

# FORESTRY AUDIT: BC TIMBER SALES & TIMBER SALE LICENCE HOLDERS

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## Cariboo-Chilcotin Business Area

FEBRUARY 2023  
FPB/ARC/255



**Forest  
Practices  
Board**

BC'S INDEPENDENT  
WATCHDOG FOR  
SOUND FOREST &  
RANGE PRACTICES

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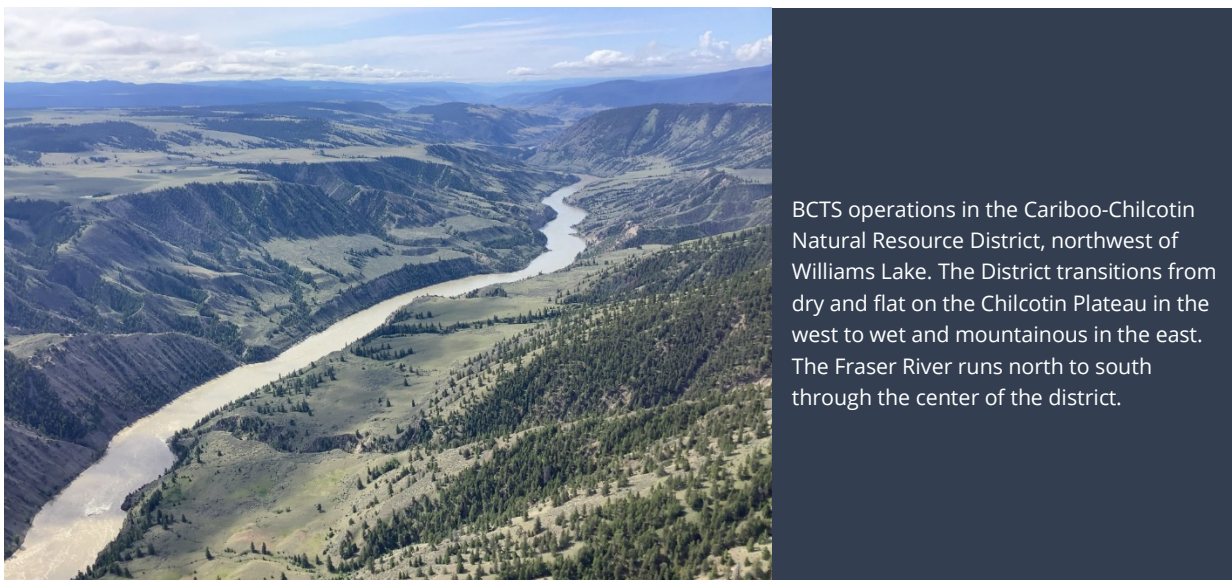
# Audit Results

## 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 the 2022 Forest Practices Board audit program, the Board randomly selected the BC Timber Sales' (BCTS) Cariboo-Chilcotin Business Area for audit.

This report explains what the Board audited and the results. Appendix 1 provides detailed information about the Board's compliance audit process.



BCTS operations in the Cariboo-Chilcotin Natural Resource District, northwest of Williams Lake. The District transitions from dry and flat on the Chilcotin Plateau in the west to wet and mountainous in the east. The Fraser River runs north to south through the center of the district.

## Background

The BCTS Cariboo-Chilcotin Business Area includes the Quesnel Natural Resource District and the Cariboo-Chilcotin Natural Resource District. Only the operations in the Cariboo-Chilcotin Natural Resource District were subject to audit.

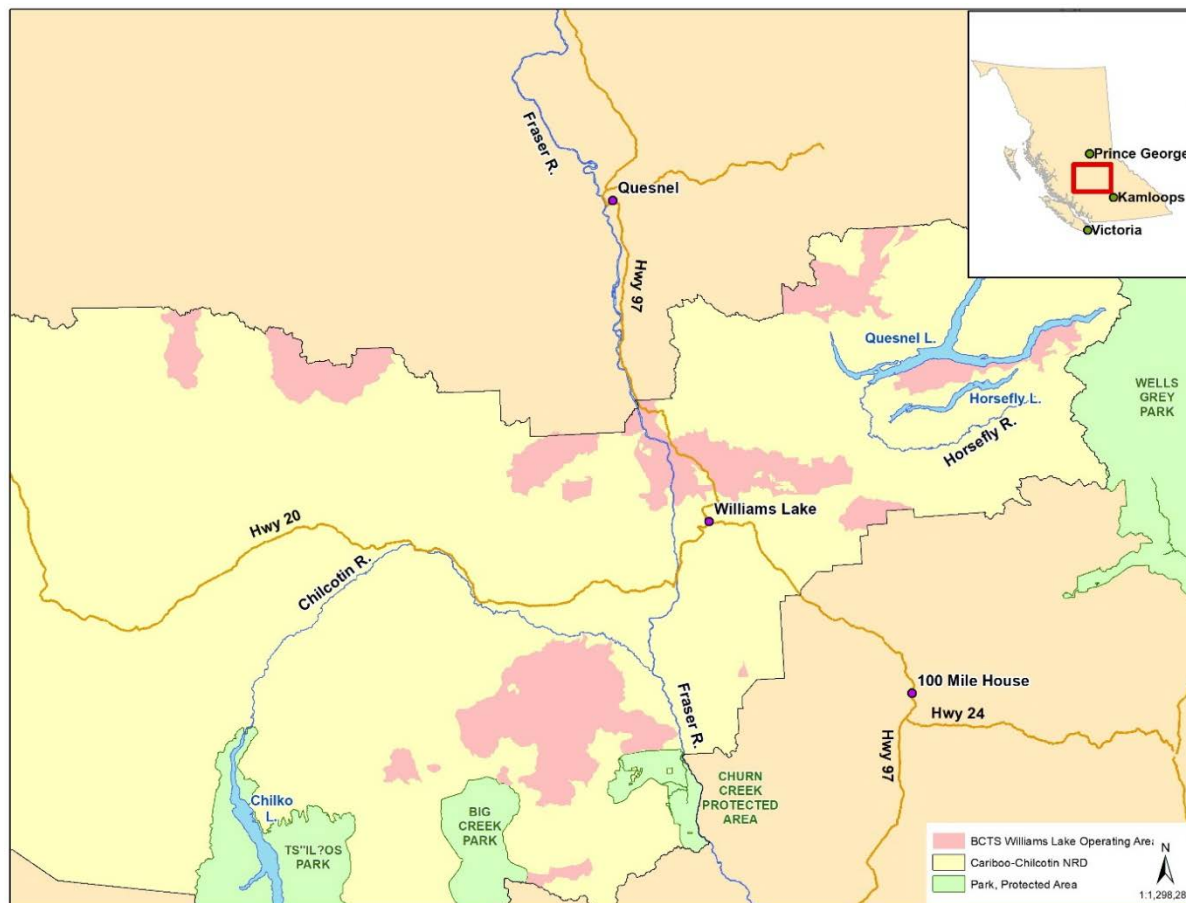
This audit took place within the traditional territories of the Secwepemc and Tsilhqot'in First Nations, and nations that comprise the Southern Dakh Nation Alliance. The Forest Practices Board recognizes the importance of their historical relationship with the land that continues to this day.

The Cariboo-Chilcotin Natural Resource District is bordered by the Coast Range to the west and the Cariboo Mountains to the east. The Fraser River runs north to south through the centre of the District. The western part of the District is on the Chilcotin plateau with drier forest types. The eastern portion of the District contains interior rain forests and montane forest types. The main communities within the District include Williams Lake, Anahim Lake, Tatla Lake, Alexis Creek, and Horsefly.

BCTS's operating areas are dispersed throughout the District, representing the broad range of topographic and climatic variation found within the District. BCTS has an annual allowable cut of 600,000 cubic metres. During the one-year audit period, timber sale licence (TSL) holders harvested about 250,000 cubic metres.

BCTS's field team for the Cariboo-Chilcotin Natural Resource District is based in Williams Lake, where staff prepare operational plans, auction timber sales, and issue timber sale licences and road permits. BCTS awards the successful bidder at each auction a TSL authorizing the holder to harvest the auctioned timber. The TSL holder, in turn, is responsible for fulfilling timber harvesting and roadwork obligations associated with the licence, permit and operational plan.

### Map of the Audit Area



## Audit Approach and Scope

This was a full scope compliance audit with a one-year timeframe. All activities that BCTS and TSL holders carried out between June 1, 2021, and June 3, 2022, were subject to audit.

BCTS is responsible for operational planning, including preparing forest stewardship plans (FSP)<sup>i</sup> and site plans, silviculture activities, major structure<sup>1</sup> maintenance, construction and deactivation, and most road construction, maintenance and deactivation outside of cutblocks.

TSL holders are responsible for timber harvesting, wildfire protection, and most road construction, maintenance and deactivation within cutblocks.

Auditors assessed these activities for compliance with FRPA, the *Wildfire Act*, applicable regulations and legal orders. Auditor's work included interviewing BCTS staff, reviewing the FSP and site plans, assessing silviculture records and conducting site visits with BCTS staff to review field practices. Sites were accessed by truck and by helicopter. Three

<sup>1</sup> Major structure includes 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.
- Major culvert has a pipe diameter of 2 metres or greater or a bottom arch with a span greater than 2.13 metres.

forest professionals, one professional forester/geoscientist, and one professional forester/agrologist made up the audit team. The audit team was in the field from May 30 to June 3, 2022.

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

### BCTS Responsibilities

#### Operational Planning

BCTS's FSPs must follow and comply with objectives and targets contained in legislation and land use orders. The *Cariboo-Chilcotin Land Use Plan* (CCLUP) was originally established in 1994 and was given legal effect by order in 1996, declaring it a higher-level plan. A land use order to, in part, clarify aspects of the CCLUP was originally approved in 2010 and has since been amended four times, most recently in 2018. The order sets the legal direction for forestry activities under FRPA with respect to key resource values including biodiversity, wildlife, riparian and recreation.

The forestry activities under audit were planned under two FSPs, due to the time lag of planning TSL packages, auctioning the TSLs, and commencing activities. Some activities were planned under an FSP approved in 2012, and others were planned under the current FSP, approved in 2020. Auditors examined both FSPs and the stand-level site plans to ensure they met legal requirements. Auditors also compared site plans with site conditions during harvesting, road and silviculture field sampling to ensure that they accurately identified site conditions.

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

BCTS constructed and maintained roads during the audit period. The bridge and major culvert maintenance population includes 52 bridges, 6 pipe arches and 1 major culvert. There was no road deactivation, or bridge or major culvert removal during the audit period.

TABLE 1. Population and Sample for Road and Structures

ACTIVITY	POPULATION	SAMPLE
	(Kilometres)	(Kilometres)
Road Construction (FSR)	11.7	11.7
Road Maintenance (FSR)	1114.8	322.6
	(Structures)	(Structures)
Bridge Construction	1	1
Bridge & Major Culvert Maintenance	59	26

#### Silviculture Obligations and Activities

BCTS conducted planting and brushing activities, and had regeneration and free-growing obligations during the audit period.

TABLE 2. Population and Sample for Silviculture Activities and Obligations

OBLIGATIONS AND ACTIVITIES	POPULATION	SAMPLE
	(Cutblocks)	(Cutblocks)
Site Preparation	5	3
Planting	45	9
Brushing (mistletoe slashing)	3	1
Regeneration Obligations (due or declared)	40	6
Free-growing Obligations (due or declared)	171	87

## Timber Sale Licensee Responsibilities

### Timber Harvesting

During the audit period, 21 TSL holders harvested 78 cutblocks in 23 TSLs, totaling 4033 hectares. Auditors examined harvesting in 31 cutblocks in 17 TSLs, totaling 2104 hectares.

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

During the audit period, TSL holders constructed and maintained roads, but did not deactivate roads, nor construct, maintain or deactivate any bridges or major culverts.

**TABLE 3.** Population and Sample for Road and Major Structure Activities

ACTIVITY	POPULATION	SAMPLE
Road Construction (km)	153.5	77.5
Road Maintenance (km)	393.3	55.1

### Wildfire Protection

Auditors examined fire hazard assessment and abatement practices and wildfire preparedness as part of the harvest sampling. There were no active work sites at the time of the field audit.

**TABLE 4.** Population and Sample of Wildfire Protection Activities

ACTIVITY	POPULATION	SAMPLE
	(Cutblocks)	(Cutblocks)
Fire Hazard Assessment	65	65
Fire Hazard Abatement	67	8

## Findings

Findings are separated by the party responsible – BCTS and TSL holders – and are described in the sections below.

The audit found that BCTS's planning and practices complied with FRPA and the *Wildfire Act* as of June 2022.

The audit found that timber sale licensees' practices complied with FRPA and parts of the *Wildfire Act* as of June 2022, but licensees' practices for fire hazard assessments require improvement.

## BCTS Responsibilities

### Operational Planning

BCTS operates under an FSP approved in 2020, but some activities were planned under the previous FSP, approved in 2012. Both FSPs appropriately incorporated and addressed the legal orders that apply to forest practices in the audit area. BCTS maintained accurate documentation of planning and operational activities. The files were accessible and complete. Site plans were consistent with the FSPs and addressed site-specific resources by accurately identifying and prescribing practices for resource values and features such as wildlife tree retention, riparian, wildlife and soils.

BCTS completed assessments at the landscape and operational (cutblock) levels where required. BCTS did not plan or conduct harvesting and road construction within reserves for wildlife habitat or ungulate winter range. Where applicable, necessary exemptions were in place and wildlife assessments were completed. Wildlife tree patch (WTP) retention targets were met or exceeded in all cutblocks.

Auditors found no issues with operational planning.



## Road and Major Structure Construction, Maintenance and Deactivation

### *Construction*

BCTS constructed roads according to plans in both the steeper eastern portion of the district and in the flatter Chilcotin Plateau west of the Fraser River. These newly constructed roads maintained natural drainage patterns and were structurally sound and safe for industrial use.

Auditors did not identify any administrative or operational issues with the one new bridge sampled. All documentation was complete (e.g., general arrangement designs, structural drawings, fabrication drawings, record drawings and construction assurance statements), accurate and compliant with legislation. The bridge reviewed in the field was well-constructed and safe for industrial use.

### *Maintenance*

Most of the roads BCTS is responsible for maintaining are considered wilderness roads.<sup>2</sup> Auditors reviewed roads primarily from the air. BCTS adequately maintained the roads to protect the structural integrity of the road prism. All of the culverts examined were functional, maintaining natural drainage patterns. Numerous road sections are old, overgrown and inaccessible by vehicle. Auditors did not observe any failures within these road prisms. Active roads were safe for industrial traffic, culverts and ditch lines were functional and natural drainage patterns were maintained.

BCTS works in conjunction with the Ministry of Forests' Southern Engineering Group<sup>3</sup> to complete major structure maintenance and inspections. BCTS adequately maintained bridges and culverts, posted load ratings for bridges and blocked them where applicable. Pipe arches and culverts assessed were functional.

### *Deactivation*

No roads or crossing structures were deactivated in the audit period.

Auditors had no concerns with road and major structure construction, maintenance and deactivation.

## Silviculture Activities and Obligations

BCTS planted cutblocks with suitable tree species and stock within the required timeframes. Cutblocks contained the range of healthy, well-spaced, acceptable trees necessary to meet free-growing requirements within the required periods. Annual reporting requirements are being met.

Auditors had no concerns with silviculture activities and obligations.

## Timber Sale Licensee Responsibilities

### Harvesting

TSL holders' harvesting followed the site plans, which were tailored to comply with legislation.

TSL holders used ground-based harvest systems and maintained natural drainage patterns when constructing temporary access structures such as skid trails. Trees were retained in accordance with plans. Harvest equipment stayed out of machine-free zones and there was minimal disturbance to vegetation adjacent to streams. Soil disturbance was compliant with the regulation.<sup>4</sup>

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<sup>2</sup> Wilderness roads are roads not being used for industrial purposes. On these wilderness roads, BCTS is responsible for maintaining the structural integrity of the road prism and clearing width, and ensuring the drainage systems of the road are functional to the extent necessary to ensure there is no material adverse effect on a forest resource.

The Southern Engineering Group is part of the Ministry of Forests, and keeps records and inspects all government forest service roads and associated structures.

<sup>4</sup> See section 35 of FPPR "Soil disturbance limits".

## Road and Major Structure Construction, Maintenance and Deactivation

TSL holders are responsible for in-block roads and road sections connecting to forest service roads.

### *Construction*

Road construction was well done. All of the sampled TSL road construction was located on gentle terrain, where conventional balanced bench construction could occur. Auditors had no concerns with roads constructed by TSL holders.

During the audit period, no TSL holder constructed a bridge.

### *Maintenance*

TSL holders adequately maintained roads to ensure the structural integrity of the road prism. The roads assessed were safe for industrial use, culverts and ditch lines were functional, and natural drainage patterns were maintained.

TSL holders seasonally deactivated in-block roads by removing culverts and maintaining natural drainage.

### *Deactivation*

No TSL holders removed or deactivated any crossing structures during the audit period.

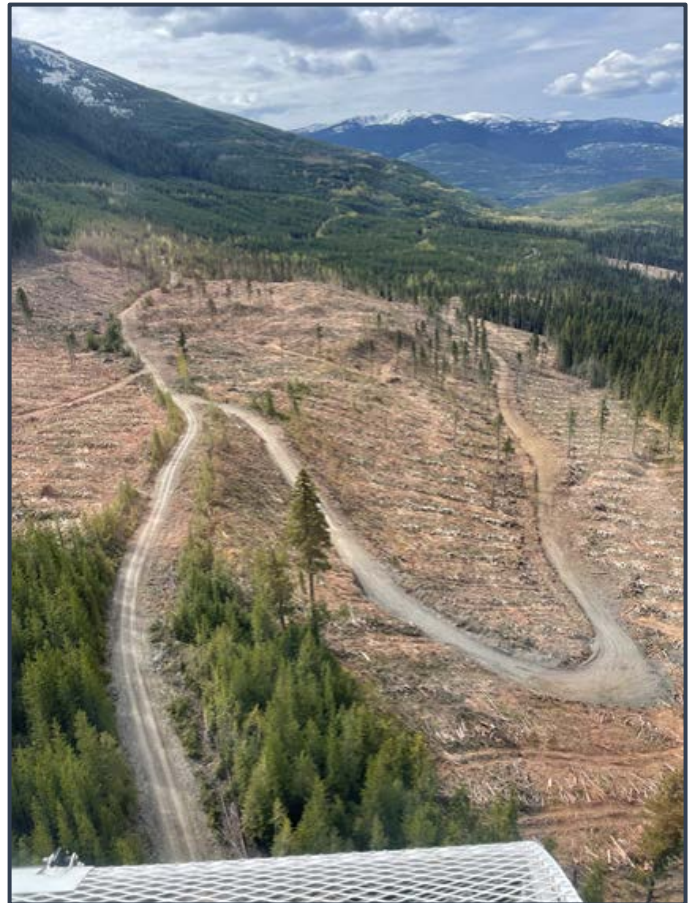
## Wildfire Protection

Auditors evaluate active cutblocks in the harvest audit sample for compliance with the *Wildfire Act*. However, there were no active harvest activities during the field week, so fire preparedness could not be audited.

The *Wildfire Regulation*<sup>ii</sup> sets out the intervals licensees are required to assess a fire hazard when carrying out an industrial activity like timber harvesting, including an assessment of the fuel hazard and the associated risk of a fire starting or spreading. Furthermore, the licensee must provide a copy of a fire hazard assessment to an official when requested. If the assessment identifies a hazard, it must be abated.

Auditors found that timber sale licensees effectively abated fire hazards within the required timeframe. However, only four cutblocks had fire hazard assessments completed within the required timeframes, out of the 65 cutblocks that required assessments. A hazard assessment is a requirement to determine if harvesting has created a fire hazard. If a hazard is identified and abated in a timely fashion, it shows diligence in managing wildfire risk.

Most of the timber sale licensees could not demonstrate that they have been diligent in assessing the hazard, which is a non-compliance with legislation. This non-compliance is not considered significant since fire hazards are being abated effectively and promptly. As a result, the audit considers this non-compliance to be an area requiring improvement.



Harvest sample cutblock



# Audit Opinion

In my opinion, the operational planning, timber harvesting, road construction, maintenance and deactivation, silviculture, and fire protection activities carried out by BC Timber Sales and its TSL holders in the Cariboo-Chilcotin Natural Resource District portion of the Cariboo-Chilcotin Business Area, between June 1, 2021, and June 3, 2022, complied in all significant respects with the requirements of the *Forest and Range Practices Act*, the *Wildfire Act* and related regulations, as of June 2022.

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 related to fire hazard assessments.

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*.



Daryl Spencer, RPF  
Auditor of Record

Kelowna, British Columbia  
February 8, 2023

# Appendix 1:

## Forest Practices Board's Compliance Audit Process

### Background

The Forest Practices Board conducts periodic audits of government and licensees to determine compliance with Parts 2 to 5 of the *Forest and Range Practices Act* (FRPA), and Parts 1 and 2 of the *Wildfire Act*, and associated regulations and standards.

#### Selection of Auditees

The number, type and scope of audits to be conducted each year are established by the Director of Audits in accordance with the Board's strategic priorities and budget. Once a licence has been audited, it is removed from the audit selection pool for five years.

The Board randomly selects districts or timber supply areas (TSAs) from each of the three natural resource areas of BC (North, South and Coast). The auditors then review the forest resources, geographic features, activities and operating conditions in the district or TSA selected, as well as past Board audits in that district or TSA. These factors are considered in conjunction with the Board's operational and strategic priorities and the type of audit is determined. At this stage, the Board chooses the auditee(s) that best suits the selected risk and priorities. This is considered a qualified random approach of selection.

In addition, each year, the Board randomly selects 2 of the 31 BCTS field units for audit.

### Audit Standards

The audits are conducted in accordance with auditing standards developed by the Board and described in the Board's *Compliance Audit Reference Manual*. The standards are based on Canadian generally accepted auditing standards and relevant ethical requirements. This includes those pertaining to independence, as published by the Chartered Professional Accountants of Canada, and consistent with the *Canadian Standards on Assurance Engagements* (CSAE) 3001, the *Conformity assessment – Requirements for bodies providing audit and certification of management systems* (ISO 17021-1:2011), and the CPA *Code of Professional Conduct* (CPABC Code – June 2015).

### Audit Process

#### Conducting the Audit

Once the Board selects an operation (licence or BCTS field unit) for audit, the next step is to determine the scope of the audit (timeframe, activities). For the timeframe, the Board normally examines activities that took place over a two-year time period up to the start of the audit field work (i.e., looking back two years). This is referred to as the audit period.

For a full-scope compliance audit, all activities carried out during the audit period are identified, which may include harvest, silviculture, fire protection and road related activities. These activities form the population.

From the population, the auditors select a sample of each activity to examine in the field. Generally, auditors will concentrate sampling on the areas of the auditee's operations where the risk of impacts to forest resources is

deemed to be high. This is called the *inherent risk*. It can be a function of site conditions, natural circumstances, and the particular forest or range practices involved. Proportionally more sampling occurs where the inherent risk is high because the higher the risk, the higher the likelihood of a significant non-compliance or failure to achieve specified results.

For smaller audits, the sample will include the full population. Auditors also consider factors such as geographic distribution and values potentially affected by activities to ensure an adequate sample size.

Auditors' work includes interviewing licensee staff, reviewing the auditee's applicable plans, and reviewing applicable legal orders, observations, inspections, and assessments 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 practice that complies with FRPA or the *Wildfire Act*, but may adversely affect a forest resource.

***Areas Requiring Improvement (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. 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 responsible Minister(s).

## Reporting

Based on the above evaluation, the auditor then prepares a draft audit report. The auditor provides the party being audited with a copy of the draft report for review and comment before it is submitted to the Board.

The Board reviews the draft report and may make recommendations and/ or a commentary on the audit findings. The Board must, prior to publishing a report or recommendation, consider whether or not it may adversely affect a party or person. The Board must give any affected party or person the opportunity to review, rebut or clarify the information before the Board publishes its report. The final report is released; first to the auditee and then to the public and government seven days later.

## ENDNOTES

<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 FSPs, BCTS is required to identify results and/or strategies consistent with government objectives for values such as water, wildlife and soils. These results and strategies must be measurable and once approved are subject to government enforcement. FSPs identify areas within which road construction and harvesting will occur but are not required to show the specific locations of future roads and cut blocks. FSPs can have a term of up to five years.

<sup>ii</sup> Hazard assessment

- 11 (1) For the purposes of section 7 of the Act,
- (a) each of the following is a prescribed activity under subsections (1) and (2) of that section:
    - (i) operating a waste disposal site;
    - (ii) operating a dry land sort;
    - (iii) operating a camp associated with an industrial activity, and
  - (b) each of the following is a prescribed circumstance under subsection (1) of that section:
    - (i) an industrial activity or an activity prescribed under paragraph (a) of subsection (1) creates or increases a fire hazard or is likely to do so;
    - (ii) an official notifies a person carrying out an industrial activity or an activity prescribed under paragraph (a) of subsection (1) that a fire hazard exists at the site of the activity or operation.
- (2) Subject to subsection (3.1) of this section, the prescribed intervals, at which persons described in section 7(1) of the Act must conduct fire hazard assessments, are
- (a) 3 month intervals during the period in which the persons are carrying on the industrial activity or the prescribed activity in an area inside, or within 2 km of, the boundaries of
    - (i) a local government under paragraphs (d) to (f) of the definition of "local government" in section 1 of the Act, or
    - (ii) a fire protection district in a regional district, and
  - (b) the shorter interval between the most recent 3 month interval and the date on which the activity ceases for an expected period of 3 months or more.
- (3) Subject to subsection (3.1) of this section, the prescribed intervals, at which persons described in section 7(1) of the Act must conduct fire hazard assessments, are
- (a) 6 month intervals during the period during which the persons, in any area other than the area described in subsection (2), are carrying on the industrial activity or the prescribed activity, and
  - (b) the shorter interval between the most recent 6 month interval and the date on which the activity ceases for an expected period of 6 months or more.
- (3.1) The prescribed intervals, at which a person described in section 7(1) of the Act who is a qualified holder must conduct fire hazard assessments, are the intervals
- (a) set out in subsection (2) or (3) of this section, as applicable, or
  - (b) specified by a professional forester or a registered forest technologist.
- (4) A person required to conduct a fire hazard assessment under section 7(1) of the Act must
- (a) ensure that the fire hazard assessment includes an assessment of the fuel hazard and its associated risk of a fire starting or spreading, and
  - (b) provide a copy of the fire hazard assessment when requested to do so by an official.
- (5) A person referred to in section 7(1) of the Act is exempt from section 7(1) of the Act in respect of an area if a person referred to in section 7(2.1) of the Act is required to abate fire hazards in respect of that area.



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