

AUDIT OF FOREST PLANNING AND PRACTICES

Lake Babine Nation Forestry Ltd.
First Nations Woodland Licence N21

FEBRUARY 2023
FPB/ARC/256



**Forest
Practices
Board**

BC'S INDEPENDENT
WATCHDOG FOR
SOUND FOREST &
RANGE PRACTICES

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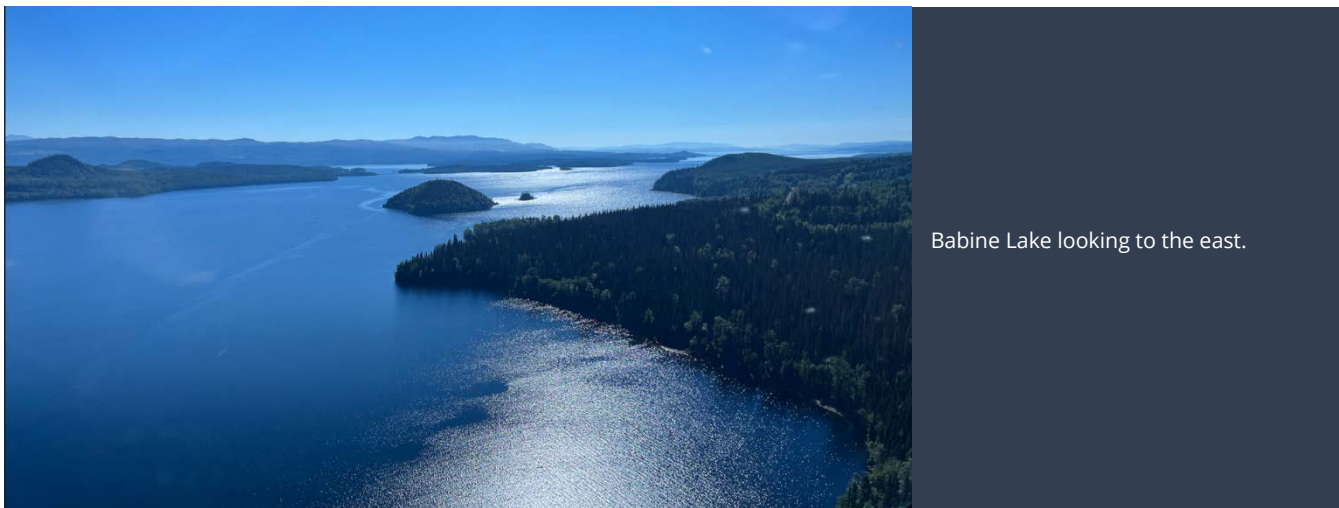
Audit Results

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 Nadina Natural Resource District and within the district, it selected First Nations Woodland licence (FNWL) N2I held by Lake Babine Nation Forestry Ltd. (LBNF) for audit.

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



Babine Lake looking to the east.

Background

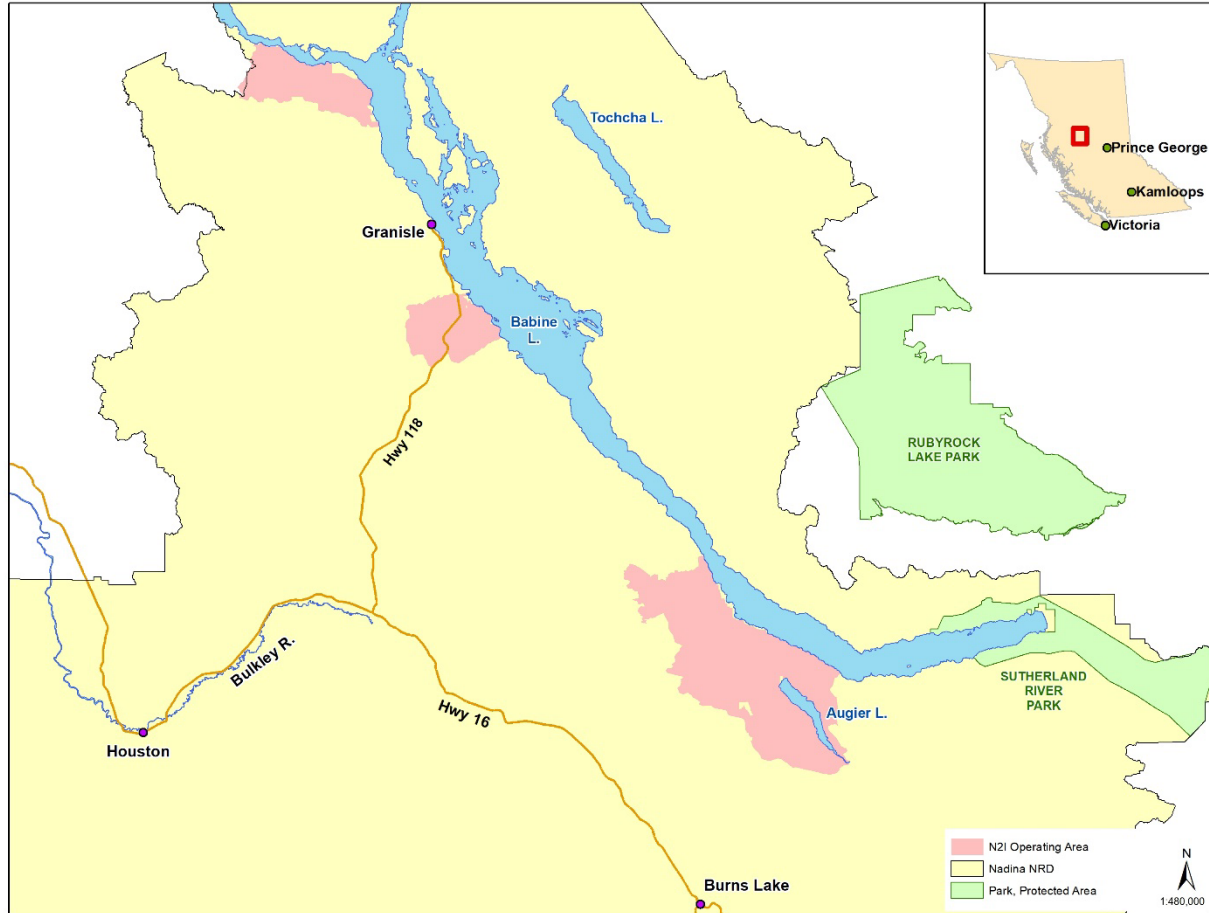
The Nadina Natural Resource District is on the western edge of the Central Interior Plateau. The landscape consists of rolling hills with numerous lakes. The forests are mainly composed of interior spruce, lodgepole pine, and sub-alpine fir. The main community is Burns Lake, which is approximately 200 kilometres west of Prince George.

This audit took place within the territory of the Lake Babine Nation. The Forest Practices Board recognizes their deep connection with the land that continues to this day.

FNWL N2I is located north of Burns Lake and has three separate operating areas on the west side of Babine Lake, the longest natural lake in BC.

The licence covers 36 500 hectares and has an allowable annual cut of about 74 000 cubic metres. It is unique among First Nations woodland licences in that it extends through two timber supply areas—the Morice and Lakes timber supply areas.

Map of the Audit Area



Audit Approach and Scope

This was a full scope compliance audit with a two-year timeframe. All activities carried out by LBNF between August 1, 2020, and August 9, 2022, were subject to audit. The activities included timber harvesting, construction, maintenance and deactivation of roads and major structures,¹ silviculture, wildfire protection and associated planning.

Auditors assessed these activities for compliance with FRPA, the *Wildfire Act*, applicable regulations and legal orders. Auditor's work included interviewing LBNF staff, reviewing the forest stewardship plan¹ (FSP) and site plans, assessing silviculture records and conducting site visits with LBNF staff to review field practices. Two forest professionals and one forest professional/geoscientist made up the audit team. The audit team was in the field on August 8 and 9, 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*.

¹ Major structure includes 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.
- Major culvert has a pipe diameter of 2 metres or greater or is a pipe or open bottom arch with a span greater than 2.13 metres.

Planning and Practices Examined

Operational Planning

LBNF planned its activities under an approved FSP. Auditors examined the FSP for consistency with legal requirements, including the Lakes North Sustainable Resource Management Plan, which specifies government objectives for mature and old forest seral targets, landscape connectivity corridors, ungulate winter range for moose and visual quality objectives. Auditors also reviewed LBNF's site plans during field sampling for harvesting, road and silviculture activities to ensure that they accurately identified site conditions.

Timber Harvesting

LBNF harvested 25 cutblocks during the audit period and 14 cutblocks were part of the audit sample.

Road and Major Structure Construction, Maintenance and Deactivation

LBNF constructed and maintained roads and bridges during the audit period. Two bridges were also deactivated during the audit period. There was no road deactivation during the audit period.

TABLE 1. Population and Sample for Road and Major Structures

ACTIVITY	POPULATION	SAMPLE
	(Kilometres)	(Kilometres)
Road Construction	41.7	24.9
Road Maintenance	74.7	55.4
	(Structures)	(Structures)
Bridge & Major Culvert Construction	2	2
Bridge & Major Culvert Maintenance	1	1
Bridge & Major Culvert Removed	2	2

Silviculture Activities and Obligations

LBNF planted seedlings and had regeneration obligations during the audit period.

TABLE 2. Population and Sample for Silviculture Activities and Obligations

ACTIVITIES AND OBLIGATIONS	POPULATION	SAMPLE
	(Cutblocks)	(Cutblocks)
Planting	37	13
Regeneration Obligations (due or declared)	12	2

Wildfire Protection

Auditors examined fire hazard assessment and abatement activities. There were no active operations during the audit field work and, therefore, fire preparedness requirements were not examined.

TABLE 3. Population and Sample of Wildfire Protection Activities

ACTIVITY	POPULATION	SAMPLE
	(Cutblocks)	(Cutblocks)
Fire Hazard Assessment	3	3
Fire Hazard Abatement	12	7

Findings

The audit found that LBNF's planning and practices complied with FRPA and the *Wildfire Act* as of August 2022. Details are provided below.

Operational Planning

LBNF's planning was consistent with the FSP and legal requirements, including government orders. LBNF addressed site specific resources in the site plans by accurately identifying and prescribing practices for resource features, including streams and wetlands, wildlife habitat and visual quality objectives.

Auditors had no concerns with operational planning.

Timber Harvesting

Auditors examined 14 cutblocks in the field.

LBNF accurately identified and appropriately managed riparian features. Soil disturbance was within limits specified in site plans and natural drainage patterns were maintained. Designated wildlife tree patches were retained in the cutblocks, as well as dispersed deciduous trees. All of the sample cutblocks were located in areas with an established visual quality objective. Auditors reviewed visual impact assessments and determined the VIAs met the visual resource management standards. In the field, auditors determined that harvesting met the visual quality objectives.

Auditors had no concerns with harvesting.

Road and Major Structure Construction, Maintenance and Deactivation

Road Construction

Auditors found that new roads were constructed according to plans, and natural drainage patterns were maintained. New roads posed little to no risk of harm to forest resources.

Auditors had no concerns with the new roads constructed.

Road Maintenance

Auditors found road maintenance was well done. LBNF told the auditors that deactivating and rehabilitating roads is a management priority. Of note, FPPR s. 82 (1) defines "deactivation"ⁱⁱ and anything short of the full definition is considered "maintenance." Auditors saw several examples of roads where LBNF removed drainage structures and revegetated the road prism. These are proactive measures to reduce erosion and can minimize the impacts to the environment.

Auditors had no concerns with road maintenance.

Bridge and Major Culvert Construction and Deactivation

LBNF constructed two bridges and then removed the bridges within the audit period. Auditors reviewed the documentation and crossing sites and found no issues.

Bridge and Major Culvert Maintenance

LBNF had maintenance obligations for one bridge in the northern portion of the tenure area.

Auditors observed the bridge and had no concerns with bridge maintenance.

Wildfire Protection

There were no active sites at the time of the field audit, so fire preparedness could not be audited.

LBNF routinely piles slash on cutblocks and fire hazard assessments are completed within the required timelines. The hazard assessments addressed the fuel loading factors and the risk of ignition.

LBNF completed hazard abatement within the required timeframe.

Auditors had no concerns with wildfire protection.

Silviculture Activities and Obligations

Given that the licence is relatively new (2016), the only silviculture activity subject to audit was planting. Similarly, the only silviculture obligation subject to audit was regeneration delay. LBNF completed planting within a year of harvesting with a mix of species, primarily lodgepole pine and spruce, but also larch and Douglas-fir where site conditions were suitable.

LBNF conducts survival surveys after planting to determine if fill planting is required. If stocking and crop tree vigour meet the applicable stocking standard, LBNF declares it has met the regeneration delay obligation.

Auditors had no concerns with silviculture activities or reforestation obligations.

Silviculture Reporting

Silviculture activities and reforestation obligations were reported to government by the required date and appeared to be accurate and complete.

Auditors had no concerns with reporting.

Audit Opinion

In my opinion, the operational planning, timber harvesting, road construction, maintenance and deactivation, silviculture, and fire protection activities carried out by Lake Babine Nation Forestry Ltd. on First Nations Woodland Licence N21 in the Nadina Natural Resource District between August 1, 2020, and August 9, 2022, complied in all significant respects with the requirements of the *Forest and Range Practices Act*, the *Wildfire Act* and related regulations, as of August 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.

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, BC
February 13, 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

ⁱ 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, LBNF 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.

ⁱⁱ Road Deactivation (FPPR s. 82)

1. A person who deactivates a road must do the following:
 - a. Barricade the road surface width in a clearly visible manner to prevent access by motor vehicles, other than all-terrain vehicles;
 - b. Remove bridge and log culvert superstructures and stream pipe culverts;
 - c. Remove bridge and log culvert superstructures, if the failure of these substructures would have a material adverse effect on downstream property, improvements or forest resources;
 - d. Stabilize the road prism or the clearing width of the road if the stabilization is necessary to reduce the likelihood of a material adverse effect in relation to one or more of the subjects listed in section 149 (1) of the Act.



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