



**Forest  
Practices  
Board**

## **Audit of Forest Planning and Practices**

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*Quesnel Forest District*

- *Woodlot Licence W1412*
- *Woodlot Licence W1592*

**FPB/ARC/110**

October 2009

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# Audit Results

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## Background

As part of the Forest Practices Board's 2009 compliance audit program, the Board selected five woodlot licences in the Quesnel Forest District (the licences) for audit. This is the audit report for woodlot licence W1412 and woodlot licence W1592. Results for the other three woodlots are provided in separate audit reports.

The Board randomly selected the Quesnel Forest District as the location for an audit in 2009 and, looking at the population of licences within the forest district, noted that woodlot licences had not been audited in recent years. Five woodlot licences were selected for audit, based on the level of harvest activity and not on past performance or geographic location.

The woodlots are located in the Southern Interior Forest Region, within thirty-minutes driving distance from Quesnel.

Woodlot licence W1412 has a total licence area of 616.5 hectares and consists of two separate parcels of land – one on Mouse Mountain and the other in the Nyland Lake area, approximately 33 kilometres southeast of Quesnel. The licence was first awarded in 1993. Access to the woodlot is by way of the Barkerville Highway secondary road and the Nyland Lake Forest Service Road (FSR). The woodlot has an allowable annual cut of 1,920 cubic metres.

Woodlot licence W1592 was awarded in 1998 and is located approximately 22 kilometres northeast of Quesnel near Bellos Lake. The licence area includes 96.4 hectares of private land and 600 hectares of Crown land, and is accessed by Highway 97 and the Umiti Pit FSR. The woodlot has an allowable annual cut of 2,136 cubic metres, and includes 301 cubic metres from private lands within the woodlot and 1,835 cubic metres from the Crown land portion.

The topography in the woodlots is a configuration of lower, mid and upper slopes, benches and ridge tops. Soils are generally stable and well drained. Elevations of the licences range from 650 to 1280 metres and lie within subzone variants of the sub-boreal spruce biogeoclimatic zone. The area has a climate of hot, dry summers and cold winters with shallow snow packs. A mix of tree species typical to the area includes lodgepole pine, white spruce, Douglas-fir and trembling aspen. The Board's audit fieldwork took place on June 15 and 18, 2009.

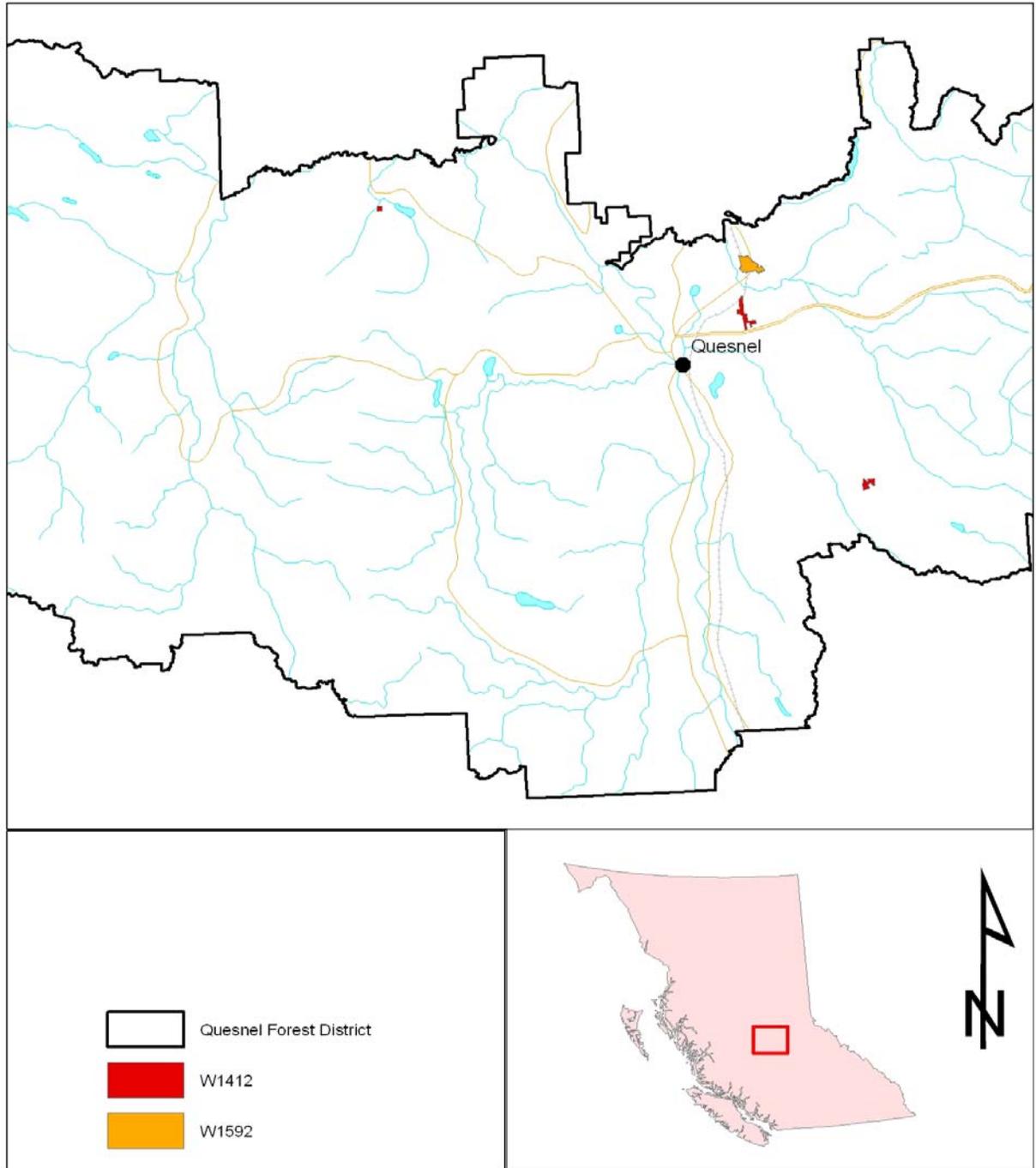


Regenerating stand on woodlot 1412



An overview of woodlot 1592

## Audit of Quesnel Woodlots



## Audit Approach and Scope

The audit examined each woodlot licensee's planning, field activities and obligations in the areas of:

- operational planning (including forest development plans<sup>i</sup>, site plans<sup>ii</sup> and woodlot licence plans<sup>iii</sup>);
- timber harvesting;
- road construction, maintenance and deactivation;
- silviculture activities and obligations; and
- fire protection at active work sites.

These activities were assessed for compliance with the *Forest Practices Code of British Columbia Act* (the Code), the *Forest and Range Practices Act* (FRPA<sup>iv</sup>) and the *Wildfire Act* (WA), and related regulations, in particular, the *Woodlot Licence Forest Management Regulation* (WLFMR) and the *Woodlot Licence Planning and Practices Regulation* (WLPPR). All activities, planning and obligations for the period January 1, 2007, to the day of the field audit in June 2009, were included in the scope of the audit.

The Board's audit reference manual, *Compliance Audit Reference Manual, Version 6.0, May 2003*, and the addendum to the manual for the 2009 audit season, set out the standards and procedures that were used to carry out this audit.

## Planning and Practices Examined

### Higher Level Plans

The Quesnel Forest District covers a large geographic area under the Cariboo-Chilcotin Land Use Plan (CCLUP). In January 1996, parts of the CCLUP were declared a higher level plan under the Code. The CCLUP requirements are extensive, but most of these commitments relate to the achievement of an objective over a broad landbase, and have limited application for a specific woodlot. Where applicable, the audit found that site level requirements identified in the plan, such as meeting a visual quality objective, were appropriately addressed by the woodlot licensees' forest planning and practices.

Because the CCLUP provides mainly region-wide direction, a local plan has been developed to help implement the CCLUP objectives at the local level. The aim of the draft Quesnel Sustainable Resource Management Plan (SRMP) was to combine public knowledge and collaborative consultation in a local plan that meets region-wide direction outlined in the CCLUP. The final draft Quesnel SRMP has been completed and submitted to the Cariboo Managers' Committee in February 2007, but still has not been approved. Until approved, it contains only non-legal guidance on the application of objectives and strategies from the CCLUP.

## Operational Planning

- The holder of licence W1412 conducted harvesting activities authorized by a forest development plan (FDP) amendment approved in January 2007, a woodlot licence plan (WLP) approved in February 2008 and cutting permit (CP) 'B'. No site plans are required under a WLP; however, a site plan was prepared.
- The holder of licence W1592 conducted harvesting activities authorized by an FDP amendment approved in March 2006, and CP 'A'. A site plan was prepared and approved for CP 'A', blocks 1 and 2.

## Practices

The audit work for each woodlot included an evaluation of records and plans, and on the ground inspections of roads and cutblocks. No aerial assessments were undertaken.

Woodlot licence 1412 harvested three cutblocks, constructed 0.65 kilometres of road and maintained 15.6 kilometres of road, and all of these activities were audited. With respect to silviculture obligations, auditors assessed 21 of 30 small blocks for regeneration obligations and one block that met the free-growing obligation. Auditors also assessed all of the four blocks that were planted and all of the three blocks that were mechanically site-prepared. There were no active work sites noted and no deactivated roads.

Woodlot licence 1592 harvested two cutblocks, and maintained 18.1 kilometres of road, and auditors assessed both cutblocks and 10.4 kilometres of road maintenance. With respect to silviculture obligations, auditors assessed all of the 15 cutblocks that had regeneration obligations due, plus all of the seven blocks that were planted. There were no active work sites noted and no deactivated roads.

## Audit Opinion

In my opinion, the operational planning, timber harvesting, road construction, road maintenance, silviculture and fire protection planning carried out under woodlot licences W1412 and W1592 complied in all significant respects with the requirements of the *Forest and Range Practices Act*, the *Wildfire Act* and related regulations, as well as applicable transitional elements of the *Forest Practices Code of British Columbia Act*, as of June 2009. No opinion is provided regarding road deactivation or fire protection activities.

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. Such an audit includes examining sufficient forest planning and practices to support an overall evaluation of compliance with FRPA, WA and the Code.



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Victoria, British Columbia  
October 6, 2009

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- <sup>i</sup> A forest development plan is an operational plan that provides the public and government agencies with information about the location of proposed roads and cutblocks for harvesting timber over a period of at least five years. The plan must specify measures that will be carried out to protect certain forest resources prescribed by regulation. It must also be consistent with any higher level plans. Site-specific plans are required to be consistent with the forest development plan.
- <sup>ii</sup> A site plan is a site-specific plan that is required in place of a silviculture prescription as of December 17, 2002, except where there is already an existing silviculture prescription. The site plan contains many of the same elements as a silviculture prescription and is designed to identify resource values and define what a free-growing stand will be on that site. However, it is not an operational plan under the Code and does not require review or approval by government to be implemented.
- <sup>iii</sup> Under the *Forest and Range Practices Act (FRPA)*, a woodlot licence plan replaces the woodlot forest development plan and site plans. The woodlot licence plan must be consistent with government's objectives for values such as water, soils and cultural heritage resources. The woodlot licence plan must address the entire woodlot licence area and performance requirements such as the obligation to reforest a site after logging, and the requirements set out in the *Woodlot Licence Planning and Practices Regulation 21/2004 (WLPPR)*. The term of a woodlot licence plan is ten years.
- <sup>iv</sup> Most of the *Forest Practices Code of British Columbia Act (the Code)* was repealed on January 31, 2004 and replaced with the *Forest and Range Practices Act (FRPA)*. The transitional provisions of FRPA state that the Code continues to apply to forest practices carried out under a forest development plan. This continues until there is an approved woodlot licence plan, at which point, the requirements of FRPA apply. Therefore, although FRPA came into effect prior to the audit period, the legislated forest practices requirements that applied to the auditees were the requirements of the Code.

# Appendix 1: Forest Practices Board Compliance Audit Process

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## Background

The Forest Practices Board conducts audits of government and agreement-holders under the *Forest and Range Practices Act* (FRPA), section 122, and the *Wildfire Act* (WA). Compliance audits examine forest or range planning and practices to determine whether or not they meet FRPA and / or WA requirements. (The transitional provisions of FRPA state that the Code continues to apply to forest practices carried out under a forest development plan, until there is an approved forest or range stewardship plan, at which point the requirements of FRPA apply).

## Selection of auditees

The Board conducts about eight or nine compliance audits annually. Most of these are audits of agreement holders. The Board also audits the government's BC Timber Sales Program (BCTS). This section describes the process for selecting agreement holders to audit.

To begin with, auditors randomly select an area of the Province, such as a forest 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 Board strategic priorities (updated annually), and the type of audit is determined. At this stage, we choose the auditee(s) that best suits the selected risk and priorities. The audit selections are not based on past performance.

For example, in 2007, the Board randomly selected the Robson Valley Timber Supply Area as a location for an audit. After assessing the activities within that area, we discovered that two licensees had recently closed operations due to financial problems. As the Board has expressed concern in the past about financially strapped companies failing to meet outstanding obligations, such as reforestation and road maintenance, the audit focused on the status of the outstanding obligations of these two licences.

For BCTS audits, a forest district within one of the 12 business areas within the province is selected randomly for audit.

## Audit Standards

Audits by the Board are conducted in accordance with the auditing standards developed by the Board. These standards are consistent with 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 or replanting, and road construction or deactivation activities). 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.

A separate sample is then selected 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.

Audit field work includes assessments of features using helicopters and ground procedures, such as measuring specific features like riparian reserve zone width. The audit teams generally spend one to two weeks in the field.

### Evaluating the Results

The Board recognizes that compliance with the many requirements of the Code, FRPA and WA, 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 legislated 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 Code, FRPA and WA requirements.

***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 worthy of reporting. Therefore, this category of events will not be included in audit reports.

***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 many non-compliance events.

If it is determined that a significant breach has occurred, the auditor is required by the *Forest Practices Board Regulation* to immediately advise the Board, the party being audited, and the Minister of Forests and Range.

## **Reporting**

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

Once the auditor submits the draft report, the Board reviews it 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 representations allow parties that may potentially be adversely affected to present their views to the Board.

The Board then reviews the draft report from the auditor and the representations from parties that may potentially be adversely affected before preparing its final report. Once the representations have been completed, the report is finalized and released: first to the auditee and then to the public and government.