



# Continuous Improvement at the Forest Practices Board

During 2006, the Board undertook reviews of three of its major programs to identify improvements in efficiency and to better meet the needs of clients. The Complaint Investigation, Audit and Communication programs were all subject to review. The results and outcome of those reviews are summarized below. The Board's Legal Appeals program will be reviewed in 2007.

[Complaint Investigation Program Review](#)

[Audit Program Review](#)

[Communications Program Review](#)

## Complaint Investigation Program Review

### Introduction

In March 2005, Board staff recommended a review of the complaint investigation program. The review would examine the fundamental purpose for the complaint investigation function and report back to the Board with issues, options and opportunities to redirect the function. Board members agreed with the recommendation and Terms of Reference were developed.

The review was conducted by Board staff and a panel of the Board: Bruce Fraser, Mark Haddock and Guenter Stahl. The review included a website survey, stakeholder interviews, input from an external communications survey, interviews with Board staff and other information.

The main conclusions of the review were:

#### *Importance of the complaints function*

- The general public and stakeholders continue to think the Board's complaint function is important.

#### *Strategic shift*

- There needs to be a shift in focus away from public reporting toward reporting to the participants on what is important to them. This would both speed up the process and engage the participants more, better serving the intended purpose of helping to reduce conflict. If a forest- or range-practices issue of public importance arises, it would be considered for a special investigation or a special report (without holding up the processing of the complaint). Complaint reports, or closing letters, will still normally be posted on the Board website but they will usually be written for the participants, rather than for a broader audience.

- With the shift in focus, decisions about how to address a complaint should normally be staff decisions. This means that it would be essential to have adequate reporting to the Board on the overall program: what have complaints been about, what issues arose that did not require public reporting, what issues have been identified for possible public reports?

#### *Dispute resolution*

- Seeking solutions continues to be an essential aspect of complaint investigations. Seeking solutions means identifying possible solutions in the course of an investigation, but not mandatory settlement conferences or formal mediation/arbitration. Board staff should find ways to promote solution-seeking.

#### *Lack of enforcement powers*

- Some complainants and environmental groups have expressed the view that the Board's lack of enforcement powers is a problem. The Board doesn't have the authority to halt logging activities during a complaint investigation and it doesn't have the authority to make legally binding orders on conclusion of an investigation. The Board decided not to propose a change in mandate. However, the Board needs to communicate to complainants and others why it thinks it can be effective without enforcement powers.

#### *Scope of complaints*

- The Board considered a number of areas where the Board's complaint jurisdiction could potentially be expanded. In the case of the implementation of land use plans, use of pesticides, water issues and timber supply issues (as they affect forest practices), the Board decided that the existing mandate should enable it to address public concerns. In the case of whistleblower issues, the Board decided that it would not seek an expansion of its mandate to enable it to address concerns about retribution against whistleblowers. However, in appropriate cases, the Board may be able to investigate the substance of the concern raised by the individual, to provide an objective assessment.

Based in part on the information from the stakeholder interviews, the following recommendations were made to the Board and accepted:

1. Investigators should do more exploratory work at the outset of an investigation to talk to all participants, determine the issues at stake and the history among the parties, and decide on the approach to take with the investigation. Early phone contact with all participants should help to accomplish this, while also helping to offset any concerns about bias toward the complainant.
2. (a) Continue with caution on dispute resolution. It may be that the best way to approach this is for a timely, objective assessment by the Board, in some cases combined with a recommendation.

- (b) In late 2006 or early 2007, the Director of Investigations section should review dispute resolution efforts in recent files and report on outcomes, effectiveness, and any changes needed.
3. Investigators should continue to make use of informal field trips/site visits where appropriate.
  4. (a) More effort should be made in reports to reflect the views of the parties, including views expressed during formal representations.  
  
(b) A letter should be sent to those who have made representations, explaining how the representations were dealt with.
  5. Complaints should be followed up approximately 6 to 12 months after conclusion to see how things turned out. Follow-up should include evaluation of the results of recommendations and discussion with complainants.
  6. The Investigations Section should conduct a review in approximately one year, to determine the success of the new approach and whether further improvements are called for. This should include an evaluation of the timeliness of completion of investigations under the new approach.

The Investigations Section has developed a new process and procedures to implement the new approach and is revising the Complaint Investigation Reference Manual.

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## **Audit Program Review**

The Board mandate to audit was introduced with the Forest Practices Code in 1995 and continues under the Forest and Range Practices Act and the Wildfire Act, so we have the answer to the question “why to audit” – however the questions of “how to audit”, “who to audit”, and “where to audit” were reconsidered as part of a review of the effectiveness of the Board’s audit program. A consultant was retained to review the program and suggest possible improvements. The results of that review were analyzed and discussed internally and a review/recommendations document was put to the Board for consideration in Sept. 2006.

Over the years, the audit section has grown and adjusted the audit process to suit the strategic needs of the Board, while maintaining a high level of assurance and staying true to the audit standards developed by the Board.

Through the introduction of FRPA, the Board initially anticipated that fully results-based legislation would require dramatic shifts in the way the Board conducts audits. However, as we have seen with some of the initial forest stewardship plans prepared under FRPA, the focus appears to be more objective based than results based, so a dramatic shift may not be warranted.

The Board considered several questions to try to identify some focused direction to determine the future path of Board audits. The questions considered by the Board were:

1. **What does compliance mean under FRPA and how is it different?**
2. **Does the Board believe the current audit coverage (footprint) adequately informs the public of the state of forest practices in BC?**
3. **Is our focus on random audit selection appropriate now and for the future? Should we move to a more risk based approach for selecting audits?**
4. **Is our focus on the selection of a licence as the audit unit appropriate now and for the future? Should we move to a different audit unit for selecting audits?**

#### **Question 1:**

##### **What does compliance mean under FRPA and how is it different?**

When FRPA was first implemented, many thought FRPA would focus on results, rather than prescriptive compliance. However, based on the first few forest stewardship plans (FSP) reviewed, it appears the focus is more on objectives than results, with more use of default practices than previously anticipated.

Therefore, it is anticipated that every audit of forest practices will be different. The focus on compliance versus effectiveness will be based on the content of the FSP. If there is a commitment in the FSP, then looking at compliance with that commitment would appear to be an appropriate test. All audits will have a compliance base. If the focus is default standards, then we will use our existing compliance audit process. However, if the focus is a specified, measurable result, such as “maintain water quality”, then we will use criteria and indicators to assess the likelihood of achieving that result—effectiveness—in addition to a compliance audit process. Each FSP will make assertions about the level of practice to be achieved. Board audits will then gather evidence, using various audit tools, to test those assertions—to see if management is following through with the commitments made in the FSP. The focus of the audit would be on what the party has committed to do.

Currently, Board audits use previously developed criteria and indicators where possible, and will develop our own if required to conduct the audit. It is anticipated that the Board will continue to pilot audit various criteria and indicators to ensure we have the necessary tools to audit in an FSP environment when a licensee commits to effective forest practices for a specified FRPA value.

**Board decision:** The audit section should continue to select auditees for compliance audits and then use the appropriate audit tools to test commitments made in forest stewardship plans. The

audit section should also continue to conduct pilot audits to test criteria and indicators for various values to ensure we have the adequate audit tools when required. Preferably these criteria and indicators would be based on those C&I developed by others.

**Question 2:**

**Does the Board believe the current audit coverage (footprint) adequately informs the public of the state of forest practices in BC?**

The Board generally releases between 10 and 12 audit reports in a given year. The reports can be of single or multiple licensees, focused on compliance, effectiveness or enforcement.

In 2005 the Board conducted 11 audits with the C&E audit rolling over into 2006.

The “footprint” was as follows:

- 9 of the 29 forest districts – covering all three new and six old regions
- 2 timber supply areas
- 13 forest licences of the approximately 400 forest licences in the province (approximately 3.3% coverage)
- 2 BCTS operations of the 12 business areas (16.7% coverage)
- 1 Tree Farm Licence of 33 TFL’s provincially (approximately 3% coverage)
- Harvesting of 361 cutblocks out of approximately 6,700 openings across the province (approximately 5.4% coverage)
- Road construction, maintenance and deactivation activities totaling 231.15 km of road construction, 3,030 km of road maintenance, 78.3 km of deactivation
- 20.4 km of temporary access structures
- 114 bridges

In 2006, the audit section conducted three limited scope audits that include between 2 and 5 licensees per audit. The audit section is working on a survey type of audit product to use for Wildfire Act audits that will be sent to several licensees. Also, we conducted a province-wide analysis of compliance and enforcement data to help select between 3 and 6 districts that will be part of a more focused C&E audit this winter. These adjustments will continue to broaden our audit footprint.

As well, in future years, it is likely that we would assess some of the annual reports that section 86 of the *Forest Planning and Practices Regulation* will require licensees to provide the district manager once they have an approved FSP.

**Board decision:** The audit section should continue to develop an annual audit plan that considers the Board’s strategic priorities for 2007/08 and the current level of resources available. The audit section should continue to explore options for increasing the audit footprint.

**Question 3:**

**Is our focus on random audit selection appropriate now and for the future? Should we move to a more risk-based approach for selecting audits?**

Currently one of the differentiating factors for audits from special investigations or special reports is that audits have always had some form of randomness in the selection process. Audits are not selected based on location or level of performance. This is done to encourage compliance among all licensees because they are all equally likely to be selected for audit. Randomness also gives a better picture of the overall environment rather than focus on problems.

Initially the full population of licensees was segregated by region and at least one licence from each region was selected for audit. In the past few years we have done more stratification to ensure we are meeting the Boards strategic priorities. For example, we now segregate the smaller licensees by region to ensure we capture the new or small tenure holders. We also focus on two BCTS audits annually. Also, during the water quality audit, we needed a district with community watersheds with a specific level of harvesting activity. Once we concluded our initial analysis, there were five or six districts that would be suitable to audit so we randomly selected from that small population.

**Board decision:** The audit section should continue to use random selection, realizing that in many cases a stratified population is required to ensure we target a Board priority as well as ensure effective use of government funds.

**Question 4:**

**Is our focus on the selection of a licence as the audit unit appropriate now and for the future? Should we move to a different audit unit for selecting audits?**

In 1996, a lot of effort went into analyzing the best way for the Board to fairly select auditees. It was determined at that time that a forest licence would be the audit unit. As some licences were larger than others, the chance to be selected was increased based on Allowable Annual Cut (AAC). This selection process, in addition to the legislative requirement to report by a party, ensured there would be one audit report for each forest licence selected for audit.

The legislation has now changed and the Board can report on multiple parties within one audit report. Currently the audit selection process is still based on a forest licence as the primary audit unit.

There are other possible audit units:

- select by licensee, not licence (e.g., audit all of Canfor's northern operations)
- select by topic
- select a district
- select by licence type (i.e. All NRFL's, range tenures or woodlots within a district)

Some of these alternative selection processes have already been used within the audit section, but not formally discussed by the Board. For example, this year the audit section randomly selected three forest districts for limited scope audits. Once the district was randomly selected, a

judgment process was used to select the auditees. In 100 Mile House District, the only two major licensees we hadn't audited in the past few years were selected. In Prince George, given the very large number of licences to choose from, it was decided that we would audit the two largest NRFL's. On the Sunshine Coast, we selected all of the forest licenses and the timber sale majors (cut > 2,000 AAC) so we will be auditing 5 separate licences. Therefore, by using an alternative audit unit, the audit footprint has been increased.

**Board decision:** The audit section should continue to use the licence as the primary audit unit, along with utilizing other audit units, such as a forest district, when it makes operational sense to do so.

### **Other**

**Board decision:** The audit section should develop a consultation process to engage our stakeholders in the development and refinement of the various forms of audit tools the Board will be using under FRPA. This would begin with some public discussions and presentations at stakeholder meetings (such as COFI); to be followed up with consultation on a revised Audit Reference Manual that reflects our audit standards as well as the Board's strategic decisions.

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## **Communication Program Review**

In March 2006, the Forest Practices Board hired a consultant to carry out a review of the Board's communication program, focusing on effectiveness of communication tools and on stakeholder relations. The review was done as part of the Board's interest in continuously improving all of its programs and ensuring we are meeting the needs of stakeholders and the interested public.

### **Purpose**

The Communication Review examined three key areas of the FPB's communications program:

1. the **process** of communication, including the effectiveness of communication tools;
2. the **content** of communication tools; and
3. the overall **effectiveness** and **usefulness** of the communication process in relation to stakeholder wants and needs.

### **Methodology**

The consultant undertook two distinct processes to seek input and opinions from two groups of FPB stakeholders

1. One-on-one phone interviews with 19 key stakeholders, including representatives from government, forest industry, environmental groups and professional associations.
2. An on-line survey sent to the current FPB online subscribers list, which included stakeholders and those with a more general interest in the FPB.

## Summary of Results

The communication analysis was designed to seek input on overall communication effectiveness and get responses from stakeholders on specific elements including the tools, trust, credibility and timeliness, ease of comprehension and effective sources. The result of this analysis overall is largely positive in that there are reasonable to high satisfaction levels. However, there are also some gaps, misperceptions and expectations that were identified and which the FPB will need to address.

On the whole, communication efforts on the part of the FPB are seen positively by its stakeholders. There are high to acceptable levels of satisfaction in the key areas of communication effectiveness identified in this report:

- Stakeholder knowledge of the FPB's communication efforts is clear.
- Stakeholders were aware of most of the major tools used in ongoing communication.

Trust factors are very high with both online subscribers and key stakeholder groups. Benchmarked against other organizations in science, environmental and associations, trust is rated well. Compared to government agencies, this trust factor slightly exceeds industry averages. This indicates that communication processes have established the required goodwill with stakeholders and makes the communication process more straightforward and focused on priorities.

Stakeholders clearly identified very specific needs for communication. Key stakeholders repeatedly indicated a need for more face-to-face contact with board members. This means making time to liaise more with these groups and find avenues and opportunities to dialogue.

Internet communication is a clear preference too, especially amongst online stakeholders. These groups rely on the written word, submitted and received in electronic format. Reports are also important to both groups and data is clearly used to support the mandate of stakeholder organizations.

The importance/effectiveness of proactive communication was also reflected in responses in which 35 percent indicated that direct contact and meetings were very effective tools for relaying information to key stakeholders. Questions that sought responses on ineffective communication received limited responses, with the majority (45%) indicating that they could not recall an example of ineffective communication.

A level of satisfaction with the FPB's communication was also reflected when respondents were asked about improving communication. 40 percent said nothing was required and 30 percent replied that they would like more access to board members, an annual sharing of intelligence, or more face-to-face meetings, all highlighting an interest in direct contact.

When asked to indicate what key facts should be known about the FPB, responses centered on the organization’s mandate, credibility and expertise of staff and Board members, and the Board’s independence.

In open ended questions, key stakeholders identified the information that they need from the FPB. Communication on the overall priorities of the FPB is important to stakeholders, as are the results of audits of other operations and information on what is working well within the system, and what needs improvement.

**Stakeholder Relations Review**

This part of the review examined how the FPB could get more stakeholder buy-in to its key processes and improve stakeholder perceptions of the Board on key attributes such as bias, independence and serving the public interest. Data gathering included interviews with 19 representatives from government, the forest industry and environmental groups.

**Stakeholder ratings of capacity and execution**

Stakeholders’ average responses to questions regarding the capacity and execution of the FPB highlight a number of areas (those with a rating of less than 4 out of 5) within which there are potential issues that warrant closer examination. A rating of less than 4 sets ‘the bar’ relatively high given respondents’ tendency to avoid the extremes of 1 or 5.

Potential capacity and/or execution issues included:

*Board Independence*

	Average	Gov	Oth	Env	Ind
Independence from government	4.5	4.6	4.3	3.7	4.8
Independence from forest industry	4.6	4.6	4.5	3.7	5
Independence from env. groups	3.8	3.9	4.8	4	3.2

Responses to questions regarding the independence of the Board from the provincial government, environmental groups and/or the forest industry primarily reflected concerns about being unduly influenced. Environmental representatives felt the Board is less independent from industry and government (ranked equally), while industry and government representatives felt the Board was less independent from environmental groups. Other sectors felt the Board was less independent from government than from industry or environmental groups.

*Board power and influence*

This category emerged in response to questions about the Board playing an influential role in, or holding others accountable for, improved forest practices. Several respondents felt that the Board’s lack of direct authority to fine or instruct regarding non-compliance significantly reduced its influence since it had “insufficient bite.” This lack of legislative or “statutory tools,”

and that it is dependent on the government to impose fines, contributed to the perception of the Board being “marginalized” or “ignored by both the government and the forest industry.”

#### *Expertise*

This category, of particular concern to forest industry respondents, encapsulated responses to questions related to Board members and staff having the requisite expertise (e.g., skills, knowledge, experience) to provide quality reports including decisions and/or recommendations.

#### *Working for the interests of the public of BC*

The primary concern here is *how* the public interest is determined. One challenge is that public interest is extremely broad and that “we’re all part of the public of BC.” The major issue pertained to who determines the interests of the public of BC. Several respondents felt that it was the government that establishes and serves the public interest through the FRPA legislation, not the Board.

#### *Bias*

Bias emerged as a very important issue because of its link to credibility, trust, report usefulness and the Board being “straightforward.” Perceived biases of the Board, particularly among forest industry respondents, included being biased towards:

- how FRPA might or should work vs. how it’s actually working on the ground.
- regulatory compliance with FRPA rather than looking at meeting the *intent* of FRPA and/or the public interest
- presenting things in an unduly negative light
- premature negative conclusions about FRPA rather than giving it a chance to work

#### *Fairness & Transparency*

Fairness was interpreted as treating all stakeholders the same and not giving one “preferential treatment.” “Being treated the same and seeing to be treated the same would provide the requisite “level of transparency to licensees as well as government and others involved.”

### *Respect*

Respectful treatment of participants was an issue for some respondents from government. One felt that it was disrespectful for Board investigators to talk to staff about a complaint investigation prior to talking to the district manager. Another commented that Board investigators “didn’t respect what [District Managers] say or the policy restraints they work under.”

### *Useful reports*

The usefulness of reports was closely tied to perceptions of expertise and bias. That is, reports could only be useful if they reflected the requisite degree of expertise and were seen as unbiased.

### *Timeliness*

The primary concern about the lack of timeliness in complaint investigations, audits and appeals was the loss of a window of opportunity on time-sensitive issues. The primary cause of a lack of timeliness was seen as insufficient resources, particularly with respect to investigations and appeals. It was suggested that the Board needed to prioritize better and “not take everything on,” only that which “is central to FRPA.”

### *Resources*

Several respondents suggested the Board needed more money and staff. One noted that using 3rd party certification information was good from a cost-effective perspective, but that it possibly compromised the Board’s standards.

## **Suggestions for Improvement**

Cited as the most valuable stakeholder relationship improvement activities were:

- the opportunity for input on draft reports;
- direct outreach by the Board and Chair;
- communication with stakeholders; and
- a more non-adversarial approach to report writing.

## **Survey questions and answers**

- [Key Stakeholders](#)
- [Electronic Subscription Clients](#)

## **Outcome – Strategic Communication Plan for 2006-07**

The Board updated its strategic communication plan for 2006/07 and confirmed its mission statement and key messages to communicate to the public and stakeholders. A number of priorities were also established to address some of the concerns and issues raised in the program review.

## **Mission Statement**

*The Forest Practices Board is British Columbia's independent watchdog for sound forest practices.*

## **Core Message**

The Forest Practices Board provides independent monitoring and oversight of forest and range practices in British Columbia.

## **Key Messages**

1. The Forest Practices Board audits forest and range practices and enforcement of related laws and regulations.
2. The Forest Practices Board addresses public complaints about forest and range practices and government enforcement of related laws and regulations.
3. The Forest Practices Board recommends improvements to forest and range practices and government regulation.
4. The Forest Practices Board reports directly to the public about the state of forest practices in BC.

## **Core Communication Objectives**

1. Continue to position the Board as an independent resource for relevant and credible information.
2. Communicate the Board's continued role in monitoring forest practices in the new legislative regime. Highlight and reinforce opportunities to address the Board's mandate.
3. Articulate, manage and effectively disseminate information about Board activities, reports and messages to public and stakeholders.
4. Ensure internet communication is effective and regular. Invest in maintaining a current website and e-mail distribution systems.

## **Recommendations**

It is recommended that the Board consider the following communications goals for 2006-2007, in addition to its core communications objectives:

1. Focus greater effort on building stronger relationships with key stakeholders by consulting face-to-face on current issues and on general work and priorities. Involve Board members in this initiative where possible.
2. Continue to provide opportunities for input and comment on draft reports.
3. Counter perceptions that the Board is biased towards any particular sector.
4. Further enhance the credibility of Board work by providing more information on the experience and expertise of Board staff and contractors who work on specific reports.

These recommendations were approved by the Board and are being implemented in the remainder of the 2006/07 fiscal year.

In addition to the strategic communication plan, the results of the communications program review are being considered in the ongoing improvement of the Board's other program areas.

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