



NorthWinds Environmental Services



Final Report: Pic Forest 2022 Independent Forest  
Audit: April 1, 2014 to March 31, 2022  
February 21, 2023

**PREPARED BY**  
NorthWinds Environmental Services

King's Printer for Ontario, 2023

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# 1 EXECUTIVE SUMMARY

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The Independent Forest Audit for the Pic Forest covered an eight-year period of April 1, 2014 to March 31, 2022. Nawiinginokiima Forest Management Corporation is the sustainable forest licence holder for the management period. Until 2019, the Pic Forest was divided into two separate forest management units: the Pic River Forest and Big Pic Forest. In June 2017, a Sustainable Forest Licence was issued to Nawiinginokiima Forest Management Corporation for each of those Forests, which were then amalgamated into the Pic Forest in 2019. The Pic Forest falls within the Ontario Ministry of Natural Resources and Forestry, Wawa and Nipigon Districts and the Northeast and Northwest Regions, respectively.

With some exceptions, management planning activities in the Pic Forest were conducted in accordance with the applicable Forest Management Planning Manual. First Nation and Métis involvement and consultation was found to be not in compliance as it pertains to documentation and record keeping, complicating the assessment of First Nation and Metis consultation (two Findings). The operations were undertaken in a manner consistent with the approved plans; however, three findings were related to the harvest debris management, treatment of forestry aggregate pits, and roads and water crossings inventory. Other findings were related to the Nawiinginokiima Forest Management Corporation and District Ministry of Natural Resources and Forestry compliance programs, management objective assessment and a lack of provincial caribou management approach for the Coastal and Discontinuous Woodland Caribou Ranges.

Most recommendations from the last Independent Forest Audits for the Pic River Forest (2016) and for the Big Pic Forest (2014) were addressed appropriately. Three recommendations were not met due to ongoing issues with debris management, a lack of provincial caribou management approach for the Coastal and Discontinuous Woodland Caribou Ranges, and objective assessment in the approved 10-year Annual Report.

The audit team concludes that, with the critical exceptions noted below, management of the Pic Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Nawiinginokiima Forest Management Corporation, #553395. The forest is being managed consistently with the principles of sustainable forest management, as assessed through the Independent Forest Audit Process and Protocol. The critical exceptions to be addressed by Nawiinginokiima Forest Management Corporation and/or Ministry of Natural Resources and Forestry are as follows:

- Due to poor record keeping it was not possible to assess whether forest management planning was conducted in an open, consultive fashion with First Nation and Metis communities.
- There is lack of guidance by the Ministry of Natural Resources and Forestry with respect to Caribou management, and
- There is a lack of reporting on objective achievement as it pertains to the final year of the 2007 Big Pic Forest Management Plan.



**Signed by:** Triin Hart, Lead Auditor

**Date:** February 21, 2023



**Stamped and signed by:** Jeffrey Cameron, RPF, Auditor

**Date:** February 21, 2023

## 2 TABLE OF FINDINGS

<p><b>Concluding statement</b></p> <p>The audit team concludes that, with the critical exceptions noted below, management of the Pic Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Nawiinginokiima Forest Management Corporation, #553395. The forest is being managed consistently with the principles of sustainable forest management, as assessed through the Independent Forest Audit Process and Protocol. The critical exceptions to be addressed by Nawiinginokiima Forest Management Corporation and/or Ministry of Natural Resources and Forestry are as follows:</p> <ul style="list-style-type: none"> <li>• Due to poor record keeping it was not possible to assess whether forest management planning was conducted in an open, consultive fashion with First Nation and Metis communities.</li> <li>• There is lack of guidance by the Ministry of Natural Resources and Forestry with respect to Caribou management, and</li> <li>• There is a lack of reporting on objective achievement as it pertains to the final year of the 2007 Big Pic Forest Management Plan.</li> </ul>
<p><b>Findings</b></p> <p>Finding #1: Wawa District MNRF failed to keep complete records of their discussions with First Nation and Métis communities during the development of the 2019-2021 CP and 2021-2031 FMP, including a lack of a Report on the Protection of identified First Nation and Métis Values and a Summary of First Nation and Métis Involvement.</p> <p>Finding #2: Planning Team minutes were inadequate as they pertain to First Nation and Métis engagement.</p> <p>Finding #3: Lack of provincial caribou management approach for the Coastal and Discontinuous Woodland Caribou Ranges contributed to the 2-year delay of the 10-year Forest Management Plan.</p> <p>Finding #4: There was an estimated 3,200 ha of regular harvest area depleted prior to plan approval.</p> <p>Finding #5: The SFL holder is not managing logging debris in accordance with the Forest Management Plans and Contingency Plans during the audit period.</p> <p>Finding #6: The SFL holder was not in compliance as it pertains to the progressive rehabilitation of Forestry Aggregate Pits.</p> <p>Finding #7: The roads and water crossings inventory is incomplete.</p> <p>Finding #8: MNRF District does not have an effective compliance monitoring program.</p> <p>Finding #9: The SFL Annual Compliance Plan has not been developed to effectively assess program compliance and its effectiveness in accordance with the approved Forest Management Plan.</p> <p>Finding #10: NFMC's electronic submission of FOIP reports was not in accordance with timelines specified in MNRF procedures and the FIM.</p>

Finding #11: The SFL holder reported activities in the 2020/21 Annual Report did not reflect the actual activities.

Finding #12: The Big Pic final year Annual Report does not provide an appropriate assessment of objective achievement for the 2007 FMP, due to plan end values not being determined for certain indicators.

## 3 INTRODUCTION

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### 3.1 AUDIT PROCESS

Independent Forest Audits (IFAs) are a requirement of the Crown Forest Sustainability Act (S.O. 1994, c. 25) (CFSA). These assess licence holder and Ministry of Natural Resources and Forestry (MNRF) compliance with the Forest Management Planning Manual (FMPM) and the CFSA in conducting forest management planning, operations, monitoring and reporting activities. The audit also assesses the effectiveness of forest management activities in meeting the objectives set out in the forest management plan (FMP). Every forest management unit within Ontario Managed Forest is required to be audited by an independent audit team in every ten to twelve years. The key source of direction for the IFA comes from the Independent Forest Audit Process and Protocol (IFAPP)<sup>1</sup>.

IFAs are governed by eight guiding principles as described in the 2021 IFAPP:

1. Commitment,
2. Public consultation and First Nation and Métis involvement and consultation,
3. Forest management planning,
4. Plan assessment and implementation,
5. System support,
6. Monitoring,
7. Achievement of management objectives and forest sustainability, and
8. Licence and contractual obligations.

IFAPP includes a set of audit protocols that are designed to provide a systematic review of the forest management and operational activities in Ontario forest management units. **Findings** arise from audit team observations of material non-conformances and the identification of situations in which there is a significant lack of effectiveness in forest management activities. Similarly, the audit team may highlight **best practices** for the cases where auditees' actions go above and beyond legal requirements and result in positive outcomes for forest and communities. The audit reports and action plans to address the findings are published at the Ontario Government website: <https://www.ontario.ca/page/independent-forest-audits>. Progress towards to the completion of actions will be reported on in annual reports available through the Natural Resources Information Portal: [https://nrip.mnr.gov.on.ca/s/nrip-busline?language=en\\_US](https://nrip.mnr.gov.on.ca/s/nrip-busline?language=en_US).

In the Pic Forest, the auditees include the licence holder Nawiinginokiima Forest Management Corporation (NFMFC), Wawa District MNRF, Nipigon District MNRF, Northeast Region MNRF, Northwest Region MNRF and Corporate MNRF. The Independent Forest Audit for the Pic Forest covered a eight-year period of April 1, 2015, to March 31, 2022. The audit was led by NorthWinds Environmental Services, a forestry and environmental services firm based out of

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<sup>1</sup> Ontario Ministry of Northern Development, Mines, Natural Resources and Forestry. December 2021. Independent Forest Audit Process and Protocol. Copyright ©Queens Printer.



Thunder Bay, Ontario. The audit team members, their roles and qualifications are described in Appendix 6.

At the onset of the audit, the audit team conducted a forest management unit risk assessment to verify that the subset of optional audit protocols included in the IFAPP will enable thorough review of management and operations of the Pic Forest. The applicability of additional protocols based on potential issues identified during the preliminary document review and interviews was assessed. Eleven additional protocols were included in the audit in consideration of the planning process that was undertaken partially under Covid-19 restrictions, delays in Forest Resource Inventory delivery, lack of a woodland caribou range management plan for the coastal and discontinuous ranges, MNRF staff turnover, and management objective assessment.

The Pic Forest was formed in 2019 through the amalgamation of the Pic River Forest and Big Pic Forest. As such, there are two previous IFA reports relevant to this audit: the Big Pic Forest IFA report covered the period of 2009-2014, and the Pic River IFA report covered the period of 2011-2016. The audit team reviewed the previous IFA reports, associated action plans and status reports.

The Pic River Forest IFA included 13 recommendations and the Big Pic Forest IFA 15 recommendations. Through the audit, it was verified that the action items were appropriately developed and implemented for most recommendations, with the following exceptions that were associated with a number of findings within this IFA:

- Pic River Forest Recommendation #5: Corporate MNRF shall fulfill its commitment to develop a management strategy for discontinuous woodland caribou range to enhance connectivity between the northern continuous range and southern coastal Lake Superior populations. MNRF shall also provide appropriate assistance to planning teams for incorporating the strategy into future FMPs.
  - Please see **Finding #3**
- Big Pic Forest Recommendation #4: NFMC must ensure that all harvested areas are assessed for debris and slash management in accordance with the direction of the 2007 FMP.
  - Please see **Finding #5**
- Big Pic Forest Recommendation #13: NFMC and District MNRF must be more diligent in the review of ARs to ensure that the reports and associated products meet all FIM and FMPPM requirements.
  - Please see **Finding #12**

The audit solicited First Nation and Métis, stakeholder and public input through advertising in media outlets and social media, and utilising the forest management planning mailing list. A thorough review of documentation and records associated with management of the Pic Forest during the audit term was undertaken. The field audit was conducted from October 3<sup>rd</sup> to 6<sup>th</sup>, 2022. The field audit included two truck days and one helicopter day. At minimum, 10% of all activities taking place in the Management Unit during the audit period were visited, including

harvest related operations, different silviculture treatments, road building and maintenance, water crossings and forestry aggregate pits.

This report describes the audit team’s findings in relation to the eight IFA principles listed above. Detailed findings can be found in Appendix 1. Reviews of the achievement of objectives and contractual obligations are summarized in Appendices 2 and 3, respectively. More detailed information on the audit process, including management unit risk assessment, field audit sampling, consultation, etc. can be found in Appendix 4. A list of acronyms is presented in Appendix 5. Audit team members and their qualifications are presented in Appendix 6.

### 3.2 MANAGEMENT UNIT DESCRIPTION

The Pic Forest was formed from an amalgamation of the Pic River Forest and the Big Pic Forest in 2019. The forest covers an area of 11,318 km<sup>2</sup> of Crown lands. The main tree species present on the landscape are jack pine, trembling aspen, black spruce, white spruce, balsam fir, eastern white cedar, tamarack, white birch, and balsam poplar. The forest crosses two MNR regions and districts (Figure 1), with the Wawa District taking the lead on forestry matters. The licence holder on the Pic Forest is NPMC. In April 2013, NPMC became the first Local Forest Management Corporation in Ontario to be established pursuant to the Ontario Forest Tenure Modernization Act, 2011.

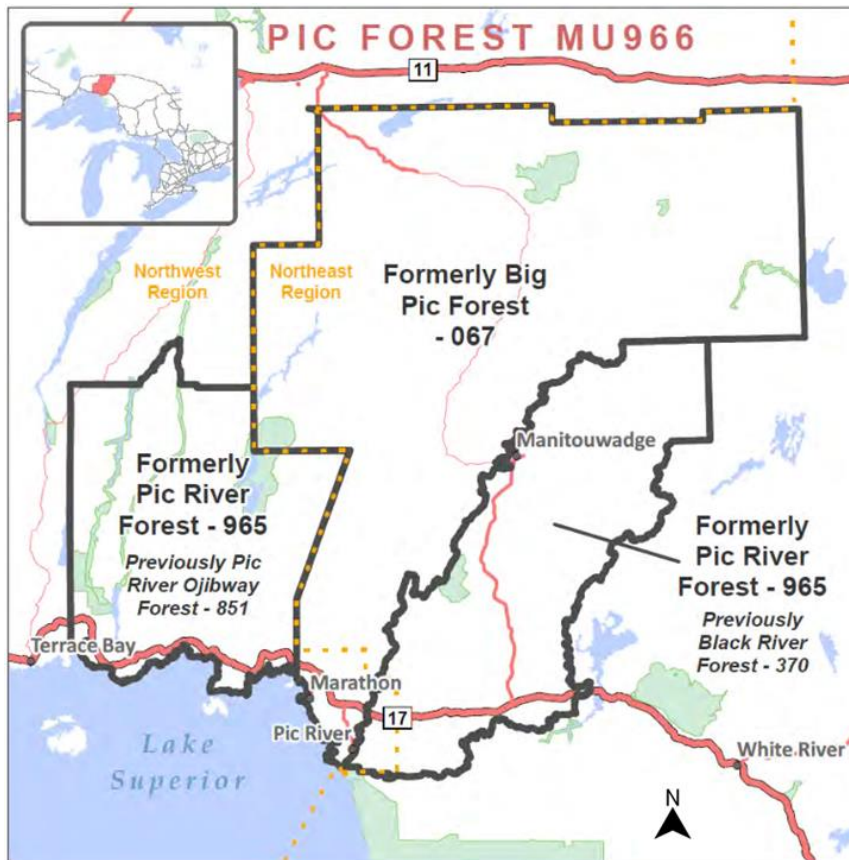


Figure 1. Location of Pic Forest and former units.

The Pic Forest is split between 3 distinct zones as it pertains to Woodland Caribou habitat management. The northern portion of the Forest is located within the Northern Continuous zone, whilst the central portion is in the Discontinuous zone and the southern portion in in the Coastal Zone. With the 2021 FMP, the Dynamic Caribou Habitat Schedule (DCHS) was extended to the discontinuous zone to encourage movement of animals between the Coastal range and continuous zone.

There are eleven First Nation and Métis communities within or adjacent to the Forest that were consulted during the preparation of the 2021-2031 Pic Forest Management Plan:

- Constance Lake First Nation;
- Ginoogaming First Nation;
- Netmizaaggamig Nishnaabeg (Pic Moberg First Nation);
- Long Lake #58 First Nation;
- Pays Plat First Nation;
- Hornepayne Aboriginal Community;
- Biinjitiwabik Zaaging Anishnabek (Rocky Bay First Nation);
- Bingwi Neyaashi Anishinaabek (Sand Point First Nation); and
- Biigtigong Nishnaabeg (Pic River First Nation)
- Métis Nation of Ontario, Region 2
- Red Sky Métis Independent Nation

There are no consistent/significant overlapping FRLs on the Pic Forest. NFMC typically requests unique harvest approvals for each of the common destination mills, some of which have their own contractors, including AV Terrace Bay, Lecours Lumber, Columbia Forest Products, Hornepayne Lumber, and White River Forest Products. Additionally, there is a high output harvesting contractor previously called B&M, now named Manitouwadge Contracting. NFMC also employs the Biigtigong Nishnaabeg contractor MKWA primarily for road building and special projects (e.g. slash pile burning).

Temporary mill closures and ownership changes occurred at the pulp mill in Terrace Bay, and the lumber mills in White River and Hornepayne following the 2008 economic downturn. The decline in fibre demand resulted in reduced harvest operations across the province. During the Covid-19 pandemic, an increased demand was observed for dimensional lumber, board, panel products, and to a lesser extent for pulp and paper markets. This increased demand has yet to have much impact on the contractor labour force on the Pic Forest or mill production, both of which are influenced by many other variables, such as labour availability and hauling capacity.

## 4 AUDIT FINDINGS

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### 4.1 COMMITMENT

NFMC's commitment is reflected in its policy statements (<https://nfmeforestry.ca/>) and in its adherence to legislation and policies. Since 2014, NFMC also holds a certificate under the Forest Stewardship Council's (FSC®) National Forest Stewardship Standard of Canada on the Pic Forest.

The MNRF's commitment to sustainable forest management demonstrated through the adherence and implementation of Ontario's forest management policy framework, consistent with the requirements of the CFSA. These policies are communicated to the resource users and the public through public consultation and engagement processes undertaken by MNRF. MNRF maintains a public website where these commitments are available:

<https://www.ontario.ca/page/forestry>. However, concerns regarding First Nation and Métis consultation, monitoring, and compliance programs were identified (**Finding #1, Finding #2, Finding #8**). These are addressed under Principles 2 and 6. The exception also included a lack of woodland caribou conservation guidance in Coastal and Discontinuous Distribution Ranges that contributed to delays in the planning process (**Finding #3**).

### 4.2 PUBLIC CONSULTATION, AND FIRST NATIONS AND MÉTIS COMMUNITY INVOLVEMENT AND CONSULTATION

The public consultation process for the plan and amendments were effective and met the requirements of the Forest Management Planning Manual (FMPM). Several opportunities for stakeholders to consult with MNRF and NFMC were provided as per FMPM, and the public consultation records in the 2019 CP and 2021 FMP indicated that there was a strong interest from different community groups. NFMC's Facebook page was regarded by the members of the Local Citizens Committee, referred to as the Pic Forest Public Consultation Committee (PFPC), and public as a valuable medium for information sharing and seemed to attract a good number of visits with posts shared multiple times when viewed by the auditors.

The FMP accommodated local issues with some remaining concerns. Utilization of poplar and harvest slash treatments were mentioned on several occasions by the interviewed members of the public. Poplar utilization was found to be in accordance with the Hardwood Utilisation Strategy in the FMP, however, there was one finding around slash management (**Finding #5**). Herbicide spray, harvest impacts on traplines and perceived negative socio-economic impact from the implementation of woodland caribou habitat management approach were also brought up in the public comments.

There are 11 First Nation or Métis communities and/or organisations associated with the Pic Forest. These communities were invited to participate in the forest management planning process for the 2019-2021 CP and 2021-2031 FMP development. The level of participation varied by communities with representatives from Biigtigong Nishnaabeg, Netmizaaggamig Nishnaabeg, Long Lake #58, Ginoogaming First Nation, Métis Nation of Ontario Region 2, and Red Sky Métis Independent Nation participating at various capacities at planning team meetings.

Evidence brought forward demonstrated that some information centres, Desired Forest and Benefits Meetings, and communication with individual members took place. Additionally, protection measures were developed for several values brought forward by Biigtigong Nishnaabeg and Red Sky Métis Independent Nation. Red Sky Métis Independent Nation also expressed general satisfaction with the engagement. However, due to poor record keeping, minimal planning team minutes, and limited documentation as required by the FMPM, the auditors were unable to determine that the consultation process met FMPM requirements. According to the District, limited documentation was attributed in part to a District server crash, computer updates for several staff, staff retirement, illness, and staff turnover.

- **Finding #1: Wawa District MNRF failed to keep complete records of their discussions with First Nation and Métis communities during the development of the 2019-2021 CP and 2021-2031 FMP, including a lack of a Report on the Protection of identified First Nation and Métis Values and a Summary of First Nation and Métis Involvement.**
- **Finding #2: Planning Team minutes were inadequate as they pertain to First Nation and Métis engagement.**

Remaining concerns were identified by Biigtigong Nishnaabeg relating to operations on certain waterways that were not taken into consideration during the development of the 2019 CP and 2021 FMP. The auditor assessment of this concern was significantly complicated due to poor record keeping (**Findings #1 and #2**) and limited evidence provided by MNRF and NFMC during the audit. This resulted in prolonged discussions with the auditees and Biigtigong Nishnaabeg over a draft finding that stated that the 2019 CP and 2021 FMP were approved with an apparent outstanding contentious issue that was not taken into consideration during the development of the 2019 CP and 2021 FMP. Eventually, two proposals prepared by NFMC were shared with the audit team that proposed protection measures on waterways (dated as of July 23, 2018, and May 5, 2021). NFMC also showed several emails to and from Biigtigong Nishnaabeg that demonstrated ongoing communication. As such, the auditors concluded that NFMC made efforts to engage the community to find a solution for waterways protection during the development of 2019 CP and 2021 FMP.

The Pic Forest Local Citizens Committee operates under a name of Pic Forest Public Consultation Committee (PFPC). PFPC represents well-balanced interests in terms of stakeholder groups; however, the majority of the PFPC members are based out of Manitouwadge. It was discussed that an active recruitment process is ongoing. The PFPC member interviews and meeting document review indicated that the meetings were well run and informative. Some members felt that their concerns on poor utilization practices and slash treatments were not taken into consideration when brought forward at the PFPC meetings. Slash management was identified as a management issue in this IFA (**Finding #5**).

The two final years of the 2021-2031 FMP development were undertaken under the COVID-19 restrictions with planning team meetings, PFPC meetings and information forums moving to an online format. Covid-19 resulted in low number of meetings with only two meetings held in 2019-2021. The online format was not supported by most interviewed PFPC members. In 2021/2022, the meeting frequency resumed to the 2018 level with 3 meetings held.

### 4.3 FOREST MANAGEMENT PLANNING

The audit team reviewed the development of the following Forest Management Plans.

- Preparation of the Pic River Forest 2017-2019 Contingency Plan (CP)
- Preparation of the Big Pic Forest 2017-2019 CP
- Preparation of the 2019-2021 Pic Forest CP
- Preparation of the 2021-2031 Pic Forest FMP

Annual Work Schedules (AWS), and Annual Reports (AR) within the audit term (2014 to 2022) were also reviewed. The planning requirements have been met in accordance with applicable FMPMs and the Forest Information Manual (FIM).

The CP and FMP incorporated the protection measures for Species at Risk (SAR). The Pic Forest is split between 3 distinct zones as it pertains to the Woodland Caribou habitat management (Figure 2):

- The northern portion of the Forest is located within Northern Continuous zone
- The central portion is in the Discontinuous zone
- The southern portion in in the Coastal Zone

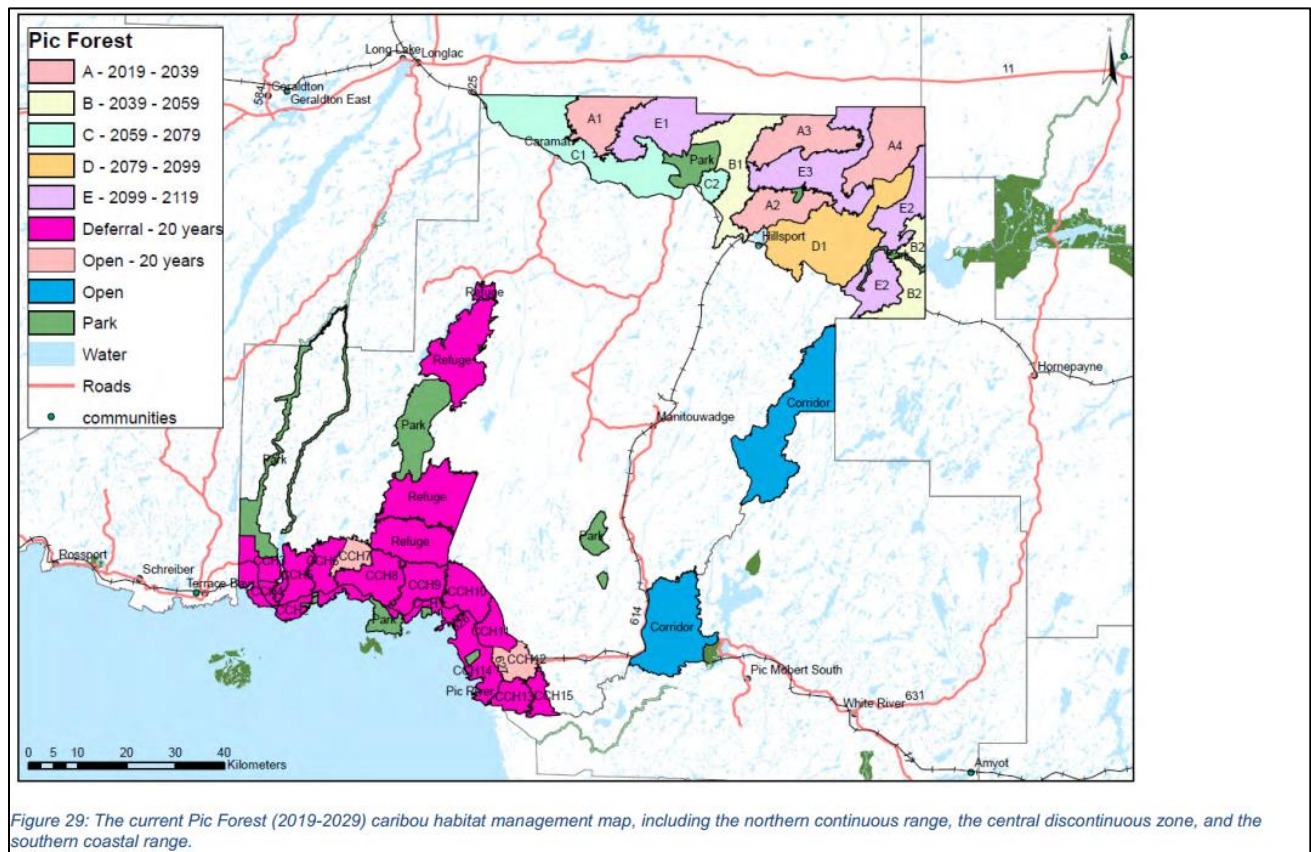


Figure 2. A map from the 2021-2031 Pic Forest FMP Supplemental Documentation.

The Continuous zone is managed according to the Dynamic Caribou Habitat Schedule (DCHS) that was established during the development of the 2021 FMP. Further, the FMP incorporated Simulated Range of Natural Variation (SRNV) targets for winter and refuge habitat as provided in the Boreal Landscape Guide<sup>2</sup>. In the Discontinuous and Coastal zones, there was no caribou habitat conservation guidance available. Through the interpretation of available higher level policies such as the Caribou Conservation Plan, the Planning Team created a caribou corridor with enhanced silviculture and other requirements, and deferred areas for a further 20 years; these areas were largely already deferred under the previous 2013 FMP for the Pic River Forest. These discussions were time-consuming due to the disagreements between planning team members. The issue was also brought to the steering committee. Whilst the planning team followed the process available to them under the FMPM, by the time of the steering committee decision, the planning process was delayed, and the planning team decided to develop a 2-year CP instead of the 10-year FMP. **Finding #3: Lack of provincial caribou management approach for the Coastal and Discontinuous Woodland Caribou Ranges contributed to the 2-year delay of the 10-year Forest Management Plan.**

For other SAR, the direction of Stand and Site Guide<sup>3</sup> was appropriately included in the 2019 Pic Forest CP and the 2021 Pic FMP.

Both the contingency plan and the FMP included Area of Concern (AOC) prescriptions that were prepared in accordance with applicable FMPM direction.

The Silvicultural Ground Rules (SGRs) were developed according to the FMPM requirements and resulted in a renewal program capable of achieving its purpose of bringing harvested areas back into a productive land base.

#### 4.4 PLAN ASSESSMENT AND IMPLEMENTATION

A representative sample of harvest areas were assessed during the field audit both on the ground and from the air. Harvest levels were lower than planned throughout the term of the audit for a variety of factors. Fluctuating market conditions of NFMC's products such as market pulp, veneer and lumber, the COVID pandemic and lack of markets for utilization of hardwood contributed to a consistent underharvest of the planned allocations. In general, annual harvest achievement by area was about one third of that planned, while annual achievement by volume was about one quarter during the audit period. The auditors attribute the main difference to the increased annualized harvest of higher volume forest units in the first 4 years of the Pic River FMP and first 7 years of the Big Pic FMP and the increased harvest of lower volume stands during the audit period.

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<sup>2</sup> OMNR. March 2014. Forest Management Guide for Boreal Landscapes. Toronto: Queen's Printer for Ontario. 104 pp.

<sup>3</sup> OMNR. 2010. Forest Management Guide for Conserving Biodiversity at the Stand and Site Scales. Toronto: Queen's Printer for Ontario. 211 pp.



**Table 4-1: Planned harvest vs actual harvest in the Forest by area and volume during the period 2014-15 to 2020-21 (No data available for 2021-22).**

<b>Harvest by Area and Volume</b>	<b>2014-15 to 2020-21</b>
Planned Harvest Area	13,014 ha/year
Actual Harvest Area	4,794 ha/year
% of Actual to Planned Harvest Area	37%/year
Planned Harvest Volume (All Species)	1,774,774 m3/year
Actual Harvest Volume (All Species)	462,569 m3/year
% of Actual to Planned Harvest Volume	26%/year

Harvest operations were implemented consistent with the approved FMP and associated AWSs. While no issues were specifically identified during the field assessment, evidence from the Forest Operations Information Program identified small incursions into unallocated forest during the audit period. These instances are being managed through operational issue management. Forest Operations Prescriptions were consistent with the forest types encountered and implemented effectively.

Area of concern boundaries and prescriptions were appropriately mapped and implemented as observed during the field audit. Harvest operations were effective in protecting known values on the forest. Residual forest requirements are being followed, including the retention of wildlife trees in clearcut harvest areas. No areas of rutting or other site disturbance were noted during the field audit.

Late in the 2021 FMP planning process, the planning team was made aware that approximately 3,200ha of planned regular harvest allocations were projected to be harvested prior to the implementation of the 2021 FMP. Therefore, the 2021-2031 FMP had approximately 3,200 ha allocated as Regular Harvest which was depleted prior to plan implementation. The 2021 FMP text indicates that an updated Forecast depletion layer was not created or submitted for draft and final plan. This created the following issues:

- Challenges associated with operational planning (i.e., allocations of previously harvested area as regular harvest);
- Resulted in the need for the planning team to pre-identify areas of contingency wood for re-allocation – see section 4.3.8.1 of the 2021-2031 FMP text;
- Planned harvest volume for the 10-year FMP is over-estimated due to actual volume being harvested under the 2019-2021 Contingency plan.

The planning team selected pre-identified contingency wood that would later be amended into the FMP to replace the “approved regular harvest” that was already depleted prior to the FMP approval. At the time of the audit, no amendment to replace the 3,200ha had occurred. For this reason, the 2021-2031 FMP currently has approximately 3,200 ha of regular harvest area which is contributing to the planned harvest volume of the FMP (available volume). This volume is not actually standing timber and therefore not available. For this reason, the planned harvest volume documented in the FMP tables is overestimated. Overestimating planned



volumes is an inaccurate representation of the available volume on the forest and will have implications in the year five- and final-year annual report where assessing the difference between the target and actual levels achieved for harvest volumes is required. **Finding #4: There was an estimated 3,200 ha of regular harvest area depleted prior to plan approval.**

#### 4.4.1 Debris Management

Observations during the field audit found the harvest operations to be in compliance with FMP, with the exception of Appendix 1, **Finding #5: The SFL holder is not managing logging debris in accordance with the Forest Management Plans and Contingency Plans during the audit period.** Although there were some areas where debris management was completed successfully, usually by aligning slash piles to create planting sites, it was observed in the majority of sites visited that the landings were not being renewed using the most applicable SGR.

#### 4.4.2 Access

During the field audit, the audit team assessed a representative sample of access road construction and maintenance activities, including water crossing installations and forestry aggregate pits (FAPs). Road construction activities were conducted in conformance with the requirements of the FMP and were within the corridors or operational road boundaries approved by the FMP and associated AWSs.

Eleven water crossing AOCs were assessed during the field audit. Prescribed harvest buffers were in place and right-of-way widths were adhered to. Proper structure lengths and culvert sizes were installed at all locations. All the water crossings visited were functioning and no damage to streambeds or riparian areas were noted.

Nine forestry aggregate pits (FAPs) were assessed during the field audit. None of these FAPs were active at the time of the audit. However, not all sampled FAPs were being operated in compliance. The issues observed included not removing trees within 5 m of excavation face and excavating within 15 m of the roadway. Most sampled FAPs were older and near being exhausted of material, with slopes left at an angle of repose. However, there appears to be no strategy to rehabilitate these FAPs, which led to **Finding #6: The SFL holder was not in compliance as it pertains to the progressive rehabilitation of Forestry Aggregate Pits.**

The auditors also identified issues with NFMC's inventory of roads and water crossings, particularly as it pertains to not reporting on certain crossings and an agreement with MNRF regarding what roads and water crossings do not 'exist' anymore, due to the fact that they are no longer accessible. Without a completed inventory of all existing roads and water crossings it is not possible to meet the monitoring standards of the FMP, which led to **Finding #7: The roads and water crossings inventory is incomplete.**

#### 4.4.3 Renewal

During the field audit, the audit team visited sites where silvicultural treatments, such as mechanical site preparation and planting, had occurred to establish a conifer dominated forest unit as prescribed in the SGR. Some of these sites had poplar regeneration outcompeting conifer target species such as jack pine and spruce. Tending is needed on these sites to achieve

the desired species composition outlined in the SGR; however, during development of the 2022 spray plan, 23 blocks were identified to be within a 1 km zone where the use of herbicide was not going to be permitted to protect certain values. NFMC agreed to remove these blocks from the 2022 spray plan. This did not result in a finding due to the development and implementation of the 2022 spray plan being outside of the April 1, 2014 – March 31, 2022 audit period. Through discussions in the field with NFMC, it is recognised that in light of this new development, SGRs within the 1km buffer will need to reflect the new reality of no herbicide being permitted to treat competitive sites and a more aggressive tending program will likely be needed outside of the 1 km buffer to maintain conifer forest units on the Pic Forest landscape. The auditor recognizes that during the audit term, NFMC’s silviculture program within the 1 km zone was appropriate.

Table 4-2 to 4-4 represent annualized planned vs actual renewal activities which occurred on the Pic River, Big Pic and amalgamated Pic Forest during the audit term. Although there is a large difference between actual and planned renewal activities, the level of renewal on the Forest is in line with actual harvest levels (actual harvest levels are 37% of planned harvest the level).

**Table 4-2. Annualized planned vs actual regeneration on the Pic Forest**

<b>Forest</b>	<b>Natural</b>	<b>Natural</b>	<b>Planting</b>	<b>Planting</b>
<b>Term</b>	<b>Planned</b>	<b>Actual</b>	<b>Planned</b>	<b>Actual</b>
Pic River 2016-2019	2,377	166	1,713	487
Big Pic 2014-2019	2,769	839	2,926	2,491
Pic 2019-2021	1,516	222	1,973	3,090

**Table 4-3. Annualized planned vs actual site preparation on the Pic Forest**

<b>Forest</b>	<b>Mechanical</b>	<b>Mechanical</b>	<b>Chemical</b>	<b>Chemical</b>
<b>Term</b>	<b>Planned</b>	<b>Actual</b>	<b>Planned</b>	<b>Actual</b>
Pic River 2016-2019	1,359	310	505	7
Big Pic 2014-2019	2,022	1,997	65	12
Pic 2019-2021	1,172	813	409	169

**Table 4-4. Annualized planned vs actual tending on the Pic Forest**

<b>Forest</b>	<b>Cleaning</b>	<b>Cleaning</b>
<b>Term</b>	<b>Planned</b>	<b>Actual</b>
Pic River 2016-2019	1,075	250
Big Pic 2014-2019	2,057	1,224
Pic 2019-2021	1,645	1,639



**Figure 3: OBM – 60547. The site was planted with jack pine and spruce. Currently losing to poplar competition with no herbicide permitted due to 1km buffer.**

In addition, the following observations were made:

- In some jack pine artificially regenerated blocks, the planting density (1,800 stems per hectare) seemed high due to the amount of natural regeneration on the site. It was noted that target density and species composition could still be achieved with lower planting density.
- Tending program was effective where implemented.
- Unmanaged logging debris (**Finding #5**) limits the ability to fully regenerate some roadside locations.

#### 4.5 SYSTEM SUPPORT

Since the Pic Forest has been certified to FSC National Forest Stewardship Standard, the system support principle was optional for NFMCC under the terms of the IFAPP. The auditors found that the NFMCC staff were knowledgeable and maintained a good system of forest management records, with few exceptions regarding SFL compliance program (**Finding #9**), approving industry FOIP reports (**Finding #10**), and maintaining road and water crossings inventory (**Finding #7**).

The audit team found that Wawa District MNRF documentation control was poor, especially as it pertains to First Nation and Métis values (**Findings #1 and #2**). Issues were also identified in relation to the effectiveness of the District MNRF compliance program (**Finding #8**) and the review process of 10-year Annual Report (**Finding #12**).

#### 4.6 MONITORING

The audit team reviewed whether the monitoring program developed for the management unit, as well as associated reporting obligations, met the requirements of manuals, policies, procedures and the SFL.

#### 4.6.1 Access

Roads and water crossings are inspected and reported through the Forest Operations Information Program, which is utilized by NFMC and MNRF. NFMC conducts an annual inspection program to ensure roads and water crossings are maintained and identify where emergency repairs are necessary. Issues were identified with the roads and water crossings inventory process (**Finding #7**).

#### 4.6.2 Renewal

The Big Pic IFA identified significant gaps in the silvicultural record keeping and reporting. This was attributed to various events which include:

- SLF being returned to the Crown and subsequently transferred to the NFMC,
- SFL data not properly transferred by former SFL and/or lost,
- The closing of MNRF Manitouwadge area office,
- Multiple service providers who changed multiple times over the years.

NFMC was tasked with cleaning up the silviculture records and in 2016-2017 NFMC performed ~20,000 ha of ground surveys with the intent of capturing a true picture of current Silviculture Liability on the Forest. During these surveys, sites that met Free to Grow (FTG) standards were assigned as FTG and sites that did not meet FTG standard were prescribed appropriate silviculture intervention, given appropriate SGRs and scheduled for future FTG assessment.

It was noted that the reason why sites did not meet the FTG standards during the 2016-2017 assessment was primarily due these sites being too young (not yet FTG) and needing more time. NFMC indicated that some of the “not FTG” areas have been re-assessed in the summer of 2022 and will be reported as FTG in the 2022-2023 AR. During the field audit helicopter day, auditors visited approximately 1,500 ha of sites that were assigned as “Not” FTG during the 2016-2017 survey and the auditor’s overall assessment is that these sites were sufficiently regenerated and likely meet FTG standards at the time of the audit.

#### 4.6.3 District Compliance Planning and Associated Monitoring

District Annual Compliance Operations Plans (ACOPs) were prepared and in place during the audit period. However, it was observed that the compliance monitoring priorities of both the Big Pic and Pic River Forests rarely changed over the years. An example of a re-occurring priority throughout every ACOP was on the Big Pic Forest, which stated, *“Due to the increase in trespasses in the last few years, the MNRF Inspectors will ensure all boundaries are properly flagged, take multiple AOC measurements during their inspections and ensure harvest operations are within approved boundaries.”* A review of FOIP reports did not indicate that trespassing was a continual occurrence.

In addition, it was apparent that the SFL holder was not managing logging debris in accordance with the FMP; however, the MNRF ACOP did not make this a priority and the MNRF FOIP reports omitted identifying this as a non-compliance.

In the ACOP, the stated inspection target of completed operations was 10%. For the most part this target was met; however, in 2018-19 and 2019-20 the MNRF reported 0 inspections according to AR-6. In 2020-21 and 2021-22, the MNRF met their 10% inspection target.

These observations resulted in **Finding #8: The MNRF District does not have an effective compliance monitoring program.**

#### 4.6.4 SFL Holder Compliance Planning and Monitoring

A 10-year strategic compliance plan was in place for the relevant FMPs as well as for the 2019 CP as per the requirements of the FMPM and Forest Compliance Handbook. Annual compliance monitoring plans were also included in each approved AWS.

The current 10-year strategic compliance plan contains six broad goals. These goals and highlights of progress are as follows:

- Sustainable forest management and resource protection
- Continuous improvement
- Maximizing efficiency of forest compliance activities
- Increasing compliance with legislation
- Addressing historical compliance problems
- Human resources and training.

Progress towards these goals is being made. The SFL representatives made efforts throughout the audit term to assess and report on forest operations compliance, conducting an average of 50 inspections per year.

The Annual Compliance Plan (ACP) section titled “Compliance Performance Review” is utilized to discuss the previous year’s performance and set monitoring priorities to address deficiencies. The ACP for the 2018-19 AWS was well done, however each subsequent ACP did not contain any summary of last year’s issues and replicated the same ‘special focus’ year after year.

The Annual Compliance Plan during the last 3 years of the audit period did not review the previous year’s FOIP history and present a relevant focus on how to reduce identified issues going forward which resulted in **Finding #9: The SFL Annual Compliance Plan has not been developed to effectively assess program compliance and its effectiveness in accordance with the approved Forest Management Plan.**

### 4.7 ACHIEVEMENT OF MANAGEMENT OBJECTIVES AND FOREST SUSTAINABILITY

During the audit period, the Big Pic 2007-2017 FMP was completed and the audit team’s assessment of objective achievement for that plan is provided in Appendix 2. The 2007 FMP had 7 objectives and 25 indicators. The assessments of objective achievement by the auditor could not be effectively performed due to several indicators not having plan end levels listed in table AR-14 of the enhanced 10-year Annual Report. Not having actual plan end levels prevented the ability to compare differences between target and actual levels achieved. This led to **Finding #12: Big Pic final year Annual Report does not provide an appropriate assessment of objective achievement for the 2007 FMP due to plan end values not being**

**determined for certain indicators.** Values from the 2014 trend analysis were used to provide the objective assessment in table AR-14 which is not representative of the actual 2017 plan end. However, in some instance, some plan end values were provided within table AR-7, 8, 9, 10, 11, 12 and 13 and this allowed for the audit team to provide its own objective achievement assessment.

The 2013-2023 Pic River FMP was terminated during year-4 (2016-2017) of the plan due to the approval of a 2-year contingency plan for the 2017-2019 period. Due to the Pic River 2013 FMP not being fully completed, a year-10 enhanced Annual Report was not prepared or needed as there had already been a year-3 enhanced Annual Report prepared the year prior (outside of this audit scope) and it was determined that one additional year of operations was not going to significantly change the objective achievement already assessed in the year-3 Annual Report.

The intent of the Pic River 2017-2019 contingency plan was to facilitate the amalgamation of the Big Pic and Pic River Forest (Pic Forest) by synchronising the planning schedules and allowing more time to prepare the 10-year Pic FMP. It should be noted that the Big Pic also had a contingency plan prepared for the 2017-2019 period.

The audit team assessed the achievement of the 2021-2031 Pic FMP objectives and indicator that could be measured at the time of the audit. The 2021-2031 FMP has only been implemented for a one-year period, therefore objectives and indicators to be measured at the year five- and final-year Annual Report could not be assessed at the time of the audit. Summary of objectives assessed during plan preparation are listed below.

Assessed During Plan Preparation (24 indicators):

- Caribou - Northern Continuous Range (5 Indicators);
- Caribou - Coastal Range (2 indicators);
- Caribou - Discontinuous Zone - Caribou Habitat Connectivity (2 Indicators);
- Forest Composition (8 indicators);
- Landscape Pattern (2 indicators);
- Wood Supply (2 indicators);
- Involvement in the FMP planning process - (3 indicators).

Objective achievement documented in the Forest Management Plan demonstrated that most objectives and indicators are maintained within desired levels, have movement towards achievement or are overachieved (above the desired level). Assessments made by the planning team are consistent with assessments made by the audit team. For management objectives that are not achieving the desired levels, appropriate rationale is documented in the FMP.

#### 4.8 CONTRACTUAL OBLIGATIONS

The audit team assessed all the components of the Licensee's obligations under the Sustainable Forest License agreement such as payment of Forestry Futures and Crown Charges, Forest

Renewal Trust payment and meeting of the minimum balance, compliance planning and reporting, and Silviculture Effectiveness Monitoring. Appendix 3 provides a brief assessment of each of NFMC's contractual obligations. The evidence collected by the audit team shows that NFMC is meeting its contractual obligations, with three exceptions.

A review of FOIP inspections, with particular attention to Operational Issues and Non-Compliance indicates that FOIP reporting appears to be thorough and focussed based on regular meetings between NFMC and MNR. Operational Issues were well identified and documented with actions, however there are many pending Industry Approvals: 5 pending from 2019, 1 pending from 2021, and 12 pending from 2022 (up to March 31). In view of this evidence, the SFL holder is not approving Industry submitted FOIP reports in a timely fashion which resulted in **Finding #10: NFMC's electronic submission of FOIP reports was not in accordance with timelines specified in MNR procedures and the FIM.**

A review of the Specified Procedures Report indicated that there did not appear to be any discrepancies between the actual activity in the field as compared to what was invoiced; however, there were numerous discrepancies between actual operations and reported operations in the Annual Report as a result of clerical errors. This led the auditors to believe that the SFL holder's reporting of silviculture activity in the Annual Report was not accurate which resulted in **Finding #11: The SFL holder reported activities in the 2020/21 Annual Report did not reflect the actual activities.**

#### 4.9 CONCLUDING STATEMENT

The audit team concludes that, with the critical exceptions noted below, management of the Pic Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Nawiinginokiima Forest Management Corporation, #553395. The forest is being managed consistently with the principles of sustainable forest management, as assessed through the Independent Forest Audit Process and Protocol. The critical exceptions to be addressed by Nawiinginokiima Forest Management Corporation and/or Ministry of Natural Resources and Forestry are as follows:

- Due to poor record keeping it was not possible to assess whether forest management planning was conducted in an open, consultive fashion with First Nation and Metis communities.
- There is lack of guidance by the Ministry of Natural Resources and Forestry with respect to Caribou management, and
- There is a lack of reporting on objective achievement as it pertains to the final year of the 2007 Big Pic Forest Management Plan.

## 5 APPENDIX 1. FINDINGS

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**Independent Forest Audit – Record of finding  
Finding #1**

**Principle:** 2. Public consultation, and First Nations and Métis community involvement and consultation

**Audit Criterion:** 2.5.1 First Nations and Métis community involvement and consultation in FMPs, amendments, contingency plans

**Procedure(s):** *Review and assess whether efforts were made to engage each First Nations and Métis community in or adjacent to the management unit in forest management planning in accordance with 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 forest management planning processes.*

AND

**Principle** 5. System Support

**Audit Criterion:** 5.2 Document and record quality control.

**Procedure(s):** *Assess the auditee’s information management system processes by considering:*

- *identification of individuals or positions responsible to prepare, maintain and revise individual documents, relevant procedures and schedules;*
- *interviews with employees;*
- *control of distribution of documents, both internally and externally;*
- *control of obsolete documents;*
- *ensuring a back-up process for important documentation;*
- *availability of a current version of the relevant documents at all locations where activities essential to the effective functioning of the sustainable forest management system are performed;*
- *storing copies of all relevant documents in a central location for audit inspection; and*
- *include whether FIM technical requirements for base and values, FRI, FMPs, AWSs, amendments, annual reports are being met, including electronic submissions.*

**Background information and summary of evidence:**

First Nation and Métis engagement and consultation records are incomplete for the preparation of the 2019 CP and 2021 FMP.

The documentation provided by the District MNRF consisted of a mix of meeting notes, sign-in sheets, emails and letters. The audit team received the following documents:

- Invitations to participate for Stage 1 and Stage 4 (special note was provided that Stage 3 letters were mailed and as such no electronic versions available);
- MNRF minutes for Long Lake #58 First Nation’s Forest Desired Forest Benefits Meeting (November 23, 2017);
- MNRF combined notes (January 25, 2018) for the Forest Desired Forest Benefits Meetings with Biigtigong Nishnaabeg, Pic Mobert First Nation and Long Lake #58 First Nation.
- A mix of internal MNRF emails and emails to and from communities and NFMC to organise open houses and meetings, share planning relevant information, and send out invitations to participate in various stages of the 2021 FMP development.
- Aboriginal Task Team agendas for 3 meetings but no minutes, notes, or summaries.

- Notes from four meetings held between November 10, 2020 and January 13, 2021 with the MNRF District, the MNRF Region and Biigtigong Nishnaabeg.

According to these documents, open houses with First Nation and Métis communities took place; however, there are limited notes, minutes or correspondence with the communities for these events as well as information on how the results from these events were included in forest management planning and operations.

Evidence was provided by MNRF and NFMC for protection of community values in the following cases:

- Development of protection measures for several values brought forward by Biigtigong Nishnaabeg in the meetings taking place between November 2020 and January 2021.
- Values protection applied at the request of Red Sky Métis Independent Nation.
- Amendment 7: deferrals of several areas in the 2019 CP to protect community values brought forward by Biigtigong Nishnaabeg.
- Communication with Métis Nation of Ontario.

According to the FMPM (2017, 2020): *“During the preparation of a FMP, a number of documents related to First Nation and Métis community involvement and consultation will be prepared. These documents include a First Nation and Métis Background Information Report, a Report on Protection of Identified First Nation and Métis Values, and a Summary of First Nation and Métis Involvement.”*

The intent of the Report on Protection of Identified First Nation and Métis Values is to document how values that may be affected by the proposed forest operations in the management unit have been addressed in the planning of forest operations. The Summary of First Nation and Métis Involvement report summarises consultation, including a summary of comments or input received from each community, and a summary of planning team responses. The Report on Protection of Identified First Nation and Métis Values is also meant to act as an advisory document during the plan implementation, and needs to be updated for annual plans, FMP amendments and CPs.

The Ministry of Natural Resources Statement of Environmental Values (SEV) is a means for prescribed government ministries to record their commitment to the environment and be accountable for ensuring consideration of the environment in their decisions. The SEVs for both 2019 CP and 2021 FMP claim that these reports were updated after operational planning and reside in Wawa District.

There is no evidence that the Report on Protection of Identified First Nation and Métis Values, and a Summary of First Nation and Métis Involvement and Consultation were prepared, delivered to the First Nation and Métis communities at the required times for their review. As such, the auditors were unable to assess whether these reports (if prepared) reflected the communities and were appropriately used in production of the FMP/ appropriately reflect the FMP.

According to the District, the lack of reports was attributed in part to a District server crash, computer updates for several staff, staff retirement, illness and staff turnover.

**Discussion and Conclusion:**

Poor record keeping on engagement and lack of the Report on Protection of Identified First Nation and Métis Values significantly complicated the assessment of First Nation and Métis engagement processes during the audit period, and the assessment whether or how the concerns brought forward by the communities were addressed in the planning processes for 2019 CP and 2021 FMP. There are examples of communication that took place and values that received protection. However, there is a lack of evidence available to conclude that MNRF is in full compliance with the FMPM as it pertains to First Nation and Métis consultation.

**Finding #1: Wawa District MNRF failed to keep complete records of their discussions with First Nation and Métis communities during the development of the 2019-2021 CP and 2021-2031 FMP, including a lack of a Report on the Protection of identified First Nation and Métis Values and a Summary of First Nation and Métis Involvement.**

**Independent Forest Audit – Record of finding**  
**Finding #2**

**Principle:** 2. Public consultation, and First Nations and Métis community involvement and consultation

**Audit Criterion:** 2.5.1 First Nations and Métis community involvement and consultation in FMPs, amendments, contingency plans

**Procedure(s):** *Review and assess whether efforts were made to engage each First Nations and Métis community in or adjacent to the management unit in forest management planning in accordance with 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 forest management planning processes.*

AND

**Principle:** 3. Forest Management Planning

**Audit Criterion:** 3.1.2 Plan production activities

**Procedure(s):** 3.1.2: *Assess the effectiveness of the plan author, planning team, chair and advisors through:*

- *interviewing the plan author, members of the planning team, chair, MNRF District Manager, MNRF regional specialists (including FMP specialist, regional planning biologist, analysts), advisors and LCC members;*
- *determining whether background information provided to the planning team was sufficient to fulfill their role in planning;*
- *assessing whether issues that may affect the schedule for plan production were appropriately addressed. Consider;*
  - *issues as identified in the terms of reference*
  - *FMP summary of major issues encountered and addressed during plan preparation, and any related FMP text, including any significant disagreements among planning team members on major issues*

**Background information and summary of evidence:**

The following observations were made during the review of 2019 CP and 2021 FMP Planning Team minutes:

- Three Aboriginal Task Team meetings were held; however, no minutes were available for these meetings, nor were the summaries of these meetings described in the planning team minutes.
- Most minutes did not identify the affiliation of the participants, complicating the assessment of participation of First Nation and Métis communities and well as other planning team members in the planning process.
- Planning team minutes did not reflect any discussion around First Nation and Métis concerns brought up at Desired Forest and Benefits meetings, information centers, and other meetings, nor did they include any comments or statements made by First Nation and Métis planning team members.

**Discussion and Conclusion:**

Planning team minutes for the preparation of the 2019 CP and 2021 FMP were minimal which was especially apparent as it pertains to First Nation and Métis consultation. This raises concerns of whether the background information provided to the planning team, especially in consideration of poor record keeping as per Findings 1, was sufficient to fulfill their role in planning.

**Finding #2: Planning Team minutes were inadequate as they pertain to First Nation and Métis engagement.**

**Independent Forest Audit – Record of finding  
Finding #3**

**Principle:** 3. Forest Management Planning

**Audit Criterion:** 3.11 Contingency Plans

**Procedure(s):** 5. Consider the contingency plan proposal and overall contingency plan production and assess whether the rationale for the contingency plan was appropriate in the circumstances.

**Background information and summary of evidence:**

Pic Forest is split between 3 distinct zones as it pertains to Woodland Caribou habitat management:

- The northern portion of the Forest is located within Northern Continuous zone
- The central portion is in the Discontinuous zone
- The southern portion is in the Coastal Continuous Zone

For the Continuous zone, the intent of the Caribou Conservation Plan and Range Management Policy is delivered through the application of habitat management guidance from the Forest Management Guide for Boreal Landscapes, which includes the fine filter approach for woodland caribou habitat. This guidance has been subject to the rigorous Ontario policy development process, that includes a significant subject matter expert input and public and Indigenous consultations.

For the development of the Long-Term Management Direction of the 2019 FMP, Ontario did not yet have a management strategy for discontinuous range management to enhance connectivity between the northern continuous range and the southern coastal Lake Superior populations. As such, the planning team interpreted the intent in the Caribou Conservation Plan and Range Management Policy to develop caribou habitat management measures in these zones overlapping the Pic Forest. As the Forest overlapped both Northeast Region and Northwest Region, the biologists from both Regions were present at discussions and had their own visions regarding habitat conservation measures. The Northwest Regional Biologist was proposing creation of large deferral areas, while the Northeast Regional Biologist supported the creation of caribou connectivity corridors. The issue ended up with the steering committee, who decided to satisfy the proposals of both Biologists, despite strong opposition from the members of the public, Indigenous communities, the LCC and the Planning Team due to socio-economic impact of these large habitat management zones.

The result was a creation of a caribou corridor with enhanced silviculture and other requirements and further 20-year deferral of areas in the Coastal and Discontinuous Zones that were largely already deferred under the previous 2013 FMP for the Pic River Forest. There appears to be no long-term strategy for these 20-year deferral areas. In the current LTMD, these areas are assumed to become available after 20 years, again pointing to the issue of lacking long-term guidance for caribou conservation.

Whilst the planning team followed the FMPM process available to them, the prolonged planning team discussions due to lack of management guidance delayed the 10-year plan by 2 years, resulting in the development of the 2019 CP instead of the 10-year FMP.

The 2016 IFA for the Pic River Forest had a recommendation for corporate MNR for the Development of a Caribou Management Strategy for the coastal and discontinuous woodland caribou range to enhance connectivity between the northern continuous range and southern coastal Lake Superior populations. The 2016 Corporate Status Report marks this item as completed.

It refers to the Ontario's Woodland Caribou Conservation Plan (2009) Action 4.1.3: *Where caribou distribution is discontinuous, Ontario will look for opportunities through forest management planning and other land use planning to improve future connectivity between local caribou populations and isolated populations.* According to the Status Report, the Action 4.1.3 has been addressed as planning teams in the Northwest and Northeast Regions have incorporated objectives and conditions into FMPs to support temporary caribou occupancy and connectivity. However, as described above, this direction resulted in delay in the planning process.

In 2018, MNRF launched a consultation process on its document "Seeking Advice on the Future of Caribou in the Lake Superior Coast Range". As of 2019, Ministry of Environment assumed the responsibility for Species at Risk. However, at the time of the LTMD development, the development of the management guidance for the Discontinuous and Coastal Distribution Ranges was the responsibility of MNRF.

**Finding #3: Lack of provincial caribou management approach for the Coastal and Discontinuous Woodland Caribou Ranges contributed to the 2-year delay of the 10-year Forest Management Plan.**

**Independent Forest Audit – Record of finding**  
**Finding #4**

**Principle:** 4. Forest Management Plan Implementation

**Audit Criterion:** 4.1 Plan Assessment

**Procedure(s):** In the conduct of the field audit, verify the accuracy of inventories and modelling assumptions used in the FMP and assess whether they reflect actual conditions encountered in the field, giving consideration to: FRI update e.g., actual depletions and accruals

**Background information and summary of evidence:**

In 2017, as part of the Long-Term management Direction, the planning team identified preferred harvest areas. These areas represent 10 years of harvest and would typically be refined into 10-year regular harvest allocations as the plan progressed from strategic, to operational planning for the 2019-2029 FMP.

However, once it became obvious that a 2-year contingency plan (2019-2021) was necessary to sustain continuous operations. Two years' worth of preferred harvest areas were segregated and refined to form the 2019/21 Contingency Plan regular harvest areas.

At that time, NFMC performed an analysis to forecast the harvest that would occur in that 2-year Contingency Plan. Knowing that operational capacity limits the harvest off the Pic forest to typically 5,000-6,000ha/year, it was not reasonable to forecast that contingency plan would be entirely harvested. The analysis used industry input, and historic harvest trends to provide a conservative estimate of what would be harvested in the 2-year Contingency Plan.

The intent was that the remainder of area in the 2-year contingency plan (the areas not planned to be harvested) would be brought forward into the 2021/31 10-year FMP. However, in early summer of 2020, when the 2019 harvest was first digitized, it became obvious that the original analysis forecasting the 2019/21 harvest was not perfect. Approximately 40% (2,300ha) of the actual harvest in 2019 occurred in areas not forecast to be harvested (i.e. Were not part of the 2017 forecast harvest analysis) and therefore were planned to be regular harvest allocations in the 2021/31 10-year FMP.

According to the 2020 Forest Information Manual: *“The forecast depletions will be provided as a separate component of the planning inventory. As better information is attained, the forecast of areas to be depleted may change. This will not require a resubmission of the forecast depletions layer as part of the planning inventory submission for the planning inventory progress checkpoint, nor will it impact the long-term management direction modelling since the base model inventory will not be recreated and resubmitted unless agreed to by the planning team. Instead, the changes may be used to facilitate operational planning and the selection of stands for operations in the new plan. The changes may also be used for any spatial analysis (e.g., Ontario Landscape Tool) during operational planning. The updated forecast depletions layer will be submitted with the planning composite layer as part of the draft and final plan submissions.”*



Section 4.3.9 of the 2021-2031 Pic Forest Management Plan indicates that an updated Forecast depletion layer was not created or submitted for draft and final plan. This created the following issues:

- Challenges associated with operational planning (i.e., allocations of previously harvested area as regular harvest);
- Resulted in the need for the planning team to pre-identify areas of contingency wood for re-allocation – see section 4.3.8.1 of the 2021-2031 FMP text;
- Planned harvest volume for the 10-year FMP is over-estimated due to actual volume being harvested under the 2019-2021 Contingency plan.

The planning team did not use the 2020 FMPM to its advantage by having these areas shown as bridging. The new 2020 FMPM requirements allow no limit of bridging area to be selected by planning teams: *“areas for bridging operations will be identified from areas scheduled to be accessed and harvested in the current approved plan.”*

The last Forecast depletion layer was submitted for checkpoint 3 of the LTMD.

The FMP text indicates that an estimated 3,200 ha of planned regular harvest allocations were projected to be harvested prior to the implementation of the FMP.

The discrepancy is a result of several factors which are documented in the FMP text section 4.3.8.1. The 2021-2031 FMP indicates that an amendment would occur after the 2020-2021 AR was finalized (at the time of the audit, the 2020-2021 AR was completed and approved).

**Conclusion:**

The 2021-2031 FMP had an estimated amount of 3,200 ha allocated as Regular Harvest which was depleted prior to the plan implementation. The planning team selected pre-identified contingency wood that would later be amended into the FMP to replace the “approved regular harvest” that is already depleted.

For this reason, the 2021-2031 FMP currently has regular harvest area which is contributing to the planned harvest volume of the 10-year FMP. This area is in fact not actually standing timber and therefore the planned harvest volume documented in the FMP tables is overestimated.

Overestimating planned volumes is an inaccurate representation of the available volume on the forest and will have implications when comparing planned and harvested actual volumes in Annual Reports.

**Finding #4: There was an estimated 3,200 ha of regular harvest area depleted prior to plan approval.**

**Independent Forest Audit – Record of finding  
Finding # 5**

**Principle:** 4. Forest Management Plan Implementation

Audit Criterion: 4.3 Harvest

**Procedure(s):** Review and assess in the field the implementation of approved harvest operations

**Background information and summary of evidence:**

Harvested areas were sampled throughout the three audit field days. During the field audit, it was observed that the majority of harvest blocks had no logging debris management activity.



**Figure 4. Runnalls Lake Area – unmanaged logging debris.**



**Figure 5. Dot Lake Area – unmanaged logging debris.**



**Figure 6. Lampson Road – Loss of productive land on unmanaged logging debris from a 20-30 year old FTG stand where raspberries have colonised an old slash windrow.**



**Discussion and Conclusion:**

In speaking with NFMC staff and contractors, there was no consistent strategy in place to deal with debris prior to harvest. As a result, the debris was mostly left unmanaged at roadside, creating loss of productive land with little evidence of any regeneration occurring.

Harvest operations were conducted in compliance with all laws and regulations including the CFSA and approved activities of the FMP, including SGRs, AWS and FOPs. An exception was the loss of productive land on landings throughout the entire audit period. It became readily apparent on the field visits that sections 4.2.2.2 *Conditions on Regular Operations in regard to Loss of Productive Land* in the Pic River Phase 1 Planned Operations, 8.2.2.2 *Conditions on Regular Operations, Roads, Landings and Aggregate Pits* in the Big Pic Forest Phase 2 Planned Operations and 4.2.2.2 *Conditions for Important Ecological Features in regard to Debris Management* in the Pic Forest 2021 FMP were not being followed.

For example, in the Pic Forest 2021 FMP, 4.2.2.2 *Conditions for Important Ecological Features* in regard to debris management states:

*Conditions of Regular Operations, Roads, Landings, and Aggregate Pits*

- *Logging debris (slash) accumulated at roadside is treated through the NFMC annual silvicultural program.*
- *NFMC will discuss debris management plans with harvesting contractors prior to block start-up. Ideally, the harvesting contractor will manage their own slash, as agreed to by NFMC, reducing costs of additional programs.*
- *At a minimum, where debris management occurs, slash must be piled. However, slash may also be:*
  - *Burned or piled and burned (via a low complexity prescribed burn program)*
  - *Pushed into the ditch, if applicable. This will reduce water speed and possibility of erosion. Mainly for use on primary and secondary roads.*
  - *Dispersed back into the cut-over.*

**Finding #5: The SFL holder is not managing logging debris in accordance with the Forest Management Plans and Contingency Plans during the audit period.**

**Independent Forest Audit – Record of finding**  
**Finding #6**

**Principle:** 4. Forest Management Plan Implementation

**Audit Criterion:** 4.7 Access

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

- *select a representative sample from those areas where operations have been conducted during the audit period, from each of the years being audited, and for each type of access activity (road construction and/or decommissioning, various types of water crossings – winter, culverts, bridges, road maintenance, construction and/or removal) from primary, branch and operational roads constructed, including forestry aggregate pits for new roads and existing roads;*
- *assess whether the planned monitoring program for roads and water crossings was implemented as planned and whether it was effective in determining any environmental or public safety concerns.*

**Background information and summary of evidence:**

During the field audit, one Forestry Aggregate Pit (FAP) was observed to have minor infractions with trees within 5m of the edge, and one FAP that had excavation significantly below the ditch line within 15m of the roadway creating a safety hazard. There were two older FAPs that had steep slopes; however, they appeared to be at the angle of repose as there was no evidence of erosion occurring due to the characteristics of the soil. There was also one older FAP that appeared to be exhausted and had not been rehabilitated back to 3:1 slope or revegetated and erosion was occurring on the slope creating a safety hazard. Newer FAPs within harvest blocks appeared to be well managed and were renewed during the tree planting of the block.



**Figure 7. Runnalls Lake Area – Excavation with 15m of ditch.**



**Figure 8. Runnalls Lake Area – Old FAP in need of rehabilitation.**





**Figure 9. Gaffhook Lake area – trees within 5 m of edge.**

**Discussion and Conclusion:**

Among the sampled Forestry Aggregate Pits, the following compliance issues were observed:

- trees were observed within 5m of the excavation face, and
- there was excavating within 15m of the roadway.

Many of these sampled FAPs were older in nature and close to being exhausted of material with slopes left at an angle of repose. In conversation with NFMC, there appears to be no strategy to rehabilitate these FAPs.

4.5.7.1 Conditions on Forestry Aggregate Pits (Pic Forest 2021-31 FMP) states that *“Progressive rehabilitation of the site must be ongoing starting from the commencement of the forestry aggregate pit. If a forestry aggregate pit has not been active for a period of five years and the sustainable forest licensee confirms that future use of the pit is not required, final rehabilitation must be completed in accordance with standard 12 above within 12 months of the sustainable forest licensee’s confirmation a. Despite standard 15, if MNRF agrees that access to the pit that requires rehabilitation is not feasible within the 12-month period specified, MNRF and the sustainable forest licensee may agree, in writing, to a longer period.”*

**Finding #6: The SFL holder was not in compliance as it pertains to the progressive rehabilitation of Forestry Aggregate Pits.**



**Independent Forest Audit – Record of finding**  
**Finding #7**

**Principle:** 4. Forest Management Plan Implementation

Audit Criterion: 4.7 Access

**Procedure(s):** *Review and assess in the field the implementation of approved access activities.*

*Include the following:*

- *assess whether the planned monitoring program for roads and water crossings was implemented as planned and whether it was effective in determining any environmental or public safety concerns.*

**Background information and summary of evidence:**

There are examples of primary and branch road water crossing locations identified in Land Information Ontario (LIO) that were not found in NFMC's water crossings inventory:

- Branch, Adik Creek Road:
  - 16U 626979 5470244
  - 16U 630331 5473635
  - 16U 631828 5474682
- Primary, Bound Lake Road:
  - 16U 630118 5480796
  - 16U 631822 5479739
  - 16U 618766 5483251
  - 16U 606864 5480268
- Primary, Ottawas River Road:
  - 16U 636289 5497571
- Primary, Flanders Lake Road:
  - 16U 605595 5472076

**Discussion:** In discussion with NFMC and MNRF staff, the auditors were made aware that the water crossing inventory is not complete and that NFMC staff are adding existing water crossings to the inventory as they drive over them in their normal duties. There was an agreed upon roads inventory when the SFL was signed. However, there is a disagreement between MNRF and NFMC on additional legacy roads and whether or not these should be added.

**Conclusion:** The Pic Forest 2021-2031 FMP under Section 4.5.5 Existing Roads states: *“Roads under “continued planned use” are roads that will be used in the plan for forest management activities or that are main roads that NFMC requires for other activities. During active harvest/hauling operations; these roads will be monitored on an on-going basis to identify the need for routine maintenance or emergency repairs. When the road network is not being used to support active operations, the road network will receive a minimum of one inspection every three years. Roads classed as “limited planned use” are roads that may be used during the plan period for silviculture, survey work, or have a chance of being used in the next FMP. A minimum of one inspection every three years will be completed normally following spring run-off.”*

Without a completed inventory of all existing roads and water crossings, it is not possible to meet the monitoring standards of the FMP. As such, the current monitoring program is not effective in determining any environmental or public safety concerns.

**Finding #7: The roads and water crossings inventory is incomplete.**

**Independent Forest Audit – Record of finding  
Finding #8**

**Principle:** 6. Monitoring

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

**Procedure(s):** *Review the NDMNRF District Compliance Plans in place during the audit period (consider audit criteria 3.5.11 and 3.9.9 as well) to determine how forest management activities were to be monitored for compliance by NDMNRF 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 audit criteria, including field audits. Consider Principle 4 which includes an examination of NDMNRFs compliance information system.*

**Background information and summary of evidence:** The MNRF Annual Compliance Operations Plan and the FOIP reports submitted were reviewed in relation to the standards.

**Discussion:** During the audit period, the MNRF prepared Annual Compliance Operation Plans (ACOP). It was observed that the list of compliance monitoring priorities of both the Big Pic and Pic River forests rarely changed over the years and consistently had a high number of priorities. The Big Pic had 15 priorities and the Pic River had 13 priorities. An example of a re-occurring priority throughout every ACOP was on the Big Pic Forest, which stated, *“Due to the increase in trespasses in the last few years, the MNRF Inspectors will ensure all boundaries are properly flagged, take multiple AOC measurements during their inspections and ensure harvest operations are within approved boundaries.”* A review of FOIP reports did not indicate that trespassing was a continual occurrence.

In addition, it was apparent that the SFL holder was not managing logging debris in accordance with the FMP, (**Finding #7**); however, the ACOP did not make this a priority and the MNRF FOIP reports omitted identifying this as an operational issue.

In the ACOP, the stated inspection target of completed operations was 10%. For the most part this target was met; however, in 2018-19 and 2019-20, MNRF reported 0 inspections according to AR-6.. In 2020-21 and 2021-22, MNRF met their 10% inspection target.

In review of the two non-compliance reports in 2021 that were similar in nature (ROW width), both had the industry reports on the operational issue in October 2019. The MNRF did not verify these as non-compliance until July 2020 and a written warning letter was not issued to NFMC until June 2021. These timelines are unnecessarily long.

The following two MNRF FOIP reports from 2020 are still not finalized:

- MNRF Inspection 692654 in the Gaffhook Road CRA reported merchantable wood left at roadside on August 18, 2020. A Corrective Action was approved on August 27, 2020, however there was no follow up and a Compliance Decision that was due on October 30, 2020 is overdue and still outstanding.
- MNRF Inspection 693076 in the Pinegrove South CRA6 area reported merchantable wood left at roadside on September 29, 2020. A Corrective Action was approved on November 5, 2020, however there was no follow up and a Compliance Decision that was due on January 15, 2021 is overdue and still outstanding.

**Conclusion:** The repeating priorities year after year, and a high number of priorities is indicative of a lack of focus on what would be the real priorities as identified by last year's FOIP reports.

**Finding #8: MNRF District does not have an effective forest compliance monitoring program**

**Independent Forest Audit – Record of finding  
Finding #9**

**Principle:** 6. Monitoring

**Audit Criterion:** 6.2.1 SFL holder compliance planning and monitoring

**Procedure(s):** *Review the Ten-Year Compliance Strategy (Plan) and the Annual Plans of Action (Schedule). Determine whether:*

- *these plans have addressed requirements of the FMPM and the Guideline for Forest Industry Compliance Planning;*
- *these plans were appropriate and sufficient to assess program compliance and effectiveness;*

**Background information and summary of evidence:**

Review of FMP Compliance Strategy and Annual Compliance Plans, FOIP reports.

**Discussion:**

The SFL's Annual Compliance Plan (ACP) section titled "Compliance Performance Review" is utilized to discuss the previous year's performance and set monitoring priorities to address deficiencies. The ACP for the 2018-19 AWS was well done, however each subsequent ACP did not contain any summary of last year's issues and replicated the same 'special focus' year after year.

**Conclusion:** The Annual Compliance Plan during the last 3 years of the audit period did not review the previous year's FOIP history and present a relevant focus on how to reduce the operational issues going forward.

**Finding #9: The SFL Annual Compliance Plan has not been developed to effectively assess program compliance and its effectiveness in accordance with the approved Forest Management Plan.**

<b>Independent Forest Audit – Record of finding Finding #10</b>
<p><b>Principle:</b> 8. Contractual Obligations</p> <p><b>Audit Criterion:</b> 8.1.18 Compliance inspections and reporting; compliance with compliance plan</p> <p><b>Procedure(s):</b> <i>Refer to audit criterion 6 and related procedures (including associated direction and evidence).</i></p> <p><i>6.2.1 SFL holder compliance planning and monitoring</i></p> <p><i>Determine whether the compliance reports have been submitted electronically to the NDMNRF database in accordance with requirements including timelines specified in NDMNRF procedures and the FIM.</i></p>
<p><b>Background information and summary of evidence:</b></p> <p>Review of Ten-Year Compliance Strategy and Annual Compliance Plans.</p> <p>Review of FOIP inspections, with particular attention to Operational Issues and Non-Compliance.</p>
<p><b>Discussion:</b> Forest Compliance inspections reporting appears to be thorough and focussed based on regular meetings between NFMC and MNRF. Operational Issues were well identified and documented with actions. However, there are many Industry Approvals that are still pending. Specifically, 5 Industry Approvals are still pending from 2019, 1 is pending from 2021 and 12 are pending from 2022 (up to March 31).</p>
<p><b>Conclusion:</b> The SFL holder is not approving Industry submitted FOIP reports in a timely manner.</p>
<p><b>Finding #10: NFMC’s electronic submission of forest compliance inspection reports were not in accordance with timelines specified in MNRF procedures and the FIM.</b></p>

**Independent Forest Audit – Record of finding  
Finding #11**

**Principle:** 8. Contractual Obligations

**Audit Criterion:** 8.1.11 FRT eligible silviculture work

**Procedure(s):** *As part of the sample referred to in the procedures in audit criteria 4.4, 4.5, 4.6, using the FRT specified procedures report or other documents provided by the NDMNRF and related maps, randomly sample 10% of the area representative of FRT funded activities reported as carried out in the year of the FRT specified procedures report, normally the final year of the audit period, and:*

- *determine whether records, including maps, were maintained; and*
- *verify activities reported and mapped with actual conditions in the field.*

**Background information and summary of evidence:**

Review of the Specified Procedures Report.

**Discussion:**

There did not appear to be any discrepancies between the actual activity in the field as compared to what was invoiced; however, there were numerous discrepancies between actual operations and reported operations in the Annual Report as a result of clerical errors.

**Conclusion:**

The SFL holder's reporting of silviculture activity in the Annual Report was not accurate.

**Finding #11: The SFL holder reported activities in the 2020/21 Annual Report did not reflect the actual activities.**

**Independent Forest Audit – Record of finding**  
**Finding #12**

**Principle:** 7. Achievement of management objectives and forest sustainability

**Audit Criterion:** 7.2 Assessment of objective achievement

**Procedure(s):** Objectives from the FMP for which the assessment of objective achievement was performed in the latest relevant annual report and the auditor’s assessment of the progress towards achieving each objective considering.

- FMPM requirements which include questions and examples.
- results from reviewing and assessing the annual report assessment of objective achievement including any differences and whether rationale for these differences between planned and actual results is reasonable;

**Background information and summary of evidence:**

The year 10 Annual Report was prepared under the requirements of the 2009 FMPM. At the time of the development of the Big Pic Forest 2016–2017 year-10 enhanced Annual Report, a new inventory was not available to facilitate the assessment of the objective achievement. For this reason, the original inventory used for the development of the 2007 FMP was the appropriate information to use for the purpose of measuring Forest Diversity Objective 1.

Through interviews with the plan author, it was communicated that locating the appropriate Base Model Inventory used for the 2007 FMP was a challenge. Specifically, there were challenges in replicating the plan start levels of the 2007 FMP with the available Base Model Inventory. It was noted, however, that differences in plan start levels observed were minimal and not considered to be of any significance.

For the reasons mentioned above, actual plan end levels were not determined for objective 1 indicators and the 10-year enhanced AR (2016-2017) does not provide an appropriate objective achievement assessment. It was rationalized in the 2016-2017 enhanced AR that, in the absence of an updated forest inventory, an assessment cannot be made at this time; however, with the low level of harvest activity to date and no natural disturbances, the indicator trends will still be at or above desired levels and targets. This was the same assessment provided in the 2013-2014 trend analysis report.

The Pic Forest 2021-2031 FMP does have forest diversity objective and indicators measured at plan start, and these have been assessed through development of the LTMD prepared in 2019 (after the submission of this Annual Report).

Objective 1 and its associated indicators are listed below.

Objective #1: Forest Diversity: To develop, over time, a forest with characteristics which, to the extent possible, resemble those of a fire-driven boreal forest at both the stand and landscape level while providing for provincially and locally featured species habitat and species at risk habitat.

Indicator 1.1: Landscape Pattern

Indicator 1.2: Forest Structure, Composition, and Abundance

Indicator 1.3: Amount and Distribution of Mature Forest.

Indicator 1.4: Amount and Distribution of Old Growth Forest.

Indicator 1.5: Area of Habitat for Forest-Dependent Provincially and Locally Featured Species.



Indicator 1.6: Area of Habitat for Forest-Dependent Species at Risk.

There are also several indicators in table AR-14 of the enhanced AR where actual plan end values were not updated from the 2014 Trend Analysis Report. Indicators where this is applicable are listed below. The actual values used in the assessment in table AR-14 are from the 2014 trend analysis report and not the updated actual plan end levels that would include the additional three years of forestry activities of the 2007-2017 FMP. Some of these values are updated and correctly represented in the other Annual Report Tables (i.e., AR-7 and AR-8) and it appears that assessment in the Annual Report Text references the actual plan end (2017) for some indicators.

The following is the list of indicators in table AR-14 that have not been updated to plan end levels for the assessment of the objective achievement for the 2007-2017 FMP.

Indicator 2.1: Road Density

Indicator 3.2: Available Harvest Area forecast and actual harvest area by forest unit.

Indicator 3.3: Available, forecast and actual harvest volume, by species.

Indicator 3.4: Percent of forecast volume actually utilized by Mill.

Indicator 4.1: Area of productive, managed crown forest available for timber production, in (ha) by forest unit

Indicator 6.1: Percent of harvested forest assessed as free growing by forest unit

Indicator 6.3: AR measure of slash management activities

Indicator 7.1: Compliance with prescriptions for the protection of natural resource features, land uses, or values dependent on the forest

Indicator 7.2: Compliance with the prescriptions for the protection of resource-based tourism values

Indicator 7.3: Compliance with Management practices that prevent, minimize or mitigate site damage

Indicator 7.4: Compliance with prescriptions developed for the protection of water quality and fish habitat

Indicator 7.5: Compliance with utilization standards

Indicator 7.6: Compliance with Aboriginal AOC prescriptions

Indicator 7.7: Non-compliance in forest operations inspections

The 2016–2017 year 10 Annual Report was reviewed by MNRF and a list of alterations was submitted to NFMC following the Ministry's review. The auditor reviewed alterations provided to NFMC and no alterations of comment were provided regarding assessment of objective achievement.

**Conclusion:**

Following review of the 2016-2017 year-10 enhanced Annual Report, the auditor concluded that several indicators cannot be thoroughly assessed in the absence of actual plan end levels. Actual plan end levels are needed to perform appropriate assessment of objective achievement for the year-10 enhanced Annual Report to meet the 2009 FMPM requirement specific to discussing the following.

- What is the difference between the target and the actual level achieved, and does the difference have implications on sustainability?
- Has the target been achieved, or is progress being made on achievement of the target?

Values from the 2014 trend analysis were used to provide the objective assessment in table AR-14 which is not representative of the actual 2017 plan end. However, in some instance, plan end values were provided within table AR-7, 8, 9, 10, 11, 12 and 13 and this allowed for the auditor to provide its own objective achievement assessment.

**Finding #12: The Big Pic final year Annual Report does not provide an appropriate assessment of objective achievement for the 2007 FMP**

## 6 APPENDIX 2. MANAGEMENT OBJECTIVES TABLE

Big Pic Forest – 2007-2017 FMP:

Objective and Indicator	Auditor Assessment	Auditor comments
<p><b>For Objective 1, 2, 3, 4, 6 and 7</b></p>	<p>In the absence of plan end levels, an appropriate assessment cannot be made by the auditor.</p>	<p>The year-10 enhanced Annual Report table AR-14 did not provide year end values for the Big Pic Forest 2007-2017 period (<b>Finding #12</b>). The assessment of objective achievement is based on 2014 levels (not plan end – 2017). In the absence of plan end levels, an appropriate assessment cannot be made by the auditor. However, some indicators for objective 3, 4 and 6 could be assessed by the auditor due to plan end levels being available in other sections of the Annual Report such as Annual Report tables and text.</p>
<p><b>Objective 1. Forest Diversity: To develop, over time, a forest with characteristics which, to the extent possible, resemble those of a fire-driven boreal forest at both the stand and landscape level while providing for provincially and locally featured species habitat and species at risk habitat.</b>            1.1 Landscape Pattern            1.1.1 Percent and Area Distribution of Forest Disturbances            1.1.2 Interior – Marten Habitat</p>	<p>In the absence of plan end levels, a proper assessment cannot be made by the auditor.</p>	<p>1.1.1 Percent and Area Distribution of Forest Disturbances - For the year-10 enhanced Annual Report, the new Forest Resource inventory was not yet available for objective assessment and the 2007 FMP inventory was not updated with reported depletions (referenced in <b>Finding #12</b>). For this reason, the auditor cannot properly assess with plan end values since none have been provided.            The year-10 enhanced Annual Report (prepared under the 2009 FMPM) indicated that with the low level of harvest activity to date and no natural disturbances, the indicator trends are expected to still be at or above desired levels and targets. It is unlikely that the frequency distribution of disturbances would notably differ from the desired frequency distribution ranges within the 10-year period, even if the planned harvest is incomplete, because the desired ranges are relatively wide.            Although the auditor agrees with the assumption listed above, indicator 1.1.1 cannot be properly assessed. FMPM requires that the difference between the target and the actual level achieved at plan end be</p>

Objective and Indicator	Auditor Assessment	Auditor comments
		<p>discussed and the approved Annual Report does not do this. <b>In the absence of plan end levels, an assessment cannot be made by the auditor.</b></p> <p>1.1.2 Interior - Marten Habitat Area Quantity and Quality Marten cores habitat deferral areas were not available for harvest in 2007-2017 and no natural disturbances have been reported within these areas, therefore the <b>desirable levels and target for indicator 1.1.2 should still be achieved.</b></p>
<p><b>Objective 1. Forest Diversity: To develop, over time, a forest with characteristics which, to the extent possible, resemble those of a fire-driven boreal forest at both the stand and landscape level while providing for provincially and locally featured species habitat and species at risk habitat.</b></p> <p>1.2 Forest Structure, Composition, and Abundance 1.3 Amount and Distribution of Mature Forest 1.4 Amount and Distribution of Old Growth Forest 1.5 Area of Habitat for Forest-Dependent Provincially and Locally Featured Species</p>	<p>In the absence of plan end levels, a proper assessment cannot be made by the auditor.</p>	<p>For the year-10 enhanced Annual Report, the new Forest Resource inventory was not yet available for objective assessment and the 2007 FMP inventory was not updated with reported depletions (referenced in <b>Finding #12</b>). For this reason, the auditor cannot properly assess with plan end values since none have been provided.</p> <p>The year-10 enhanced Annual Report (prepared under the 2009 FMPM) indicated that with the low level of harvest activity to date and no natural disturbances, the indicator trends are expected to still be at or above desired levels and targets. It is unlikely that the frequency distribution of disturbances would notably differ from the desired frequency distribution ranges within the 10-year period, even if the planned harvest is incomplete, because the desired ranges are relatively wide.</p> <p>Although the auditor agrees with the assumption listed above, indicator 1.2, 1.3, 1.4, and 1.5 cannot be properly assessed. FMPM requires that the difference between the target and the actual level achieved at plan end be discussed and the approved Annual Report does not do this. In the absence of plan end levels, an <b>appropriate assessment cannot be made by the auditor.</b></p>

Objective and Indicator	Auditor Assessment	Auditor comments
		<p>1.6 Area of Habitat for Forest-Dependent Species at Risk - Caribou Refuge and Caribou Winter caribou zone vs caribou deferrals.</p> <p>Revised policy direction from the MNRF related to the Species at Risk Act was addressed as part of the Year 3 Review of the FMP, and changes in caribou habitat management direction was implemented with the Phase II FMP, which included additional harvest deferral area in the Northern Continuous Population zone of the Forest. As such, this objective indicator became null and void. Further, revised policy direction related to the Endangered Species Act and the Forest Management Guide for Boreal Landscapes will be implemented with the next FMP.</p>
<p><b>Objective 2. Social and Economic: To maintain a level of access on the Forest to provide for the efficient delivery of forest management activities while providing opportunities for other commercial and recreational user on the forest.</b></p> <p>2.1 Road Density</p> <p>2.1.1 Km of Road (all road classes) per sq. km of crown forest</p> <p>2.1.2 Density of all operational roads within harvest blocks</p>	<p>In the absence of plan end levels, a proper assessment cannot be made by the auditor.</p>	<p>Plan start levels were 0.81km per square km of crown forest for all roads, and 0.18 km was the density of all operational roads within harvest blocks. Desired level is to maintain the plan start levels over time and target is to limit increase/decrease to +/- 10%.</p> <p>The year-10 enhanced Annual Report did not provide year end values for road density on the Big Pic Forest (<b>Finding #12</b>). The assessment of objective achievement is based on 2014 levels (not plan end – 2017). In the absence of plan end levels, an appropriate assessment cannot be made by the auditor.</p> <p>At the end of the 2013-2014 fiscal year, it was reported that km of road per square km of crown forest has increased to 0.91 km/km<sup>2</sup>. This is just beyond the target range of +/- 10% change by 2017.</p> <p>The Annual report indicated that some difficulties were encountered in measuring indicator 2.1.2 due to the FMP not properly describing the calculation method. The year-10 enhanced annual report attempted to measure this indicator at the end of the 2013-2014 fiscal year and ended with a result of 0.67 km/km<sup>2</sup>. This is well beyond the target range of 10%.</p>

Objective and Indicator	Auditor Assessment	Auditor comments
		According to the reported values at the end of the 2013-2014 fiscal year, objective achievement is not met. However, due to no updated values to plan end levels and the likely inability to reproduce the measurement method, <b>an appropriate assessment cannot be made by the auditor.</b>
<p><b>Objective 2. Social and Economic: To maintain a level of access on the Forest to provide for the efficient delivery of forest management activities while providing opportunities for other commercial and recreational user on the forest.</b></p> <p>2.2 Road Classification (Primary and Branch Roads on Crown Land)</p>	No assessment required at plan end.	This is a reporting function, and the indicator is to me monitored. <b>No assessment required at plan end.</b>
<p><b>Objective 3. Social and Economic:</b> To provide continuous and predictable harvest levels (area and volume) that, to the extent possible, meet the wood supply demands over the short-, medium-, and long-terms based on the 2006 Management Unit Contribution (MUC) by species group, contributing to Ontario's economy.</p> <p>3.1 Long-term projected available harvest area and volume by species group.</p>	No assessment required at plan end.	No assessment of objective achievement at plan end. This objective was assessed during the development of the 2007 FMP. <b>No assessment required at plan end.</b>

Objective and Indicator	Auditor Assessment	Auditor comments
3.1.1 projected available harvest area (ha) by forest unit 3.1.2 projected available harvest volume (m3) by species group		
<b>Objective 3. Social and Economic:</b> <b>To provide continuous and predictable harvest levels (area and volume) that, to the extent possible, meet the wood supply demands over the short-, medium-, and long-terms based on the 2006 Management Unit Contribution (MUC) by species group, contributing to Ontario's economy.</b> 3.2 Available, forecast and actual harvest area by forest unit 3.3 Available, forecast and actual harvest volume, by species.	Achieved	<p>For harvest area, desired level is to harvest 100% of planned harvest area while the target is to harvest 90% of planned harvest area by forest unit.</p> <p>The year-10 enhanced Annual Report table AR-14 did not provide year end values for harvest area on the Big Pic Forest (<b>Finding #12</b>). The assessment of objective achievement in table AR-14 is based on 2014 levels (not plan end – 2017); however, the annualised plan end levels by forest unit grouping are reported in table AR-7. In the absence of plan end levels by forest unit, an appropriate assessment of comparing target and plan end levels by forest unit cannot be made by the auditor. With annualized plan end values in AR-7, the auditor can conclude that during the 2007 FMP period, harvest levels were below planned levels due to the persistence of weak markets for forest products. The downturn in the forest sector economy resulted in the idling and/or closure of many of the wood processing facilities which utilized wood/fibre from the Big Pic Forest. This was especially evident with the low levels of harvest for hardwood species. As a result of the persistence of weak markets during the audit term, harvest area levels were well below planned harvest area levels (~ 51%) during the plan period (2007-2017).</p>
<b>Objective 3. Social and Economic:</b> <b>To provide continuous and predictable harvest levels (area and volume) that, to the extent possible, meet the wood supply</b>	Achieved	<p>For harvest volume, desired level is to harvest 100% of planned harvest volume while the target is to harvest 90% of planned harvest volume by species grouping.</p> <p>The year-10 enhanced Annual Report table AR-14 did not provide year end values for harvest area on the Big Pic Forest (<b>Finding #12</b>). The</p>

Objective and Indicator	Auditor Assessment	Auditor comments
<p>demands over the short-, medium-, and long-terms based on the 2006 Management Unit Contribution (MUC) by species group, contributing to Ontario's economy.</p> <p>3.3 Available, forecast and actual harvest volume, by species.</p>		<p>assessment of objective achievement in table AR-14 is based on 2014 levels (not plan end – 2017); however, the annualised plan end levels by species group are reported in table AR-8. The auditor used plan end values provided in table AR-8 for this assessment.</p> <p>Harvest levels were below planned levels due to the persistence of weak markets for forest products. This was especially evident with the low levels of harvest for hardwood species. However, no mill suffered due to a lack of wood availability and this objective was met.</p>
<p><b>Objective 3. Social and Economic:</b> To provide continuous and predictable harvest levels (area and volume) that, to the extent possible, meet the wood supply demands over the short-, medium-, and long-terms based on the 2006 Management Unit Contribution (MUC) by species group, contributing to Ontario's economy.</p> <p>3.4 Percent of forecast volume actually utilized by Mill.</p>	<p>Achieved</p>	<p>For forecast volume utilized by mill, the desired level is 100% of volume be utilized by mill and target levels is a range of 80% to 120% of volume be utilized by mill.</p> <p>The year-10 enhanced Annual Report table AR-14 did not provide year end values for utilisation by mill on the Big Pic Forest (<b>Finding #12</b>). The assessment of objective achievement in table AR-14 is based on 2014 levels (not plan end – 2017). In the absence of plan end values, an appropriate assessment of comparing target and plan end levels of mill utilization cannot be made by the auditor.</p> <p>Most facilities projected to utilize volume in the 2007 FMP were idled or closed for some or all the 2007-2017 operating period. During the 2007-2017 period, facilities with new supply commitments were utilising conifer on the Big Pic Forest; this includes AV Terrace Bay (commitment of 150,000m<sup>3</sup> of SPF), Lecours Lumber Co (commitment of 82,000m<sup>3</sup> SPF) and Levesque Plywood Limited – Columbia Forest Products (14,000m<sup>3</sup> Poplar). Conifer utilization achieved 88% of the planned forecast volume (annualized) while hardwood utilization achieved 12% of the forecast volume (annualized). Although the target has not been achieved for this indicator, there was an upward trend in terms of</p>



Objective and Indicator	Auditor Assessment	Auditor comments
		<p>harvest volumes for SPF on the forest. Hardwood markets remain low, and utilization will continue to be a challenge until a market develops. However, no mill suffered due to a lack of wood availability and this objective was met.</p>
<p><b>Objective 4. Social and Economic:</b>  <b>To ensure that the Managed Crown forest that is available over time is maintained to meet the long-term harvest levels (area) thus contributing to Ontario's economy.</b>            4.1 Area of productive, managed crown forest available for timber production, in (ha) by forest unit</p>	<p>Not achieved</p>	<p>In Table AR-14 of the enhanced AR, plan start levels are represented by forest units; however, target levels are only presented as a total of all forest units. In table AR-14, plan start levels for all forest units is 488,286 ha and target at plan end is 493,395 ha. The increase at plan end is based on the strategic model projections of the 2007 FMP.</p> <p>The year-10 enhanced Annual Report table AR-14 did not provide year end values for area of productive, managed crown forest available for timber production, in (ha) by forest unit on the Big Pic Forest and the assessment of objective achievement in table AR-14 does not provide an assessment at plan end (<b>Finding #12</b>). Table AR-11 does provide plan end values for productive managed crown forest available for timber production by forest unit.</p> <p>For this assessment, the auditor used values in table AR-11. AR-11 report on a modified plan end (2017) because the same BMI that was used at plan start was not used at plan end. The numbers will be similar but not the same (this likely explains the differences in plan start and end values between AR-14 and AR-11). Table AR-11 plan start value is 575,666ha while plan end value is 574,585ha. Overall, the total managed Crown productive forest area has remained relatively stable over the 10-year period (2007-2017). Plan end value do not achieve the plan end projections (target) of the 2007 FMP, but the reduction is only 0.2%. The auditor has no concerns in the objective achievement.</p>

Objective and Indicator	Auditor Assessment	Auditor comments
		<p>The auditor assessment is that this objective is not achieved. As indicated in <b>Finding #5, The SFL holder is not managing logging debris in accordance with the Forest Management Plans and Contingency Plans during the audit period.</b> Loss of productive land is a concern due to evidence logging debris not being managed. It became readily apparent on the field visits that the 8.2.2.2 Conditions on Regular Operations, Roads, Landings and Aggregate Pits in the Big Pic Forest were not being followed.</p>
<p><b>Objective 5. Social and Economic:</b>  <b>To develop a consultation approach that will provide opportunities for Aboriginal, local communities, and the Local Citizens Committee (LCC) for input in plan development.</b>            5.1 Opportunities for involvement in plan development provided to aboriginal communities.</p>	<p>Not assessed at plan end</p>	<p>No assessment of objective achievement at plan end. This objective was assessed during the development of the 2007 FMP.</p>
<p><b>Objective 5. Social and Economic:</b>  <b>To develop a consultation approach that will provide opportunities for Aboriginal, local communities, and the Local Citizens Committee (LCC) for input in plan development.</b>            5.2 Local citizens committee's self-evaluation of its effectiveness in plan development.</p>	<p>Not assessed at plan end</p>	<p>No assessment of objective achievement at plan end. This objective was assessed during the development of the 2007 FMP.</p>

Objective and Indicator	Auditor Assessment	Auditor comments
<p>Objective 6. Silviculture: To ensure harvested lands are renewed through appropriate silviculture practices and meet the related regeneration standards.</p> <p>6.1 Percent of harvested forest assessed as free growing by forest unit</p>	<p>In the absence of plan end levels, a proper assessment cannot be made by the auditor.</p>	<p>Desired level is to have 100% of harvested areas assessed as FTG by term and the target is over 90%.</p> <p>The year-10 enhanced Annual Report table AR-14 did not provide plan end values for harvested forest area assessed as free growing by forest unit on the Big Pic Forest and the assessment of objective achievement in table AR-14 does not provide an assessment at plan end (<b>Finding #12</b>). The desired level and target cannot be fully measured at plan end in part due to plan end levels not being provided in the AR.</p> <p>It is also highly improbable that this objective could ever be achieved, due to the fact that only the area harvested and regenerated to forest units with fast growing tree species (e.g. PJ1 &amp; PO1) could, in theory, be harvested during the initial years of the 2007-2017 period, and reach a free growing condition within the same period. As such, this objective as written cannot be expected to be achieved.</p> <p>However, table AR-13 provides a summary of assessment of regeneration and silvicultural success over the full 2007-2017 period. The AR text explains that a total of 72,540 hectares was planned for assessment of regeneration success for the 2007-2017 FMP. There were 28,530 hectares assessed and reported in annual reports, representing 39% of that which was planned. Of the 28,530 hectares surveyed, 5,811 (20%) hectares were assessed as successfully regenerated to the projected forest unit (silviculture success), 11,772 hectares (41%) were successfully regenerated to a different forest unit (regeneration success) and 10,947 hectares (38%) were not free-to-grow at the time of survey. It should be noted that regeneration surveys conducted in the 2016-2017 fiscal year focused on all regeneration (natural + assisted) between</p>

Objective and Indicator	Auditor Assessment	Auditor comments
		<p>2005-2011. It was expected that much of the area surveyed (11,289 hectares) would not meet the established standard. The surveying of this area gave the forest manager a snapshot of the regeneration status of the Big Pic Forest, and key information to update or correct historical silviculture records. As mentioned throughout this report, the NFMC discovered many errors in records, particularly silviculture, in recent historical data including this FMP period. See section 4.6.2 of the IFA report text where this is discussed further.</p>
<p>Objective 6. Silviculture: To ensure harvested lands are renewed through appropriate silviculture practices and meet the related regeneration standards. 6.2 Area (ha) of Pre-commercial thinning</p>	<p>Not achieved</p>	<p>Target was to increase the amount of pre-commercial thinning on the forest from current levels of 9ha. This is not achieved due to no area reported as pre-commercial thinned during the 2007-2017 Period.</p>
<p>Objective 6. Silviculture: To ensure harvested lands are renewed through appropriate silviculture practices and meet the related regeneration standards. 6.3 AR measure of slash management activities</p>	<p>Not achieved</p>	<p>Desired level was to have 100% of harvest area assessed and managed under slash management plans and the target was to achieve greater than 50%.</p> <p>The year-10 enhanced Annual Report table AR-14 did not provide year end values for harvested forest area assessed and managed under slash management plans at plan end on the Big Pic Forest and the assessment of objective achievement in table AR-14 does not provide an assessment at plan end (<b>Finding #12</b>). In the absence of plan end values, an appropriate assessment of comparing target and plan end levels cannot be made by the auditor.</p>

Objective and Indicator	Auditor Assessment	Auditor comments
		<p>The year-10 enhanced Annual Report text indicates the following as an assessment: “As of the end of the 2016-2017 fiscal year, 32,763 ha have been harvested. The target for slash management in the Big Pic 2007-2017 FMP is measured in hectares. As per the 2013 FIM Technical Specifications, the slash and chip treatment layer contains only line features. All debris management from 2013 onwards has been recorded in km of road in which slash management occurred in accordance with the 2013 FIM Technical Specifications. 82 km, 30 km, and 89km of slash management occurred in 2014-2015, 2015-2016, and 2016-2017 respectfully. For the period from 2007-2014, 217 hectares of debris management occurred. At this time, it is not possible to measure whether the target was achieved due to the discrepancy in the data collection format.”</p> <p>The auditor assessment is that this objective is not achieved. As indicated in <b>Finding #5, The SFL holder is not managing logging debris in accordance with the Forest Management Plans and Contingency Plans during the audit period.</b> Loss of productive land is a concern due to evidence logging debris not being managed. It became readily apparent on the field visits that the 8.2.2.2 Conditions on Regular Operations, Roads, Landings and Aggregate Pits in the Big Pic Forest were not being followed.</p>
<p><b>Objective 7. Provision of forest cover for those values that are dependent on the Crown forest: To ensure protection of natural resources, non-timber values and maintain a healthy forest ecosystem through the</b></p>	<p>Achieved</p>	<p>The desirable level is 100%, target has been set at &gt;90%.</p> <p>The year-10 enhanced Annual Report table AR-14 did not provide year end values for inspection in compliance and number of non-compliance incidences for the protection of natural resource features, land uses, or values at plan end on the Big Pic Forest and the assessment of objective achievement in table AR-14 does not provide an assessment at plan end</p>

Objective and Indicator	Auditor Assessment	Auditor comments
<p><b>development and implementation of a compliance plan and the monitoring of operational prescriptions.</b></p> <p>7.1 Compliance with prescriptions for the protection of natural resource features, land uses, or values dependent on the forest</p>		<p><b>(Finding #12).</b> In addition, table AR-14 on the enhanced AR reports 255 SFL-related forest operations inspections during the 2007-2014 period, while the AR text reports a total of 174 inspections. The number of inspections in compliance and number of non-compliance do not appear to be separated into each of the seven compliance indicators listed in the objective. For this reason, the auditor cannot provide an appropriate assessment on the objective achievement.</p> <p>However, the AR text report that out of the 174 inspections, five were reported as not in compliance. The overall assessment is 3% rate of non-compliance, and the objective can be considered achieved.</p>

## 7 APPENDIX 3. COMPLIANCE WITH CONTRACTUAL OBLIGATIONS

Licence condition	Licence holder performance
Payment of Forestry Futures and Ontario Crown charges	All Forestry Futures charges and Ontario Crown charges have been paid.
Wood supply commitments, MOAs, sharing arrangements, special conditions	NFMC holds wood supply commitments to AV Terrace Bay, White River Forest Products, Lecours Lumber Co. Ltd., Hornepayne Lumber and Columbia Forest Products. Discussions with representatives indicated that these commitments were being satisfactorily met.
Preparation of FMP, AWS and reports; abiding by the FMP and all other requirements of the FMPM and CFSA	NFMC completed required plans and reports to the required standards. An exception was the 10-year Pic River AR ( <b>Finding #12</b> ).
Conduct inventories, surveys, tests and studies; provision and collection of information in accordance with the FIM and in the case of the Agreement in accordance with the Algonquin Forestry Authority Act	NFMC most completed the required surveys and provided data consistent with FIM. Some issues were identified with water crossings and road inventory ( <b>Finding #7</b> ).
Wasteful practices not to be committed	Minimal wasteful practices were identified during the audit
Natural disturbance and salvage SFL conditions must be followed	Not audited following risk assessment
Protection of the licence area from pest damage, participation in pest control programs	Not audited following risk assessment
Withdrawals from licence area	Not audited following risk assessment
Action plan and progress towards the completion of actions as reported in annual reports or status reports prepared under previous versions of the IFAPP	Most recommendations from the previous IFAs were found to be appropriately addressed, with the exception of harvesting debris management ( <b>Finding #5</b> ) and Annual Reporting ( <b>Finding #12</b> ).
Payment of forest renewal charges to the FRT	All Forest Renewal Charges have been paid.
FRT eligible silviculture work	NFMC completed FRT eligible work in accordance with planned specifications and funding eligibility requirements.
FRT forest renewal charge analysis	A forest renewal trust charge analysis was completed each year and applicable rates were approved by the district. A review of these analyses was conducted, and annual renewal rates set were appropriate to

Licence condition	Licence holder performance
	support planned renewal projects. The third-party FRT specified procedure audit was conducted for the 2020-2021 fiscal year. One finding was a result of the numerous discrepancies between actual operations and reported operations in the Annual Report as a result of clerical errors
FRT account minimum balance	The requirements for meeting Forest Renewal Trust account minimum balances were met each year as were the process requirements to set forest renewal trust account charges.
Silviculture standards and assessment program	NFMC complies with standards and assessment programs required by the SFL.
First Nations and Métis opportunities	It was found that NFMC provided opportunities through active engagement at its board, funds for community projects, scholarships, and collaboration on various projects.
Preparation of compliance plan	NFMC prepared its 10-year strategic and annual compliance planning documents. However, the SFL Annual Compliance Plan was found to not to effectively assess program compliance and its effectiveness in accordance with the conditions of the SFL, the FMPM and FIM ( <b>Finding #9</b> ).
Internal compliance prevention/education program	NFMC has a good internal compliance prevention/education program which it utilizes with its contractors.
Compliance inspections and reporting; compliance with compliance plan	NFMC completes compliance inspections and reporting requirements in accordance with the compliance plans, however delays in approving FOIP inspections led to a <b>Finding #10</b> .
SFL forestry operations on mining claims	There were no field observations that mining claim posts were not protected during harvest operations.



## 8 APPENDIX 4. AUDIT PROCESS

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IFAs are legally required under Ontario Regulation 319/20, made under the Crown Forest Sustainability Act (CFSA). This regulation states that IFAs must be completed at least once every 10 to 12 years. The key source of direction for the IFA comes from the Independent Forest Audit Process and Protocol (IFAPP). IFAs are governed by eight guiding principles as described in the 2021 IFAPP:

1. Commitment,
2. Public consultation and First Nation and Métis involvement and consultation,
3. Forest management planning,
4. Plan assessment and implementation,
5. System support,
6. Monitoring,
7. Achievement of management objectives and forest sustainability, and
8. Licence and contractual obligations.

Recommendations arise from audit team observations of material non-conformances and the identification of situations in which there is a significant lack of effectiveness in forest management activities. Similarly, the audit team may highlight best practices for the cases where auditees' actions go above and beyond legal requirements and result in positive outcomes for forest and communities. The IFA recommendations are addressed by the auditees (District, Region and Corporate MNRF) in the IFA action plans and results will be reported in annual reports.

The sections below provide a description of how the evidence was collected and reviewed.

The 2022 Pic Forest IFA covered an eight-year period of April 1, 2014 to March 31, 2022. The following forest management planning processes were subject to audit:

- Implementation of Phase I of the 2013-2023 **Pic River** Forest FMP (FMP year 4)
- Preparation and Implementation of the **Pic River** Forest 2017-2019 CP
- Implementation of Phase II of the 2007-2017 **Big Pic** Forest FMP (FMP years 8, 9, 10),
- Preparation and Implementation of the **Big Pic** Forest 2017-2019 CP
- Preparation and Implementation of the 2019-2021 **Pic** Forest CP,
- Preparation of the 2021-2031 **Pic** Forest FMP and Implementation of year 1

### **Risk Assessment**

The IFA for the Pic Forest was started in August of 2022 with the risk assessment to determine which IFAPP protocols are relevant for the Pic Forest considering management unit specific issues. All protocols selected can be found in the Table 8-1. As per the IFAPP, the risk assessment required the audit team to assess optional procedures for probability of occurrence, recognizing that severity has already been assessed as low in assigning the procedure to the optional category. Protocols subject of review in this Risk Assessment are outlined in Appendix A of the IFAPP and marked as "Optional". There were 80 associated optional protocols in the IFAPP. Twenty-two of those were considered as not applicable for this

audit, 50 were deemed as low risk and 8 were identified posing sufficient risk to be included in the audit.

The decision to include the procedures in the audit sample was based on the following information:

- Forest managers have received feedback that people do not like online forums. Virtual meetings are also problematic for the LCC where several members struggle with the online format.
- The 2007 eFRI, was delivered late and it was missing values for stocking. Further, the planning team got to checkpoints 2 and 3 before it was realized that the Ontario Landscape Tool was providing guidance for the Pic Forest in NW units, but the Pic Forest planning inventory was in NE forest units. Transition from NE units to NW units caused delays and increased planning costs.
- There is a lack of Crown direction/policy on discontinuous caribou zone. It took 2 years to work through the management approach and it ended up as a reason for going from the planned 2019 FMP to the 2019-2020 CP.
- There was a significant MNR staff turnover through the preparation of the CP and FMP.
- Staff turnover, several amalgamations may cause issues with document control.
- The ability to assess FMP objective achievement is highly dependent on the monitoring data quality.

**Table 8-1. Procedures audited, by risk category.**

<b>Principle</b>	<b>Optional – Applicable (#)</b>	<b>Optional – Selected (#)</b>	<b>Optional – % Audited</b>	<b>Mandatory – Audited (#) (100% Audited)</b>	<b>Comments</b>
1. Commitment	2	0	0%	0	
2. Public consultation and First Nations and Métis involvement	4	1	25%	2	2.2 Procedure 1
3. Forest management planning	31	2	6.5%	43	3.3.2 procedure 1 3.11 procedure 5
4. Plan assessment and implementation	3	0	0%	9	
5. System support	2	2	100%	0	5.1 procedure 1 5.2 procedure 1
6. Monitoring	10	3	30%	9	6.4 procedures

Principle	Optional – Applicable (#)	Optional – Selected (#)	Optional – % Audited	Mandatory – Audited (#) (100% Audited)	Comments
					1-3
7. Achievement of management objectives and forest sustainability	0	0	0%	14	
8. Contractual obligations	6	0	0%	28	
Totals	58	8		105	

### Audit Plan and site selection

The audit plan was developed and presented in September 2022. It outlined the protocols selected with the rationale, key contacts, and audit schedule. During the pre-audit meeting (September 29, 2022), this information, along with the independent site selection was also presented to the auditees.

Field sample sites were selected by the audit team in September 2022 following a 3-step approach that was designed to maintain the independence of the site selection but enable logistical efficiency of the field audit by soliciting input from forest managers:

- 1st selection: Independent auditor sample included a minimum 20% off all harvest and silviculture operation types. The overlapping and/or nearby road construction, bridges and culvers were then selected to help with field logistics.
- 2nd selection: netting down to a minimum of 10% using access/logistics considerations in the field audit, in collaboration with NFMC and MNRF.
- 3rd selection: additional sites brought forward by stakeholders, First Nation and Métis communities and public.

Sites were selected in accordance with the guidance provided in the IFAPP (e.g., operating year, contractor, geography, forest management activity, species treated or renewed, and access) using GIS shapefiles provided by MNRF. The field sample sites achieved a minimum 10% sample of the forest management activities that occurred during the audit period. Table 8-2 includes the detailed description of the audit sample. The audit team also inspected the application of Areas of Concern prescriptions, forestry aggregate pit management and rehabilitation and water crossing.

The audit team randomly samples 10% of the area representative of FRT funded activities reported as carried out in the year of the FRT specified procedures report, for the 2020-2021 year (see table 8-2). The sample for the 2020-2021 period reached the required 10% for all activities.

The field audit was conducted from October 3-5<sup>th</sup>, 2022, and included 2 days with 2 trucks, and one helicopter day. The field inspection included site-specific (intensive) and landscape-scale (extensive helicopter) examinations. The Closing Meeting was held on October 14<sup>th</sup>, 2022. At this meeting the draft findings were presented to the auditees. Draft Appendix 1 with more detailed description of audit findings was shared a week later. The comments on audit findings received from NFMC and MNRF were taken into consideration when developing the draft and final audit reports.

**Table 8-2. Field audit site selection, including 10% of activities notes in the Specified Procedures Report for the 2020/21.**

Activity or Feature	Stratum size	Proposed sample size	Actual sample size	Actual sampling intensity (%)
Water Crossings	98	10	11	11.2
Forest Aggregate Pits	92	9	9	9.8
Tending	10,497	1050	1051	10.0
Site Preparation	7539	754	739	9.8
Harvest	32716	3272	3255	9.9
Regeneration	26387	2639	2678	10.1
Roads	1099	110	110	10.0
Free-to-Grow	20362	2036	2678	13.2
Tending (FRT funded)	1869	187	206	11.0
Site Preparation (FRT funded)	951	95	133	14.0
Regeneration (FRT funded)	2339	234	569	24.3
Free-to-Grow (FRT funded)*	NA	NA	NA	NA

\* No Free-to-Grow reported in the 2020-2021 period

### Public Consultation

NorthWinds Environmental Services issued several notices advising the public that an Independent Forest Audit would be conducted on the Pic Forest and inviting comments regarding matters relevant to the audit period. The public notice included the purpose of the audit, identification of the management unit being audited, the period of the audit, how the public may provide input and a notice (provided by MNRF) informing the collection and use of personal information for audit purposes. These notices were published in the Chronicle Journal and TBnewswatch.com. In addition, NWES and NFMC Facebook pages were used to distribute the notices. A survey was created and posted on the NWES website, and the link advertised with all public notices and social media posts (<https://www.northwindsenv.ca/>). The lead auditor also utilised the FMP/AWS email lists to advertise the audit and solicit input.

All together, five responses were received via surveys and email and one response was followed up with an interview. The main comments from the public included concerns

regarding excessive slash being left on the harvest areas as well as poor utilization of hardwood trees. One person commented that the lack of industry presence in NFMC has and may pose operational challenges in forest management planning. One person commented that it is positive that open houses are moving back to in-person forums as for many navigating documents in NRIP was difficult.

### **First Nation and Métis consultation**

Email invitations to participate in the audit and follow up calls were made to all First Nation communities deemed to be within or adjacent to the Pic Forest (as per the 2021 FMP). Before conducting any interviews, the lead auditor met with the Wawa District Resource Liaison Specialist regarding the contact information, engagement in forest management and methods for contacting First Nation communities within and adjacent of the Pic Forest. Virtual meetings were held with Métis Nation of Ontario Region 2, Red Sky Métis Independent Nation, and with Netmizaaggamig Nishnaabeg. An in-person meeting was held with Biigtigong Nishnaabeg during the field audit, followed by email communication to clarify information provided.

Red Sky Métis Independent Nation was satisfied with the involvement and outreach by NFMC and MNRF, as well as protection measures applied to the community values brought forward. Métis Nation of Ontario was also satisfied with the outreach by NFMC and MNRF, however, the concerns were raised regarding limited funds available for consultation as well as funds made available to map values. These factors were found to limit the community's ability to meaningfully participate in forest management.

Biigtigong Nishnaabeg expressed concerns regarding the forest management planning process in general in which, the community explained, the emphasis is on consultation but not on accommodation and provided two examples, where concerns regarding herbicides and protection of certain waterways were raised on several occasions over the 2019 CP and 2021 FMP planning process, but not included in applicable plans. In addition, the community commented that short timelines and technical language prevalent in forest management prevent more meaningful participation as these create challenges for the Biigtigong Nishnaabeg forestry staff in explaining planned activities and their implications on the community and obtain community feedback. Further, Biigtigong Nishnaabeg spoke of the economic benefits from timber harvesting and how these do not correspond to the level of benefits in keeping with community aspirations and expectations raised during the formation of the NFMC, nor in keeping with the Aboriginal title that it holds.

A meeting was also conducted with the representative of Netmizaaggamig Nishnaabeg who also brought up concerns regarding waterways protection and herbicide spray and stated that forest management planning process has not been working well for the community.

### **Pic Forest Public Consultation Committee (PFPC)**

Letters were emailed to all PFPC members to notify about the upcoming audit and invite input. The audit team also offered to meet with the PFPC, and the Lead Auditor was invited to provide a presentation at the September 14, 2022 PFPC meeting. The audit team conducted interviews

with and received communications from a total of five members of the PFPC (out of 15). Two PFPC members also attended the field day.

Majority of the PFPC members are based out of Manitouwadge, however, the efforts are made by the PFPC, NFMC and the District to recruit more members from other areas of the Forest. The interviews and planning team minutes indicate that attendance at times is challenging. It was also clarified that the PFPC Chair is conducting a survey among the PFPC members to identify reasons for the low attendance and to accommodate where possible.

Covid-19 resulted in low number of meetings with only two meetings held in total in 2019-2021. This was concerning to the auditors due to the ongoing forest management planning process; however, no significant issues were identified by the interviewed PFPC members, NFMC, District and during the document review. The interviewed PFPC members generally did not support the online meeting forum and found that in-person meetings are more effective. However, it was pointed out that for some members, especially for those not based out of Manitouwadge, virtual option may make attendance possible.

The interviewed members expressed numerous concerns in relation to the hardwood utilization, debris management, herbicide and renewal. Some members expressed frustration regards limited consideration of PFPC member concerns by NFMC and MNRF as these related to the poor poplar utilization and slash management. Slash management was also identified as a Finding in this IFA (**Finding #5**). One interviewed PFPC member emphasized that maintaining road access is important for the local population and that it is challenging as harvesting activities move away from certain areas. The member pointed out that NFMC has been responsive and sometimes there are opportunities to accommodate on road and water crossing management.

NFMC is utilizing Facebook for information sharing and has hired a Public Relations coordinator which was viewed very positively by the interviewed PFPC members in terms of helping with public outreach.

### **Overlapping Licensees, Contractors and Commitment Holders**

Two representatives of Manitouwadge Contracting attended the field audit fully or partially and were interviewed. Interviews or email communication was held with the representatives of all receiving mills (AV Terrace Bay, White River Forest Products, Lecours Lumber Co. Ltd, Hornepayne Lumber, and Columbia Forest Products).

### **Ministry of Natural Resources and Forestry**

MNRF District, Region and Integration Branch staff participated in all aspects of the audit, including the field audit and interviews. Several follow up meetings were held with applicable MNRF staff to clarify draft audit findings.

### **Forestry Futures Trust Committee**

Two members of the Forestry Futures Trust Committee participated in the field audit and two or more members attended the pre-audit, opening and closing meetings.

## 9 APPENDIX 5. LIST OF ACRONYMS USED

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ACOP – Annual Compliance Operations Plan  
ACP – Annual Compliance Plan  
AOC – Area of Concern  
AR – Annual Report  
AWS – Annual Work Schedule  
CFSA – Crown Forest Sustainability Act  
CP – Contingency Plan  
DCHS – Dynamic Caribou Habitat Schedule  
FAP – Forest Aggregate Pit  
FIM – Forest Information Manual  
FMP – Forest Management Plan  
FMPPM – Forest Management Planning Manual  
FOP – Forest Operations Prescriptions  
FOIP – Forest Operation Information Program  
FRI – Forest Resources Inventory  
FRL – Forest Resource Licence  
FRT – Forest Renewal Trust  
FSC – Forest Stewardship Council  
FTG – Free to grow  
IFA – Independent Forest Audit  
IFAPP – Independent Forest Audit Process and Protocol  
LCC – Local Citizens’ Committee  
LIO – Land Information Ontario  
LTMD – Long-Term Management Direction  
MNRF – Ontario Ministry of Natural Resources and Forestry  
NRIP – Natural Resources Information Portal  
NFMC - Nawiinginokiima Forest Management Corporation  
NWES – NorthWinds Environmental Services  
OLL – Over Lapping Licence  
PFPC – Pic Forest Public Consultation Committee  
RPF – Registered Professional Forester  
SAR - Species At Risk  
SFL – Sustainable Forest Licence  
SGR – Silviculture Ground Rule  
SRNV – Simulated Range of Natural Variation

## 10 APPENDIX 6. AUDIT TEAM MEMBERS AND QUALIFICATIONS

Name	Role	Responsibilities	Credentials
Triin Hart Principal, NorthWinds Environmental Services	Lead Auditor	Lead Auditor, Public and First Nation and Métis consultation, management of ecological values	PhD Forest Sciences (2009), MSc Forest Management (2006), HBSc Natural Resources Management (2003)
Jeffrey Cameron RPF Senior Forester, NorthWinds Environmental Services	Auditor	Forest management planning and silviculture	HBSc Forestry (2007), RPF
Jack Harrison RPF	Auditor	Compliance	HBSc Forestry (1988) RPF, Certified Forest Compliance Inspector
Alex Campbell Environmental Specialist, NorthWinds Environmental Services	Audit Secretariat	Gathering documents, organizing data, scheduling meetings	HBSc Environmental Sciences (2021)