfire Recovery Joint Leadership Council Principles for Silviculture and Reforestation in Elephant Hill [https://www.for.gov.bc.ca/ftp/DHW/external/!publish/Fires\\_2017/Silviculture%20and%20Reforestation%20Principles/Elephant%20Hill%20Wildfire%20Recovery%20Silviculture%20Principles%20July%2013,%202018.pdf](https://www.for.gov.bc.ca/ftp/DHW/external/!publish/Fires_2017/Silviculture%20and%20Reforestation%20Principles/Elephant%20Hill%20Wildfire%20Recovery%20Silviculture%20Principles%20July%2013,%202018.pdf)



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