



WHITEFEATHER FOREST

**Independent Forest Audit
April 1, 2011-March 31, 2018**

Final Report

**ArborVitae Environmental
Services Ltd.**

December 4, 2018

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1.0 EXECUTIVE SUMMARY

This Independent Forest Audit (IFA) assessed the management of the Whitefeather Forest during the period April 1, 2011 to March 31, 2018, which encompasses the last year of the development of the 2012-2022 Forest Management Plan (FMP) as well as the first six years of its implementation. This audit reviewed the performance of both the SFL-holder, Whitefeather Forest Community Resource Management Authority (WFCRMA) and the Red Lake District of the Ministry of Natural Resources and Forestry (MNRF). The Whitefeather Forest encompasses the heart of the traditional territory of Pikangikum First Nation and has had no industrial activity of any kind on it prior to 2012.

The auditing process incorporates aspects of risk management, using the widely-recognized concept that risk is a function of both the probability of an event occurring and the impact of the event should it occur. Those procedures for which non-compliance would result in a medium to high negative impact on sustainability were identified by the MNRF as mandatory, while the procedures associated with a low impact were identified as optional. Early in the audit process, the auditors drew on their experience and reviewed evidence related to the optional procedures to evaluate the risk of non-conformance or negative outcomes associated with the procedure. Using this process, it was identified that 9 of the 52 optional procedures would be audited. The assessment of risk was reviewed and accepted by the Forestry Futures Committee and MNRF.

The audit was carried out by a team of three professionals, each with extensive experience in forest management. Two members of the audit team spent four days in Red Lake. During this time, the auditors reviewed documents at the Red Lake MNRF office, interviewed staff and undertook a field visit during which it interviewed the President of WFCRMA and an advisor. On the site visit, the audit team viewed 100% of the operations undertaken during the audit period, which consisted of some road corridor clearing totaling 6-8 ha and a Forestry Aggregate Pit (FAP), which had been converted to a Category 9 pit by the time of the site visit. The site inspections, undertaken by truck, included representation from the District MNRF, the Authority, and Forestry Futures. The scope of the audit also included the development of the Phase II Planned Operations, the preparation of Annual Work Schedules (AWS) and Annual Reports (AR), and the various monitoring programs in place.

The Whitefeather Forest (WF) is one of the most northern forest management units (FMU) in Ontario. When the Class Environmental Assessment for Forest Management on Crown Lands in Ontario (Class EA) was released in 1994, what has since become the Whitefeather Forest was located north of the Area of the Undertaking (i.e. outside the zone of commercial forestry). In April 2009, by way of Declaration Order MNR-74, the Ministry of the Environment granted EA Act coverage for the Whitefeather FMU. (The Whitefeather Forest was designated as a FMU effective April 1, 2010.)

The community of Pikangikum decided to bring a part of its traditional territory into an industrial management framework in order to provide employment and income benefits to the community. To this end, Pikangikum has established a hierarchy of organizations, beginning with the Whitefeather Forest Initiative (WFI). Established in 1996, the WFI is guided by the Elders in keeping with ancestral Indigenous Knowledge and resource stewardship traditions. The WFI has the mandate to develop the economic potential of the Whitefeather Forest and the WFCRMA, established in 2012, has the responsibility for achieving this mandate while providing resource stewardship.

The community worked with the Province of Ontario to develop a land use plan for the area, which served as a foundation for the 2012 FMP. During the audit period, operational activity on

the Forest was limited as the community attempted to secure a processing facility that it would have significant ownership of, and which would process the timber from the Forest. To date, the community has been unable to conclude a satisfactory business arrangement and the entire situation has led to a very high level of frustration at WFCRMA and the community.

At the time of the audit, and during the preparation of the audit report, the working relationship between MNRF and WFCRMA, and indeed Pikangikum as a whole, had become very strained. This is one of the main findings of the audit. All parties agree there is a need to address the relationship issue, which is a positive sign.

Because of the limited extent of operations, the Authority received approval to prepare a Year 6 AWS for 2016-17 under the Phase I 2012 FMP. This was permitted under the 2009 Forest Management Planning Manual (FMPM) when there has been a delay in the approval of operational planning for the second five-year term of the 2012-2022 FMP.¹ However, the Authority was obligated to prepare a Phase II plan that would come into effect by April 1, 2018. WFCRMA contended that it did not need to prepare a Phase II plan and submitted a Year 7 AWS – for the 2018-19 fiscal year – that was not approved by MNRF because it was not an option for MNRF under the FMPM. MNRF had informed the Authority as early as 2016 that a Phase II plan would be required, and as a result, the second major finding of the audit is that WFCRMA did not prepare a Phase II Planned Operations. As of April 1, 2018, WFCRMA is out of compliance with the Crown Forest Sustainability Act (CFSA) and with its Sustainable Forest Licence (SFL). However, during the audit period, the Authority was in compliance with the CFSA and its SFL.

At the time of writing, WFCRMA is working on a three-year contingency FMP which it hopes to have in place by April 1, 2019, which will restore WFCRMA's regulatory compliance. The contingency plan will replace the need for a Phase II operational plan, and allow for the development of a new FMP to come into effect April 1, 2022.

The four other findings were:

- the Annual Reporting by WFCRMA, and the review of Annual Reports by MNRF, omitted records of the harvesting undertaken in 2014-15;
- a Forest Renewal Trust account has not yet been set up for this Forest;
- MNRF did not prepare and submit operational compliance reports when it inspected road construction activity; and
- WFCRMA has had very little formal interaction with other Indigenous communities with an interest in the Whitefeather Forest during the audit period.

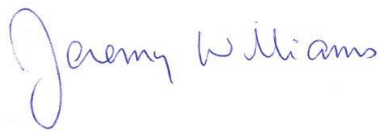
The audit team was very impressed with the land use plan, Keeping the Land, and the Forest Management Plan, as well as the process used to develop them. MNRF and especially the community of Pikangikum and WFCRMA should be proud of what has been accomplished to date. The auditors awarded the plan and the planning process a Best Practice; both plan and process incorporated Indigenous Knowledge throughout to an extent unrivaled in Ontario, and likely within Canada.

In its assessment of the sustainability of management of the Forest, the audit team reviewed the extent to which the FMP objectives and targets were met. In general, the SFL-holder achieved most of the FMP objectives and many of the targets, especially those related to participation in planning. The objectives and targets dependent on operational levels were largely not achieved. The audit team also considered the unique characteristics of the Whitefeather Forest, especially that the Forest is the only one in Ontario for which a land use plan serves as the

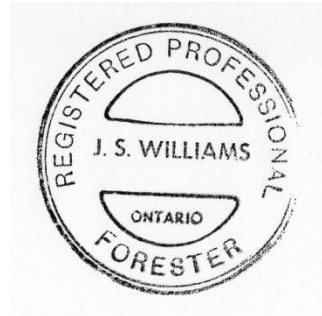
¹ Without the approval for the Year 6 AWS, the Phase II plan would have needed to be in effect as of April 1, 2017. (for the 2nd 5-year period of the 2012-2022 FMP).

foundation for the FMP. Based on these factors, the auditors concluded that the Whitefeather Forest is in a state of sustainability.

The overall conclusion of the audit team is that management of the Whitefeather Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and Conditions of Sustainable Forest Licence #552594 held by WFCRMA. The forest is being managed consistently with the principles of sustainable forest management, as assessed through the Independent Forest Audit Process and Protocol.



Jeremy Williams
Lead Auditor



2.0 TABLE OF AUDIT FINDINGS

Concluding Statement
<p>The audit team concludes that management of the Whitefeather Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and Conditions of Sustainable Forest Licence #552594 held by Whitefeather Forest Community Resource Management Authority. There is an excellent forest management plan in place and when implemented, it will result in a sustainably managed forest.</p>
Best Practice
<p>The 2012 Forest Management Plan prepared for the Whitefeather Forest represents an outstanding synthesis of Indigenous and non-Indigenous perspectives and knowledge that is far more comprehensive in this respect than any other forest plan in Ontario, and possibly within Canada.</p>
Findings
<p>1. The Authority did not prepare a Phase II Planned Operations.</p>
<p>2. WFCRMA and MNRF have a strained relationship which has stalemated activity on the Whitefeather Forest.</p>
<p>3. MNRF did not prepare Forest Operations Inspections Reports following inspections it undertook of roadwork on the Whitefeather Forest.</p>
<p>4. WFCRMA did not report the harvesting that took place in 2014-15 in the Annual Report for that year and MNRF's review of the Annual Reports did not detect inaccuracies related to the reporting of harvest volume.</p>
<p>5. A Forest Renewal Trust account has not yet been established for the Whitefeather Forest; the conditions in Appendix "D" of the Whitefeather Forest SFL, which have not been met by WFCRMA, are not appropriate for the harvest context on the Whitefeather Forest.</p>
<p>6. WFCRMA has had very little formal interaction with adjacent Indigenous communities with an interest in the Whitefeather Forest.</p>

3.0 INTRODUCTION

3.1 AUDIT PROCESS

The Crown Forest Sustainability Act (CFSA), and one of its Regulations (160/04), directs the Minister of Natural Resources and Forestry (MNR) to conduct regular audits of each of the province's managed forests. This Independent Forest Audit (IFA) of the Whitefeather Forest was awarded to ArborVitae Environmental Services Ltd. (AVES) and represents the first IFA conducted on this Forest. AVES used a three-person team to undertake the audit. Profiles of the team members, their qualifications and responsibilities, are provided in Appendix 6.

The IFAs assess compliance with the CFSA, the Forest Management Planning Manual (FMPM), the forest management plan (FMP) and consider whether the licensee, which is Whitefeather Forest Community Resource Management Authority (WFCRMA, also referred to as 'the Authority' in this report), has complied with the terms and conditions of its Sustainable Forest Licence (SFL). The effectiveness of operations in meeting plan objectives is also evaluated. An important characteristic of the IFAs is that they review the performance of both the MNR and the SFL-holder. Consistent with the CFSA, the Independent Forest Audit Process and Protocol (IFAPP) requires the audit team to provide a conclusion regarding the sustainability of the Crown forest and a finding regarding compliance with the terms and conditions of the SFL.

The impetus for the creation of the Whitefeather Forest was the decision by the community of Pikangikum to bring a part of its traditional territory into an industrial management framework in order to provide employment and income benefits for the community. The Whitefeather Forest Initiative (WFI), established in 1996, is guided by the Elders and has the mandate to develop the economic potential of the Whitefeather Forest. The WFCRMA, established in 2012, has the responsibility for achieving the WFI mandate while providing resource stewardship as directed by the Keeping the Land Strategy. The ancestral lands of Pikangikum First Nation constitute the majority of the Whitefeather Forest and the spiritual and cultural ties of the community to the Forest are beyond the ken of people who do not belong to the community.

WFCRMA, as the SFL-holder, is responsible for meeting the conditions of the SFL, which requires it to prepare and implement forest management plans and five-year and annual operational plans, annual reports, and to oversee forest operations on the FMU. The Authority is also responsible for compliance monitoring, silvicultural assessments, and maintaining the forest inventory.

The MNR has many responsibilities related to forest management, including review and approval of key documents (including the FMP, annual reports, annual work schedules, etc.), providing opportunities for First Nation and Métis community involvement and consultation, overseeing management of non-timber resources, undertaking compliance inspections, etc. In other words, the activities and accomplishments of both parties with forest management responsibilities are covered by the audit. This audit focuses on the Red Lake District of the MNR, which oversees management of the Whitefeather Forest, and may also generate findings associated with the functions of other parts of MNR.

The IFAPP is the key document that provides direction regarding the audit scope and process. The IFA process has recently been modified to include an early stage screening of the risk associated with approximately 50 of the 170 audit procedures. The procedures which are screened for risk are those that MNR has assessed as having a low impact on sustainability in the event of a non-conformance or poor effectiveness (those procedures with a moderate to high impact on sustainability must be audited). As a result of this screening, nine of the optional

procedures were selected to be audited. Greater detail regarding how the audit process was followed, the approach used in risk assessment and the results can be found in Appendix 4.

This audit covers the period April 1, 2011 – March 31, 2018, which is the maximum time period permitted by Regulation 160/04 of the CFSA. The audit scope includes the development of the 2012-2022 FMP, which came into effect in 2012, and spans the first six years of the plan period. The only operations undertaken on the Forest during the audit term were road corridor clearing, as will be discussed in more detail below. The road clearing and the associated aggregate pit were viewed during the audit, representing 100% of operations undertaken during the audit period. The audit also examined annual planning and reporting. The auditors solicited public input using newspaper advertisements and by asking the Local Citizens Committee (LCC) to encourage their constituencies to comment. A Survey Monkey questionnaire was developed and the link was provided in all notices. No comments were received.

The auditors interviewed more than half of the LCC membership at the time of the audit, and representatives of WFCRMA. Appendix 4 also provides a more detailed listing of the comments and discussion points raised by the members of the LCC and WFCRMA personnel who were interviewed.

While the audit process was adhered to, there were a number of unique features of the management context surrounding the Forest that required the lead auditor to extend the audit process timelines. The audit team appreciates the support of the Forestry Futures Committee, the MNRF and WFCRMA in this respect. All parties recognized the importance of ensuring that the audit produced a useful and meaningful outcome, and making process adjustments to allow this to happen. To be most useful to all parties, the audit focussed on some of the factors that are creating challenges to the implementation of the FMP on the Whitefeather Forest, and the realization of the goals of the Pikangikum community. The following section provides a more detailed discussion of the development of the Whitefeather Forest as a forest management unit, its relation to Pikangikum, and some of the relevant unique characteristics of the Forest, the SFL-holder, and the efforts to implement forest management on the Whitefeather Forest.

3.2 MANAGEMENT UNIT DESCRIPTION

The Whitefeather Forest is located in northwestern Ontario, north of Red Lake, and is the ancestral home of Pikangikum First Nation (*Beekahncheekahmeeng paymahteeseewahch*). The Pikangikum community is located centrally within the Whitefeather Forest and is the only community within the Forest; Poplar Hill First Nation and McDowell Lake First Nation are just adjacent to the northern boundary of the Forest. Pikangikum is a fairly large community, with more than 3,200 residents as of 2018 – its population has more than doubled since 1996 when the Esteemed Elders of Pikangikum embarked on the Whitefeather Forest Initiative.

Management of the Whitefeather Forest is grounded in the land use plan titled “Keeping the Land” (*Cheekahnahwaydahmunk Keetahkeemeenahn*) which was prepared between 2003 and 2006 by the people of Pikangikum and staff of MNRF. Keeping the Land allocated the land within the Whitefeather Forest into four “area dedications” or land use zones:

General Use Areas

All activities are permitted in these areas, including commercial forestry. These areas are to be managed sustainably using culturally appropriate approaches that will balance the various uses. The General Use Areas constitute 29.4% of the land use planning area.

Enhanced Management Areas (EMAs)

These are areas with special features and values or are of significance for other reasons, and more specific management direction is provided for these areas. A total of 34.9% of the planning area falls into EMAs. The land use strategy recognizes the following types of EMA:

- Remote access
- Recreation
- Fish and Wildlife
- Area Specific Designation for other purposes

Dedicated Protected Areas (DPAs)

These areas have special natural and cultural heritage landscape features that will be protected from commercial extraction uses, as well as from commercial electricity generation. Existing tourism and recreational uses will be maintained and new eco-cultural tourism and recreation uses may be developed in these areas. DPA's make up 35.7% of the planning area.

Cultural Landscape Waterways

Waterways that have an important place in the culture and history of Pikangikum people are designated as Cultural Landscape Waterways. These are usually combinations of DPAs and EMAs.

Direction from Keeping the Land is reflected in many aspects of the FMP, as will be evident throughout this report.

The Whitefeather Forest is primarily coniferous, with 76% of the managed Crown production forest area in coniferous forest units, 21% in mixedwood forest types and 3% in hardwood forest units.

The predominant coniferous species are jack pine and black spruce, with eastern white cedar, white spruce, larch and balsam fir also present. Poplar is the leading hardwood species, and there are minor amounts of white birch. Many of the soils are deep, with the PjDee and SbDee forest units (jack pine and black spruce on deep soils, respectively) representing 53% of the production forest area. In contrast, the conifer on shallow soils forest unit (ConSha) accounts for 5% of the forest area. The productivity of the soils combined with a cold climate results in generally slow growing timber with excellent wood quality characteristics.

As a northern boreal forest, Whitefeather contains woodland caribou, black bear, moose, wolverine and numerous smaller mammal species. In addition to caribou and wolverine, the

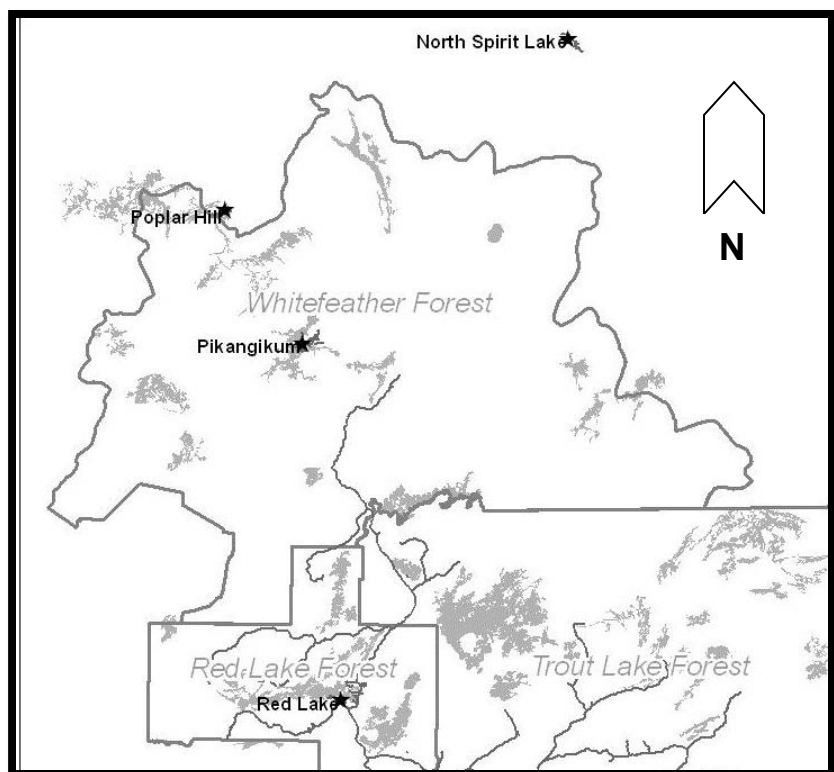


Figure 1. Location of the Whitefeather Forest.

2012 FMP confirmed six other species at risk are also found on the Forest. Pikangikum people use the forest extensively for hunting, fishing, trapping, and gathering wild foods and medicines. The entire Forest is located within the Berens Range of the Continuous Caribou Distribution Zone; woodland caribou is managed over the long term by providing a continuous sequence of very large areas of mature forest known as a Dynamic Caribou Habitat Schedule (DCHS). The DCHS is a key organizational factor for the management of the forest.

The Whitefeather Forest is almost entirely a Crown landbase, with the exception of the Pikangikum Reserve area (840 ha) and small patent land parcels on which there are tourism lodges and other related infrastructure (19 ha in total). Table 1 shows the breakdown of the Crown landbase on the Forest by land class; the middle column shows the total Crown land in the Whitefeather Forest, which can be divided into managed and unmanaged area. The unmanaged area consists of parks and conservation reserves, including the DPA's identified in Keeping the Land. The managed Crown area is shown in the right-hand column.

Table 1. Area description of the Whitefeather Forest (Source: 2012 FMP).

Land Class	All Crown Land (ha) ^a	Managed Crown Land (ha)
Water	148,374	61,903
Non-forested Land	3,066	1,205
Non-productive Forest ^b	109,385	71,452
Productive Forest ^c	1,023,408	703,930
Total	1,284,233	838,490

a – includes Crown managed forest, parks, private and Federal land. b – areas incapable of growing commercial trees, such as muskeg, rock, etc. c – forest areas capable of growing commercial trees.

The Forest has experienced very little industrial activity. There is some commercial tourism and cottaging that occurs within the Forest, but commercial forestry has never been undertaken in the Whitefeather Forest. There is on-going mining exploration but there are no mines and there are few aggregate extraction areas. Prior to 2004, when the Forest Fire Management Strategy for Ontario was updated, what is now the Whitefeather Forest received little suppression effort. The average age of the managed production forest is estimated at 71 years as of 2012, with 1/3 of the area younger than 60 years, 30% between 61 and 80 years, 29% between 81 and 120 years and the remaining 8% older than 120 years.

Strategic Access Planning

There is relatively little all-weather road access in the Whitefeather Forest. Main roads include the Nungesser Road and the Pikangikum Emergency All-weather Road, which was under construction during the audit and was viewed as part of the field inspections. Once the road is completed, Pikangikum will have all-weather road access for the first time, which is an extremely important change. The community highly values the remoteness of the forest and an important goal of the land use plan is to maintain this remoteness. This is to be balanced against the recognition that road access must be constructed to permit the extraction of timber and perhaps also the extraction of minerals. Just as importantly, other communities near the Whitefeather Forest are also interested in building all-weather road access and power lines from the provincial grid that would pass through the Whitefeather Forest.

The Land Use Plan sets high direction regarding strategic access and infrastructure development, and the land use zoning in Keeping the Land also provides guidance regarding where access may be built, and where it is not permitted. The direction in the Plan is to minimize road construction and where possible, use seasonal or temporary roads in EMAs, or construct roads where access may be controlled.

4.0 AUDIT FINDINGS

The following sections of this report describe the observations and conclusions of the auditors regarding key components of the forest management system planned for the Whitefeather Forest (WF). This section discusses key themes that emerged during the audit and identifies audit findings and a best practice, which are described in detail in Appendix 1.

4.1 COMMITMENT

The people of Pikangikum are highly committed to managing the Whitefeather Forest sustainably as they move forward with their long-range plan (i.e. the Whitefeather Forest Initiative) to develop forest-based employment opportunities for the community members. The community began the initiative in 1996 and worked with MNRF to prepare the Land Use Plan in 2006 and the FMP in 2012. WFCRMA was issued an SFL for the Forest on May 29, 2013. Since that time, the community has engaged in an extensive process to develop a wood products business that would use wood from the Whitefeather Forest. Many potential partners were contacted and numerous business plans prepared but to date the community has not been able to establish a forest products manufacturing business and there has been little timber harvesting on the Whitefeather Forest. This has led to a high level of frustration within the community leadership.

For its part, all levels of the MNRF have been supportive throughout the process of developing the Land Use Plan and the Forest Management Plan. MNRF has provided a considerable amount of funding and staff support during the planning processes, and MNRF managed the Forest between the time when the FMP was approved on June 21, 2012 and when the SFL was issued. While there was no activity on the forest during this time, this did represent a commitment of staff time. MNRF is also strongly committed to sustainable forest management, as directed by the Crown Forest Sustainability Act.

For the community of Pikangikum, the Whitefeather Forest Initiative was intended to lead to harvest and renewal operations on the Forest as well as the formation of a forest products enterprise that would generate much-needed employment in Pikangikum. It is not clear to the audit team what promises or commitments may have been made by the Ontario government beyond providing planning and related support, and the auditors have not explored this question, or how government commitments were interpreted by the community. This is beyond the mandate of the audit. WFCRMA leadership posed the question during the audit “What’s going on?” While the audit cannot answer this question, it is doubtful that the Initiative can move forward until it has been answered.

4.2 PUBLIC CONSULTATION AND INDIGENOUS INVOLVEMENT

4.2.1 *The Local Citizens Committee (LCC)*

The WF Local Citizen’s Committee is a well managed, effective group that provides sound advice to the MNRF District Manager. The LCC is also responsible for two other much busier forests and this means that the time spent talking about WF is relatively short. With limited harvesting on the WF, there have been no administrative requirements for the LCC.

The LCC has the characteristics of a good resource advisory group. It is balanced by interest group, appropriately for a District with a small population. The members are well connected. New members have recently been brought into the group.

The LCC does not have any Indigenous members. Pikangikum was offered a place on the LCC but felt it was not the appropriate venue for participation. In fact, most LCC business is not related to the WF and for Pikangikum residents, attending LCC meetings would be challenging because of travel time. While Pikangikum's perspective is essential for the management of the WF, the LCC is not the mechanism chosen by Pikangikum for providing advice.

MNRF support of the LCC is excellent. Notably, the representation and attendance of senior District management far exceeds what is typical across Ontario. The LCC's advice is obviously valued and useful. Administrative support looking after meeting minutes, venue, and meals is also strong.

The LCC would benefit from a discussion about how Indigenous tenure has progressed in the last five years across Ontario. Putting WF in the context of the remarkable development of Indigenous tenure elsewhere would help the LCC to understand the significance of the Whitefeather accomplishment as well as some of the challenges.

4.2.2 Indigenous Involvement

While Pikangikum is the only community within the Whitefeather Forest, there are six First Nations communities located nearby in Ontario with an interest in the Forest: Cat Lake, Deer Lake, Lac Seul, McDowell Lake, Poplar Hill, and North Spirit Lake. Two Manitoban First Nations also have an interest in the Forest: Little Grand Rapids and Pauingassi First Nations. All eight of these First Nations were contacted during the preparation of the FMP and Lac Seul and Cat Lake named representatives to the Planning Team (PT). The other communities that chose not to have a PT representative were invited to participate through an Aboriginal Working Group. Most if not all of the Ontario communities had representatives attend some of the PT meetings – they were always welcome as guests. It was difficult to tell which First Nations were represented at the Planning Team meetings because usually the affiliation of the attendee was not provided, which would represent an improvement that could be made in the PT minutes for the next forest management planning process.

Late in the planning process (recorded in the minutes of PT meeting #21 on June 2011), the Métis Nation of Ontario (MNO) made a verbal and written request to MNRF and the Authority asserting rights on the Whitefeather Forest and requesting a customized consultation and a meeting. MNRF offered to meet with MNO in Dryden, where the nearest Community Council (Northwest Métis Council) has offices. MNRF informed the audit team it responded a number of times offering to meet however MNO did not reply and a meeting was never held. At the time of the audit, the status of the MNO assertion remained unclear.

The Aboriginal Working Group seemed to provide a useful forum for discussion and oversaw the development of Aboriginal Background Information Reports (ABIRs) for interested communities. Pikangikum, Cat Lake, Lac Seul, North Spirit Lake all prepared their individual ABIRs, while MNRF prepared ABIRs for the two Manitoba First Nations. Deer Lake, McDowell Lake and Poplar Hill First Nations had concerns about the reports and did not produce one, and also requested that MNRF not produce one for their communities either. The minutes from PT Meeting 17a (Dec 1, 2010) noted that some communities did not wish to participate in the FMP process out of concern it would imply that they supported the Keeping the Land document, which they did not.

Based on the PT minutes, the auditors got the sense that much of the interaction with neighbouring communities involved discussion regarding the process, since they were less familiar with it than the Pikangikum community members. In addition, a number of the neighbouring communities were interested in, or had started, their own land use planning processes. Poplar Hill had considerable discussion about how forestry would be conducted

around the winter road that led to their community. It was also evident that there was some question as to how traplines would be dealt with that overlapped Pikangikum and a neighbouring community's traditional area.

4.3 FOREST MANAGEMENT PLANNING

The process for the 2012 FMP for the Whitefeather Forest began with a vision brought forth by the Esteemed Elders of Pikangikum, “a future in which *Beekahncheekahmeeng paymahteeseewahch* (the People of Pikangikum) are able to maintain our ancestral stewardship responsibilities for Keeping the Land (*Cheekahnahwaydahmunk Keetahkeemeenahn*) for the continued survival and well-being of Pikangikum people.”

The Whitefeather Forest Management Plan follows the higher level direction provided in *Cheekahnahwaydahmunk Keetahkeemeenahn*, as well as the direction provided in Part F of the 2009 FMPM which is specifically concerned with planning on the Whitefeather Forest.

The planning process was initiated as a two-track process, with one track being the standard FMP development process set out in the FMPM and the second track being a process to delineate and record the dedicated protected areas identified in *Cheekahnahwaydahmunk Keetahkeemeenahn*. The intention was to simultaneously prepare the Whitefeather Forest Management Plan and the Whitefeather Forest Dedicated Protected Areas Management Plan. Ontario Parks was the government agency leading the protected areas process.

The FMP planning process by itself was complex as it involved a great deal of interaction between the PT, the Elders, and other members of Pikangikum. In total there were 28 PT meetings, which is about twice as many as is usual for an FMP, as well as some pre-planning meetings. The number of meetings was necessary because there was a need to ensure that the planning process was understood, the manner in which Indigenous Knowledge (IK) was combined with the direction in the various planning guides needed to be sorted out, and the Elders took some time to gain an understanding of, and provide direction for, the modeling work that was done to develop the Long Term Management Direction (LTMD). The PT was fairly large, and there were changes to membership due to MNRF staff changes and the arrival of the WFCRMA plan author and a senior forestry advisor midway through the process (at Meeting #12).

Part F of the 2009 FMPM pertains specifically to requirements for the planning process on the Whitefeather Forest. Key elements of Part F speak to the guiding role of the Elders, the need to follow the guidance in *Cheekahnahwaydahmunk Keetahkeemeenahn*, the inclusion of IK and the goal of providing a continuous supply of caribou habitat. Two Elders, the GIS Analyst and the Technical Advisor were the most regular attendees of PT meetings representing the Authority. In addition, there were representatives of the Whitefeather Steering Group (WSG) on the PT which met from time to time with the WSG to keep them informed and seek guidance.

In addition to the PT meetings and parts of the process involving MNRF, there was also an internal dialogue process to develop key direction for planning where the Whitefeather Forest Initiative (WFI) technical team liaised with the WSG. MNRF was not involved in these internal processes. The WFI technical team included the planning forester and the senior consulting forester for the development of the plan. Additionally, throughout the planning process the WFI retained a staff complement of community technicians – some of whom now have Forest Ecosystem Management diplomas from Confederation College – who assisted in various planning tasks from GIS to translation. Road alignments, for example, were developed internally with intense engagement from the WSG.

Section 7 of Part F requires the production of annual reports on plan implementation intended for Pikangikum First Nation. Due to the limited extent of operations, the auditors were informed that Pikangikum has been informed orally regarding plan implementation.

MNRF provided a higher level of support than is usual for FMP development, owing to the complex process, the remoteness of the Forest and Pikangikum, as well as participation from other remote communities. For example, MNRF paid the airfares of some people from North Spirit Lake to attend PT meetings in Red Lake. MNRF also paid a consultant to review the draft FMP for Poplar Hill First Nation, which had some concerns regarding boundaries, traplines, silviculture and the condition of the winter road to the community.

The audit team was very impressed with the planning process that was followed, as well as the planning document itself, which represents a unique approach to forest management in Ontario and synthesizes the Indigenous and non-Indigenous perspectives. For this, the audit team has decided that a **Best Practice** is deserved.

During the audit period, WFCRMA was required to develop a Phase II Planned Operations. The Authority contended that it was not required to do this since there had been no harvesting to speak of during the first six years of the 2012-2022 FMP term. Despite receiving direction from MNRF that a Phase II plan was a licence requirement, the Authority instead submitted for consideration a draft Year 7 AWS under the Term 1 plan. Because there is no provision for a Year 7 AWS in the FMPM (in the absence of a Phase II plan), the submission was rejected by the MNRF Red Lake District, which had had extensive discussions with MNRF Regional staff. This has resulted in the Authority not having a valid forest management plan from April 1, 2018 to date, as is discussed in **Finding # 1**. The Authority is currently working to prepare a three-year Contingency Forest Management Plan to return to compliance. The contingency plan will replace the need for a Phase II operational plan, and allow for the development of a new FMP to come into effect April 1, 2022.

4.3.1 Values Planning

Planning for the WF values was well done and is unique in bringing IK into an understanding of the biology of the area. With the direction of the Elders in mind, and consideration of IK, the Phase I plan provides a direction which meets the requirements of Ontario's Forest Management Guide for Boreal Landscapes.

Prescriptions for Areas of Concern and Conditions on Regular Operations (CROs) met the FMPM requirements and followed specific direction from the Forest Management Guide for Conserving Biodiversity at the Stand and Site Scales (i.e. the Stand and Site Guide). Staff members at all levels operated at a very professional level in applying appropriate values conservation measures in preparation of the Phase I plan. In the absence of a Phase II plan, there are no findings related to the development of that plan or any biological implications.

4.3.2 Harvest and Silvicultural Planning

The audit team reviewed the CROs, planned renewal, tending and protection operations, renewal support requirements, and forecasts of expenditures in the 2012-2022 FMP. All elements were in conformance with applicable planning requirements and were appropriate to the proposed 10 years of operations. The PT made appropriate use of local information, local expertise and relevant data from adjacent forests during the preparation of modeling inputs, including managed and natural successional trends, yield curves, and information on silvicultural costs.

The *Cheekahnahwaydahmunk Keetahkeemeenahn* strategy prescribes the management approach by which commercial forestry will be conducted. Pikangikum Elders, represented by the WSG, guided the PT on the selection of silviculture treatments as follows:

“Silvicultural practices promote natural regeneration through the use of prescribed burning and prescribed fire, where appropriate. Timber harvesting and silviculture technology favours techniques that result in a light footprint on the land. Silvicultural practices restore caribou habitat where it has been harvested.”

The Pikangikum Elders told the PT what they do not want – trenches in the land (“they disturb the little ones”) and straight rows of trees; and what they do want to see – thick forests that are similar to what they have seen after forest fires. The vision of the Esteemed Pikangikum Elders has led to a very different approach being planned for forest operations on the Whitefeather Forest, compared to all other forests in Ontario, which has led the audit team to confer a Best Practice on the FMP as well as the process of developing it.

The FMP has done a good job of incorporating the Steering Group’s direction that silvicultural activities should result in a light footprint on the land. The PT accommodated this direction by planning for silviculture in the following ways:

- Harvest operations will retain adequate numbers of well-distributed conifer seed trees where appropriate.
- Harvest operations will leave tops and limbs at the stump, using cut-to-length systems or similar harvest methods. This will facilitate prescribed burning, by providing well-distributed slash as fuel, and natural seeding, by distributing cones more evenly throughout the harvest area.
- Prescribed burning is proposed as the primary treatment for renewing all forest units. This approach is complementary to cut-to-length logging as it will allow for seasonally appropriate broadcast burning to reduce slash and promote seed dispersal.
- Where prescribed burning is not possible, light drags or patch scarifiers that will not create deep furrows in the harvested areas will be used.
- Natural regeneration will be the preferred treatment for renewing conifer lowland, poplar dominant, and hardwood mix forest units.
- Aerial seeding is prescribed for renewing harvested stands to achieve high density, “strong wood”, stocking characteristic of stands regenerating post-natural fire.
- Where aerial seeding cannot be used, tree planting will be conducted at high densities.

These harvesting and silvicultural techniques are compatible with the light footprint forestry approach directed by the Elders. As noted above, the approach to silviculture is different than the “industrial forestry” approach adopted on other management units, which emphasizes the maximization of timber volumes over time, and promotes the development of specific forest products, depending on local wood supply requirements. Both approaches are equally valid, but each reflects different management objectives. The juxtaposition of different management strategies on adjacent forests may allow an opportunity for MNRF to conduct landscape-level comparisons in an adaptive management research context.

There are risks associated with the planned activities, which are largely mitigated in the FMP by the availability of alternative treatments, and by the nature of site conditions on the management unit. Reliance on prescribed burning is ecologically appropriate but will involve a number of operational challenges, including: weather dependency of and the risk of delays in treatment, the limited time period during which fire weather indices are suitable for burning on some sites,

risk of escape, and the potential for high liability, and the high cost of this treatment. A prescribed burn program of the magnitude proposed will also require considerable investment for the development of local expertise, especially in the early years.

As stated in the FMP, “It is well recognized that the operational costs of prescribed burning are influenced by the area burned. Due to the likelihood that an initial program of small prescribed burns will be planned in the first term of this FMP, this may result in initially higher costs/hectare which should decrease as the program progresses and larger prescribed burns are undertaken. While the intent of the prescribed burning program is to meet the forest renewal vision of the Pikangikum people, care must be taken to monitor the prescribed burn costs to keep overall renewal costs competitive with surrounding SFLs”. For strategic planning purposes, a blended costing for site preparation based on a proportion of 60% - 40% area of mechanical vs. prescribed burning was used in the LTMD.

With regard to competition control, tending needs will likely be reduced because the species composition of the forest is conifer-dominated, with most of the allocated stands being relatively pure with a low abundance of competitive shrubs. If this proves not to be the case, then tending will be required to meet future caribou habitat conditions. Community support for a chemical tending program is uncertain and will likely require significant consultation effort. Manual tending provides an alternative but is an expensive and labor-intensive treatment that would be difficult to implement on a large scale. Prescribed burning can also be an effective tool for competition control.

Tree seed may be in short supply for renewal, especially in the early years while harvest levels are ramping up. Planting stock requirements using a planting density of 2,500 trees/ha will require 19.2 million seedlings or 57.6 million black spruce seeds. Aerial seeding will require 248 million jack pine seeds. To provide the necessary seed approximately 1,326 hl of jack pine cones and 197 hl of black spruce cones will be required. Since the SFL holder does not plan to engage in tree improvement activities, a concerted effort will be required to obtain the required numbers of cones/seeds from general collection. There are also logistical issues with seed collection associated with processing at the stump since cones are scattered about the cutovers rather than being concentrated at landings, which will make the collection of cones more time and labor intensive.

There is a need for considerable local capacity and expertise to be built to implement the planned silvicultural program. Ideally, local contractors with silvicultural expertise in seeding, tree planting, prescribed burning, mechanical site preparation, cone collection, and manual tending will evolve over time.

4.3.3 Access Planning

Cheekahnahwaydahmunk Keetahkeemeenahn identifies remoteness as a defining feature of the land and it is a goal of the land use plan to maintain the remote character of the land. The land use plan states that “it has been in a context of remoteness that we have preserved our language, culture and spirituality, including our attachment to the land”. *Cheekahnahwaydahmunk Keetahkeemeenahn* sets out a strategic land use planning process that is intended to provide for access within the Forest and to neighbouring communities, while limiting the scope and impact of the access development. The land zonation approach in the land use plan will also inform access development.

Building on the strategic direction provided by *Cheekahnahwaydahmunk Keetahkeemeenahn*, the Esteemed Elders of Pikangikum provided guidance based on their intimate knowledge and understanding of their ancestral landscape in the development of the 2012 FMP. Two aspects of the plan for which the Elders were instrumental in providing advice was for primary road

locations and access management strategies. Road corridor selection was driven in part by the DCHS, which was itself designed with access considerations in mind, and road locations were fine-tuned to reflect topography, drainage and cultural values in order to maintain remoteness.

The FMP contained two objectives directly related to access, one to increase road density while retaining remoteness and secondly, that strategic access planning would be undertaken with the involvement of all interested parties. Road corridor alignment was done using significant input from Elders and community members and which followed the land use planning direction. With relatively little road infrastructure in the Forest, a significant road building effort was planned to provide access to timber, while also meeting other community goals. The FMP proposed the construction of five new primary roads totaling almost 220 km during the ten-year term of the FMP. Major water crossings that were planned include bridges across the Berens River and Windfall Creek.

4.3.4 Compliance Planning

The 2012 FMP included a ten-year compliance plan that provides general direction regarding how the Authority's compliance program will be organized and implemented. Much of the direction came from the 2010 MNRF Forest Compliance Handbook, and the plan identified water crossings as an aspect of high priority. Because there was no prior experience with operations or compliance monitoring, it is to be expected that the ten-year plan is quite general.

The FMP also provides an overview of the Red Lake District MNRF's compliance program. MNRF produced Annual Compliance Operations Plans (ACOPs) each year from 2014-15 to 2017-18 that met the basic requirements in the 2014 Forest Compliance Handbook.

4.3.5 Amendments & Revisions

There have been no amendments to the FMP since April 1, 2012, which reflects the limited operational activity. One revision was made to the 2017-18 Annual Work Schedule (AWS) to shift the location of water crossing #62 by 250 m from the location identified in the AWS.

4.3.6 Annual Planning

The Authority has prepared AWSs as required during the audit period although, as discussed above, the Year 7 AWS that was prepared by the Authority was not accepted by MNRF. The initial AWS was submitted to the Forest Information Portal (FI Portal) on October 23, 2012, which reflects in part the delay past April 1, 2012 in the approval of the FMP, as well as a high workload associated with the start-up of the forest management unit. All subsequent AWSs were submitted and approved by April 1 of the fiscal year. AWSs contained all required components, including annual compliance plans with targets for the number of inspections to be undertaken.

4.4 PLAN ASSESSMENT AND IMPLEMENTATION

4.4.1 Access Construction and Harvest Operations

The only harvesting that took place during the audit period was a small amount of timber harvesting to clear a corridor for road construction. The Trend Analysis reports that 0.1 km was cleared on the corridor of the Windfall Road and 2.2 km of right-of-way (ROW) was cleared on the Pikangikum Road. This road, alongside of which a hydro right of way was being cleared, will provide all-weather road access to Pikangikum. The hydro line will connect the community to the provincial grid for the first time, removing the need to rely on generators for electricity.

A small amount of ROW harvesting occurred in 2014-15, estimated at 2-3 hectares, that was not reported in the Annual Report (AR) for that year – see **Finding # 4**. It was reported in the following year's AR. A somewhat larger area was cut in 2016-17. The total area harvested in the two years of operations is estimated by the auditors at between 6 and 8 hectares. Harvesting was compliant with the FMP and CFSA and dues were paid on the merchantable timber. Undersized and other unmerchantable timber was chipped and spread on the power line ROW that was also being cleared beside the road.

The forestry aggregate pit (FAP) being used for road construction and maintenance was visited by the auditors. As of April 1, 2018, the aggregate pit was converted to a Category 9 pit to allow it to be used; had it remained a FAP it could not have been used as there was no longer an approved FMP in place. There were no observed issues with the access construction activities. Starting in 2013-14 up to 2017-18, Whitefeather received a total of \$852,698 in provincial roads funding. During the first four of these years, the average annual funding level was \$64,000. In 2017-18, however, the program was modified to provide an additional \$500,000 to forest management units with low levels of activity, for which the WF qualified. As a result, funding in 2017-18 was \$596,476. This funding has supported some of the road line clearing, however, most of it was used to maintain and upgrade the Taxi Bay Road.

There were no compliance issues reported or problems related to Area of Concern (AOC) implementation as no AOCs were encountered in the operational area.

4.4.2 Silvicultural Operations

Because the area harvested during the audit period did not require renewal the area was harvested to establish a road right-of-way), no silvicultural operations were required or conducted during the audit period.

4.5 SYSTEM SUPPORT

This principle contains procedures related to human resources and document control. Staffing at the MNRF District has seen a significant amount of movement in the forester, biologist and Indigenous advisory positions, however, senior management has been at the District in various capacities throughout the audit period. There have also been changes in the staffing positions at the Authority, although similar to MNRF, senior management has been consistent during the audit period. Staffing changes at both organizations have led to some challenges in maintaining continuity of relationships, which is always important but perhaps more so since management of the Whitefeather Forest is essentially a start-up.

Document management is generally effective at MNRF – there is a complex and sophisticated system that is now largely digital for tracking plans, reports, and correspondence. The audit team did not visit the Authority office until late in the audit and the recent Woodlands Manager/Project Coordinator did not make himself available to be interviewed or provide documentation to the auditors, which curtailed the ability of the audit team to review the Authority's document management practices.

MNRF provided a considerable amount of funding and training to WFCRMA staff, as well as support for the participation of the Elders in the planning processes. This is discussed below. The auditors are aware that the WFI has required a considerable amount of resources on the part of Pikangikum, and while a summary of these resources is not available to the audit team, it is important that readers understand that both Pikangikum and MNRF have invested significantly in this Initiative.

MNRF reported that its support since 1996 included, but is not limited to, the development of a governance model, human resources and training, economic development, and increasing the ability of community members and WFCRMA staff to meaningfully participate in Crown decision-making processes. MNRF contributed to this capacity building in various ways, including a training initiative and providing technical and funding support.

Since 2006, MNRF has provided funds to WFCRMA (including predecessor organizations) through an annual transfer payment agreement. The transfer payments were intended to support the implementation of the Land Use Plan, and the FMP subsequently, including funding to support WFCRMA staff and key activities, including a review of proposed dispositions, partnership development and negotiations for forestry opportunities. In 2016-17, the WFCRMA chose not to access local MNRF funding for land use plan implementation team activities.

In 2009, a comprehensive training program was initiated to develop skills and knowledge in a larger group of community members to support the management of the Forest and the ability to conduct forestry operations. MNRF, along with several other provincial and federal agencies and institutions, provided funding, administrative, technical, and in-kind support. For example, as part of the Confederation College Forest Ecosystem Management Technician program, MNRF participated in the generative curriculum project and provided the placements for the 5 students to fulfill the co-op requirements to complete the program.

In conclusion, MNRF has provided a great deal of support for planning and skills development to help the community achieve the goals of the WFI. Investment by the community of Pikangikum, while not documented herein, has also been significant.

While there was close collaboration between MNRF and WFCRMA during FMP development, and before that during the development of *Cheekahnahwaydahmunk Keetahkeemeenahn*, the audit occurred against a backdrop of strained relations between MNRF and WFCRMA. This is discussed as **Finding # 2**.

4.6 MONITORING

4.6.1 Compliance Monitoring

WFCRMA conducted four compliance inspections during the audit term and no compliance issues were noted. Three of the inspections occurred in 2016 and one in October 2017. The 2017 inspection and two of the 2016 inspections reviewed maintenance and upgrading work being done on Taxi Bay Rd, although the aggregate pit supplying the gravel was not inspected. The fourth inspection was of the right of way clearing just past Taxi Bay Rd – this is the area that the audit team inspected during its site visit.

In 2016-17 and 2017-18, MNRF undertook inspections of the roadwork to verify that the roads funding was being used appropriately and that the work was as reported. Because the primary purpose of the inspections was to ensure appropriate use of roads funding, no FOIP reports were completed. The audit team feels that a compliance report should have been completed and **Finding # 3** results from this conclusion.

4.6.2 Silvicultural Effectiveness Monitoring

There has been no silvicultural effectiveness monitoring undertaken on the WF because there has been no renewal initiated during the audit period.

There have been no free-to-grow assessments undertaken on the WF because there has been no renewal initiated during the audit period. For the same reason, there was no District Silvicultural Effectiveness Monitoring program undertaken on the Forest during the audit period.

4.6.3 Annual Reports

Annual Reports were prepared during the term of the audit as required. Despite the limited extent of activities, some reporting issues were identified. The ROW harvesting in 2014-15 was not reported in the Annual Report (AR) for that year. Instead it was reported in the AR for the following year, when no harvesting took place. MNRF's review of the ARs caught some omissions but not the issues with volume reporting. **Finding # 4** has been issued as a result.

4.7 ACHIEVEMENT OF MANAGEMENT OBJECTIVES & FOREST SUSTAINABILITY

4.7.1 Summary of the Trend Analysis

The purpose of the Trend Analysis report is to review the level of operations during the current and previous three plan periods to assess how operations on the forest compare to recent past performance and identify any trends or reasons for observed patterns of performance. The analysis is also intended to include sections that review the assumptions in forest modeling associated with the development of the LTMD in the FMP, assess the extent to which FMP objectives are being met and provide an assessment of the sustainability of forest management.

The Trend Analysis that was prepared for this audit reviewed the operational performance during the 2012 FMP period, and due to the very low level of operational activity, there was little to report on in that respect. Nevertheless, the report provides a thorough discussion of the operations that did occur, the compliance and other inspections that were done, as well as an overview of disturbances. There are no trends present in the forest that have been affected by forest management activities; a recent change to fire protection zonation has not produced any obvious impacts on the forest as of the end date of the audit period. The assessment of objective achievement was reflective of the limited operations and reached essentially the same conclusions regarding objective achievement as the auditors did (the auditors used a somewhat different approach to classifying the objectives than the trend analysis author). Modeling assumptions were not discussed in any detail, likely because there were few operations and thus no results against which to compare modeling input data and LTMD parameters.

The Trend Analysis contains a long introductory section that is most useful, in that it provides an overview of Pikangikum's goals in seeking to manage the Whitefeather Forest and build a forest products operation. The entire initiative is intended to benefit the community in a variety of ways, including by providing opportunities for the employment of Pikangikum residents, especially young people. The report discusses the efforts that the community has made to find a suitable partner for the intended venture, and reviews opportunities and obstacles faced by the community. In summary, the report is very well-written and it has provided very useful contextual information to the auditors.

4.7.2 Assessment of Objective Achievement

The Whitefeather FMP has a comprehensive list of 22 objectives, each with one or more indicators. The auditors were generally impressed with the set of objectives, which included a large number regarding participation in planning by a wide range of interested parties and experts, indicative of Pikangikum's concern that the planning process be inclusive.

Of these objectives, seven concern the planning process and outcomes of the process and these objectives were achieved during plan development. Another six objectives have planning components associated with them, and in the absence of harvesting, these could also be considered to have been met since the planned outcomes were consistent with the objectives. Seven objectives are largely based on operations, and of these five have indicators which use compliance outcomes as the assessment basis. Another two objectives pertain to silviculture.

Due to the limited extent of operations, the harvest and silviculture objectives have not come into play – one cannot really say these have been met or not been met. Only Objectives 10 and 13, related to the provision of economic opportunities and road construction, respectively, were not met.

4.7.3 Assessment of Sustainability

The 2018 IFAPP provides direction regarding the manner in which sustainability is to be assessed. Specifically, the assessment of sustainability is linked to the achievement of FMP objectives, including forest sustainability objectives, and an assessment of the reasons for any deviations in actual values of indicators from target values. Figure A-3 in Part A of the 2009 FMPM sets out mandatory indicators of sustainability.

The indicators may be grouped in various ways, and it is perhaps most helpful to discuss them here in terms of the time identified in the FMP and /or FMPM for their assessment. The social and economic indicators related to participation in plan development and long-term wood supply can be assessed during plan development while forest diversity indicators are assessed during both plan development and implementation. The auditors considered all of these objectives to have been met, and in most cases the targets were also met. The exception is in the case of some of the diversity indicators - while the values of these indicators remained acceptable, there has been no movement towards the desired levels due to the low level of operational activity.

A number of the indicators to be assessed during plan implementation are to be evaluated in the Year 7 and Year 10 ARs, however since their evaluation relies on operational outcomes, the assessment results are apparent. Those objectives and indicators related to level of operations, including harvesting and road construction, have fallen short of planned levels. Similarly, the amount of silviculture undertaken has also been less than planned, however this is not indicative of a gap between harvest and renewal which, if it existed, would be a significant concern. The ecological sustainability indicators are to be based on compliance records, and since there have been no non-compliances, these values can be considered to have been maintained in a good condition.

In summary, the objectives and indicators related to economic benefits from timber harvesting have not been attained, and so one may question whether the economic leg of the sustainability stool is sound here (i.e. the analogy is that sustainability, like a stool, is supported when the three legs of ecological, social and economic well-being are sound). Despite the low level of operations, the Forest has continued to provide economic and social benefits to Pikangikum through hunting, fishing, trapping and gathering activities. Moreover, since the forest sector is a start-up on this Forest, the lack of harvesting does not constitute a reduction in the benefits provided by the Forest.

Although it may be argued that the FMP has not been implemented, one must also ask how realistic it was for the plan to be implemented starting in 2012. In retrospect, it was clearly not a reasonable expectation. And this is in part because it is more important to the community that the Keeping the Land plan, and its underlying vision, be implemented successfully, even if it means foregoing short-term harvest opportunities that would yield timber but do little to advance the well-being of Pikangikum. In conclusion, there is a different vision underlying the management of the Whitefeather Forest than is the case with other Forests in Ontario, and this, combined with the start-up nature of Pikangikum's forest enterprise, casts the low level of operations on the Forest in a different light. Based on these considerations, and the audit team's conclusion that the majority of plan objectives and targets have been met during the audit period, the audit team concludes that the condition of the Whitefeather Forest is consistent with sustainability.

4.8 CONTRACTUAL OBLIGATIONS

The SFL imposes a number of requirements on its holder, and WFCRMA's compliance is described in detail in Appendix 3. Some notable aspects are described below.

Of the nineteen SFL conditions that were assessed in this audit, those related to harvesting and silviculture do not come into play because of the low level of harvesting. WFCRMA was up to date in all of its payments to the Crown, as of March 31, 2018. There are no wood supply commitments or special conditions, although there is what is described as a "Potential Wood Supply Arrangement" in Appendix "H" of the SFL that is described as "being under consideration by the Minister of Natural Resources". A Forest Renewal Trust account has not yet been established for the Forest (see **Finding # 5**), with the renewal charge payments that WFCRMA has made being held by the Crown.

WFCRMA prepared a FMP in 2012 that met CFSA and FMPM requirements, and is considered by the audit team to represent a Best Practice for the manner in which Indigenous Knowledge has been incorporated throughout the plan. The FMP contained a suitable ten-year compliance plan. Preparation of annual plans and reports was also undertaken as required. As described above, WFCRMA was in compliance with the SFL requirements related to planning throughout the audit period, although the decision not to produce a Phase II Planned Operations has put WFCRMA out of compliance subsequently, a condition which WFCRMA is in the process of remedying.

SFL requirements related to prior IFAs and withdrawals of area from the licence are not relevant in this audit. Although no pest management was undertaken on the forest during the audit period, a jack pine budworm infestation that began in 2017 has spread in 2018 and the MNRF and affected SFL management companies are developing a response plan.

While there was a concerted effort to involve neighbouring communities in the FMP process, it is evident that inter-community relationships are complex. The auditors spoke with a number of members of adjacent First Nations communities and were informed that since the 2012 FMP was approved, there had been little to no formal communication regarding the Whitefeather Forest. Also, the Métis assertion of rights on the Whitefeather Forest has not been addressed by MNRF due to lack of response from MNO. **Finding # 6** has been issued.

Notwithstanding the absence of a Phase II Planned Operations subsequent to the audit period, the Authority was in compliance with its SFL throughout the term of the audit period.

4.9 CONCLUDING STATEMENT

This audit of the Whitefeather Forest has examined the development of the 2012 Forest Management Plan, the plan document itself, annual plans and reports, the Trend Analysis produced by WFCRMA, and numerous other documents. Compliance with the terms of the SFL was also reviewed. The audit team conducted extensive interviews with staff at all levels of MNRF, the President and an advisor to WFCRMA, and the consultant hired by WFCRMA to lead the development of the three-year contingency plan that is being developed.

This audit has been unusual from the auditors' perspective since there have been such limited operations conducted on the Forest during the audit period. One of the primary findings of the audit – the current challenges being experienced in the relationship between MNRF and WFCRMA/Pikangikum – is largely the result of factors outside of the audit scope, in the opinion of the audit team. The second major finding – the absence of the development of a Phase II Planned Operations – is currently being addressed through the preparation of a three-year contingency plan.

The audit team has concluded that the condition of the Whitefeather Forest is consistent with sustainability, given:

- the high quality of the 2012 Forest Management Plan, and the process to develop it,
- the achievement of many of the FMP objectives and targets, except those related to economic benefits from commercial forestry; and
- the lack of industrial disturbance in the Forest.

During the audit period, the Authority was generally in conformance with the terms of the SFL.

The Whitefeather Forest Initiative had its genesis more than twenty years ago in the vision of the Elders of Pikangikum. It has been a very long road to get to the present, with some very significant accomplishments along the way that the Authority, MNRF, and the community should be proud of. The frustration that WFCRMA and Pikangikum feel at present at being unable to complete the vision of the Elders and generate forest-based employment for the community was summed up by WFCRMA's President at the opening meeting of the audit: "What's going on?"

Pikangikum made a landmark decision when it decided to pursue the Whitefeather Forest Initiative, and in some respects, it perhaps felt there was little choice given the lack of employment at the community coupled with continuing rapid population growth. MNRF has also had little recent experience in supporting the development of an FMP and an SFL-management company in an area that is remote and does not have experience in the forest industry. MNRF showed a great deal of organizational flexibility during FMP development, which yielded a good plan document that is ambitious considering WFCRMA is a new forest management entity. While it may seem trite to cast the period covered by the audit as being part of a learning experience, the auditors feel that there is a lot of truth to this.

In the view of the audit team, one of the lessons that can be drawn from the experience during the audit period is that the Whitefeather Forest has characteristics that distinguish it from other forest management units in Ontario. It is the only FMU for which the FMP is based on a land use plan that was designed to provide overall direction regarding management of the landbase. In other words, the FMP is clearly subordinate to the Keeping the Land plan. The Whitefeather Forest also has its own specific section in the 2009 FMPM, which has provisions for the use of Indigenous knowledge and guidance from the Elders, and is the only FMU located in Ontario's Far North. It is also in almost every sense a start-up enterprise. These characteristics mean that the Forest does not always fit neatly into the standard forest management framework, and balancing the need for a level of consistency among FMUs with the flexibility to make adjustments based on the attributes an individual FMU represents an on-going challenge.

The audit team observes that forest product prices have been very high for the past couple of years, and there has been interest from regional mills in harvesting timber on the Whitefeather Forest. Even in this favourable environment there has been no harvesting on the Whitefeather Forest and no benefits to WFCRMA or Pikangikum. The auditors are concerned that unless the Authority, and by extension the community of Pikangikum, changes its approach to advancing the Whitefeather Forest Initiative and /or MNRF changes its approach to supporting operations on the Forest, the low level of operations will persist. Several possible paths forward occur to the auditors. The potential for the jack pine budworm infestation to cause widespread jack pine mortality on the Whitefeather Forest could provide a catalyst for operations. WFCRMA could establish bush camps for forest workers from Pikangikum which may provide a more amenable living environment than staying in the town of Red Lake. Secondly, the audit team suggests that it would be prudent to develop and implement a Fire Smart type of program in the vicinity of the community that would entail harvesting. The principle goal of the program would be to lower the risk that wildfire could damage the community by reducing fuel loadings in the surrounding forest through a combination of full and partial harvests. Lastly, this forest, perhaps combined

with the Red Lake Forest, might be a future candidate for a Local Forest Management Corporation. In any event, it would be unfortunate if the next Independent Forest Audit team encountered an inactive forest and another FMP had been developed but not implemented.

After considering the full context, the audit team concludes that management of the Whitefeather Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and Conditions of Sustainable Forest Licence #552594 held by Whitefeather Forest Community Resource Management Authority. There is an excellent forest management plan in place and when implemented, it will result in a sustainably managed forest.

APPENDIX 1 – AUDIT FINDINGS

<p style="text-align: center;">Independent Forest Audit – Record of Finding</p> <p style="text-align: center;">Best Practice</p>
<p>Principle: 3: Forest Management Planning</p>
<p>Background Information and Summary of Evidence: The organizational structure used to develop the Phase I Forest Management Plan for the Whitefeather Forest, and the plan document itself, reflect a synthesis of the perspective of the Indigenous people of Pikangikum, most notably the Esteemed Elders who participated in the Whitefeather Forest Initiative Steering Group, and the forest management planners, biologists and other staff from MNRF. A PT was constituted that included representatives and contractors of MNRF, Whitefeather Forest Management Corporation (the precursor to the Whitefeather Forest Community Resource Management Authority), the Pikangikum community, and two adjacent First Nations (Cat Lake and Lac Seul First Nations). The PT was guided by the Whitefeather Forest Initiative Steering Group, in which as many as eighty Esteemed Elders participated. The Elders provided their insights based on their deep-seated experience and understanding of the land and all that is on it, and helped to ensure that the FMP was consistent with the direction set out in <i>Cheekahnahwaydahmunk Keetahkeemeenahn</i>.</p>
<p>Discussion: The influence of the Elders' guidance can be seen in a number of the plan objectives, including the many objectives for participation and collaboration with people who are knowledgeable about the forest and who use it or have an interest in it. The insistence on a light footprint, in terms of access construction, harvesting and renewal, also reflects guidance from the Elders. The overall forest management approach is very different from any proposed elsewhere in Ontario and will be closely watched when it gets under way.</p>
<p>Conclusion: The 2012 Forest Management Plan prepared for the Whitefeather Forest, and the process used to prepare it, represent an exemplary accomplishment.</p>
<p>Best Practice: The 2012 Forest Management Plan prepared for the Whitefeather Forest represents an outstanding synthesis of Indigenous and non-Indigenous perspectives and knowledge that is far more comprehensive in this respect than any other forest plan in Ontario, and possibly within Canada.</p>

Independent Forest Audit – Record of Finding

Finding # 1

Principle: 3: Forest Management Planning

Criterion: 3.7. Confirmation of Phase II Planned Operations a Plan Author, Planning Team, Chair and Advisor Activities

To review whether the planning of Phase II planned operations was endorsed by the MNRF Regional Director, whether planning team membership was updated and the effectiveness of the planning team.

Background Information and Summary of Evidence: A Phase II Planned Operations was not developed during the audit period and the 2018-19 Annual Work Schedule that was prepared by the WFCRMA (“the Authority”) and submitted to the MNRF was not approved by the Ministry because there are no provisions for a Year 7 AWS without a valid Phase II operations plan in place. As a result, the Authority could not undertake operations during 2018-19 under the FMP or the CFSA.

Only preliminary activities for Phase II operational planning, such as notification of remote tourism operators, occurred during the audit period. No PT had been struck, nor had the PT Terms of Reference been prepared and approved.

As discussed in the audit report, the lack of almost any operational activities on the Whitefeather Forest under the 2012 FMP, including the lack of harvesting except for road line clearing, means that the harvest allocations identified in the Phase I FMP have not been cut and remain available to be harvested. These allocations have gone through the full planning process, including public review. The Authority contended that given this situation, and given that the new 2017 FMPM no longer requires Phase II operations planning, there was no need to prepare a Phase II Planned Operations for the Whitefeather Forest. WFCRMA expressed this position to the Red Lake District MNRF in a letter dated December 29, 2017, which included a request for a meeting to discuss the topic. A meeting between the Whitefeather Forest Woodlands Manager/ Project Coordinator and the Red Lake District Manager was held on January 12, 2018, and the auditors do not know what the WFCRMA representative felt had been agreed to since that person did not make himself available to the audit team. The MNRF Region had informed WFCRMA as early as 2016 that Phase II operational planning would be required. In a letter dated March 7, 2018, the Red Lake District Manager noted that MNRF was bound by Declaration Order MNR-75, specifically Section 60(b), which required a Phase II plan in situations where the FMP was approved under the 2009 FMPM, as was the case for the Whitefeather Forest. Therefore, MNRF stated it could not approve the 2018-19 AWS submitted by the Authority because that would have contravened the 2009 FMPM.

Discussion: For reasons unknown to the audit team, the WFCRMA appeared to disregard the direction being provided by the MNRF at both the District and regional levels, and did not believe that a Phase II Planned Operations was required. Because the Whitefeather Woodlands Manager/ Project Coordinator between 2014 and early 2018 did not make himself available to be interviewed by the audit team, the auditors were unable to obtain deeper insight into the Authority’s decision to forgo a Phase II plan. The decision has been costly for carrying out forest management-related activities on the Whitefeather Forest, since the Authority may not be able to access more than \$500,000 in roads funding potentially available in the 2018-19 fiscal year, as well as additional funding that has been provided by MNRF in prior years to facilitate interaction, or Forestry Futures Trust Funding to deal with the jack pine budworm outbreak on the Forest.

The auditors see the merits of WFCRMA's position, and believe it might have been possible that the MNRF and WFCRMA could have agreed upon a streamlined process for developing a Phase II plan. However by the time the discussion started, as best the auditors can determine, there was not enough time available to agree on a process that met 2009 FMPM requirements and could be implemented by April 1, 2018.

The Authority has recently hired a consultant to help it prepare a forest management plan that will bring the Authority back into compliance with its SFL and with the CFSA.

Conclusion: WFCRMA did not prepare a Phase II plan during the audit period so that it would continue to remain in compliance with its SFL, Declaration Order MNR-75, and the CFSA. The result was that while the Authority was in compliance with the above-mentioned requirements during the audit period, it became out of compliance on the day following the end of the audit period.

Finding: The Authority did not prepare a Phase II Planned Operations.

Independent Forest Audit – Record of Finding

Finding # 2

Principle 5: Human Resources

System support concerns resources and activities needed to support plan development and implementation so as to achieve the desired objectives.

Background Information and Summary of Evidence: At the time of the site visit for the audit, in late July 2018, the relationship between MNRF and Whitefeather was very strained. By all accounts, it had been like this for perhaps 12 – 18 months prior to the site visit. The audit team is not certain what caused the relationship to deteriorate, and there may have been a number of factors that accumulated, however, it was clear to the audit team that the condition of the relationship was an impediment to the meaningful progress of the Whitefeather Forest Initiative. For example, the issues in the relationship likely contributed to, and were also made worse by, the lack of agreement on an approach to producing a Phase II plan, or even an agreement as to whether a Phase II plan was necessary.

The audit team heard from MNRF staff at the District and the Region that there is a profound sense of disappointment that the relationship has deteriorated and that there have been limited operations implemented on the Forest. Staff at both levels characterized the relationship as being excellent at the time that the Land Use Plan and 2012 FMP were developed, and it continued to be good for some years after that. Many MNRF staff feel this disappointment at a personal level and are frustrated that they do not really understand what happened or why. Consequently, it is difficult for MNRF staff to know how to move forward as there is a hesitancy borne of uncertainty as to how any action, or lack of action, will be construed by WFCRMA.

WFCRMA staff and advisors described to the auditors a long history of discrimination by government and police, and there is a very high degree of sensitivity and lack of trust. The community viewed the Whitefeather Forest Initiative as a way to improve the quality of life in the community by providing employment, giving Pikangikum a high level of influence and responsibility for the management of its ancestral lands, and a means of participation in the broader economy. There is a high degree of frustration on the part of the community that the initiative has been unable to move beyond the development of a plan to being able to implement it and to benefit from it.

MNRF informed the audit team that the Ministry of Indigenous Relations and Reconciliation (MIRR) (since renamed the Ministry of Indigenous Affairs) was engaged in the fall of 2017 to assist with improving the relationship between MNRF and WFCRMA/Pikangikum. MIRR had initial discussions with both MNRF and WFCRMA/Pikangikum on the underlying issues however the process was put on hold once the writ for the 2018 provincial election was dropped. Post-election, MNRF has re-engaged with the Ministry of Indigenous Affairs to continue the process.

Until the validity of forest plans for Whitefeather Forest expired on April 1, 2018, MNRF continued to provide the opportunity for roads funding and other support through the SFL to achieve some of the community goals. In the summer of 2018, MNRF supported the Pikangikum Youth Sawmill Program, which was developed by the NGO the Pikangikum Group and the community of Pikangikum.

Discussion: The auditors note that there has been a lot of staffing turnover at the MNRF District office and that this has upended some of the relationships that had been established between the MNRF and the Authority. There have also been changes in Whitefeather personnel during the audit period and it may not have always been clear who at the WFCRMA should be communicated with on various topics. With the relationship being strained, communication was

more challenging. With the influx of new staff into the MNRF District, and many of them being very young, some cultural sensitivity training might be helpful, especially if conducted by a person hired from outside the MNRF.

MNRF's uncertainty regarding the cause of the relationship breakdown is real and the typical approach would be to have an extended meeting, perhaps with a mediator, to air out the issues. The Indigenous approach may be different. There is at present no meeting scheduled by the parties to determine how to move forward, or to discuss what the appropriate forum would be.

The Whitefeather Forest is a unique forest with a unique forest management organization. MNRF is aware of this and proud of their part in building this new Indigenous tenure arrangement. At this point, the parties are locked in a stalemate that will need more creativity to address the current challenges.

Conclusion: The MNRF and WFCRMA have reached a stalemate regarding their ability to work constructively together. Improved communication is required in order to begin to rebuild the relationship and the trust that underlies all successful relationships.

Finding: WFCRMA and MNRF have a strained relationship which has stalemated activity on the Whitefeather Forest.

<p style="text-align: center;">Independent Forest Audit – Record of Finding</p> <p style="text-align: center;">Finding # 3</p>
<p>Principle 6: Monitoring</p> <p>Criterion 6.1: District compliance planning and associated monitoring</p> <p>Procedure 6.1.2: Determine whether the MNRF District electronically submitted in MNRF’s compliance information system to the MNRF database ...</p>
<p>Background Information and Summary of Evidence: In 2016-17 and 2017-18, MNRF undertook inspections of the roadwork being implemented by the Authority using provincial roads funds. The inspections were intended to verify that the roads funding was being used appropriately and that the work was as reported. MNRF indicated that these were not considered as operational compliance inspections, no FOIP reports were completed.</p>
<p>Discussion: The audit team feels that given the distance involved to get to the work location, the inspections could easily have covered operational performance and a compliance report could have been completed. This would have provided a formal record of the inspection results. It would have also provided evidence that the MNRF was monitoring operations on the Whitefeather Forest – there were no FOIP reports for the Whitefeather Forest prepared by the District MNRF during the audit period.</p>
<p>Conclusion: It would have been beneficial had formal compliance reports been prepared following the MNRF inspections.</p>
<p>Finding: MNRF did not prepare Forest Operations Inspections Reports following inspections it undertook of roadwork on the Whitefeather Forest.</p>

<p style="text-align: center;">Independent Forest Audit – Record of Finding</p> <p style="text-align: center;">Finding # 4</p>
<p>Principle 6: Monitoring</p> <p>Criterion 6.5: Annual Reports</p> <p>Procedure 6.5.1: Examine the reports for the term of the audit and assess whether the text, tables and maps including the digital information is accurate, complete and in accordance with the applicable requirements.</p>
<p>Background Information and Summary of Evidence: Annual Reports were prepared for fiscal year 2012-13 through to 2016-17. The 2017-18 AR has not yet been prepared, as the draft submission is not due until November 15, 2018. The Annual Reports completed to date show that harvesting was limited to a small amount of road right-of-way clearing.</p> <p>The 2014-15 AR states that ‘No harvest activities were completed in the 2014-15 period’ and the tables in the AR do not report any harvested volume. However, the MNRF TREES systems reports that a volume of 80 m³ of spruce and jack pine was scaled that year, and Crown dues and associated charges were paid. It is in the 2015-16 AR that the first mention is made of road right-of-way clearing, however, no harvest volumes are reported, and TREES does not record any scaled volume. In 2017-18, 1,364 m³ was reported in TREES as scaled and dues were fully paid.</p> <p>As a sidebar, Table AR-1 in the ARs from 2012-13 onwards to 2015-16 inclusive report a harvest of a volume of 9 m³ of spruce, which seems to be a cut and paste error. MNRF’s review of the draft 2014-15 AR caught some omissions that were corrected but did not mention anything regarding the reporting of harvest volumes.</p>
<p>Discussion: While the harvest amounts are not significant, it is worthwhile documenting them in the Annual Reports.</p>
<p>Conclusion: The audit team considers that it would be beneficial to record in the Annual Reports even the small volumes of timber that have been harvested and be more accurate in describing operations.</p>
<p>Finding: WFCRMA did not report the harvesting that took place in 2014-15 in the Annual Report for that year and MNRF’s review of the Annual Reports did not detect inaccuracies related to the reporting of harvest volume.</p>

<p style="text-align: center;">Independent Forest Audit – Record of Finding</p> <p style="text-align: center;">Finding # 5</p>
<p>Principle 6: Monitoring</p> <p>Criterion 6.5: Annual Reports</p> <p>Procedure 6.5.1: Examine the reports for the term of the audit and assess whether the text, tables and maps including the digital information is accurate, complete and in accordance with the applicable requirements.</p>
<p>Background Information and Summary of Evidence: As discussed in Finding # 4, the amount of volume harvested from the Whitefeather Forest has been very limited.</p> <p>Appendix “D” of the Whitefeather Forest SFL stipulates that once harvesting begins on the Forest, the Minimum Balance in the Forest Renewal Trust account shall increase incrementally from the initial level of zero to \$285,000 in the fourth harvest year. With harvesting having taken place in 2014-15 and again in 2017-18, FRT fees totalling \$5,776 were paid (most of which was paid on the conifer volume cut in 2017-18).</p> <p>As discussed in Finding # 4, the volume harvested from the Whitefeather Forest has been very limited and the MNRF has neither established an FRT account nor invoked the Minimum Balance requirements. Had the FRT account been established, the auditors estimate the required Minimum Balance would be \$75,000 as of March 31, 2018.</p>
<p>Discussion: It is understandable that an FRT account was not established. Because the volume harvested during the audit period was small (i.e., 1,364 m³) and it was a road right-of-way that was being cleared (which is not planned to be renewed), the ramp-up in harvest activity on the forest that seems to have been anticipated in the SFL has not occurred. It would have created great hardship for WFCRMA to have had to meet the Minimum Balance conditions had the FRT account been established.</p> <p>The audit team, however, feels it is important that the payments that have been made are not forgotten. The auditors think MNRF should set up an FRT account for the Whitefeather Forest and transfer the FRT payments that have already been made into the account. There, they will collect interest and be available when renewal funds are required.</p>
<p>Conclusion: The audit team agrees with MNRF for not enforcing the conditions in Appendix “D” of the SFL. The audit team believes, however, that it would be appropriate to set up an FRT account to hold FRT payments made by WFCRMA and re-negotiate the terms of Appendix “D” with WFCRMA.</p>
<p>Finding: A Forest Renewal Trust account has not yet been established for the Whitefeather Forest; the conditions in Appendix “D” of the Whitefeather Forest SFL, which have not been met by WFCRMA, are not appropriate for the harvest context on the Whitefeather Forest.</p>

<p style="text-align: center;">Independent Forest Audit – Record of Finding</p> <p style="text-align: center;">Finding # 6</p>
<p>Principle 8: Contractual Obligations</p> <p>Criterion 8.15: The SFL Company shall work co-operatively with MNRF and local First Nation or Métis communities in order to identify and implement ways of achieving a more equal participation by First Nation or Métis communities in the benefits of forest management planning.</p>
<p>Background Information and Summary of Evidence: The level of operations on the Whitefeather Forest has been limited during the audit period, and as a result, there have been few opportunities for the Whitefeather Forest to support adjacent Indigenous communities seeking to benefit from forest management planning. However, in discussions with other First Nations that are adjacent to the Whitefeather Forest, all of the people interviewed by the auditors indicated there had been little to no formal notification provided by Pikangikum or WFCRMA regarding the status of the WFI and potential operations on the Forest.</p> <p>It is not known whether the Métis have rights on the Whitefeather Forest. Late in the development of the 2012 FMP, MNO sent a letter and also verbally asserted rights on the Forest however MNRF attempted to set up a meeting to discuss the assertion but the meeting never materialized as the MNO did not respond to the MNRF contact attempts.</p>
<p>Discussion: While there may not seem to be much to talk about, in view of the limited amount of operations undertaken to date, some notification is required both in terms of maintaining compliance with this aspect of the SFL but more importantly in terms of developing and maintaining a more formal communications pathway with other Indigenous communities that have interests on the Whitefeather Forest.</p>
<p>Conclusion: The feedback provided by other communities and the lack of formal correspondence, as far as the auditors are aware, between WFCRMA and other communities indicates that lines of communication that would facilitate discussions regarding opportunities to benefit from forest management are not well maintained.</p>
<p>Finding: WFCRMA has had very little formal interaction with adjacent Indigenous communities with an interest in the Whitefeather Forest.</p>

APPENDIX 2 – ACHIEVEMENT OF FMP MANAGEMENT OBJECTIVES

Achievement of 2012 Whitefeather Forest FMP Objectives

No.	FMP Objective and Indicators	Auditor Assessment	Auditor Comments
1	<p><u>Objective 1</u> –Projected Available Harvest Area: To provide wood fibre to create economic and employment opportunities through resource-based tribal enterprises</p> <p>Indicator 1a – Long-term projected available harvest area by forest unit.</p> <p>Indicator 1b – Long-term projected available harvest volume by species group.</p>	<p>This is a planning objective and it was met, and the desired levels of the indicators were met, through the process of developing the LTMD in which the harvest level was optimized subject to meeting the FMP objectives.</p> <p>The objective has been achieved.</p>	<p>The desirable level of the first indicator was described in the FMP as “the highest possible long-term harvest volume while maintaining a balance of objective achievement” and the second was also set at the maximum sustainable level.</p> <p>The objective is more of a statement of plan development goals than an objective to be achieved during plan implementation.</p>
2	<p><u>Objective 2</u> –Fur Industry/ Trapper Consultation: To contribute to the economic viability of the fur industry ... through the protection of values.</p> <p>Indicator 2a – Compliance with the Prescriptions for the Protection of Resource-based Trapping Values.</p>	<p>The absence of harvest means there were no compliance issues, nor were there negative impacts on trappers. No comments from trappers were received by the auditors. The only compliance inspections undertaken to date during the term of the 2012 FMP were related to access development, which had little to no impact on trapper values.</p> <p>The objective has been rendered moot due to the limited extent of operations on the forest.</p>	<p>The reason given in the FMP for this indicator is that there was concern that forest operations might negatively impact trappers. As a compliance-based indicator, there were no issues related to compliance.</p>

No.	FMP Objective and Indicators	Auditor Assessment	Auditor Comments
3	<p><u>Objective 3</u> – Indigenous Knowledge Expert Involvement: To provide opportunities for the involvement of Indigenous Knowledge Experts in the development of the FMP.</p> <p>Indicator 3a –Percentage of IK Experts who were sent notices of opportunities for involvement in Forest Mgmt Planning.</p> <p>Indicator 3b – % of Pikangikum Head Trappers invited to be involved in AOC and block planning.</p> <p>Indicator 3c – Continually verifying and updated values information produced for the Keeping the Land.</p>	<p>The desirable levels of involvement associated with indicators 3a and 3b were that 100% of the experts were provided with the opportunity to participate. This objective was achieved through the internal processes that occurred during FMP planning, including the meetings of the Whitefeather Steering Group, as well as the open invitation for people to attend PT meetings.</p> <p>This objective was achieved.</p>	<p>This objective pertains to the plan development process and was developed to ensure that Pikangikum Indigenous Knowledge Experts had direct input into the FMP development process.</p>
4	<p><u>Objective 4</u> – Adjacent First Nation Involvement: To create opportunities for Adjacent First Nations involvement in FMP development.</p> <p>Indicator 4a – Representation on the Adjacent Aboriginal Community Working Group.</p>	<p>There was an extensive discussion with many of the adjacent First Nations during the FMP planning process. Cat Lake and Lac Seul First Nation had representatives on the PT, while other First Nations participated through an Aboriginal Working Group. There was an open invitation for other community members to attend PT meetings, as well as presentations at various times in adjacent communities and dialogue around the preparation of the ABIR's.</p> <p>This objective was met.</p>	<p>The intent of this objective was to ensure that representatives from adjacent First Nations had and took up the opportunity to participate in forest planning. This objective also pertains to the plan development process.</p>
5	<p><u>Objective 5</u> – LCC Involvement: To have the LCC effectively participate in the FMP.</p> <p>Indicator 5a –LCC self-evaluation of its effectiveness in FMP development.</p>	<p>This objective pertains to the plan development process. The LCC participated in the plan development in accordance with the FMPM and felt the consultation was appropriate. They unanimously endorsed the FMP; the self –assessment of effectiveness</p>	<p>All members of the LCC were interviewed by the audit team and felt that they were well consulted during plan development. There has been limited discussion of the WF issues in recent years, due to the lack of activity.</p>

No.	FMP Objective and Indicators	Auditor Assessment	Auditor Comments
		<p>noted that the members struggle sometimes with the time commitment.</p> <p>The FMP notes that the desired level of this indicator was that 80% of the LCC would find their contribution effective. This was and generally continues to be the case – the objective has been achieved.</p>	
6	<p><u>Objective 6</u> –Landscape Pattern: To emulate natural disturbance and landscape patterns characteristic of the management unit.</p> <p>Indicator 6a – % of polygons with > 60% mature and old forest.</p> <p>Indicator 6b – Young forest patch size by size class (ha).</p>	<p>At plan start, the forest exceeded the desired proportion of polygons with more than 60% old and mature forest, while the size class distribution of young forest patch sizes was very close to the target distribution.</p> <p>In the absence of significant stand-replacing disturbances (natural and human-caused) since the plan came into effect, the objective has largely continued to be met.</p>	
7	<p><u>Objective 7</u> –Forest Composition: To maintain or move towards a natural range of forest composition and age distribution.</p> <p>Indicator 7a – Crown Productive Forest by Landscape Class.</p> <p>Indicator 7b – Crown Productive Forest by Forest Unit.</p> <p>Indicator 7c – Amount and distribution of old forest by forest unit.</p>	<p>At plan start, the area of the immature and mature /late landscape classes exceeded the desirable level (except for mature/late balsam fir) while the pre-sapling stage area was less than desirable. It seems unusual that both the immature and the mature areas would exceed the desirable levels – this occurred because the desirable levels have been set at the minimum of the lower interquartile range of Simulated Range of Natural Variation. The bottom line is that these shouldn't have all been identified as desirable levels since they can't all be reached simultaneously.</p> <p>In any event, the lack of harvesting and natural disturbance means that if anything, there is less pre-sapling area than previously and so the forest is likely moving away from its</p>	

No.	FMP Objective and Indicators	Auditor Assessment	Auditor Comments
		desirable condition in respect of age and cover type mix. The objective is being met although there is no meaningful progress towards the desired levels.	
8	<p><u>Objective 8 –Caribou Habitat:</u> To maintain forest function for wildlife habitat in the management unit.</p> <p>Indicator 8a – Amount of habitat for forest-dependent Species at Risk.</p> <p>Indicator 8b – Percent of polygons with > 60% caribou refuge</p> <p>Indicator 8c – Percent of polygons with > 60% caribou winter habitat</p> <p>Indicator 8d – Percent conifer species composition in conifer-dominated FUs.</p> <p>Indicator 8e – Online caribou habitat. Percent of forest area in suitable condition ...</p>	At plan start, the forest was excellent caribou habitat with all indicators being handily exceeded. In the absence of disturbance, the quality of the habitat has been maintained (since the mature forest is generally favoured) and therefore this objective has been met to date.	
9	<p><u>Objective 9 – Marten Habitat:</u> Healthy self-sustaining fish and wildlife populations are supported.</p> <p>Indicator 9a –Landscape pattern, interior, Marten Core Habitat</p>	At plan start, the forest was excellent marten habitat with the indicators being handily exceeded. In the absence of disturbance, the quality of the habitat has been maintained and therefore this objective has been met to date.	
10	<p><u>Objective 10 –Economic Opportunities:</u> To provide wood fibre to create economic and employment opportunities ...</p> <p>Indicator 10a – Actual harvest area, by forest unit (% of planned).</p>	Due to the limited amount of forest operations during the plan period to the end of the audit period, this objective has not been met.	

No.	FMP Objective and Indicators	Auditor Assessment	Auditor Comments
	Indicator 10b – Actual harvest volume, by species group (% of planned).		
11	<p><u>Objective 11</u> –Non-timber Forest Products: Forestry in the Planning Area will be conducted in a manner that will not negatively affect non-timber forest products.</p> <p>Indicator 11a –Compliance with the prescriptions for the protection of non-timber forest products operations.</p>	Due to the limited amount of forest operations during the plan period to the end of the audit period, the production of non-timber products has been maintained and therefore this objective has been met.	None of the compliance inspections undertaken during the audit period found any issue with impacts on non-timber forest products.
12	<p><u>Objective 12</u> – Cultural Values: Cultural values and sites of special significance will be identified and maintained ...</p> <p>Indicator 12a – Compliance per year with prescriptions for the protection of trap cabins, trails and other resource-based trapper values</p> <p>Indicator 12b – Compliance with prescriptions for the protection of cultural values</p>	Due to the limited amount of forest operations during the plan period to the end of the audit period, cultural values and significant sites have been maintained and therefore this objective has been met.	None of the compliance inspections undertaken during the audit period found any issue with impacts on cultural values or significant sites.
13	<p><u>Objective 13</u> – Primary Roads: To develop a road use strategy to increase permanent road density within the General Use Area while maintaining remoteness as a defining feature of the Whitefeather Forest.</p> <p>Indicator 13a – Kilometres per square kilometre of Crown Forest of primary SFL forest access roads within the Whitefeather Forest.</p>	<p>The higher level access strategy was set out in Keeping the Land, and the FMP planned for up to five primary roads to be constructed to reach caribou A blocks and also provide access to neighbouring communities that are presently not road accessible.</p> <p>The low level of road construction means that the value of indicator 13a remains close to its value at plan start, which was 0.0012 km of primary road per km². The desirable level and target density of 0.0209 km/km² was not met and there was little movement towards the</p>	The objective pertains to the plan development process however the indicator is based on the amount of road construction activity that occurs during the plan period.

No.	FMP Objective and Indicators	Auditor Assessment	Auditor Comments
		target level. While the strategy was developed, it was not implemented and therefore the intent of the objective has not been achieved.	
14	<p><u>Objective 14</u> – Strategic Access Planning: Ensure all interested parties are involved in strategic access planning.</p> <p>Indicator 14a – % of interested parties involved with strategic road access planning</p>	<p>The FMP reports that there have been discussions with adjacent communities around planning and access, however, it is not clear from the available information on what percentage of interested parties participated. In general, there appears to have been a reasonable amount of dialogue during land use planning as well as during FMP planning.</p> <p>Evidence in the land use plan and the FMP suggests that this objective has been achieved.</p>	The Indicator is difficult to assess.
15	<p><u>Objective 15</u> – Mineral Sector Consultation: To contribute to the economic vitality of the mining and mineral exploration sector in or adjacent to the Whitefeather Forest through the review of road use strategies.</p> <p>Indicator 15a – Enhanced communications with the mining and mineral exploration sector in the Red Lake area.</p>	<p>Road access planned for construction during the 2012-2022 period of the Whitefeather FMP traversed general use areas which are available for mineral development.</p> <p>Evidence to assess the indicator and the objective was not available.</p>	
16	<p><u>Objective 16</u> – Silviculture and Regeneration Success: To maintain the Pikangikum Ahneesheenhbay relationship to the land as a cultural landscape</p> <p>Indicator 16a – Regeneration Success: Percentage of harvested forest area</p>	<p>Since the only harvesting that has occurred was for road clearing, and no silvicultural activities have been conducted to date, there are no assessment results to report.</p>	Indicator is based on free-to-grow assessment results.

No.	FMP Objective and Indicators	Auditor Assessment	Auditor Comments
	<p>assessed as free growing by Forest Unit.</p> <p>Indicator 16b – Silvicultural Success: Planned and actual percent of harvested forest area successfully regenerated to the Projected Forest Unit by forest unit.</p>		
17	<p><u>Objective 17 – Silvicultural Intensities:</u> Promote natural regeneration through the use of prescribed burning. Timber harvesting and silviculture technology favours techniques that result in a light footprint on the land.</p> <p>Indicator 17a – Silvicultural Intensity: Planned and actual percent of harvest area treated by silvicultural intensity.</p> <p>Indicator 17b – Silvicultural Success: Planned and actual percent of harvest area treated through the use of prescribed burning.</p>	<p>Since there has been only a small amount of harvesting related to road clearing, and no silvicultural activities have been conducted to date, there are no results to report.</p>	<p>Indicator is based on proportions of area harvested that were treated with prescribed burning, and by silvicultural intensity class.</p>
18	<p><u>Objective 18 – Light Footprint</u> Silviculture and Harvesting: Timber harvesting and silviculture will employ techniques that result in a light footprint on the land ...</p> <p>Indicator 18a – Compliance with management practices that prevent, mitigate or minimize site damage.</p>	<p>Only a small amount of harvesting related to road clearing was conducted during the audit period, and there were no non-compliances reported for these activities.</p> <p>Because no silvicultural activities have been conducted to date, there are no related compliance results to report and the objective has been non-binding on management.</p>	<p>There has been no opportunity for the Authority to test its light footprint approach due to the lack of harvesting.</p>
19	<p><u>Objective 19 –Water Quality and Fish Habitat:</u> Water bodies and headwaters</p>	<p>The limited amount of forest operations means that there have been no impacts on aquatic ecosystems.</p>	<p>Compliance reports indicated no issues with negative impacts on aquatic systems.</p>

No.	FMP Objective and Indicators	Auditor Assessment	Auditor Comments
	<p>are not harmed and aquatic ecosystems are sustained.</p> <p>Indicator 19a – Percent of forest operations inspections in compliance with prescriptions developed for the protection of water quality</p>		
20	<p><u>Objective 20 – Compliance - General:</u> Compliance with all other forest management activities.</p> <p>Indicator 20a – Percent of forest operations inspections in non-compliance, by activity and remedy type.</p>	<p>The intention of this indicator was that operations would have very high rates of compliance – ideally 100%. The limited extent of harvesting or other operations has limited the number of compliance inspections undertaken. There were no issues identified in the four inspections undertaken. This objective has been met.</p>	
21	<p><u>Objective 21 – Available Area for Timber Production:</u> To ensure the productive landbase is maintained over time ...</p> <p>Indicator 21a – Managed Crown forest available for timber production.</p>	<p>The managed Crown forest landbase is not expected to change much – some area will be lost to roads but between the light footprint approach and the implementation of the DCHS, the amount of area converted to roads will be minimal. As of March 31, 2018, perhaps 6-8 ha had been cleared for new primary roads. This objective has been met.</p>	
22	<p><u>Objective 22 – Sustainable Wood Supply:</u> To provide a continuous, predictable and sustainable supply of quality timber required by wood processing facilities that receive wood from the Whitefeather Forest.</p> <p>Indicator 22a –. Number of forest operations inspections in non-compliance for wasteful practices.</p>	<p>The 2012 FMP projected that the average annual volume harvest would be more than 600,000 m³ during the first sixty years, followed by a dip to 272,500 m³ over the next 20 years, increasing back to more than 600,000 m³, and then declining to 310,000 m³ during the last term. While the volatility of the harvest late in the projection period is questionable as a good outcome, the absence of operations to date indicates that the planned harvests will take some time to materialize at the anticipated levels. Due to the uneven projected harvest levels, this objective is</p>	<p>The choice of the indicator does not seem to adequately capture the scope or intent of the objective.</p> <p>There were no compliance findings regarding wasteful practices.</p>

No.	FMP Objective and Indicators	Auditor Assessment	Auditor Comments
		considered by the audit team to be only partially met.	

APPENDIX 3 - COMPLIANCE WITH CONTRACTUAL OBLIGATIONS

Licence Condition	Licence Holder Performance
1. Payment of Forestry Futures and Ontario Crown charges	<p>There are no outstanding payments due for Ontario Crown charges or for charges to the Forestry Futures Trust. In 2014-15, a volume of 80 m³ of spruce and jack pine was harvested and scaled that year during road line clearing, and Crown dues and associated charges were paid, but this was not reported in the 2014-15 AR. In the year 2017-18, 1,364 m³ related to road corridor clearing was harvested and scaled and the associated dues were paid. Although the harvest amounts and related charges are relatively small, it is worthwhile documenting them in Annual Reports.</p> <p>There were no applications for funding from the Forestry Futures Trust for the Whitefeather Forest during the audit period. There were several wildfires for which eligible assessment and/or renewal activities could be considered in future.</p>
2. Wood supply commitments, MOAs, sharing arrangements, special conditions	There are no wood supply commitments, special conditions or MOA's associated with the Whitefeather Forest.
3. Preparation of FMP, AWS and annual reports; abiding by the FMP, and all other requirements of the FMPM and CFSA.	<p>The Company prepared a Phase I FMP, Annual Work Schedules and Annual Reports as required by the FMPM and the CFSA. This included the preparation of a year 6 AWS based on the Phase I FMP. The Company did not prepare a Phase II FMP during the audit period (See Finding 1), however the Company was in compliance with this licence condition on March 31, 2018, the last day of the audit period. Subsequently, the Company has not had a valid FMP or AWS however the Company is now working to develop a three-year contingency plan which is expected to return the Company to compliance by April 1, 2019.</p>
4. Conduct inventories, surveys, tests and studies; provision and collection of information in accordance with FIM.	<p>The FRI that was used in the preparation of the 2012-2017 FMP for the Whitefeather Forest was based on 1:20 000 scale black-and-white aerial photography that was acquired in 1999 and 2001. After delivery of the completed FRI by Timberline in 2004, updates were completed to adjust stocking values using a linear regression. Stocking values interpreted to FRI specifications were not included in the original inventory. Stand ages were also updated to the 2012 plan start date.</p> <p>The Whitefeather Forest is scheduled to receive an updated eFRI in the current inventory cycle, and digital imagery for the eFRI update is in process of being acquired by MNRF.</p> <p>Since no silvicultural activities have been conducted on the forest to date, no silvicultural assessments or free-to-grow surveys have been completed.</p>

Licence Condition	Licence Holder Performance
5. Wasteful practices not to be committed.	There was very little harvesting undertaken and no wasteful practices reported in FOIP or seen by the auditors during site inspections.
6. Natural disturbance and salvage SFL conditions must be followed.	There was no salvage harvesting undertaken during the audit period, and no blowdowns or fires reported in the AR's. A snowdown event in the Fall of 2012 was not amenable to salvage.
7. Protection of the licence area from pest damage, participation in pest control programs	<p>The Red Lake District of the Ministry of Natural Resources and Forestry (MNRF) sent a letter on September 14, 2017 to provide the Pikangikum First Nation and the Whitefeather Forest Community Resource Management Authority (WFCRMA) with an update on the recent detection of a jack pine budworm infestation. The letter also expressed a desire to collaborate in the assessment and development of potential treatment options as required. Representatives of the Pikangikum First Nation and/or the WFCRMA were invited to attend an information day to be hosted by MNRF in the Red Lake District in June 2018. The session provided information about forest pests and their cycles and provided an overview of how forest health is monitored in the province.</p> <p>The jack pine budworm infestation had affected a significant portion of the forest by 2018 and had also spread to adjacent forests. MNRF is currently developing an insect pest management strategy related to this outbreak in collaboration with the affected SFLs. WFCRMA representatives are participating in this effort.</p>
8. Withdrawals from licence area	There were no withdrawals from the licence area during the audit period.
9. Audit action plan and status report	There is no prior IFA and hence no action plan or status report was required.
10. Payment of forest renewal charges to Forest Renewal Trust (FRT)	During the audit period, a total of \$5,776 of FRT fees was paid. Because the harvested volumes were small and were associated with road corridor clearing that is not expected to be renewed, an FRT account has not yet been set up. Nonetheless, it is important that the payments that have been made are documented appropriately and are not forgotten.
11. Forest Renewal Trust eligible silviculture work	Since no harvesting has been conducted, except for the small amount of road clearing mentioned above, there have been no renewal activities charged to the Forest Renewal Trust to date.
12. Forest Renewal Trust forest renewal charge analysis	The forest renewal charge analysis was conducted as required by District MNRF and the Company, most recently for the year 2016-2017. Renewal rates were calculated based on planned annual activities per the 2012-2017 FMP. Since no harvesting has been conducted to date, except for the small amount of road clearing mentioned above, there are no renewal activities to report.
13. Forest Renewal Trust account minimum balance	Since no harvest or renewal activities have been conducted to date, except for the small amount of road clearing mentioned above, the Forest Renewal Trust account for the Whitefeather Forest has not yet been activated. The small payments already made to the FRT have not been considered sufficient to trigger the clause in Appendix "D" of the SFL, as discussed in Finding #5.

Licence Condition	Licence Holder Performance
	Appendix “D” of the SFL Licence #552594 Whitefeather Forest indicates that the SFL-holder is responsible for establishing and maintaining the minimum balance, which will be \$25,000 at March 31 for the first year during which harvesting is conducted, increasing to \$285,000 at March 31 in the fourth harvest year and for each year thereafter. The 2012-2017 FMP estimated silviculture expenses will be approximately \$2.76 million/year, if all planned harvesting and silvicultural activities are implemented as forecasted.
14. Silviculture standards and assessment program	Since no harvesting has been conducted to date, except for the small amount of road clearing mentioned above, there are no renewal activities or silvicultural assessments to report.
15. Aboriginal opportunities	In the context of the Whitefeather Forest, this licence requirement pertains to opportunities provided to other First Nations who are adjacent to the Forest. WFCRMA provided opportunities for these First Nations to participate in plan development however since there have been no forestry operations on Whitefeather, there have been no opportunities available for subsequent benefits to be provided to adjacent First Nations. There has been little to no communication since the FMP process was completed with adjacent Indigenous communities regarding forest management. Even though the activity on Whitefeather Forest has been limited during the first six years of the 2012-20122 FMP, the audit team feels that some formal communication should be provided to adjacent Indigenous communities on a regular basis in order to inform them of the situation and keep lines of communication open. Finding #6 resulted from this situation.
16. Preparation of compliance plan	The Company prepared a ten-year compliance plan as part of the 2012 FMP and completed and submitted annual compliance plans as part of the AWS each year of the audit period. The compliance plans were somewhat hypothetical in that few operations were undertaken and few compliance inspection reports prepared during the audit period. The plans contained the required content.
17. Internal compliance prevention/ education program	There was no real need to develop a comprehensive compliance prevention program since there were limited operations undertaken during the audit period. WFCRMA had on staff a certified compliance inspector who prepared and submitted the four compliance reports that were prepared during the audit period.
18. Compliance inspections and reporting; compliance with compliance plan	The SFL-holder prepared four compliance inspection reports during the audit period. Due to the lack of operations, the Company could not meet compliance inspection targets in the annual compliance plans. All four compliance reports were prepared, reviewed and submitted by the same WFCRMA employee, which is not generally a good practice but acceptable in the circumstances WFCRMA finds itself in.
19. SFL forestry operations on mining claims	Not audited – considered a low-risk procedure in the risk review completed by the audit team and accepted by Forestry Futures Committee.
20. Obligations on Class X, Y and Z lands.	Since there have been no historical harvest or renewal activities conducted on the Whitefeather Forest prior to the issuing of the SFL, the SFL document does not reference Class Y or Z lands in Section 16 of

Licence Condition	Licence Holder Performance
	the SFL document. Since no harvesting has been conducted to date, there are as yet no Class X Lands for which the Company has silvicultural obligations.

APPENDIX 4 – AUDIT PROCESS

Overview

The Crown Forest Sustainability Act (CFSA) directs the Minister of Natural Resources and Forests to conduct a review of each tenure-holder every five years to ensure that the licensee has complied with the terms and conditions of its licence². The IFA contributes to this mandate, as well as complying with the direction to the Ministry laid out in the 1994 Class EA decision, subsequently confirmed in a number of Declaration Orders, the most recent dating from 2015³. Regulation 160/04 under the CFSA sets out direction related to the timing and conduct of IFA's, the audit process and reporting.

The Independent Forest Audit Process and Protocol (IFAPP) sets out in detail the scope and process requirements of an IFA, and contains approximately 170 individual audit procedures. The IFAPP, which is reviewed and updated annually by the MNRF, states that the purpose of the audits is to:

- *“assess to what extent forest management planning activities comply with the CFSA [Crown Forest Sustainability Act] and the Forest Management Planning Manual;*
- *assess to what extent forest management activities comply with the CFSA and with the forest management plans, the manuals approved under the CFSA, and the applicable guides;*
- *assess, using the criteria established for the audit, the effectiveness of forest management activities in meeting the forest management objectives set out in the forest management plan;*
- *compare the planned forest management activities with actual activities undertaken;*
- *assess the effectiveness of any action plans implemented to remedy shortcomings identified in a previous audit;*
- *review and assess a licensee's compliance with the terms and conditions of the forest resource licence; and*
- *provide a conclusion stating whether or not the forest is being managed consistently with the principles of sustainable forest management.*

The audit team may develop findings and best practices. Audit findings result from the comparison of audit evidence compared against the audit criteria. Findings may be the high-level identification of [a] non-conformance or a situation where the auditors perceive a critical lack of effectiveness in forest management activities, even though no non-conformance with law or policy has been observed.

Findings may be directed towards the Company and/or at the appropriate administrative level of the Ministry of Natural Resources (District, Region or Corporate) or they may not be directed towards any party. Auditees must address all findings through follow-up actions.

² In some circumstances, the period between reviews may be up to seven years.

³ Declaration Order MNR-75: MNR's Class Environmental Assessment Approval for Forest Management on Crown Lands in Ontario, approved by Order in Council 1126/2015 on August 25, 2015.

If the Audit Team feels that an aspect of forest management is exceptional it may be identified as a best practice. The IFAPP states that “*Highly effective novel approaches to various aspects of forest management may represent best practices. Similarly, applications of established management approaches which achieve remarkable success may represent best practices.*” In contrast, “*situations in which the forest manager is simply meeting a good forest management standard*” do not qualify.

The IFAPP describes each of the components of the audit process and contains the audit protocol, which constitutes the main framework for the audit. The procedures, which are the basis for assessing the auditees' compliance and effectiveness, are organized according to eight principles. A positive assessment of the procedures under each principle results in the principle being achieved. A negative assessment of a procedure typically leads to a recommendation.

Risk-based Auditing Approach

In 2017, the auditing process was changed to incorporate aspects of risk management. The audit uses the widely-recognized concept that risk is a function of both the probability of an event occurring and the impact of the event should it occur. Those procedures for which non-compliance would result in a medium to high negative impact on sustainability were identified by the MNRF and Forestry Futures Committee as mandatory, while the procedures associated with a low impact were identified as optional. Early in the audit process, the auditors reviewed evidence related to the optional procedures to evaluate the risk of non-conformance or negative outcomes associated with the procedure. The auditors also considered the audit team's familiarity with the procedure and its general tendency to lead to non-compliance in previous IFA's. Where the likelihood was considered to be moderate to high, the optional procedure was audited.

Using this process, it was identified that 9 of the 76 optional procedures should be audited. The assessment of risk was reviewed and accepted by the Forestry Futures Committee. The optional procedures to be included in this audit are:

- 1.2.1 – Adherence to legislation and policy
- 2.6.1 – Annual operations public inspection
- 3.5.13.1 – Assessment of sustainability
- 4.7.2. – Verification of construction and maintenance using roads funding
- 5.1.1 – Human resources
- 5.2.1 – Record and document quality control
- 6.1.1 – MNRF District compliance plan and associated monitoring
- 6.2.1.1 – Review of SFL Compliance Strategy
- 8.1.16.1 – Compliance plan preparation

Audit Implementation

The audit commenced with the preparation of a detailed audit plan⁴, which described the results of the risk assessment, set out the audit schedule, described the procedures to be used during the audit and assigned responsibilities to members of the Audit Team. There was some initial reticence on the part of WFCRMA to participate in the audit

⁴ ArborVitae Environmental Services Ltd. Plan for the Independent Forest Audit of the Whitefeather Forest, July 9, 2018.

however this dissipated as the Authority become more comfortable with the process. A pre-audit meeting was held by teleconference on June 19 with the lead auditor and the MNRF. The primary purposes of the meeting were to review the audit process, review the Audit Plan, discuss whether there were any operational sites that should be viewed in the field, and discuss scheduling. It became clear at the meeting that there were some accessible sites where operations had occurred during the audit period and that a site visit would be scheduled.

Table 2. Audit procedures by principle and risk assessment outcome.

Principle	Optional			Mandatory	Comments
	Applicable (#)	Selected (#)	% Audited	Audited (#) (100% Audited)	
1. Commitment	2	1	50	1	One optional procedure was selected for auditing to consider how well some of MNRF's policies and legislation apply to a forest with unique characteristics.
2. Public Consultation and Indigenous Involvement	5	1	20	3	Two optional procedures were determined to be low risk and not audited, and two (related to issue resolution and individual EAs) were not applicable. The procedure regarding AWS consultation was selected due to Whitefeather's remoteness.
3. Forest Management Planning	24	1	4	24	Of the 24 applicable optional procedures; the procedure related to sustainability determination was audited to examine how the use of IK might affect the assessment.
4. Plan Assessment & Implementation	2	1	50	10	One optional procedure was selected for auditing since at the time when the risk assessment was undertaken, it was not evident how the road work done during the audit period was paid for.
5. System Support	2	2	100	2	As WFCRMA is a new management entity, the auditors were interested in its human resources capacity and document management systems.
6. Monitoring	11	2	64	6	Screening identified risks associated with the compliance plans of MNRF and the Authority; there were few operations and the risk associated with program implementation was assessed as low.
7. Achievement of Objectives and Forest Sustainability	0	N/A	N/A	15	All procedures are mandatory and were audited.
8. Contractual Obligations	6	1	18	19	One optional procedure linked to another part of the IFAPP (compliance) was selected to be audited.
Totals	52	9	17	80	

The focus of the audit was an intensive four-day site visit (July 23-26, 2018) by two auditors, which included document review, interviews and inspections of the operational sites on the Forest where activities had been undertaken during the audit period. The silvicultural auditor did not come on the site visit since there had been no renewal activities undertaken during the audit period – his primary focus was a review of the silvicultural program proposed in the 2012 FMP.

The field inspection took place on Tuesday, July 24, and two of the audit team members, staff from MNRF and the President and advisor from WFCRMA examined the road clearing and an aggregate pit that had been used during the audit period (it was being used intensively at the time of the site visit). The remaining time in Red Lake was spent at the MNRF offices and interviewing LCC members. There was some delay as it was determined whether the auditors would return for a visit to Pikangikum, however, it was decided that the auditors would make this visit once the draft report was prepared.

The formal closing meeting for the audit took place on July 15 by teleconference, at which the audit team reviewed its draft findings. In the two-week period following the closing meeting the audit team received comments on the draft recommendations and those have been considered in preparing this draft final report.

Sampling and Sample Intensity

The IFAPP requires that at least 10% of each major activity be sampled. **Table 3** shows the total amount of each key activity that took place during the audit period, 100% of the operational areas were viewed during the field visits. Only four years of verified operational data were available, so the figures in **Table 3** include estimates of the level of activity in 2017-18. There were no activities reviewed in the specified procedures assessment undertaken by KPMG for the 2016/17 fiscal year and so nothing related to this to review in the field.

Table 3. Sampling intensity of the field operations, by key feature investigated.

Feature	Total in Audit Period	Total Sampled	Sample Intensity %
Harvest (ha)	7	7	100
Forestry Aggr Pits (#)	1	1	100

Input from Indigenous Communities

There are eight First Nations communities within or adjacent to the boundaries of the Whitefeather Forest:

- Cat Lake First Nation;
- Deer Lake First Nation;
- Little Grand Rapids First Nation (located in Manitoba);
- Lac Seul First Nation;
- McDowell Lake First Nation;
- North Spirit Lake First Nation;
- Pauingassi First Nation (located in Manitoba); and
- Poplar Hill First Nation.

All were contacted by the audit team by e-mail and by telephone. Keewaytinook Tribal Council serves six far northern Ontario First Nations, including Deer Lake, McDowell

Lake, North Spirit Lake and Poplar Hill First Nations. Keewaytinook was also contacted by the audit team.

The audit team spoke by telephone with a mix of councilors and Band office staff, as well as one Chief, from Cat Lake, Little Grand Rapids, North Spirit Lake, Pauingassi and Poplar Hill First Nations. There was no evidence of regular or recent communication with Pikangikum or WFCRMA. The person from Little Grand Rapids said that there has been no interaction since Pikangikum pulled out of the UNESCO World Heritage Site while the person from Pauingassi said that there are a lot of relatives living in Pikangikum so there is communication. North Spirit Lake is working on their own land use plan and indicated an interest in meeting with Pikangikum to discuss some overlapping traplines while the representative from Cat Lake has never heard of Whitefeather.

Input to the Audit from LCC members

As part of the audit, auditors reached out to all LCC members to obtain feedback regarding the functioning of the LCC over the audit period. Interviews were conducted with all of the listed members at the end of the audit term. All LCC members generally were of the opinion that the LCC was functioning in accordance with its mandate. Additional comments tended to discuss the other two forests in the District which occupy more of the LCC time. Some useful comments for the WF perspective included:

- Receiving the minutes earlier would help to be prepared for the meeting
- More assistance for members to attend by phone
- Desire for an Indigenous member of the LCC
- A number of general comments about activities on the Trout Forest and the Red Lake Crown were made.
- A larger membership would be better
- Never really “got into” the Whitefeather Forest

Input through Public Comment

In an attempt to solicit public input into the audit, advertisements were placed in the Red Lake newspaper (Red Lake Northern Sun). In addition, the auditors developed an on-line questionnaire using Survey Monkey and included the link in the newspaper notice. The link was also circulated to LCC members, who were asked to distribute it to their constituents. No responses were received from any of these initiatives.

APPENDIX 5 – LIST OF ACRONYMS

ABIR	Aboriginal Background Information Report
ACOP	Annual Compliance Operations Plan
AOC	Area of Concern
AR	Annual Report
AVES	ArborVitae Environmental Services Ltd
AWS	Annual Work Schedule
CFSA	Crown Forest Sustainability Act
Class EA	Class Environmental Assessment for Timber Management on Crown Lands in Ontario
ConSha	Conifer on Shallow Soils Forest Unit
CROs	Conditions on Regular Operations
DCHS	Dynamic Caribou Habitat Schedule
DPA	Dedicated Protected Area
EMA	Enhanced Management Area
FMP	Forest Management Plan
FMPM	Forest Management Planning Manual
FRT	Forest Renewal Trust
FU	Forest Unit
GIS	Geographic Information System
ha	hectares
km	kilometres
IFA	Independent Forest Audit
IFAPP	Independent Forest Audit Process and Protocol
IK	Indigenous Knowledge
LCC	Local Citizens Committee
LIO	Lands Information Ontario
LTMD	Long Term Management Direction
m ³	cubic meters
MNRF	Ontario Ministry of Natural Resources and Forestry
NWR	Northwest Region
PjDee	Jack Pine on Deep Soil Forest Unit
PT	Planning Team
SAR	Species at Risk
SbDee	Black Spruce on Deep Soil Forest Unit
SFL	Sustainable Forestry Licence
UNESCO	United Nations Educational, Scientific and Cultural Organization
WF	Whitefeather Forest
WFCRMA	Whitefeather Forest Community Resource Management Authority
WFI	Whitefeather Forest Initiative
WSG	Whitefeather Steering Group

APPENDIX 6 – AUDIT TEAM MEMBERS AND QUALIFICATIONS

Auditor	Role	Responsibilities	Credentials
Dr. Jeremy Williams	Lead Auditor, Harvest and Wood Supply Auditor	<ul style="list-style-type: none"> • overall audit coordination; • oversee activities of other team members; • liaise with Company & MNRF; • review and inspect harvesting records and practices; • review aspects of forest management related to forest economics and social impacts; • reviews FMP modeling inputs and activities 	B.Sc.F., Ph.D. (Forest Economics), R.P.F. More than 22 years consulting experience in Ontario related to forest management, planning, wood supply modeling, and forest economics; participated in more than 40 previous IFA assignments; certified as an auditor by the Quality Management Institute.
Rob Arnup	Silvicultural Auditor	<ul style="list-style-type: none"> • Review and inspect silvicultural practices and related documentation; • Review renewal /silvicultural success and FTG assessment; • review and inspect selected environmental aspects of forest management. 	B.Sc. Senior forest ecologist with 40 years' experience in silviculture, forest management applications and environmental consulting in boreal Canada and elsewhere. Completed 27 IFAs. Associate member of the OPFA.
Tom Clark	Ecologist and Roads Auditor	<ul style="list-style-type: none"> • review and inspect Areas of Concern Documentation and Practices; • review and inspect aspects of forest management related to environmental practices and wildlife management integration; • review and inspect access and water crossings 	M.Sc. Zoology (wildlife ecology). Tom is an experienced auditor and has participated in more than 23 Independent Forest Audits from 1996 to 2012. Tom is a Board member of Westwind Stewardship and a long-serving member of the Provincial Policy Committee.