



**Forest
Practices
Board**

Audit of Forest Planning and Practices

*Sechelt Community Projects Inc.
Community Forest Agreement - Licence K3F*

*Powell River Community Forest Ltd.
Community Forest Agreement - Licence K3G*

*Sliammon First Nation
Community Forest Agreement - Licence K3P*

*Klahoose First Nation
Community Forest Agreement - Licence K4C*

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Audit Results

Background

As part of the Forest Practices Board's 2011 compliance audit program, the Board randomly selected the Sunshine Coast District as the location for a full scope compliance audit. Within the district, the Board selected all four community forest agreements (CFAs) for audit: CFA licence K3F held by Sechelt Community Projects Inc.; CFA licence K3G held by Powell River Community Forest Ltd.; CFA licence K3P held by Sliammon First Nation; and CFA licence K4C held by Klahoose First Nation. A community forest is a forest tenure managed by a local government, First Nation, or community group for the benefit of the entire community.

Each CFA in the district has a distinct operating area and an allowable annual cut associated with the licence. One CFA is located in the community of Sechelt; two CFAs are located near the community of Powell River; and one is located in Toba Inlet, on the mainland coast (see map on page two). The CFAs fall within the area included within the Sunshine Coast District Sustainable Resource Management Plan (SRMP).

The four CFAs have a combined allowable annual cut of 175 293 cubic metres. During the two-year period of this audit, 384 872 cubic metres were harvested under these CFAs.



Typical harvest operation within the CFAs on the Sunshine Coast. Harvesting in second growth stands and retaining old growth Douglas fir.

Coast District Sustainable Resource Management Plan (SRMP)ⁱ. The SRMP provides direction from government on how to manage public lands and resources within the plan area. The provisions of the SRMP establish landscape units as logical areas for the management of resource values such as biodiversity and old growth retention. Further, landscape unit plans (LUPs) provide guidance for old-growth targets to be consistent with the *Order Establishing Provincial Non-Spatial Old Growth Objectives*, effective June 30, 2004. The SRMP and the LUPs are not legally binding.

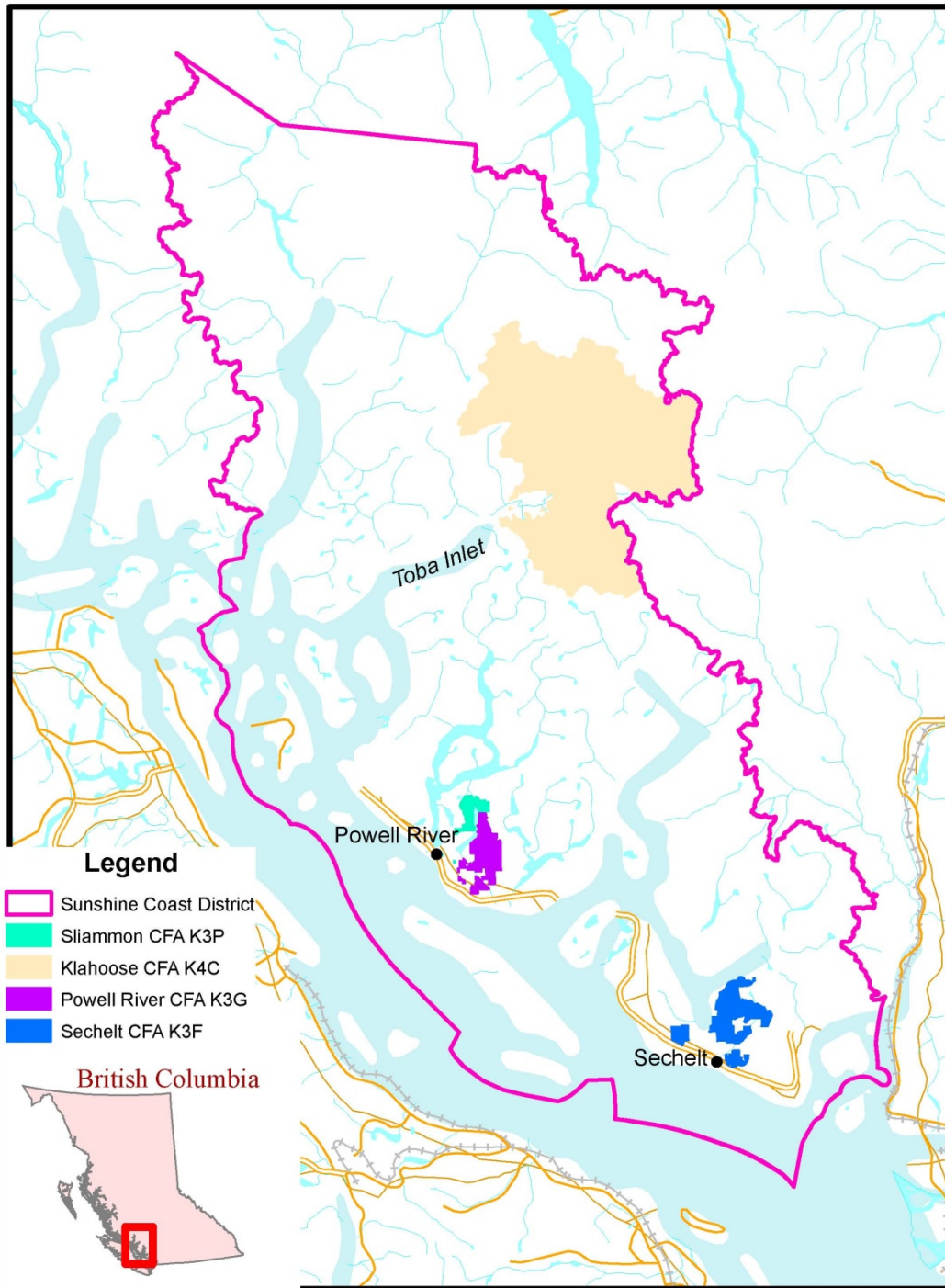
The Board's audit fieldwork took place from July 25 to 28, 2011, and August 2 to 4, 2011.

Additional information about the Board's compliance audit process is provided in Appendix 1.

Objectives set by Government

In addition to objectives set by government under the *Forest and Range Practices Act* (FRPA) and related regulations, objectives for forest stewardship in the CFAs are also guided by the Sunshine

**Map of CFA's K3F, K3G, K3P, and K4C
Operating Areas Subject to Audit.**



Audit Approach and Scope

The Board conducted a full scope compliance audit, which includes all harvesting, road, silviculture and protection activities, and associated planning, carried out between July 1, 2009, and August 4, 2011. These activities were assessed for compliance with FRPA, the *Wildfire Act* (WA) and related regulations.

The Board's audit reference manual, *Compliance Audit Reference Manual, Version 6.0, May 2003*, and the addendum to the manual for the 2011 audit season, set out the standards and procedures that were used to carry out this audit.

Planning and Practices Examined

Sechelt Community Projects Inc. – Community Forest Agreement Licence K3F

Sechelt Community Projects Inc. (SCPI) manages this licence on behalf of the District of Sechelt. SCPI conducts its operational planning under its forest stewardship planⁱⁱ (FSP), which was approved in December 2006. Planning was evaluated to ensure consistency with the FSP and legislative requirements, as well as landscape unit plans established for the Chapman and Sechelt landscape units.

During the two-year audit period, SCPI harvested 11 cutblocks with a gross area of 114.5 hectares, using only ground-based systems. The audit examined all of these cutblocks.

SCPI constructed 7.5 kilometres of new road for access to and/or within its cutblocks, of which 0.6 kilometres was deactivated. SCPI is also responsible for maintaining 4.8 kilometres of road outside the cutblocks. The audit examined 6.6 kilometres of road construction, 0.6 kilometres of deactivation, and 2.8 kilometres of maintained roads.

SCPI planted 11 cutblocks, brushed 1 cutblock, conducted juvenile spacing on 10 cutblocks, and completed regeneration surveys on 5 cutblocks during the audit period. The audit examined planting in 9 cutblocks, brushing on 1 cutblock, juvenile spacing on 5 cutblocks and confirmed that regeneration obligations were met on 4 cutblocks.

There were no active operations during the field audit, so the field components of the fire preparedness requirements of the WA were not audited. Slash loading and slash piled in preparation for disposal were reviewed on the 11 cutblocks that had been harvested and 9 cutblocks that were planted during the audit period.



K3F - Temporary access structure within a recent cutblock showing rehabilitation of structure and planting when harvesting completed.

Powell River Community Forest Ltd. - Community Forest Agreement Licence K3G

Powell River Community Forest Ltd. (PRCF) manages this licence on behalf of the community of Powell River. PRCF conducts its operational planning under its FSP, which was approved in December 2008. Planning was evaluated to ensure consistency with the FSP and legislative requirements, as well as the landscape unit plans established for the Haslam and Lois Lake landscape units.



K3G - Recreational trail within a cutblock that has been maintained including a treed buffer and the trail was kept clear of logging debris.

During the two-year audit period, PRCF harvested five cutblocks with a gross area of 86.8 hectares, using only ground-based systems. The audit examined all of these cutblocks.

PRCF constructed 7.1 kilometres of new road for access to and/or within its cutblocks, of which 0.3 kilometres was deactivated. PRCF constructed eight new bridges or major culvert structures. PRCF is also responsible for maintaining 14.4 kilometres of road outside the cutblocks, which included

maintenance of six bridges or major culvert structures. The audit examined all of the road construction and deactivation; 11 kilometres of maintenance; as well as all 14 bridges and major culverts.

PRCF planted four cutblocks (one block had partial planting and was not included in the sample) and completed regeneration surveys on six cutblocks during the audit period. The audit examined planting in four cutblocks, and confirmed regeneration obligations on four cutblocks.

There were no active operations during the field audit, so the field components of the fire preparedness requirements of the WA were not audited. Slash loading and slash piled in preparation for disposal were reviewed on the five cutblocks that had been harvested and the four cutblocks that were planted during the audit period.

Sliammon First Nation - Community Forest Agreement Licence K3P

Tla'Amin Timber Products Ltd. (Tla'Amin) manages this licence on behalf of the Sliammon First Nation. Tla'Amin conducts its operational planning under its FSP, which was approved in December 2008. Planning was evaluated to ensure consistency with the FSP and legislative requirements, as well as the landscape unit plans established for the Bunster and Lois Lake landscape units. There was no activity within these landscape units during the audit period.

During the two-year audit period, Tla'Amin harvested 3 cutblocks with a gross area of 53.2 hectares, using only ground-based systems. The audit examined all of these cutblocks.

Tla'Amin constructed 3.6 kilometres of new road for access to and/or within its cutblocks, of which 0.8 kilometres was deactivated. Tla'Amin is also responsible for maintaining 16.2 kilometres of road outside the

cutblocks, which included maintenance of 16 bridges or major culvert structures. The audit examined all of the road construction, deactivation, maintained roads, and 8 of the 16 bridges and major culverts.

Tla'Amin planted three cutblocks in the audit period. There were no silviculture obligations due during the audit period. All silviculture activities were audited.

There was one active operation during the field audit, so the field components of the fire preparedness requirements of the WA were audited. Slash loading and slash piled in preparation for disposal were reviewed on three cutblocks that had been harvested and the three cutblocks that were planted during the audit period.



K3P - Active logging site above Haslam Lake; cable logging provided employment and training opportunities for community members.

Klahoose First Nation - Community Forest Agreement Licence K4C



K4C – A typical helicopter block in the CFA. Helicopter operations were chosen where access or terrain was difficult. Note the treed buffer on a large mountain stream.

Klahoose First Nation (Klahoose) conducts its operational planning under its FSP, which was approved in June 2009. Planning was evaluated to ensure consistency with the FSP and legislative requirements, as well as the landscape unit plans established for the Toba Inlet landscape unit.

During the two-year audit period, Klahoose harvested 33 cutblocks with a gross area of 286.2 hectares, using ground-based, cable, and helicopter systems. The audit examined 30 of these cutblocks.

Klahoose constructed 20.8 kilometres of road inside its cutblocks, of which it deactivated 0.5 kilometres. Klahoose constructed 18 new bridges or major culvert structures. Klahoose is also responsible for maintaining 3.1 kilometres of road outside the cutblocks, which did not include any bridges or major culvert structures. The audit examined all of the road construction, deactivation, maintenance; and all of the bridges and major culverts.

Klahoose planted 22 cutblocks in the audit period. There were no silviculture obligations due during the audit period. The audit examined 19 of these cutblocks.

There was 1 active operation during the field audit, so the field components of the fire preparedness requirements of the WA were audited. Slash loading and slash piled in preparation for disposal were reviewed on 30 cutblocks that had been harvested and 19 cutblocks that were planted during the audit period.

Findings

The audit found that the planning and field activities undertaken by Sechelt Community Projects Inc., Powell River Community Forest Ltd., and Sliammon First Nation, complied in all significant respects with the requirements of FRPA, WA and related regulations, as of July 2011.

The audit found that the planning and field activities undertaken by Klahoose First Nation, complied in all significant respects with the requirements of FRPA, WA and related regulations, as of August 2011.

Operational Planning

All four FSPs were consistent with the objectives and strategies of FRPA and the SRMP. Site plans were consistent with the FSPs and accurately depicted and accommodated on-site resources.

Stand level biodiversity objectives were achieved by prescribing and retaining adequate wildlife tree reserves including dispersed old growth and cedar retention; and maintaining coarse woody debris on site.

Harvesting

The audit found that harvesting performed by the licensees was conducted in accordance with requirements of legislation and was consistent with site plans.

Riparian features were adequately protected, where practical, by excluding these features from harvest areas; retaining forest cover in riparian management areas; and establishing treed buffers or machine-free zones adjacent to streams and wetlands.

Numerous cutblocks had recreational trails either adjacent to or within the harvest boundaries. These trails were identified and treatments were prescribed to ensure the trails were kept in the same condition as prior to harvest.

Sound soil conservation practices were demonstrated by conducting ground-based harvest operations during favorable weather to keep soil disturbance low, minimizing the area

occupied by permanent access structures by using temporary access structures where practical, and by rehabilitating temporary access structures.

SCPI had one block where a skid trail was designated to be located over an area within the northerly portion of the block; but a permanent access road was constructed in a different location. There was no increase in site disturbance in the block as a result of this activity. Subsequent to the audit, the site plan has been amended to account for building the permanent access road instead of the skid trail, as SCPI deemed the road necessary to access future timber beyond the existing block.

Roads

Where possible, all licensees upgraded existing roads to avoid constructing additional permanent access structures. In all cases, roads were constructed on stable terrain and natural drainage patterns were maintained.

Klahoose had built two culverts that encroached on fish habitat and one large culvert was showing signs of erosion under one of the sill logs. Both roads were identified for deactivation and these structures are planned for removal.

Road deactivation conducted during the audit period was limited, as the licensees require continued access to conduct silviculture and hazard abatement activities. Also, being a community forest, maintaining public access into these areas for recreational activities is considered a high priority. On roads where deactivation had occurred, deactivation measures consisted of restoring natural drainage patterns and establishing cross-ditches, including armouring of inlets and outlets. Practices were found to be adequate.

Silviculture obligations and activities

SCPI and PRCF had obligations other than planting (regeneration due). None of the licences have been in existence long enough to require free growing obligations to be met. All silviculture activities were conducted in a timely manner, accurate silviculture records were maintained and activities were conducted within the required time frames. The chief forester's seed transfer requirements were met.

Protection

Piling and disposal of slash were effective, as any increased fire hazard from logging had been safely abated or is scheduled for abatement when conditions are suitable.

SCPI had entered into an agreement with a local entrepreneur to recover wood from some debris piles; however these piles were not being removed in a reasonable period of time and may put SCPI in a potential non-compliance if the two-year time frame for hazard abatement is exceeded.

The active sites for both Tla'Amin and Klahoose had sufficient fire tools present and a functional water delivery system on site.

Audit Opinion

In my opinion, the operational planning; timber harvesting; road construction, maintenance and deactivation; silviculture; and fire hazard abatement activities carried out by Sechelt Community Projects Inc., and Powell River Community Forest Ltd. on Community Forest Agreement Licences K3F, and K3G, respectively, between July 1, 2009, and July 28, 2011, complied in all significant respects with the requirements of the *Forest and Range Practices Act*, the *Wildfire Act* and related regulations, as of July 2011. No opinion is provided regarding fire-fighting equipment requirements.

In my opinion, the operational planning; timber harvesting; road construction, maintenance and deactivation; silviculture; and fire protection activities carried out by Tla' Amin Timber Products Ltd. for the Sliammon First Nation on Community Forest Agreement Licence K3P between July 1, 2009, and July 26, 2011, complied in all significant respects with the requirements of the *Forest and Range Practices Act*, the *Wildfire Act* and related regulations, as of July 2011.

In my opinion, the operational planning; timber harvesting; road construction, maintenance and deactivation; silviculture; and fire protection activities carried out by Klahoose First Nation on Community Forest Agreement Licence K4C, between July 1, 2009, and August 4, 2011, complied in all significant respects with the requirements of the *Forest and Range Practices Act*, the *Wildfire Act* and related regulations, as of August 2011.

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 and WA.



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January 16, 2012

ⁱ Sunshine Coast District Sustainable Resource Management Plan:
http://ilmbwww.gov.bc.ca/slrp/srmp/coast/sunshine_coast/index.html

ⁱⁱ 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 FSPs licensees are 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.

Appendix 1:

Forest Practices Board Compliance Audit Process

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 generally worthy of reporting. However, in certain circumstances, events that are considered not significant non-compliance 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 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, Lands and Natural Resource Operations.

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 auditor's draft report 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.



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