

Forest Investment Account Land Base Investment Program

Information Session for the BCCFA
Annual General Meeting - McBride

June 2, 2007

PricewaterhouseCoopers – Forest and Paper Industry Practice

PwC offers a broad range of services and solutions to the forest industry locally and globally, including:

- Performance Improvement – Solutions to enhance client's ability to build stakeholder value, manage risk and improve performance
- Sustainable Business Solutions – Assist client's define strategies and plans for environmental, social and economic sustainability
- Business Regeneration – Services in the areas of business recovery, financial restructuring, dispute analysis and forensic investigations
- Program Review and Evaluation – Complete reviews/audits of client's internal programs to assist in efficient and effective delivery

PricewaterhouseCoopers – FIA Division

- Formed in 2002 to administer the FIA LBIP (\$80M)
- PwC originally hired six professionals with forest industry, government and consulting experience to lead the LBIP administration and delivery
- Currently have a Senior Manager and three Investment Managers (IMs) and two Associates working on the LBIP/STP

Summary Table of 2007/08 FIA Funding by Program

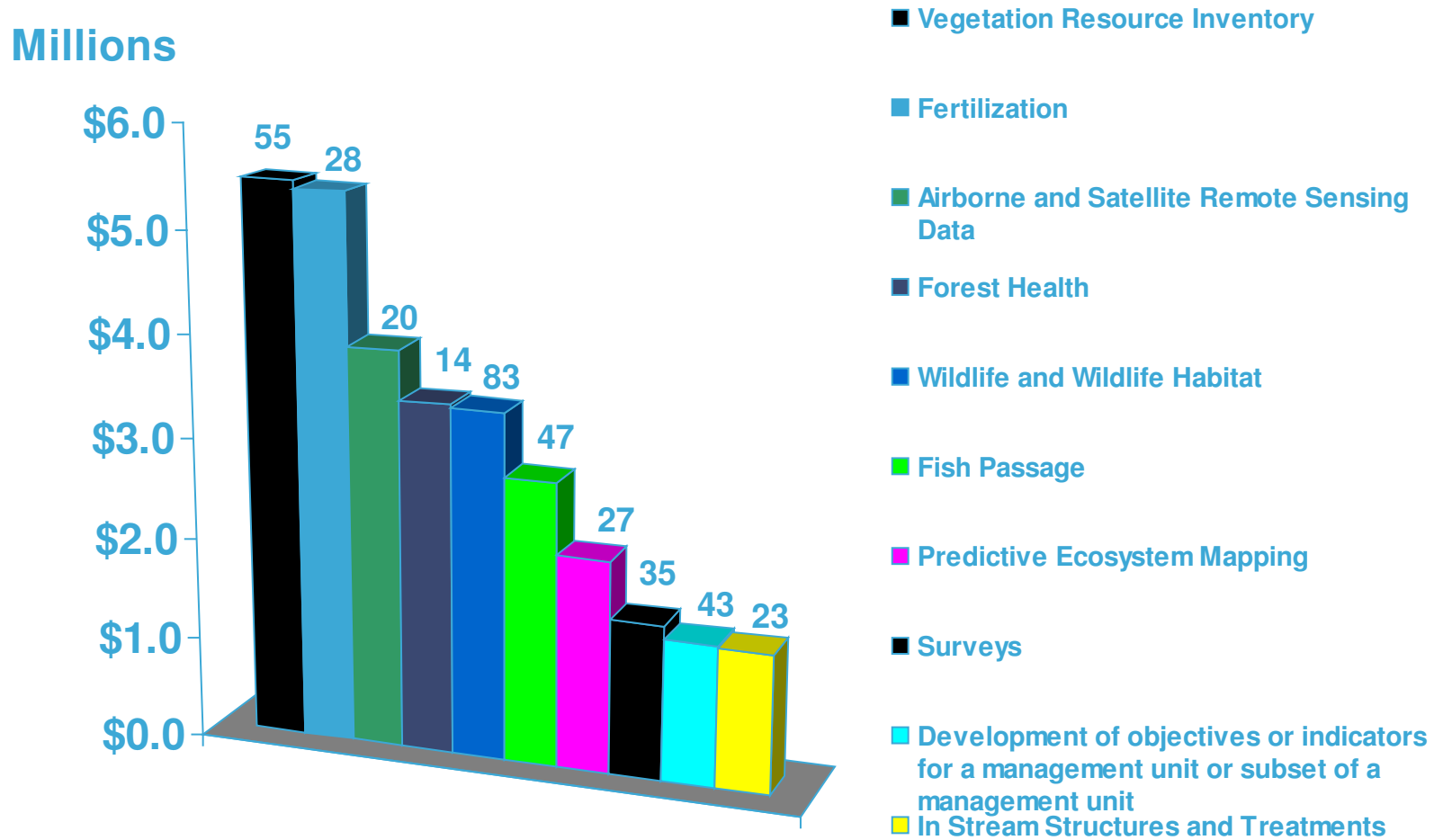
<u>Program</u>	<u>Allocation (\$)</u>
Land Base Investment Program	30,400,000
Forest Health Activities (MPB)	3,394,000
Timber Supply Review	400,000
Fertilization	4,700,000
Forest Resource Inventory	7,745,000
Total	\$46,639,000*

*** 2006/07: \$49,406,000**

2007/08 Community Forest FIA Allocations

	Grand Total	Mgmt Unit/District
Bamfield		Arrowsmith TSA/ South Island FD
Burns Lake	\$ 60,552	Lakes TSA/ Nadina FD
Cheslatta First Nation	\$ 55,230	Lakes TSA/ Nadina FD
Cowichan Tribes First Nation (Khowutzun)		Arrowsmith TSA/ South Island FD
Esketemc First Nation	\$ 31,844	Williams Lake TSA/Central Cariboo FD
District of Fort St James	\$ 26,191	Prince George TSA/Fort St James FD
Harrop-Procter	\$ 16,800	Kootenay Lake TSA/ Kootenay Lake FD
Ktunaxa Kinbasket Tribal Council	\$ 28,560	Cranbrook TSA/ Rocky Mountain FD
Likely-Xats'ull	\$ 19,761	Williams Lake TSA/ Central Cariboo FD
Village of McBride	\$ 85,902	Robson Valley TSA/ Headwaters FD
Nuxalk First Nation	\$ 16,800	Mid-Coast TSA/ North Island-Central Coast FD
Powell River	\$ 16,800	Sunshine Coast TSA/ Sunshine Coast FD
City of Prince George	\$ 16,800	Prince George TSA/ Prince George FD
District of Sechelt	\$ 16,800	Sunshine Coast TSA/ Sunshine Coast FD
Wells Gray		Kamloops TSA/ Headwaters FD
Westbank First Nation	\$ 64,418	Okanagan TSA/ Okanagan Shuswap FD
TOTAL	\$ 456,458	

Top 10 Activities Completed 2006/07 LBIP



2007/08 Eligible Activities for Community Forests

- Stand Establishment & Treatment – All Activities
- Developing Management Unit or Watershed Level Strategies (except for “Forest Health Strategy)
- Recreation Site/Trail Maintenance and Environmental Maintenance on roads
- Restoration & Rehabilitation – Aquatic/Terrestrial activities such as instream work and road deactivation (non-status)
- Community Forest Inventory VRI Phase I
- **Not for** activities on Crown land which CF are legally obliged to undertake at their own cost

Forest Investment Account (FIA) - Microsoft Internet Explorer

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Address <http://www.fialicensees.com/Login/login.asp> Go Links

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FIA

Forest Investment Account
Land Base Investment Program

Welcome to LBIP

The Forest Investment Account (FIA) is a new provincial government mechanism for promoting sustainable forest management in British Columbia. It is founded upon a Vote of the Legislature, authorizing the Minister of Forests and Range to provide funding for certain forest management activities. Specific amounts have been dedicated to program elements at the provincial level, other amounts have been allocated for disbursement to tree farm licence holders and certain tenure holders in each timber supply area.

The purpose of this website is to provide administration of the FIA program as it pertains to the Land Base Investment Program administered by PricewaterhouseCoopers LLP. To find out more about the purpose and to see a general overview of the FIA, click on this link to go to the [Ministry of Forests and Range's Forest Investment Account website](#)

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Log-on to Forest Investment Reporting System (FIRS)

User Name:

Password:

IS#:

PP#:

Login

More Information

- What's New
- Frequently Asked Questions
- SFMP Questions
- Docs, Reports & Presentations
- LBIP Bid Opportunities** ← New
- Contract Tendering
- Ministry of Forests FIA site
- LBIR
- Forest Science Program

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The Starting Point

- PwC has a Recipient Agreement (RA) with the BCCFA - specifies the manner in which the parties will work together
- The agreement is “evergreen” – it does not need to be re-signed in each fiscal year (unless there are program changes)
- Land Base Investment Rationale - All Recipients within the management unit must participate in the development of the LBIR.
- LBIRs are submitted to PwC for acceptance before PwC will review Recipient’s project plans.
- Accepted LBIRs are posted on the FIRS web site (www.fialicensees.com).

Tendering Information

- Where any one Investment schedule has funding of more than \$50,000 for the Year:
 - (a) the Recipient will ensure that, in respect of its Projects,
 - (i) all Subcontracts greater than \$100,000 for a given Project will be tendered through open invitation;
 - at least fifty percent of the value of all Subcontracts within the Management Unit for a given Year will be tendered through a competitive bidding process; and
 - Where Subcontracts less than \$100,000 for a given Project must be tendered to comply with Sub-paragraph (ii) above they may be tendered through open invitation or select invitation to a minimum of three qualified potential bidders.
- **Each CF is required to submit a summary of the year-to-date tendering percentage achieved by March 15, 2008**
- **PwC has a “Tendering website” – CFs can post tenders**

Transferring Funds

- Recipients may transfer funds to eligible Recipients in the management unit, or outside of the management unit.
- For CF's, transfers amongst eligible community forests can occur as necessary; however, to transfer funds in and between management units to another CF, a Recipient must submit a transfer form (found on the FIRS website) – by fax is acceptable.
- The transfer forms must be signed by both parties prior to submission.
- **New for this year:** Transfers from a CF to an LBIP forest licensee or from a forest licensee are allowed.

Project Approvals, Advances and Amendments

- Once submitted, PwC's IMs review, seek clarity and recommend approval of Recipient projects (the Senior Manager ultimately approves project eligibility and funding).
- During the year, changes to projects do occur and it is necessary to amend the project submitted to PwC.
- When completing amendments, Recipients must revise the Outputs/Funding table to include the proposed quarterly budget and units of output.
- **Deadlines:** June 30, 2007 to sign a Recipient Agreement
 - Excess funds identified from June 30 available to other Recipients

August 31, 2007: Provide IM with information on 2007/08 expenditure plans

First Nations Information Sharing

- Before receiving project approvals, CFs must complete the Information Sharing process as directed by the DM (notification only; direct input; etc).
- PwC needs a statement from the CF (Box 5 in FIRS) that states the information sharing requirements of the DM have been met and that the DM is satisfied with the efforts (could paste in the email from the DM if you wish)
- Most of the Information Sharing requirements should have been identified at the LBIR stage for 2007/08 projects.

Audits – Financial and Performance

- Yes, we have to do these!
- Selection of Recipients for audit is based on the Recipient and project risk profiles and continuous risk management, assessment and monitoring activities as well as the experience gained in carrying out the previous fiscal years' audit programs.
- For financial audits - review policies, procedures and controls surrounding the program that are established at the CF level.
- The financial audit also reviews invoices (no GST can be charged) against approved projects; reviews the tendering process; ensures cost eligibility

Audits – Financial and Performance (cont'd)

Performance Audits

- Performance audits of Recipients may consist of observations of the completed work in the field, review of licensee records and interviews of licensee staff and/or contractors.
- PwC verifies that the project
 - Achieved the agreed-upon outcomes, performance measures and milestones;
 - Delivered value to the program and were performed in compliance with applicable work standards;
 - Met various constraints such as provincial regulations, FIA operational / contractual standards and the Recipient Agreement;
 - Complied with recommendations and corrective actions identified by the Investment Manager during the monitoring phase and/or previous audits; and,
 - Been submitted in the proper format to the appropriate government repository.

How to Contact Us

Contact Information:

Dennis Sabourin

604-484-3476

dennis.b.sabourin@ca.pwc.com

Ian Brown, P.Eng. MBA

604-484-3480

ian.brown@ca.pwc.com

General Phone Line:

604-484-3490