



## Fort St John Pilot Project—2016 CSA Z809 Surveillance Audit Summary

Between August 15-18, 2016, an audit team from KPMG Performance Registrar Inc. (KPMG PRI) carried out a CSA Z809 surveillance audit of the Fort St. John Pilot Project (FSJPP) participant’s operations against the requirements of the CSA Z809-08 sustainable forest management (SFM) standard. This Certification Summary Report provides an overview of the process and KPMG’s findings.

### Description of the Fort Saint John Pilot Project’s Defined Forest Area

The FSJPP Defined Forest Area (DFA) encompasses the Fort St. John Timber Supply Area (TSA) in the Peace region of northeast BC. The DFA is approximately 4 million hectares in area, with an allowable annual harvest of over 2 million cubic metres per year.

### Scope of Certification

The scope of FSJPP’s CSA Z809 certification includes the sustainable forest management system (including related public involvement, planning, harvesting, road and silviculture activities) implemented by FSJPP participants in the FSJPP Defined Forest Area.

The FSJPP participants are made up of organizations that have forest management tenure on the DFA, which are Canadian Forest Products Ltd (Canfor), BC Timber Sales (BCTS), Cameron River Logging Ltd., Chetwynd Mechanical Pulp Ltd, Dunne-Za Ventures LP, and Louisiana-Pacific Canada Ltd. However, all forestry activity is carried out by BCTS and Canfor — while BCTS manages its activities on its own tenure, Canfor manages its tenure as well as those of the remaining participants by agreement. All of the participants have consented in writing to take part in the pilot project and be subject to the terms and conditions of the FSJPP Regulation.

The Fort St. John Pilot Project was implemented across the Fort St. John TSA in 2001 as a pilot for an improved regulatory framework for forest practices. The main components of the project include regulatory flexibility to facilitate adaptive approaches to forest management, landscape level planning through an SFM plan, ongoing public involvement through a Public Advisory Group (PAG) and the adoption and implementation of certification systems as surrogates for the existing administrative process.

### Audit Scope

The audit was conducted against selected elements of the requirements of the CSA Z809-08 standard, including those related to:

- The public participation process;
- Development and maintenance of the SFM plan;
- Monitoring of SFM performance, and;



- Implementation of the various management system components (including operational controls, monitoring and inspections, internal audits, etc.) that are required under the CSA Z809 standard.

### The Audit

- **Audit Team** – The audit was conducted by Yurgen Menninga, RPF, EP(EMSLA) acting as lead auditor, and Branden Beatty, R.P. Bio. Both are employees of KPMG PRI and Yurgen has conducted numerous forest management audits under a variety of standards including ISO 14001, CSA Z809, SFI and FSC..
- **CSA Z809 Surveillance Audit** – The audit included an off-site review of selected SFM system documents and an on-site assessment of the FSJPP participants’ implementation of their SFM system. Conclusions regarding conformance with the requirements of the standard were based on the collection of sufficient and appropriate audit evidence drawn from the following sources: (1) a review of various SFM system procedures and records, (2) interviews with a sample of Company staff and contractors, and (3) visits to several field sites to evaluate conformance with the applicable requirements of the CSA Z809 standard.
- **FSJPP Certification Program Representatives** – Evan Hauk, RPF of Canfor and Rod Drew, RFT of BC Timber Sales served as the FSJPP participants’ representatives during the audit.

### Audit Objectives

The objectives of the audit were to evaluate the sustainable forest management system of the FSJPP Participants to:

- Determine conformance with the requirements of CSA Z809 standard;
- Evaluate the ability of the system to ensure the FSJPP Participants meet applicable regulatory requirements;
- Evaluate the effectiveness of the system in ensuring that FSJPP Participants meet the specified objectives, and;
- Where applicable, identify opportunities for improvement.

These objectives were met.

### Good Practices

A number of good practices were identified during the course of the audit. Examples included:

- Earlier this year Canfor arranged with the Doig First Nation a cultural awareness session, where for one day the Doig band hosted about a dozen Canfor staff for a tour that covered traditional use, medicinal and food plants of importance etc, and then Canfor hosted Doig members for a one day forestry tour. CSA Z809 2 6.3.6 criterion 6. (Canfor)
- Several examples were provided by planners where the company worked successfully with multiple parties such as private landowners, an outdoor school, oil & gas (O&G), and First Nations to find solutions to the multiple stakeholders concerns. CSA Z809 2 6.3.6 criterion 6- Society’s Responsibility. (Canfor)

Fort St John Pilot Project 2016 CSA Z809 Audit Findings	
Open non-conformities from previous audits	0
New major non-conformities	0
New minor non-conformities	2
New opportunities for improvement	1

- It was noted that Canfor has good retention practices as follows:
  - On Non Classified Drainages a machine free zone of several metres width is typically left on both sides of the watercourse, trees are stubbed, and understory vegetation and trees are retained, minimizing impacts to water quality and providing biodiversity benefits to riparian species.
  - On numerous blocks down the 88 mile road, rather than leaving six stubs per hectare as is required under the SFMP, six overstory trees per hectare are left. As well these are left in clumps of small groups of trees to reduce the likelihood of blowdown. CSA Z809 2 6.3.6 criterion 6 – Biodiversity. (Canfor)
- Following one of the wildfires this spring, BCTS provided a local First Nation with several hundred seedlings to re-plant around the community. CSA Z809 2 6.3.6 criterion 6- Society’s Responsibility. (BCTS)

### New Areas of Nonconformance

Two minor non-conformities were identified during the surveillance audit. These included:

- **CSA Z809 7.4.2 Required Activities:** The CSA standard at 7.4.2 requires that the organization meet the SFM requirements of the Standard, including compliance with legislation applicable to the DFA. While fire hazard assessments are a legal requirement under the Wildfire Act in BC, the audit found that (1) Canfor does not do fire hazard assessments, and (2) while BCTS specifies that LPCs are to complete a fire hazard assessment this is not always completed. While both BCTS and Canfor are abating their hazards as a matter of course, the lack of hazard assessments is not compliant with the Wildfire Act (Canfor and BCTS)
- **CSA Z809 7.4.7 Emergency Response :** The CSA standard at 7.4.7 requires the organisation establish and maintain procedures to prevent and mitigate the impacts associated with accidents and emergencies, and review and revise, where necessary, its emergency preparedness and response procedures, particularly after the occurrence of accidents or emergencies.

BCTS has developed various procedures and operational controls in support of these requirements (such as EFP01 – General, EFP 05 Harvesting, BCTS Staff Emergency Response Plan), however between these the following gaps are noted:

- There are no specific timing or burning condition constraints, and BCTS cannot stop an LPC from burning if BCTS feels it is high risk. On TSLs A92973, A90801, and A93369 burning occurred late March & early April which is well past the typical industry burning window given that piles can smoulder for weeks (and sometimes months). Burning on these three TSLs escaped and caused wildfires.
- Infrared scanning, which is an industry standard, does not occur.

#### Types of audit findings

##### Major non-conformities:

Are pervasive or critical to the achievement of the SFM Objectives.

##### Minor non-conformities:

Are isolated incidents that are non-critical to the achievement of SFM Objectives.

All non-conformities require the development of a corrective action plan within 30 days of the audit. Corrective action plans to address major non-conformities must be fully implemented by the operation within 3 months or certification cannot be achieved / maintained. Corrective action plans to address minor non-conformities must be fully implemented within 12 months.

##### Opportunities for Improvement:

Are not non-conformities but are comments on specific areas of the SFM System where improvements can be made.

- BCTS leaves it up to contractors/LPCs to determine what is needed for fire response equipment, but has no oversight as to whether it is adequate for the risk, nor guidance as to what is suitable.
- In one of the recent fire escapes, on TSL A92973, the bid deposit system created economic pressure to complete burning promptly following harvest in late March.

### New Opportunities for Improvement

One new opportunity for improvement was also identified during the audit, as follows:

- **CSA Z809 7.4.2 Required Activities:** BCTS at Fort St John has developed a local Fuel Management Checklist, however it is noted that the requirements for inspections are unclear when they are self-inspections versus Transport Canada facility inspections, and Transport Canada facility inspection differences for tanks over/under 450 litres are not included.
- **CSA Z809 clause 7 (SFM system requirements):** For new indicator #67 Rare Ecosystems, blocks planned after June 2014 were designed to be consistent with the indicator. Monitoring for conformance began on harvested blocks in April 2016. It is noted that blocks with rare ecosystems that were planned prior to June 2014 but harvested after April 2016 may not be conformant. (Canfor and BCTS)

### Corrective Action Plans

Corrective action plans designed to address the root cause(s) of the non-conformities identified during the audit have been developed by the FSJPP participants and reviewed and approved by KPMG PRI. The next audit will include a follow-up assessment of these issues to confirm that the corrective action plans developed to address them have been implemented as required.

### Audit Conclusions

The audit found that the FSJPP SFM system:

- Was in full conformance with the requirements of the CSA Z809 standard included in the scope of the audit, except where noted otherwise in this report;
- Continues to be effectively implemented, and;
- Is sufficient to systematically meet the commitments included in the participants' environmental and SFM policy, provided that the system continues to be implemented and maintained as required.

As a result, a decision has been made to continue to certify the Fort Saint John Pilot Project to the CSA Z809 standard.

### Focus Areas for the Next Audit

The following issues/topics have been identified as focus areas for the next audit:

- Timber salvage of areas burned in the spring 2016 fires. (FSJPP participants)
- Government approval of SFMP3. (FSJPP participants)
- Progress in developing a new tracking system for road maintenance, and improving the current Cengea bridge maintenance tracking process. (Canfor)
- Road and bridge maintenance program at BCTS.

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