

Crown Forest Sustainability Act, 1994

Loi de 1994 sur la durabilité des forêts de la Couronne

ONTARIO REGULATION 160/04

INDEPENDENT FOREST AUDITS

Consolidation Period: From April 18, 2012 to the e-Laws currency date.

Last amendment: O. Reg. 54/12.

This Regulation is made in English only.

Forest audit

1. (1) At least once every five years or at such later time as the Minister may determine under subsection (4), a forest audit shall be conducted for all management units north of the southern boundary of the area referred to in the order entitled “Declaration Order made under the Environmental Assessment Act regarding MNR’s Class Environmental Assessment Approval for Forest Management on Crown Lands in Ontario”, dated June 25, 2003, that is posted on the Ministry’s website ([www.mnr.gov.on.ca](http://www.mnr.gov.on.ca)). O. Reg. 160/04, s. 1 (1); O. Reg. 54/12, s. 1 (1).

(2) An audit shall be conducted in accordance with the terms of reference and the timetable established by the Minister for the audit. O. Reg. 160/04, s. 1 (2).

(3) The Minister shall review the terms of reference for audits at least once every five years and shall consult the public when carrying out the review. O. Reg. 160/04, s. 1 (3).

(4) The Minister may extend, by a period of two years or less, the five-year period within which a forest audit for a management unit must be conducted under subsection (1) if,

(a) the extension would ensure that the forest audit occurs in the second or seventh year of the forest management plan for the management unit, whichever year occurs first; or

(b) a licence to harvest forest resources has been granted with respect to the management unit and the extension would ensure that the audit period covered by the forest audit ends at the same time as the licence's review period under subsection 26 (3) or (3.1) of the Act, as the case may be. O. Reg. 54/12, s. 1 (2).

(5) In deciding whether to extend a forest audit period under subsection (4), the Minister shall consider, among other considerations,

(a) the results of the previous forest audit of the management unit; and

(b) if a person who holds a licence to harvest forest resources in the management unit prepared an action plan in response to the previous forest audit, the licensee's implementation of the action plan. O. Reg. 54/12, s. 1 (2).

#### Notice of audit

2. (1) The Minister shall give notice to the holder of the forest resource licence for the management unit when an audit relating to the management unit is scheduled. O. Reg. 160/04, s. 2 (1).

(2) The auditors shall give notice of the audit to the local citizens' committee, First nations whose communities are situated within or adjacent to the management unit scheduled for the audit and members of the public, and shall provide them with a reasonable opportunity to provide information and comments during the conduct of the audit. O. Reg. 160/04, s. 2 (2).

#### Independent auditors

3. (1) An audit shall be carried out by a team of at least three independent auditors working together. O. Reg. 160/04, s. 3 (1).

(2) An auditor is not independent if,

(a) the auditor or his or her spouse,

(i) is an employee, agent, partner or associate of the licensee; or

(ii) in the case of a licensee that is a corporation, is a member, director, officer or shareholder, other than through holding an interest in a mutual fund; or

(b) the auditor provided at any time during the period covered by the audit any services that would be the subject of the audit, whether on behalf of the licensee or on behalf of the Crown. O. Reg. 160/04, s. 3 (2).

(3) An auditor shall possess the skills, knowledge, experience and professional credentials necessary for the proper conduct of a forest audit. O. Reg. 160/04, s. 3 (3).

(4) At least one member of a forest audit team shall be a professional forester under the Act. O. Reg. 160/04, s. 3 (4).

(5) In this section,

“spouse” means,

(a) a spouse as defined in section 1 of the Family Law Act, or

(b) either of two persons who live together in a conjugal relationship outside marriage. O. Reg. 347/05, s. 1.

#### Conduct of audit

4. (1) In conducting a forest audit, the auditors shall,

(a) assess to what extent forest management planning activities comply with the Forest Management Planning Manual and the Act;

(b) assess to what extent forest management activities comply with the Act and with the forest management plans, the manuals approved under the Act and the applicable guides;

(c) assess the effectiveness of forest management activities in meeting the forest management objectives set out in the forest management plan, as measured in relation to the criteria established for the audit;

(d) compare the forest management activities carried out with those that were planned;

(e) assess the effectiveness of any action plans implemented to remedy shortcomings revealed by a previous audit; and

(f) review and assess a licensee's compliance with the terms and conditions of the forest resources licence. O. Reg. 160/04, s. 4 (1).

(2) An auditor shall not disclose any information obtained in the course of an audit except as is necessary for the purpose of the audit report or, as directed by the Ministry, for other related forest audits. O. Reg. 160/04, s. 4 (2).

#### Audit report

5. (1) On completion of an audit, the auditors shall prepare a final audit report and submit it to the licensee, the Minister and the local citizens' committee, if any. O. Reg. 160/04, s. 5 (1).

(2) If requested by the Minister, the auditors shall prepare supplementary audit reports and submit them to the persons mentioned in subsection (1). O. Reg. 160/04, s. 5 (2).

(3) An audit report shall state conclusions and provide recommendations based on the evidence identified during the audit, including, where applicable, a recommendation regarding an extension of the term of the licence under subsection 26 (3) of the Act. O. Reg. 160/04, s. 5 (3).

(4) The Minister shall lay each audit report before the Legislative Assembly if it is in session and, if the Assembly is not in session, the reports shall be deposited with the Clerk of the Assembly. O. Reg. 160/04, s. 5 (4).

(5) The Minister shall ensure that the following is posted on the Ministry's website ([www.mnr.gov.on.ca](http://www.mnr.gov.on.ca)) as soon as possible after the tabling of an audit report:

1. A notice of the tabling of the report.

2. A notice indicating that an action plan in response to the audit report is available. O. Reg. 160/04, s. 5 (5).

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