



**PUBLIC SUMMARY
SECOND SURVEILLANCE (SECOND CYCLE) ON
PERAK FMU
FOR FOREST MANAGEMENT CERTIFICATION**

Certificate Number: FMC 004
Date of First Certification: 7 July 2010
Audit Date : 27 – 31 October 2014
Date of Public Summary: 3 June 2015

Certification Body:

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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 recognised 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). SIRIM QAS International is a partner of IQNet, a network currently comprising of 36 leading certification bodies in Europe, North and South America, East Asia and Australia.

This audit was conducted on the Forest Management Unit (FMU) at Perak FMU of Perak State Forestry Department (hereafter abbreviated as Perak State Forestry Department), from 27 – 31 October 2014, to assess the overall forest management system compliance against the *Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest)* [MC&I (Natural Forest)] using the verifiers stipulated for Peninsular Malaysia.

The surveillance audit was carried out by a three-member team comprising Khairul Najwan bin Ahmad Jahari (Lead Auditor), Prof. Mohd Basri Hamzah (Auditor) and Mohd Razman bin Salim (Auditor).

Based on the findings of this audit, it was found that generally, the Perak FMU has continued to comply with the requirements of the MC&I (Natural Forest). This audit has resulted in the issuance of five (5) Opportunity for Improvements (OFIs).

2 INTRODUCTION

2.1 Name of FMU

Perak State Forestry Department?

2.2 Contact Person and Address

Dato Hj Roslan bin Ariffin (Director)
Jabatan Perhutanan Negeri Perak,
Persiaran Meru Utama, Bandar Meru Raya, 3
30020 Ipoh, Perak Darul Ridzuan
Tel : 05-528 8100
Fax : 05-528 8101

2.3 General Background on the Perak FMU

The Perak State FMU is managed by the PSFD. The FMU comprises of 991,433 hectares (ha) or 47.2% of the State's total land area of 2.1 million ha.

The PSFD was still committed to the management of the Perak State FMU on a sustainable basis. The administration of the FMU is divided into five forest districts namely the South Perak, Kinta/Manjung, Kuala Kangsar, Larut & Matang and Hulu Perak Forest Districts.

The inland forest is managed under a Selective Management System (SMS) on a 30-year rotation period. Under the Tenth Malaysia Plan (2011-2015), the Annual Allowable Cut (AAC) for the Perak State FMU has been set at 6,990 ha. A Forest Management Plan (FMP) covering the period from 2006 to 2015 had been completed and presented during the audit.

The forest resources in the Perak State FMU were being managed by the PSFD with a total workforce of 724 peoples. These staff consisted of professional and sub-professional forestry officers and the uniformed field staff comprised the forest rangers and foresters. The others were administrative and general staff.

A map of the FMU showing the significant features of the forest is attached in **Attachment 1**.

2.4 Date First Certified

7 July 2010

2.5 Location of the Certified FMU

The FMU is located between 3° 40' 30" N to 5° 53' 30" N and 100° 12' 30" E to 101° 54'00" E

2.6 Forest Management System

The FMU had followed the principles of sustainable forest management (SFM) and the requirements of the Licence Agreement with the Perak State government.

During document review the PSFD forest management plan, FMP (2006-2015) was seen during assessment. The document provided for all the items (a-i) as listed above including annual harvest rate, species selection, environmental safeguard and assessment, protection of ERT species, protected areas, planned management activities and the RIL. Collectively the elements contribute to the overall objective of managing the nation's forest resources sustainably for the continuous yield in forest products and services and their optimum use in harmony with the requirements of the environment.

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

For the Tenth Malaysia Plan, the Annual Allowable Cut (AAC) for the FMU had been set at 6,990 ha.

3 AUDIT PROCESS

3.1 Audit Dates

27 – 31 October 2014 (15 man-days)

3.2 Audit Team

Khairul Najwan bin Ahmad Jahari (Audit Team Leader)

Prof. Mohd Basri Hamzah (Auditor)

Mohd Razman bin Salim (Auditor)

3.3 Standard Used

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

3.4 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning on 18 September 2014 18 October 2014 to solicit feedback from stakeholders on the compliance of the Perak FMU to the requirements of the MC&I (Natural Forest). The comments by the stakeholders and responses from the audit team are shown in **Attachment 2**.

3.5 Audit Process

The audit was conducted primarily to evaluate the level of continued compliance of the FMU current documentation and field practices in forest management with the MC&I (Natural Forest), using the verifiers stipulated for Peninsular Malaysia.

For each Indicator, the auditors had conducted 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. Sites visited during this audit are as follows:

1- Air Ganda Nursery, Ulu Piol Nursery,

- 2- Active area Comp 92 Temenggor PRF, Comp 5&6, 73,74,75 Piah PRF, Comp 55, Bubu PRF
- 3- Forest boundaries – Bubu PRF , Forest Checking Station – Bandariang, Lasah, Beruas,
- 4- HCVF – Balau Putih, Segari Melintang, and
- 5- Local communities Kg Bukit Sapi Lenggong

Consultations were held with the contractors and workers operating within the FMU. Meeting was also conducted with the management representatives and the forest rangers based at the FMU.

4 SUMMARY OF AUDIT FINDINGS

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

PRINCIPLE	STRENGTHS	WEAKNESSES
Principle 1	Perak FMU has complied with applicable laws of Malaysia and respect international treaties and agreements to which Malaysia is a signatory, and complied with audited standards requirement	No negative findings found during this audit
Principle 2	Long-term tenure and the use rights to the land and forest resources has been clearly defined, documented and legally established.	No negative findings found during this audit
Principle 3	<p>The customary rights of the Orang Asli within the PRF were respected in forest management planning and implementation even though they were not formally recognised. There were records and a map of gazetted Orang Asli Reserves covering almost 31,800 ha within the State FMU. There was no changes on gazetted area for Orang Asli settlements.</p> <p>The management of customary lands duly recognized by the national law would be under the control of the Orang Asli. Delegation of control of aboriginal areas could be done through mutual consent. Development of Orang Asli reserves had been done with other agencies as shown below:</p> <p>(a) MOU between the Federal Land Consolidation and Rehabilitation Development Authority (FELCRA) and JKOA</p> <p>(b) MOU between Rubber Industry Smallholders Development Authority (RISDA) and JKOA</p>	No negative findings found during this audit

	<p>There were mechanisms in place to resolve disputes over tenure claims and rights. Both formal and informal approaches had been made to resolve such claims with the indigenous communities. There was no claim recorded from Surveillance 1 in 2013 to Surveillance 2 in 2014.</p>	
Principle 4	<p>The communities within and adjacent to the Perak FMU were given priority and opportunities for employment, training and other services.</p> <p>Updated information on applicable laws and regulations covering occupational safety and health of forest workers were disseminated to them.</p> <p>Management policies addressing the occupational safety and health of forest workers and their families in accordance with current legislation and regulation were made available upon request.</p> <p>Forest managers has maintain updated safety records in compliance with applicable laws and regulations covering health and safety of forest workers.</p> <p>Demarcation or hazardous areas and provision of guidelines for storage and handling of hazardous materials was clearly demarcated with proper signage.</p> <p>The rights of workers to organise and voluntarily negotiate with their employers were guaranteed as outlined in Convention of the International Labour Organisation (ILO).</p> <p>Forest planning and management practices has considered and incorporated the results of such evaluations.</p> <p>Appropriate mechanism has been employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources or livelihoods of local communities. Measures has been taken to avoid any loss and damage.</p>	<p>Safety equipment such as fire extinguisher and first aid box have been monitored by the FMU and contractors. However, the monitoring activity could be enhanced by recording all activities related to safety equipment and maintenance of heavy machineries and vehicles.</p> <p>Management has provided PPE for sprayer such as gloves, apron and goggle. However, the PPE was not in good condition.</p> <p>The FMU had conducted social survey with head of village and some of villagers on the impact of logging to their health and safety. However, conclusion of social survey was not highlighted by management in order to finalise whether the logging operation will give positive, negative or no impact at all to the nearby village communities.</p>
Principle 5	<p>Perak FMU operations has encouraged the efficient use of forests multiple</p>	<p>No negative findings found during this audit</p>

	products and services to ensure economic viability and wide range of environmental and social benefits.	
Principle 6	There were five TLC plantations established up to October 2014 covering 2,000 ha. The area were not in HCVF area and covers only 0.2% of the total area of the FMU. The approval for the conversion, was in line with applicable laws and policies.	<p>Inspection of active logging site in Compartment 92 H.S Temenggor indicated that certain stretches of the road leading to the site found that some excess earthwork and loose soil spilled into downslope area. Since the logging is being undertaken in sensitive areas, road construction specification needs to be enhanced and applied consistently.</p> <p>Management has conducted awareness training on handling of herbicides for sprayer. However, the training did not attended by all sprayers.</p> <p>Contractors claimed to have disposed empty herbicides and hydraulic oil containers by selling to recycle companies. However, record of disposal of containers was not available during site review.</p> <p>During site review at the tagging area, there was no evidence of spillage of red paint at the block boundary. However, auditor has found one empty container of red paint was left in the tagging area.</p> <p>The FMU established SOP on management of scheduled waste. However, appropriate waste container and labelling type of hazard could be enhance by management and contractors.</p>
Principle 7	Forest Management Plan (FMP) – appropriate to the tenure, scale and intensity of the operations – has been prepared, approved, implemented and updated. The long term objectives of management, and the means of achieving them, has been clearly stated.	No negative findings found during this audit
Principle 8	Monitoring was conducted appropriate to the scale and intensity for Perak FMU whereas it has assessed the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts	No negative findings found during this audit
Principle 9	Management activities in high conservation value forests has been maintained and attributes was enhanced. Decisions regarding high conservation value forests has been	No negative findings found during this audit

	considered in the context of a precautionary approach.	
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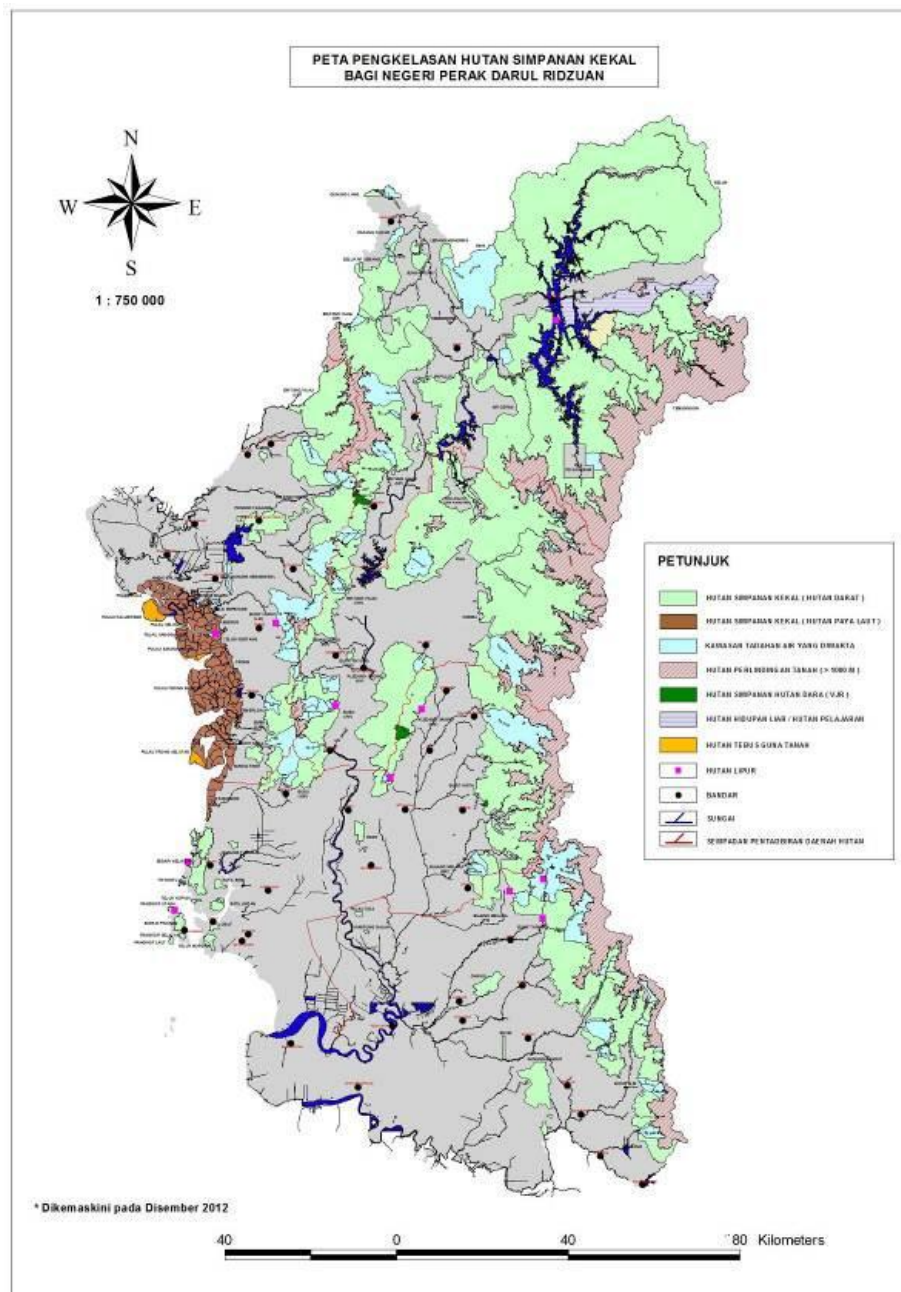
Based on the findings of this audit, it was found that Perak State Forestry Department had continued to manage the Perak FMU in compliance with the requirements of the MC&I (Natural Forest). This audit had resulted in no issuance of Non conformity but only five (5) Opportunities for improvements. The details on the Opportunities for improvements raised are shown in **Attachment 3**.

The audit team had also verified the previous corrective actions taken by Perak State Forestry Department to address the three (3) Minor Non conformity and one (1) Opportunities for improvements which were raised during the previous audit (2013) whereas the corrective action verified to be implemented effectively and therefore was closed. The details on the verification on the corrective actions taken and the status of the Non conformity raised during the previous audit are shown in **Attachment 4**.

Perak State Forestry Department had also submitted its proposed corrective actions to address five (5) Opportunities for improvements. The proposed corrective action plan had been reviewed and accepted by the audit team. However, these corrective actions shall be verified by the audit team during the next audit.

The audit team had therefore recommended that the Certificate for Forest Management awarded to the Perak FMU be maintained.

Attachment 1 Map of Perak FMU



Attachment 2 Comments by Stakeholders and Responses by Audit Team

No	Stakeholder	Detail of Issue Raised	Comments by Audit Team Leader
No negative feedback received from any stakeholder			

Attachment 3. Opportunities for improvements Raised During this Audit and Corrective Actions Taken

Indicator	Specification Major/Minor/ OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 4.2.3 OFI #: 1	OFI	<p>Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to forest workers in the work place.</p> <p>1) Safety equipment such as fire extinguisher and first aid box have been monitored by the FMU and contractors. However, the monitoring activity could be enhance by recording all activities related to safety equipment and maintenance of heavy machineries and vehicles.</p> <p>2) Management has provided PPE for sprayer such as gloves, apron and goggle. However, the PPE was not in a good condition.</p>	Will be verified during next audit	Will be conducted during next audit
Indicator 4.4.1 OFI #: 2	OFI	<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 FMU had conducted social survey with head of village and some of villagers on the impact of logging to their health and safety. However, conclusion of social survey was not highlighted by management in order to finalise whether the logging operation will give positive, negative or no impact at all to the nearby village communities.</p>	Will be verified during next audit	Will be conducted during next audit
Indicator 6.6.3 OFI #: 3	OFI	<p>Forest workers shall be aware of the procedures on the use of approved chemicals in the forest.</p> <p>Management has conducted awareness training on handling of herbicides for sprayer. However, the training was not attended by all sprayers.</p>	Will be verified during next audit	Will be conducted during next audit
Indicator 6.5.2 OFI #: 4	OFI	<p>Implementation of reduced/low impact logging to minimise damage to the environment</p> <p>Inspection of active logging site in Compartment 92 H.S Temenggor indicated that certain stretches of the road leading to the site found that some excess earthwork and loose soil spilled into downslope area.</p>	Will be verified during next audit	Will be conducted during next audit

		Since the logging is being undertaken in sensitive areas, road construction specification needs to be enhanced and applied consistently.		
Indicator 6.7.1 OFI #: 5	OFI	<p>Oil, fuel, tyres, containers, liquid and solid nonorganic wastes, shall be disposed of in an environmentally appropriate and legal manner.</p> <p>1) Contractors has disposed empty herbicides and hydraulic oil containers by selling to recycle companies. However, record of disposal of containers was not available during site review.</p> <p>2) During site review at the tagging area, there was no evidence of spillage of red paint at the block boundary. However, auditor has found one empty container of red paint was left in the tagging area.</p> <p>3) The FMU established SOP on management of scheduled waste. However, appropriate waste container and labelling type of hazard could be enhance by management and contractors.</p>	Will be verified during next audit	Will be conducted during next audit

Attachment 4 Verification on Corrective Actions Taken on Non conformity(ies) and Opportunities for improvements Raised During Previous Audit

Indicator	Specification Major/Minor/ OFI	Detail Non-Conformances	Corrective Action Taken	Verification by Assessor
Indicator 6.5.1 NCR #: KN-1/2013	Minor	<p>4.2 Preparation of skid trail – Guidelines for Reduced Impact Logging in Peninsular Malaysia, 2003 Jadual 9: Spesifikasi Lorong Penarik – <i>Garis Panduan Jalan Hutan 2010</i>.</p> <p>The implementation of harvesting procedures to protect the soil from erosion during harvesting operations did not fully adhere to the requirements of Reduced Impact Logging in Peninsular Malaysia Guidelines and Guidelines for Forest Roads, 2010.</p> <p>It was found that two of the skid trails (LP2/3 & LP10/1) in Compartment 183 & 140 (part), Kledang Saiong PRF was subjected to :</p> <p>1) Blading resulting in creation of sidewall in excess of 0.6m. Such blading and earthworks shall be minimized to prevent soil erosion.</p> <p>2) Skid trails are constructed >24° (>45%) of the specification limits</p>	<p>A stop work orders from PSFD was issued to the licensees PPN PK 99/2013 B (HSK/KK).</p> <p>The contractor had repairing the skidtrail in accordance of the road guidelines 2010.</p> <p>A compound letter was issued to the contractor due to not following the guidelines.</p> <p>Show-cause letter was issued to the forest ranger due to fail in monitoring of these issues.</p> <p>A training will be conducted on 2014 on the Guidelines for Reduced Impact Logging in Peninsular Malaysia, 2003, <i>Garis Panduan Jalan Hutan</i>, 2010 (Guidelines for Forest Roads, 2010) .</p> <p>A reminder letter was sent to Perak Timber Association regarding the finding to remind and highlighting this finding to control the occurrences.</p>	<p>The letter dated 12 and 30 December 2013 was sighted by the auditor</p> <p>The report progress (pictures) was sighted by the auditor.</p> <p>Letter dated 13 January was verified by the auditor</p> <p>Corrective action received on 13 January 2014 has been accepted by the auditor.</p> <p>During the site visits to active areas in compartments 92 Temenggor PRF and compartment 73, 74, 75 Piah PRF found no blading in creation of sidewall. The skid trails are constructed within the specification limits. Site visit found the implementation of harvesting procedures to protect the soil from erosion during harvesting operations had fully adhere to the requirements.</p> <p>Status: closed</p>

<p>Indicator 6.5.3 NCR #: MBH1/2013</p>	<p>Minor</p>	<p>The requirements for side drainage, water bars and sumps were not complied with for feeder road and skid trail during closure of harvesting block as prescribed in the guidelines (Guidelines for Reduced Impact Logging in Peninsular Malaysia, 2003, <i>Garis Panduan Jalan Hutan</i>, 2010 (Guidelines for Forest Roads, 2010)).</p> <p>A section of feeder road (JT2) and skid trail (LP2/2) were assessed in Compartment 2 (part) under License PPN.PK.9/2013, Teras Cempaka Sdn Bhd., Bukit Naga PRF, Larut Matang Forest District and feeder road (JT3) licence PPN.PK. 99/2013, Bistari Ent, Kledang Saiong PRF, Kuala Kangsar Forest District. Soil mitigation measures appeared to be absent including remnants of such structures on the ground. The following non-compliance were recorded:</p> <p>1) Feeder roads: Lack of side drainage and water sumps (Bukit Naga PRF) including water bars (Bukit Naga PRF) on steep areas.</p> <p>2) Skid trail: Lack of water bars (Bukit Naga PRF)</p>	<p>The compensation was deducted from the deposit payment. This is due to the area were in preparation of closing report.</p> <p>A stop work orders from PSFD was issued to the licensees PPN PK 9/2013 B (HSK/LM).</p> <p>A compound letter was issued to the contractor due to not following the guidelines.</p> <p>Show cause letter was issued to the forest ranger due to fail in monitoring of these issues</p> <p>A training will be conducted on 2014 on the Guidelines for Reduced Impact Logging in Peninsular Malaysia, 2003, <i>Garis Panduan Jalan Hutan</i>, 2010 (Guidelines for Forest Roads, 2010).</p> <p>A reminder letter was sent to Perak Timber Association regarding the finding to remind and highlighting this finding to control the occurrences.</p>	<p>Letter dated 12, 17 and 30 December 2013 was verified by the auditor</p> <p>Letter dated 13 January was verified by the auditor.</p> <p>Corrective action received on 13 January 2014 has been accepted by the auditor's.</p> <p>The roads and skid trails was according to the harvesting plan. Water bunds were constructed in skid trails which are not used. The forest workers are aware the need to minimize erosion. The road intensities were found to be within the permissible limit. Harvesting plans in compartments 92 Temenggor PRF, Compartment 55 Bubu PRF, Compartments and compartment 5&6, 73,74,75 Piah PRF was found, presented had included the detailed information on road alignment, intensity and locations of log landings</p> <p>Inspection of the roads showed sumps, side ditches and cross drains had been constructed to improve drainage and to reduce soil erosions.</p> <p>The requirements for side drainage, water bars and sumps were complied with for feeder road and skid trail as prescribed in the guidelines (Guidelines for Reduced Impact Logging in Peninsular Malaysia, 2003, <i>Garis Panduan Jalan Hutan</i>, 2010 (Guidelines for Forest Roads, 2010)).</p> <p>Status : closed</p>
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Indicator 5.2.1 NCR #: RZM 1/ 2013	Minor	<p>Tagging numbers and hammer marks were not evident on the stumps of felled trees along two skid trails in Compartment 183 & 140 (part), Kledang Saiong PRF as below:</p> <p>Skid trail LP2/3;</p> <ul style="list-style-type: none"> <input type="checkbox"/> Meranti sarang punai (67.0 cm dbh) <input type="checkbox"/> Kelat (57.0 cm dbh) <input type="checkbox"/> Perah (58.0 cm dbh) <p>Skid trail LP 10/1;</p> <ul style="list-style-type: none"> <input type="checkbox"/> Balau (72.0 cm dbh) <input type="checkbox"/> Medang (78.0 cm dbh) 	<p>A stop work orders from PSFD was issued to the licensees PPN PK 99/2013 B (HSK/KK).</p> <p>A compound letter was issued to the contractor due to not following the guidelines.</p> <p>Show-cause letter was issued to the forest ranger due to fail in monitoring of these issues.</p> <p>Training on tree tagging and directional felling will be conducted on 2014.</p> <p>A reminder letter was sent to Perak Timber Association regarding the finding to remind and highlighting this finding to control the occurrences.</p>	<p>A letter dated 12 and 30 December 2013 was verified by the auditor's.</p> <p>Corrective action received on 13 January 2014 has been accepted by the auditors'.</p> <p>The elements of SMS and RIL were clearly evident during the inspection made on Piah PRF, Compt 5&6 (Part) (License PPN.PK.80/2014B (HSK/KK). Field visit and records examined showed compliance in sustainable practice including proper tagging of felled trees, mother trees and protected trees</p> <p>Status : closed</p>
Indicator 4.2.3 RZM 2/ 2013	OFI	<p>Two unit fire extinguishers were made available at the "matau" during site visit. However, auditor found that one of the fire extinguishers has been used and no maintenance/refill action was carried out.</p>	<p>New fire extinguisher was replaced by the contractor.</p>	<p>Pictorial report has been verified by the auditor.</p> <p>Status: closed</p>