

An aerial photograph of a vast forested landscape. In the foreground, a large, densely forested hillside slopes down towards a large body of water. The water is a light blue-grey color and contains several islands and peninsulas, all of which are covered in dense green forest. The background shows more forested land extending to the horizon under a cloudy, overcast sky.

# **Whiskey Jack Forest**

## **Independent Forest Audit**

**April 1, 2014-March 31, 2019**

**Final Report**

**ArborVitae Environmental Services Ltd.**

**November 19, 2019**





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## 1.0 EXECUTIVE SUMMARY

This Independent Forest Audit assessed the management of the Whiskey Jack Forest for the period April 1, 2014 – March 31, 2019, which encompasses the last three years of Phase I of the 2012-2022 Forest Management Plan and the first two years of the Phase II portion of the Plan. The audit also covers the development of the Phase II Plan. As the Whiskey Jack Forest is a Crown Management Unit, this audit reviewed the performance of the Ministry of Natural Resources and Forestry in executing and overseeing all aspects of management of the Forest, including planning, compliance monitoring, engaging with Indigenous Communities and stakeholders and implementation of operations.

The auditors conducted site inspections over the course of two days and interviewed members of the Kenora District and Northwest Region Ministry of Natural Resources and Forestry, the Local Citizens Committee, Indigenous community representatives, staff members of the companies holding Forest Resource Licences, one of whom is Miisun Integrated Resource Management Company (Miisun). In addition to holding a harvest licence, Miisun was awarded service agreements to take on broader forest management responsibilities such as annual planning and road monitoring.

One of the most challenging aspects of management of the Forest has been addressing the varied expectations of the Indigenous Communities with an interest in the Forest. It became clear through the audit that addressing the procedural requirements of the Forest Management Planning Manual, and exceeding them when the Ministry becomes aware of opportunities to do so, has not been consistently sufficient to address the aspirations of all the communities with an interest in the Forest.

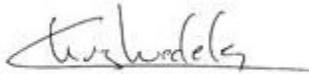
A significant feature of the Forest has been the implementation of a No-Harvest Zone, which encompasses approximately 76% of its area. This has had trickle-down impacts that have resulted in the identification of Findings. The low level of harvesting relative to the extent planned has contributed to the underachievement of the Forest Management Plan's objectives and a Finding is identified related to this. Another indirect outcome of the relative lack of harvesting operations on the forest has been a low level of funding for road maintenance through the Ministry's Forest Access Roads Funding Program. The lack of road maintenance in some places has raised concerns regarding safety and potential environmental issues, and a Finding is identified related to these.

Another related challenge in the management of this forest has been the proscription on the use of herbicides due to societal objections. These circumstances have deprived forest managers of a silvicultural tool that is considered essential to the successful renewal of coniferous species on competitive sites. The lack of recognition in the Forest Management Plan of the reality of this circumstance, as evidenced by the continued inclusion of herbicide treatments in the Plan's projected silvicultural outcomes, contributes to the lack of attainment of forest planning objectives.

Regarding the actual implementation of forest management activities, the quality of operations on the Forest was generally found to be high. Utilization of harvested wood was good as was the management of road-side slash and chipper debris. Similarly, the quality of protection of non-timber values was also good as evidenced by the relatively high level of compliance achievement.

The nature of auditing is generally to identify practices in need of improvement. All forest audits identify findings and this audit is no different in that regard. In spite of the moderate number of findings identified in this audit, the audit team stresses that, from an operational perspective, management of the forest was being implemented at a high level. The key challenges for this forest relate to broader strategic aspects of forest management, including developing consistently successful on-going relationships with Indigenous communities, and integrating realistic scenarios regarding land-base availability and herbicide use into the plan's objectives. Kenora District Ministry has attempted to deal with these challenges in a professional manner within the bounds of the broader planning circumstances that define the Ministry's approach to forest management.

The audit team concludes that management of the Whiskey Jack Forest was generally in compliance with the legislation, regulations, and policies that were in effect during the term covered by the audit, and the Ministry met its legal obligations. During the term of the audit, the forest was managed consistently with the principles of sustainable forest management, as assessed through the Independent Forest Audit Process and Protocol.



Chris Wedeles  
Lead Auditor



## 2.0 TABLE OF AUDIT FINDINGS

<b>Concluding Statement</b>
<p>The audit team concludes that management of the Whiskey Jack Forest Management Unit was generally in compliance with the legislation, regulations, and policies that were in effect during the term covered by the audit, and the Ministry of Natural Resources and Forestry met its legal obligations. The forest is being managed consistently with the principles of sustainable forest management, as assessed through the Independent Forest Audit Process and Protocol.</p>
<b>Findings</b>
<p>1. The Terms of Reference for the Kenora Local Citizens Committee is out of date.</p>
<p>2. The Ministry of Natural Resources and Forestry is not funding meals and other meeting expenses which is limiting the frequency and quality of Indigenous engagement.</p>
<p>3. Kenora District Ministry of Natural Resources and Forestry communication with First Nations and Métis communities regarding forest planning and plan implementation i) was not successful in encouraging most communities to engage in the forest planning process, ii) in other instances the communication led to participation in planning but the District was unaware of, or could not meet the follow-up expectations for engagement to develop broader relationships.</p>
<p>4. No consultation was undertaken prior to the Ministry of Natural Resources and Forestry's designation of the No-Harvest Zone within the Whiskey Jack Forest.</p>
<p>5. Silvicultural strategies identified in the 2012 Forest Management Plan related to tending are not being followed.</p>
<p>6. Poplar management on the Whiskey Jack Forest is not consistently successful, especially on in-block roads, landings and skid trails.</p>
<p>7. The amount of red pine seed currently in storage is very low and there is no white pine seed available for the Whiskey Jack Forest.</p>
<p>8. The network of roads in the forest other than those used for forest management is not being maintained adequately to avoid, potential safety and environmental issues.</p>
<p>9. There are four pending forest compliance issues that have not been resolved for one year or more since the initial inspection.</p>
<p>10. The condition of Block 12.330 related to litter left on site is not in compliance with the Public Lands Act and the conditions of the forestry aggregate pits are in contravention of the standards and conditions in the current Whiskey Jack Forest Management Plan. The lack of a compliance inspection is not consistent with the compliance plan.</p>
<p>11. The Trend Analysis does not meet all of the Independent Forest Audit Process and Protocol requirements.</p>
<p>12. Objectives in the 2012 Forest Management Plan that relate to, or are dependent on, implementation of the planned harvest levels and use of herbicides will not be achieved.</p>
<p>13. There is a large and growing Crown dues arrears on the Whiskey Jack Forest.</p>
<b>Best Practices</b>

1. The process for engagement undertaken by Kenora District Ministry of Natural Resources and Forestry and Miisun regarding the Bug Lake salvage block 18.903 and their responsiveness to expressed concerns was exceptional.
2. The silvicultural effectiveness monitoring program that was developed and implemented by Kenora District Ministry of Natural Resources and Forestry during the audit period, making use of Permanent Sample Plots that were monitored over time, provided detailed information that supported operational decision making, and has the potential for continued use in longer-term applications such as refinement of successional rules and Silvicultural Ground Rules for forest modelling in future Forest Management Plans.

## **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. These audits assess compliance with the CFSA, the Forest Management Planning Manual (FMP) and the forest management plan (FMP). Most of the province's forest management units are managed by tenure holders with MNR providing oversight. However for some forests, such as the Whiskey Jack Forest (WJF), management responsibility is held directly by the Crown and is implemented by the MNR. In these circumstances, audit scrutiny is directed toward the MNR for a considerably larger suite of considerations than is the case for a 'normal' audit (i.e. where there is a Sustainable Forest Licence holder). However, regardless of who the forest manager is, the audit process as directed by the Independent Forest Audit Process and Protocol (IFAPP) requires assessment of the full range of planning and management activities that are the responsibility of the forest manager, and ultimately, a conclusion as to whether the forest has been managed in compliance with legislation, regulations, and policies, and whether the forest is being managed in a manner consistent with the principles of sustainable forest management.

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 73 of the approximately 170 audit procedures. The procedures that 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. As a result of this screening, three of the optional procedures were selected to be audited. Greater detail regarding how the audit process was followed, the approach used in the risk assessment, and the operational sampling intensity can be found in Appendix 4.

This audit covers the period April 1, 2014 – March 31, 2019, which spans years three through seven of the 2012-22 FMP and includes the development of the Phase II plan that came into force in July, 2017. The audit examined all forest operations that occurred within that period as well as the process of developing Phase II of the FMP. The auditors solicited public input through interaction with the Kenora Local Citizens' Committee (LCC), newspaper advertisements, and an on-line survey.

The auditors interviewed most members of the Kenora LCC and representatives of ten of the thirteen Indigenous communities with an interest in the Forest. Appendix 4 provides a more detailed listing of the comments and discussion points raised by the members of the LCC and Indigenous representatives who were interviewed.

### **3.2 MANAGEMENT UNIT DESCRIPTION**

The Whiskey Jack Forest is located in Northwestern Ontario. The City of Kenora, although not within the Forest, is the regional commercial hub with a population of approximately 15,000. The MNR District office is located in Kenora, as is Miisun Integrated Resource Management Company Ltd. (Miisun) – a forest management company that has been contracted by MNR to carry out some of the operational management and annual planning functions on the WJF.

The WJF is of interest to thirteen Indigenous communities. There are five Indigenous communities within or adjacent to the forest and eight others that also have an interest in the forest or traditional territory that overlaps some portion of the Forest (Table 1).

**Table 1. Indigenous communities with an interest in the Whiskey Jack Forest.**

<b>Indigenous Community</b>
Animakee Wa Zhing No. 37 First Nation
Métis Nation of Ontario - Region 1 Consultation Committee
Asubpeeschoseewagong Netum Anishinabek
Naotkamegwanning First Nation
Niisaachewan Anishinaabe Nation
Northwest Angle No. 33 First Nation
Obashkaandagaang
Ojibways of Onigaming First Nation
Wabaseemoong Independent Nations
Wabauskang First Nation
Wauzhusk Onigum Nation
Lac Seul First Nation
Eagle Lake First Nation

Grassy Narrows First Nation (Asubpeeschoseewagong Netum Anishinabek or ANA) objects strenuously to the provincial approach to industrial forest management and the Whiskey Jack Forest has been the site of a logging blockade since 2002 and all harvesting in Grassy Narrows First Nation self-identified traditional land use area (TLUA) has been informally suspended since June 2008. The self-identified TLUA encompasses approximately 66% of the Whiskey Jack Forest. In January 2014, Grassy Narrows requested an Individual Environmental Assessment (IEA), and Grassy Narrows’ concerns have not been resolved. In 2017, the area identified within the IEA request was used to form the No-Harvest Zone, which formally recognized that the planned harvest blocks within the area depicted in the Schedule to the Phase II FMP would not be harvested during the term of this plan (2017-2022). The No-Harvest Zone is approximately 76% of the entire Whiskey Jack Forest.

The Schedule to the Phase II FMP contains the following text:

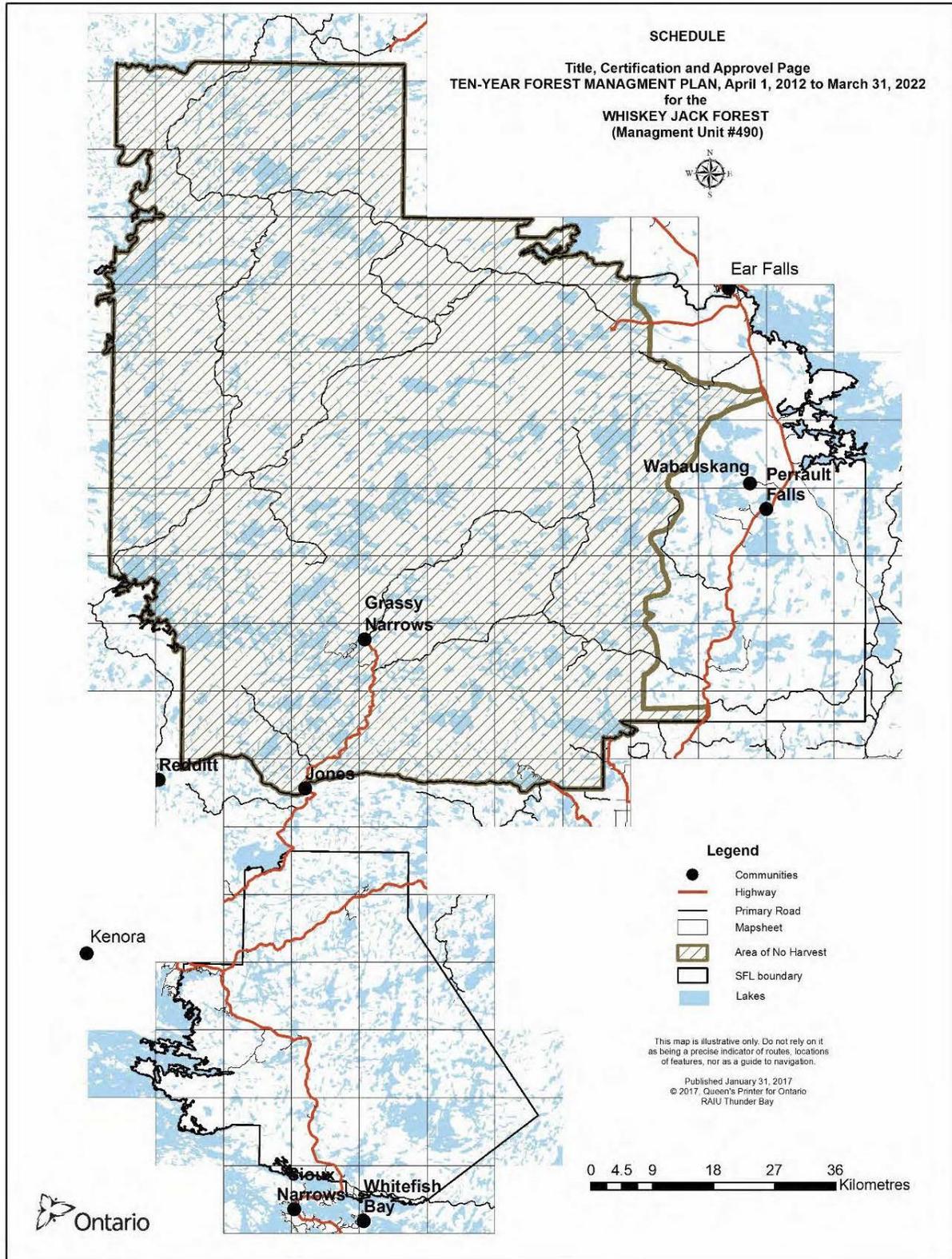
*“MNR and Grassy Narrows (Asubpeeschoseewagong Netum Anishinabek) First Nation have engaged in discussions, including under the 2008 Ontario Process Agreement, in an attempt to address issues raised by Grassy Narrows First Nation relating to commercial forest harvesting on a portion of the Whiskey Jack Forest.*

*This Forest Management Plan was prepared in the anticipation that those discussions could address such issues, and economic opportunities could be derived from across the Whiskey Jack Forest. However, despite the efforts of both parties to date, Grassy Narrows First Nation’s concerns remain unresolved.*

*Therefore, notwithstanding anything else in this Forest Management Plan, the planned harvest blocks within the area depicted in Figure 1 shall not be harvested during the term of this Plan.*

*MNR may reconsider the harvest of these blocks if the issues are resolved and Grassy Narrows First Nation communicates a withdrawal of its concerns.”*

Figure 1 shows the location of the Whiskey Jack Forest and the formal No-Harvest Zone.



**Figure 1.** Map showing the location of the No-Harvest Zone as identified in the Phase II FMP.

Although operations are currently only taking place on a reduced extent of the Forest, the total landbase of the WJF is the subject of the Phase I and Phase II FMPs, and is also the subject of this audit, so the remainder of this section refers to the entire WJF.

At just over 1 million ha, the WJF is about average size by contemporary Ontario standards. About 70% of the forest is considered productive (capable of growing commercial trees). Also notable is that almost 20% of the area of the forest is water. Table 2 provides a detailed areal description of the forest.

**Table 2. Area description of the Whiskey Jack Forest (From Table FMP-1 2012 FMP).**

Land Class	Managed Crown <sup>a</sup> Land	Total Area <sup>b</sup>
Water	161,668	203,040
Non-forested	3,409	3,502
Non-productive Forest <sup>c</sup>	96,661	101,426
Productive Forest <sup>d</sup>	702,482	745,548
Total	964,220	1,053,515

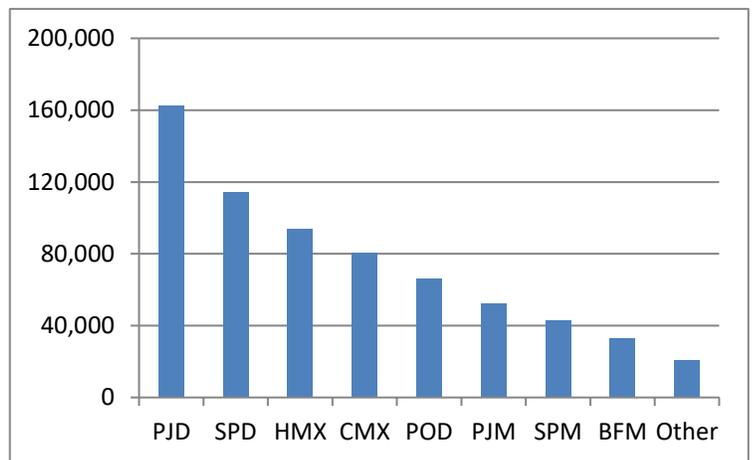
a – includes Crown land available for forest management purposes

b – Includes Managed Crown land plus land not available for forest management purposes, including provincial parks, conservation reserves, etc.

c – areas incapable of growing commercial trees, such as muskeg, rock, etc.

d – forest areas capable of growing commercial trees

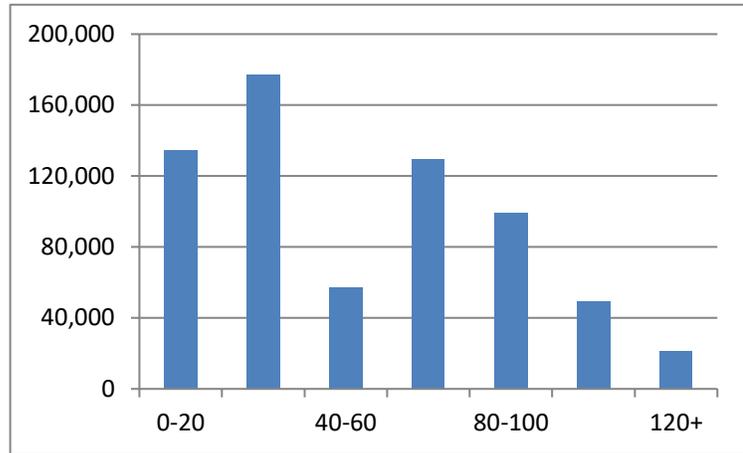
The area of the major forest units (FUs) is shown in Figure 2. The two most abundant FUs are conifer dominated (PJD and SPD), although mixedwoods comprise more total area of the forest. The age-class distribution of the forest is shown in Figure 3. Most notable is the relative lack of area in the 40-60 year age class, which is primarily associated with conifer forest units. The FMP attributes this to a variety of causes, including minimal investment in conifer regeneration prior to 1980, periodicity of peak fire years and successional patterns in some forest units. The FMP notes that the gap in the area in that age class can be managed through the allocation of eligible harvest stands with older conifer dominated forest units.



**Figure 2.** Area (in ha) of major forest units of available production forest (Table FMP-3 of Phase I 2012 FMP; refer to glossary for full names of forest units).

Harvests on the WJF have been declining over the past several plan terms. For the plan periods 1999-2004, 2004-2009, 2009-2012 (contingency plan), and the current plan, the Trend Analysis reports that the proportion of actual to planned harvest area has been 61.6%, 52.7%, 15.6%, and 8.5%. A significant contributing factor to the reduced harvest has been the informal harvest suspension on two-thirds of the WJF since 2008, which was formalized and expanded in the Phase II FMP. . While silvicultural treatments generally have been undertaken at a pace consistent with harvesting, the exception to this is tending. Virtually no herbicide application has occurred since 2001 as there is significant social resistance to the use of pesticides.

Management of the Whiskey Jack Forest has not been without its challenges in recent years. In 2009 the previous tenure holder (Abitibi Bowater) entered creditor protection and surrendered the licence for the Forest to the Crown. Around the same time, the extent of land available for harvest became significantly curtailed, as described above. Although efforts are underway to address this situation, it is not clear when a resolution will occur. Finally, the two most recent Independent Forest Audits have identified significant issues in the management of the Forest. The most recent (2014) IFA concluded that there were two critical exceptions to the forest being considered well managed. The audit expressed significant concern that the plan contained unrealistic aspirations for management activities given the drastically curtailed available landbase. The Audit also drew attention to the lack of an effective vegetation management program. While the 2009 IFA did not identify any critical exceptions it did provide 21 Recommendations, a rather high number<sup>1</sup>, and many drew attention to aspects of silviculture that those auditors felt were in need of improvement.



**Figure 3.** Area (in ha) by age class (in years) of available production forest. (Data from Table FMP-3, Phase I 2011 FMP).

<sup>1</sup> See Section 4.8 Contractual Obligations for discussion of an assessment of how the recommendations of the previous audits were addressed.

## 4.0 AUDIT FINDINGS

### 4.1 COMMITMENT

The IFAPP procedures related to commitment are classified as optional and were not formally reviewed by the audit team. The audit team had extensive engagement with MNR and Miisun staff throughout the audit and found them to be highly committed and knowledgeable regarding provincial forest management requirements in general and management and ecology of the Whiskey Jack Forest in particular.

### 4.2 PUBLIC CONSULTATION AND INDIGENOUS INVOLVEMENT

#### *Local Citizens Committee*

There are two LCCs with responsibilities for the WJF – the Kenora District LCC and the Red Lake District Resource Management Advisory Committee (RMAC). Because only a small portion of the WJF is within the Red Lake District, RMAC's role has primarily been to monitor activities on the Forest and review the Phase II FMP, AWSs, and ARs. The Kenora District LCC is the lead LCC for the Forest and has been actively engaged in forestry-related matters and the remainder of this discussion relates to them.

The Kenora LCC is a high-performing group providing advice to the District Manager. The group has been stable over the term of the audit, with 7 of the original 10 members from 2014 remaining. The group had 22 meetings, and met quorum in all but two meetings. MNR support of the LCC has been good; there are excellent comprehensive minutes prepared and attendance by staff is exemplary - for example, District Managers attended 18 of 22 meetings.

As with any confident group, the LCC was forthright in self-criticism. Their comments, provided to the audit team during interviews, about the LCC performance and MNR support included:

- Technical discussions at the LCC are intimidating for new members, people considering membership, or those with alternative opinions;
- There is a need for reinvigoration of the LCC, by for example, adding new members and re-confirming the purpose of the LCC;
- There is agreement that the group would benefit from Indigenous members (there is one now);
- The group wants general forestry training and also feel they would like to know how other LCCs operate;
- Current training materials are not adequate. A basic forestry presentation would help;
- The current meeting schedule was not satisfactory to a number of people who would prefer meetings to be more regularly scheduled;
- The group would like to consider broader topics than just forestry; and
- The Kenora LCC Terms of Reference (TOR) is required to be reviewed annually according to its own direction. This review would address several items including membership, meeting schedule, quorum, composition, training, etc.

The issues identified are consistent with those of many other advisory groups in Ontario. The broadest issue that needs to be addressed, which may also rectify other items is the updating and review of the Terms of Reference. The group rightly identified the need to review the TOR on a regular basis. They acknowledged they do not meet their own standard which requires that the TOR should be reviewed annually. With this in mind, **Finding # 1** is provided to update the TOR.

### ***Indigenous Peoples Involvement***

MNRF is responsible for providing opportunities for consultation with Indigenous Communities located in or adjacent to the Whiskey Jack Forest regarding forestry planning and the implementation of the FMP. Twelve First Nations and the Métis Nation of Ontario Region One Consultation Council (Table 1) were identified by MNRF as being in or adjacent to the WJF. Accordingly, MNRF Kenora District invited these communities to participate in Phase II planning and to review the Annual Work Schedules which are sent to them each year. This met the FMP requirements regarding notifications related to planning. Required Aboriginal Background Information Reports and Community Profiles were prepared.

Ten of the communities participated in the audit by either meeting with the auditors or through telephone conversations. In about half of the audit contacts, the Chief was the spokesperson showing the general level of interest in forestry in this area. Appendix 4 provides a detailed account of the wide range of comments by communities on forestry and the effectiveness of the MNRF's efforts at engagement.

The indigenous communities with traditional lands in the WJF have very divergent opinions about whether or not forestry should occur on the WJF. Input to the audit team included:

- Five communities commented on the lack of consultation prior to issuing or implementing the No-Harvest Zone for Phase II of the FMP.
- Several commented on a lack of interaction with MNRF and that MNRF should play a strong role in education and discussion of the benefits of forestry such as jobs and roads.
- One community does not support forestry.
- There is a long history of poor relations between the government and the Indigenous communities. This resulted in a low interest in participation in forestry.
- Two communities stated they minimize participation with the WJF because of land-use conflicts.
- One community noted that the Indigenous recommendations of the Ontario Royal Commission on the Northern Environment (1985) were never addressed.

One issue brought to the audit team's attention is that fiscal constraints imposed by the Ontario government have implications on how meetings are conducted with the communities. Etiquette is important when developing relationships and it is normal for project proponents to provide for accommodation and meals during engagement with Indigenous communities. **Finding # 2** addresses the level of support for meetings following the fiscal restraint policy in place in Ontario.

Three communities expressed a desire for more meetings, and that MNRF would play a stronger role in education, other community events and generally helping communities to understand the benefits from forestry. In other words - more engagement. The leadership also expressed that the communities benefit from better forest roads and value-added jobs. They see the solution as a more wide-ranging and open relationship with government, and others, who can bring benefits. This view is not shared by all communities but, as noted above was expressed strongly by three. A fourth, large community expressed frustration with the level of "regulatory contact" as they touch on seven different forest management units and do not have capacity to deal with all the requests and invitations they receive, however they were also clear that more contact, not related to consultation, could be helpful. **Finding # 3** addresses the lack of success of MNRF efforts establishing broad relationships with First Nations communities and Métis.

Another prominent aspect regarding the Phase II plan that the audit team received extensive comment on was the absence of consultation prior to the decision by MNRF to formally designate the No-Harvest Zone in 2017. No evidence was available from MNRF to show that any communities were contacted or consulted about this decision. This is the subject of **Finding # 4.**

On a positive note, the presence of Miitigoog (which holds the SFL on the adjacent Kenora Forest) and Miisun (the forest management company for the Kenora Forest) has improved public acceptance and perception of forestry in the Kenora area. Miisun held several services contracts with MNRF for the WJF during the audit period. In 2015-16 and 2016-17, Miisun entered into contract agreements for the provision of Geographic Information System (GIS) services and roads monitoring, and in 2017-18, the scope of services increased to include compliance inspections and annual planning.

In addition to the service contracts, Miisun was issued a Forest Resource Licence (FRL) on the WJF each year during the audit term up to and including 2016-17; thereafter an annual FRL was issued to the related company - Miitigoog Forest Management Company Inc. The involvement of Miitigoog and Miisun in forestry in the region has increased public confidence that values in the forest are being respected.

### **4.3 FOREST MANAGEMENT PLANNING**

The audit team reviewed the Phase II Plan in considerable detail. In general, the plan is well-written and meets the requirements of the FMPM.

#### ***Harvesting and Silviculture***

As described in Section 3.2, the Phase II Plan contains a Schedule acknowledging that unresolved issues continued to exist between Grassy Narrows First Nation and the MNRF and formalizing the No-Harvest Zone, which covers 76% of the WJF.

With the formal designation of the No-Harvest Zone coming late in the process of the Phase II plan development, the Phase II Planned Operations forecast a full harvest on the Forest amounting to 25,297 ha. The area planned for harvest during Phase I but not cut amounted to a little more than 24,000 ha, and this too was planned for harvest during Phase II. Even at the time that they were made, these harvest forecasts were unrealistic, however, in the opinion of the auditors, the forest management planning process in Ontario has become more of a permitting process than an effort to prepare a plan that will actually be followed. MNRF District staff informed the audit team that the next FMP will likely separate the WJF into strategic management zones based on accessibility, which will partition the harvest. The 2017 FMPM also requires the planning teams to conduct a risk assessment of the proposed Long-Term Management Direction (LTMD), including among other things consideration of wood utilization over the past decade or so. The audit team understands that this direction is intended to result in FMPs that are more realistic, and so no finding is issued.

The audit team reviewed the Conditions on Regular Operations, planned renewal, tending and protection operations, renewal support requirements, and forecasts of expenditures in the Phase II FMP. All elements were in conformance with applicable planning requirements and were adequate to reflect the proposed 5 years of operations, with the exception of tending forecasts, which did not adequately reflect local concerns from Indigenous communities and other public interests about chemical use, nor the lack of effective implementation of tending for the past several FMP terms (since 2001 only a spray of 66 has taken place in 2014). This is addressed in **Finding # 5.**

Silvicultural Ground Rules (SGRs) and the associated silvicultural standards developed for the 2012-2017 Phase I FMP were reviewed by the planning team, which confirmed that all SGRs were still applicable. No new SGRs were added, and all existing SGRs continued to be applied for the Phase II FMP. SGRs were updated to include additional regeneration standards, using MNRF Northwest Region guidance to assist in the development of renewal standards and to ensure that provincially consistent terminology was used.

### **Values Planning**

For ecological and social values, the Phase II FMP contains 61 Area of Concern (AOC) prescriptions, somewhat more than the 54 included in Phase I. Some prescriptions associated with tourism values were no longer relevant as the areas to which they applied were not near planned operations, so they were dropped for Phase II. New prescriptions have been added related to tourism values for a number of specific lakes and others for waste management sites and identified cultural heritage values. A review of these AOC prescriptions found them to be comprehensive and consistent with the guidance and direction provided in the Stand and Site Guide<sup>2</sup>.

Some issues with a couple of AOC prescriptions exist however. In Phase II, AOCs for Olive-sided flycatcher and Canada warbler were removed because it is assumed that they will be covered by the provisions of the Condition on Regular Operations (CRO) for songbirds. However, the songbird CRO only requires that nests not be destroyed and that harvesting and renewal be avoided within 3 m of nests known to contain eggs. The AOC prescriptions required a buffer with a 100 m radius around known nesting sites, so the change to the CRO is a substantial downgrade of protection, which is particularly notable given that both these species are recognized as at-risk in Ontario (Canada Warbler – Threatened, Olive-sided Flycatcher – Special Concern). Furthermore, both species exhibit a reasonable level of nest-site fidelity so there is logic protecting nesting sites rather than just individual nests, as nesting areas will likely be used in successive years by returning birds. The audit team is aware that AOCs and CROs are rarely implemented for songbirds, but doing away with customized protection for species at risk is inappropriate.

The suite of CROs that address the protection of values encompasses direction from the Stand and Site Guide that is appropriate to incorporate into routine operations (i.e. that do not require special provisions associated with AOCs). No new CROs were added to the Phase II FMP. One of the CROs identifies Moose Emphasis Areas (MEA) - intended to provide conditions that specifically foster high-quality habitat conditions for moose. There is a single large MEA on the forest identified in both Phase I and Phase II plans. However, the MEA is completely contained within the No-Harvest Zone, so there have been no activities there directed towards improving moose habitat. Given the significant decline in moose population on the Forest (see below), the audit team believes that, should the No-Harvest Zone continue to exist in the next FMP, it is worth considering the establishment of one or more MEAs on the portion of the forest that is available for harvest.

### **Ungulates**

The circumstances of the WJF regarding ungulate populations are complex. Caribou habitat is essentially restricted to the northern 25% of the Forest that is within the continuous caribou range; almost all of this area is within the No-Harvest Zone. This portion of the forest is managed through the dynamic caribou habitat schedule (DCHS) approach used by MNRF and only 58 ha of the almost 260,000 ha in the caribou range has been harvested since 2009. Both

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<sup>2</sup>Ontario Ministry of Natural Resources. 2010. Forest Management Guide for Conserving Biodiversity at the Stand and Site Scales. Toronto. Queen's Printer for Ontario. 211 pp.

moose and deer populations have a history of fluctuating on the forest – over the past 100 years, both species have gone through two high-low population cycles<sup>3</sup>. The moose population is now well below its long-term average and hunting has been curtailed significantly. White-tailed deer populations were very high through the early 2000's but have declined following a severe winter in 2014. (Elk were re-introduced in the Kenora Forest in the early 2000's and they may be found on the WJF from time to time). All species are affected by habitat conditions, with caribou requiring expanses of minimally-disturbed habitat to sustain populations and moose and deer both benefitting by browse provided by disturbance. The Forest's high level of disturbance relative to pre-industrial conditions and the species' inter-relations, including moose susceptibility to meningeal brain worm which is transmitted by deer, likely explains the present distribution and numbers, although there are complicating factors such as predator abundance, winter severity, etc.

Caribou, moose, and deer are all ecologically and socially important in the forest, and although this audit provides no findings relative to integrating management of these species into forest management, the audit team notes that there are no objectives specifically related to moose and deer populations or their habitat in the present FMP (although there are objectives related to forest units and landscape patterns). Further, the 2017 FMPM provides this opportunity through Table FMP-7 which requires habitat levels for selected wildlife species to be integrated into the plan. Given the striking decline in moose population levels and their inter-relation with deer, the addition of one or more objectives specifically related to moose seems logical. Integrating management of the suite of ungulate species into the next FMP will be challenging given the present state of their populations, their inter-relations, varying habitat needs and the impacts of habitat disturbance.

### **Access**

The Phase I and Phase II FMPs identify 36.8 and 30.2 km of planned primary road construction respectively and 19.1 km of planned branch road construction in each plan period. In Phase I 12.0 km of primary road was constructed (32.% of planned) and 11.7 km have been constructed in the first four years of the audit period (data for the final year is not yet available). The Annual Reports indicate that no construction of branch road took place in the first four years of the audit period. The relative proportion of access constructed is not surprising given the low level of harvesting that occurred.

### **Amendments/ Revisions**

There have been 18 amendments to the 2012 FMP, all of them occurring within the audit period. All amendments were administrative. Eight were associated with access, five involved modifications to salvage blocks and three were for salvage harvesting, and the other two concerned revisions to FMP tables and AOC prescriptions. This is normal and the frequency of amendments was also reasonable. The use of revisions to the Annual Work Schedules was appropriate and reasonable as well.

## **4.4 PLAN ASSESSMENT AND IMPLEMENTATION**

### **Harvest Operations**

As a Crown unit, harvesting on the WJF is authorized by Forest Resource Licences (FRLs) issued by Kenora District MNRF. Annual FRLs are regularly issued to Doug Riffel Harvesting and Miitigoog Forest Management Company Inc. (before MFMC was formed, FRL's were issued to Miisun Integrated Resource Management), who conduct the majority of timber

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<sup>3</sup>Ranta, B., and M. Lankester. 2017. Moose and deer population trends in northwestern Ontario: A case history. *Alces* 53: 159-179

harvesting on the WJF. Licences for smaller volumes of fuelwood and personal use timber are also issued each year by MNRF.

The actual level of harvest operations has been far below planned levels. The planned and actual harvest levels are shown in Table 3 for Phase I of the 2012 FMP. Harvest levels in 2017-18 and 2018-19 were similar. The largest volume of harvested timber is poplar (34% of the Phase I harvest volume), which is used by the Weyerhaeuser facility in Kenora; spruce (31%) and jack pine (15%) also constitute major shares of the harvest volume.

**Table 3. Annualized Phase I Planned and Actual Harvest Data.**

	Phase I Planned	Phase I Actual	Actual vs. Planned (%)
Harvest Area (ha)	5,248	436	8.3
Harvest Volume (m <sup>3</sup> )	699,500	40,744	5.8
Poplar Volume (m <sup>3</sup> )	244,796	17,621	7.2
Spruce Volume (m <sup>3</sup> )	216,666	13,174	6.1
Jack Pine Volume (m <sup>3</sup> )	104,392	6,958	6.7
Balsam Fir Volume (m <sup>3</sup> )	40,614	1,838	4.5
White Birch Volume (m <sup>3</sup> )	56,133	650	1.2

While the prohibition of harvesting in 76% of the Forest has certainly reduced the harvest, it is worth noting that the 8% actual harvest is still only one-third of the remaining 24% of the planned area that is still available for harvest. This evidence, as well as the past low levels of harvesting reported in the Trend Analysis (e.g. 53% during the 2004-09 plan period) suggests that the level of harvesting would have been low relative to planned even if the entire FMU had been available.

A sample of harvest operations conducted throughout the audit period was inspected in the field and the operations were generally conducted to a high standard. Utilization was good, sufficient residuals were left after cutting and the audit team was pleased to see a consistent slash pile burning program being implemented well, which reduces the loss of productive area. Most of the harvests were regular operations however there was some salvage harvesting conducted during the audit period on areas that had been affected by a combination of jack pine budworm, heavy snow damage, and wind damage. The Bug Lake salvage harvest block 18.903 stood out as a best practice (**Best Practice # 1**) due to the quality of the consultation and the responses to the concerns that were raised.

### **Silvicultural Operations**

Silvicultural projects observed in the field were generally of good quality; the prescriptions were appropriate for the site conditions and were well executed. The observed treatments were consistent with the SGR's and the associated silvicultural standard with the significant exception being the lack of follow-up tending for competition control. The auditors examined 26.2% of the area of FRT-funded operations during 2017-18, the year of the specified procedures report, and found that the operations on the ground matched what was reported to FRT. Other than the lack of tending, there were no systemic issues or concerns associated with renewal operations.

The total area harvested during the Phase I term of the 2012-2022 FMP was 2,097 ha, of which 1,712 ha (75%) was reported as regenerated. The MNRF plans for a two-year lag after harvesting for artificial regeneration (site preparation plus planting or seeding) to be completed on most sites, and the difference between harvested and treated area in the Phase I FMP term reflects this two-year delay period. District MNRF has done a good job of keeping up with

renewal treatments, and there is no significant backlog of sites requiring renewal that has been carried over from previous FMP terms.

Site preparation was conducted on approximately 61% of artificial regeneration projects during the audit period, which was sufficient considering the range of site conditions observed during the field audit. Mechanical site preparation treatments were conducted with powered disk trencher equipment using a local operator. No chemical site preparation was conducted during the audit period.

Very little tending was conducted during the first six years of the 2012-2022 FMP term, which includes the 5-year audit period. Of the ten-year planned area of 8,065 ha, only a small block of 66 ha had been tended manually, using backpack sprayers. The lack of follow-up tending for competition control appeared to have limited the overall stocking of conifer crop species and increased the amount of hardwoods on many sites. This is referenced in **Finding # 5**, described earlier.

Auditors observed that on some sites, especially on mixedwoods where SGRs based on planting for conifer regeneration were applied but no follow up tending was conducted, the silvicultural standards related to species composition and/or stocking will likely not be met. These sites were observed to be regenerating successfully, but to species mixes that were different from the forecasted composition.

District MNRF and Miisun have done a good job identifying sites that are well suited to seeding prescriptions for jack pine renewal. Sites observed in the field by auditors had little or no competing vegetation present, and the treatments appeared to have been very successful.

Results for natural regeneration of poplar were observed to be inconsistent within some blocks. On sites where natural regeneration had been prescribed, especially on finer-textured, richer soil types, there was often insufficient poplar regeneration on roads, main skidways, and landings where soil disturbance and compaction were more likely to have occurred on sites that had been harvested in a season other than winter. Adequate regeneration of poplar is important, given the FMP objective to decrease the proportion of mixedwood Forest Units and to increase the area of the pure poplar Forest Unit on the WJF. There are several harvesting and regeneration techniques that could be considered to address this situation. This is addressed in **Finding # 6**.

With respect to the MNRF's renewal support program, there are two seed orchards within the Whiskey Jack Forest, one for jack pine and one for black spruce, but both are currently inactive and are difficult to access. No work was prescribed nor conducted on these sites during the audit period. During the first four years of the audit period, District MNRF planted approximately 1,658,268 trees, consisting of (in order of abundance) jack pine, black spruce, red pine, white spruce, and white pine. There was no cone collection conducted during the audit period, however, the current seed inventory is sufficient for the production of tree planting stock over the next several years for all species except for red pine and white pine. The current seed inventory for red pine consists of only 125,000 seeds and there is no seed available for white pine for the Whiskey Jack Forest. This situation is addressed in **Finding # 7**.

### **Access**

As described in Section 4.3, considerably less road construction has taken place on the unit than planned. The roads constructed during the audit term that were driven on by the audit team were found to be of a quality suitable for their intended purposes. The audit team inspected several recently-installed water crossings and found them to be of good quality regarding pipe

size and condition, slope and cobble material. However, the audit team also inspected several older pipes and found at least two to be in need of repair. Independent of this, the audit team heard from the MNRF staff and members of at least two communities expressing concern about the degrading state of roads and water crossings in the No-Harvest Zone. Because of the small amount of harvesting that has taken place on the Forest, the amount of funding available through the for road maintenance is low relative to the total extent of roads on the Forest, and concerns exist regarding their maintenance and safety. This is addressed in **Finding # 8**.

### **Values Protection**

Inspections by the audit team confirmed that AOCs and CROs for ecological values were well implemented. During the audit term, a single operation (discussed in Section 4.6) identified non-compliances associated with two AOCs. In addition, there were three operational issues identified related to operations in, or near AOCs. All were resolved by corrective actions. The audit team is satisfied that values protection is being well implemented on the forest.

Although the FMP includes prescriptions for more than 60 types of AOCs, most have not been used through the audit period. This is because only a relatively small proportion of planned operations were implemented, and also because many of the AOC prescriptions are included so that they are available should uncommon values be detected (e.g. cougar dens). A high proportion of the AOC prescriptions implemented in the audit period relate to water quality protection.

## **4.5 SYSTEM SUPPORT**

The MNRF District Office in Kenora is staffed with very competent individuals, but the organization is no longer designed to undertake all the forest management planning, reporting, monitoring and implementation normally associated with holding tenure on large areas of forest. MNRF management recognized this and throughout the term of the audit has contracted Miisun to undertake specific tasks on behalf of MNRF, including compliance monitoring, roads monitoring and the preparation of Annual Reports and Annual Work Schedules. Given that Miisun has forest management experience and infrastructure in place, this reallocation of a portion of management responsibilities made sense. The realignment is proving successful as MNRF staff continue in oversight roles and Miisun takes on operational and annual planning responsibilities.

## **4.6 MONITORING**

### ***Compliance Monitoring***

MNRF Kenora District was responsible for operational compliance monitoring during the audit term. During the audit term, the District did all of the compliance inspections between April 1, 2014 to July 19, 2017. Thereafter a new services agreement between Miisun and the MNRF required Miisun to conduct compliance inspections on all operations. The MNRF District continued to oversee the compliance program and its staff performed inspections on a sample of operational areas. An average of 18 inspections was undertaken each year, which is appropriate for a forest with such a low amount of activity.

MNRF prepared annual compliance operations plans (ACOPs) for each year of the audit period, and these included a sophisticated risk assessment of individual harvest blocks. The targets were realistic and were generally achieved. Compliance reports were entered into the web-based Forest Operations Information Program database with varying degrees of promptness – more timely submissions were made during the two most recent years and no finding was issued in this regard. However, **Finding # 9** is issued due to there being four pending

operational issues that have been left open for an extended period of time, well past when they should have been closed.

The compliance record on the Forest was good, with only three non-compliances and five operational issues occurring. The non-compliances all occurred in the two most recent years of the audit term. The auditors did encounter one site where multiple non-compliances were observed – this block had mistakenly not been inspected. **Finding # 10** describes the issues encountered. Other than on this block, the auditors did not in their field inspections observe any non-compliances that had not been detected by the inspection program.

### ***Annual Reports***

Annual reports were prepared by MNRF for the first four years of the audit period (2014-2017), and by Miisun for the final year. Annual reports prepared over the audit period included all required sections, were presented to the LCC and were generally completed on time. All reports contained the required content and discussions of the progress towards the objectives and targets identified in the FMP, and explanations of significant deviations between the planned activity versus the actual activity.

### ***Silvicultural Assessments***

District MNRF has developed and implemented a comprehensive system for monitoring silvicultural operations. This system includes field inspections conducted on all blocks within a year following completion of harvesting. This provides the basic information needed to finalize decisions on silvicultural intensity and to verify treatment prescriptions. The information is also used to determine site preparation requirements, to estimate the need for tree planting and for ordering planting stock by species and stock type. Changes to Forest Operations Prescriptions (FOPs) and SGRs were recorded at the time of these assessments and tracked both on paper and in MNRFs local GIS system.

The Silvicultural Effectiveness Monitoring (SEM) program implemented by District MNRF included the installation of permanent sample plots which were monitored at prescribed intervals (years 0, 1, 3, and 5 after regeneration treatment). Information gleaned from these PSPs was used to support a range of silvicultural decision-making at various times. As far as the audit team is aware, using PSPs to collect detailed information at prescribed intervals over time, with the specific goal of supporting operational decisions, is unique within the region. **Best Practice # 2** was awarded for this innovative approach to SEM.

District MNRF conducted quality assessments during all tree planting and site preparation activities as part of their SEM program and through compliance monitoring of operations. Monitoring of silvicultural operations was contracted to Miisun beginning in 2017, and Miisun has continued to implement the monitoring techniques developed by District MNRF. In general, throughout the audit period, District MNRF and Miisun have done a good job of managing harvesting and silvicultural records. During the audit period, digital maps and associated information regarding harvesting and silvicultural treatments were prepared in accordance with the appropriate FIM standards. The eFRI was recently updated with harvest depletions, silvicultural activities, and the results of free-to-grow assessments that were completed since the imagery for the eFRI was acquired in 2009 and 2010.

### ***Free-to-Grow Assessments***

District MNRF used GIS-based tools to identify and map areas requiring free-to-grow (FTG) assessments every year, including areas that were previously assessed and scheduled for re-survey because they were determined to be not free-to-grow. During the first six years of the 2012 FMP (2012-13 to 2017-18), District MNRF completed free-to-grow assessments on 32,672

ha. Although the ten-year forecast of free-to-grow assessments in the 2012 FMP was only 16,223 ha, there was a backlog of approximately 18,200 ha of area requiring a survey that had been carried over from prior FMP terms. This backlog was identified in the 2014 IFA, which provided a Recommendation to address the situation. The assessment work completed by District MNRF has fully addressed this backlog of free-to-grow and has kept up with ongoing assessment needs.

Of the total area assessed for free-to-grow (FTG) status from 2012-13 to 2017-18, 32,079 ha (98.2%) were declared to be free-to-grow. On the remaining assessed area (593 ha) that was not declared FTG, surveys had been conducted prior to the time prescribed for assessment in the relevant SGRs, and crop trees had not yet reached sufficient average height to meet SGR standards and/or stocking was insufficient.

MNRF records show that for the first five-year term of the 2012-2022 FMP (2012-13 to 2016-17), approximately 70.8% of the area surveyed for free-to-grow status met the criteria for silvicultural success (i.e., the Forest Unit determined at free-to-grow corresponded to the Forest Unit(s) forecast in the Silvicultural Ground Rules). It should be noted that the area surveyed consisted mostly of area harvested no later than the year 2003. This is because of the 7-11 year delay in conducting free-to-grow surveys after silvicultural treatment, combined with the fact that District MNRF has been addressing the backlog of free-to-grow survey work carried over from previous FMP terms. Since there has been virtually no tending implemented on the forest since 2001, these results largely characterize a time period when chemical tending was still being conducted on the Whiskey Jack Forest. Compilation of future results obtained from free-to-grow assessments conducted on areas harvested since 2001 will be needed to adequately reflect any impacts of the lack of tending on forest composition at free-to-grow.

#### **MNRF District Silvicultural Effectiveness Monitoring Program**

During the audit period, MNRF District staff did a good job implementing SEM programs according to direction on core tasks from the Provincial Silvicultural Program and from the Northwest Region. Work was completed on all required core tasks to an acceptable level. In general, there was consistency between the results of free-to-grow assessments conducted by means of large-scale photography and ground checks conducted by District MNRF. Over the course of the audit period, District MNRF (and more recently Miisun) also conducted compliance inspections of silvicultural projects, conducted quality assessments of tree planting and site preparation projects, and performed field inspections of seeded areas and areas prescribed for natural regeneration.

### **4.7 ACHIEVEMENT OF MANAGEMENT OBJECTIVES & FOREST SUSTAINABILITY**

The sustainability of the Whiskey Jack Forest was assessed based on the findings identified in this audit, the audit team's assessment of the performance of MNRF in managing the forest, the quality of operations inspected during the site visit, and information provided by all parties interviewed during the course of the audit.

#### ***Summary of the Trend Analysis***

The IFAPP requires a Trend Analysis with content comparable to a final year Annual Report be prepared by the auditees prior to the audit. The Trend Analysis is intended to be a key document for understanding the history of operations on the forest and assessing the extent to which plan objectives have been met. Trend Analysis documents, by their nature are complex as they are intended to look across past management terms and provide an assessment of important management developments and trends over the previous 20-or-so years. The Trend

Analysis prepared for this audit was helpful in providing a general history of the forest and for providing a sense of how the extent of operations had followed a generally declining pattern over the years. Although this was helpful, the trend analysis fell short of the IFAPP requirements in a number of ways: there appeared to be errors in some data, incomplete explanations were offered for some important facets, the assessment of objective achievement is superficial, the review of modeling assumptions does not address the key assumption – that of full utilization of the AHA, there is an incomplete review of monitoring and assessment, etc. The shortcomings of the Trend Analysis are identified in **Finding # 11**.

### ***Assessment of Objective Achievement***

Assessment of the likelihood of achievement of the plan's objectives is provided in Appendix 2. The assessment identifies that while many objectives assessed during planning were achieved, they will not actually be attained through plan implementation, and that most of the objectives designed to be assessed following plan implementation will not be achieved. This is largely because such a low proportion of the planned harvest is actually being implemented, but other factors, such as the lack of social licence to use herbicides play a role too. Although the plan was written in obvious hope that the challenging issues that exist on the forest would be resolved, that has not come to pass and the plan's objectives have not reflected actual implementation. This is addressed in **Finding # 12**.

### ***Assessment of Sustainability***

The assessment of sustainability for this audit is somewhat complicated. As noted above and in Appendix 3, most objectives identified for the forest will not be achieved, and this is not an overtly positive result. However, the suite of objectives identified in the FMP is not the only path to sustainability so the lack of their attainment does not exclude the reality that the forest is being managed sustainably. Most perceptions of unsustainable forest management include overharvesting, poor implementation of practices, lack of consideration of non-timber and social values and/or failure to regenerate the forest adequately. These circumstances do not apply to this forest. Another factor complicating the assessment of sustainability is the long-standing disagreement between the government of Ontario and Grassy Narrows First Nation regarding management of the Forest. Given the nature of the disagreement, Ontario has taken what could be described as a very precautionary approach by establishing the No-Harvest Zone over most of the Forest for the duration of the FMP. Although this has social and economic consequences for the forest industry and contractors and others in the workforce including those in Indigenous communities, the audit team does not believe that this compromises the attainment of sustainability.

A number of factors support a positive conclusion for this audit:

- **Harvest Level:** the actual level of harvest during the period was well below the amount determined to be sustainable in the FMP, indicating that no concerns from overharvest exist;
- **Renewal Activities:** Although work remains to be done to fully incorporate the lack of use of herbicides on the forest going forward, the extent of renewal activities is consistent with the level of harvesting;
- **Accurate Yields:** The broad consistency between the actual vs. planned harvest area and volume indicates that timber yield projections in the FMP are generally accurate;
- **Quality of Operations:** With one exception (described in **Finding # 10**), the inspected operations that have taken place were of high quality;

- **Free-to Grow:** Inspection by the audit team of thousands of hectares of area declared FTG reveal successful regeneration. (Going forward the use of non-herbicide-based techniques will need to be taken more explicitly into account in forest management planning as discussed in **Finding # 5**);
- **Values Protection:** The AOCs and CROs were generally appropriate to protect the forest's values;
- **Planning:** The Phase II FMP is a high-quality document and the AWSs and Annual Reports conform to the requirements of the FMPM; and
- **LCC:** The Kenora Local Citizens Committee is well-coordinated, functions well, and is well-supported by the MNRF.

The audit team concludes that the Whiskey Jack Forest was managed sustainably during the review period.

## 4.8 CONTRACTUAL OBLIGATIONS

For IFA's which address the performance of tenured Sustainable Forest Licence holders, the IFAPP requires an assessment of the extent to which the obligations of the SFL have been addressed. For Crown Units, the comparable review required by the IFAPP addresses obligations relevant to management units that are not otherwise addressed elsewhere in the IFAPP. The assessment is provided in detail in Appendix 3. The topics covered by the assessment include:

- payment of Forestry Futures levies and Crown dues;
- wood supply commitments and related processes;
- obligations related to the production of an action plan and status report of the previous audit;
- the accomplishment of FRT-eligible silviculture work;
- completion of FRT renewal charge analysis; and
- the maintenance of a minimum FRT balance.

All obligations were successfully addressed, with the exception of payment of Crown dues which fell behind in the latter part of the audit period. By the end of the audit period, a total of \$321,658 was owed to the Crown, consisting of payments owed to the Consolidated Revenue Fund of Ontario, the Forestry Futures Trust and the Special Purpose Account for silviculture. This is addressed in **Finding # 13**.

### **Assessment of the Recommendations of the Previous IFA**

The Forest's managers have an obligation to address the recommendations and findings of IFAs. This audit assessed the extent to which the recommendations of the 2014 IFA have been addressed, and also the extent to which the recommendations of the 2009 IFA which were not successfully addressed in 2014 were addressed during the audit term. Most of the recommendations of the two previous audits have been addressed, however, there are some that have not been and others are worthy of comment here.

Recommendation #1 of the previous IFA was critical of the LTMD of the 2012 FMP as it did not consider the impacts of the suspension of harvesting in much of the Forest due to opposition from Grassy Narrows or the chronically depressed wood markets. This led to one of that audit's key recommendations - that the Regional Director complete an assessment of the LTMD for use in the Year 3 AR determination of whether the LTMD remained valid. The Year 3 AR's assessment concluded that "*...with only three years completed of the 2012-2022 FMP, it is still*

*within reason that the objectives of the FMP could be achieved as planned.”* The Year 3 AR also advocated that it would be acceptable to obtain the AHA calculated for the full forest from the one-third that was actually available for harvesting, assuming that the harvest intensity could be balanced out over the full forest over time. The AR recognized the risks involved in these assumptions.

The audit team recognizes that replanning at that time in the Forest’s history would have been a tedious exercise, and given that the planners had recently prepared a 2009-2012 Contingency Plan, a 2012-2014 Contingency Plan and the 2012 Phase I FMP, there was undoubtedly planning fatigue amongst MNRF staff. Furthermore, given that a replanning exercise would likely not have resulted in any on-the-ground changes to management given that so little of the forest was being harvested, the decision not to replan was understandable and expedient. However, as is apparent in Appendix 3 and consistent with the concerns of the 2014 IFA, virtually all of this plan’s objectives that are associated with harvest levels and silviculture will not be achieved, nor will several others that are affected by these activities, such as forest composition and landscape pattern etc. This is addressed in **Finding # 12** of this audit.

Recommendation # 3 of the 2014 audit expressed concern about the lack of use of herbicides on the forest and included a recommendation for Kenora MNRF to implement an effective vegetation management program to ensure the renewal of conifer forest units. This same concern was expressed in Recommendation #3 of the 2009 audit. Through this audit it has become apparent that herbicide use will not return to former industrial-scale levels and that competition control remains an issue on some sites. This is addressed in **Finding # 5**.

Recommendation # 12 of the 2009 IFA called upon MNRF to conduct a review of all areas planted and seeded during the audit term and to conduct a review of all sites harvested that are planned to become conifer leading. In its review of this recommendation, the 2014 audit cited to need to verify the accuracy of FTG information (which has been addressed), and again cited the need for tending treatments. Similar to the comments above, this is addressed in **Finding # 5**.

## **4.9 CONCLUDING STATEMENT**

This audit of the Whiskey Jack Forest for the April 1, 2014 – March 31, 2019 period has identified 13 Findings and two Best Practices. The audit results are based on extensive review of field operations, considerable research by the audit team based on a wide variety of forest management documents at its disposal, interviews with staff from MNRF and Miisun, and interviews with LCC members and input from individuals from ten Indigenous communities.

Although the findings do address instances of non-conformance with the IFAPP, notable is the fact that none of the findings relate to systemic shortcomings of forest management operations. The audit team believes that the MNRF has contended with some major challenges on the forest and has managed it with a high level of professional integrity.

Three Findings (Findings 2, 3, and 4) of this audit relate to the performance of the MNRF in integrating the concerns of Indigenous communities into forest management. These Findings are not indicative of a lack of effort on the part of Kenora District MNRF staff, but more so of institutional challenges that MNRF needs to address to achieve the expectations of the communities. Related are two Findings (Findings 5 and 12) that address the lack of implementation of silvicultural strategies that have their root, at least partly, in the social momentum away from the use of herbicides, and the lack of achievement of the FMP’s objectives. There is no apparent theme in the other Findings identified by this audit – they

identify important, but not grave needs for improvement in various aspects of forest management.

This audit also identified two Best Management Practices related to the process for engagement with stakeholders and Indigenous people employed by MNRF and Miisun while planning for and implementing a large salvage harvest, and the Silvicultural Effectiveness Monitoring program employed by MNRF and its use in supporting operational decision-making.

The audit team concludes that management of the Whiskey Jack Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the MNRF met its legal obligations. The forest is being managed consistently with the principles of sustainable forest management as assessed through the Independent Forest Audit Process and Protocol.

## **APPENDIX 1 – AUDIT FINDINGS**

<p><b>Independent Forest Audit – Record of Finding</b></p> <p><b>Best Practice # 1</b></p>
<p><b>Principle 2: Management Units Administered by the Crown</b></p> <p><b>Criterion 2.2: FMP Standard public consultation process</b></p> <p><b>Direction:</b> The Forest Management Planning Manual (FMPM) requires opportunities for ongoing participation in the preparation of plans for interested and affected persons and organizations and for the general public.</p> <p><b>Criterion 2.5. First Nations and Métis community involvement and consultation in forest management planning</b></p> <p><b>Direction:</b> The FMPM requires that customized consultation approaches be offered to First Nations and Métis communities to help ensure their interests are considered during forest management planning.</p>
<p><b>Background Information and Summary of Evidence:</b> MNRF Kenora District has recently committed to providing First Nations and Métis communities with a 30-day comment period on all amendments, including administrative amendments. The District MNRF also assesses whether an administrative amendment has the potential to impact individual stakeholders (e.g. trapper, bait harvester, bear management) and contacts those individuals by phone or in some cases email, to provide them with information and an opportunity to express any concerns they may have. This degree of engagement is beyond the FMPM requirements for this class of amendment.</p> <p>The District MNRF and Miisun undertook a much higher level of consultation in association with a large (180 ha) salvage block 18.903 located along the Bug Lake Road. In addition to the notifications described above, MNRF undertook direct engagement with several stakeholders known to have an interest in the Bug Lake area. There was engagement with a trapper who requested that MNRF double the width of a water quality stream Area of Concern from 30m to 60m, and remove a section from the proposed salvage area to improve connectivity; District MNRF made the requested revisions.</p> <p>Miisun undertook intensive engagement with affected Indigenous communities, both before and after the harvest. Miisun also reviewed the salvage block with Indigenous community representatives after the first 10 hectares had been harvested to see whether the post-harvest condition matched their expectations. The results of these engagements were that twice the required amount of residual stems were left and the harvest contractor pulled out a large amount of dead timber to roadside for people to cut for fuelwood. Miisun also delivered loads of fuelwood to the communities.</p>
<p><b>Discussion:</b> The amount of engagement undertaken by the District MNRF and Miisun was exceptional due to the number of people /communities known to be directly concerned with Block 18.903. The result was a high degree of satisfaction with the block on the part of affected people and a number of benefits were provided to local people and Indigenous communities. The auditors viewed the block after harvest and found that the harvest had been conducted well and that renewal, partially planted in 2019 outside of the audit period, was growing well despite the higher than the usual number of residuals.</p>
<p><b>Conclusion:</b> Miisun and Kenora District MNRF staff worked well together to coordinate engagement with stakeholders and Indigenous people and communities regarding the Bug Lake salvage block 18.903, and the organizations were responsive to the concerns expressed.</p>
<p><b>Best Practice:</b> The process for engagement undertaken by Kenora District Ministry of Natural Resources and Forestry and Miisun regarding the Bug Lake salvage block 18.903 and their responsiveness to expressed concerns was exceptional.</p>

<p><b>Independent Forest Audit – Record of Finding</b></p> <p><b>Best Practice # 2</b></p>
<p><b>Principle 6: Monitoring</b></p> <p><b>Criterion 6.3 Silviculture Standards and Assessment Program</b></p> <p>Assessing and reporting on the achievement of regeneration efforts to ensure standards are met is required in accordance with the FOSM, FIM, and FMPM. A monitoring program must be developed to determine the effectiveness of silvicultural treatments. Harvested areas are to be assessed to determine whether they meet the standards in the SGRs.</p> <p><b>6. 3.2 Silviculture Standards and Assessment Program</b></p> <p><b>Procedure:</b> Assess whether the management unit assessment program (MNR District) is sufficient and is being used to provide the required silviculture effectiveness monitoring information.</p>
<p><b>Background Information and Summary of Evidence:</b></p> <p>During the audit period, Kenora District MNR developed and implemented a silvicultural effectiveness monitoring (SEM) program, which was intended to provide information to assist in operational decision-making. The program consisted of the installation of permanent sample plots (PSP) on all planted sites. PSPs were initially established in the same year as the plantation, and were re-visited at years 1, 3, and 5 after establishment. The locations of all planted trees within the established PSPs were mapped so their status could be monitored over time. Information collected at the various measurement points included survival of planted trees, health, and condition of the planted stock, natural ingress of trees by species, abundance of competition by species groups, assessments of the need for further renewal treatment and/or tending, and in year 5, assessment of readiness for free-to-grow assessment.</p> <p>The detailed level of information provided by this program fed directly into year-to-year silvicultural decision-making on these planted sites, helping to protect these valuable investments, and also permitted tracking of a number of important factors over time, such as survival, health of planted stock, natural ingress, and the development of competing vegetation. Since these plots would be available for further monitoring after year 5, the information could be extended to evaluate longer-term forest succession, which could ultimately assist with the further development of successional rules in forest modeling and the refinement of Silvicultural Ground Rules.</p> <p>As far as the audit team is aware, the District MNR's particular approach to SEM, using PSPs to collect detailed information at prescribed intervals over time, with the specific goal of supporting operational decisions, is unique within the province.</p>
<p><b>Best Practice:</b> The silvicultural effectiveness monitoring program that was developed and implemented by Kenora District Ministry of Natural Resources and Forestry during the audit period, making use of Permanent Sample Plots that were monitored over time, provided detailed information that supported operational decision making, and has the potential for continued use in longer-term applications such as refinement of successional rules and Silvicultural Ground Rules for forest modelling in future Forest Management Plans.</p>

**Independent Forest Audit – Record of Finding**

**Finding # 1**

**Principle 2: Public Consultation and First Nation and Métis Community Involvement and Consultation**

**Criterion/ Procedure 2.1.2 LCC Purpose and Activities**

Review and assess whether the LCC met the purposes and conducted its activities in accordance with the applicable FMPM. Include the following:

- interview a representative sample of LCC members and review LCC reports to determine whether in their view the LCC has achieved its purpose and if there are areas where the LCC may be improved.

**Background Information and Summary of Evidence:** The Kenora District LCC is a high performing group providing advice to the District Manager. The group has been stable over the period of the audit, with 7 of the original 10 (2014) members remaining. The group had 22 meetings and quorum was missed twice.

During individual interviews and during the group meeting of the LCC and MNR staff with the auditors there were several repeating messages:

- Technical discussions at the LCC are intimidating for new members, people considering membership, or those with alternative opinions;
- There is a need for reinvigoration of the LCC, by for example, adding new members and re-confirming the purpose of the LCC;
- There is agreement that the group would benefit from Indigenous members (there is one now);
- The group wants general forestry training and also feel they would like to know how other LCCs operate;
- Current training materials are not adequate. A basic forestry presentation would help;
- The current meeting schedule ( scheduled when required) was not satisfactory to a number of people;
- The group would like to consider broader topics than just forestry; and
- The Kenora LCC Terms of Reference (TOR) is required to be reviewed annually according to its own direction. This review would include several items including membership, meeting schedule, quorum, composition, training etc.

**Discussion:** The LCC achieves its regulatory requirements (review of plan, amendments etc.) but they feel strongly that the direction and purpose of the LCC needs to be examined and clarified. MNR staff shared this opinion. The discussion focused on the TOR as the means to do this review. Technically the TOR is out of date because it has not been reviewed this year (which is a requirement of this LCC’s TOR). Although an annual review is not a requirement of the FMP Manual, the group felt that is an example of why the TOR needs revisiting. The group provided a list of issues to address (above).

**Conclusion:** Procedure 2.1.2 includes consideration of “...areas where the LCC may be improved”. In light of this, the LCC and support staff provided a list of ideas and issues for the future direction of the LCC that should be considered in the required TOR review, which is overdue.

**Finding:** The Terms of Reference for the Kenora Local Citizens Committee is out of date.

**Independent Forest Audit – Record of Finding**

**Finding # 2**

**Principle 2: Public Consultation and First Nation and Métis Community Involvement and Consultation**

**Purpose:** To examine the involvement of First Nations and Métis communities in the preparation and implementation of FMPs and associated benefits.

**Criterion/Procedure 2.5.1 Aboriginal community consultation and involvement in FMPs, amendments, contingency plans.** Review and assess whether reasonable efforts were made to engage each First Nations and Métis community in or adjacent to the management unit in forest management planning as provided by the applicable FMPM. Assess the resulting involvement of First Nations and Métis communities and consideration of their concerns in the FMP, amendment, contingency plan or related FMP process. Include the following...

- whether the MNRF District Manager contacted each First Nations and Métis community to discuss opportunities to be involved in planning and implementation of the FMP and whether a customized consultation approach was developed; if so, assess whether it was implemented as planned, whether changes were later agreed to by the First Nations and Métis community and the MNRF;....

**Background Information and Summary of Evidence:** In 2018, the government of Ontario implemented a financial restraint policy that restricts funding support across the Ontario Public Service, including for expenses associated with meals, the rental of meeting rooms, and other items associated with hosting functions and meetings. As a result, the MNRF is no longer permitted to rent space or provide food at meetings related to forest management consultation. This omission is contrary to Indigenous cultural practices associated with hospitality and the treatment of guests, and is proving to be a hindrance to setting up meetings between the MNRF and Indigenous people.

**Discussion:** MNRF is responsible for direct community relations and consultation on the WJF. Following culturally appropriate etiquette is important in order to establish an atmosphere for meetings that is conducive to success. The provision of a meal is significant for meetings with communities as it is indicative of respect and that the MNRF values the input and time spent by the individuals who attend the meetings. The restrictions on MNRF’s ability to rent space and provide amenities for meetings has the potential to harm the credibility of the government to work with Indigenous communities.

**Conclusion:** Conducting culturally respectful consultation entails the provision by MNRF of meals for individuals who have taken the time to participate. MNRF’s recent restriction on funding for these purposes is hampering its ability to meet with Indigenous people.

**Finding:** The Ministry of Natural Resources and Forestry is not funding meals and other meeting expenses which is limiting the frequency and quality of Indigenous engagement.

**Independent Forest Audit – Record of Finding**

**Finding # 3**

**Principle 2: Public Consultation and First Nation and Métis Community Involvement and Consultation**

**Criterion 2.5: First Nations and Métis community involvement and consultation in forest management planning**

**Purpose:** To examine the involvement of First Nations and Métis communities in the preparation and implementation of FMPs and associated benefits.

**Procedure 2.5.1 Aboriginal community consultation and involvement in FMPs, amendments, contingency plans.** Review and assess whether reasonable efforts were made to engage each First Nations and Métis community in or adjacent to the management unit in forest management planning as provided by the applicable FMPM. Assess the resulting involvement of First Nations and Métis communities and consideration of their concerns in the FMP, amendment, contingency plan or related FMP process. Include the following:

- whether the MNRF District Manager contacted each First Nations and Métis community to discuss opportunities to be involved in planning and implementation of the FMP and whether a customized consultation approach was developed; if so, assess whether it was implemented as planned, whether changes were later agreed to by the First Nations and Métis community and the MNRF....

**Background Information and Summary of Evidence:** MNRF is responsible for providing opportunities for consultation regarding forestry planning and the implementation of the FMP with Indigenous communities located in or adjacent to the WJF. There are twelve First Nations, the Métis Nation of Ontario Region One Consultation Council, and four different Métis councils that have been identified by MNRF as requiring consultation. Despite having the highest number of Indigenous communities of any District, and a correspondingly heavier consultation workload with no SFL-holder to help, Kenora MNRF District staffing levels are the same as in most other MNRF Districts in Ontario.

At the start of Phase II FMP development, MNRF Kenora District sent two rounds of letters to each of the identified communities inviting their participation in Phase II FMP planning. In addition, letters of invitation for a presentation on the Annual Work Schedule were sent to these communities each year. This met the FMPM requirements regarding notifications related to forest management planning, however, the response from the First Nations and Métis representatives was limited and no substantive involvement related to forest management planning resulted from these efforts.

Kenora District MNRF has a well-documented record of contact efforts with the communities, which lists 277 contacts by mail, email, and phone during the audit period. In addition, there are other interactions with the communities that are not recorded in the log that generally related to aspects of forestry but were not associated with the formal planning process. For example, MNRF responded to questions and suggestions from some of the communities and bought in an MNRF expert on herbicides to speak with them. Another community has an ongoing rapport and meets fairly regularly with MNRF District senior staff.

While MNRF made extensive efforts to consult with communities regarding planning, and had other engagements with some communities, representatives of three of the ten communities that the auditors met with informed the audit team that they desired to have greater engagement with MNRF regarding forest matters other than planning. ('Engagement' in this context refers to the more general dialogue with Indigenous communities and people that is not part of a regulatory process in contrast with 'consultation' that refers to project-related participation to fulfill regulatory requirements of the Crown.)

The Communities wanting proactive government engagement specifically listed a number of opportunities:

- Provision of more teaching about forestry;

- Training on the operational compliance system, to show how it ensures proper conduct by operators and values protection;
- Providing information on the risk from larger fires and climate change; and
- Addressing deterioration of roads and opportunities for road improvement.

MNRF staff are strongly supportive of having increased engagement and are very accommodating when requests are made (see **Best Practice #1**) however MNRF staff commented that there has been a low level of response to the mailouts and opportunities to review the AWS in recent years.

Objective 6b of the 2012 FMP concerned Indigenous participation in the planning process, with a target of five communities participating. During the development of the 2012 Phase I FMP, only three communities participated, and the MNRF's own assessment is that the objective was not achieved. During Phase II planning, more communities participated but attendance was low: five of the Indigenous community representatives attended single planning meetings (two in attendance as observers), and one participant attended two meetings.

To complete the record on engagement, it is also noted that Miisun's current service contract requires outreach to Indigenous communities and Miisun staff have delivered several introductory forestry talks on MNRF's behalf.

**Discussion:** MNRF's primary direction for consultation with communities regarding forestry comes through the requirements of the FMPM, however, some of the communities have moved well past the stage where they are only interested in planning. With Miitigoog (which holds the SFL on the adjacent Kenora Forest), Miisun (100% Aboriginally-owned) and D. Riffel Harvesting/Makoose Forest Products (also 100% Aboriginally-owned) being major players in the region and on the WJF in particular, the audit team feels that MNRF's role needs to evolve to address this. Furthermore, the audit team recognizes that the socio-economic context of the WJF is strongly influenced by Indigenous people and communities – there are two Indigenous communities within the Forest and a number adjacent to it, whereas there is only one small non-Indigenous community in the Forest. This context and input from some First Nations communities to the audit team suggests they would welcome an MNRF effort to be more proactive in initiating a broader forestry dialogue that included plan implementation and benefits from forest management. Kenora District MNRF informed the audit team that few Indigenous communities are communicating this interest to MNRF.

The move to a ten-year operating plan means that consultation regarding FMP development will only happen for about three years in every decade (FMP development normally takes about three years; thereafter the plan is not reviewed unless there is a major change in the forest), if the AWS presentations are excluded. While there is scope for a customized consultation process to be developed that can carry on after the FMP is complete, this option has rarely been used on the WJF, possibly because many communities are not aware of the potential options that are available.

One community urged the audit team to inform the government to “Not be Afraid” of engagement. Another enthusiastically praised MNRF for past engagement around economic development; this raised expectations and now the community wants more interaction – they informed the audit team that they “do not see MNRF enough”. The audit team acknowledges the range in expectations of communities on the WJF may be the widest in Ontario.

**Conclusion:** The audit team concludes that the Kenora District MNRF met its FMPM requirements regarding the provision of opportunities to Indigenous communities to participate in the development of the Phase II Planned Operations of the 2012 FMP, and to have presentations regarding the AWS. The audit team also recognizes that MNRF has gone beyond the FMPM requirements where opportunities to do so have been made known to the District.

However, the audit team found these efforts to consult are not meeting the needs of a number of the communities. Representatives from three of the communities interviewed by the auditors expressed an interest in engaging with MNRF on forest use, forest benefits, education and training related to forestry, and other topics of interest to people who live in and make extensive use of the Whiskey Jack Forest. The

auditors conclude that the requirements for consultation with Indigenous communities have not been effective in promoting the dialogue and discussions that the communities are interested in having with MNRF regarding forestry, and have not met MNRF's own objectives as expressed in the 2012 FMP.

**Finding:** Kenora District Ministry of Natural Resources and Forestry communication with First Nations and Métis communities regarding forest planning and plan implementation i) was not successful in encouraging most communities to engage in the forest planning process, ii) in other instances the communication led to participation in planning but the District was unaware of, or could not meet the follow-up expectations for engagement to develop broader relationships.

**Independent Forest Audit – Record of Finding**

**Finding # 4**

**Principle 2: Public Consultation and First Nation and Métis Community Involvement and Consultation**

**Criterion/Procedure 2.5.1.1 Aboriginal community consultation and involvement in FMPs, amendments, contingency plans**

Review and assess whether reasonable efforts were made to engage each First Nations and Métis community in or adjacent to the management unit in forest management planning as provided by the applicable FMPM and assess the resulting involvement of First Nations and Métis communities and consideration of their concerns in the FMP, amendment, contingency plan or related FMP process.

**Background Information and Summary of Evidence:** The Whiskey Jack Forest has 13 indigenous communities on the Forest with overlapping areas of traditional interest. One Indigenous community does not want forestry in the area in which they have asserted that they have traditional interests and has made a strong declaration to this effect. In January 2014, the community requested an Individual Environmental Assessment (IEA) in a portion of the WJF that the community declared was its Traditional Land Use Area (TLUA).

In 2017, MNRF formally designated the area referenced in the IEA as a No-Harvest Zone, declaring that the planned harvest blocks within this Zone would not be harvested during the term of this Plan, which is scheduled to expire on March 31, 2022. The No-Harvest Zone overlaps with the areas of traditional interest identified by other Indigenous communities, some of whom were harvesting in the area prior to the declaration. The imposition of the No-Harvest Zone has affected the available operating areas of Indigenous communities.

The audit team reviewed FMP consultation documentation with Indigenous communities for all aspects of forestry-related planning, open houses, and community presentations and found no evidence of consultation regarding the MNRF’s decision to designate the No-Harvest Zone and restrict forestry activities there. Requests by the audit team for evidence from MNRF did result in any documented evidence of consultation being provided. Indigenous communities have told the audit team that they were not consulted prior to the decision being made by MNRF.

**Discussion:** Consultation is very well documented by Kenora District MNRF. Documentation of standard planning-related consultation conducted by the MNRF District is complete for the period of the audit, but there is no record of any consultation being conducted prior to the decision by the Regional Director to declare the area of no harvest.

This decision to implement the No-Harvest Zone was a significant land-use decision with effects on several communities. Several Indigenous communities expressed the strong belief that the lack of consultation was inconsistent with the Ministry’s obligations.

**Conclusion:** The apparent lack of provision of consultation opportunities is not consistent with the requirements of the forest management planning process.

**Finding:** No consultation was undertaken prior to the Ministry of Natural Resources and Forestry’s designation of the No-Harvest Zone within the Whiskey Jack Forest.

**Independent Forest Audit – Record of Finding**

**Finding # 5**

**Principle 4: Plan Assessment and Implementation**

**Criterion/Procedure 4.5.1: Tending and Protection** - Review and assess in the field the implementation of approved tending and protection operations. Consider whether there are any gaps between the planned and actual levels of each type of tending and protection seen in the field; consider results of determination under criterion 6.

**Background Information and Summary of Evidence:** Very little tending for cleaning or competition control has been conducted to date in the 2012 FMP term: only one manual herbicide application using backpack sprayers was completed in 2014 on a total area of 66 ha, compared with the 10-year planned area of 8,065 ha. This equals less than 1% of the total area planned for tending, and approximately 3% of the total area harvested during the 2012 FMP period to the end of 2017-18. In part, this is due to the reality that there is considerable local opposition to herbicide application, especially aerial spraying, by both the public at large and Indigenous communities. Efforts by District MNRF and Miisun to develop the capacity for applying alternative treatments are ongoing, but so far have had limited success.

**Discussion:** Since free-to-grow surveys on the Whiskey Jack Forest are scheduled to be conducted 7-11 years after renewal establishment, there is little free-to-grow data available yet for the period 2009-2019, corresponding to the last two audit cycles. Historical free-to-grow results compiled by MNRF corresponding to harvest years for the period from 1999 to 2007 indicate a decrease in area-weighted jack pine species composition (-7.6%), which is partially offset by a corresponding increase in spruce composition (+6.3%). Kenora District staff suggested that this shift from jack pine to spruce could be partly attributed to Abitibi's focus on spruce regeneration at the expense of jack pine, but it is likely that the decline in jack pine content can also be attributed to the lower than forecast amount of tending that was conducted during this time period. Concerns about low levels of tending were expressed in previous audit reports dating from the years 2009, 2004, and 2000. The 2014 audit report also expressed serious concerns about lack of tending and put forward a recommendation to address this issue. Low levels of tending have thus been an issue on the Whiskey Jack Forest for 25 years, but over that time, other than educational efforts such as delivering presentations to Indigenous Communities, little action has been taken.

In the audit team's opinion, several conifer plantations observed during field inspections would benefit from tending treatment to control competition, in order to help guarantee the survival of planted conifer trees and to meet silvicultural objectives for species composition. This was especially true on sites with deeper, richer soils that support more vigorous growth of hardwoods, woody shrubs, raspberries, grasses and sedges, and other competing species.

Silvicultural effectiveness monitoring assessments conducted by Kenora District MNRF during the audit period on harvested/regenerated areas identified numerous blocks as being in need of tending, either chemical tending or manual brushing, for each of the four years from 2014/15 to 2017/18. In the final year of the audit period, responsibility for some monitoring functions was transferred to Miisun, and they also identified treated blocks that would require tending for competition control. As noted in the 2014 audit report, silvicultural monitoring has been efficient at identifying blocks that require tending, but treatments have not been implemented, with the single 66 ha exception noted above.

The lack of tending for competition control has implications for meeting plan objectives related to the maintenance or enhancement of conifer composition. Forest cover-related objectives in the 2012 FMP include substantially increasing the area of conifer-leading stands in the forest to better match the historical forest condition.

Lack of tending also has implications for modeling tree species succession and forest growth and yield for those intensive and basic silvicultural ground rules which include tending treatments for competition control to promote conifer crop species. Modeling of these factors in the 2012-2022 FMP assumed that tending

would occur as planned, which is not consistent with the reality of what is actually happening on the ground and does not reflect the observed changes in projected forest units and species composition, i.e. forest succession. It is worth noting that similar concerns were raised in both the 2009 and the 2014 audit reports.

**Conclusion:** District MNRF has indicated that efforts to develop alternatives to herbicide spraying are ongoing. However, it was acknowledged that limitations in local capacity for implementing alternative treatments, such as using brush saws to remove competing vegetation, combined with continued public and Indigenous opposition to herbicide use, will mean that future tending programs will likely be small in scale compared with FMP forecasts, and that aerial tending is unlikely to happen at all. During the preparation of future FMPs, the audit team believes that it would be prudent to consider the implications of no tending or significantly reduced tending levels on modeling assumptions, yield curves, successional pathways, Silvicultural Ground Rules, and ultimately the Long Term Management Direction.

**Finding:** Silvicultural strategies identified in the 2012 Forest Management Plan related to tending are not being followed.

**Independent Forest Audit – Record of Finding**

**Finding # 6**

**Principle 4: Plan assessment and implementation**

**Criterion 4.3: Harvest**

**Procedure 4.3.1:** Review and assess in the field the implementation of approved harvest operations. Include the following:

- Assess whether ... operations were appropriate and effective for the site conditions encountered

**Background Information and Summary of Evidence:** The audit team viewed a number of pure poplar and poplar-dominated stands that had been harvested and left to regenerate naturally to poplar. While poplar renewal was generally abundant and healthy on parts of the blocks, there was little-to-no renewal in some blocks on the operational roads, landings, and main skid trails. One example is Block 12.222, shown in the figure below. The adequate poplar renewal can be seen in the peripheral areas of the block however the central processing area in the block has minimal renewal. Staff from Miisun and Kenora District MNRF indicated that these blocks with the poor renewal had generally been harvested in a season other than winter, resulting in soil disturbance and compaction where there was equipment traffic.



**Patchy Poplar Renewal in Block 12.222**

**Discussion:** Fine-textured soils are especially susceptible to compaction when moist, as is the case in spring and fall, and during rainy periods in summer. Soil disturbance and compaction have the dual effects of reducing the abundance of poplar regeneration and encouraging the germination and growth of competing species, such as grasses, sedges, and raspberries, from the seed bank in the forest floor. Staff

indicated that Weyerhaeuser Trus-Joist, a poplar using mill, requires a steady supply of poplar year-round which necessitates harvesting in seasons when compaction could or may result.

The supply of poplar seems to be falling on the unit, as evidenced by a review commissioned by Kenora District MNRF, which compared the previous Forest Resource Inventory (FRI) and the newer enhanced FRI. This review indicates a decrease in poplar leading stands on the forest. Analysis of historical free-to-grow results, for sites with a total area of 52,754 ha, corresponding to years of harvest ranging from 1999 to 2007, showed a 2.1% decrease in area-weighted poplar composition. It is also relevant that the modeling for the long-term management direction (LTMD) shows an expected 50% decline in the available poplar harvest by the year 2032. The auditors note that these trends contrast with the expectations incorporated into the LTMD for the 2012 FMP, which projected an increase in the area of this forest unit through time.

The audit team notes that there are a number of operational factors that could be considered to mitigate this issue, such as identifying the most susceptible sites in advance, scheduling of harvesting to minimize operations on susceptible sites during wet, frost-free periods, and control of machine traffic to minimize the number of passes over the same areas. Silvicultural treatments could also be considered to enhance regeneration on high-traffic areas such as main skid trails and landings.

This issue has been previously raised on the Whiskey Jack Forest - the 2009 audit report stated that the auditors observed large grassy or open patches on many sites identified for natural regeneration of poplar, and attributed these to soil compaction.

**Conclusion:** In the opinion of the audit team, there should be more attention paid to the management of poplar on the Whiskey Jack Forest for many reasons, ranging from maintenance of biological diversity to provision of timber that is used by the Weyerhaeuser mill in Kenora. The statement in the 2012 FMP that poplar is prolific after harvest is not always true and more thoughtful consideration of poplar management is required.

**Finding:** Poplar management on the Whiskey Jack Forest is not consistently successful, especially on in-block roads, landings and skid trails.

**Independent Forest Audit – Record of Finding**

**Finding # 7**

**Principle 4: Plan Assessment and Implementation**

**Criterion/Procedure 4.6.2: Renewal Support.** Review and assess whether actual tree seed collection ... is appropriate for the site conditions encountered on the management unit, and at the level required of actual operations, in consideration of the management strategy and SGRs. Consider whether there are any gaps between the planned and actual levels.

**Background Information and Summary of Evidence:**

The seed inventory for black spruce and jack pine on the Whiskey Jack Forest is sufficient for the remainder of the 2012 Forest Management Plan (FMP) term and beyond. There is also ample seed remaining for white spruce, although the seed is sourced from cone collections that occurred in 1973 and 1984, and the viability of the seed is reduced due to its age. However, the amount of red pine seed currently in storage is very limited (approximately 125,000 total seeds remaining), and there is no white pine seed remaining.

The 2012 FMP states that “there is a provincial and management unit strategy to maintain or increase the area of the red pine and white pine mixedwood (PRW) forest unit. Red pine and white pine renewal will be encouraged on the Whiskey Jack Forest, but most likely will result in increased red pine and white pine species composition within forest units, with a minimal increase in the PRW forest unit area”.

**Discussion:** There have been no cone crops of red pine or white pine for several years, but there appear to be excellent cone crops for both species this year (2019-20). Local persons are available to collect cones on contract. Miisun is attempting to facilitate this effort by identifying harvest blocks where cones are available, and if necessary, adjusting operational schedules for piling tops and slash to make efficient cone collection possible. In the opinion of the audit team, depending on the success of this year’s effort, District MNRF may need to pursue other options for obtaining a red and white pine seed supply, such as collaborating with adjacent SFLs for cone collection, utilizing red pine plantations of sufficient age or seed orchard buffers for cone collection, or purchasing red pine seed for the appropriate seed zone(s) from other Management Units.

**Conclusion:** Maintaining planting levels for conifer species is important for meeting plan objectives related to forest cover. The audit team believes that District MNRF needs to take measures to restore the supply of red pine and white pine seed available for planting stock production for the Whiskey Jack Forest.

**Finding:** The amount of red pine seed currently in storage is very low and there is no white pine seed available for the Whiskey Jack Forest.

**Independent Forest Audit – Record of Finding**

**Finding # 8**

**Principle 4: Plan assessment and implementation.**

**Procedure 4.7.1 Access: Review and assess in the field the implementation of approved access activities. Include the following:**

- ...assess whether roads have been constructed, maintained, decommissioned and reclaimed to minimize environmental impacts and provide for public and operator safety.

**Background Information and Summary of Evidence:** The extent of harvesting on the forest has been considerably less than planned; in Phase I of the FMP period, only about 8% of the planned area was harvested. Ontario’s Forest Access Roads Funding Program allocates funding to FMUs based on the most recent five-year average harvest levels (although a minimum amount of funding is provided to forests such as the Whiskey Jack that harvest a very low amount). Over the last three years, the Whiskey Jack Forest received an average of \$417,000 / year through the program. This is a low amount compared to the neighbouring Lac Seul, Trout Lake, and Kenora Forests whose road densities are comparable, but receive considerably more funding (on a per-km basis) because their harvest levels have been higher.

The intent of the Provincial Roads Program is to provide funding to maintain roads being used for forest management. Given that only 24% of the forest is available for forest management operations, the portion of the forest on which the Provincial roads monies is able to be spent is limited. Over the five-year audit period MNRF accessed approximately \$455,000 in roads funding provided by the Ministry of Northern Development and Mines, most of which was used to address maintenance needs in the No-Harvest Zone (although some unknown portion of this was used for maintenance in the neighbouring Kenora Forest). The audit team notes that the five-year total funding from the Ministry of Northern Development and Mines which was used primarily for maintenance in the 76% of the forest that comprises the No-Harvest Zone, is about the same as the average annual allocation through the MNRF’s Provincial Access Road Funding which was used primarily in the 24% of the forest that is open to harvesting.

MNRF staff expressed concern in several discussions with the audit team regarding the condition of roads in the No-Harvest Zone, and noted that the total available roads funding is not sufficient to address the maintenance liabilities that are accruing in the No-Harvest Zone.

**Discussion:** The limited road funding available for the forest has led to three related issues – a decrease in the extent of usable roads, degradation of safety in some areas on the road network, and potential environmental impacts of abandoned crossings. The challenge for resource managers is that the extent of roads exceeds the ability of funding measures to maintain them, but there remains demand and use of the roads for non-forestry purposes. MNRF staff described how management of roads other than those for which the Provincial roads funding is intended is based on a triage approach, with those roads and crossings in dire need of maintenance being given priority, leaving others to degrade to a lower quality or to be abandoned ‘naturally’, so that the extent of usable roads in the portion of the Forest not presently subject to management activities is declining. Non-forestry users of the Forest have expressed concern over the retracting road network and regarding the degrading state of roads and their safety. The audit team was informed that MNRF does not routinely post signs warning road users of potential or known safety issues with roads and crossings. In addition, the audit team notes that natural abandonment of crossings may lead to impacts on waterways through erosion or structural failure of the crossings.

**Conclusion:** Limited road funding is leading to retraction of the road network, safety issues due to insufficient maintenance and lack of signage, and potential environmental issues.

**Finding:** The network of roads in the forest other than those used for forest management is not being maintained adequately to avoid, potential safety and environmental issues.

**Independent Forest Audit – Record of Finding**

**Finding # 9**

**Principle 6: Monitoring**

**Criterion 6.1: District compliance planning and associated monitoring**

**Procedure 6.1.1:** Review the MNRF District Compliance Plans in place during the audit period (consider FMP - criteria 3.5.11 and 3.9.9 as well) to determine how forest management activities were to be monitored for compliance by MNRF and assess whether the actual level of the overall monitoring program was in accordance with the FMP/plans and whether it was appropriate based on evidence gathered through analysis of related criteria, including field audits. Consider Principle 4 which includes an examination of MNRFs compliance information system.

**Background Information and Summary of Evidence:** Kenora District MNRF undertook the compliance monitoring program on the Whiskey Jack Forest until July, 2017, when Miisun was awarded a services contract that included leading compliance monitoring on the Whiskey Jack Forest. MNRF maintains responsibilities to audit compliance on the forest.

A review of the compliance inspection reports in the Forest Operations Information Program (FOIP) system showed that four inspection reports were identified as pending however it appears from the documentation that the issues have been resolved and the compliance report should have been closed. Inspection #678113 dating from February 24, 2017 found insufficient armouring of a water crossing on Bug Lake Rd and while the comments do not indicate that the problem was fixed, the auditors examined some water crossings on Bug Lake Rd and found them to be well constructed. Another inspection, #684725 from October 1, 2018, found poor armouring of four culverts. The status of this issue is unknown as it has not been verified by MNRF.

Inspection #683246 reporting rutting and surface damage to Farewell Rd, and while a note in the FOIP file indicates that the contractor mitigated the issue, the status remains as pending. Lastly, Inspection #682373 reported 83 bundles left along the access road into block 12.366, some of which were merchantable. Again the status of this issue is unresolved.

**Discussion:** While there have been some changes in compliance personnel at the MNRF District due to retirements and other staff moves, these compliance issues are relatively straightforward and the audit team believes they should have been dealt with more quickly than they have been. Because the compliance system is intended to provide feedback and continuous improvement to operations, resolving and documenting pending issues more expeditiously would help the system achieve its overall goals. Conversely, should the issue be left unattended, they may worsen and cause larger negative impacts in the forest.

**Conclusion:** The on-line compliance system shows that there are four pending issues identified during inspections in the audit period that have not been resolved, or at least have not been closed in the system.

**Finding:** There are four pending forest compliance issues that have not been resolved for one year or more since the initial inspection.

## Independent Forest Audit – Record of Finding

### Finding # 10

**Principle 4: Plan Assessment and Implementation.** Verification of the actual results of operations in the field...and compliance with laws and regulations.

**Criterion 4.7 Access. Direction:** Road construction, various types of water crossings including crossing structures, road monitoring, maintenance, aggregates and other access activities must be conducted in compliance with all laws and regulations, including the CFSA and approved activities of the FMP and AWS.

**Procedure 4.7.1:** Review and assess in the field the implementation of approved access activities. Include the following:

- ...culverts, bridges, road maintenance, ....forestry aggregate pits

### Principle 6: Monitoring

**Criterion 6.1: District compliance planning and associated monitoring.**

Review and assess whether an MNRF compliance program has been developed and implemented to effectively monitor program compliance ....

**Background Information and Summary of Evidence:** One site inspected during the field portion of the audit contained several transgressions. The following issues were observed at Block 12.330 and the operational leading to it:

- A culvert within the block was perched - although not a major waterway, the stream likely provided habitat for minnows and the extent of the perch would have restricted travel for them;
- there was a cluster of oil barrels abandoned on the site;
- a crate of litter was left on-site;
- two of three forestry aggregate pits inspected were not in compliance with the requirements of Appendix VII (Operational Standards for Forestry Aggregate Pits) - in particular, all trees were not removed from within 5 m of the excavation face; and
- abandoned skidder pads were observed in one of the pits.



**Abandoned oil drums at Block 12.330.**



**Trees too close to edge of forest aggregate pit.**

Harvest on the site was conducted by an operator who became insolvent in 2017, before operations were completed, and left the site in its present poor condition. No compliance reports were completed for the Block.

**Discussion:** Litter left on site is addressed through the IFAPP in its reference to the requirement to adhere to laws and regulations. The Forest Compliance Handbook notes that leaving garbage on site is in contravention of the Public Lands Act.

The audit team was informed that no clean-up operation or compliance inspection has taken place because it was expected that operations on the site would continue some time in the near future, however, no precise schedule for operations has been set. However the lack of compliance inspections on the site appears to be an oversight as compliance plans for the Forest indicate that every block will have at least one inspection and it would have been reasonable to undertake an inspection upon cessation of operations even if there was an expectation that operations were to continue at some time in the future. Further, the compliance risk assessment for 2016/17 indicated a high risk associated with Block 12.330 – 5<sup>th</sup> highest of 77 blocks assessed for that year. Although the operator has become insolvent, the immediate responsibility for the condition of the site belongs to the FRL holder.

**Conclusion:** The condition of the forestry operations in Block 12.330 and the forestry aggregate pits on the associated access road are not consistent with a reasonable quality of forest management. The audit team believes that a compliance assessment should have been implemented to document the condition of the site.

**Finding:** The condition of Block 12.330 related to litter left on site is not in compliance with the Public Lands Act and the conditions of the forestry aggregate pits are in contravention of the standards and conditions in the current Whiskey Jack Forest Management Plan. The lack of a compliance inspection is not consistent with the compliance plan.

**Independent Forest Audit – Record of Finding**

**Finding # 11**

**Principle 7: Achievement of Management Objectives and Forest Sustainability**

**Criterion 7.1: Year seven and ten ARs and/or Trend Analysis report**

**Direction:** Additional requirements for the year seven and year ten ARs, year five or final year ARs and/or trend analysis reports written specifically for an IFA are to be examined and analyzed, including implementation of forest operations, analysis of forest disturbances, analysis of renewal and tending activities, review of modeling assumptions, assessment of objective achievement and determination of sustainability.

**Criterion 7.2 Assessment of Objective Achievement**

**Direction:** Review and assess additional AR requirements for the assessment of objective achievement as required for the year five or year ten AR/Trend Analysis Report....

**Background Information and Summary of Evidence:** Miisun prepared a Trend Analysis to comply with the requirements of Appendix C of the IFAPP. The document covered the planning periods of the 1999-2004 FMP, 2004-2009 FMP, 2009-2012 Contingency Plan and the 2012-2022 FMP (a 2012-2014 Contingency Plan was included as the first two years of the ten-year plan). By their nature, Trend Analysis documents are complex as they look across and consolidate data and observations from multiple plan periods. The document was reviewed by MNR Region and District staff.

Although the Trend Analysis contained useful information, it contained errors and was incomplete in some regards and therefore did not provide the audit team with information as useful as is intended. Examples include:

- Inconsistencies between data reported in graphs and tables;
- Incomplete explanations for some important topics, such as the reason for the downward trend in yield, reasons for the discrepancy between area harvested and area renewed, reason for considerable increase in reported Crown Forest Area, etc.;
- Inaccurate completion of Table AR-10;
- Incomplete review of Monitoring and Assessment; and
- Lack of discussion of the impact of significant underachievement of harvest area and volume on the achievement of the plan's objectives.

**Discussion:** The Trend Analysis is designed to be an important document in providing context for the audit and also serves as a historical document in its summary and portrayal of management of the Forest. The modest quality of the report limits its utility.

**Conclusion:** The Trend Analysis does not meet all of the requirements of the IFAPP, or provide informative insight into some important trends.

**Finding:** The Trend Analysis does not meet all of the requirements of the Independent Forest Audit Process and Protocol.

**Independent Forest Audit – Record of Finding**

**Finding # 12**

**Principle 7 Achievement of Management Objectives and Forest Sustainability**

**Criterion: 7.2 Assessment of Objective Achievement**

**Procedure 7.2.2:** ... summarize (in text form) and include in the audit, the auditor’s assessment of the noteworthy progress towards achieving the objectives in the FMP considering evidence gained through other audit criteria ...

**Background Information and Summary of Evidence:**

The assessment of objectives provided in Appendix 3 of this report shows that:

- While objectives related to LCC self-assessment and habitat for caribou and marten are likely to be met, few of the objectives that were assessed as being achieved during planning will be achieved through the actual implementation of the plan, including objectives related to landscape pattern, forest composition, wood supply, and Indigenous Involvement; and
- While objectives related to compliance performance, are likely to be met, few objectives that are intended to be assessed after plan implementation will be achieved, including objectives related to wood supply, managed Crown forest, a portion of those that address forest renewal, and possibly forest access.

In summary, most of the objectives will not be achieved, and there is a very large shortfall between the accomplishments and the objective targets.

**Discussion:** The main reason that the plan’s objectives will not be achieved is associated with the No-Harvest zone. However, the No-Harvest Zone does not appear to be the only reason for the low level of achievement - 24% of the forest area remains available for operations, but only 8% of the planned harvest has actually occurred in the audit period, so other factors have contributed to the low level of operations on the Forest; these include market forces and a long-term decline in harvest. In addition, the embargo on broad-scale use of herbicides has been in effect since before the present plan period, and this has affected implementation of planned silvicultural activities and achievement of related objectives. The 2012 FMP was produced with the apparent assumption that these circumstances, which are based on strongly-held cultural/societal beliefs, would be resolved in a relatively timely manner so that the plan’s objectives, which assume access to the whole forest, could be achieved. This optimism proved to be misplaced, and it is now apparent that the plan’s objectives were unlikely to be achieved from the outset.

The previous IFA identified similar concerns related to the objectives of the 2012 FMP and recommended that the Regional Director complete an assessment of the feasibility of the 2012 LTMD. The previous IFA was very critical of the MNRF’s “fidelity to an FMP (and LTMD) predicated on the full utilization of the available harvest area over the entire WFF [that] has resulted in legal actions and court challenges, an extended negotiation and mediation process with the ANA [Asubpeeschoseewagong Netum Anishinabek - Grassy Narrows First Nation], political protest, wood supply uncertainty for the forest industry, and inefficient management planning process including delays in the production of the 2012 FMP, the requirement to produce two CPs, a CP major amendment and delays in the start of annual operations”

The audit team was informed that MNRF is planning on implementing the use of Strategic Management Zones in the next FMP, which is facilitated by direction in the 2017 FMPM, as a means of identifying more realistic and achievable objectives through recognition of the ongoing circumstances related to the No-Harvest Zone, and the virtual cessation of herbicide use in the next FMP. The audit team believes this would be a wise course of action.

**Conclusion:** Many objectives contained in the 2012 FMP have proven to be unrealistic. Because of the obstacles to harvesting in much of the Forest, the long-term trends in harvest levels, and the lack of

herbicide use on the forest, which were in effect during the development of the 2012 FMP, most objectives of the FMP will not be achieved.

**Finding:** Objectives in the 2012 Forest Management Plan that relate to, or are dependent on, implementation of the planned harvest levels and use of herbicides will not be achieved.

<p><b>Independent Forest Audit – Record of Finding</b></p> <p><b>Finding # 13</b></p>
<p><b>Principle 8: Management Units Administered by the Crown</b></p> <p><b>Criterion 8.2: Payment of Ontario Futures and Ontario Crown Charges</b></p> <p><b>Procedure:</b> Through a review of MNRF statements determine whether the licensees have paid up to date all amounts in the Ontario Stumpage matrix for Forestry Futures and Ontario Crown charges (stumpage).</p>
<p><b>Background Information and Summary of Evidence:</b> Corporate MNRF provided the auditors with the status of Crown payments and dues from the Whiskey Jack Forest as of August 31, 2019. The data show that there was a minimal amount of arrears through to the end of fiscal 2016-17, which is not uncommon in Ontario forests and is usually associated with the timing of cash flows to licensees and mills. However in 2017-18, the amount of arrears increased substantially to just over \$104,318 at March 31, 2018, consisting of monies owed to the Consolidated Revenue Fund of Ontario, the Forestry Futures Trust and the Special Purpose account for silviculture.</p> <p>The audit team was informed that it was a mill that is an agent of the Crown that is responsible for the majority of the arrears.</p>
<p><b>Discussion:</b> MNRF is aware that there has been an increase in arrears and the collections services provider at the Ministry of Finance has worked to develop repayment arrangements with the relevant party.</p>
<p><b>Conclusion:</b> One of the organizations that receives Crown timber from the Whiskey Jack Forest is substantially in arrears and the amount of monies owed has been increasing since 2017-18.</p>
<p><b>Finding:</b> There is a large and growing Crown dues arrears on the Whiskey Jack Forest.</p>

## APPENDIX 2 – ACHIEVEMENT TO DATE OF FMP MANAGEMENT OBJECTIVES

Objectives& Indicators	Auditor Assessment	Auditor Comments
<b>Objectives and Indicators Assessed During the Planning Process</b>		
<p><b>1. Landscape Pattern:</b> To emulate natural disturbance and landscape patterns characteristic of the management unit.</p> <p><u>Indicator 1a)</u> % of polygons with &gt; 60% mature and old forest</p> <p><u>Indicator 1b)</u> Young forest patch size by size class</p> <p><u>Indicator 1c)</u> % of polygons with &gt; 60% mature and old conifer forest</p>	<p>The indicators associated with this objective were assessed at plan production as being achieved. Given the low level of harvest operations, they are very unlikely to be achieved in actuality as only 8.4% of planned harvest by area has occurred in the present plan period – see discussion in Section 4.7 in the main audit report.</p> <p><b>Objective achieved in planning Objective unlikely to be achieved in plan implementation.</b></p>	<p>The assessment that the objective is being achieved is based on the implementation of planned operations. The level of operations is so low compared to those planned, that the objective will not be achieved.</p>
<p><b>2. Forest Composition:</b> To maintain or move towards a natural range of forest composition and age distribution</p> <p><u>Indicator 2a)</u> Crown productive forest by landscape class.</p> <p><u>Indicator 2b)</u> Crown productive forest by forest unit</p> <p><u>Indicator 2c)</u> Amount and distribution of old forest</p> <p><u>Indicator 2d)</u> Amount of red and white pine forest.</p> <p><u>Indicator 2e)</u> Amount of upland pine and spruce forests</p>	<p>Two of the four 2a indicators are above the minimum desirable levels at plan start; the other two are marginally below the desired level. Most of the 2b indicators are above the minimum desirable levels; the primary exceptions are the mature /late PJD and the young PJM – the latter is 82% of the minimum desirable level but is above the min desirable level after 10 years; the mature /late PJD reaches an acceptable level in the medium term (20-70 yrs).</p> <p>At plan start four of the nine 2c indicators are below the minimum levels; they are between 30 and 60% below the minimum desirable levels. These old forest targets are not met until the medium term of the FMP. The forest also has only 88% of the minimum desirable area of upland conifer (2e; target reached in the medium term); the amount of red and white pine is at the minimum.</p>	<p>As written, this objective is of limited value in this FMP since only 24% of the landbase is available for harvesting. A more logical approach could have been to divide the forest into two working circles and set separate landscape-level achievement targets for each working circle, or at the least the modeling could have simulated situations where the No-Harvest Zone remained in place for at least the plan term.</p> <p>On the forest as a whole, there is likely to be a greater movement of stands into the mature and old age classes, leading to overachievement of the related indicators, while there will be</p>

Objectives& Indicators	Auditor Assessment	Auditor Comments
	<p><b>Objective achieved in planning</b>  <b>Objective unlikely to be achieved in plan implementation.</b>                      See Section 4.7 for further discussion</p>	<p>underachievement of the creation of young forest, due to the lack of harvest.</p>
<p><b>3. Wildlife habitat:</b> To maintain forest function for wildlife habitat in the management unit.</p> <p><u>Indicator 3a)</u> Area of habitat for forest – dependent species at risk (Caribou)</p> <p><u>Indicator 3b)</u> % of polygons with &gt;60% caribou refuge habitat in caribou zone.</p> <p><u>Indicator 3c)</u> % of polygons with &gt; 60% caribou winter habitat in caribou zone</p> <p><u>Indicator 3d)</u> Landscape pattern – interior marten core habitat</p>	<p>This objective was assessed at plan production as being achieved. Given that caribou and marten use undisturbed habitat disproportionately, the low level of harvest operations will not detrimentally affect achievement of this objective</p> <p><b>Objective achieved in planning</b>  <b>Objective likely to be achieved in plan implementation.</b></p>	<p>The caribou zone in the WJF is predominantly in the No-Harvest portion of the forest, so these objectives can be met with proportionately little effort.</p>
<p><b>4. Wood Supply:</b> To provide a predictable and continuous supply of wood products to the forest products industry from the management unit.</p> <p><u>Indicator 4a)</u> Long-term projected available harvest area.</p> <p><u>Indicator 4b)</u> Long-term projected available harvest area.</p> <p><u>Indicator 4c)</u> Short-term projected harvest volume per year</p>	<p>The emphasis during planning was on maintaining the supply of SPF fibre; the projected allowable SPF harvest volume remains fairly even at or above 340,000 m3/year throughout the 100-year modeling horizon.</p> <p>However other species groups are projected to be harvested at high rates during the 2012 plan term, only to have significant declines in subsequent plan periods. Thus the AHA of 5,483 ha/yr is well above the average of 4,526 ha/yr over the 100-year modeling horizon. Although the AHA is anticipated to decline to 4,167 ha/yr during the 2032 plan term, because Indicator 4a applies only to the current term AHA, the FMP meets Indicator 4a. Indicator 4c is also met.</p>	<p>The emphasis on the SPF harvest during plan preparation overlooks the value of the WJF to the Weyerhaeuser mill in Kenora. The assessment in the plan that the high planned poplar harvest during the 2012 FMP term reflects an uneven age class appears to only partially explain the plan outcome, since the future poplar harvest never again approaches the allowable volume in the current plan term.</p> <p>While the 2012 FMP likely underestimates the future availability of poplar because it overestimates the amount of tending that will be done (See <b>Finding # 5</b>), the next FMP may place</p>

Objectives& Indicators	Auditor Assessment	Auditor Comments
	<p>Key components of the long-term harvest volume targets are not projected to be met for the poplar or white birch species groups. This is attributed to an uneven age class structure for these species groups Table FMP-8 of the 2012 FMP shows that the Available Poplar harvest drops from 190,000 m3/yr during the 2012 plan term to 90,000 m3/yr during the 2032 plan term and stays at that level until the 2092 term, when it rises to 110,000 m3/yr. The available white birch volume drops steadily from 33,567 m3/yr in the ten-year 2012 FMP term to reach 6,973 m3 /yr in 2112. White and red pine also has a very uneven harvest flow – almost 3,800 m3/yr during the 2012 FMP versus zero in the 2032 FMP term.</p> <p><b>Objective achieved in planning Objective will not be achieved during plan implementation.</b> See discussion in section 4.7 in the main audit report.</p>	<p>a higher priority on managing and accurately modeling the poplar (and birch) harvest. The audit team also prepared a finding with respect to poplar management (<b>Finding # 6</b>).</p>
<p><b>6. Aboriginal Involvement:</b> To work with local Aboriginal peoples, whose communities are situated in or adjacent to the management unit, to identify and implement forest operations (harvest, access, renewal, maintenance that will maintain or enhance social and economic benefits to the Aboriginal peoples.</p> <p>Opportunities for involvement provided to, and involvement of Aboriginal Communities in the plan development process.</p> <p><u>Indicator 6a)</u> Representation on the Planning Team</p> <p><u>Indicator 6b)</u> Aboriginal communities that contribute information to the planning process</p>	<p>The Audit team communicated with 10 of the 13 communities with traditional lands in the WJF and reviewed the FMP documentation.</p> <p>Three communities completed work on the FMP, although six started. The target was to have five of the 12 communities.</p> <p><b>The objective was not achieved during the Phase II planning process.</b></p>	<p>Although not met, MNRF was able to get six communities planning table. This would have met the target. The reasons for the three departures were not related to the FMP exercise directly, but rather political issues.</p> <p>The same effort in the next plan would successfully meet the target. This applies to both Indicators 6 a and 6 b.</p>

Objectives& Indicators	Auditor Assessment	Auditor Comments
<p><b>7. LCC Involvement:</b> To have the LCC effectively participate in the development of the FMP.</p> <p><u>Indicator 6a)</u> LCC self-evaluation of its effectiveness in plan development</p>	<p>The Kenora District has a high functioning LCC as described in this report. The self-evaluation score was 82%, meeting the target.</p> <p><b>The objective was achieved.</b></p>	<p>The self-evaluation score is a fair assessment of the performance.</p>
<b>Objectives and Indicators to be Assessed after Plan Implementation</b>		
<p><b>4. Wood Supply:</b> To provide a predictable and continuous supply of wood products to the forest products industry from the management unit.</p> <p><u>Indicator 4d)</u> Actual harvest area by forest unit (% of planned harvest area).</p> <p><u>Indicator 4e)</u> Actual harvest volume by species group (% of planned harvest volume).</p>	<p>The two indicators 4d and 4e are the components of the wood supply objective that relates to actual levels of harvest achieved. For both, the desired levels are set at 80% and 90%, depending on the sub-indicator. The actual harvest area and actual volume during the first five years of the 2012 FMP period is 8% and 6%, respectively.</p> <p><b>These parts of objective four will not be met.</b></p>	<p>The 2012 plan does not allude to the low and declining level of harvest from the forest, which was a trend in place even before the deferral of harvesting from much of the landbase.</p> <p>The 2017 FMPM requires the planning team to take historic harvest levels into consideration when developing the planned level of harvest, which should lead to a more realistic planned harvest in the future FMP.</p>
<p><b>5. Managed Crown Forest:</b> To provide continuous social benefits resulting from the managed Crown forest available for timber production on the management unit.</p> <p>Indicator a) Management Crown forest available for timber production.</p>	<p>The discussion about this indicator in the 2012 FMP makes no mention of the dispute with Grassy Narrows First Nation. The auditors feel that because the dispute with Grassy Narrows has reduced the amount of area available for timber production to 24% of the Crown forest area, this objective is not being met at this time, and has not been met at any point during the 2012 FMP term.</p> <p><b>Objective not met.</b></p>	
<p><b>8. Road Access:</b> To provide road-base access, land and recreational opportunities through road maintenance and development of access to areas planned for harvest and renewal within the plan period.</p>	<p>The road density objective of the non-caribou zone of forest was identified in the FMP as 0.11 km/km<sup>2</sup>. For the caribou zone, the objective was set as 0.13 km/km<sup>2</sup>.</p> <p>Table FMP-18 from Phase I indicates planned construction of primary roads at 36.8 km for Phase I</p>	<p>The density of roads in the management as a whole will be less than that identified as an objective. However, given that all construction occurred in the portion of the MU in which management operations actually</p>

Objectives& Indicators	Auditor Assessment	Auditor Comments
<p><u>Indicator 8a)</u> Km of road per square km of Crown Forest</p>	<p>and 30.2 km for Phase II; for branch roads the FMP table indicates that 19.1 km are planned for construction for both plan phases. Data from the Annual Reports indicate that 12.0 km of primary road was built in Phase I and that 11.7 km have been constructed (up to the '17-18 period). The ARs indicate that no branch road has been constructed.</p> <p>Given the under-achievement of road construction, the <b>objective is unlikely to be achieved</b> for the management unit as a whole.</p>	<p>occurred, the density of roads will have increased there. However without more spatially refined data, it is not possible to assess what the densities in the managed portion of the forest are relative to the target densities.</p>
<p><b>9. Forest Renewal:</b> To successfully regenerate harvest areas to Free-Growing status in a manner that is consistent with the regeneration standards outlined in the SGRs.</p> <p><u>Indicator 9a)</u> Regeneration Success: Percent of harvested forest area assessed as free-growing by forest unit</p> <p><u>Indicator 9b)</u> Silvicultural Intensity: Planned and actual percent of harvested area treated by silvicultural intensity.</p> <p><u>Indicator 9c)</u> Silvicultural Success: Planned and actual percent of harvested forest area assessed as free growing and successfully regenerated to the projected forest unit.</p>	<p>Annual Reports from 2012-13 to 2017-18 reported that a total of 32,672 ha was assessed for free-to-grow status. Of that area, 32,079 ha (98.2%) were declared to be free-to-grow.</p> <p>According to Annual Reports, during the first six years of the 2012-2022 FMP, 2,617 ha were harvested, and renewal was reported on 2,085 ha. The difference of 532 ha is approximately equivalent to one year of harvesting (523 ha) and will be treated over the next two years as prescribed by the appropriate SGRs. Actual silvicultural treatments consisted of natural regeneration (38% of area treated) and artificial regeneration (seeding and planting) 62%. This compares with planned levels of 48% natural regeneration and 52% artificial regeneration.</p> <p>MNRF records show that for the first five year term of the 2012-2022 FMP (Phase 1, 2012-13 to 2016-17), approximately 70.8% of the area surveyed for free-to-grow status met the criteria for silvicultural success (i.e., the free-to-grow Forest Unit corresponded to the Forest Unit forecast in the Silvicultural Ground Rules.</p>	<p>To date in the 2012-2022 FMP, targets for regeneration success are being met.</p> <p>District MNRF has done a good job of keeping up with silvicultural treatments, and there is no significant backlog of untreated sites on the Whiskey Jack Forest.</p> <p>Silvicultural Effectiveness Monitoring assessments conducted by District MNRF during the audit period, at year 0 to 5 following harvesting, indicate that the amount of hardwoods on some sites is increasing, leading to an increase in mixedwood Forest Units at the expense</p>

Objectives& Indicators	Auditor Assessment	Auditor Comments
	<p>It should be noted that the area surveyed consists mostly of area harvested no later than the year 2003. This is because of the 7-11 year delay in conducting free-to-grow surveys after silvicultural treatment, combined with the fact that District MNRF was addressing a backlog of free-to-grow survey work consisting of older harvest areas. Since there has been virtually no tending conducted on the forest since 2001, these results do not reflect any potential impacts of the lack of tending on forest composition at free-to-grow.</p> <p><b>Objectives likely to be achieved</b>, although it is likely that the proportion of silvicultural success will decrease as the potential effect of tending shows up in future free-to-grow surveys.</p>	<p>of conifer-dominated Forest Units. It is likely that the proportion of silvicultural success will decrease as the potential effect of lack of tending shows up in future free-to-grow surveys.</p>
<p><b>10. Forest Values:</b> To implement forestry operations in a manner that minimizes negative impacts on all identified resource users, protects all identified values.</p> <p><u>Indicator 10a</u>)% of forest operation inspections in non-compliance by activity, and remedy type (i.e. severity)</p>	<p>The MNRF did all of the compliance inspections during the first three years of the audit period (industry did none during this time). In years 4 and 5, the industry undertook the majority of inspections, with MNRF doing a handful of inspections each year.</p> <p>There were two non-compliances associated with trespasses into AOCs' along aquatic features, and several open operational issues related to lack of erosion control. Generally, the compliance record was good over the term of the audit and the objective has been met, although there were a total of four open operational issues, resulting in <b>Finding # 9</b>.</p> <p><b>Objective Achieved</b></p>	
<p><b>11. Soil and Water Resources:</b> To maintain productivity of soil function, and to protect water quality and fisheries habitat where forest management activities occur in the Forest</p>	<p>Same as Objective 10, above.</p> <p><b>Objective Achieved</b></p>	

Objectives& Indicators	Auditor Assessment	Auditor Comments
<p><u>Indicator 11a</u>)% of forest operations inspections in non-compliance with management practices that prevent, minimize or mitigate size damage (by remedy type).</p> <p><u>Indicator 11b</u>) % of forest operations inspections in non-compliance with prescriptions developed for the protection of water quality and fish habitat (by remedy type)</p>		

### APPENDIX 3 - COMPLIANCE WITH CONTRACTUAL OBLIGATIONS

Licence Condition	Licence Holder Performance
1. Payment of Forestry Futures and Ontario Crown charges	There was a minimal amount of arrears through to the end of fiscal 2016-17. However in 2017-18, the amount of arrears increased substantially to just over \$104,318 at March 31, 2018, and the amount in arrears has climbed since then to reach a total of \$336,236, consisting of monies owed to the Consolidated Revenue Fund of Ontario, the Forestry Futures Trust and the Special Purpose account for silviculture. This resulted in <b>Finding # 13</b> . This contractual obligation is being met by all licensees and most but not all mills that are agents of the Crown.
2. Wood supply commitments, MOAs, sharing arrangements, special conditions	The intent of the wood supply commitments on the WJF was met, although the actual volumes taken by each mill with a commitment were well below the commitment levels due to the very low level of harvest on the Forest. Weyerhaeuser received the majority of poplar harvested from the forest; the exception was in 2014 when approximately 5,000 m3 of poplar was accepted by Norbord. Similarly, most of the SPF harvested was used by the Kenora Forest Products mill, when it was operating (from 2015 onwards), although some fibre also went to EACOM's Ear Falls mill and to Domtar's Dryden pulp mill. The intention behind the wood supply commitments was met on the WJF.
3. Audit action plan and status report	The Action Plan is to be completed within three months of receipt of the final audit report and the Status Report is to be prepared within two years of approval of the Action Plan. The Management Unit Action Plan and Status Report were both prepared and approved within an acceptable window of the IFAPP's requirements. One of the seven recommendations of the previous audit was directed at corporate MNRF. The Action Plan for recommendations related to provincial responsibilities for all 2014 audits was prepared considerably past the target date, however, given that the topic of the recommendation from the 2014 IFA (preparation of the inventory) has been addressed, this is of little consequence.
4. Forest Renewal Trust eligible silviculture work	Auditors reviewed in the field a total of 77 ha of area that was mechanically site prepared and/or planted in the year 2017-2018, representing 26.2% of the eligible silviculture work that was charged to the Forest Renewal Trust/Special Purpose Account (FRT/SPA) for that year. Field inspections of these activities determined that maps were accurate and that work was completed as invoiced to the FRT/SPA per the Specified Procedures Report. In the auditor's opinion, the overall quality of the work was good. The Specified Procedures Report did not identify any significant issues related to the documentation and mapping of work invoiced to the FRT/SPA for that year.
5. Forest Renewal Trust forest renewal charge analysis	Renewal rate analyses were conducted annually by District MNRF, and these were documented in accordance with MNRF Northwest Region requirements. Renewal rate adjustments that were made during the audit period appear to have adequately addressed silvicultural program costs. It should be noted that these cost estimates included the assumption that planned levels of aerial tending would be

Licence Condition	Licence Holder Performance
	implemented (which they were not), thus average actual silvicultural spending per ha was typically lower than forecast.
6.Forest Renewal Trust account minimum balance	<p>District MNRF maintained the FRT/SPA above the minimum balance throughout the audit period. Although there is no specific legal requirement to maintain the minimum balance in the Special Purpose Account for a Crown Unit, District MNRF have endeavored to maintain the minimum balance of \$2,997,700 that was in place prior to the conversion of the Management Unit from an SFL to a Crown Management Unit. MNRF records indicate that the Forest Renewal Trust account was above this level at March 31 for each of the five years of the audit period.</p> <p>The size of the minimum balance was much higher than the average annual amount of silvicultural spending incurred on the Whiskey Jack Forest during the audit period. This is due to the low level of harvest activity on the forest, the large portion of the forest area that was deferred from harvesting, and the lack of spending on tending treatments.</p>

## 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 licence<sup>4</sup>. 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 2015<sup>5</sup>. 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 FMPM;*
- *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 SFL holder and the MNRF, or in the case of Crown Units only towards the MNRF. Auditees must address all findings through follow-up actions.

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,*

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<sup>4</sup>In some circumstances, the period between reviews may be up to seven years.

<sup>5</sup> 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.

*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 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 procedures. 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 moderate to high, the optional procedure was audited.

Using this process, it was identified that three of the 73 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:

- 3.7.1 – Endorsement of the year three Annual Report related to the second five-year term of the Plan;
- 5.1 – Commitment of the organization to awareness, education, and training programs; and
- 6.1 – Electronic submission of compliance reports in a timely manner.

During the course of the audit, it became apparent that some attention should be directed towards review of the LCC terms of reference, therefore, although optional procedure 2.1.1 was not identified during the risk assessment, it was reviewed during the course of the audit.

### **Audit Implementation**

The audit commenced with the preparation of a detailed audit plan<sup>6</sup>, 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. A pre-audit meeting was held on July 5 in Kenora with the lead auditor, the MNRF, Miisun, and a representative of the LCC in attendance. The primary purposes of the meeting were to familiarize the auditees with the audit process, review the Audit Plan, and make progress in selection of sites to inspect in the field during the audit. Subsequent to the

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<sup>6</sup> ArborVitae Environmental Services Ltd. Plan for the Independent Forest Audit of the Whiskey Jack Forest, May 28, 2019.

pre-audit meeting, there were minor adjustments made to the selected sites due to access issues and to improve the balance of operations and sites.

**Table 3.** Audit procedures by principle and risk assessment outcome.

Principle	Optional			Mandatory	Comments
	Applicable (#)	Selected (#)	% Audited	Audited (#) (100% Audited)	
<b>1. Commitment</b>	2	0	0	0	The WJF is a Crown unit. MNRF has numerous policy documents in place and a good training system to ensure employees are aware of and understand the policies.
<b>2. Public Consultation and Indigenous Involvement</b>	5	0 (1)	20	3	Review during the Kenora Forest Audit last year, by this same audit team found the LCC to be well-functioning, however during the course of the audit it became apparent that some attention should be directed towards review of the LCC terms of reference, therefore, although optional procedure 2.1.1 was not identified during the risk assessment, it was reviewed during the course of the audit.
<b>3. Forest Management Planning</b>	14	1	7	14	Only optional procedure 3.7.1 which is related to the endorsement of the Year three AR was selected for auditing. Several Principle 3 procedures relate to contingency plans, plan extensions and mid-plan checks, so although they are mandatory, they were not relevant for this audit as none of those planning processes were engaged in during the audit period.
<b>4. Plan Assessment &amp; Implementation</b>	3	0	0	9	None of the optional procedures was assessed as high risk as bridging operations were not relevant in the audit term, and roads invoicing was not in question.
<b>5. System Support</b>	2	1	50	0	MNRF generally has a robust training program however the audit on the Kenora Forest last year raised some concerns about underfunding, so this optional procedure was investigated.
<b>6. Monitoring</b>	5	1	20	6	Several optional procedures related to the responsibilities of the SFL holder, so they were not relevant for this audit. Screening evidence suggested that compliance auditing was in place, however a review of sample reports on FOIP indicated that there may be issues with timely submission of reports.

Principle	Optional			Mandatory	Comments
	Applicable (#)	Selected (#)	% Audited	Audited (#) (100% Audited)	
<b>7. Achievement of Objectives and Forest Sustainability</b>	0	N/A	N/A	15	All procedures are mandatory and were audited.
<b>8. Contractual Obligations</b>	1	0	0	5	Most contractual obligations are applicable to SFL holders, so there are relatively few are applicable to Crown Units.
<b>Totals</b>	32	3	9	52	

The focus of the audit was an intensive five-day site visit (Sept 9-13, 2019), which included document review, interviews and inspections of a variety of sites throughout the Forest where activities had been undertaken during the audit period. Ground-based tours took place on Sept 9 and were attended by staff of the MNRF District and Region and one FRL holder, as well as Forestry Futures Committee representatives and one representative of the LCC. Aerial inspections took place on Sept 10. The formal closing meeting for the audit took place on Sept. 20 by teleconference, at which the audit team reviewed its draft findings. In the ten-day period following the closing meeting the audit team received comments on the draft findings 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 4 shows the total amount of each key activity that took place during the audit period, and the sample size and sampling intensity in the IFA. The audit exceeded the minimum sample size specified in the IFAPP for all activities, with the overall level of sampling ranging from 10% to 81% for key activities.

The IFAPP directs the auditors to verify in the field at least 10% of the areas reviewed in a specified procedures assessment undertaken by KPMG for the 2017/18 fiscal year. AVES verified in the field 25% of the eligible silvicultural activities undertaken by MNRF.

Examples of operations were examined in each major forest unit present on the Forest, representing a range of harvest years, seasons of operation, and silvicultural treatment packages. A number of sites where renewal activities had been conducted during the audit period were visited to evaluate the appropriateness and quality of these treatments and to perform an evaluation of their effectiveness. These included sites that were site prepared, seeded, and planted, and those that were naturally regenerated.

**Table 4.** Sampling intensity of the field operations, by key feature investigated.

<b>Feature</b>	<b>Total in Audit Period</b>	<b>Total Sampled</b>	<b>Sample Intensity %</b>
Harvest (ha) <sup>a</sup>	1865 ha	500	26.8
Mech Site Preparation (ha) <sup>a</sup>	657.5	375.7	57.1
Natural Regeneration (Clearcut) <sup>a</sup>	921.3	304.5	33.0
Planting (ha) <sup>a</sup>	703.8	253.6	36.0
Seeding (ha) <sup>a</sup>	67.5	55	81.4
Ground Spraying (ha) <sup>b</sup>	66	15	22.8
Free-to-Grow Assess (ha) <sup>a</sup>	37456	4133.5	11
2017/2018 FRT Areas (ha)	414	103.4	24.9
Primary and Branch Rd. Const. (km)	11.7	~8.0	~68.3
New Crossings & Culverts (#) <sup>a</sup>	83	17	20.4
Aggregate Pits (#) <sup>a</sup>	29	7	24
AOCs (types)	61	6	10

a – includes area/number from the first four years of audit period and estimate for the fifth year

b – includes area from first four years of audit period only – none is planned for fifth year

The table is intended to portray an approximate level of effort only. There are several factors that preclude too-precise an interpretation of the figures presented in the table. Although we viewed many individual harvest and/or treatment blocks during the field inspection portion of the audit, more than one aspect of forest management was inspected at some sites. For example, at sites where harvesting had taken place, harvest practices, road construction, AOC protection, site preparation, and regeneration activities may all have been inspected. Finally, of the area figures shown above, it should be noted that we did not inspect every hectare of the blocks we visited – such a level of effort would not be feasible.

***Input to the Audit from Indigenous Communities***

There are 13 Indigenous Communities with traditional territory in the Whiskey Jack Forest. The audit team contacted and invited all communities with requests for interviews. Ten communities provided some comments and comments from the six that provided substantial input are summarized below.

<b>Indigenous Community</b>
Animakee Wa Zhing No. 37 First Nation
Métis Nation of Ontario - Region 1 Consultation Committee
Asubpeeschoseewagong Netum Anishinabek
Naotkamegwanning First Nation
Niisaachewan Anishinaabe Nation
Northwest Angle No. 33 First Nation
Obashkaandagaang
Ojibways of Onigaming First Nation
Wabaseemoong Independent Nations
Wabauskang First Nation
Wauzhusk Onigum Nation
Lac Seul First Nation
Eagle Lake First Nation

### **Asubpeeschoseewagong Netum Anishinabek (ANA)**

There is a long history between ANA and the Ontario government and the forest sector which is beyond the scope of this report. In meeting with the community, the auditors were advised that the Land Declaration which the ANA publicly released on October 10, 2018 contains a statement of the ANA perspective on the management of the forests of their traditional territory.

The Land Declaration states that the ANA traditional territory is an Indigenous Sovereignty Protected Area and asserts ANA self-determination over land use in its territory. This includes a ban on industrial logging, hydro damming, mineral staking, and mining. After a judicial review, in 2017 MNRF committed to no harvesting in the ANA Land Declaration area for the duration of the FMP.

The Community does not accept the provincial Forest Management Planning process. They feel the FMP process cannot resolve a significant land-use conflict. ANA is actively working towards a new discussion table between the Federal Government, the Ontario government and ANA. They note that they would engage with other forest users and communities in the development of this new land use designation.

Other comments from the Community included:

- Logging impacts water quality and mercury and calcium levels in water;
- Logging affects beaver and American marten;
- Moose decline is related to logging;
- Soil quality is affected;
- Biodiversity is affected;
- There are concerned about an increase of non-native hunting;
- They are concerned about the lack of road maintenance and note that this concern is shared in the non-native community too; and
- They are concerned about land use permits being issued on the ANA Land area to non-natives.

### **Lac Seul First Nation**

The Lac Seul First Nation has business dealings with a wide range of companies, sectors and other First Nations. They pointed out that they are named as having traditional territory on seven forests: Lac Seul Forest, Caribou Forest, Dryden Forest, Red Lake Forest, Trout Lake Forest, Wabigoon Forest, and Whisky Jack Forest. The WJF planning cycle follows a similar schedule as for the other Forests, so they always end up with conflicting meetings about the same subject on different Forests. They have some capacity to participate (through New Relationship Funding provided by MNRF), but because of the number of forests, they just cannot attend all the meetings and sessions to which they are invited. They stated that being offered the opportunity is not genuine consultation when there are dozens of meetings with conflicting schedules. They stated that the system for deciding which communities are to be consulted should be rationalized. They note that right now, communities that are far away and have minimal interests are asked to be involved, but this just causes confusion and little real progress is made and that a better approach is shared territory agreements between First Nations. Lac Seul FN adopted this protocol to streamline overlapping meeting requirements when dealing with mining companies and found it helpful. The First Nation stated that MNRF should look at facilitating this approach.

### **Métis Nation of Ontario Region 1 Consultation Committee**

In a discussion with a senior MNO representative there were several points made about the inadequacy of the consultation efforts by MNRF that apply to the term of the audit and Phase 2 planning specifically. The following are comments made to the audit team by a representative of MNO.

- No consultation - The Government expects untrained volunteers to participate and represent the MNO. In the last plan, there was a volunteer on both the planning team and the LCC. This did not follow the MNO consultation protocol. It is not meaningful consultation.
- Volunteers - The MNO volunteers attended meetings to monitor what is happening but may not be trained in that area. MNRF does not help with capacity and should not claim that they have done due diligence.
- Notification - MNO get notices of opportunities to contribute, but this and other administrative requirements of the FMP do not make for meaningful consultation. MNRF tells MNO that documents are open for comment, but without support using the MNO protocol, this is not meaningful.
- Progress - There has not been substantial progress related to relationship-building and consultation in the five years since Phase 2 planning commenced for the WJF.
- Treaty - MNO does not get the same support as First Nations. The organization would like parity with how First Nations are treated.
- System - The silo approach that MNRF uses to engage Indigenous People means that there is a different approach for every sector (aggregate, mining, energy, etc.). The MNO process advocates the same system for all, and this should be the approach used by government too. MNO is concerned that the Ontario Government priority is resource extraction and is not talking to MNO meaningfully.

### **Niisaachewan Anishinaabe Nation (NAN)**

NAN has been leading in the development of the Miitigoog / Miisun model of forestry in the Kenora Forest and currently the Chief is the Chair of the Company. Although forestry has been the subject of much criticism in the past and still is, the audit team also heard a number of positive comments about forestry operations, and confidence that forest management is looking after community values.

The community leaders at NAN want a more proactive position on forestry from the government. They would like MNRF to be more present at public discussion and not to be afraid to speak out more widely in the Indigenous communities. Otherwise, they state that ongoing issues will continue to get worse. For one example, the community feels the risk of fire resulting from climate change is real and significant. Forestry can help address this by active management near communities. Creation of value-added jobs is acknowledged.

The community notes that misinformation about forestry is harmful and states that MNRF can use its expertise and technology to help show people effective renewal and silviculture. Communities can now see that forests are still mature and growing near to their communities and throughout the forest. The community notes that it will take an investment to do this, but the government is the lead on consultation and engagement on the WJF, and this would be a benefit.

NAN notes that Miitigoog was strongly criticized at the start of its venture in forestry and now it is accepted and viewed as being progressive.

### **Wabauskang First Nation**

Wabauskang is in an active economic growth phase at the moment. They are continuing to harvest wood and have a new mill with some value-added processing occurring. The community estimates about half of their forest values lie on the Whiskey Jack Forest. They have been proactive in considering management of values like blueberries near the community, which they have developed a habitat suitability index for, based on the Ontario Ecosystem Classification approach.

The community states that it was not consulted about imposition of the No-Harvest Zone on the Whiskey Jack Forest and notes that the designation of the Zone has had impacts on the community. As well, they note that the FMP process is causing problems in timber harvest for the community because of delays due to Individual Environmental Assessment (IEA) requests.

Currently, the main reason for MNRF meetings about forestry is for the Annual Work Schedule review. The community notes that AWS review is not really central to their concerns. More importantly, the community does not see MNRF enough; there are real benefits in the community from informal meetings. The community notes that there is a lot of misinformation regarding forest management practices being passed around and that MNRF is in a position to address this.

Several examples were provided about improvements that could be made in the relationship. “The more you sit with people...the more you understand each other. When you never meet... you never break down barriers. It works far better when you understand where you are both coming from.”

The community sees forestry as a benefit. They noted with concern that the road network is deteriorating on the forest. If it is left much longer it will not be recoverable.

### **Wauzhusk Onigum Nation (WON)**

In a wide-ranging discussion about the relationship of the community with Ontario and forestry, there were three things that came from our discussions with the community.

First, the community noted the long history of poor relationships between WON and the City of Kenora, especially with the local mills. It has led to a lack of participation in forestry. That said, the community noted that there are still traditional users of the forest and their values need to be safeguarded.

Second, the representatives commented on the lack of follow up by the government on the Royal Commission on the Northern Environment (1985). The following quote from

the Commission is an example of the point being made by WON and that the report is still relevant thirty five years later:

"The Commission recommends that until the claims of White Dog and Grassy Narrows are settled, the Government of Ontario should not grant any cutting rights to Great Lakes Forest Products Ltd., or any subsequent owner of the Dryden Mill Complex, in forest land outside existing company management units."

Finally, the community asked whether the standard for the audit procedure (IFAPP) has been consulted on with First Nations. The audit team passed the question to the government and received a reply which was given to the community.

### ***Input to the Audit from LCC members***

The audit team interviewed seven of the nine active members of the LCC and attended a meeting with the LCC as a whole in which the committee's role and the performance of the MNRF and Miisun in managing the forest were the main topics of discussion. The input from the LCC is provided in Section 4.2 and is repeated here:

- Technical discussions at the LCC are intimidating for new members, people considering membership or those with alternative opinions;
- There is a need for reinvigoration;
- There is agreement that the group would benefit from Indigenous members (there is one now);
- The group wants training and feels they would like to know how other LCCs operate;
- Current training materials are not adequate. A basic forestry presentation would help;
- The current meeting schedule ( scheduled when required) was not satisfactory to a number of people;
- The group would like to consider broader topics than just forestry; and
- The Kenora LCC Terms of Reference (TOR) is required to be reviewed annually according to its own direction. This review would include several items including membership, meeting schedule, quorum, composition, training etc.

### ***Input through Public Comment***

As part of this audit's attempt to solicit public input, a notice was placed in the Kenora newspaper (the Kenora Daily Miner) before the audit. A map of the forest was provided, a small number of questions were posed and contact information was provided. We received no input in response to the newspaper notice. We also deployed an on-line survey through the web site Survey Monkey. The survey asked 10 open-ended questions. We received two responses to the on-line survey. Both responses were complimentary of the efforts of Miisun and MNRF. No concerns beyond those already known to the audit team were identified.

## APPENDIX 5 – LIST OF ACRONYMS

ACOP	Annual Compliance Operations Plan
AOC	Area of Concern
AR	Annual Report
ANA	Asubpeeschoseewagong Netum Anishinabek First Nation
AWS	Annual Work Schedule
BFM	Balsam Fir Mixedwood Forest Unit
CFSA	Crown Forest Sustainability Act
CMX	Conifer Mixedwood Forest Unit
CROs	Conditions on Regular Operations.
FIM	Forest Information Manual
FMP	Forest Management Plan
FMPM	Forest Management Planning Manual
FOIP	Forest Operations Inspection Program
FOP	Forest Operations Prescription
FRI	Forest Resource Inventory
FRL	Forest Resource Licence
FRT	Forest Renewal Trust
FTG	Free-to-Grow
FU	Forest Unit
ha	Hectares
HMX	Hardwood Mixedwood Forest Unit
IEA	Individual Environmental Assessment
IFA	Independent Forest Audit
IFAPP	Independent Forest Audit Process and Protocol
km	Kilometres
LCC	Local Citizens Committee
LTMD	Long Term Management Direction
m <sup>3</sup>	cubic meters
MFMC	Miitigoog Forest Management Company Inc.
MNRF	Ontario Ministry of Natural Resources and Forestry
MNO	Métis Nation of Ontario
PJD	Jack Pine Dominated Forest Unit
PJM	Jack Pine Mixedwood Forest Unit
POD	Poplar Dominated Forest Unit
PRW	Red and White Pine Mixedwood Forest Unit
PSP	Permanent Sample Plot
RMAC	Red Lake District Resource Management Advisory Committee
RPF	Registered Professional Forester
RSA	Resource Stewardship Agreement
SAR	Species at Risk
SEM	Silvicultural Effectiveness Monitoring
SFL	Sustainable Forestry Licence
SGR	Silvicultural Ground Rules
SPA	Special Purpose Account
SPD	Spruce Dominated Upland Forest Unit
SPM	Spruce Dominated Mixedwood Forest Unit
ToR	Terms of Reference
WFJ	Whiskey Jack Forest

## APPENDIX 6 – AUDIT TEAM MEMBERS AND QUALIFICATIONS

<b>Auditor</b>	<b>Role</b>	<b>Responsibilities</b>	<b>Credentials</b>
Mr. Chris Wedeles	Lead Auditor, Ecologist	<ul style="list-style-type: none"> <li>• overall audit coordination;</li> <li>• oversee activities of other team members;</li> <li>• liaise with MNRF;</li> <li>• lead preparation of audit report</li> <li>• review and inspect aspects of forest management related to environmental practices, roads and water crossings, Areas of Concern, etc.</li> </ul>	B.Sc., M.Sc. (Wildlife Biology), Associate R.P.F.; 30 years wildlife and forest ecology and experience in Ontario; completed more than 45 previous independent forest audits; certified as an auditor by the Quality Management Institute.
Dr. Jeremy Williams R.P.F.	Lead Auditor, Harvest, Wood Supply and Indigenous Engagement Auditor	<ul style="list-style-type: none"> <li>• review and inspect harvesting records and practices;</li> <li>• review aspects of forest management related to forest economics and social impacts;</li> <li>• review compliance performance</li> </ul>	B.Sc.F., Ph.D. (Forest Economics), R.P.F. More than 25 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"> <li>• Review and inspect silvicultural practices and related documentation;</li> <li>• Review renewal /silvicultural success and FTG assessment;</li> <li>• review and inspect selected environmental aspects of forest management.</li> </ul>	B.Sc. Senior forest ecologist, Associate R.P.F with 35 years' experience in silviculture, forest management applications and environmental consulting in boreal Canada and elsewhere. Completed approx 30 IFAs.
Mr. Tom Clark	Indigenous Engagement and LCC Auditor	<ul style="list-style-type: none"> <li>• Assess the Indigenous engagement</li> <li>• review the performance of the LCC</li> </ul>	M.Sc. Zoology (wildlife ecology). Tom is an experienced auditor and has participated in more than 25 Independent Forest Audits from 1996 to 2018. Tom is a Board member of Westwind Stewardship and a long-serving member of the Provincial Policy Committee.