Audit of Forest Planning and Practices

Ts’elxwweyeqw Forestry Limited Partnership NRFL A75807
Leq’a:mel Forestry Limited Partnership NRFL A79504
Skwah First Nation NRFL A90380
Chilliwack Natural Resource District

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Introduction

The Forest Practices Board is the public’s watchdog for sound forest 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 the Forest Practices Board’s 2019 compliance audit program, the Board randomly selected non-replaceable forest licences (NRFLs) A75807, A79504 and A90380 in the Chilliwack Natural Resource District for a full scope compliance audit.

This report explains what the Board audited and the findings for the three NRFLs. The location of these licences is shown on the map below. Detailed information about the Board’s compliance audit process is provided in Appendix 1.
Audit Results – NRFL A75807

Background

Non-replaceable forest licence A75807 is held by Ts’elxwyeqw Forestry Limited Partnership (Ts’elxwyeqw). The operating area for the licence is located south of the Trans-Canada Highway along Chilliwack Lake Road between Cultus and Chilliwack Lakes. The licence has an allowable annual cut of 40,270 cubic metres, and during the two-year audit period, Ts’elxwyeqw harvested about 58,200 cubic metres of timber.

Audit Approach and Scope

This was a full scope compliance audit with a two-year timeframe. All activities carried out on NRFL A75807 between August 1, 2017, and August 21, 2019, were subject to audit. These activities included operational planning (forest stewardship plan (FSP) and site plans), timber harvesting, wildfire protection, silviculture, and construction and maintenance of roads and major structures.¹

¹ 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.
Auditors assessed these activities for compliance with FRPA, the *Wildfire Act* and applicable regulations. This work included interviewing Ts’elxwéyeqw representatives, reviewing the FSP and site plans, examining records, and visiting sites to review field practices. A forest professional, a professional engineer, and a chartered professional accountant made up the audit team. This team was in the field with Ts’elxwéyeqw representatives on August 19 and 21, 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 and Findings**

The following describes the activities and obligations audited and the findings.

**Operational Planning**

Ts’elxwéyeqw holds a multiple-licence FSP, covering four NRFLs, including NRFL A75807. The FSP was approved in October 2017 and expires in September 2022. Operations related to NRFL A75807 fall within the Chilliwack landscape unit, where the government has set objectives through orders for biodiversity, wildlife, visual quality, old-growth management areas, community watersheds and karst. The FSP links objectives set by government to operational planning in the NRFL.

Auditors examined the FSP for consistency with legal requirements, including content requirements and consistency with objectives set by the government, and assessed whether site plans accurately identified site conditions during harvesting, road and silviculture field sampling.

Auditors found that the FSP was consistent with legal requirements and site plans accurately identified site conditions. Ts’elxwéyeqw met order requirements by avoiding constrained areas, or appropriately tailoring its activities to be consistent with the orders.

**Timber Harvesting**

Ts’elxwéyeqw harvested timber from 9 cutblocks during the audit period, totalling 93 hectares. Auditors visited all 9 cutblocks.

Ts’elxwéyeqw minimized soil disturbance and erosion by operating on a snowpack, using cable harvest systems and following the recommendations in terrain stability assessments. It avoided disturbing riparian areas by excluding them from the harvested areas and met visual quality objectives by creating small openings and using timber and topography to screen visual impacts.

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

**Road Construction, Maintenance and Deactivation**

Ts’elxwéyeqw constructed 14 kilometres, deactivated 1 kilometre and maintained 166 kilometres of road during the audit period. It also maintained 24 bridges, and deactivated 1 bridge, but did not construct any bridges.

Auditors examined all the constructed and deactivated roads, and 125 kilometres of maintained roads, as well as 13 maintained bridges and the deactivated bridge site.
Ts’elxweyeqw mainly constructed road on stable terrain. On less stable terrain, Ts’elxweyeqw followed terrain specialist recommendations for construction techniques, utilized existing roads where possible to reduce potential impacts, installed cross-drains where required and maintained natural drainage patterns.

Auditors found that roads and structures were well maintained, had stable road prisms and were well signed and safe for public and industrial use.

Ts’elxweyeqw seasonally deactivated the majority of the roads sampled by constructing cross-ditches to back up culverts, which effectively maintained flows and directed water off the road prism. Ts’elxweyeqw fully rehabilitated one kilometre of road and blocked it to all traffic, and did not disturb or alter the stream channel when deactivating the one bridge site.

All documentation for road or structure construction, maintenance and deactivation was complete and well organized.

The auditors did not identify any issues with road or bridge construction, deactivation or maintenance.

**Silviculture Activities and Obligations**

Within the audit period, Ts’elxweyeqw planted 13 cutblocks, brushed 23 cutblocks, declared regeneration obligations met on 18 cutblocks and free-growing obligations met on 1 cutblock. Auditors examined 9 of the planted cutblocks, 10 brushed cutblocks, 10 cutblocks with regeneration due and the cutblock where free growing was due.

Auditors did not identify any concerns with the planting, brushing, regeneration or free-growing obligations. Regenerating stands appeared stocked and were healthy and vigourous.

Annual reporting was completed within the required time frame for recent activities and milestone declarations.

**Fire Protection Activities**

Auditors did not inspect fire tools as there were no active operations during the audit field work.

Ts’elxweyeqw had nine cutblocks with hazard assessment obligations due during the audit period. It completed fire hazard assessments and had piled the logging debris in anticipation of burning. At the time of the field assessment, abatement had not yet been completed but was within the allowable time period to complete burning activities.

The auditors did not identify any concerns with fire protection activities.
Audit Opinion

In my opinion, the operational planning, timber harvesting, road construction, deactivation and maintenance, silviculture, and fire protection activities carried out under non-replaceable forest licence A75807, held by Ts’elxwweyeqw Forestry Limited Partnership, between August 1, 2017, and August 21, 2019, complied in all significant respects with the requirements of the Forest and Range Practices Act, the Wildfire Act and related regulations, as of August 2019.

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 FRPA and the Wildfire Act.

Christopher R. Mosher CPA, CA, EP(CEA)
Director, Audits
Victoria, British Columbia
February 5, 2020
Audit Results – NRFL A79504

Background

Non-replaceable forest licence A79504 is held by Leq’a:mel Forestry Limited Partnership (Leq’a:mel). The operating area for the licence is located 23 kilometres north of Chilliwack in the Statlu Creek area, near Chehalis Lake. The licence has an allowable annual cut of 9,112 cubic metres, and during the two-year audit period, Leq’a:mel harvested about 37,400\(^2\) cubic metres of timber.

Audit Approach and Scope

This was a full scope compliance audit with a two-year timeframe. All activities carried out on NRFL A79504 between August 1, 2017, and August 20, 2019, were subject to audit. These activities included operational planning (FSP and site plans), timber harvesting, wildfire protection, silviculture, and construction and maintenance of roads and major structures.

Auditors assessed these activities for compliance with FRPA, the Wildfire Act and applicable regulations. This work included interviewing Leq’a:mel representatives, reviewing the FSP and site plans, examining records, and visiting sites to review field practices. A forest professional, a professional engineer, and a chartered professional accountant made up the audit team. This team was in the field with Leq’a:mel representatives on August 20, 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.

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\(^2\) The maximum harvest volume for the licence over the 5 year cut control period is 45,560 cubic metres, of which 37,400 cubic metres was harvested over the period.
Planning and Practices Examined and Findings

The following describes the activities and obligations audited and the findings.

Operational Planning

Leq’a:mel’s 2017 Forest Stewardship Plan covers the operations of NRFL A79504. The FSP was approved in July 2017 and expires in July 2022. Operations related to NRFL A79504 fall within the Chehalis landscape unit, where the government has set objectives through orders for biodiversity, wildlife, visual quality, old-growth management areas, and karst. The FSP links objectives set by government to operational planning in the NRFL.

Auditors examined the FSP for consistency with legal requirements, including content requirements and consistency with objectives set by the government, and assessed whether site plans accurately identified site conditions during harvesting, road and silviculture field sampling.

Auditors found that the FSP was consistent with legal requirements and site plans accurately identified site conditions. Leq’a:mel met order requirements by avoiding constrained areas, or appropriately tailoring its activities to be consistent with the orders.

Timber Harvesting

Leq’a:mel harvested timber from 6 cutblocks during the audit period, totalling 63 hectares. Auditors visited all 6 cutblocks.

Leq’a:mel minimized soil disturbance and erosion by using cable and hoe-chucking harvest systems and following the recommendations in terrain stability assessments. It avoided disturbing riparian areas by excluding them from the harvested areas and addressed spotted owl habitat requirements by retaining deciduous and old growth trees where required.

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

Road Construction, Maintenance and Deactivation

Leq’a:mel constructed 14 kilometres, deactivated 12 kilometres and maintained 35 kilometres of road during the audit period. It did not construct, maintain or deactivate any bridges.

Auditors examined 14 kilometres of the constructed road, all of the deactivated road, and 26 kilometres of the maintained road.

Leq’a:mel mainly constructed road on stable terrain. On less stable terrain, Leq’a:mel followed terrain specialist recommendations for construction techniques, used existing roads where possible to reduce potential impacts, installed cross-drains where required and maintained natural drainage patterns.

Auditors found that roads and structures were well maintained, had stable road prisms and were well signed and safe for public and industrial use.

Leq’a:mel seasonally deactivated roads by constructing cross-ditches to back up culverts, which effectively maintained flows and directed water off the road prism. Some of the culverts were removed to limit access to all terrain vehicles.

All documentation for road or structure construction, maintenance and deactivation was complete and well organized.

The auditors did not identify any issues with road construction, maintenance or deactivation.
Silviculture Activities and Obligations
Within the audit period, Leq’a:mel planted five cutblocks, but had no regeneration or free-growing obligations nor annual reporting due or completed. Auditors assessed all five cutblocks.

Leq’a:mel met the chief forester’s seed transfer requirements and auditors had no concerns with the planting.

Fire Protection Activities
Operations were not active in A79504, but harvest equipment was on one cutblock and the auditors found adequate tools to provide for initial attack, should a fire occur.

Leq’a:mel had six cutblocks with hazard assessment obligations due during the audit period. Leq’a:mel completed fire hazard assessments and had piled the logging debris in anticipation of burning. At the time of the field assessment, abatement had not yet been completed but was within the allowable time period to complete burning activities.

The auditors did not identify any concerns with fire protection activities.

Audit Opinion
In my opinion, the operational planning, timber harvesting, road construction, deactivation and maintenance, silviculture, and fire protection activities carried out under non-replaceable forest licence A79504, held by Leq’a:mel Forestry Limited Partnership, between August 1, 2017, and August 20, 2019, complied in all significant respects with the requirements of the Forest and Range Practices Act, the Wildfire Act and related regulations, as of August 2019.

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 FRPA and the Wildfire Act.

Christopher R. Mosher CPA, CA, EP(CEA)
Director, Audits
Victoria, British Columbia
February 5, 2020
Audit Results – NRFL A90380

Background

Non-replaceable forest licence A90380 is held by Skwah First Nation (Skwah). The licence operating area is located to the south of the Trans-Canada Highway near Wahleach (Jones) Lake, 10 kilometres east of Agassiz. The licence has an allowable annual cut of 13,323 cubic metres, and during the two-year audit period, Skwah harvested about 20,700 cubic metres of timber.

Audit Approach and Scope

This was a full scope compliance audit with a two-year timeframe. All activities carried out on NRFL A90380 between August 1, 2017, and August 19, 2019, were subject to audit. These activities included operational planning (FSP and site plans), timber harvesting, wildfire protection, silviculture, and construction and maintenance of roads and major structures.

Auditors assessed these activities for compliance with FRPA, the Wildfire Act and applicable regulations. This work included interviewing Skwah representatives, reviewing the FSP and site plans, examining records, and visiting sites to review field practices. A forest professional, a professional engineer, and a chartered professional accountant made up the audit team. This team was in the field with Skwah representatives on August 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 and Findings

The following describes the activities and obligations audited and the findings.

Operational Planning

Skwah holds a multiple licence FSP, covering four NRFLs, including NRFL A90380. The FSP was approved in October 2017 and expires in September 2022. Operations related to NRFL A90380 fall within the Silverhope landscape unit, where the government has set objectives through orders for
wildlife, visual quality, old-growth management areas, community watersheds and karst. The FSP links objectives set by government to operational planning in the NRFL.

Auditors examined the FSP for consistency with legal requirements, including content requirements and consistency with objectives set by the government, and assessed whether site plans accurately identified site conditions during harvesting, road and silviculture field sampling.

Auditors found that the FSP was consistent with legal requirements and site plans accurately identified site conditions. Skwah met order requirements by avoiding constrained areas, or appropriately tailoring its activities to be consistent with the orders.

**Timber Harvesting**

Skwah harvested timber from 5 cutblocks during the audit period, totalling 32 hectares. Auditors visited all 5 cutblocks.

Skwah minimized soil disturbance and erosion by using cable, hoe chucking and helicopter harvest systems and following the recommendations in terrain stability assessments. It avoided disturbing riparian areas by excluding them from the harvested areas, and met visual quality objectives by creating small openings and using timber and topography to screen visual impacts.

Harvesting practices were consistent with site plans and auditors had no concerns with timber harvesting.

**Road Construction, Maintenance and Deactivation**

Skwah constructed 7 kilometres and maintained 46 kilometres of road during the audit period. Skwah constructed 1 bridge, maintained 2 bridges and deactivated 1 bridge. It did not deactivate any roads during the audit period.

Auditors examined 6 kilometres of the constructed road and 41 kilometres of the maintained road, as well as all of the bridges.

Skwah mainly constructed road on stable terrain. On less stable terrain, Skwah followed terrain specialist recommendations for construction techniques or avoided road construction by using helicopter harvest systems, utilized existing roads where possible to reduce potential impacts, installed cross-drains where required and maintained natural drainage patterns. Auditors found the constructed bridge was well built, conformed to the engineered design and the required documentation was retained.

Auditors found that roads and structures were well maintained, had stable road prisms, and were well signed and safe for public and industrial use. Skwah did not disturb or alter the stream channel when deactivating the one bridge site, which also served to reduce the risk of potential erosion by blocking access to the roads on the east side of Wahleach Lake.

All documentation for road or structure construction, maintenance and deactivation was complete and well organized.

The auditors did not identify any issues with road and bridge construction, maintenance or deactivation.
Silviculture Activities and Obligations
Within the audit period, Skwah planted six cutblocks, brushed two cutblocks, and declared regeneration obligations met on nine cutblocks. Auditors examined all of the cutblocks.

Auditors did not identify any concerns with the planting, brushing, or regeneration obligations. Regenerating stands appeared stocked and were showing good health and vigour.

Annual reporting was completed within the required time frame for recent activities and milestone declarations.

Fire Protection Activities
Auditors did not inspect fire tools since there were no active operations during the audit field work.

Skwah had five cutblocks with hazard assessment obligations due during the audit period. It completed fire hazard assessments and had piled the logging debris in anticipation of burning. At the time of the field assessment, abatement had not yet been completed but was within the allowable time period to complete burning activities.

The auditors did not identify any concerns with fire protection activities.

Audit Opinion
In my opinion, the operational planning, timber harvesting, road construction, deactivation and maintenance, silviculture, and fire protection activities carried out under non-replaceable forest licence A90380, held by Skwah First Nation, between August 1, 2017, and August 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 August 2019. There is no opinion provided for road deactivation.

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 FRPA and the Wildfire Act.

Christopher R. Mosher CPA, CA, EP(CEA)
Director, Audits
Victoria, British Columbia
February 5, 2020
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.

ENDNOTE

1 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.