

AUDIT OF FOREST PLANNING AND PRACTICES

Tahltan Nation Development
Corporation

First Nations Woodland Licence N3E
Skeena Stikine Natural Resource District

JUNE 2025
FPB/ARC/272



**Forest
Practices
Board**

BC'S INDEPENDENT WATCHDOG
FOR SOUND FOREST & RANGE
PRACTICES

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Audit Results

Introduction

The Forest Practices Board (the 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 determine compliance with the *Forest and Range Practices Act* (FRPA) and the *Wildfire Act*.

As part of the 2024 compliance audit program, the Board selected the Cassiar Timber Supply Area (TSA) within the Skeena Stikine Natural Resource District. Within the Cassiar TSA, the First Nations Woodland Licence (FNWL) N3E, held by the Tahltan Nation Development Corporation (TNDC), was selected for audit.

This report explains what the Board audited and the results. Detailed information about the Board's compliance audit process is provided in [Appendix 1](#).



Figure 1. Looking west towards Faisal Peak.

Background

FNWL N3E is in the Cassiar TSA in northwestern British Columbia and is administered by the Skeena Stikine Natural Resource District in Smithers. The Cassiar TSA is the largest TSA in the province (13.1 million hectares) and the least populated.

The Tahltan Nation owns the TNDC, which acquired the N3E FNWL in February 2020. The licence has an Annual Allowable Cut of 75 000 cubic metres and covers an area over 3.2 million hectares. The area is exceptionally rich in mineral resources, providing a major source of employment for the communities of Dease Lake, Telegraph Creek and Iskut.

Forestry activities under FNWL N3E have been concentrated in low-elevation areas along Highway 37, near Bob Quinn Lake and the Ningunsaw River. White spruce and lodgepole pine dominate the forests in the valleys and make up most of the harvested timber.

This audit took place within the territory of the Tahltan Nation. The Tahltan Nation has been the steward of the land since time immemorial, and the Board recognizes their deep connection with the land that continues to this day.

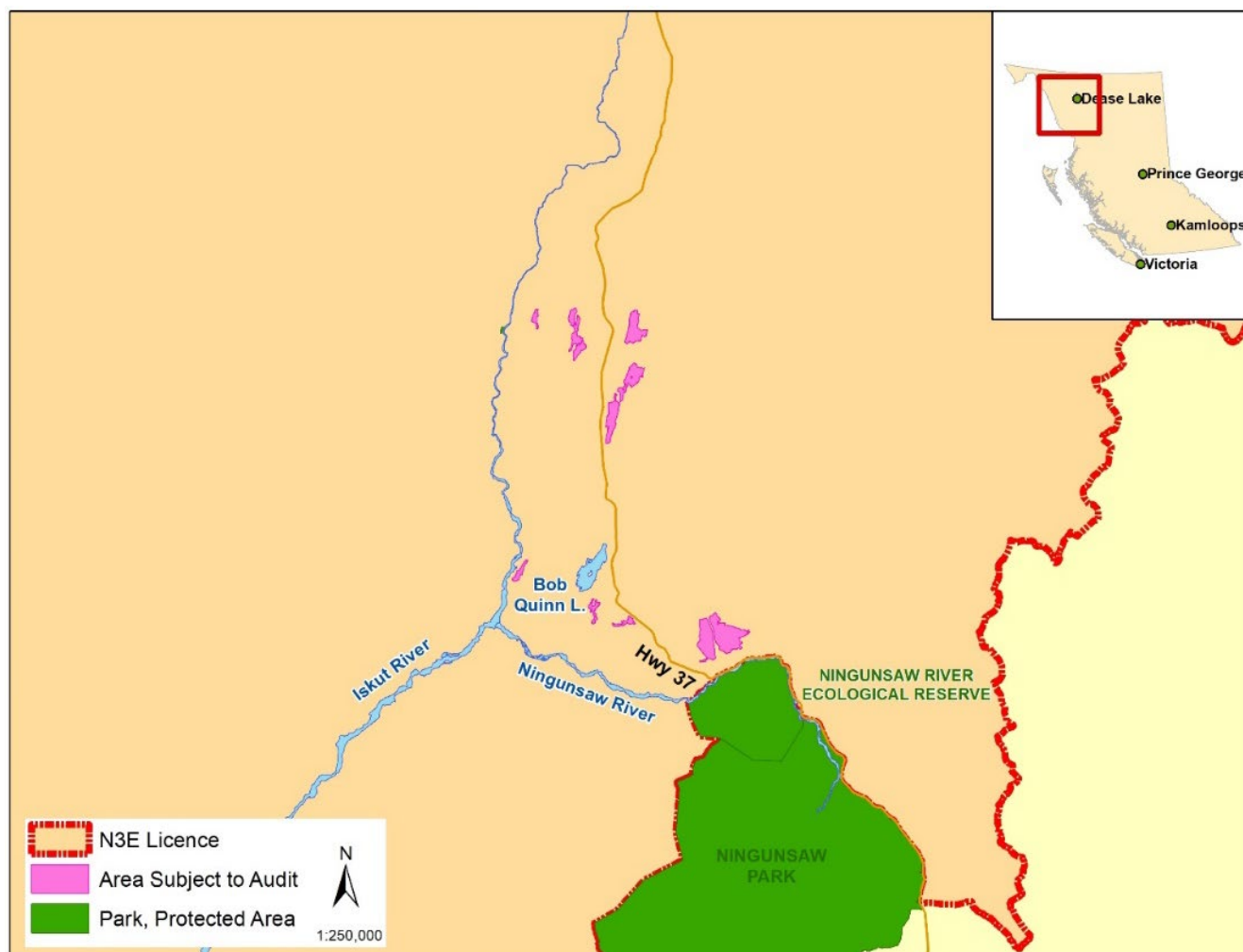


Figure 2. Map of the audit area, approximately 100 km south of Iskut.

Audit Approach and Scope

This was a full-scope compliance audit with a two-year timeframe. All activities carried out by the licensee between August 1, 2022, and August 16, 2024, were subject to audit. These activities included harvesting, road and major structureⁱ construction, maintenance and deactivation, wildfire protection and associated planning.

Auditors assessed these activities for compliance with FRPA, the *Wildfire Act*, and applicable regulations and legal orders. Their work included interviewing contractors, reviewing the forest stewardship plan (FSP) and site plans, and conducting site visits with the licensee to review field practices. Auditors accessed all sites by pickup truck and all-terrain vehicle.

The audit team was comprised of three professional foresters, one of whom is also a professional geoscientist. The team was in the field from August 13 to 15, 2024.

The standards and procedures used for this audit are set out in the Board's *Compliance Audit Reference Manual, Version 7.1, July 2016*.

Planning and Practices Examined

Operational Planning

The TNDC planned its activities under FSP #873, which was approved on October 10, 2021. The TNDC operates within an area covered by the *Cassiar-Iskut Land and Resource Management Plan* (the LRMP). The LRMP does not legally establish land-use objectives, however, some of the values within the LRMP have been partially tied to objectives established by regulation. Results and strategies in the FSP addressed these objectives.

Auditors examined the FSP and stand-level site plans to determine consistency with legal requirements.

Timber Harvesting

Auditors examined 12 of the 16 cutblocks the TNDC harvested during the audit period.

Road and Major Structure Construction and Maintenance

During the audit period, the TNDC constructed roads and one bridge, and had maintenance obligations for existing roads and bridges. No roads or bridges were deactivated during the audit period. The population and sample for roads and structures are in Table 1.

TABLE 1. Population and Sample for Road and Bridge Activities

ACTIVITY	POPULATION	SAMPLE
	(Kilometres)	(Kilometres)
Road Construction	38.5	23.5
Road Maintenance	22.2	16.3
Bridge Construction	1	1

Silviculture Obligations and Activities

There were no silviculture obligations in scope for the audit period, as the TNDC only recently completed harvesting activities under the FNWL N3E licence.

Wildfire Protection

Fire hazard assessments were due on 16 cutblocks, and auditors examined 12. No abatement activities were due during the audit period, and there was no active logging during the field audit, so fire preparedness was not subject to audit.

Findings

The audit found that the TNDC's planning and practices generally complied with FRPA and the *Wildfire Act*. However, the audit identified opportunities for improvement in road construction, authorization of road use, planning for harvesting activities in high-value grizzly bear habitat and fire hazard assessments, as described below.

Operational Planning

Section 20.22(1)ⁱⁱ of FRPA requires the holder of an FSP to ensure the intended results specified in the plan are achieved. In its FSP, the TNDC included management strategies for both *high-value* and *critical* grizzly bear habitat, with the intent of adopting those of the LRMP. However, the FSP commits to managing *high-value* grizzly bear habitat by designing cutblocks so that forested areas are no farther than 250 metres apart, which reflects a management strategy that applies to *critical* grizzly bear habitat in the LRMP.

All 12 of the cutblocks auditors visited were located within *high-value* grizzly bear habitat. Auditors measured the width of the cutblock openings using imagery and georeferenced maps and concluded that the TNDC harvested three cutblocks where forested areas were farther than 250 metres apart. The TNDC did not achieve its result for harvesting in *high-value* grizzly bear habitat and, therefore, did not comply with section 20.22(1) of FRPA.

Because this issue was limited to three cutblocks, this finding is considered an area requiring improvement.

The TNDC committed to management strategies in their FSP that exceeded those outlined in the LRMP. Subsequent to the audit, the TNDC applied for an amendment to align management strategies in *high-value* grizzly bear habitat so they reflect the LRMP.

Aside from the finding above, the FSP and site plans were consistent with FRPA requirements and legal objectives. The TNDC addressed site-specific resources in its site plans by accurately identifying and prescribing practices for resource features, including riparian areas, soil conservation, cultural features and biodiversity objectives.

Timber Harvesting

All harvest activities audited were consistent with site plans, which accurately reflected site conditions and prescribed appropriate measures. By harvesting during winter months and skidding over long distances, temporary access structures were used in place of permanent access structures, where possible. This retained more productive area in the net area to reforest. Cutblock reserves were found to protect wildlife features, such as bear dens, riparian areas and cultural features, sometimes exceeding the FSP requirements for size and required feature protection.

Auditors found the TNDC's harvesting activities conformed to site plans and met FSP and legislative requirements.

Road and Major Structure Construction and Deactivation

Road Construction

Section 10(1)ⁱⁱⁱ of FRPA requires the holder of an FSP to prepare site plans for its roads. During the audit period, the TNDC built 10 roads, totaling 12.1 kilometres, that were not covered by a block site plan. The TNDC did not prepare a site plan for four of these roads (3.1 kilometres, or 26 percent of the sample) that were not within block boundaries. As a result, the TNDC did not comply with section 10(1) of FRPA.

Because this is a relatively small length of road and auditors did not observe any negative impacts on forest resources, this non-compliance is an area requiring improvement.

Industrial use of Forest Service Roads

Section 22.1(1)^{iv} of FRPA requires a person using a forest service road (FSR) for timber harvesting purposes to acquire a road use permit (RUP) or obtain an exemption from the Minister of Forests.

The TNDC used six different sections of existing FSRs to access timber harvest areas during the audit period, and had a RUP for one section of FSR. While seeking issuance of a cutting permit, the TNDC attempted to acquire RUPs for three other sections of FSR before it started its harvest operations. The RUP request portal has not been functioning properly, and auditors decided that this was more an administrative error than a non-compliance by the TNDC. However, the TNDC has no records of attempting to acquire RUPs for the two other sections of FSR and therefore, did not comply with section 22.1 of FRPA.

Those two sections of FSR for which the TNDC did not have a RUP were under a RUP by another party. The TNDC has a road use agreement with that party on those FSR sections, and auditors saw that the roads were sound and safe for industrial use. Therefore, this non-compliance is an area requiring improvement.

Road Maintenance and Construction

Aside from the findings described above, auditors found that road prisms were stable, natural drainage patterns were maintained and drainage systems were functioning. Auditors did not observe any negative impacts of road construction or maintenance on forest resources.

Bridge Construction and Culvert Deactivation

The TNDC constructed one bridge during the audit period, and it met all planning, design and construction requirements.

The TNDC deactivated wood box culverts at two different sites where stream channels and banks were well-protected, with no discernible negative impacts to the streams. There were no issues with deactivation.

Wildfire Protection

Fire Hazard Assessment

Section 7(1)^v of the *Wildfire Act* requires a person carrying out an industrial activity (like timber harvesting) to conduct fire hazard assessments. This includes an assessment of the fuel hazard and the risk of starting or spreading fire. Section 11(3.1)^{vi} of the *Wildfire Regulation* requires a fire hazard assessment to be completed within six months of an industrial activity starting at six-month intervals until the activity is concluded and at the conclusion of the industrial activity if the activity is expected to cease for six months or more.

Auditors found that the TNDC did not complete 8 of the required 22 assessments within the required time frame, which is a non-compliance with section 11(3.1)(a) of the *Wildfire Regulation*. The content of the assessments completed within the timeframe met requirements for documenting fuel hazard and risk of ignition. There were no issues with abatement since there was no obligation to abate fire hazards within the audit period.

This non-compliance is not considered significant. As a result, the audit considers this non-compliance to be an area requiring improvement.

Audit Opinion

In my opinion, the operational planning, timber harvesting, road and major structure construction, maintenance and deactivation, and wildfire protection activities carried out by the Tahltan Nation Development Corporation on the First Nations Woodland Licence N3E between August 1, 2022, and August 16, 2024, complied in all significant respects with the requirements of the *Forest and Range Practices Act*, the *Wildfire Act* and related regulations, as of August 2024.

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 further qualifying my opinion, I draw attention to the report's *Operational Planning*, *Road Construction*, *Industrial use of Forest Service Road* and *Fire Hazard Assessment* sections, which describe areas requiring improvement.

All findings were considered areas requiring improvement because each instance was of low magnitude and consequence, regarding the potential harm to safety or the environment. However, these practices should be corrected and not repeated.

The *Audit Approach and Scope* and the *Planning and Practices Examined* sections of this report describe the basis of the audit work to reach the above conclusion. The audit was conducted in accordance with the auditing standards of the 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 the *Forest and Range Practices Act* and the *Wildfire Act*.



Tom Bruderer, RPF, P.Geo.

Auditor of Record
Black Creek, British Columbia
May 2, 2025

Appendix 1:

Forest Practices Board 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 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 at least 1 of the 31 BCTS field units for audit.

Audit Standards

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 a 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 one or two-year time period up to the start of the audit fieldwork (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 on sampling 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 significant non-compliance or failure to achieve specified results.

For smaller audits, the sample may 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 an auditor identifies a probable significant breach of the legislation, 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 provide 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 to the auditee first and then to the public and government seven days later.

ENDNOTES

Legislation

ⁱ 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.

ⁱⁱ **20.22** (1) The holder of a forest stewardship plan or woodlot licence plan must do the following:

- (a) ensure that the intended results specified in the plan are achieved;
- (b) carry out the strategies described in the plan;

ⁱⁱⁱ **10**(1) Except in prescribed circumstances, the holder of a forest stewardship plan must prepare a site plan in accordance with prescribed requirements for any

- (a) cutblock before the start of timber harvesting on the cutblock, and
- (b) road before the start of timber harvesting related to the road's construction.

^{iv} **22.1**(1) A person must not use a forest service road for a timber harvesting purpose, silviculture purpose or natural resource development purpose unless one of the following applies:

- (a) the person is authorized to use the road under a road use permit;
- (b) the person is granted an exemption under subsection (2).

^v **7**(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.

^{vi} **11**(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.



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