

# What to Expect During A Board Compliance Audit - BCTS -

A guide for BCTS staff and  
Timber Sale Licence holders



**Forest  
Practices  
Board**

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# Introduction

The Forest Practices Board (Board) is British Columbia's independent forest and range watchdog. On behalf of the public, it monitors and reports on forest and range practices on public land. One of the main ways it does this is through field-based compliance audits of forest and range licensees.

The purpose of this guide is to help BC Timber Sales (BCTS) staff and Timber Sale Licence (TSL) holders prepare for a Board audit and consider how to conduct their practices to avoid issues similar to those found in past audits. This guide also answers some frequently asked questions and provides potential auditees with background information on the audit process.

## Frequently Asked Questions

What is a compliance audit?

A systematic process.

A compliance audit is a systematic process of objectively obtaining and evaluating evidence with respect to meeting the requirements of the *Forest and Range Practices Act* (FRPA) and the *Wildfire Act* and then communicating the results. A Board compliance audit examines forest and/or range planning and activities to determine if they are consistent with forest and range practices legislation and operational plans. Auditors also assess if the operational plans are consistent with government objectives for forest and range resources. These audits involve extensive fieldwork, and use standards that are consistent with those used in financial audits.

Why does the Board conduct compliance audits?

To provide public assurance and improve practices.

The Board was created to help assure the public that forest and range activities on Crown land in British Columbia follow legislation and warrant public confidence. If the Board identifies areas of concern, its hope is that this will not only result in the auditee addressing the noted deficiencies and improving their overall management and administration, but serve as a reminder to other licensees to do the same.

Where does the Board get its authority?

Legislation.

FRPA and the *Wildfire Act* require the Board to carry out independent audits of licensees operating on Crown land.

Who is eligible to be picked for an audit?

Government, *Forest Act* and *Range Act* tenure holders.

If a party holds a *Forest Act* tenure, that party is eligible to be selected for an audit. These tenures include: tree farm licences, forest licences (both replaceable and non-replaceable), woodlot licences, community forest agreements, as well as timber sale licences. Government, specifically BC Timber Sales (BCTS), can also be picked for an audit.

How does the Board select a BCTS area to audit?

**Random selection.**

There are 12 BCTS Business Areas across BC. Each business area operates out of 1 to 4 different offices / field units, for a total of 31 field team locations. The Board has split BCTS's business areas into the 31 separate field team locations (office / field units), and the areas to be audited are selected randomly from the 31 field team locations (referred to in this document as an "operating area"). Sometimes these operating areas are consistent with a natural resource district or a timber supply area boundary.

The audit selections are not based on location or past performance.

How many compliance audits does the Board do each year and how many of those are of BCTS?

**Usually 10 compliance audits each year, 2 of which are of BCTS.**

The Board generally does 2 to 3 audits in each of the 3 natural resource areas (North, South and Coast) and 2 BCTS business unit audits (including TSL holders) annually. Sometimes it may be more or less depending on what other projects the Board is involved with that year.

Why two BCTS audits?

**Based on past performance.**

The Board allocates the BCTS audit effort based on past performance, rather than level of cut. If the Board were to see several BCTS audits with no findings, they may reconsider the allocation of audit effort.

Can a TSL holder be audited more than once in a single year?

**Yes.**

Where a TSL holder holds multiple timber sale licences in a specific operating area, if that area has been selected for audit, all of the timber sale licences may be subject to audit.

For example, if the Board selects a BCTS operating area to audit and a TSL holder holds three licences covering seven cutblocks in that operating area, none to all of those cutblocks may be sampled as part of the audit. All cutblocks that are active within the audit time frame make up the harvesting population. Depending on the size of that population of cutblocks, the auditor will either look at all of the cutblocks, or a sample of the cutblocks. If a sample is required, the selection will be made based on risk.

How often can a BCTS operating area be audited?

**Every 5 years.**

Once a BCTS operating area is audited, the current policy is that the Board waits for five years before that BCTS operating area becomes eligible for audit again. In addition, if an operating area within a Business Area was audited in one year, the other operating areas in that Business Area will not be subject to audit in the following year.

Once notified, can BCTS or a TSL holder say no to the audit?

**No.**

The Board is required by legislation to conduct periodic independent audits of government and holders of agreements under the Forest Act and the Range Act. In order to maintain the integrity of the program, Board policy is that once a licence has been notified of the audit, the Board will carry out the audit, without exception.

Do BCTS and TSL Holders have to cooperate?

**Yes.**

Although FRPA requires licensees to comply with information requests from the Board, it is our preference to work cooperatively with all licensees.

Once notified, can a BCTS Timber Sales Manager request a change in audit timing?

Yes.

Board audit staff are provided with a schedule of BCTS certification audits, so that potential conflict is resolved early in the audit scheduling process. However, on occasion, other unforeseen issues arise that requires a change to the audit timing—each case is considered on an individual basis.

BCTS requests for a timing change are infrequent, but they sometimes do occur. For example, if a Timber Sales Manager (TSM) asks for the timing to be changed because several key staff have been reassigned to assist with fires in other regions of the province, the Director of Audits would work with the TSM to reschedule the audit.

In the past few years, BCTS audits have been scheduled in late May or June to try to avoid the scheduling issue identified in the above example.

Are there any resources available to support BCTS during the audit?

Yes.

A Board liaison role has been created by BCTS management to be the conduit between BCTS and the Board. This staff person is a single contact point and is also available to provide support and guidance to those business areas selected for audit.

Can a certification audit replace a Board audit?

No.

Certification audits and Board audits are quite different. Where Board audits focus on compliance with legislation and conduct many site visits on each BCTS operating area audited, certification audits assess to a standard, with compliance only being one component, and they tend to focus more on systems and processes and generally do not conduct as many site visits.

What types of Board compliance audits are there?

Full and limited scope.

A limited scope audit examines only some of the activities, such as roads and harvesting, but a full scope audit examines everything including operational planning; road and bridge construction, maintenance and deactivation; timber harvesting; silviculture; as well as fire protection.

Most BCTS audits are full scope, however, in 2008, the Board did conduct a limited scope audit focussing on just roads and harvesting.



*Roads and bridges are an important component of Board audit work*

Who conducts these audits?

Professionals.

The Board must appoint auditors to carry out these audits. These auditors are staff and contractors, all of whom have years of forestry and/or audit experience and most are professionals, such as RPFs, RPBios, PEngs, P.Geos, P.Ags, or CPAs.

Does BCTS or the TSL holder have to pay for this audit?

No.

The cost of the audit, including staff and contract auditors, transportation, including vehicles and helicopters if required, is borne by the Board. That being said, auditees are expected to provide the required background information, and if possible, accompany the auditors in the field. These associated costs are borne by the auditee.

How long will the field portion of the audit take?

About one week.

An audit of a BCTS program or a large licensee usually takes between four to five field days. A mid-sized licence, like a NRFL may take three field days and a woodlot usually takes one field day. However, the field time required to conduct the audit may increase if potential issues are noted and additional audit work is required, or if a specialist is required to assess a specific concern.

What information does the Board request from BCTS?

Population information and relevant operational plans.

After initial notification of the audit, the auditor will request BCTS to complete an audit questionnaire. The questionnaire consists of tables listing all activities conducted during the audit period. In addition, a copy of the relevant forest stewardship plan(s) and operational maps are also requested. Once samples are selected, copies of relevant plans, such as site plans, are requested.

Will BCTS staff have a chance to discuss the findings during the audit?

Yes.

Auditors encourage BCTS staff involvement throughout the audit process. If asked, auditors will give their opinion about a potential issue, but a final call regarding significance can't be provided until after the analysis stage of the audit is completed.

Will TSL holder staff have a chance to discuss the findings during the audit?

Mostly no.

In a BCTS audit, the auditors communicate and interact directly with BCTS staff. Auditors do not initially notify TSL holders, as they may not necessarily be included in the audit. In addition, auditors may assess the sites of 10 to 20 TSL holders in one audit and the logistics of meeting each licensee on site are problematic. That being said, if the TSL holder is working on site when the auditors visit, the auditors will chat with the licensee about the block in general and will usually enquire about fire tools and water delivery systems.

Will TSL holder staff have a chance to discuss the findings after the field portion of the audit?

Possibly.

If auditors note a potential non-compliance on a timber sale licence, the auditors will contact the TSL holder directly via phone and/or email to discuss the area of concern. If the auditors have no concern with the operations of a TSL holder, usually there is no direct communication between auditors and the licensee. For the majority of TSL holders operating in an audited operating area, there is no direct involvement with Board auditors before, during or after the audit.

How long until the final report is released?

Generally 3 to 9 months.

While the Board strives to have all of the audits published prior to the start of the next field season, the timing of the report can vary dramatically based on the potential issues to be analyzed, scheduling of exit meetings and the need for representations. The simpler the audit (i.e., straightforward with no findings) the sooner it will be published.

Will BCTS staff get a chance to see the report before it is released?

Yes, possibly multiple times.

BCTS staff will have an opportunity to review the BCTS responsibility portion of the draft report. If there are potential BCTS findings, they will also have a second opportunity to review their portion of the report through the representations process prior to publishing. BCTS will not have an opportunity to review the TSL holder responsibility portion of the draft report if the finding is attributed directly to a TSL holder(s).

Will TSL holder staff get a chance to see the report before it is released?

Maybe.

If there are potential findings that specify a TSL holder, the affected TSL holder(s) will have an opportunity to have their own exit meeting to discuss the potential issues directly with the auditors. They will also have an opportunity to review their portion of the draft audit report. The affected TSL holder will also have a second opportunity to review their portion of the report through the representations process prior to publishing.

Can BCTS staff speak for the TSL holder(s) with respect to potential findings?

No.

Timber sale licensees are licence holders and, as such, are responsible for their practices and any potential findings auditors may note. During the report review phase of the audit, auditors ensure they separate potential findings so that only BCTS will review potential BCTS findings and only the affected TSL holders will review their potential finding. The exception is if there is a pervasive finding across most or all TSL holders, such as a lack of fire hazard assessments. In that case, Board auditors will review that finding with BCTS staff.

Will a TSL holder be named in the audit report?

Maybe.

The company name of a TSL holder will be identified in the audit report if there is a specific finding attributed to that licence holder. The company name will be used even if it is also a person's legal name. For example, John Smith, John Smith Logging, or John Smith Logging Ltd. would be used if that is the name on the timber sale licence documents.

If there is no specific finding attributed to a TSL holder or the finding covers multiple TSL holders, their company name would not be included in the audit report.

Are all non-compliances noted during an audit reported?

No.

There may be minor instances of non-compliance that are either not detected by the audit, or are detected but not considered worthy of inclusion in the audit report.

How do the auditors determine if a non-compliance is reportable?

**Professional judgment.**

The audit field team, including the Director of Audits, assesses all evidence noted during the field work and analysis phases of the audit. The team as a whole discusses the potential issues and sometimes ask for opinions from other professionals or staff members. Then the Director of Audits signs off the audit opinion statement. In many cases, identifying a non-compliance is not that difficult, but determining if that non-compliance is individually or pervasively significant, and therefore reportable, is much more challenging.

Will the audit report be made public?

**Yes.**

Every audit report prepared by the Board is first provided to the auditee (Timber Sales Manager and any named TSL holder) at least 7 clear days before it is released to the public and the Minister of Forests, Lands, Natural Resource Operations and Rural Development. All Board reports are made available on our website: [www.bcfpb.ca](http://www.bcfpb.ca)

Do auditees have to pay a fine if found to be in non-compliance?

**No.**

The Board cannot levy penalties, however, as stated above, audit reports are made public and distributed to the relevant government minister and professional associations, who may choose to initiate further action depending on the audit findings. It is possible that the Board and the Ministry Compliance and Enforcement branch may be looking at the same issue, but only the Ministry can levy penalties or issue stop work orders.

Where do BCTS staff and TSL holders find more information about the Board's audit process?

**Our website.**

The Board's compliance audit reference manual is available on our website: [www.bcfpb.ca](http://www.bcfpb.ca)



# What are the Steps in a Forest Practices Board Audit?

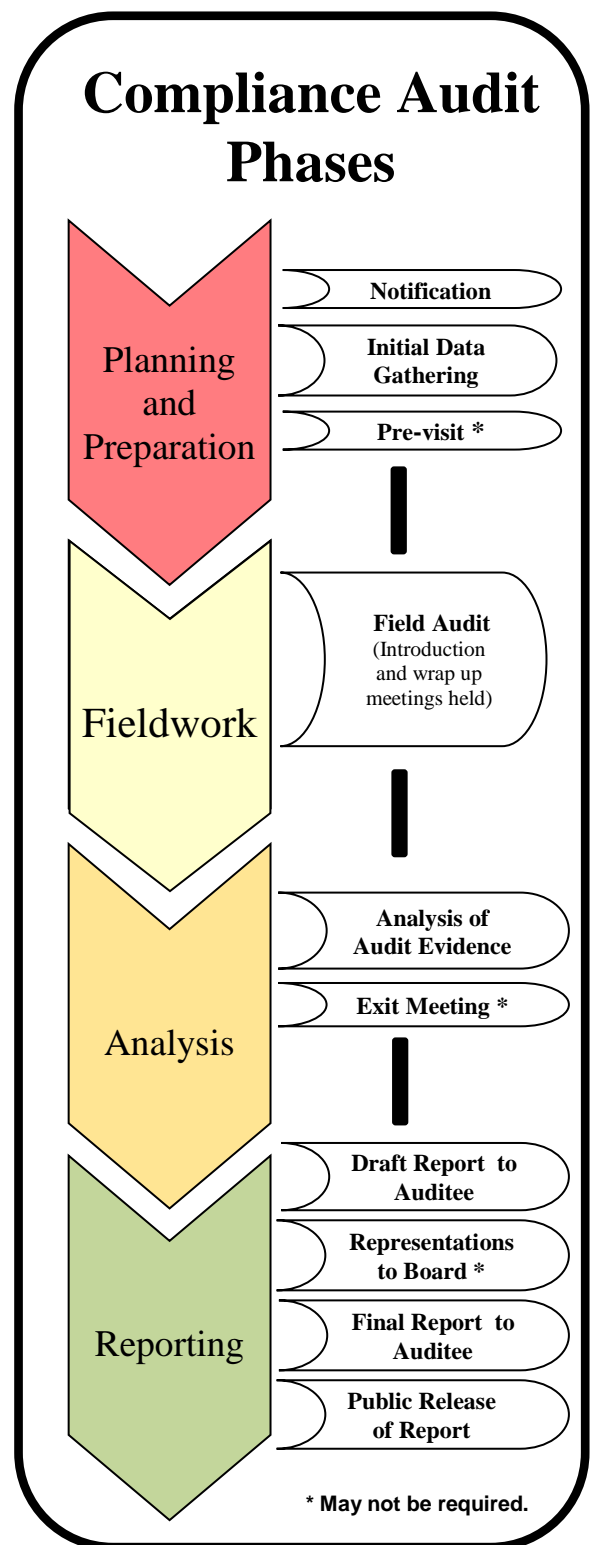
**First Contact** The first contact with the Board will be a call from the Director of Audits letting the Timber Sales Manager (TSM) know that a field team location within their business area was selected for audit. The Director will let the auditee know what activities will be examined, the time period (usually the past year or past two years) and when the audit field work is planned. The Board's policy is to provide at least four weeks' notice of an audit.

**Notification Letter** Soon after the initial call, the Director of Audits will send the TSM a notification letter describing the audit scope (activities to be examined and the audit period), timing of the field work, identifying the team leader, and requesting that the TSM provide the Director with a designated BCTS contact person for the audit.

The audit team leader will contact the BCTS audit contact to discuss the audit process and to request the information required to conduct the audit.

**Planning for the Audit** Auditors need to determine what activities took place during the audit period, usually the previous one or two years. The team leader will ask for details about harvesting, roads and bridges, silviculture and protection activities, as well as relevant planning documents such as the forest stewardship plan and site plans. Auditors will compare the information provided with government systems to confirm what activities occurred.

Audit team members will select a sample of each type of activity that they will examine on the ground, with an emphasis on high-risk features. Most, if not all, TSL holders will have at least one activity selected for audit. For example, auditors may choose to examine half of the harvest sites on steep slopes and only 10 percent of the roads built on flat terrain with no stream crossings. If the level of activity on the licence is manageable, auditors may plan to examine everything (100 percent sample). Auditors may also review third-party certification information to assist with risk assessments and selecting samples.



**The Audit Team** The size of audit teams varies based on the level of activity. Members may be foresters, engineers, chartered professional accountants, or other professionals, and all have expertise in forest planning and practices. Some audits deal with issues that require the advice of specialists with expertise in subjects such as biology, archaeology, soils, terrain stability, recreation or entomology.

**Fieldwork** Fieldwork can range from a few days up to a week for larger operating units. Auditors will look at activities on the ground and sometimes from the air. Wherever possible, auditors prefer that a BCTS representative accompany them, although this is not required. That way everyone can discuss and agree upon what they see in the field.

Auditors examine cutblocks, streams, roads, culverts and bridges, and reserves among other things. They may decide to look at more sites or less depending on what they see. They determine if practices are consistent with the operational plan, FRPA and the Wildfire Act (see Appendix A for a link to these legal requirements). They also assess whether the practices are consistent with government's objectives for various forest resources, for example; biodiversity, soil conservation or water quality.

Once auditors complete the fieldwork, they meet separately with BCTS staff, and if required, with TSL holder(s) to discuss initial findings and obtain any additional information.

**Analysis** The audit team analyzes and interprets the information to determine whether the audited forest practices are in compliance with legal requirements and are achieving the desired outcomes. If required, the auditors will either meet or call the TSM and/or the TSL holders and discuss the potential findings. This is called an exit meeting. Auditors may seek more information during this stage.

**Reporting** Once the auditors have assessed the information gathered during the field audit, conducted their analysis and have completed an exit meeting, if required, they will prepare a draft report. BCTS staff and potentially affected TSL holders will get a chance to review the draft report and provide comments.

Once the draft report is ready and has been formally signed off by the Director of Audits, the Chair must decide if anyone might be adversely affected by the report. If so, they will provide that party with an opportunity to provide comments. This process is called making representations.

The Board, sometimes represented by the Chair or a panel of Board members, considers the draft report and any representations before making a final report. The Board may include a commentary and may also make recommendations. The final report is released to the auditee(s) first, and then to the public and government via the Board's website. The Board may follow up on recommendations by asking BCTS and/or TSL holder(s) to notify the Board of steps taken in response. If the response is inadequate, the Board can advise government or Cabinet to consider further action.

# The Board's “Top 5 Audit Findings” and what you can do to avoid them!

To provide BCTS staff and TSL holders an idea of what the Board finds during our audits, and some hints on how to avoid these issues, we have compiled a “Top 5 Audit Findings” list based on actual BCTS and TSL holder audit results since 2011. These are the most frequent findings.

## 5 – Natural Surface Drainage Patterns

Legislation requires licensees to maintain natural surface drainage patterns both during and after road construction and temporary access structure construction. This is usually done by using culverts, however, if temporary crossings (i.e., logs placed across the road) are used that do not maintain natural drainage patterns, they need to be removed by the end of construction, or before the next freshet, whichever is earlier.

In addition, natural surface drainage patterns must be maintained during harvesting, which requires the use and then removal of temporary access structures for skid trail crossings. Licensees must also ensure slash piles do not obstruct natural drainage patterns.

## 4 – Road Construction

The key requirement of FRPA with respect to road construction is to ensure the road is structurally sound and safe for use by industrial users. This requirement is more challenging to meet when constructing a road on steep grades so additional care is required, including following the engineered road design and recommendations.

Another common concern with respect to road construction is not maintaining natural surface drainage patterns as noted above.

## 3 – Fire Protection

The *Wildfire Act* requires that a person who carries out timber harvesting activities must minimize the risk of a fire starting and, when there is a risk of a fire starting, timber harvesting must be conducted according to applicable restrictions. An adequate fire suppression system must also be kept at the activity site. The Act also requires an adequate number of fire tools on site. Licensees are also required to monitor fire hazard conditions using representative weather stations, either installed on-site or using the most representative weather station monitored by the Fire Control Centre.

It is important for all licensees to ensure they are working only when it is safe to work and it is not enough to just have a fire suppression system on site; the system must be working and must be full of water!

In addition, the licensee must conduct a fire hazard assessment at prescribed intervals to determine if their activity has increased the risk of a fire, and if so, they must abate the hazard in a timely fashion. Upon request, assessments must be provided to an official. Hazard assessments are a legal requirement and need to be completed in a timely manner. Refer to our 2016 Board Bulletin for more information.



## 2 – Road and Bridge Maintenance

Several sections of FRPA establish requirements for road maintenance and state that the person responsible for a road or bridge must ensure that the road and structures are structurally sound and safe for industrial users, and that they are not adversely affecting a forest resource. This means that the person must take positive steps to “make certain” of these outcomes, including putting a system of checks and balances in place. It is important for all licensees to routinely inspect their roads and bridges, especially after major storm events, to ensure they are safe and are not causing environmental harm. It is also important to document these inspections to prove you are being duly diligent.

If a bridge inspection identifies a structural defect or deficiency, the licensee must either correct the defect or deficiency or close, remove or replace the bridge. If that isn’t done, the licensee must restrict traffic loads to a safe level and place a sign, on each bridge approach, stating the maximum load capacity of the bridge. Although it is not written in legislation, board auditors do not consider a pile of dirt that can be driven over an effective way to close a bridge. Our experience shows locked gates or a load of rip rap is required to block pickup access and show diligence, even though we know if someone really wants to cross a bridge, in many instances they will find a way.



## 1 – Bridge / Culvert Construction

Bridge planning, design and construction on resource roads are governed by legislation and are overseen, in most cases, by professional engineers and professional foresters. Legislation specifies certain requirements for the planning, design and construction of bridges that are aimed at ensuring bridges are safe for industrial users and that forest resources such as water, soil and fish are protected.

Lack of compliance with the legislated requirements for bridge construction has been a pervasive issue identified in compliance audits for the past several years and was highlighted in the Board’s March 2014 [\*Bridge Planning, Design and Construction Special Investigation\*](#), which assessed 216 bridges across five districts. The investigation found that a significant number of professionals and licensees were not following legislation and professional guidance when designing, installing and approving bridges used for forestry activities.

This issue seems to be prevalent across all licence types, including both BCTS and TSL holders.

In addition, in several audits, it has been noted that a licensee called a crossing structure a culvert rather than a bridge. Although a bridge is not defined in FRPA, it is an accepted engineering practice that any structure greater than six metres in length is considered a bridge. Regardless of whether it is a bridge or a culvert, the structure must be safe for industrial users. A safe bridge or culvert includes, but is not limited to, sufficient lashing, adequate abutments, safe alignment; both horizontal and vertical, and the use of appropriate height guard rails that are properly attached to the structure. If the structure is a bridge, then additional requirements must be met, including ensuring that the design and fabrication of the bridge meets or exceeds safety standards, preparing 'as-built' or record drawings of the bridge and retaining them until the licensee is no longer required to maintain the road.

Professional guidelines (see link in Appendix A) state that every bridge must have a coordinating registered professional (CRP) who takes overall responsibility for the coordination of all of the services required for the crossing project. The CRP must determine that suitable field reviews have been carried out in order to provide the necessary as-built/record drawings and, finally, must sign and seal a crossing assurance statement. The intent is that the assurance statement be finalized prior to vehicles using the bridge. All documentation must be retained and available for review.

As the licensee, it is your obligation to ensure that any bridges built under your licence are safe, and one way to help ensure that is to ensure your professional provides you with these three time sensitive documents regarding crossings:

1. A general arrangement drawing (GD) which defines the design to fit the ground.
2. An as-built or record drawing (AB) that details the final design as it was built, noting any changes to the original design.
3. A conformance assurance statement (CAS) which is the sign-off document that the bridge was constructed and completed to standard. The CAS must be signed by a PEng or RPF.

Although poorly built bridges may not be the most common audit finding, it is the most important because even one unsafe bridge is one too many! Due to the prevalence of this issue, in 2019, the Board will be conducting a [follow-up special investigation on bridges and wood box culverts](#).



*Poorly constructed, unsafe bridge.*

# Useful Links



Forest Practices Board – <http://www.bcfpb.ca>

Board's Bulletin #18: Fire Hazard Assessment

<https://www.bcfpb.ca/wp-content/uploads/2016/10/Volume-18-Fire-Hazard-Assessment.pdf>

Board's special investigation: Bridge Planning, Design and Construction

<https://www.bcfpb.ca/reports-publications/reports/bridge-planning-design-and-construction/>

Guidelines for Professional Services in the Forest Sector – Crossings

*(This is the document your professional should be referring to while building a bridge.)*

[https://www.for.gov.bc.ca/ftp/TSN/external/!publish/Contract\\_Opportunities/EN18TJE013/15\\_EN18TJE013%20Appendix%203%20APEGBC%20Crossing%20Guidelines.pdf](https://www.for.gov.bc.ca/ftp/TSN/external/!publish/Contract_Opportunities/EN18TJE013/15_EN18TJE013%20Appendix%203%20APEGBC%20Crossing%20Guidelines.pdf)

## Legislative Links

Legislation governing the Board and its work can be found at:

*Forest Act*

[http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/96157\\_00](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/96157_00)

*Forest and Range Practices Act*

[http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/00\\_02069\\_01](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_02069_01)

*Forest Planning and Practices Regulation*

[http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/14\\_2004](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/14_2004)

*Wildfire Act*

[http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/00\\_04031\\_01](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_04031_01)

*Wildfire Regulation*

[http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/11\\_38\\_2005](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/11_38_2005)





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