



**PUBLIC SUMMARY OF
FIRST SURVEILLANCE AUDIT (SECOND CYCLE) ON
KELANTAN FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

Certificate Number	: FMC 005
Date of First Certification	: 9 June 2010
Audit Date	: 12-16 October 2014
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1. INTRODUCTION

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 (UNFCCC).

This surveillance audit on the Kelantan Forest Management Unit (hereafter referred as 'Kelantan FMU') was conducted on 12-16 October 2014. It was conducted by a three-member team comprising Mr. Khairul Najwan Ahmad Jahari (Forester and as Audit Team Leader), Dr. Samsudin Musa (Forester) and Mr. Razman Salim (Forester). This was the first surveillance audit being conducted following the re-certification audit which was conducted on 20-24 October 2013. The scope of this surveillance audit was limited to the forest management system and practices of the natural forest within the Kelantan FMU.

This surveillance audit was conducted to assess the continued compliance of the overall management system and practices of the Kelantan 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 Kelantan State Forestry Department (KSFD) in addressing the Non Conformity Reports (NCRs) and Opportunity for Improvements (OFIs) raised during the previous re-certification audit.

Based on the findings of this surveillance audit, it was found that the Kelantan FMU had generally complied with the requirements of the MC&I (Natural Forest). This surveillance audit has resulted in the issuance of four (4) minor NCRs and five (5) Opportunity for Improvements (OFIs).

This public certification summary contains general information on the Kelantan FMU, the audit process involved, the findings of the audit, NCRs 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

Kelantan Forest Management Unit

2.2 Contact Person and Address

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

Mr. Zahari Ibrahim
Kelantan State Forestry Department
Block 5, Level 1
Kota Darulnaim
15503 Kota Bharu
Kelantan
Phone : 09-748 2140
Fax : 09-744 5675

2.3 General Background on the Kelantan FMU

Forestry continues to be an important economic activity in Kelantan. At the end of 2012, the total forested area in Kelantan was 865,017 ha or about 58% of the State's total land area of 1,493,181 ha. The forests consist of 623,849 ha of PRFs, 138,086 ha of Stateland forests and 103,082 ha of wildlife reserves (outside the PRF). However, part of the PRF amounting to 199,352 ha, has been zoned as potential plantation area for Timber Latex Clone (TLC) rubber trees. These potential TLC plantation areas have been excluded from the FMU under the scope of this audit.

The PRF area that was covered under this audit totaled 424,497 ha. The map of the Kelantan FMU showing clearly the location of the PRF area covered under the scope of certification is attached in **Attachment 1**. In addition, the list of names of the specific Forest Reserves (FRs) and compartments within the FRs have also been included to avoid any ambiguity on the area of the PRF which is covered under the scope of certification.

The Kelantan State Forestry Department (KSFD) has continued to be committed to the management of the Kelantan FMU on a sustainable basis. The PRFs within the FMU comprise mainly inland Dipterocarp forests. The administration of the FMU is divided into three forest districts, namely the East (Machang), West (Tanah Merah) and South (Gua Musang) Forest Districts.

The inland forest continues to be managed under the Selective Management System (SMS) on a 30-year rotation. Under the Tenth Malaysia Plan (2011-2015), the Annual Allowable Cut (AAC) for the Kelantan FMU had been set at 5,910 ha. The Forest Management Plan (FMP) covering the period from 2006 to 2015 was presented during the audit. A mid-term review report of the management plan had been carried out and the mid-term report was also made available to the Audit Team.

Since part of the PRF had been zoned as the potential plantation area for TLC rubber trees, the KSFD had taken action to review the FMP, including re-calculating the AAC. This was undertaken as part of the mid-term review of the FMP, which was initiated in November 2010.

2.4 Date First Certified

9 February 2011

2.5 Location of the FMU (Latitude and Longitude)

The FMU is located between 4° 33'0"N to 6° 14' 48"N and 101°19'59"E to 102°29'55" E.

2.6 Forest Management System

The inland forest continues to be managed under the Selective Management System (SMS) on a 30-year rotation.

2.7 Annual Allowable Cut under the Forest Management Plan

Under the Tenth Malaysia Plan (2011-2015), the annual allowable cut (AAC) for the Kelantan FMU had been set at 5,910 ha.

2.8 Environmental and Socioeconomic Contexts

A report entitled 'Macro Environmental Impact Assessment of Proposed Forest Operations in Kelantan' (EIA Report) which had been completed in 2009 had raised measures to mitigate potential environmental impacts during harvesting through proper road construction and forest harvesting practices, and the need to establish High Conservation Value Forests (HCVFs) and zoning. Potential

impacts stated in the EIA report have also been incorporated into the Mid-Term review of the Forest Management Plan (FMP) carried out in December 2011.

The KSFD continues to be guided by the 5-year Development Plan Budget to achieve set targets as stated in the FMP (2006-2015). The management of the FMU endeavors economic viability in a balanced approach that enhances the productive capacity and integrity of the FMU. The AAC for 2011-1015 is 5,910 ha as approved by the National Land Council to ensure timber resource sustainability based on the total area of the PRF of 623,849 ha.

3. CERTIFICATION AUDIT PROCESS

3.1 Audit Date

12-16 October 2014.

3.2 Audit Team

Khairul Najwan Ahmad Jahari (Audit Team Leader)
Dr. Samsudin Musa (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 Consultation

A stakeholder consultation was conducted in September 2014 for a period of one month. However, no feedback was received from any of the stakeholders.

3.5 Audit Process

The surveillance audit was conducted primarily to evaluate the level of continued compliance of the KSFD's current documentation and field practices in forest management against the details 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 a 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 overall compliance of the indicator, and decided whether or not to issue a major or minor NCR or an OFI.

4. SUMMARY OF AUDIT FINDINGS

4.1 Findings

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:

PRINCIPLE	STRENGTH	WEAKNESS
<p>Principle 1: Compliance with Laws and Principles</p> <p>Forest management shall comply with all applicable laws of Malaysia and respect international treaties and agreements to which Malaysia is a signatory, and comply with all the Principles and Criteria contained in this standard.</p>	<p>Copies of all the relevant laws, policies and regulations as stipulated in the MC&I (Natural Forest), which are fundamental for the FMU management, continue to be made available in the State Forestry Department head office in Kota Bharu.</p> <p>Forest officers of the rank Assistant Director, District Forest Officers (DFOs) and above had demonstrated that they were still knowledgeable and had adequate understanding of the national and local laws and regulatory framework.</p> <p>All payments received were kept orderly. Original copies of the receipts issued for payments received were made available.</p> <p>The forest officers continued to be aware of all the binding international agreements. Copies of these agreements continued to be made available in the State Forestry Department's head office in Kota Bharu and to the senior forest officers.</p> <p>Policies and statements of commitment to manage the forest resources on a sustainable basis as clearly stated in the National Forestry Policy 1984 continued to be adopted by the KSFD.</p> <p>The mission and vision statements as clearly stated in the FMP (2006-2015) are intended to comply with the practice of good forest management consistent with Principles and Criteria of the MC&I (Natural Forest). The commitment can be seen on the website http://jpnk.kelantan.gov.my/ and as displayed on the LED signboard in the state office</p>	<p>During a site visit, the auditor had found that a contractor had not insured some of the new workers. Therefore an OFI # 1 was raised on Indicator 1.1.2.</p>
<p>Principle 2: Tenure and Use Rights and Responsibilities</p> <p>Long-Term tenure and use right to the land and forest resources shall be clearly defined, documented and legally established.</p>	<p>Documents relevant to use rights of the land or forest resources within the relevant federal, state and local laws in the FMU were still made available. The State Government, under the National Forestry Act 1984, had gazette the PRF thus placing them under protection.</p> <p>The Orang Asli community is mostly settled on Stateland. Native Land was gazette outside Permanent Forest Reserve Area. However, some natives are nomad and move temporary at certain area within the Permanent</p>	<p>No negative findings found during this audit.</p>

	<p>Forest Reserve. Forestry Department are aware on this situation and based on common understanding, native people are allowed to stay in.</p> <p>No claims were made by any of the local communities on the FMU. Hence, there was no contractual agreement entered with free, prior and informed consent of the local communities with respect to legal or customary tenure or use rights for use of land.</p> <p>Records of actions taken to protect the identified sites of significant importance, such as Orang Asli villages and burial grounds, were made available, and the identified sites were demarcated on a map.</p>	
<p>Principle 3: Indigenous Peoples' Rights</p> <p>The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognised and respected.</p>	<p>Although the Kelantan State Government has not adopted the Aboriginal Peoples Act, 1954, the KSFD still uses the Act as a guide in dealing with the legal and customary tenure or use rights related to the Orang Asli.</p> <p>Both formal and informal approaches have been used to resolve conflicts and grievances. Formal consultations such as stakeholder meetings and social feedback forms (A, B, C and D) continued to be used by the KSFD. Issues and complaints by the local villagers are recorded in the Complaints' File.</p> <p>There are appropriate procedures for the identification and protection of sites of special cultural, ecological, economic or religious significance to the Orang Asli. A map showing the location of the burial sites of the Orang Asli had been prepared and is available at the KSFD.</p> <p>There are no Orang Asli traditional forest-related knowledge and practices in the use of forest species or management systems in forest operations being used by the KSFD. Thus, there was no compensation paid.</p>	<p>No negative findings were found during this audit.</p>
<p>Principle 4: Community Relation and Worker's Right</p> <p>Forest management operations shall maintain or enhance the long term social and</p>	<p>The KSFD continued to provide training, retraining, local infrastructure, facilities and social program for all levels of its employees and the contractors.</p> <p>Wherever possible, the KSFD and logging contractors continued to employ</p>	<p>The KSFD can further improve the training program by providing awareness training on the management of scheduled waste and accident reporting procedures (e.g. identification, handling,</p>

<p>economic well-being of local communities and forest workers</p>	<p>qualified people from the communities located adjacent to the FMU.</p> <p>Since the recertification audit in 2013, no accident has been reported in the Kelantan FMU.</p> <p>The contract forest workers continued to be made aware of the operational procedures in the work place as well as on the relevant laws and regulations on the safety and health of employees whenever new forest compartments (blocks) were opened for harvesting.</p> <p>Appropriate safety and operational equipment (safety boots, helmets and goggles) in good working condition continued to be supplied by the KSFD to its employees, while the contractors also continued to provide the same to their workers.</p> <p>Posters on guidelines for storage and handling of pesticides and scheduled waste are available and displayed at appropriate sites.</p> <p>Hazardous chemicals were found to be properly stored and there was increased awareness on the proper handling of chemicals. There were also proper areas allocated for the disposal of chemical containers.</p> <p>Records on the safety and health of the employees of the KSFD are made available in the form of minutes of meetings of the “<i>Majlis Bersama Jabatan</i>” (MBJ) or Joint Council of Departments and the Health and Safety Committee which had long been established by the KSFD. For the workers of the logging contractors, their safety and health records are maintained by the employers.</p> <p>Collective bargaining is still being undertaken by the employees of the KSFD through the union of government employees, CUEPACS. The contract workers’ rights to benefits are assured under the Employment Act, 1955.</p> <p>During the previous audit, it was found that the data gathered from the village head and a villager had not been analyzed. Therefore, an OFI on Indicator 4.4.1 was raised.</p>	<p>labelling, transportation, storage and spillage or discharge of scheduled waste). Thus, an OFI 2 was raised on Indicator 4.4.1.</p> <p>First aid boxes were still being provided for contract workers and strategically located in the <i>kongsi</i> and nursery. All KSFD staff in the three forest districts had been supplied with first aid provision. Records of equipment and maintenance were made available at the logging camp. However, some of safety and operational equipment were not recorded such as first aid box, chainsaw and fire extinguisher. Thus an OFI 3 was raised on Indicator 4.2.3.</p> <p>The Safety and Health Committees had continued to meet. However, minutes of Committee’s meeting were not up-to-date. It was found that issues that were raised and discussed in the previous meeting had not being reviewed in the following meeting. Thus an OFI 4 was raised on Indicator 4.2.4.</p>
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	<p>The KSFD had analysed the data collected from the village head and a villager. The audit team had verified the action taken by the KSFD and has therefore closed out this OFI.</p> <p>Cases of forest operations directly affecting the surrounding communities are brought to the District Development Action Committee (DDAC). The findings of the social impact assessment (part of the EIA) and the data collected through the use of the questionnaire had been incorporated into the management plan of the FMU.</p> <p>It was observed that the KSFD's officers continue to be aware of the provisions and measures and the mechanisms for resolving grievances and providing fair compensation within the federal, state and local legal frameworks, involving loss or damage affecting the local people's legal or customary rights, property, resources, or their livelihoods caused by the forest operations.</p> <p>Since the re-certification audit in 2013, there have been no grievances and complaints received relating to the forest operations impacting on the local communities and the Orang Asli in the FMU.</p>	
<p>Principle 5: Benefits from the Forest</p> <p>Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.</p>	<p>As mentioned earlier, the management of the FMU continues to endeavor economic viability in a balanced approach that enhances the productive capacity and integrity of the FMU. The AAC for 2011-1015 is 5,910 ha as approved by the National Land Council to ensure timber resource sustainability based on the total area of the PRF of 623,849 ha.</p> <p>Fruit and mother trees and the vegetation along riparian buffers continue to be protected.</p> <p>The production forest continues to be managed based on the selective management system (SMS) where trees above a prescribed cutting limit are selected for felling, while ensuring that sufficient advanced regeneration is left behind in the residual stand to constitute the future crop in 30 years.</p> <p>In addition, logging operations continued</p>	<p>No negative findings found during this audit.</p>

	<p>to follow the RIL principles where only tagged trees were removed (evidence based on tagging records and checking of tags of felled trees) thus minimizing disturbance, reducing wastage and ensuring recovery of the residual stand.</p> <p>The KSFD has continued to enhance the awareness of the logging contractors to reduce wastage. Logging waste such as log offcuts were allowed to be removed under strict supervision of the KSFD.</p> <p>The KSFD has also continued to conduct silvicultural treatment in harvested areas to enhance productivity and forest recovery. Skid trails and temporary log landings had been replanted with commercial timber species.</p> <p>During the previous audit, a Minor NCR BSR-1 was raised, since a significant portion of the PRF covering a total of 199,352 ha had been zoned as potential forest plantation areas and excluded from the FMU and therefore the AAC had to be re-calculated. The KSFD has now re-calculated the AAC based on the actual size of the FMU. A new AAC of 5,417 ha has been determined for the FMU. This AAC has been recommended for the FMU for the 11th Malaysia Plan beginning 2016-2020. KSFD has also applied the AAC for year beginning 2014 and 2015. The audit team had verified and accepted the corrective action and therefore has closed out the minor NCR BSR-1.</p> <p>Timber remains as the main product being harvested from the FMU. The volume of the annual log harvest from the 5417 ha had been projected to be 10,834 ha for the years 2014 and 2015. Limited quantity of non-timber products consisting mainly rattan and bamboo had also been harvested. Limited quantities of non-timber products, mainly rattan and bamboo, had also been harvested.</p> <p>Records of timber removed through the checking stations were found to be in order. This was evident from the visit and inspection made at the Kuala Betis Forest Checking Station.</p>	
<p>Principle 6: Environmental Impact</p>	<p>A report entitled 'Macro Environmental Impact Assessment of Proposed Forest Operations in Kelantan' (EIA Report)</p>	<p>It was observed that the implementation of guidelines on forest road layout and</p>

<p>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.</p>	<p>which had been completed in 2009 had listed the measures to mitigate potential environmental impacts during harvesting through proper road construction and forest harvesting practices, and the need to establish High Conservation Value Forests (HCVFs) and zoning. Potential impacts of EIA had also been incorporated into the Mid-Term review of the FMP in December 2011.</p> <p>The KSFD has continued to follow the established procedures for protecting biological diversity especially ERT species as stipulated in the Forest Manual 2003 [Manual Perhutanan: Jilid I – Pentadbiran, Jilid II – Operasi Hutan, Jilid III – Pembangunan Hutan].</p> <p>Virgin jungle reserves have continued to be maintained for the protection of flora and fauna. There are 17 VJRs in the FMU covering a total area of 3,784 ha.</p> <p>The KSFD has also continued to implement the appropriate protective measures for ERT species. Posters on protected fauna continue to be displayed in the logging camps.</p> <p>In addition to VJRs, all forest areas located more than 1,000 m above sea level or with slopes more than 40 degrees continue to be protected from logging activities.</p> <p>A list of protected fauna is also available. The list of ERT dipterocarp species published by the Forest Research Institute Malaysia (FRIM) is used as the reference in protecting ERT species in the FMU.</p> <p>It was also found that the KSFD continues to cooperate with the other government agencies as well as the local universities in the implementation of conservation and management activities.</p> <p>Hunting and other collecting activities in the forest are still prohibited within the FMU as only authorized people with approved entry permits are allowed to enter the PRFs. Sign boards indicating forest reserves located along the boundaries of the PRFs continue to be maintained.</p> <p>The District Forest Officers had</p>	<p>construction including log landings and drainage requirements had not been adequate.</p> <p>During inspection of the main access road leading to and within Compartment 310 of the Perias FR, it was found that there were no cross drains and very few side ditches were constructed. This has resulted in ponding and poor conditions in some parts of the road. Therefore, a minor NCR #SAM 1 was raised on Indicator 6.5.3.</p> <p>It was also found that the implementation of guidelines for reduced impact logging covering the conservation of buffer strips along streams and rivers had not been adequate. In the construction of the main access road in Compartment 310 of the Perias FR, it was found that surface soil had been pushed into the river system. In addition, the construction of a feeder road and a proposed bridge had not been completed. It was also found that wood debris were also pushed into the riparian buffers in Compartment 76 of the Sungai Durian FR. Therefore, another Minor NCR #KN-1 was raised on Indicator 6.5.4.</p>
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	<p>continued to conduct briefings to the forest workers prior to the start of any harvesting activity to instill awareness on the ERT species and prohibition of hunting.</p> <p>An OFI was raised in the previous audit on Indicator 6.2.4 when it was observed that there was a lack of signage in the FMU to warn trespassers on illegal hunting activities. Inspection of the logging operations in Compartment 310 of the Perias FR showed that there is adequate signage to warn trespassers. Therefore, the previous OFI raised on this indicator was closed out.</p> <p>The monitoring of forestry operations, illegal logging and encroachment continue to be undertaken through regular patrolling. At the same time, a Forest Monitoring by Remote Sensing (FMRS) system using satellite data has been established and made operational.</p> <p>Post-felling inventories continued to be conducted to assess the stocking of residual stands and make recommendations on the appropriate silvicultural prescriptions for the logged-over forest. Based on the inspection on the data and field sheets on the Post-F inventory conducted on the Perias FR, it was found that the information was proper and in good order.</p> <p>Management procedures are in place and being implemented to conserve species diversity. Cutting limits for the removal of trees were determined based on an assessment of the growing stock (Pre-Felling inventory) thus ensuring that a sufficient advanced regeneration remains in the residual stand and that the proportion of species mix was being maintained. Fruit trees are protected to provide food sources to fauna, while the riparian buffers are protected to maintain water quality.</p> <p>Under the SMS currently being implemented by the KSFD, harvesting had been selectively carried out only on tagged trees above a specified diameter size while retaining a sufficient residual stand in the forest. Thus logging operations had not resulted in clear felling and there was sufficient vegetation in the residual stand to allow recovery of the stand within the cutting</p>	
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	<p>cycle.</p> <p>Connectivity among forest vegetation has been achieved through proper planning of the harvesting sequence. The riparian buffers with undisturbed vegetation serve as corridors for fauna movement between logged forests. In addition watersheds, protected forests and regenerating forests close to active logging sites serve as refugia for the fauna in active logging sites.</p> <p>During the previous audit, an NCR SAM 1 was raised on Indicator 6.3.1 as it was found that a comparative analysis on the floristic changes between the pre-F and post-F was found to be inadequate as it did not provide any elaboration on the findings of the results and subsequent measures. A more comprehensive analysis needed to be carried out to assess the changes in stocking and species.</p> <p>In this surveillance audit, the comparative analysis of the pre-F and post-F inventories was again inspected. A more comprehensive analysis had been conducted showing the comparison by different diameter classes and species groups. Elaboration of the findings of the analysis was also provided. The corrective actions taken by the KSFD had satisfactorily addressed the NCR SAM 1 and therefore it was closed out.</p> <p>Among the measures taken to control inappropriate activities such as illegal hunting, fishing, trapping and collection was the putting up of adequate signage to warn trespassers, particularly potential poachers of protected wildlife. Regular patrolling of PRFs and preparation of monthly reports on the progress of logging operations based on field assessments are added measures taken to prevent illegal activities in the PRF.</p> <p>Harvesting plans approved by the KSFD were made available for all the logging sites visited. Directional felling continued to be implemented. The intensity of feeder roads and skid trails were found to be within the specified limits of 40m/ha and 300m/ha respectively in all the active logging sites inspected.</p>	
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	<p>A new "Guideline for Forest Road Construction 2010" was made available and is being implemented. The implementation of harvesting procedures had generally continued to follow the harvesting plans that had been approved by the KSFD.</p> <p>During the previous re-certification audit in 2013, it was found that the alignment of some of the skid trails in Compartment 15 of the Nengiri FR had not adhered to the harvesting plan and changes had not been approved by the KSFD. It was also found that certain sections of the skid trails were subjected to heavy blading resulting in sidewalls in excess of 0.6m as stipulated in the '<i>Guidelines for RIL in Peninsular Malaysia 2003</i>'. Therefore a minor NCR SAM-2 was raised on Indicator 6.5.1.</p> <p>During this surveillance audit, it was found in the active logging sites in compartment 310 of the Perias FR that the construction of skid trails was carried out in line with the new '<i>Guideline for Forest Road Construction 2010</i>' and the sidewalls of the skid trails were in general less than 1 meter. Therefore, the previous Minor NCR SAM-2 was closed out.</p> <p>Field inspection in active logging sites indicated that empty chemical containers had been properly kept and discarded. Oil drums continued to be used with minimum spillage and posters on the proper handling of chemicals continued to be displayed.</p> <p>The same standard operating procedures on waste disposal and recycling of liquid and solid non-organic wastes were being followed, while up-to-date records of disposal of containers, liquid and solid non-organic wastes, including fuel and oil, were kept.</p> <p>No exotic species have been introduced in any of the silvicultural treatments. The Guidelines for Enrichment Planting do not encourage the planting of exotic species. Exotic tree species established in experimental plots were being monitored.</p> <p>A significant portion of the PRFs had been zoned as potential land for planting TLC rubber trees. These areas totaling</p>	
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	199,352 ha or about 32% of the total PRFs of 629,687 ha have been excluded from the scope of this audit. The clearing of new sites for planting TLC rubber trees has been stopped.	
<p>Principle 7 Management Plan</p> <p>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</p>	<p>The FMP for the Kelantan FMU for the period 2006-2015 was presented. The FMP had included all the items listed from a) to i) in Criterion 7.1.</p> <p>A summary of the major elements of the FMP (2006-2015) had been included in the public summary which was available in the web page of the KSFD at http://jpnk.kelantan.gov.my/maklumat-perhutanan.</p> <p>It was found that new scientific and technical information pertinent to the management of the FMU was made available to forest manager Research data on the management of the FMU collected by other agencies was procured and distributed to all the managers in all the three district forest offices of the KSFD. Records on pertinent new scientific and technical information obtained from scientific expeditions were also maintained.</p> <p>One of the major research projects currently being conducted by the KSFD with cooperation of the universities (UKM and UPM) involve determining the impacts of logging in areas above 1000m. The research explored the feasibility of logging in high elevation areas. The research has provide the impact result and guide the forest management team to decide and finalized decision to stopped all logging operations of areas above 100m within the study areas whereas this areas has been ceased completely and further logging activities will be discontinued.</p> <p>The training program for the KSFD for the year 2014 was made available to the audit team. A total of 22 training activities had been planned for 2014. Training activities included a wide variety of aspects covering use of field equipment, forest boundary demarcation, computer skills, data management and tree identification.</p>	<p>In the previous surveillance audit in 2012, a minor NCR was issued on the need for better monitoring of research activities. In the 2013 re-certification audit, this minor NCR was retained as the final report on this research project had yet to be completed.</p> <p>In this surveillance audit, it was found that Telemont had prepared the report on the outcome of the research “Laporan Kajian Pembalakan Berimpak Rendah di Kawasan Tanah Tinggi”. The report was presented to KSFD in a meeting held 20-21 Aug 2014 in Cameron Highlands. Based on the meeting, Telemont was asked to improve the report. Subsequently, improved revised report was prepared and submitted to the KSFD for re-evaluation. As the KSFD has yet to re-evaluate the report, the minor NCR KN-1 remains outstanding as a minor NCR# SAM-2.</p>
Principle 8:	The KSFD had continued to implement	During an inspection

<p>Monitoring and Assessment</p> <p>Monitoring shall be conducted – appropriate to the scale and intensity of forest management – to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.</p>	<p>the SOP 'PK (P)-Hutan-08-Usahasil Kawal-Pemantauan dan Pengawasan Pengusahaan Hutan' and the use of Forms A-D to monitor ecological, environmental and economic impacts.</p> <p>The KSFD had also continued to publish data on revenue and information on yield of forest products, growth rates, regeneration, and reports of environmental and social impact assessments the KSFD website.</p> <p>The KSFD had also continued to impose a state-wide price structure for the different timber species groups; namely heavy hardwood, medium hardwood, light hardwood and softwood.</p> <p>All logs transported out of the forest in the FMU were still being accompanied with a delivery order prepared by the logging contractor where the tree number, species, log production number, log length, diameter, and net volume were documented. This delivery order would accompany the logs to the nearest forest checking station (FCS). The information in the delivery order was then checked against the "Record of Tree Tagging" kept at the FCS for the issuance of a RP.</p> <p>The following results of monitoring activities had been incorporated in the revised FMP:</p> <ol style="list-style-type: none"> a) Analysis of growth and yield b) Wildlife inventory analysis c) Soil and water quality analysis d) Social impact analysis e) Social, environment, and economic cost benefit analysis 	<p>conducted at the Kuala Betis FCS, it was found that the information written on the RPs was in good order. However, some of the logs recorded in the RPs No. L96934 (for log numbers 143083/3 and 13817/2) and L946273 (for log number 17656/4) did not tally with the record in the 'Tree Tagging Book'. With the issuance of the RPs, these logs were supposed to have been removed but the Tree Tagging Book had indicated that these logs had yet to be removed. Therefore, a minor NCR # KN-2 was raised on Indicator 8.3.1.</p>
<p>Principle 9: Maintenance of High Conservation Value Forest</p> <p>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.</p>	<p>The KSFD had continued to hold further consultations with the relevant stakeholders such as the government agencies, universities, forestry research and academic institutions and environmental NGOs to solicit useful information on identifying potential HCVF sites.</p> <p>During the previous re-certification audit, an OFI was raised on indicator 9.2.1 as it was observed that the consultations with the relevant stakeholders on maintaining or enhancing identified HCVF were conducted without any participation from the NGOs. It was also found that record on consultations such as the minutes of meeting or attendance list were not</p>	<p>The FMU has to-date only identified one HCVF site. Being a large FMU, there is much potential for additional areas to be identified as HCVF. The FMP has identified some potential sites as HCVF. KSFD was also in the process of acquiring an area of 1,000 acres of Stateland forest in Lojing as PRF. This site has a large population of rafflesia which could be a potential HCVF. The KSFD therefore needs to intensify its efforts in assessing and establishing new HCVF sites. This was raised as an OFI # 5.</p>

	<p>available.</p> <p>The KSFD had engaged all the relevant stakeholders in its effort to maintain or enhance the identified HCVF. It was also found that the records of the consultations, such as minutes of meeting or attendance list, were made available. Therefore, the OFI that was raised on indicator 9.2.1 was closed out.</p>	<p>During the previous re-certification audit, the KSFD had not carried out regular monitoring on the effectiveness of the measures it had taken in the management of the HCVF area at Gunung Stong for year 2014. This has resulted in the raising of an OFI for indicator 9.4.1. During this audit, it was also found that the KSDF had yet to take any corrective action to address this OFI. Therefore, it has been upgraded to a minor NCR MRS-01.</p>
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Based on the findings of this surveillance audit, it was found that the Kelantan FMU continues to comply with most of the requirements of the *MC&I* (Natural Forest). However, there were lapses in the management system and practices which had resulted in the issuance of four (4) minor NCRs and five (5) Opportunity for Improvements (OFIs). No major NCR has been raised. The details on the minor NCRs and OFIs raised are as in **Attachment 3**. The Kelantan FMU has taken the necessary corrective actions in order to address all the minor NCRs and OFIs. The audit team had reviewed and accepted the corrective actions taken by the KSFD to address these NCRs and OFIs. However, verification on these corrective actions would be done during the next surveillance audit.

All the minor NCRs, except the one related to Indicator 7.2.2, which were raised during the previous re-certification audit had also been satisfactorily closed out following verification of the corrective actions taken by the KSFD. The minor NCR related to Indicator 7.2.2 has been retained to allow the consultant, Telemont Sdn Bhd to improve on the writing of the report on '*Rumusan Kajian dan Pelaksanaan Projek Perintis Pembalakan Berimpak Rendah di Tanah Tinggi Kelantan*'. In addition, a new minor NCR was raised, as a result of the upgrading of the OFI on Indicator 9.4.1 which was raised during the recertification audit. The details on the verification of the corrective actions taken and the status of the NCRs and OFIs raised during the re-certification audit are shown in **Attachment 4**.

On indigenous peoples' rights, the Orang Asli community has been settled through the gazettment of Orang Asli areas outside the Permanent Forest Reserve Areas. However, they are still few families of Orang Asli remain to stay in the PRF areas and this was known by the Forest Management of Kelantan. Based on further understanding between both, they are allowed to remains accordingly. Since the recertification audit in 2013, no issues have been received from the Orang Asli community specifically on the impact of logging on their settlements. It was also noted that there was no claim made on the FMU by the local communities. Hence, there was also no contractual agreement entered with free, prior and informed consent, with the local communities with regard to legal or customary tenure or use rights for use of the land.

With regard to Criterion 6.10, the openings of new sites for planting TLC rubber trees (conversion of PRFs to plantation had been occurring since 2005) had been executed in accordance to the legal provisions by the State government).

As no major NCR had been raised and all the corrective actions to be taken on the minor NCRs had been reviewed and accepted, the audit team has therefore recommended that the Certificate for Forest Management awarded to the Kelantan FMU be maintained.

Table 1: PRFs covered under the scope of the certification

No	Name of Permanent Reserved Forest	Compartment
1	Chabang Tongkat	All Compartments
2	Ulu Sat	All Compartments
3	Temangan	All Compartments
4	Sungai Rek	All Compartments
5	Bukit Akar	All Compartments
6	Sungai Sator	All Compartments
7	Jeli	All Compartments
8	Gunung Basor	All Compartments
9	Gunung Stong Utara	All Compartments
10	Gunung Stong Tengah	All Compartments
11	Limau Kasturi	All Compartments
12	Sg Terah	All Compartments
13	Nenggiri	All Compartments
14	Lojing	All Compartments
15	Gunung Rabong	All Compartments
16	Bukit Hantu	All Compartments
17	Sg Brok	All Compartments, except: 2, 6, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 73, 72, 75 and 74
18	Berangkat	All Compartments, except: 1, 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 15, 33, 34, 35, 36, 37, 39, 41, 43, 45, 51, 52, 53, 55, 56, 57 and 100.
19	Lebir	All Compartments, except: 1, 2, 3, 4, 6, 8, 9, 16, 17, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 39, 41, 42, 43, 44, 46, 54, 55, 56, 58, 60, 61, 71, 72, 73, 74, 108, 109, 110, 112, 113, 114, 115, 124, 125, 126, 127, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 146, 147, 149, 152, 153, 165, 166, 167, 168, 169, 171, 178, 179, 180, 181, 182, 183, 185, 186, and 192.
20	Sg Durian	All Compartments, except: 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27, 29, 34, 35, 36, 37, 38, 44, 46, 48, 49, 50, 52, 53, 54, 55, 59, 71, 77, 78, 79, 80, 81, 82, 90, 108, 112, and 113.
21	Jedok	All Compartments, except:

		13, 14, 15, 16, 17, and 18
22	Sg. Betis	All Compartments, except: 149, 150, 151, 152, 153, and 154.
23	Sg Balah	All Compartments, except: 204, 205, 206, 212, 213, 214, 219, 225, 226, 229, 230, 232, 233, 234, 235, 236, 237, 239, 245, 246, 247, 248, 249, 250, 251, 252, 253, and 265.
24	Perias	All Compartments, except: 31, 32, 48, 50, 128, 129, 130, 136, and 140.
25	Gunung Stong Selatan	All Compartments, except: 57, 62, 67, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 105, 106, and 108.

Attachment 2 Surveillance Audit Plan

DAY	TIME	PROGRAM	
		(AUDITOR 1 & 3)	AUDITOR (2)
Day 0		Travelling from KL to Kota Bharu Briefing by Audit Team Leader on the surveillance audit plan	
Day 1	9.30 am – 1.00 pm 2.00 pm – 5.30 pm	<p>Opening Meeting with representatives of FMU</p> <p>Briefing session by Forest Manager of the FMU on progress of forest activities</p> <p>Q&A Session</p> <p>Evaluation of changes to the management of the FMU</p> <p>Check on progress of planned activities aimed at enhancing the operation system to achieve improvement in overall performance</p> <p>Check on complaints, stakeholder comments and follow-up actions</p> <p>Orang Asli Government agencies NGOs</p> <p>Check on verification for closing NCRs raised during the previous audit</p> <p>Evaluate on procedures for internal audit</p> <p>Evaluate on management review system</p> <p>Documentation and records review</p> <p>Principle 1 – Compliance with Laws and Principles</p> <p>Principle 2 – Tenure and Use Rights and Responsibilities</p> <p>Principle 3 – Indigenous Peoples' Right</p> <p>Review of Day 1 Findings by Audit Team Leader</p>	
Day 2	8.30 am – 1.00 pm 2.00 pm – 5.30pm 5.30pm	<p>Documentation and records review</p> <p>Principle 6 – Environmental Impact</p> <p>Principle 8 – Monitoring and Assessment</p> <p>Principle 9 – Maintenance of High Conservation Value Forests</p>	<p>Documentation and records review</p> <p>Principle 4 - Community Relations and Worker's Right</p> <p>Principle 5 – Benefits from the forest</p> <p>Principle 7 – Management Plan</p>
Day 3	8.30 am – 5.30pm	<p>Site visit</p> <p>Active area - Compt 76 Sg Durian FR</p> <p>Forest Checking Station</p> <p>Nursery Batu Tapong</p> <p>Interview with Orang Kampung</p> <p>Rehabilitated Areas</p>	<p>Site visit</p> <p>Active area - Compt 310 Perias FR</p> <p>Forest Checking Station</p> <p>Interview with JKOA and RPS Orang Asli Sg Betis</p> <p>Rehabilitated Areas</p>
		Review of Day 3 Findings by Audit Team Leader	
Day 4	8.30 am – 5.30pm	<p>Site visit</p> <p>Active area – Compt 16 Gunung Basor FR</p> <p>Forest Checking Station</p>	<p>Site visit</p> <p>Post-F – Compt 17A Jeli FR & Compt 29A Ulu Sat FR</p> <p>HCVF – Rafflesia</p>

		Review of Day 4 Findings by Audit Team Leader	
Day 5	8.30 am – 1.00 pm	Documentation and records review	
	2.00pm-4.00 pm	Preparation of audit report and finding Briefing to representatives of FMU on the findings of audit Closing Meeting and presentation of findings of audit and discussion on follow-up activities	
	4.30pm	Adjourn Closing Meeting	

Attachment 3 Surveillance Audit (2014) Findings and Corrective Action Taken

Indicator	Specification Major/Minor/O FI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 6.5.4	<p align="center">Minor NCR #: KN-1</p> <p>Area/Location: Compartment 310 Perias FR and Compartment 76 Sungai Durian FR</p>	<p>The implementation of guidelines for reduced impact for the conservation of buffer strips along streams and rivers was not adequate</p> <p>It was also found that the implementation of guidelines for reduced impact logging covering the conservation of buffer strips along streams and rivers had not been adequate. In the construction of the main access road in Compartment 310 of the Perias FR. It was found that the soil has been pushed into the river system. In addition, the construction of the road and a proposed bridge had not been completed. It was also found that wood debris were also pushed into the riparian buffers in Compartment 76 of the Sungai Durian FR.</p>	<p>Repair work was undertaken on the construction of the main access road and bridge. The wood debris in the riparian buffers was cleaned up by the contractors.</p>	<p>A letter from the East Kelantan (Machang) Forest District Office to the Director of the KSFJ ref. PHJKT.6.6824/jld.2 (26) dated 5 Nov 2014 and monitoring records "Form A" dated 30 October 2014 prepared by the Nenggiri Forest Range Office with photographs of the repair work were submitted to the audit team as evidence of the corrective action taken.</p> <p><u>Status:</u> Corrective action taken was accepted but verification to close out this minor NCR would be done during the next surveillance audit.</p>
Indicator 6.5.3	<p align="center">Minor NCR #: SAM-1</p> <p>Area/Location: Compartment 310 Perias FR</p>	<p>It was observed that the implementation of guidelines on forest road layout and construction including log landings and drainage requirements had not been adequate.</p> <p>During an inspection of the main access road leading to and within Compartment 310, of the Perias FR, it was found that there were no cross drains and very few side ditches were constructed. This had resulted in ponding and poor road conditions in some parts of the road.</p>	<p>The main access road was repaired. The drainage and cross drains including side ditches had been re-constructed by the contractors.</p>	<p>A letter from the Nenggiri Forest Range Office to the District Forest Office South Kelantan (Gua Musang) ref. PHJKS; 48/1/2194 dated 2 Nov 2014 and Form A dated 2 November 2014 prepared by the same range office (with photographs of the access road) on the corrective action taken to address this NCR were reviewed by the audit team.</p> <p><u>Status:</u> Corrective action taken was accepted but</p>

				verification to close out this minor NCR would be done during the next surveillance audit.
Indicator 7.2.2	Minor NCR #: SAM-2 Area/Location: scientific and technical information	<p>The implementation of new scientific and technical information pertinent to the management of the area to be certified was found to be inadequate.</p> <p>In the previous surveillance audit conducted in 2012, a minor NCR was issued on the need for better monitoring on research projects being conducted by a consultant, Telemont Timber Sdn Bhd (Telomont) on the impacts of logging in areas above 1000m.</p> <p>In the 2013 re-certification audit, this minor NCR was retained as the final report had yet to be completed.</p> <p>During this surveillance audit, it was found that Telemont had prepared a final report on the research entitled '<i>Laporan Kajian Pembalakan Berimpak Rendah di Kawasan Tanah Tinggi</i>'. The report was presented to KSFD in a meeting held on 20-21 Aug 2014 in Cameron Highlands. However, Telemont was requested to make improvement on the report for KSFD to re-evaluate it including making recommendations to the Kelantan State Government with respect to logging operations at elevation above 1,000m.</p> <p>As the KSFD has yet to re-evaluate the report, the minor NCR KN-1 remained outstanding as a minor NCR# SAM-2.</p>	<p>Telemont had submitted a revised report on the research project to the KSFD. Based on the revised report, the KSFD had prepared a report entitled '<i>Rumusan Kajian dan Pelaksanaan Projek Perintis Pembalakan Berimpak Rendah Di Tanah Tinggi Kelantan</i>' which had outlined the major findings of the research projects and specific recommendations on logging operation above 1,000m using the 'logfisher' method.</p>	<p>A copy of the report entitled '<i>Rumusan Kajian dan Pelaksanaan Projek Perintis Pembalakan Berimpak Rendah Di Tanah Tinggi Kelantan</i>' prepared by the KSFD based on its evaluation of the research report prepared by Telemont was submitted to the audit team.</p> <p><u>Status:</u> The audit team had reviewed the evaluation report and accepted it as appropriate corrective action taken by the KSFD to address minor NCR # SAM-2. Verification to close out this NCR would be carried out during the next surveillance.</p>

Indicator 9.4.1	Minor NCR #: MRS-1 Area/Location: HCVF	<p>During the previous re-certification audit, the KSFD had not carried out regular monitoring on the effectiveness of measures it had taken in the management of the HCVF area at Gunung Stong for year 2014. This had resulted in the raising of an OFI on indicator 9.4.1.</p> <p>During this audit, it was also found that KSFD had not taken any corrective action to address this OFI. Therefore, it was upgraded to a minor NCR MRS-01.</p>	A monitoring visit to the HVCF area in Gunung Stong FR was carried out on 22 Oct 2014 by a team of foresters from the KSFD head office in Kota Bahru headed by Mr. Khairul Nizan Mohd Noor.	<p>HCVF Monitoring Report dated 22 Oct 2014 prepared by Mr. Khairul Nizam Mohd Noor, a map showing the location of the HCVF in the Gunung Stong FR and pictures of the <i>Licuala Stongensis</i> were submitted to the audit team.</p> <p><u>Status:</u> The audit team had reviewed the documents submitted by the KSFD and accepted them. The verification to close out this NCR would be carried out during the next surveillance.</p>
Indicator 1.1.2	OFI # 1 Area/Location: Regulatory	<p>Forest managers are aware and/or knowledgeable of the applicable federal, state and local laws, as well as the regulatory framework for forest management.</p> <p>During site review, auditor has found that contractor had insured their employees with insurance or socso. However, not all the workers were insured. Some of the new workers were not insured.</p>	Nil	To follow up on this issue in the next audit.
Indicator 4.4.1	OFI # 2 Area/Location: Training on Scheduled Waste	<p>Forest managers provide appropriate support for training, retraining, local infrastructure, facilities and social programmes that commensurate with the scale and intensity of forest management operations</p> <p>The KSFD could further improve the training program by providing awareness training on management of schedule waste and accident reporting procedures (e.g. identification, handling, labelling, transportation, storage and spillage or discharge of schedule waste)</p>	Nil	To follow up on this issue in the next audit.

Indicator 4.2.3	OFI # 3 Area/Location: Safety and operational equipment	Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to forest workers in the work place. Records of equipment and maintenance were made available at the logging camp. However, some of safety and operational equipment were not recorded such as first aid box, chainsaw and fire extinguisher.	Nil	To follow up on this issue in the next audit.
Indicator 4.2.4	OFI # 4 Area/Location: Safety committee meeting	Forest managers shall maintain up-to-date safety records in compliance with all applicable laws and/or regulations covering health and safety of forest workers. Safety committee meeting had been conducted by management. However, content of safety and health committee meeting minutes were not up-to-date. It was found that issues that were raised and discussed in the previous meeting minutes were not reviewed in the latest meeting minutes.	Nil	To follow up on this issue in the next audit.
Indicator 9.1.1	OFI # 5 Area/Location: HCVF	Forest managers shall determine the presence of HCVF attributes in the FMU in accordance with relevant federal, state and local laws, appropriate to scale and intensity of forest management operations in the FMU, and in consultation with relevant stakeholders The FMU has still to date only officially identified one HCVF site. Being a large FMU there is much potential for additional areas to be identified as FMU. The FMP has identified some potential sites. KSFD is also in the process of acquiring an area of 1000 acres of State Land forest in lojing as PRF. This site has a large population of	Nil	To follow up on this issue in the next audit.

		rafflesia and can be a potential HCVF site. Inspection of Compt 1 Lojing FR also found the presence of rafflesia. This is also a potential HCVF site. The FMU needs to intensify its effort in assessing and establishing new HCVF sites.		
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Attachment 4 Verification on NCRs and OFIs Raised During Previous Re-certification Audit (2013)

Indicator	Specification Major/Minor/OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 6.3.1	<p>Minor NCR #: SAM 1</p> <p>Area/Location:</p> <p>Analysis of Post -F and Pre-F</p>	<p>Availability and implementation of management guidelines to assess post-harvest natural regeneration, and measures to supplement natural regeneration, where necessary, in the FMU</p> <p>The analysis of changes of forest stand/species composition in relation to the pre-felling inventories was not adequate.</p> <p>Documents on the analysis of post F and pre-F were available. Detailed pre-F and post F data for some compartments were compiled. Preliminary analysis to assess changes of stocking and species composition was conducted by the KSFD. However, the comparative analysis on floristic changes between the pre-F and post-F was found to be inadequate as it did not provide any elaboration on the findings of the results and subsequent measures. A more comprehensive analysis needs to be carried out to assess the changes in stocking and species.</p>	<p>A comparative analysis of pre-felling and post-felling inventories conducted by the KSFD was again inspected. Inspection on the analysis was conducted in Compt. 81 of the Lebir FR with an extent of 100 ha, Compt. 71 A of the Batu Papan FR with an extent of 55 ha and Compt. 4A of the Nenggiri FR with an extent of 50 ha.</p> <p>A more comprehensive analysis has also been conducted showing comparison by different diameter classes and species groups. Elaboration on the findings of the analysis was also provided.</p>	<p><u>Status:</u> The corrective actions taken by the KSFD had satisfactorily addressed the NCR SAM 1 and therefore it was closed out.</p>
Indicator 6.5.1	<p>Minor NCR #: SAM-2</p> <p>Area/Location:</p> <p>Compartment 15 Nenggiri PRF</p>	<p>Availability and implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations.</p>	<p>A letter of recommendation to impose a compound was written to the licensee on 20 October 2013. A review on the skid trail road</p>	<p>During this surveillance audit, it was found in the active logging sites in compartment 310 of the Perias FR that the construction of skid trails was done</p>

	<p>and Compartment 36, Sg. Betis FR, Gua Musang District</p>	<p>The implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations did not fully adhere to the requirements of Guidelines for Forest Road 2010.</p> <p>The alignment of some of the skid trails did not adhere to the harvesting plan in Compartment 15 of the Nenggiri FR. The changes have not been approved by KSFD. It was also found that some sections of the skid trails in Compartment 15 of the Nenggiri FR and Compartment 36 of the Betis FR were subjected to heavy blading resulting in sidewalls in excess of 0.6m as stipulated under the 'Guidelines for RIL in Peninsular Malaysia 2003'.</p>	<p>specification was done (clauses related to cutting below 0.6 meters of skid trails).</p>	<p>in line with the new 'Guideline for Forest Road Construction 2010' and sidewall of the skid trails was in general less than 1 meters.</p> <p>Status: Minor NCR SAM-2 had therefore been closed out.</p>
<p>Indicator 5.6.1</p>	<p>Minor NCR #: BSR-1</p> <p>Area/Location: AAC</p>	<p>Rate of harvest shall not be greater than estimated regrowth of the residual stand based on permanent sample plots within a pre-defined cutting cycle</p> <p>As a significant portion of the PRF of 199,352 ha had been zoned as potential forest plantation areas and excluded from the FMU, therefore the AAC had to be re-calculated.</p>	<p>The KSFD had re-calculated the AAC based on the actual size of the FMU.</p>	<p>The KSFD had re-calculated the AAC based on the actual size of the FMU. A new AAC of 5,417 ha has been determined for the FMU. This AAC has been recommended for the FMU for the 11th Malaysia Plan beginning 2016-2020. KSFD has also applied the AAC for 2014 and 2015.</p> <p>Status: The audit team has accepted and verified the corrective action and therefore closed out minor NCR BSR-1.</p>

<p>Indicator 7.2.2</p>	<p>Minor NCR #: KN-1</p> <p>Area/Location:</p>	<p>Forest managers shall be aware of new scientific and technical information pertinent to the management of the area to be certified.</p> <p>In the previous surveillance audit in 2012, a minor NCR was issued on the need for better monitoring on research activities. In the 2013 re-certification audit, this minor NCR was retained as the final '<i>Laporan Kajian Pembalakan Berimpak Rendah di Kawasan Tanah Tinggi</i>'. The report was presented to KSFD in a meeting held on 20-21 Aug 2014 in Cameron Highlands. Based on the meeting, Telemont was asked to improve the report. Subsequently, an improved report was prepared. KSFD was expected to re-evaluate the report.</p> <p><u>Status:</u> As the KSFD has yet to re-evaluate the report, the minor NCR KN-1 remained outstanding as a minor NCR# SAM-2.</p>	<p>KSFD has requested Telemont to submit the report on the research project and the KSFD to review it and make recommendations to the Kelantan State Government.</p>	<p>In this surveillance audit, it was found that Telemont had prepared the report entitled '<i>Laporan Kajian Pembalakan Berimpak Rendah di Kawasan Tanah Tinggi</i>'. The report was presented to KSFD in a meeting held on 20-21 Aug 2014 in Cameron Highlands. Based on the meeting, Telemont was asked to improve the report. Subsequently, an improved report was prepared. KSFD was expected to re-evaluate the report.</p> <p><u>Status:</u> As the KSFD has yet to re-evaluate the report, the minor NCR KN-1 remained outstanding as a minor NCR# SAM-2.</p>
<p>Indicator 8.3.1</p>	<p>Minor NCR #: KN-2</p> <p>Area/Location:</p> <p>Sg. Betis Checking Station</p>	<p>Forest managers shall provide relevant documents for identifying all forest products leaving the area to be certified so that their origin could be easily determined.</p> <p>During an inspection at the Kuala Betis Forest Checking Station, it was found that the information on RPs was in good order. However some of the logs recorded in the RPs did not tally with the records in the 'Tree Tagging Book':</p>	<p>The District Forest Office had been directed to ensure that Forest Checking Station staff to immediately update the Tree Tagging Book during the process of issuance of Removal Pass.</p>	<p>A letter ref. PH.JKS 75/13/ Jld.1 dated 30 October 2014 issued by the District Forest Office South Kelantan (Gua Musang) to the Range Office was verified.</p> <p>The Tree Tagging Book had been updated. A copy of the up-dated Tree Tagging Book and the relevant Removal Passes were sighted by auditor as documentary</p>

		<p>RP No. L796934 for License DS01/10/2013 issued to Syarikat Perusahaan Sinar Kelantan Sdn Bhd, the log tag no. 143083/3 and 13817/2 (Merbau)</p> <p>RP No L946273 for License DS01/12/2013 issued to Matra Makmur Ent, the log tag no 17656/4 (Meranti Bukit)</p> <p>The logs above were found to have been removed based on the RPs but the records in the Tree Tagging Book had indicated that these logs have not yet been removed.</p>		<p>evidence of the corrective action taken.</p> <p>Status: Minor NCR # KN-2 was closed out.</p>
Indicator 4.4.1	OFI # 1 Area/Location:	<p>Forest managers shall evaluate, through consultations, social impact of forest operations directly affecting communities, and the people and groups directly affected by the forest operations shall have access to information on the results of the social impact evaluations.</p> <p>The <i>Panduan Maklumat Kajian Impak Sosial Dalam Sektor Pembalakan</i> (the guideline for gathering information on social impact in the logging sector) was used, prior to logging, to gather data at the district level on the potential impact of logging and on the impacts which occurred during and after logging. However the data gathered from the village leader and a villager (representing the village) was not analysed. It is</p>	The KSFD had analysed the data collected from the village head and a villager.	The audit team had accepted and verified the action taken by the KSFD and therefore closed out this OFI.

		recommended that a small percentage of the villagers concerned are interviewed and the data gathered analysed to provide a better picture of the villagers' perception of the impact. This will ensure that measures taken to mitigate or remedy the impacts are more effective. It is also suggested that the actions taken and their results are recorded and filed.		
Indicator 6.2.4	OFI # 2	<p>Hunting, fishing and collecting activities shall be controlled and inappropriate activities prevented in the FMU.</p> <p>It was observed that there was a lack of signage being erected in the FMU to warn trespassers on illegal hunting activities. Such signage was absent or not prominently displayed in the PRFs surveyed (Ulu Sat and Betis F). Informative posters on wildlife are displayed on kongsi (logging camps) noticeboards (e.g. Ulu Sat PRF) but will not be seen by poachers and trespassers. Adequate signage should be installed in strategic areas, such as the main entrance and main access roads, in the FMU.</p>	Signage had been erected during the inspection made on logging operations in Compartment 310 of the Perias FR. Additional signboard was placed at every main entrance and main access roads in the FMU	The audit team had accepted and verified the action taken by the KSFDF and therefore closed out this OFI.
Indicator 9.2.1	OFI # 3	<p><u>Forest managers shall consult with relevant stakeholders on the options to maintain or enhance the identified HCVFs.</u></p> <p>The latest consultation with the stakeholders was conducted on 25 April 2013 at KSFDF.</p>	The KSFDF had sent a letter to stakeholders dated 30 September 2014. It was also found that the KSFDF had conducted consultations with the relevant stakeholders	Records of consultations such as the minutes of meeting or attendance list as evidence of action taken by the KSFDF were accepted and verified. Therefore OFI # 3 was closed out.

		<p>However the consultations were conducted without any participation from the NGOs. It was also found the record of consultation such as the minutes of meeting or attendance list were not available.</p>		
Indicator 9.4.1	<p>OFI Area/Location:</p>	<p>Forest managers shall conduct, appropriate to scale and intensity of forest management operations, annual monitoring to assess the effectiveness of the measures in the management of the HCVFs in the FMU.</p> <p>The FMU had carried out regular monitoring of the HCVF. In 2013, monitoring has been conducted on quarterly basis at the Gunung Stong Tengah FR on 29th September 2013, 27th June 2013 and 28th March 2013. The records were available in “Laporan Semakan/Rondaan ke atas kawasan High Conservation Value Forest: <i>Licuala stongensis</i> di Taman Negeri Gunung Stong”. However the monitoring records need to be improved with more details on the condition of the plants as required in Forest Management Plan (8.3.2 – “<i>Aktiviti dan Pelan Tindakan di Masa Hadapan di Dalam HCVF/GRA</i>”).</p>	<p>KSDF had not taken any corrective action to address this OFI.</p>	<p>Therefore, this OFI has been upgraded to a minor NCR MRS-01.</p>