

AUDIT OF FOREST PLANNING AND PRACTICES

Woodlot Licence W2004
Campbell River Natural Resource District

AUGUST 2023
FPB/ARC/262



**Forest
Practices
Board**

BC'S INDEPENDENT
WATCHDOG FOR
SOUND FOREST &
RANGE PRACTICES

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Introduction

The Forest Practices Board is BC's independent watchdog for sound forest and range practices. The Board's role includes auditing forest industry practices to determine compliance with the *Forest and Range Practices Act* (FRPA) and the *Wildfire Act*.

As part of the Forest Practices Board's 2022 compliance audit program, the Board randomly selected the Campbell River Natural Resource District (District) as the location for a full scope compliance audit. Within the District, the Board selected five woodlot licences for audit: W0085, W2001, W2004, W2044 and W2046. These five woodlot licences harvested the most timber volume of all woodlots in the District between October 2020 and October 2022.

This report explains the Board's audit and findings for woodlot W2004. The woodlot location is shown on the map in **Figure 1**. Results for the other woodlots are reported separately. Detailed information about the Board's compliance audit process is provided in **Appendix 1**.

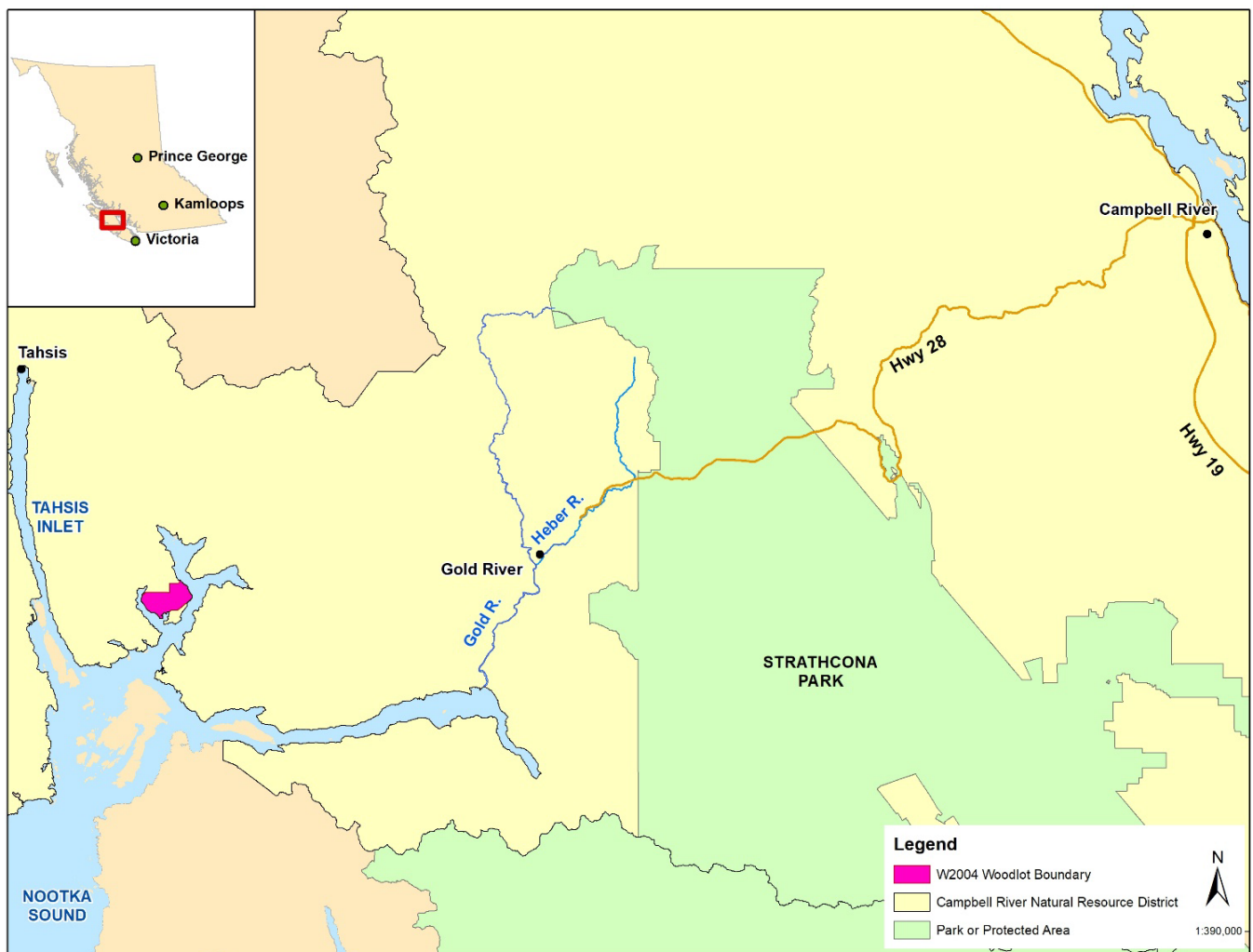


Figure 1. Location Map of Woodlot Licence W2004

Audit Results – Woodlot Licence W2004

Background

This audit took place within the territories of the Mowachaht / Muchalaht Peoples. The Forest Practices Board recognizes First Nations' connection to the area that continues to this day.

Woodlot licence W2004 was awarded in 2012 and is 740 hectares in size. W2004 has an allowable annual cut of 3 000 cubic metres. During the two-year audit period, the licensee harvested about 16 000 cubic metres of timber¹. The tenure holder is North Island Excavating Ltd. (NIE).

The woodlot is located on a peninsula between Hisnit Inlet and Tlupana Inlet, approximately 94 kilometres west-southwest of Campbell River (straight-line distance). Access is from Hisnit Mainline off Head Bay Forest Service Road, which connects the communities of Gold River and Tahsis.

Audit Approach and Scope

This full scope compliance audit looked at all activities carried out on W2004 in the District between October 1, 2020, and October 17, 2022. This included all harvesting, road, silviculture, associated planning, and wildfire protection activities.

Auditors assessed these activities for compliance with FRPA, the *Wildfire Act*, and applicable regulations—in particular, the *Woodlot Licence Planning and Practices Regulation* (WLPPR). Auditors' work involved interviewing NIE, reviewing the woodlot licence plan (WLP)¹, assessing silviculture records, and inspecting activities in the field. Sites were accessed using pickup trucks.

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*.

The audit team was composed of two professional foresters and a professional forester/geoscientist. The audit team was in the field on October 17, 2022.

Planning and Practices Examined and Findings

The following sections describe the activities and obligations audited and the findings.

Operational Planning

NIE was required to prepare a WLP to operate on W2004. WLPs can have a term of up to 10 years. *Woodlot Licence Plan #1 W2004* was approved in 2012 and expired in 2022. NIE continued to operate under a cutting permit issued prior to WLP expiry, which is permitted by the WLPPR² as long as NIE acted in accordance with the WLP as if it had not expired.

¹ Even though the allowable annual cut (AAC) is relatively small, woodlot tenure holders may harvest up to 120 percent of their accumulated 5-year AACs in 1 or 2 years.

² Section 6 (2) of the WLPPR.

Woodlot Licence Plan #1 W2004 must include content specified in the WLPPR³, which includes elements of FRPA that apply to all timber tenures in BC, and also more specific requirements for the local area that is legislated through land use planning and government orders. The WLP must also identify landscape units within which W2004 is located.

The WLP stated that W2004 is within the Tlupana Resource Management Zone (RMZ 21), as described in the summary *Vancouver Island Land Use Plan* (VILUP, 2000). There were no special resource objectives within the VILUP Higher Level Plan Order for RMZ 21 that NIE was required to address in its WLP.

Ministerial orders under the *Government Actions Regulation* have established scenic areas, recreation features, and karst resource features throughout the District that apply to W2004. The WLP described management actions and areas where harvesting will be avoided or modified to address, manage, or protect these non-timber values and comply with the orders.

NIE adopted the one cutting permit approach⁴, where it is not required to spatially identify road and cutblock configurations prior to operations. Unlike licensees with Forest Stewardship Plans, the WLPPR does not require NIE to develop site plans for harvesting and road activities. The requirement is to conduct activities in a manner that is consistent with, and meets the commitments contained in, the WLP.

The audit team evaluated the WLP and found that it met all requirements. No issues were identified with operational planning.

Timber Harvesting

NIE harvested timber from one 16.8-hectare cutblock (cutblock 14) during the audit period. Harvesting was not complete, and the block was not active when auditors were in the field because the fire risk was too high.

NIE prepared a pre-harvest prescription and map for cutblock 14, and site-specific resource features were identified and described. Two visual quality objective polygons overlap portions of cutblock 14. The cutblock is within an area of 'moderate' karst potential, and limestone bedrock was identified. No recreation features are within or near cutblock 14. The pre-harvest prescription described operational measures required to ensure consistency with the WLP.

Auditors found that operations were consistent with the WLP and did not identify any issues with harvesting.

Road Construction, Maintenance and Deactivation

During the audit period, NIE maintained 6.8 kilometres and constructed 0.2 kilometres of road. Auditors examined 4.0 kilometres of maintained road and 0.2 kilometres of the constructed road. The licensee did not deactivate any roads or install or maintain any bridges during the audit period.

Road prisms were stable, and culverts were functioning as intended, enabling flow from ditches and maintaining natural drainage patterns.

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

³ See WLPPR Division 2, sections 7 to 16.

⁴ The "one cutting permit" concept is that there would only be one cutting permit for an entire woodlot licence and the licensee reports on its activities after they are completed. The advantage of this is that the licensee submits final cutblock boundaries once, resulting in lower administration and data storage costs, rather than the current practice for larger licences where proposed cutblock boundaries are submitted at the outset and subsequent amendments submitted before a final cutblock boundary is realized.

Silviculture Activities and Obligations

Within the audit period, NIE planted six cutblocks and had regeneration obligations due on four cutblocks. Auditors reviewed one planted cutblock in the field and two cutblocks where regeneration was due. No free-growing milestones were due or declared.

Auditors did not identify any concerns with silviculture activities.

Finding: Annual Reporting

Section 76ⁱⁱ of the WLPPR requires NIE to report activities completed and obligations met from the previous year by May 31 of the following year in a manner specified by the chief forester. NIE planted six cutblocks during the audit period but did not report them by May 31 of the following year, which is a non-compliance with annual reporting requirements. Since NIE fulfilled its regeneration obligations, this administrative non-compliance is considered an area requiring improvement.

Fire Protection Activities

Fire Preparedness

Auditors did not inspect fire preparedness since there were no active operations during the audit fieldwork.

Fire Hazard Abatement

For W2004, section 12.1ⁱⁱⁱ of the *Wildfire Regulation* requires fire hazards to be abated within 30 months from the start of harvesting. This hazard abatement timeframe applied to one cutblock during the audit period. Auditors sampled this cutblock and found that NIE is managing fire hazards in a reasonable manner. Slash piles in this cutblock and throughout the woodlot were small and few, and there was no increase in the risk of a fire starting or spreading, or increasing the fire behavior. Fuel hazards did not exceed the thresholds to recommend further action in the hazard assessment guidelines.⁵

Finding: Fire Hazard Assessments

The *Wildfire Regulation*^{iv} sets out 6-month timeframes for W2004 within which NIE was required to assess fire hazards resulting from timber harvesting. This includes an assessment of the fuel hazard and the associated risk of a fire starting or spreading. The fire hazard assessment timeframes begin at the start of harvesting and continue to completion, including any pauses in operations. The licensee must provide a copy of a fire hazard assessment to an official when requested.

One cutblock required three hazard assessments during the audit period because one assessment is required every six months. Harvest activities began in this cutblock during the audit period but were paused. NIE failed to assess fuel hazards within the timeframes and did not comply with the *Wildfire Act*.^v This is an area requiring improvement because NIE was managing fire hazards effectively throughout the woodlot licence area.

⁵ A Guide to Fuel Hazard Assessment and Abatement in British Columbia (Wildfire Management Branch, 2012)

Audit Opinion

In my opinion, except for the issues identified below, the operational planning, timber harvesting, road maintenance and construction, silviculture, and fire protection activities carried out under woodlot licence W2004, held by North Island Excavating Ltd., between October 1, 2020, and October 17, 2022, complied in all significant respects with the requirements of the *Forest and Range Practices Act*, the *Wildfire Act* and related regulations, as of October 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 *Silviculture Activities and Obligations* section of the report, which describes an area requiring improvement related to not reporting silviculture activities, and the *Fire Protection Activities* section, which describes an area requiring improvement related to not completing 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 *Forest and Range Practices Act*, and the *Wildfire Act*.



Daryl Spencer, RPF
Auditor of Record

Victoria, British Columbia
July 18, 2023

Appendix 1:

Forest Practices Board's Compliance Audit Process

Background

The Forest Practices Board conducts audits of government and agreement-holders under section 122 of the *Forest and Range Practices Act* (FRPA) and section 68 of the *Wildfire Act*. Compliance audits examine forest or range planning and practices to determine whether or not they comply with the applicable requirements of FRPA and the *Wildfire Act*. The Board conducts 6-8 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 the Board's strategic priorities, and the type of audit is determined. At this stage, auditors choose the auditee(s) that best suit(s) the selected risk and priorities.

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, auditors 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 1 of the 12 BCTS business areas in the province is selected randomly for audit. The audit selections are not based on past performance.

Only those licensees or BCTS operations 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, replanting, road construction, road deactivation). 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.

The auditors select a separate sample 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 also consider factors such as geographic distribution and values potentially affected by activities to ensure an adequate sample.

Auditors' work includes interviewing licensee staff, reviewing the auditee's applicable plans, reviewing applicable government orders, assessing some features from helicopters and measuring specific features like riparian reserve zone widths 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 responsible Minister(s).

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 opportunity to make representations allows 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.

ENDNOTES

ⁱ A woodlot licence plan (WLP) is a key planning element in the FRPA framework and is subject to public review and comment, and government approval. In its WLP, North Island Excavating Ltd. is required to identify performance requirements and measures consistent with applicable government objectives for resource values. Performance requirements must be measurable and, once approved, are subject to government enforcement. WLPs also identify areas where timber harvesting will be avoided or modified, depending on resource interest requirements in the woodlot area. The WLP map shows resource interests within the woodlot area, such as scenic areas, community watersheds and recreation areas but does not specifically show where road construction and harvesting will occur. WLPs can have a term of up to ten years.

ⁱⁱ **WLPPR section 76: Annual report**

- 1) In this section, "reporting period", in respect of an annual report required under subsection (2), means the 12-month period that begins on January 1 of the year immediately preceding the year in which the annual report must be submitted.
- 2) A woodlot licence holder must, on or before May 31 each year, submit to the minister, in accordance with the requirements of subsections (3) and (4), an annual report respecting activities completed within the reporting period.
- 3) A woodlot licence holder must, unless the information was previously provided to the minister, include with an annual report the following:
 - a) a copy of any amendment made under section 20 (1) of the Act during the reporting period;
 - b) the approximate location of any resource feature or wildlife habitat feature, in or contiguous to a cutblock or road, that the holder became aware of during the reporting period, if the order establishing the resource feature or wildlife habitat feature requires the location of the resource feature or wildlife habitat feature to be included in the annual report required under subsection (2);
 - c) any other information specified by the chief forester.
- 4) The information required under subsection (3) (c) to be included in an annual report must be provided in an electronic format or another format satisfactory to the chief forester

ⁱⁱⁱ **Wildfire Regulation section 12.1: Hazard abatement: qualified holders.**

- 1) In this section, "abatement area" means each area within which the industrial activity or prescribed activity takes place in each consecutive 12 month period that occurs after the date the activity begins.
- 2) The following periods are prescribed as the periods in which a person described in section 7 (2) of the Act who is a qualified holder must abate fire hazards of which the person is aware or ought reasonably to be aware:
 - a) for each abatement area within an area described in section 11 (2) (a) of this regulation, a period of 24 months, beginning on the date the industrial activity or prescribed activity begins in the abatement area,
 - b) for each abatement area within an area other than an area described in section 11 (2) (a) of this regulation,
 - i) a period of 30 months, beginning on the date the industrial activity or prescribed activity begins in the abatement area, or
 - ii) the period specified by a professional forester or registered forest technologist.
- 3) A person required to abate a fire hazard under section 7 (2) of the Act who is a qualified holder must reduce the fuel hazard on the site of the industrial activity or prescribed activity
 - a) as necessary to ensure that carrying out the activity
 - i) does not increase the risk of a fire starting on the site, and
 - ii) if a fire were to start, would not increase the fire behaviour or fire suppression associated with the fire, or
 - b) as specified by a professional forester or registered forest technologist.

^{iv} **Wildfire Regulation section 11: Hazard assessment**

- 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.

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- 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

Wildfire Act section 7: Hazard assessment and abatement

- 1) In prescribed circumstances and at prescribed intervals, a person carrying out an industrial activity or a prescribed activity on forest land or grass land or within 1 km of forest land or grass land must conduct fire hazard assessments.
- 2) A person, other than a person who is in a prescribed class of persons referred to in subsection (2.1), carrying out an industrial activity or a prescribed activity, must, within a prescribed time period and to the prescribed extent, abate a fire hazard of which the person is aware or ought reasonably to be aware.
 - 2.1) A person who is in a prescribed class of persons must, within the prescribed time period and to the prescribed extent, abate a fire hazard on a prescribed area.
 - 2.2) A person referred to in subsection (2) is not required to abate a fire hazard on an area if a person referred to in subsection (2.1) is required to abate the fire hazard.
- 3) Despite subsections (2) and (2.1), if an official identifies circumstances that the official considers constitute a fire hazard in relation to
 - a) an industrial activity, or
 - b) a prescribed activity referred to in subsections (2) and (2.1),the official by written order may require the applicable person to abate the fire hazard by a specified date.
- 4) A person who is the subject of an order under subsection (3) and to whom written notice of the order has been given must comply with the order.



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