PUBLIC SUMMARY OF
SECOND SURVEILLANCE AUDIT (SECOND CYCLE) ON
KEDAH FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION

Certificate Number : FMC 003
Date of Certification : 9 June 2010
Date of Public Summary : 16 April 2015
Audit Date : 3-6 November 2014

Certification Body:
SIRIM QAS International Sdn Bhd
Block 4, SIRIM Complex
1, Persiaran Dato’ Menteri
Section 2, P.O. Box 7035
40000 Shah Alam, Selangor
MALAYSIA
Tel : 60-3-5544 6400/5544 6448
Fax : 60-3-5544 6763
E-mail : radziah@sirim.my
Contents

1. EXECUTIVE SUMMARY ............................................................................................................. 3
2. GENERAL SUMMARY ............................................................................................................... 3
   2.1 Name of FMU ......................................................................................................................... 3
   2.2 Contact Person and Address ................................................................................................. 3
   2.3 General Background on the Kedah FMU ........................................................................... 4
   2.4 Date First Certified ............................................................................................................... 4
   2.5 Location of the FMU (Latitude and Longitude) ................................................................. 4
   2.6 Forest Management System ............................................................................................... 4
   2.7 Annual Allowable Cut/ Annual Harvest under the Forest Management Plan ............... 4
   2.8 Environmental and Socioeconomic Contexts ................................................................. 4
3. CERTIFICATION AUDIT PROCESS ....................................................................................... 5
   3.1 Audit Date ............................................................................................................................. 5
   3.2 Audit Team .......................................................................................................................... 5
   3.3 Standard Used ..................................................................................................................... 5
   3.4 Stakeholder Consultations .................................................................................................. 5
   3.5 Audit Process ....................................................................................................................... 5
4. SUMMARY OF AUDIT FINDINGS ........................................................................................... 6
5 RECOMMENDATIONS .............................................................................................................. - 23 -

Attachment 1 Map of Kedah FMU .......................................................................................... - 24 -

Attachment 2 Surveillance Audit Plan ..................................................................................... - 25 -

Attachment 3 Details of Non conformities and Opportunities for improvement Raised during this Surveillance and Corrective Actions Taken .............................................................................. - 27 -

Attachment 4 Status of Non conformities and Opportunities for improvement Raised During the Previous Audit ...................................................................................................................... - 30 -
1. EXECUTIVE SUMMARY

SIRIM QAS International Sdn Bhd (SIRIM QAS International) is the oldest and leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally recognized standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Services (UKAS), the International Automotive Task Force (IATF), and the Secretariat of the United Nations Framework Convention for Climate Change (UNFCC).

This surveillance audit on the Kedah Forest Management Unit (hereafter referred as ‘Kedah FMU’) was conducted on 3-6 November 2014. It was conducted by a three-member team comprising Mr. Khairul Najwan Ahmad Jahari (Forester and as Audit Team Leader), Prof. Mohd Basri Hamzah (Forester) and Mr. Razman Salim (Forester). This was the second surveillance audit being conducted following the first surveillance audit which was conducted on 30 September – 3 October 2013. The scope of this surveillance audit was limited to the forest management system and practices of the natural forest within the Kedah FMU.

This surveillance audit was conducted to assess the continued compliance on the overall management system and practices of the Kedah FMU against the requirements of the new standard for forest management certification, the Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest) [MC&I (Natural Forest)] using the verifiers stipulated for Peninsular Malaysia. In addition, this surveillance audit was conducted to verify the corrective actions taken by the Kedah State Forestry Department (KSFD) in addressing the Non Conformity Reports (Non conformities) and Opportunity for Improvements (Opportunities for improvement) raised during the previous re-certification audit.

Based on the findings of this surveillance audit, it was found that the Kedah FMU has continue to complied with the requirements of the MC&I (Natural Forest). However, this surveillance audit has resulted in the issuance of four (4) minor Non Conformity Reports (Non conformities) and two (2) Opportunity for Improvements (Opportunities for improvement).

This public certification summary contains general information on the Kedah FMU, the audit process involved, the findings of the audit, Non conformities raised as well as the decision on the continued certification of the FMU under the Malaysian Timber Certification Scheme (MTCS) by the Certification Panel of SIRIM QAS International.

2. GENERAL SUMMARY

2.1 Name of FMU

Kedah Forest Management Unit

2.2 Contact Person and Address

Kedah FMU is managed by the Director of the Kedah State Forestry Department who is also the contact person. The details of the contact persons are as shown below:

<table>
<thead>
<tr>
<th>Name</th>
<th>YM Ku Azmi bin Ku Aman</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designation</td>
<td>Director</td>
</tr>
</tbody>
</table>
| Address         | Kedah State Forestry Department  
                  | Level 8, Bangunan Sultan Abdul Halim 
                  | Jalan Sultan Badlishah 
                  | 05000 Alor Setar, KEDAH |
| Phone           | 04 733 3911,           |
| Fax             | 04 731 0610            |
2.3 General Background on the Kedah FMU

The Kedah FMU is managed by the KSFD. At the end of 2012, the FMU comprised 300,046 hectares (ha) of Permanent Reserved Forest (PRF) or 33% of the State’s total land area of 942,600 ha. In addition, nine (9) forest areas of 35,567 ha had been proposed for gazettement as PRF. A map of the Kedah FMU showing the locations of the PRF is attached in Attachment 1.

The KSFD are committed through sufficient management of the FMU on a sustainable basis. The PRF within the FMU comprises mainly of inland Dipterocarp forests covering an area of 300,845 ha while the remaining 6,201 ha consist of mangrove forests. The administration of the FMU is divided into three forest districts namely the North, Central and South Kedah Forest Districts.

The inland forest was still being managed under a Selective Management System (SMS) on a 30-year rotation period. Under the Ninth Malaysia Plan (2006-2010), the Annual Allowable Cut (AAC) for the FMU had been set at 2,340 ha. A Forest Management Plan (FMP) covering the period from 2006 to 2015 had been presented during the audit.

2.4 Date First Certified

9 June 2010

2.5 Location of the FMU (Latitude and Longitude)

The FMU is located between 6º 14’ 48.8034” N, 101º19’59.5914”E and 4º33’0.3584”N, 102º39’55.728”E.

2.6 Forest Management System

The inland forest are managed under a Selective Management System (SMS) on a 30-year rotation period.

2.7 Annual Allowable Cut/ Annual Harvest under the Forest Management Plan

The annual allowable cut (AAC) for 2014 as stated in the Forest Management Plan [FMP (2006-2015)] was 2,850 ha.

2.8 Environmental and Socioeconomic Contexts

A report ‘Macro Environmental Impact Assessment of Proposed Forest Operations in Kedah’ has been completed in 2009. The FMP had also raised environmental issues in forest management particularly on measures to mitigate potential environmental impacts during harvesting through proper road construction. The EIA had specified that logging practices should be guided by Guidelines on Reduced Impact Logging 2003 and the approved harvesting plan. All sensitive areas such as those above 1000 meters, slopes exceeding 400, and riparian buffers had been demarcated as protection areas. In addition the FMU has been demarcated into forest functional classes to ensure that the conservation and management of the forest resources are undertaken in a planned and systematic manner.

As recorded in the previous audit all the primary elements were included in the current FMP (2006-2015); which included management objectives, forest resources and classification, land use and socioeconomic conditions, management system adopted, provision for AAC, forest growth and dynamics, record of ERT species, forest resource maps showing protected areas, management
activities and land ownership and harvesting techniques and equipment’s used. The salient contents and their implementation were well understood by the forest managers and copies of the documents were available in all forest districts. All forest management activities in the FMU are centered on the current FMU. The FMP for 2016-2025 is being planned. Possible table of contents have been suggested and the tender process initiated (Letter: PHNK 94-2003/(13), 21 July 2014).

On indigenous peoples’ right, it was found that the Orang Asli community in the Hulu Perak/Baling had continued to settle on the Orang Asli Reserve covering an area of 428 acres which was gazetted in 1958. There was no recorded civil court case pertaining to legal or customary tenure or use rights within the PRF. The KSFD had not used the Orang Asli Reserve land. There was no record on the delegation of control with free, prior and informed consent by the Orang Asli. Although the customary rights of the Orang Asli within the PRF had not been formally recognised, these rights are respected in forest management planning and implementation. In general, the Orang Asli communities are allowed to continue using the forest produces for their subsistence needs.

3. CERTIFICATION AUDIT PROCESS

3.1 Audit Date
3-6 November 2014.

3.2 Audit Team
Mr. Khairul Najwan Ahmad Jahari (Audit Team Leader)
Prof. Mohd Basri Hamzah (Forester)
Mohd Razman Salim (Forester)

3.3 Standard Used
Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest) [MC&I (Natural Forest)].

3.4 Stakeholder Consultations
A stakeholder consultation was conducted in September 2014 for a period of one month. There was no comment received from any of the stakeholders.

3.5 Audit Process
The audit was conducted primarily to evaluate the level of continued compliance of the KSFD’s current documentation and field practices in forest management with the detailed of the SOPs listed in the MC&I (Natural Forest), using the verifiers stipulated for Peninsular Malaysia. The coverage of the audit on the FMU is depicted in the surveillance audit plan which is attached in Attachment 2.

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FMU or stakeholders or field audit or a combination of these methods. Depending on the compliance with the verifiers for a particular indicator, the auditors then decided on the degree of the overall compliance in the indicator and decided whether or not to issue a major or minor NCR or an OFI.

An NCR raised during this surveillance audit is categorized as either major or minor as follows:
(i) A major NCR is a non-compliance deemed by the Auditor to be critical and is likely to result in an immediate hazard to the quality or standard of forest management system and practices in the FMU.

The KSFD is requested to notify SIRIM QAS International of the proposed corrective actions taken within two weeks from the last date of this surveillance audit. The corrective actions as notified by the KSFD shall be verified by the Audit Team Leader or a member of the audit team within one month from the last date of audit.

(ii) A minor NCR is a single observed lapse in compliance by the FMU to the MC&I (Natural Forest).

The KSFD shall respond in writing to SIRIM QAS International within one month from the last date of audit detailing the actions to be taken to address all minor Non-conformities. The effectiveness of the resulting actions taken by the FMU must be verified at the next surveillance visit.

(iii) An OFI is a situation where the auditor has noted an area of concern on the capability of the forest management system to achieve conformance to the requirements of the MC&I (Natural Forest) but without sufficient objective evidence to support non-conformity. The closing of an OFI shall be made during the next surveillance audit.

4. SUMMARY OF AUDIT FINDINGS

4.1 The general findings of the audit on the compliance of the KSFD against the principles and criteria of the MC&I (Natural Forest) are as follows:

<table>
<thead>
<tr>
<th>PRINCIPLE</th>
<th>STRENGTH</th>
<th>WEAKNESS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Principle 1: Compliance with Laws and Principles</strong></td>
<td>Forest officers at the federal level, state level and at the district level had demonstrated an understanding and were found to be knowledgeable on the applicable, state and local laws as well as the regulatory framework. The KSFD officers met, from District Forest Officers and above, generally showed awareness, working knowledge and understanding of federal, state and local laws and of the regulatory framework related to forest management. Records of violations were inspected at the head office of the KSFD in Alor Setar and found to be adequate List of all fees, royalties and taxes, including other charges, during document verification at the KSFD head office in Alor Setar, were made available during the audit. The new rate was applied since 3rd August 2014. Copies of receipts seen during document verification at the KSFD (Lejar Akaun) in Alor Setar were kept in order. The forest managers were aware of all the binding international agreements and their main intentions on forest management. Copies of these documents were made</td>
<td>No negative findings found during this audit</td>
</tr>
</tbody>
</table>
available in the State Forestry Department head office. Copies of International agreements which Malaysia is signatory were made available to the senior forest managers. Interview with Silviculture Assistant Director (Penolong Pengarah) and Enforcement shows their awareness was improved.

There was no record of conflicts between Principles and Criteria with local laws and regulations pertaining to forest management including those relevant to the Kedah FMU.

The FMU managers are committed to participate in resolving such conflict (between Principles and Criteria and local laws and regulations) if any such case arises.

FMU is legally protected by the provisions in the National Forestry Act 1984 Section 7 to Section 13.

The enforcement planning schedule (perancangan aktiviti penguatkuasaan) for monitoring activities on all the licenced areas, checking station, road block, factories was conducted by monthly basis.

The maintenance of forest reserves boundaries was conducted accordingly

Policies and statements of commitment to manage forest resources on a sustainable basis are clearly stated in the National Forestry Policy 1984 that had been adopted by the Kedah SFD.

| Principle 2: Tenure and Use Rights and Responsibilities | Under the Federal Constitution, land is still under the jurisdiction of the State government, which had gazetted the areas of PRF under the National Forestry (Amendment) Act 1993 and protected within this legal provision. All 35 Forest Reserves have been gazetted. A copy of the gazetted records were available in the Register of Reserves. It was observed that in 2014, the following forest areas were in the process of being gazetted as PRF:  
- Bukit Genting Iboi  
- Bukit Kemunting  
- Bukit Keramat  
- Bukit Kerong  
- Bukit Payong  
- Bukit Siong  
- Ulu Muda Tambahan  
- Terenas Tambahan | No negative findings found during the audit |

The legal use rights of the logging contractors on the PRFs were still as spelt out clearly in the concession agreements, forest harvesting licenses, entry permits, road permits and use permits issued by the KSFD.

There were still records or map showing the location of the only Orang Asli village (Kg Orang Asli Lubuk Legong) located outside the Ulu Muda Forest Reserve (FR).

Forest managers had continued to demonstrate their willingness to support all legally established mechanisms on land claims. The existing cases of encroachment had been handled according to the laws. So far there was no record of any legally recognized land claims from the local communities living within the vicinity of the PRF.

As there was no recorded claim on the FMU by local communities, there was therefore no contractual agreement entered into with free, prior and informed consent of the local communities on legal or customary tenure or use rights for use of land. The Orang Asli Reserve is located outside Ulu Muda FR. The compartments adjacent to this FR have been classified as Education Forests and thus cannot be logged.

Forest managers had continued to recognise, respect and collaborate with holders of duly recognised legal or customary tenure or use rights.

The mechanisms to resolve disputes over tenure and use rights, were still in place at various levels through the "Mesyuarat Jawatankuasa Tanah Negeri Kedah Darul Aman" which brings the issues to the State Government or—through meetings between the "Jabatan Kemajuan Orang Asli" (JAKOA) or the Department of Orang Asli Advancement Kelantan and Terengganu and the KSFD. It was also still possible to submit the complaints to the District Forest Office which then would forward it to the State Forestry Office and then submitted to the Chief Minister’s office.

<table>
<thead>
<tr>
<th>Principle 3: Indigenous Peoples’ Rights</th>
<th>Records of customary rights of aborigine’s lands under the Aboriginal Peoples Act, 1954 were available.</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>The compartments adjacent to Reserve namely Compartments 14, 15, 16 and 17 has been classified as Education Forests and thus is not logged.</td>
</tr>
<tr>
<td></td>
<td>No negative findings found during this audit</td>
</tr>
</tbody>
</table>
shall be recognised and respected. There were no land dispute or land claim by native received and recorded and it was confirmed during the audit the mechanism to recognised and respected this was established and will be implemented accordingly if the issues been raised in future.

Orang Asli communities (native) living near to the forest area parameter had been allowed to use the forest produces for their subsistence needs. Previous consultation with Orang Asli communities in Kg. Lubuk Legong showed that the villagers were allowed to harvest non-timber forest produce for subsistence needs.

Forest management practices of KSFD does not threaten or diminish, either directly or indirectly, the resources or tenure rights of the Orang Asli. In addition the compartments adjacent to community namely Compartments 14, 15, 16 and 17 has been classified as Education Forests and is not logged. Thus, the issue of prevention and mitigation of adverse impacts does not arise.

**Principle 4: Community Relation and Worker’s Right**

Forest management operations shall maintain or enhance the long term social and economic well-being of local communities and forest workers

The KSFD had continued to give preference to the local community for employment. In the Rimba Teloi PRF, it was found that most of the contractor’s workers were the local villagers (Kg. Siput, Kg. Balang). Similarly, in the Bkt Perangin PRF, 12 of the 15 workers were the local Malay villagers.

Workers and staff were still being given sufficient training held mainly in the Department’s own training facility in the Jeniang Forest Range. Among training areas covered included establishment/tagging/maintenance of forest boundaries, river buffers, and protection, road and seed trees.

During a visit to an active logging site in Compartment 16 & 41 of the Gunung Bongsu PRF and Compartment 8 (Block 3), Bukit Perangin PRF, it was found that proper safety procedures were still in place and personal protective equipment (PPE) was in good working conditions.

The forest nursery in the Gurun Forest Range, North Kedah Forest District, was inspected by the auditor. The nursery operations, stock, storage and handling of poisons and fertilizers were found to have been satisfactory done in accordance with the SOP.

A proper signage on safety had been erected.

1) During site review, auditor found that fire extinguisher was made available at the Changlun, Pahau and Langkawi Range Office. However during site review at the Pahau Range, one of fire extinguisher was not re-inspected and one of iodine bottle in the first aid medical box was expired. Thus, an OFI Indicator 4.2.3 was raised by auditor.
at the places for keeping equipment, fuel store and generator set. The place for keeping equipment was also found to be well maintained and properly sealed.

Based on consultations held with the harvesting workers at the logging sites in Compartments 16 & 41, of the Gunung Bongsu PRF and Compartment 8 (Block 3), of the Bukit Perangin PRF, it was found that they were still aware on the need for using PPE during work.

Briefings had continued to be conducted for all the workers on various aspects of forest management including safety.

Employees of KSFD were still members of CUEPACS, the public sector employees union. The supporting staffs of KSFD had remained as members of Kesatuan Pegawai-Pegawai Hutan Melayu Semenanjung Malaysia. There was still no union among the forest workers hired by the contractors.

The following documents were still being made available during the audit:

- Federal Constitution of Malaysia – Article 10 (Freedom of speech, assembly & association.
- Employment Act, 1955
- Industrial Relations Act, 1967.
- Trade Unions Act, 1959 (Act 262)

The employees of the KSFD had continued their collective bargaining through the union of government employees, CUEPACS. Employees of the KSFD were assured of their contributions to EPF. The monthly paid employees of the contractor’s had continued to contribute to EPF and SOCSO and covered by group insurance.

The KSFD had continued to use the same procedures to address grievances faced by the staff of the KSFD.

The contract workers with the harvesting contractors were still being covered by the Employment Act and their grievances were still being channeled to their employers. Within the Department, the Majlis Bersama
Forest operations had continued to benefit the local communities living near the FMU. In the Kedah Tengah Forest District, the Rimba Teloi PRF had continued to contribute to the economy of the local communities and had been an important source of domestic water. The villagers had also collected non-timber products such as petai and keranji with permits. The KSFD had also engaged them as contractors in the construction and maintenance of forest recreational areas.

They had also benefited from the work employment in forest-based activities, and for some, facilitated access to their orchards and farms through forest roads. The communities had also agreed that forest operations had not destabilized their daily life.

There were provisions within the national legal frameworks to prevent loss or damage affecting the local people in Articles 8 and Article 13 of the Federal Constitution of Malaysia.

There was no evidence that local people’s legal and customary rights, property, resources or livelihoods had been threatened.

As indicated in indicator 2.3.1, there were appropriate mechanisms for conflict resolution involving the local communities.

Appropriate compensations would be made by logging contractors to the local communities when their properties suffered damages or losses during forestry activities.

There was still no record on any loss or damage affecting the local communities’ legal or customary rights, property, resources, or their livelihoods, caused by forest operations. Hence, the issue of fair and equitable compensation does not arise.

### Principle 5: Benefits from the Forest

Forest management operations shall encourage the efficient use of the forest’s multiple products and services to ensure economic viability.

The FMU had continued to be managed based on the principle of economic viability. The development budget for 2014 totaled RM 2,680,070 which had been spent on activities including human resource, community forest, state park, high value forest plantation, conservation and protection, publicity, forest resources and infrastructure. Meanwhile, overall forest

During the inspection on active logging sites in Compartment 8 (Block 3), Bukit Perangin PRF, it was found that in the process of clearing re-entry, feeder road leading to the logging area, road side trees had been indiscriminately bulldozed aside and felled into standing stands.
and a wide range of environmental and social benefits.

Revenue up to September 2014 totaled RM 24,952,227. Total staff in 2014 for the KSFD was 370 distributed over the three forest districts. There were 10 professionals.

The economic viability in FMU management was being ensured by the adoption of sustainable management of the SMS with the implementation of the annual allowable cut (AAC) as prescribed in the Forest Management Plan (FMU) (2006-2015). The AAC for 2014 was 2,850 ha. The practice of Reduced Impact Logging (RIL) which had continued to be implement had further ensured the forest productive capacity and its ecological integrity.

Another key activity for ensuring sustainability had been adequate regeneration of the post-harvest stand. Post-F inventories were prescribed under the MUS to identify follow-up silvicultural treatments, where necessary, to ensure sufficient regeneration for the next cut.

The KSFD had a good record on forest management in optimizing use of forest resources. This was demonstrated in the efficient implementation of the SMS and the practice of RIL, an integrated approach that optimizes the use of timber resources with minimal wastage.

Forest operations in the FMU had shown little evidence of wastage as in the post-F compartments which were visited in the Ulu Muda PRF. There were no logs left in closed “matau” and the felled trees were extracted with no usable logs left behind.

Training had continued to be conducted on a regular basis. The training plan was being implemented. The training had covered various aspects ranging from forest mensuration, wood and tree identification and reduced impact logging.

The KFSD has fostered a diversified economy based on NFTP which mainly involved the local community. The collection of these products had been adequately regulated through issuance of passes that ensures the ecological health of the forest is not in any way affected.

Based on resource sustainability and environmental integrity the system postulates that the rate of harvest of forest products, particularly that of timber from the FMU, shall not exceed the level of volume replacement.

The road cleaning process was notably not in compliance with the SOP in the verifier stated above. The indiscriminate clearing also caused extensive damage to standing trees in the peripheral stand. Thus, a minor NCR MBH-2 on Indicator 5.3.1 was raised.
thus ensuring perpetual resource sustainability and environmental conservation. Principle guidelines had been strictly followed, in particular the AAC which prescribes a total harvest areas of 14,250 ha over the 10-year period of the FMP, as set by the FDPM in Kuala Lumpur.

### Principle 6: Environmental Impact

Forest management shall conserve biological diversity and its associated values, water resources, soils and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.

A report ‘Macro Environmental Impact Assessment of Proposed Forest Operations in Kedah’ has been completed in 2009. The FMP had also raised environmental issues in forest management particularly on measures to mitigate potential environmental impacts during harvesting through proper road construction. The EIA had specified that logging practices should be guided by Guidelines on Reduced Impact Logging 2003 and the approved harvesting plan. All sensitive areas such as those above 1000 meters, slopes exceeding 400, and riparian buffers had been demarcated as protection areas. In addition the FMU has been demarcated into forest functional classes to ensure that the conservation and management of the forest resources are undertaken in a planned and systematic manner.

The need to establish High Conservation Value Forests (HCVFs) and zoning were emphasized. Mitigation measures that were prescribed in the EIA study should be incorporated in the revision of the FMP. Listing of ERT’s for flora is based on IUCN List of Protected Fauna and Red List of Protected Flora (FRIM).

A listing of endemic and rare flora species had been included in the FMP. A list of protected fauna as also had been made available. Currently there was no ERT flora and fauna since Surveillance 1 in 2013 audit until Surveillance 2 audit in 2014.

A safeguard to protect endangered, rare and threatened (ERT) species of forest flora and fauna has been embedded under the FMP. The FMU has been classified in to forest functional classes which include zoning into protection forest classes such as watershed forests, virgin jungle reserves (VJR) and wildlife reserves. There were 14 VJRs in the FMU with the largest being 620 ha and the smallest having an extent of 51 ha. In addition, High Conservation Value Forests has been established and there is potential for establishing new HCVFs for protecting ERTs if such areas were identified. In production forests within the FMU, only trees

1) The implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations was not comply with the specifications of the guidelines; Garis Panduan Jalan Hutan 2010 (Guidelines for Forest Roads 2010) pindaan 2013 – perenggan 2.6.10.3 Harungan. During the inspection of Compartment 8 (Block 3) Bukit Perangin PFR, under license no KU 01-07-2014, it was found that the crossings of two streams were not stabilized according to road specification. Thus, a Minor NCR KN-2 Indicator 6.5.1 was raised by auditor.

2) During the inspection of Compartment 8 (Block 3) Bukit Perangin PRF, under license no KU 01-07-2014, the implementation of guidelines for forest road layout and construction, including log landings and drainage requirement under Garis Panduan Jalan Hutan 2010 (Guidelines for Forest Roads 2010) pindaan 2013 - Jadual 10 Spesifikasi Lorong Penarik; Perenggan 2.6.9.1-parit tepian jalan was not followed. There was an (i) additional branches at the skid trails 4/1 and 1/1 were added without approval from District Forest Officer, (ii) construction of mataus (log landing) at Feeder Road 5 was not according to approved harvesting plans (RPH), and (iii) side drain was generally obliterated in the process of road maintenance to improve access following heavy rain period. Therefore, a Minor NCR KN-1 Indicator
which are above the cutting limit and that are tagged are allowed to be removed.

Fruit trees that are important to fauna have been protected. This was evident in the inspection of Compartment 16 & 41, Gunung Bongsu PRF and Compartment 8 (Block 3), Bukit Perangin PRF. It was found that Tualang trees have been marked for protection and has not been felled. The residual stand within this compartment was also found to be in good condition and is expected to recover within the cutting cycle. Tualang had been classified as protected species in KSFD. KSFD not allowed any harvesting operation on this tree species.

The Orang Asli and local community had been allowed to use the forest produces for their subsistence needs. Orang Asli communities were allowed to harvest non-timber forest produce, to fish and to hunt for subsistence needs. Consultations with contract workers at in Compartment 16 & 41, Gunung Bongsu PRF and Compartment 8 (Block 3), Bukit Perangin PRF showed that they were aware of endangered, rare and threatened species of forest flora and fauna found in the FMU. They indicated that they do not hunt any fauna and there was no sign of fauna caught. There was no workers camp (kongsi) at in Compartment 16 & 41, Gunung Bongsu PRF and Compartment 8 (Block 3), Bukit Perangin PRF. Therefore, posters on endangered, rare and threatened species of forest flora and fauna were displayed at the SQAS/MSC/FOR/30-13a Issue 1 Rev 1 - 22 - Pahau Checking Station only. Briefing on endangered, rare and threatened species has been conducted to contractors and their field workers before hand over the harvesting license. Sign boards prohibiting hunting and encroachment into forest reserves were displayed at the boundaries of forest reserves. This was evident during the visit to Gunung Raya PRF.

Local villagers interviewed were well aware of the protection on wildlife (interviews in Kg. Gulau and Kg. Charok Tenang, Kedah Tengah District). This was conveyed through periodic briefings given by departmental staff to the local community (e.g. Kg Gulau, Kedah Tengah).


Under the Selective Management System (SMS) which has continued to be practiced within the FMU, harvesting is selectively carried on marked trees above specified diameter while retaining sufficient residual vegetation in the forest. The system of limiting harvesting to a block of a limited size further assisted in preventing fragmentation of the forest thus allowing animals to move to adjacent unlogged forest sequentially and able to return when logging has been completed. Connectivity among forest vegetation was mainly achieved through proper planning of the harvesting sequence. The riparian buffers with undisturbed vegetation could also serve as corridors for fauna movement between unlogged forests. The riparian buffers have been clearly demarcated in the harvesting plan and the implementation has been verified during the site review in Compartment 8 (Block 3), Bukit Perangin PRF.

Maintaining the diversity of species/species groups is required under the SMS. This can be monitored by comparing pre-felling and post-felling inventory data. Document on the analysis of post F and pre-F was available. Detailed pre-F and post F data for 9 compartments were compiled. The internal review had SQAS/MSC/FOR/30-13a Issue 1 Rev 1 - 23 - reported that the analysis was correct and could be used.

A review with the state silviculturist has indicated the previous analysis was done correctly. The new analysis on an additional set of 9 compartments was found to be correct. The report of the analysis showed that there were differences in the number trees between pre-F and post-F. The FMU has interpreted and elaborated the changes between pre-F and post-F data to assess the changes in stocking and species composition.

As example for Compartment 47, Gunung Bongsu PRF with 61 ha, the FMU found that residual stock was enough for next rotation harvesting. To further improve the residual

However, an OFI Indicator 6.7.1 was raised by auditor due to record of disposal of empty pesticides containers was not available and waste container was not appropriate including label of scheduled waste at the Gurun Range.
condition, specific silviculturist treatment such as cutting lianas (CL) will need to be applied to this area. When compared pre-F and post-F, 113 Dipterocarp trees was decreased to 65 trees. Although number of Dipterocarp trees was decreased, Dipterocarp trees was still dominance in the area.

Based the above analysis and result, a Minor NCR SAM 1 for Indicator 6.3.1 which had been raised in Surveillance 1, 2013 was satisfactorily closed.

The FMU conduct post-harvest inventories to assess regeneration capacity of the residual stand and to prescribe necessary treatments. A summary of inventory results for the FMU in 2012 were seen by the auditor. A total of 926.94 ha were inventoried covering Koh Moi, Ulu Muda, Sungai Badak, Gunung Bongsu and Rimba Teloi. Following analysis of inventory data, follow-up forest treatments were recommended.

Representative areas of existing forest ecosystems have been embedded under the FMP. The FMU has been classified into forest functional classes which include zoning into protection forest classes such as watershed forests, virgin jungle reserves and wildlife reserves. In addition, High Conservation Value Forests has been established. There were 14 VJRs in the FMU with the largest being 620 ha and the smallest having an extent of 51 ha.

The availability of harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations can be referred to; a) Guidelines for Forest Roads 2010 (Amendment 2013) b) Guidelines for Reduced Impact Logging in Peninsular Malaysia 2003.

During the inspection of active logging site, it was found that the construction of the main bridge on the access road leading to the active logging site in Compartment 8 (Block 3) Bukit Perangin PRF was found followed forest road specification. A road constructed adjacent to the bridge leading to the river will have to be blocked to prevent soil being washed into the river. The implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations was adequately implemented and adhere to the requirements of the Guidelines for Forest
Road 2013. Therefore, a Minor NCR SAM-2 Indicator 6.5.1 which has been raised in Surveillance 1, 2013 was satisfactorily closed.

The requirement for clearly demarcated and protected riparian buffer strips has been emphasized in the RIL guidelines and followed by the KSFD. The guidelines specify the width and marking of the boundary trees within the buffer. The KSFD clearly demarcated these buffer strips along the streams.

The policy on environmentally friendly non-chemical methods of pest management at Kedah can be found in the FMP as well in the public summary.

The policy on poison handling and management was available. Information on chemical handling was included in the 2014 report on the Gurun Nursery. Proper Safe clothing and method of chemical application was prominently displayed on stand-alone bill board. Similar information, including occupational/health hazards of chemicals/poisons, were also framed and hung on store walls. Storage facilities (separately for chemicals, fertilizers, equipment’s and fuel) and chemical mixing area were inspected. Only approved chemicals were used.

Records of storage and movement for poisons (only Class 4 being handled), as well as fertilizers were found to be current and in order. An entry on chemical use in the log book stated for 30 September 2014, the latest entry, 30 ml of insecticide was used with 970 ml remaining.

Stock taking was conducted monthly and monitored by the headquarters in Alor Star (Letter: PHRSPG, 2 October 2014). Training on the handling of chemicals for the KSFD’s staff has been planned and implemented. Records indicated that a “Kursus Pengendalian Bahan Kimia” was conducted in 18-19 May 2014.

It was observed that chemicals have not been widely used in the forest operations except for paints, fuel and lubricant oil. Only a small quantity of Class III chemicals has been used in the preparation of SQAS/MSC/FOR/30-13a Issue 1 Rev 1 - 26 - seedlings in the nurseries.
There is a policy on recycling which was established in 2007, was and are still being adhered to. Major repair works had been conducted outside the FMU and there was no store for spare parts in addition, contractor did not constructed any logging camp in the licensed area. It has been confirmed with the contractors during the site visit at active logging sites in Compartment 16 & 41 Gunung Basor PRF and Compartment 8 (Block 3) Bukit Perangin PRF.

There were no containers for non-organic wastes being used in the harvesting sites. Fuel was mainly transported into the area to be used by the machinery.

KSFD had established standard operating procedures on waste disposal and re-cycling of liquid and solid non-organic wastes and records of disposal of containers, liquid and solid non-organic wastes, including fuel and oil for Kedah FMU on 01 August 2014. Therefore, a Minor NCR Indicator 6.7.1 which had been raised during Surveillance 1 audit in 2013 was satisfactorily closed.

There has been no application of biological control agents in the FMU.

There was no documentation of exotic plant and animal species as these species have not been utilized in large scale. KSFD had used native species in enrichment planting at Block 1 &2, Compartment 10, Koh Moi PRF in October 2014 for an area about 20 ha. Dipterocarpus boudii (Keruing bulu) and Shorea curtisii (Meranti seraya) were among native tree species that had been used by KSFD.

There was no conversion of natural forest to forest plantations since last year Surveillance 1 audit until this year Surveillance 2 audit.
<table>
<thead>
<tr>
<th>Principle 7: Management Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>A management plan – appropriate to the scale and intensity of the operations – shall be written, implemented, and kept up to date. The long term objectives of management, and the means of achieving them, shall be clearly stated.</td>
</tr>
</tbody>
</table>

As reported in the previous audit, all primary elements had been included in the FMP (2006-2015); such as management objectives, forest resources and classification, land use and socio-economic conditions, management system, provision for AAC, forest growth and dynamics, record of ERT species, forest resource maps showing protected areas, management activities and land ownership and harvesting techniques and equipment’s used.

The salient contents and their implementation had been well understood by the forest managers and copies of the FMP were made available in all the district forest offices. The FMP for 2016-2025 was being planned.

All monitoring records, including new information, would be used to develop the new management plan for the period 2016-2025.

The KSFD had conducted training at the Pusat Latihan Perhutanan Jeniang. Annual training program for 2014 was made available.

The staff training records and certificates awarded to the participants were verified.

A summary of the primary elements of the FMP (2006-2015) was made public through the departmental webpage as given below (kedahforestry.gov.my). The public can readily access the internet to obtain key information on the conduct of the FMU including management programmes, growth plot data, ERT species list, permanent reserve forests and their classification and forest production;


No negative findings found during this audit.
| Principle 8: Monitoring and Assessment | KSFD has complied with the regulatory monitoring procedures in accordance with relevant federal and state guidelines of the Forestry Departments and other relevant agencies. Director General’s Directive on the use of monitoring forms A – D, [A: Infrastruktur (Infrastructure), B: Pengusahasilan Hutan (Forest Harvesting), C: Alam Sekitar (Environment), D: Pengeluaran (Output)] was made available in ISO Quality Procedure “Aktiviti-aktiviti Pengusahasilan Hutan”. These forms were still being used to monitor the health and condition of the forest. The forest managers had continued to identify and implement appropriate monitoring procedures, in accordance with the scale and intensity of the forest management operations, for assessing social, ecological, environmental and economic impacts. During the previous audit, a preliminary draft of procedures to monitor social, ecological, environmental and economic impacts was prepared by the Forestry Department Headquarters. However, the draft has yet to be discussed and approved for use by the KSFD. An OFI #2 was therefore raised. KSFD had finally agreed to use the form beginning on 12 October 2014. Therefore OFI #2 had satisfactorily been addressed and closed out. Monitoring on socio-economic impact had continued to be conducted in both forest districts still using the same social impact assessment form entitled “Maklumat Kajian Impak Sosial Dalam Sektor Pembalakan” KSFD has gathered the relevant information, appropriate to the scale and intensity of the forest management operations, needed to monitor the items (a) to (e) listed in Criterion 8.2. The KSFD had included the research and data collection needed to monitor, at a minimum, the following indicators: a) Yield of all forest products harvested. b) Growth rates, regeneration and condition of the forest. c) Composition and observed changes in the fauna. d) Environmental and social impacts of harvesting and other operations. e) Costs, productivity and efficiency of forest management. |
| KSFD | No negative findings found during this audit |
All the information could be viewed by the public on the website link: http://kedforestry.gov.my/index.php?lang=en

During the previous audit, results of analysis of growth and yield plots/ growth plots/continuous forest inventory (CFI) plots was not presented. Therefore an OFI #3 was raised.

The KSFD had gathered growth data from a growth plot in the Virgin Jungle Reserve (VJR) at Compartment 13, Gunung Jerai PRF on 14-20 June 2013 and 24-25 January 2014. The data was analysed with the assistance of the Forest Department Headquarters, Kuala Lumpur. The results of analysis of growth and yield plots/ growth plots/continuous forest inventory (CFI) plots was made available during this surveillance. Therefore an OFI #3 raised on indicator 8.2.1 during the previous surveillance had been satisfactorily addressed and therefore closed out.

All trees above the cutting limit and selected for felling were still being tagged. Tagging records were being kept by the KSFD and a copy made available at the nearest forest checking stations (FCS) to allow chain of custody monitoring and ensure that only tagged trees were removed. The information in the tagging record was inspected against field assessment of tagged trees in both active logging sites in Compartments 16 and 41 of the Gunung Bongsu PRF.

Records on logged removed from removal passes issued by the in Pahau FCS was found to be in order with tagging records. It was observed that the forest officer in charge at the FCS was competent in doing his work.

During the previous audit, it was found that the KSFD had decided to prepare a new FMP 2016-2025 instead of doing a mid-term review. However, the results and findings of the monitoring activities had not been included in the list of contents for the new FMP. This was raised as an OFI #4.

The Forestry Department Headquarters had received quotation from consultants for preparing a new FMP (2016-2025). An official letter from the Forestry Department Headquarters dated on 18 September 2014 was verified where the KSFD was informed that the FMP would be ready in 2015. This has adequately addressed OFI #4 and therefore, this OFI was closed out.
During the previous audit, it was found that a summary of the results of monitoring indicators, including those listed in Criterion 8.2, was not made available to the public. A minor NCR KN-2 was therefore raised on this lapse.

A summary of the results of monitoring indicators, including those listed in Criterion 8.2, was made available to the public. All the information could be viewed by public through this website link: http://kedforestry.gov.my/index.php?lang=en. The action taken by the KSFD had adequately addressed the minor NCR KN-2 and therefore it has been closed out.

**Principle 9: Maintenance of High Conservation Value Forest**

Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.

There was no new establishment of HCVF site in 2014 since the last recording of *Koompassia excelsa* (Tualang) stand in Compartment 36 of the Pedu PRF. The KSFD had continued to follow the guidelines in identifying the presence of HCVF sites with consultation of the relevant stakeholders.

These measures on HCVFs, as contained in the FMP, can be publicly accessed at; http://www.kedforestry.gov.my/index.php/my/maklumat-pengenalan/mc-i/kawasan-hutan-pemeliharaan-tinggi.html

During the previous surveillance, it was found that the results and findings of the HCVFs monitoring activities had not been included into the implementation and revision of the FMP. A mid-term review on the FMP (2006-2015) would not be conducted but efforts were being undertaken to prepare a new one for the period 2016-2025. The requirement of this indicator has not been considered to be included in the list of contents for the new management plan. This was raised as OFI #5.

The KSFD would include in the new FMP all results and findings of the HCVFs monitoring activities including records on new areas. The auditor was informed that the Forestry Department Headquarters had received quotations for the preparation of a new FMP and was in the process of selecting the consultant. The action taken by the KSFD had adequately addressed OFI 5 and therefore it has been closed out.

No negative findings found during this audit.
4.2 Based on the findings of this surveillance audit, it was found that the KSFD had continued to manage the Kedah FMU in compliance with most of the requirements of the MC&I (Natural Forest). This surveillance audit had resulted in the issuance of four (4) minor Non conformities and two (2) Opportunities for improvement. The details on the Non conformities and Opportunities for improvement raised are as shown in Attachment 3.

4.3 The audit team had also verified the corrective actions taken by the KSFD to address the 4 minor Non conformities and 5 Opportunities for improvement which were raised during the previous surveillance and closed them out. The details on the verification of the corrective actions taken and the status of the Non conformities and Opportunities for improvement are shown in Attachment 4.

4.4 With regard to Criterion 6.10, there was no conversion of the natural forest to forest plantations.

5 RECOMMENDATIONS

The KSFD had submitted its proposed corrective actions to address the minor Non conformities and Opportunities for improvement which had been reviewed and accepted by the audit team. However, these corrective actions shall be verified by the audit team during the next surveillance.

As all Non conformities and Opportunities for improvement raised during the previous surveillance had been closed out and there was no new major NCR being raised, the Audit Team Leader, after consultation with members of the audit team recommend that the certification of Kedah FMU against the MC&I (Natural Forest) be maintained.
Attachment 1 Map of Kedah FMU
### Attachment 2 Surveillance Audit Plan

<table>
<thead>
<tr>
<th>DAY</th>
<th>TIME</th>
<th>PROGRAM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>AUDITOR 1 &amp; 3</strong></td>
</tr>
<tr>
<td>Day 0</td>
<td></td>
<td>Travelling from KL to Alor Star</td>
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<tr>
<td></td>
<td></td>
<td>Briefing by Audit Team Leader on the surveillance audit plan</td>
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<tr>
<td></td>
<td></td>
<td>Check in at Hotel Holiday Villa Alor Star</td>
</tr>
<tr>
<td>Day 1</td>
<td>9.30 am – 1.00 pm</td>
<td>• Opening Meeting with representatives of FMU</td>
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<tr>
<td></td>
<td></td>
<td>• Briefing session by Forest Manager of the FMU on progress of forest activities</td>
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<tr>
<td></td>
<td>a.m. – 5.30 pm</td>
<td>• Q&amp;A Session</td>
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<tr>
<td></td>
<td></td>
<td>• Evaluation of changes to the management of the FMU</td>
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<td></td>
<td></td>
<td>• Check on progress of planned activities aimed at enhancing the operation system to achieve improvement in overall performance</td>
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<td></td>
<td>• Check on complaints, stakeholder comments and follow-up actions o Orang Asli o Government agencies</td>
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<td></td>
<td></td>
<td>• Check on verification for closing NCRs raised during the previous audit</td>
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<td></td>
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<td>• Evaluate on procedures for internal audit</td>
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<td></td>
<td></td>
<td>• Evaluate on management review system</td>
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<tr>
<td></td>
<td></td>
<td>• Documentation and records review Principle 1-9</td>
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<tr>
<td></td>
<td></td>
<td>• Review of Day 1 Findings by Audit Team Leader [] Travel to Hotel Park Avenue, Sg Petani</td>
</tr>
<tr>
<td>Day 2</td>
<td>7.00 am – 1.00 pm</td>
<td>Site visit to Kedah Selatan – Kulim</td>
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<tr>
<td></td>
<td></td>
<td>• Active area – Compt 16 &amp; 14 Gunung Bongsu FR</td>
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<tr>
<td></td>
<td></td>
<td>• Forest Checking Station – Local community – JKKK</td>
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<tr>
<td></td>
<td></td>
<td>• Nursery – store Jeniang and Gurun</td>
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<tr>
<td></td>
<td></td>
<td>• Active area - Compartment 83B Rimba Teloi FR</td>
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<tr>
<td></td>
<td></td>
<td>• Forest Checking Station – BPH Pahau</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Documentation and records review at Pahau Office Range</td>
</tr>
<tr>
<td>Day</td>
<td>Time</td>
<td>Activities</td>
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<td>-------</td>
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<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>2.00 pm – 5.30 pm</td>
<td>□ Briefing to representatives of FMU on the progress of audit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>□ Review of Day 2 Findings by Audit Team Leader</td>
</tr>
<tr>
<td></td>
<td></td>
<td>□ Stay at Hotel Holiday Villa, Alor Setar</td>
</tr>
<tr>
<td></td>
<td>Day 3</td>
<td>Site Visit to Kedah Utara District</td>
</tr>
<tr>
<td></td>
<td>7.00 am – 5.30 pm</td>
<td>□ Active area – Compt 8 Bukit Perangin PRF</td>
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<tr>
<td></td>
<td></td>
<td>□ Interview with forest workers</td>
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<td></td>
<td></td>
<td>□ Documentation and records review at District Office</td>
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<tr>
<td></td>
<td></td>
<td>□ Site visit – boundaries at Gunung Raya PFR</td>
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<tr>
<td></td>
<td></td>
<td>□ Review of Day 3 Findings by Audit Team Leader</td>
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<tr>
<td></td>
<td>Day 4</td>
<td>□ Documentation and records review</td>
</tr>
<tr>
<td></td>
<td>8.30 am – 1.00 pm</td>
<td>□ Preparation of audit report and finding</td>
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<tr>
<td></td>
<td></td>
<td>□ Briefing to representatives of FMU on the findings of audit</td>
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<tr>
<td></td>
<td>2.00pm-4.00 pm</td>
<td>□ Closing Meeting and presentation of findings of audit and discussion on follow-up activities</td>
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<tr>
<td></td>
<td>4.30pm</td>
<td>□ Adjourn Closing Meeting</td>
</tr>
</tbody>
</table>
### Attachment 3 Details of Non-conformities and Opportunities for improvement Raised during this Surveillance and Corrective Actions Taken

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Specification Major/Minor/ OFI</th>
<th>Detail Non-conformances</th>
<th>Corrective Action Taken</th>
<th>Verification by Assessor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator 6.5.3 Minor NCR # KN-1</td>
<td>The implementation of guidelines for the forest road layout and construction, including log landings and drainage requirements were found to be inadequate. Skid trails and mataus were constructed not in accordance to the approved harvesting plan (RPH). During an inspection in Compartment 8 (Block 3) of the Bukit Perangin PFR, under logging licence no KU 01-07-2014, the following non-compliances was observed: 1. An additional branch to the skid trails 4/1 and 1/1 was added without approval from District Forest Officer. 2. Construction of mataus (log landing) at Feeder Road 5 not according to approved harvesting plans (RPH). 3. Side drain was generally obliterated in the process of road maintenance to improve access after heavy rain period.</td>
<td>Stop work order had been issued. The contractor had repaired the road and side drain. The licensee was ordered to request an approval from the DFO regarding the construction of mataus and additional skid trails. Refresher training to the contractor’s workers was planned to be conducted. KSFD would conduct training to all contractors on new requirements of (Guidelines for Forest Roads 2010) Revised 2013.</td>
<td>A Letter PHD.KU.139/282/(26) dated 12 November 2014 was verified</td>
<td></td>
</tr>
</tbody>
</table>

| Indicator 6.5.4 Minor NCR #MBH-1 | Availability and implementation of guidelines for conservation of buffer strips along streams and rivers. Perenggan 2.5.2 – Jalan sedia ada. The conservation of buffer-zone had not been adequately implemented. The auditor had inspected an active logging site in Compartment 8 (Block 3) of | Stop work order has been issued to the contractor. The old feeder road was restored by planting with commercial species. Refresher training was conducted to the contractor’s. KSFD would conduct training to all contractors on new requirements of Guidelines for Forest Roads 2010) | Letter PHD.KU.139/282/(23) dated 9 November 2014 was verified |
the Bukit Perangin PFR in North Kedah Forest District under logging license KU.01-07-2014 (BALAK).

An old feeder road had been reused for the current operation to minimize earthwork. However, a portion of the road, built over 30 years ago when provision for buffer zone was not in place, was now situated within a buffer zone. The contractor appeared unaware of significance of this situation when the old feeder road was cleaned for reuse as skid trail (LP 4/5).

Indicator | Minor NCR #:MBH-2
---|---
**5.3.1** | Guidelines for reduced/low impact logging to minimize damage to residual stand had not been followed.

The auditor had inspected an active logging site in Compartment 8 (Block 3) of the Bukit Perangin PFR in North Kedah Forest District under logging license KU.01-07-2014 (BALAK). In the process of clearing re-entry, feeder road leading to the logging area road side trees had been indiscriminately bulldozed aside and felled into standing stands. The road cleaning process was notably not in compliance with the SOP in the verifier stated above. The indiscriminate clearing had also caused extensive damage to standing trees in the peripheral stand.

Stop work order had been issued to the contractor. The road cleaning activities had been stopped until an approval is from the DFO.

| Letter PHD.KU.139/282/(26) dated 12 November 2014 was verified |

Indicator | Minor NCR #:KN-2
---|---
**6.5.1** | Implementation of harvesting procedures to protect the soil from erosion during harvesting operations were not followed.

During the inspection of Compartment 8 (Block 3) Bukit Perangin FR, under license no KU 01-07-2014, it was found that the crossings of two streams were not stabilized according to road specifications.

The licensee was instructed to repair the crossing with 15m gravel from the streams. Refresher training was conducted for the contractors. KSF would conduct training to all contractors on the new requirements of the Guidelines for Forest Roads 2010 (Revised 2013).

<p>| A Letter PHD.KU.139/282/(23) dated 9 November 2014 was verified |</p>
<table>
<thead>
<tr>
<th>Indicator</th>
<th>OFI #</th>
<th>Details</th>
</tr>
</thead>
</table>
| **4.2.3** | **OFI #1** | 1) Fire extinguishers were made available at the Changlun and Langkawi Range Offices. However, the auditor had found that one of fire extinguishers had not been re-inspected.  
2) First aid box was made available at the Pahau Range. However, auditor had found that one of iodine bottle in the first aid medical box had expired. |
| **6.7.1** | **OFI #2** | 1) At Gurun Range Office, empty pesticides containers which had been thoroughly washed and holed. However, proper waste container was not appropriate including correct labelling for each type of scheduled waste could be enhance by management.  
2) Gurun Range Office had also disposed empty pesticides containers through the public waste collecting facility. However, record of disposal of containers was not available during site review. |
## Attachment 4 Status of Non-conformities and Opportunities for improvement Raised During the Previous Audit

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Specification</th>
<th>Detail Non-conformances</th>
<th>Corrective Action Taken</th>
<th>Verification by Assessor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator 6.3.1</td>
<td>Minor NCR #: SAM-1</td>
<td>The analysis on changes of forest stand/species composition in relation to the pre-felling inventories was not adequate. Document on the analysis of post F and pre-F inventory was available. Detailed pre-F and post F data for 10 compartments was compiled. Preliminary analysis to assess changes of stocking and species composition was conducted by the KSFD. The comparative analysis was found to be inadequate as it did not provide any elaboration on the results and subsequent measures. A more comprehensive analysis needs to be carried out to assess the changes in stocking and species. During the previous recertification audit (2012), an OFI was issued for this indicator.</td>
<td>A comparative analysis between Inventory Pre-F and Post-F inventory of compartment 47C, Gunung Bongsu PFR was conducted. From the results of the analysis it was found that the area has sufficient stocking for the future and that climbers cutting (CL) would be required. In addition, it was also found that there would be no species extinctions but only a reduction on the number of residual trees.</td>
<td>A review with the State Silviculturist has indicated the previous analysis was done correctly. The new analysis on an additional set of 9 compartments was found to be correct. The report on the analysis showed that there were differences in the number of trees between pre-F and post-F. The KSFD has interpreted and elaborated the changes between pre-F and post-F data to assess the changes in stocking and species composition. As an example, for Compartment 47, Gunung Bongsu PRF with 61 ha, it was found that residual stock was enough for next rotation harvesting. To further improve the residual condition, specific silviculture treatment such as cutting lianas (CL) would need to be done in this compartment. Status: Closed out.</td>
</tr>
</tbody>
</table>

| Indicator 6.5.1 | Minor NCR #: SAM-2 | The implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations had not fully adhered to the requirements of the Guidelines for Forest Road 2010 (Revised 2913). The main bridge on the access road leading to the active logging site in Compartment 8 (Block 3) of the Bukit Perangin PRF had | The construction of the main bridge in the driveway leading to the compartment 71-A of the Ulu Muda PRF had been improved to prevent the soil erosion into the river system. Among the improvements being carried out were by binding the timber bridge | |
road leading to the active logging site in Compartment 71-A Ulu Muda PRF was found to be damaged and measures taken to prevent soil from being washed into the river had not been adequate. It was found that the retaining walls had been damaged and covered with soil washed down from heavy rains. Sumps were filled and needs to be maintained. A road constructed adjacent to the bridge leading to the river will have to be blocked to prevent soil from being washed into the river.

The "Geotextile" cover had also been placed on the beam before it was covered by laterite soil to prevent sediment falling into watercourses. The "retaining wall" had also been improved in order to prevent soil from being washed into the river. In addition, legume seeds were also sown around the area to prevent erosion. The work was still in progress due to the rainy season.

Indicator 6.7.1  Minor NCR #: KN-1

Standard operating procedures on waste disposal and re-cycling of liquid and solid non-organic wastes and records of disposal of containers, liquid and solid non-organic wastes, including fuel and oil were not available.

The KSFD was to adopt the Environmental Quality (Scheduled Wastes) Regulations 2005, the Environmental Quality Act (1974) for the disposal of waste oil, fuel, liquid and solid.

A letter had been sent to the Forestry Department Headquarters Peninsular Malaysia regarding on Standard Operating Procedures.

Indicator 8.5.1  Minor NCR #: KN-2

A summary of the results of monitoring indicators, including those listed in Criterion 8.2, was not made available to the public.

The Public summary did not include the research and data collection needed to monitor, at a minimum, the following indicators:

- a) Yield of all forest products harvested.
- b) Growth rates, regeneration and condition of the forest.
- c) Composition and observed changes in the fauna.
- d) Environmental and social impacts of harvesting and other operations.

i. KSFD had received from the Forestry Department Headquarters Peninsular Malaysian on the format and content to be included in the Forest Management Plan (FMP) for the 2016-2025.

ii. A discussion was held with the IPPSM on 19 September 2013 to discuss on the preparation of the FMP including public summary.

KSFD had established standard operating procedures on waste disposal and re-cycling of liquid and solid non-organic wastes and records of disposal of containers, liquid and solid non-organic wastes, including fuel and oil.

All the information could be viewed by public through this website link: http://kedforestry.gov.my/index.php?lang=en

Status: Closed out.
<p>| Indicator 8.1.2 | OFI 1 | Forest managers were found to be fully aware of some of the federal and local laws directly related to forestry. However, the particular provision/checklist of the applicable federal, state, local laws and regulations and policies, in particular those related to forest management needs to be improved. The KSFD had updated the checklist of the applicable federal, state, local laws, regulations and policies, in particular those related to forest management. Status: Closed Out. |
| Indicator 8.1.2 | OFI 2 | A preliminary draft of procedures to monitor social, ecological, environmental and economic impacts was provided by the Forestry Department Headquarters. Peninsular Malaysia. However, the draft has yet to be discussed and approved for application to KSFD. KSFD had agreed to use the standard form to monitor social, ecological, environmental and economic impacts which was provided by the Forestry Department Headquarters Peninsular Malaysia. The survey form was officially used on 12 October 2014. Status: Closed out. |
| Indicator 8.2.1 | OFI 3 | Results of analysis of growth and yield plots/growth plots/continuous forest inventory (CFI) plots was not presented during audit. The KSFD had gathered growth data from a growth plot in the Virgin Jungle Reserve (VJR) at Compartment 13, Gunung Jerai PRF on 14-20 June 2013 and 24-25 January 2014. The data was analysed with the assistance of the Forest Department Headquarters, Kuala Lumpur. The results of analysis of growth and yield plots/growth plots/continuous forest inventory (CFI) plots was made available during this surveillance. Status: Closed out. |
| Indicator 8.4.1 | OFI 4 | The KSFD decided to conduct a new FMP 2016-2025 instead of a mid-term review. However the Forestry Department Headquarters had |</p>
<table>
<thead>
<tr>
<th>Indicator 9.4.2</th>
<th>OFI 5</th>
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<td>It was found that the results and findings of the HCVFs monitoring activities has not been included into the implementation and revision of the forest management plan. A mid-term review for the Forest Management Plan 2006-2015 would not be conducted but efforts are being undertaken to develop a new management plan for the period 2016-2025. The requirement of this indicator has not been considered to be included in the list of contents for the new management plan.</td>
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The KSFD would include in the new FMP all results and findings of the HCVFs monitoring activities including records on new areas. The auditor was informed that the Forestry Department Headquarters had received quotations for the preparation of a new FMP and was in the process of selecting the consultant.

received quotation from consultants for preparing a new FMP (2016-2025). An official letter from the Forestry Department Headquarters dated on 18 September 2014 was verified where the KSFD was informed that the FMP would be ready in 2015.

Status: Closed out.