

Date of Public Summary: July 2011

**PUBLIC SUMMARY OF FIRST SURVEILLANCE AUDIT OF
KEDAH STATE FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate No : FMC 003
Date of Certification : 9 June 2010
Date of Surveillance Audit : 1 - 4 November 2010**

Certification Body:

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1. INTRODUCTION

A surveillance audit for forest management certification on the Kedah State Forest Management Unit (hereafter referred to as 'the Kedah State FMU') was conducted from 1-4 November 2010. This audit was conducted to verify the Kedah State FMU's continued compliance with the requirements of the *Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)]*.

This was the first annual surveillance audit conducted following the Stage 2 audit conducted in 2009 on the overall forest management system and practices within the Kedah State FMU against the requirements of the *MC&I (2002)* using the verifiers stipulated for Peninsular Malaysia.

The Kedah State FMU is managed by the Kedah State Forestry Department (KSFD). At the end of 2009, the FMU comprised 307,046 hectares (ha) of 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 gazettelement as PRF.

The KSFD is committed to the management of the Kedah State FMU on a sustainable basis. The PRFs within the FMU comprise mainly of inland *Dipterocarp* forests covering an area of 300,845 ha with the remaining PRFs covering 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 is 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 Kedah State FMU had been set at 2,360 ha. A Forest Management Plan (FMP) covering the period from 2006 to 2015 had been completed and presented during the audit.

2. GENERAL SUMMARY

2.1 Name of FMU

Kedah State FMU

2.2 Contact Person and Address

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2.3 Dates of Surveillance Audit:

1 - 4 November 2010 (8 man-days)

2.4 Audit Team

Dr. Yap Son Kheong (Audit Team Leader)
Mr. Khairul Najwan Ahmad Jahari (Auditor)

2.5 **Standards Used**

Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)] using the verifiers stipulated for Peninsular Malaysia.

2.6 **Stakeholder Consultation**

For this surveillance audit, consultations were held with the staff of the FMU, and the field workers of the contractors at the harvesting sites. A stakeholder consultation was initiated in October 2010, one month before the conduct of the field audit. There was however no comment received from any stakeholder.

3. **SUMMARY OF SURVEILLANCE AUDIT FINDINGS**

Based on the findings of this surveillance audit, the audit team had found that there was a firm commitment by KSFD to continue managing the FMU on a sustainable basis despite the issuance of the three (3) minor NCRs and six (6) OFIs.

During this surveillance audit, the audit team had also verified on the corrective actions taken by the KSFD to address all the seven (7) minor NCRs and 7 Opportunity for Improvements (OFIs) which had been raised during the previous Stage 2 Audit. The audit team was satisfied that the proposed corrective actions had been implemented effectively and had therefore closed out all the NCRs and OFIs during the Closing Meeting held on 4 of November 2010.

The KSFD had submitted a proposed corrective action plan to address the new NCRs and OFIs raised during this surveillance audit via a letter dated 9 December 2010 which had been accepted by the audit team leader. The proposed corrective actions by the KSFD to address these minor NCRs and OFIs shall be verified by the audit team during the next surveillance audit. The details on the status of the NCRs and OFIs raised during the previous Stage 2 audit, and the new NCRs and OFIs raised during this surveillance audit are attached in **Annex 1**.

As no new major NCR was raised and all previous minor NCRs issued during the Stage 2 Audit being closed out, it is therefore recommended that *Certificate for Forest Management* awarded to the Kedah State FMU be maintained

**Status of the NCRs and OFIs Issued during the Previous Stage 2 Audit
and the Issuance of New NCRs and OFIs under the Current Surveillance Audit**

Status of NCRs and OFIs issued during the previous Stage 2 Audit

Indicator	NCR No.	Details of Non Compliance	Corrective Actions Taken	Status
5.3.1	Minor 1	Ten trees that were not tagged were felled and removed from the site. One of the trees was below the cutting limit and 2 were removed from the riparian buffers. Immediate action had been taken by the FMU in issuing a stop work order to the contractor to prevent further damages. A compound notice was also issued.	As documented in the Stage 2 Audit, stop work notice (Form 2) was issued to the contractor together with a compound for the offence. The contractor had paid the compound and the documents examined. A briefing session was held for the forest rangers and foresters of the KSFD to strengthen the control on harvesting activities on 18 January 2010. Further training sessions on RIL had been included in the FMU's training program for 2010. All documents on these activities were made available during the surveillance audit.	This minor NCR was closed out.
6.2.3	Minor 2	Adequate efforts were not made by the FMU to consult and cooperate with the Department of Wildlife and National Park (PERHILITAN) to identify the presence of wildlife as well nesting sites and feeding areas for wildlife within the FMU. During the consultation with PERHILITAN, it was indicated that such information were available and could be provided to the FMU.	The Department of Wildlife and National Parks (PERHILITAN) had been consulted on the sites utilized by wildlife within the FMU. It would release available data once approval had been provided by its head office in Kuala Lumpur. Ground surveys had been planned to verify these data and new findings would be incorporated in the revision of the FMP.	This minor NCR was closed out.
6.5.1	Minor 3	Earthworks were observed to be excessive during road construction and maintenance. Skid trails were long and heavily bladed making them similar to feeder roads. Sumps and cross drains had not been adequately constructed particularly in steep areas. Excess soil which was pushed to the sides of roads was not	The KSFD had been stricter in following the guidelines on road construction. This was observed during this surveillance audit by the audit team for roads constructed in the Bukit Perangin, Rimba Teloi and Ulu Muda FRs.	This minor NCR was closed out.

		compacted and some log culverts were not constructed and maintained according to specifications of RIL. Stop work order and compound notice were issued to the contractor.		
6.5.3	Minor 4	The construction of skid trails and log landings did not follow the alignment drawn on the harvesting plans. Deviations in the construction of feeder roads and skid trails from the harvesting plan had not been approved by the State Forest Department prior to their construction. Harvesting plans were not updated accordingly following such changes. Stop work order and compound notice were issued to the contractor.	The contractor involved had settled the compound issued. The auditors had checked on the road lay-out and construction in Compartment 9E of the Bukit Perangin FR, Compartment 73E & 73A of the Rimba Teloi FR, Compartment 6C&D of the Gunung Inas FR and Compartment 44A of the Ulu Muda FR and found them to be satisfactory.	The minor NCR was closed out.
6.5.4	Minor 5	The riparian buffers were damaged and encroached. Trees were felled within the buffer zones and were removed. Excess soil resulting from road construction was also pushed into the riparian buffers. Stop work order and compound notice were issued to the contractor.	The contractor had settled the compound and the felled trees had been removed from the buffer belts. Improvement to the protection of riparian buffer belts was noted in the new licence areas.	This Minor NCR was closed out.
9.2.1	Minor 6	Relevant stakeholders for HCVF such as universities, forestry research institutions and environmental NGOs were not included in the list provided to the auditors.	Additional stakeholders had been consulted and feedbacks received would be included in the review of the FMP. The amended list was examined. The FMU had planned to organize biodiversity expeditions together with external experts.	This minor NCR was closed out.
9.4.1	Minor 7	Annual monitoring to assess the effectiveness of measures taken in the management of HCVFs in the PRFs was not conducted.	Inventory of the number of Tualang trees with nests of honey bees was conducted. Signboards indicating HCVF sites had been erected. The management process on HCVF would also be revised in the revision of the FMP.	This minor NCR was closed out.

Indicator	OFI No.	Summary of OFI	Corrective Actions Taken	Status
1.5.2	1	Annual monitoring of encroachment could be enhanced by utilizing a GIS System to monitor boundaries and potential encroachment.	Regular patrolling had been increased to reduce further encroachment. Each district forest office had been provided with a GPS. Sites damaged by encroachment had been replanted with tree seedlings.	This OFI was closed out.
4.1.1	2	It was observed that training could be further enhanced by having additional programmes for the contract forest workers on the RIL system. Annual training courses could be prepared.	Briefing on <i>MC&I 2002</i> was given to staff and contractors from 10-12 May 2010. Consultative meeting among the FMU, contractors and village committees was also held on 22 September 2010.	This OFI was closed out.
4.2.4	3	The existing form on safety records could be improved with the maintenance of a monthly record on occurrences or absence of accidents.	Monthly records had been instituted.	This OFI was closed out.
4.4.1	4	It was observed that the information to be captured on the social impact assessments conducted on the Orang Asli communities and 3 Malay villages were inadequate. The completed survey forms used for Kg. Orang Asli Lubuk Legong, Kg. Ulu Tawar/Padang Belon, Kg. Bendang Man and Kg. Batu 7, Jalan Kroh, Baling did not contain information on population, economic activities, dependency on non-timber forest produce and services.	The social impact records had been improved with additional data. A questionnaire form would be distributed to communities living next to harvesting areas.	This OFI was closed out.
5.3.1	5	In Compartment 52 of the Pedu FR, it had been observed that some trees had two tags with different serial numbers on them. The auditors were informed that some of the trees had been tagged earlier but the field staff had forgotten to remove the old tags. The KSFD shall ensure that only a single tag should be left on the trees as double tagging could create confusion in monitoring the harvesting operations.	The District Forest Officers had reminded all foresters on ensuring that tagging would be done correctly.	This OFI was closed out.

6.7.2	6	It was observed during the field inspection that two tanks of diesel fuel were kept without containment in the Ulu Muda FR. Fuel and oil storage had to be stored in a storage area which was contained to avoid spillage in accordance to the Environmental Quality Act.	The KSFD had instructed all contractors to follow on the correct procedure of fuel tank storage.	This OFI was closed out.
8.2.1	7	Information on pre-felling and post-felling inventories was made available but there was no comparison being made between pre-felling and post-felling inventory data to assess the extent of ecological changes on the residual stand.	Comparison on the pre and post felling inventories had been completed and presented in the web page.	This OFI was closed out.

Issuance of New NCRs and OFIs under the Current Surveillance Audit

NCRs:

Indicator	NCR No.	Status	Summary of Non Compliance
1.5.2	SKY01	Minor	Control mechanism to prevent encroachment, hunting and other unauthorized activities within the FMU was not adequate. There was insufficient signage indicating the boundaries of forest reserves so as to deter illegal activities.
9.3.2	SKY02	Minor	The measures to demarcate, maintain and enhance the HCVF attributes had not been included in the public summary of the FMP. Inspection of the public summary made available in the web page of the FMU www.kedforestry.gov.my did not indicate measures on demarcating, maintaining and enhancing HCVF attributes.
8.3.1	KN01	Minor	<p>Documents for identifying all forest products leaving the area to be certified so that their origins could be easily determined were not updated. During the inspection on the Charok Sejuk Checking Station in Sik, it was observed that some of the records for log movements were not updated in the "Tree Tagging and Timber Production Control Book". The log diameters and lengths recorded in the following Removal Passes were not recorded in the "Tree Tagging and Timber Production Control Book":</p> <ol style="list-style-type: none"> 1) Removal Pass No 020962 dated 30 August 2010 for License KT 01-01-2010 under Compartment 73E of the Rimba Teloi FR; and 2) Removal Pass No 020952 dated 15 August 2010 for License KT 01-01-2010 under Compartment 73E Rimba Teloi FR. <p>This gap was also found in the Checking Station at Kuala Pegang where the volume of logs was also not updated in the "Tree Tagging and Timber Production Control Book".</p>

OFIs:

Indicator	OFI No.	Status	Summary of OFI
4.2.3	1	-	Supply of personal safety equipment to the contractors' field workers could be improved through proper records together with regular inspection.
5.5.1	2	-	Protection of water catchment areas in the FMU could be improved through gazettelement of more sites which had been approved by the State government.
6.5.3	3		Sumps constructed along the feeder roads in the harvesting compartments in Gunung Inas FR could be enhanced by deepening the pits and also increasing the frequency.
6.6.1	4		Implementation of guidelines and procedures on the use of chemicals in the forest as approved by relevant regulatory authorities could be improved by standardization of the recording systems.
8.2.1	5		Inspection of tree stump in Comp 6C & D BKK Gunung Inas found that species identified was different from that in the tree tagging books. For example tag no KBX 6103 was identified as Tulang Daing while the tagging records indicated it as Meranti Tembaga. The tagging of trees and identification process could be enhanced.
8.5.1	6		The summary of results of monitoring could be improved by incorporating some details on the pre and post harvesting records and social impacts of harvesting.