

# AUDIT OF FOREST PLANNING AND PRACTICES

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Metlakatla Forestry Corporation  
First Nations Woodland Licence N3B  
Coast Mountain Natural Resource District

JULY 2025  
FPB/ARC/273



**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 randomly selected the Coast Mountain Natural Resource District (the district). Within the district, the Board selected First Nations Woodland Licence (FNWL) N3B, held by Metlakatla Forestry Corporation (MFC), for audit. This report explains what the Board audited and its results. Detailed information about the Board's compliance audit process is provided in [Appendix 1](#).



**Figure 1.** Looking northeast towards Split Mountain.

## Background

The N3B licence is located in the Great Bear Rainforest (GBR) North Timber Supply Area<sup>1</sup> (TSA), and is administered by the Coast Mountain Natural Resource District in Terrace. The GBR North TSA covers a vast coastal area, extending from Margaret Bay, north of Vancouver Island, to the Alaskan border, and consists of highly productive forests growing in one of Canada's wettest climates.

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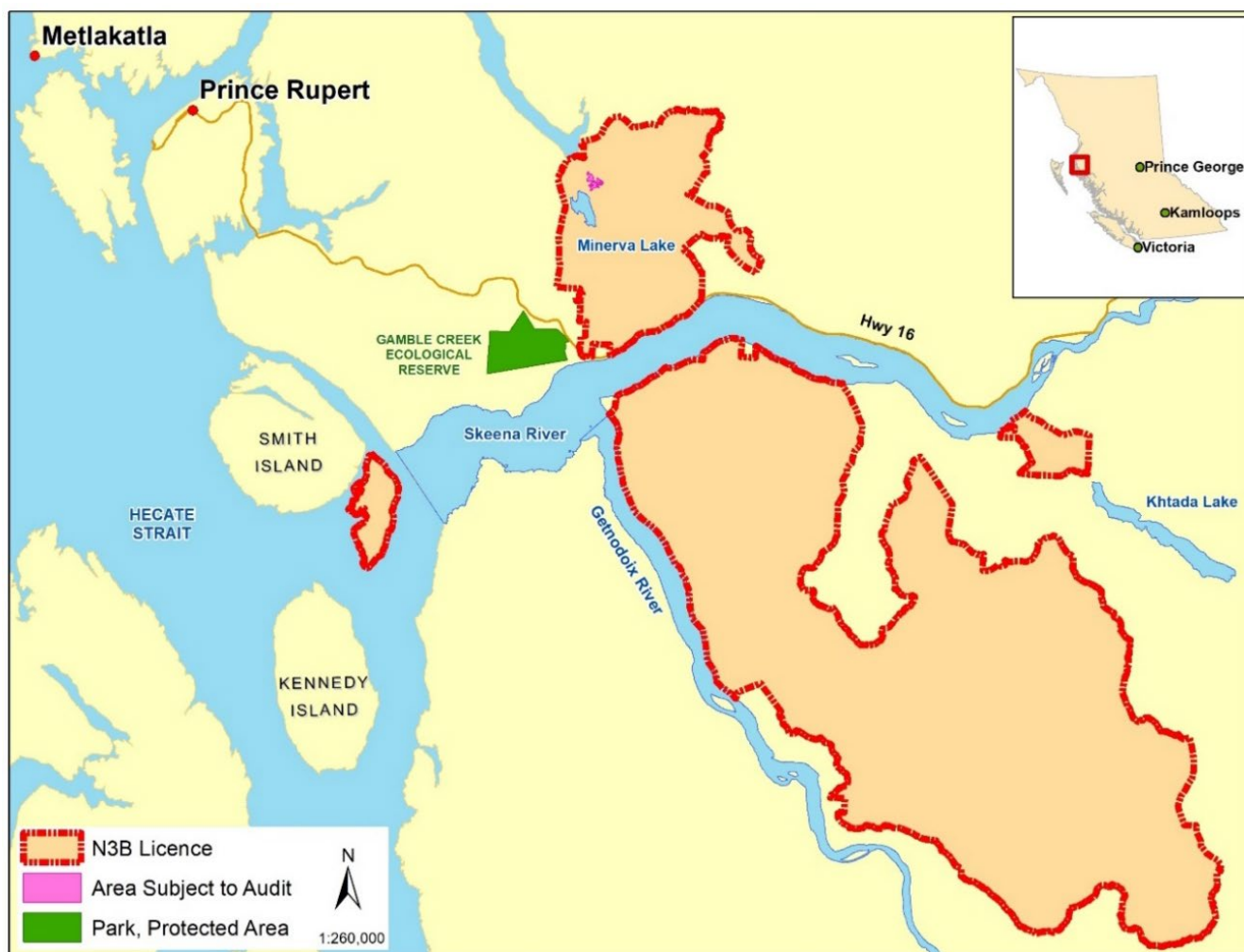
<sup>1</sup> The Great Bear Rainforest North Timber Supply Area was created from the former North Coast and Mid Coast TSAs. The Great Bear Rainforest North TSA's current allowable annual cut (AAC) is 803 000 cubic metres as of January 1, 2017. From: [Great Bear Rainforest North Timber Supply Area](#)



The Metlakatla First Nation, a member of the Tsimshian First Nations Treaty Society, owns the Metlakatla Forestry Corporation (MFC). On August 1, 2019, the MFC acquired FNWL N3B. The licence has an Annual Allowable Cut (AAC) of 25 000 cubic metres and a harvest profile that is mostly composed of western redcedar, western hemlock and Amabilis fir.

Harvesting activities under the N3B licence took place in a portion of the North Coast Forest Development Unit 1, which covers 64 583 hectares north of the Skeena River, in the vicinity of Minerva Lake (see Figure 2). The area is accessible from Highway 16 near Prince Rupert, and is also popular with recreationists, offering activities such as hiking, camping and fishing.

This audit took place within the territory of the Metlakatla and Tsimshian First Nations. These Indigenous Peoples have been stewards 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 N3B Licence Area

## Audit Approach and Scope

This was a full-scope compliance audit with a two-year timeframe. All planning and activities carried out under FNWL N3B between August 1, 2022, and August 12, 2024, were subject to audit. The activities included harvesting, road maintenance and deactivation, wildfire protection.

Auditors assessed these activities for compliance with FRPA, the *Wildfire Act* and applicable regulations and legal orders. Their work included interviewing licensee representatives, 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 road. The audit team was comprised of three professional foresters, one of whom is also a professional geoscientist. The team was in the field on August 12, 2024.

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

### Operational Planning

The MFC planned its activities under FSP #675 "*Mid-North Coast Multi-licensee Forest Stewardship Plan*" (amendment 3), which covers a large area in the northern portion of the GBR. The FSP is subject to the *Great Bear Rainforest Land Use Order* (GBR LUO), established in February 2016, which specifies management objectives for old growth, wildlife and cultural values, amongst others.

Auditors reviewed the FSP, along with stand-level site plans to determine whether they are consistent with both legal requirements and conditions on the ground.

### Timber Harvesting

Auditors examined the two cutblocks that the MFC harvested during the audit period.

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

Roads were built before the audit period, and no bridges or major culverts were constructed; therefore, road and major structure construction were not in scope for this audit. During the audit period, the MFC maintained and deactivated 3.6 kilometres of roads, which were all examined by the auditors.

### Silviculture Activities

The MFC planted two cutblocks and had no other silviculture obligations due during the audit period. Auditors examined the two cutblocks.

### Wildfire Protection

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

## Findings

The audit found that the MFC's planning and practices complied in all significant respects with FRPA and the *Wildfire Act* as of August 2024, as described below.

### Operational Planning

MFC's FSP #675 was consistent with the GBR LUO. Site plans reflected conditions on the ground, and adequately addressed site-level features and practice requirements. The MFC conducted the appropriate assessments to address resource values such as visual quality, terrain stability, riparian areas and cultural values.

Auditors had no concerns with operational planning.

### Timber Harvesting

Auditors found that the MFC's harvesting activities conformed to site plans, and met FSP and practice requirements. The MFC adequately identified and managed sensitive soils and steep terrain according to practice requirements under the *Forest Planning and Practices Regulation*. Riparian areas and wildlife tree patches were managed according to the FSP.

Auditors determined that harvesting activities were compliant with FRPA.

### Road Maintenance and Deactivation

Road maintenance and deactivation were the only activities in scope. The main access roads for both cutblocks were deactivated, signed and barricaded. Post-construction ditch lines were maintained and no signs of altered drainage pathways or noteworthy erosion of the road prism were observed.

Auditors had no concerns with road maintenance and deactivation.

### Silviculture Obligations and Activities

Stocking standards were achieved on the two cutblocks planted during the audit period. At the same time, the MFC declared a regeneration delay. The MFC adhered to seed transfer standards.

Auditors had no concerns with silviculture obligations.

### Wildfire Protection

Section 11(3.1)(b) of the *Wildfire Regulation* specifies that a professional forester can prescribe the intervals by which a fire hazard assessment must be conducted. The MFC uses a regional assessment to determine what practices are adequate when conducting fire hazard assessment and abatement within the N3B FNWL. The regional assessment document met requirements within section 11(3.1)(b) and the practice standards outlined by the BC Wildfire Service.<sup>2</sup>

Abatement was not due during the audit period; however, slash piles were observed to be in safe locations away from standing timber.

Auditors determined the MFC's hazard assessment and abatement practices were compliant with the *Wildfire Act*.

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<sup>2</sup> A qualified holder, based on the recommendation of a forest professional, can deviate from the prescribed intervals for conducting hazard assessments, and vary the timing, extent and fuel thresholds for hazard abatement. See BC Wildfire document: [A Guide to Fuel Hazard Assessment and Abatement in British Columbia, 2012](#).

# Audit Opinion

In my opinion, the operational planning, timber harvesting, road maintenance and deactivation, silviculture and fire protection activities carried out by the Metlakatla Forestry Corporation on First Nations Woodland Licence N3B in the Coast Mountain Natural Resource District between August 1, 2022, and August 12, 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.

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 the *Forest and Range Practices Act* and the *Wildfire Act*.

A handwritten signature in blue ink, appearing to read 'Tom Bruderer', with a stylized, flowing script.

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.



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