



Forest Practices Board

Audit of District Manager Obligations on Forest Service Roads

Campbell River Natural Resource District

FPB/ARC/239

December 2020

Table of Contents

Audit Results..... 1

 Introduction 1

 Background 1

 Audit Approach and Scope 3

 Planning and Practices Examined 3

Audit Opinion 6

Appendix 1: Forest Practices Board Compliance Audit Process 7

Audit Results

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 2020 compliance audit program, the Board chose three areas across the province to audit forest service roads (FSRs) where the district manager (DM) has statutory obligations. The Board randomly selected the Dawson Creek Timber Supply Area portion of the Peace Natural Resource District, the Campbell River Natural Resource District and the Okanagan Shuswap Natural Resource District for audit.

An FSR is defined under the *Forest Act* (Sec. 1).¹ Timber sale managers/DMs administer FSRs, and ensure that maintenance is carried out on them until the roads are either transferred to another jurisdiction or deactivated, discontinued and closed.

The FSRs that are solely the responsibility of the DM are not normally assessed in Board audits of forest companies or BC Timber Sales (BCTS).



This report explains what the Board audited and the findings for the Campbell River Natural Resource District (see map on page 2). Results for the other districts will be provided in separate audit reports. Detailed information about the Board's compliance audit process is in Appendix 1.

*Recreation Site in the Campbell River Natural Resource District.
FSRs are often used to access recreation sites.*

Background

The Campbell River Natural Resource District covers the middle of Vancouver Island and a portion of the mainland coast. The district contains areas on both the west and east coast of Vancouver Island, as

¹ *Forest Act* definition: "forest service road" means a road on Crown land that

- (a) is declared a forest service road under section 115 (5),
- (b) is constructed or maintained by the minister under section 121,
- (c) was a forest service road under this definition as it was immediately before the coming into force of this paragraph, or
- (d) meets prescribed requirements.

well as several islands. The mainland portion covers the area between Bute and Knight Inlets. The main communities are Comox, Courtenay and Campbell River on Vancouver Island.

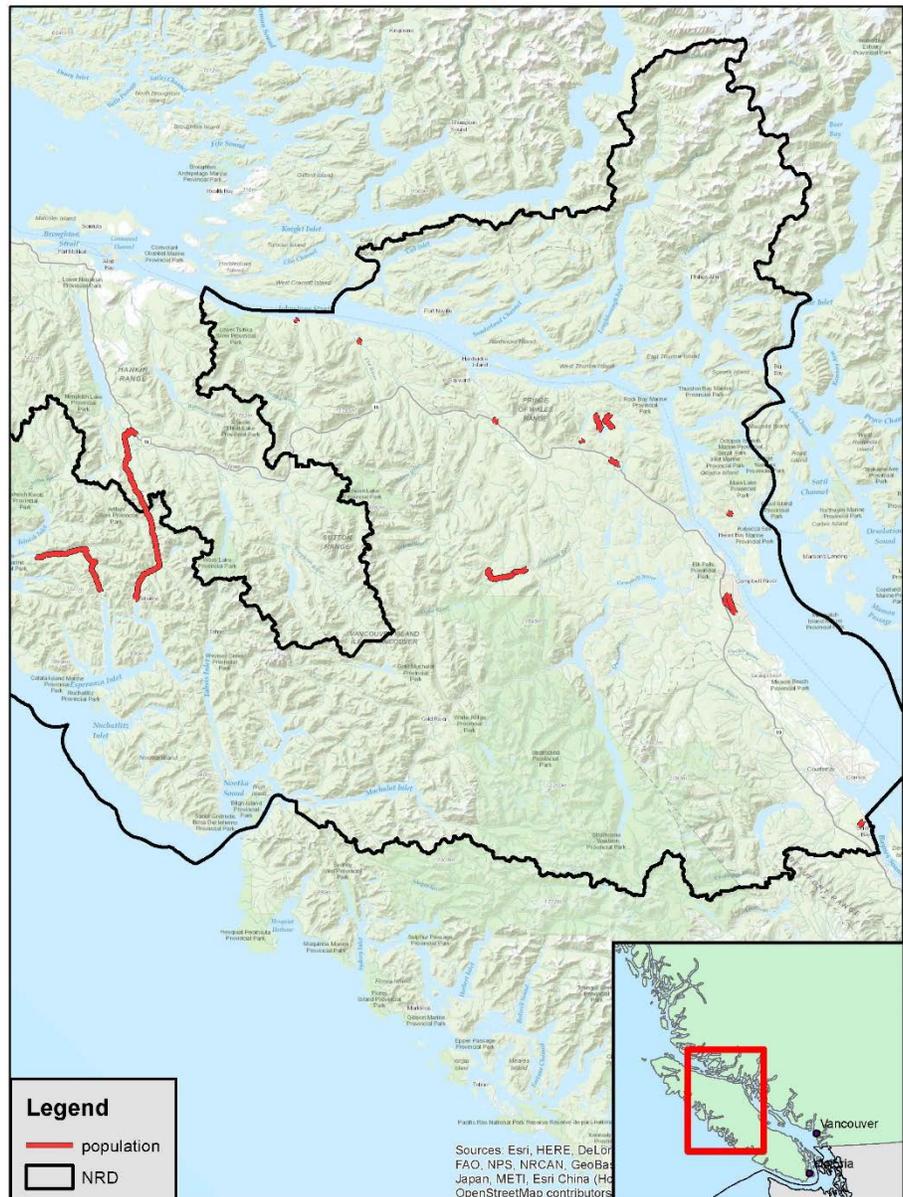
This audit took place within the traditional territories of the Kwakwaka'wakw, the Coast Salish and the Nuuchahnulth language speaking Peoples. The Forest Practices Board would like to recognize the importance of their historical relationship with the land that continues to this day.

The terrain is variable, as it covers rugged coastlines, mountains and river systems that support a wide variety of plants and animals. The area is known for its old-growth cedar forests and salmon rivers.

There are approximately 1447 kilometres of active FSRs in the Campbell River Natural Resource District. The DM is the maintainer² for 83.5 kilometres and the remaining 1363.5 kilometres are managed by BCTS or are under road use permits³ (RUPs) held by forest licensees.

Just over 60 of the 83.5 kilometres access the small communities of Fair Harbour and Zeballos on the west coast of Vancouver Island. The remainder of the roads are wilderness⁴ FSRs

Map of Audit Area



* A portion of the Zeballos road is located outside the Campbell River Natural Resource District but is managed by the Campbell River District Manager and was included in the audit.

² The DM designates one party to be responsible for maintaining a FSR. There is only one maintainer for a section or entire length of FSR. If the district manager has not designated another party responsible for maintenance, the DM is responsible for maintenance.

³ A road use permit is a government document that authorizes a party to use a FSR. There may be several RUPs on a section of FSR but one party is designated maintenance responsibilities for that section.

⁴ Wilderness roads are roads not being used for industrial purposes. On these wilderness FSRs, the DM is responsible for maintaining the structural integrity of the road prism and clearing width, and ensuring the drainage systems of the road are functional.

Audit Approach and Scope

This is a limited scope compliance audit that examined FSRs, including major structures,⁵ where the DM was responsible for all statutory obligations, including construction, maintenance and deactivation. All activities carried out between June 1, 2018, and October 22, 2020, where the DM was the maintainer on FSRs in the Campbell River Natural Resource District, were subject to audit.

Auditors assessed activities for compliance with FRPA, the *Wildfire Act*, and applicable regulations. Auditors' work included interviewing district staff, reviewing administrative records and conducting site visits. Sites were accessed by truck and by ferry. One forest professional, one professional forester/ geoscientist and a chartered professional accountant made up the audit team. The audit team was in the field from October 19 to 22, 2020.

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 audited and the findings.

Administration

The DM annually enters into a memorandum of understanding with BCTS, which assigns maintenance responsibilities for sections of FSRs to BCTS. The DM also maintains a ledger to track sections of FSRs under road use permit and the user responsible for maintaining each section. This assists the DM to clearly identify the remaining FSR road sections, which the DM is responsible for maintaining.

In general, the DM is responsible for those FSRs that are not currently being used for industrial purposes, but are important to remain active for other purposes. The Ministry prioritizes non-industrial purposes for maintaining roads in active state in this order: 1) community access, 2) rural residence access, 3) high value recreation site access, and 4) other legislative requirements.

The DM assigns a qualitative risk rating for each FSR section, and the risk rating determines the inspection⁶ schedule. Stream-crossing structures are inspected separately by the Ministry's Engineering Branch, Coast Engineering Group. All FSR and associated major structure inspections were completed as scheduled.

⁵ Major structures include 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.
- A major culvert has a pipe diameter of 2 metres or greater or a pipe arch or an open bottom arch with a span greater than 2.13 metres.

⁶ Road inspections are usually completed by district staff and crossing inspections are completed by regional engineering staff. .

Road and Major Structure Construction, Maintenance and Deactivation

Road and Major Structure Construction

There was no FSR road construction during the audit period. Capital works were undertaken on the Zeballos FSR and were considered part of road maintenance.

There was one new bridge constructed on the Fair Harbour FSR. It was a joint project between Fisheries and Oceans Canada and local First Nations to enhance salmon rearing habitat by replacing a major structure with a bridge on a causeway through an estuary.

Auditors did not identify any issues with bridge construction and the required documentation was completed.



Bridge constructed on Fair Harbour FSR for salmon habitat enhancement.

Road and Major Structure Maintenance

During the audit period, the DM maintained 83.5 kilometres of FSR, including 56 major structures. Auditors assessed 82 kilometres of FSR and 55 structures.

A unique feature of this audit was that approximately eight kilometres of the maintained FSRs are part of the walking trails on the Beaver Lodge Lands in Campbell River. Auditors walked six of the eight kilometres.

Auditors reviewed road and bridge inspections while in the field and found that identified action items were completed and that inspection notes matched conditions in the field.

Road prisms were stable, all of the culverts examined were functional and natural drainage patterns were maintained. FSRs had the appropriate signage. Auditors found no issues with FSR and major structure maintenance.

Road and Major Structure Deactivation

The DM worked with First Nations and local users on an access plan that allowed for the deactivation of 10 kilometres on the Menzies mainline. This section of the road posed a high risk of adverse impacts to the Salmon River, due to its location through steep slopes overlain with deep, fine grained till directly above the channel. Auditors assessed 2 kilometres of the deactivation.

The DM had a qualified professional create a deactivation plan and the plan was implemented as designed.



Photo of high-risk section of road that was deactivated.

Auditors did not identify any issues with road deactivation.

There were no bridges removed within the audit period. Removal of the bridges and major structures on the road section described above happened before the audit.

Wildfire Protection

There were no active sites at the time of the field audit, so fire preparedness could not be assessed. In addition, no hazard assessments or abatement were required during the audit period. Therefore, there are no findings for wildfire protection.

Audit Opinion

In my opinion, the forest service road and major crossing construction, maintenance and deactivation practices carried out by the Campbell River Natural Resource district manager between June 1, 2018, and October 22, 2020, complied in all significant respects with the requirements of the *Forest and Range Practices Act* and related regulations, as of October 2020. No opinion is provided regarding the *Wildfire Act*.

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 *Wildfire Act*.



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

Victoria, British Columbia
December 4, 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.



**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