



**PUBLIC SUMMARY
SURVEILLANCE 1 AUDIT (FIRST CYCLE) ON
TERENGGANU FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC 00115
Date of First Certification: 1st April 2010
Audit Date: 18 – 22 September 2016
Date of Public Summary : 15th March 2017**

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EXECUTIVE SUMMARY

This surveillance 1 audit on the Terengganu Forest Management Unit (hereafter referred as the Terengganu FMU) was conducted on 18th – 22nd September 2016 to assess the continued compliance of the overall forest management system of the Terengganu FMU against the requirements of the *Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest)* [MC&I (Natural Forest)] using the verifiers stipulated for Peninsular Malaysia. The scope of this surveillance 1 audit was limited to the forest management system and practices on the Permanent Reserved Forest (PRF) within the Terengganu FMU.

This surveillance 1 audit was conducted by a 4-member team comprising of 1.Mohd Razman Salim (Lead Auditor), 2.Ismail Adnan Abdul Malek (Auditor), 3.Dr Zahid Emby (Auditor), and 4.Puteri Arlydia Abdul (Trainee Auditor). 5. Khairul Najwan Ahmad Jahari participated in this surveillance 1 audit as an observer and evaluator.

Based on the findings of this surveillance 1 audit, it was found that Terengganu FMU had continued to comply with the requirements of the MC&I (Natural Forest). This surveillance 1 audit had resulted in the issuance of seven (7) minor Non Conformity Reports (NCRs). In addition, one (1) Observation for Improvements (OFIs) was raised.

This public summary contains the general information on the Terengganu FMU, the findings of the surveillance 1 audit, NCRs raised as well as the decision on the continued certification of the FMU.

2 INTRODUCTION

2.1 Name of FMU

Terengganu Forest Management Unit

2.2 Contact Person and Address:

Name : Dato' Haji Ahmad Fadzil Abdul Majid
Designation: Director, Terengganu State Forestry Department
Address : Level 8, Wisma Negeri, 20200 Kuala Terengganu, Terengganu
Phone : 09 6222 444
Fax : 09 6236 552
Email : fadzil@forestry.gov.my

2.3 General Background on the Terengganu FMU

The Terengganu FMU is managed by the Terengganu State Forestry Department (TSFD). The TSFD is committed in the management of the FMU on a sustainable basis. The administration of the FMU is divided into (3) forest districts namely the Southern Terengganu (Dungun & Kemaman), Western Terengganu (Kuala Berang), and Northern Terengganu (Kuala Terengganu, Setiu, Permaisuri, Marang and Besut) Forest Districts.

The inland forest is managed under a Selective Management System (SMS) on a 25- 30 year rotation period. Under the Eleventh Malaysia Plan (2010-2015), the Annual Allowable Cut (AAC) for the Terengganu FMU had been set at 6388 ha. Only a draft of Forest Management Plan (FMP) covering the period from 2016 to 2025 had been presented during the audit and verified by the auditor..

The size of FMU currently has increased to 544,936.58 ha of PRF compared to last audit report as two (2) new PRF has been gazetted. The size of Terengganu FMU covers 42 % of the State's total land area of 1,295,566 ha. The PRFs within the FMU consist mainly of inland Dipterocarp forests covering an area of 514,135.93 ha with the remaining 25,931.10 ha of peat swamp forests, and 1,036.55 ha mangrove forests.

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

2.4 Date First Certified

The earlier audit were conducted and certificate issued by SGS (Malaysia) Sdn. Bhd, and SIRIM QAS has taken over from SGS and re-issued a new certificate with the same validity date, which is 1st April 2010

2.5 Location of the FMU

The Terengganu FMU is located between latitude 04° 00' N to 05° 55'N and longitude 102° 22' E to 103° 30' E.

2.6 Forest Management System

The Terengganu FMU had followed the principles of sustainable forest management (SFM) and the requirements of the Licence Agreement of the State government. Only a draft of Forest Management Plan (FMP) covering the period from 2016 to 2025 had been presented during the audit.

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

For the Eleventh Malaysia Plan (2010-2015), the annual allowable cut (AAC) for the FMU had been set at 6388 ha. During this surveillance 1 audit, the size of the FMU is 544,936.58 ha.

2.8 Environmental and Socioeconomic Context

A Macro Environmental Impact Assessment (MEIA) of Forest Harvesting for Terengganu FMU dated 18 November 2009 was made available to the auditor. Impacts from logging operations, mitigation measures and measures for monitoring impacts were described based on activities i.e. Pre-Harvest, Forest Harvesting operation and Post Harvesting operation. Chapter 8 of the MEIA describes the prescription on monitoring activities. The report also contained a list of endangered, rare and threatened (ERT) species found in the FMU. Measures to mitigate impact of forestry operations on ERT were also mentioned in the Mid Term Review of the previous FMP (2011-2015). Recommendations from the MEIA report were also incorporated in the Mid Term Review of the previous FMP (2011 -2015). In the Central Forest Spine (CFS) Programme, several biological corridors were planned within the Terengganu FMU to conserve habitat and facilitate wildlife movement.

There are no indigenous people reserves in the FMU. They live outside the Terengganu FMU (i.e in stateland). The customary rights of the Orang Asli were respected in forest management planning and implementation, as verified during this audit, there was no land claims on certified PRF areas. TSFD had practiced to carry out impact assessments (social, environmental, economic) of the surrounding areas prior to, during and after harvesting and in the PRFs adjacent to local and indigenous communities and actions were taken to prevent or mitigate adverse impacts

3. AUDIT PROCESS

3.1 Audit Dates

18th – 22nd September 2016 (12 auditor days)

3.2 Audit Team

1. Mohd Razman Salim (Lead Auditor)
2. Ismail Adnan Abdul Malek (Auditor)
3. Dr Zahid Emby (Auditor)
4. Puteri Arlydia Abdul (Trainee Auditor)
5. Khairul Najwan Ahmad Jahari (Observer / Evaluator)

The details on the experiences and qualifications of the audit team members are as in **Attachment 2**.

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 August 2016 to solicit feedback from stakeholders on the compliance of the Terengganu FMU against the requirements of the MC&I (Natural Forest). The comments by the stakeholders and responses by the audit team are shown in **Attachment 3**.

3.5 Audit Process

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

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FMU, local community 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 FMU's overall compliance with the indicator and decided whether or not to issue a major or minor NCR or an OFI which is defined as follows:

- (i) a major NCR is a non-compliance with the requirements of the MC&I (Natural Forest);
- (ii) a minor NCR is a deviation or a lapse in complying with the requirements of the MC&I (Natural Forest); and
- (iii) an OFI is a situation where the auditor has noted an area of concern on the capability of the forest management system to achieve conformance to the requirements of the MC&I (Natural Forest) but without sufficient objective evidence to support a non-conformance.

Consultations were held with the Orang Asli communities of Kg. Sg. Pergam, Kg. Shukor, Kg. Sg. Berua located outside the TSFD PRF, members of the Village Development and Security Committee (Jawatankuasa Kemajuan dan Keselamatan Kampung) of Kg. Telemong, as well as contractors and workers operating in the FMU. The audit team had also held meetings with the officers and the uniformed field staff of the TSFD.

The coverage of this surveillance 1 audit is as shown in the surveillance 1 Audit Plan in **Attachment 4**.

The TSFD had sent a corrective action plan to the audit team to address the major and minor NCRs which the audit team had reviewed and accepted them. The audit team had prepared an interim surveillance 1 audit report and sent it to the TSFD for comment.

4 SUMMARY OF AUDIT FINDINGS

Based on the findings of this surveillance 1 audit, it was found that the TSFD had continued to manage the TFMU in compliance with most of the requirements of the MC&I (Natural Forest). This surveillance 1 audit had resulted in the issuance of seven (7) minor NCRs and one(1) OFIs. The details on the NCRs/OFIs raised are shown in **Attachment 5**.

The audit team had reviewed and accepted the TSFD's proposed corrective actions to address the seven (7) minor NCRs. However, these corrective actions shall be verified by the audit team during the next audit.

The audit team had also verified on the corrective actions taken by the TSFD to address the four (4) Minor NCRs and six (6) OFIs which were raised during the previous audit. The responses made by the audit team leader on these corrective actions and on the final status of the NCRs and OFIs are as in **Attachment 6**.

On indigenous peoples' rights, there were mechanisms in place to resolve disputes over tenure and use rights through meetings held with the Department of Orang Asli Development or Jabatan Kemajuan Orang Asli (JAKOA). It was observed that there was no recorded civil court case pertaining to legal or customary tenure or use rights filed against the TSFD.

With regard to Criterion 6.10, there was no new conversion of the PRF to forest plantations or other non-forest land uses during the intervening period since the last audit. The PRF in the Terengganu FMU has increased to 544,936.58ha, as two (2) new PRF has been gazetted.

As the corrective actions to the minor NCRs have been accepted by the audit team, the Audit Team recommends that forest management certification (FMC) of Terengganu State Forestry Department -Terengganu FMU against the MC&I (Natural Forest) be issued with a FMC certificate of SIRIM QAS International but following the validity date of the FMC certificate issued by the previous certification body i.e.31 March 2019.

The summary on the findings of the surveillance 1 audit on the Terengganu FMU against the requirements of the MC&I (Natural Forest) are as follows:

Principle	Strengths	Weaknesses
Principle 1 Compliance With Laws and Principles	<p>The TSFD had continued to maintain records of all the relevant national and local laws, regulations and policies related to forest management. Copies of all these relevant laws, policies and regulations stipulated in the MC&I (Natural Forest) fundamental for the FMU management was made available at the Head office of the State Forestry Department at Kuala Terengganu and were accessible to all staff.</p> <p>Forest officers at the level of District Forest officers and above had demonstrated understanding and were found to be knowledgeable on the national and local laws and regulatory framework. Interview with management representatives and staffs showed that there was understanding and awareness against respective applicable federal, state and local laws, as well as the regulatory framework for forest management. The forest managers also were found to be aware of all the binding international agreements</p>	There were no negative findings.

Principle	Strengths	Weaknesses
	<p>There were 21 records on forest violations noted and actions had been taken to resolve respective issues for 2016 (last updated 16 August 2016). These issues had been recorded and maintained in the 'File P.H.N.T 39 C / Bhg 25 Kesalahan Hutan'. Offenders were compounded accordingly and payment was recorded in the same log book. The investigation conducted on the forest violation was found to be inline as per Director General Circular No. 9/2013 – <i>Tatacara Pengendalian Siasatan Hutan & Lampiran S.I Carta Aliran Pengendalian Siasatan Hutan</i>.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges has been addressed in <i>Warta Kerajaan Negeri Terengganu Kaedah-kaedah Hutan 1986, Kaedah-kaedah Hutan (Pindaan) 2009, Perintah (Pindaan Jadual Ketiga) 2009, and Kaedah-kaedah Industri Berasaskan Kayu (Pindaan) 2009</i>.</p> <p>Encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities in the FMU had been controlled by the Terengganu FMU through aerial schedule monitoring activities.</p>	
Principle 2 Tenure and Use Rights and Responsibilities	<p>The documentation of legal status, and established forest use rights of the land or forest resources within the relevant federal, state and local laws was made available during the audit. Documents related to forest reserve gazettelement which are under the National Forestry Act were kept at the TSFD headquarters.</p> <p>There was no record found of any legally recognized land claims from Orang Asli or local communities over land situated within the PRF.</p>	There were no negative findings.

Principle	Strengths	Weaknesses
	<p>Forest managers had expressed their willingness to recognize, respect and collaborate with holders of duly recognized legal or customary tenure or use rights in forest activities that may affect such rights. TSFD had recognised and had allowed indigenous people to collect minor forest products for their daily consumption or conserve any cultural/religious sites if present. Water catchment areas and water supply sites for local communities were not disturbed.</p> <p>There were mechanisms in place at various levels for use to resolve disputes over tenure and use rights.</p>	
Principle 3 Indigenous People's Rights	<p>The customary use rights of the Orang Asli within the PRF were respected in forest management planning and implementation in accordance to the Aboriginal Peoples Act 1954. There had been no cases of forest operations carried out by the Forestry Department or logging contractors in aboriginal reserves or areas gazetted under the Aboriginal Peoples Act 1954. There was no indigenous people's land inside the Terengganu FMU certified area.</p> <p>There was no recorded civil court case pertaining to legal or customary tenure or use rights within the Terengganu FMU.</p> <p>A flowchart entitled 'Compensation Mechanism for the Utilisation of Traditional Knowledge and Practices of Orang Asli' was made available during the audit. However, there was no utilization of traditional knowledge of the Orang Asli communities by the TSFD as verified during the stakeholders interview with JAKOA and Orang Asli communities.</p>	<p>There was lack of evidence to show that the observation raised by SGS (Malaysia) Sdn Bhd in the recertification audit in 2015 had been taken action by TSFD. TSFD had stated in its plan of action to close the observation, that the Department would meet JAKOA to finalise and update information on identifying and protecting the sites of special cultural, ecological, economic or religious significance to the Orang Asli. However this plan had not been put into action, and adequate record-keeping on information pertaining to these special sites of the Orang Asli was still unavailable. Therefore previous Observation #01 for Indicator 3.3.1 was upgraded by the auditor to a Minor NCR ZE 01 2016.</p>

Principle	Strengths	Weaknesses
Principle 4 Community Relations and Workers' Rights	<p>The TSFD had provided sufficient support for training, retraining, local infrastructure, facilities and social programs for departmental staff.</p> <p>There were records to confirm that People in communities living within, or adjacent to, the FMU were given preference for employment and contract works.</p> <p>Up-to date information on all applicable laws and regulations covering occupational safety and health of forest workers had been disseminated to the forest workers.</p> <p>The TSFD had communicated to the TSFD's staff and contractors' workers of their rights to freely organise into union of their own choice. There were provisions for the TSFD's staff to organise and undertake collective bargaining.</p> <p>The TSFD had continued to monitor the potential impacts of forest operations on local community's socio-economic and cultural life. There was no evidence to indicate that the local people's legal and customary rights, property, resources or livelihoods had been threatened.</p>	<p>The auditor had found that guidelines for storage and handling of hazardous materials were not fully implemented. During the site audit at Compartment 36 PRF Cherul (temporary logging camp & workshop), it was found that :</p> <ul style="list-style-type: none"> • Drums/oil/liquid with no label was stored. • Contaminated soil with oil was sighted at the generator set area. • Safety signage at workshop was on the floor covered by dust and was not clearly visible. <p>Therefore a Minor NCR LYD-01/2016 was raised by Auditor on Indicator 4.2.5.</p>
Principle 5 Benefits From the Forest	<p>Investments and reinvestments have been made in forest management by TSFD in 2016. An amount of RM 210,011.24 was spent for infrastructure/building maintenance, and recreation areas improvements. A total of RM 15,903,418.32 was spent for staff salary and remuneration. Other expenditure was the "Kumpulan Wang Pembangunan Hutan (KWPH)", for forest conservation and protection in Terengganu FMU. Up to 31st July</p>	<p>There were no negative findings</p>

Principle	Strengths	Weaknesses
	<p>2016, an amount of RM 2,533,472.76 had been spent for forest conservation and projects maintenance.</p> <p>To fully utilize forest resources, the state had developed an industrial wood-based sector, which includes furniture, sawn logs, veneer, charcoal kilns, drying kilns, rubber wood processing, rattan processing, parquet and mouldings. TSFD had included the non-timber forest products (NTFPs) in one of its development programmes aimed at collating data on the management of these resources in order to conserve optimally as consistent with ecological balance, environmental stability and biodiversity of the FMU.</p> <p>Procedures for identifying and demarcating of sensitive areas for the protection of soil and water were in place. Areas exceeding 1,000 meters above sea level or with slopes of more than 40 degrees were excluded from logging, demarcated and mapped as protection forests.</p> <p>The TSFD has to date has classified a total of 61,375.58 ha as Water Catchment areas in Terengganu FMU. To complement Water Catchment forest, a total of 66,824.99 ha were also classified as Protection Forests in Terengganu FMU. The area was demarcated, mapped and managed according to the Guidelines for Catchment Forests (2010).</p> <p>Harvesting rates in Terengganu FMU were determined by the annual allowable cut (AAC) set in the FMP and in the 11th Malaysia Plan for the amount 6,388 ha a year or a total of 31,940 ha over the five year duration in the plan (2016-2020). For 2015, the area</p>	

Principle	Strengths	Weaknesses
	<p>harvested throughout the Terengganu FMU up to September was 4,287.27 ha which was still below the annual allowable cut.</p>	

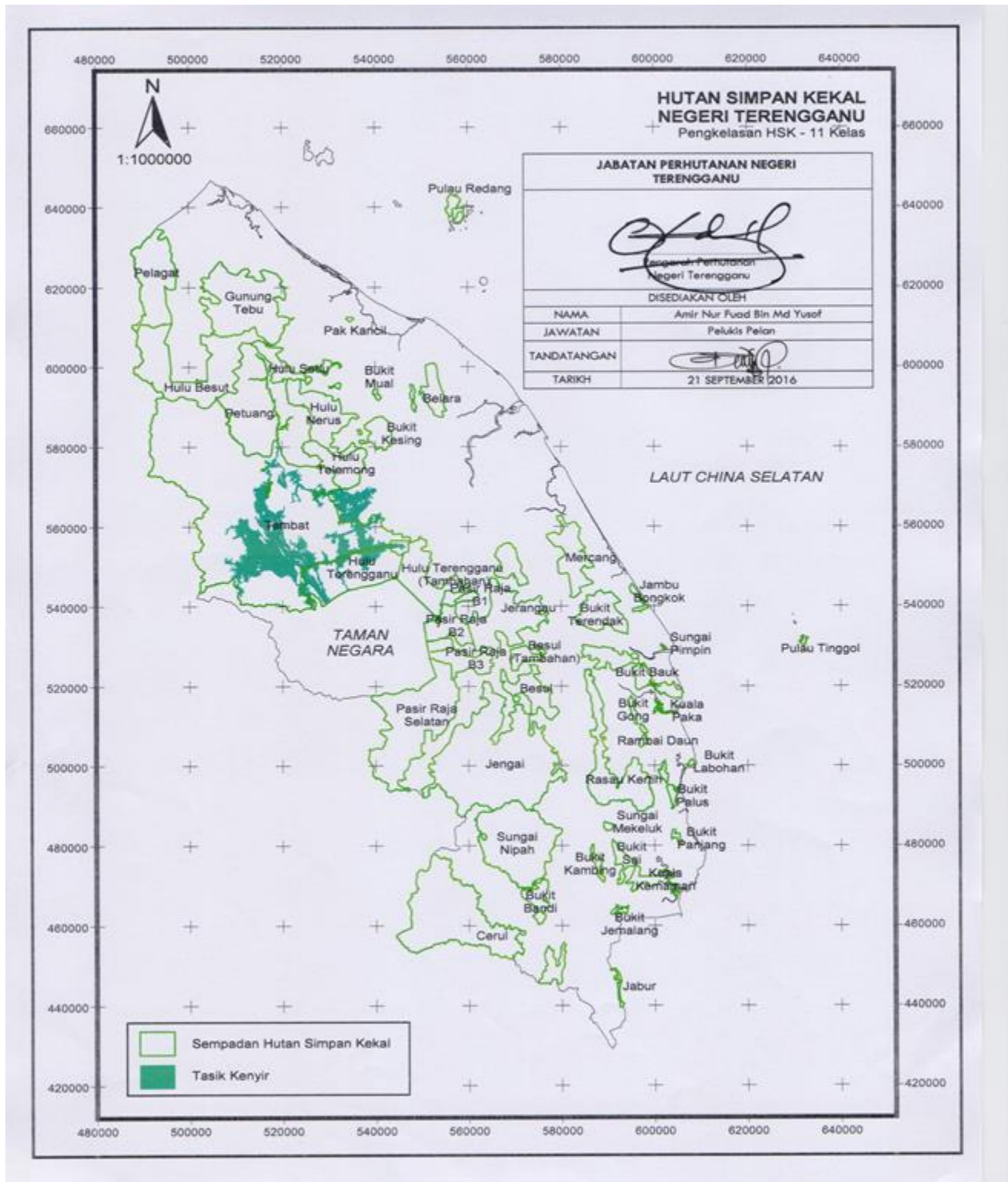
<p>Principle 6 Environmental Impact</p>	<p>A Macro Environmental Impact Assessment (MEIA) of Forest Harvesting for Terengganu FMU dated 18/11/2009 was verified by the auditor. Impacts from logging operations, mitigation measures and measures for monitoring impacts were described based on activities i.e. Pre-Harvest, Forest Harvesting operation and Post Harvesting operation.</p> <p>Guidelines to identify and protect ERT species of forest flora and fauna, were in place and were described in the mid-term review of the Terengganu FMP (2011-2015) as well as in the MEIA report for Terengganu FMU (2009). Currently about 23.5% (128,200.57 ha) of the total PRF in Terengganu FMU had been set aside for protection and conservation purposes.</p> <p>There was continuous cooperation between forest managers, conservation organizations and regulatory authorities on implementing conservation and management activities. The TSFD had established collaboration with PERHILITAN on the conservation of wildlife in Terengganu FMU as verified during the interview with PERHILITAN officers in Kuala Terengganu.</p> <p>Hunting, fishing, collecting and other unauthorized activities were not allowed within the PRF areas and this had been communicated down to the District Forest Office, Ranger Office and at the contractor level. The posters of ERT species had been posted at the District Forest and Range Offices as well as logging camps.</p> <p>Each PRF has a whole compartment designated as VJR subjected to periodic inventory and monitoring including stand growth and floristic composition. The full list of VJRs in the</p>	<p>During the site visit, auditor had sighted that additional and extension of skid trail in the Compartment 36 PRF Cherul (TS-01-12-16) had been constructed without permission from South District Forest Officer as verified through road plan 'Pelan Kemajuan Pengusahasilan' dated 14 September 2016 for skid trail as listed below:</p> <ol style="list-style-type: none"> 1) Construction of skid trail 3/4 and 4/4 2) Unauthorised extension / construction of skid trail 1/3 from 180 meter to 240 meter <p>Therefore a Minor NCR MRS 01 2016 was raised by Auditor on Indicator 6.5.1.</p> <p>During the Recertification Audit in 2015, it was found that the concession owner (KPKKT) had decided to halt the iron mine project at Besul (Tambahan) PRF Compartment 1 to 6 and to revert the area into the PRF, there was no written documentation to confirm the decision of state government on this. During this Surveillance 1 Audit, status of the Compartment 1 to 6 of the Besul (Tambahan) PRF by Terengganu State was still unknown. Therefore,an OFI #5 for Indicator 6.10.1 that was raised during Recertification Audit 2015 was maintained during this Surveillance 1 Audit.</p>
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	<p>Terengganu FMU had been recorded in the draft of the revised FMP (2016- 2025). A total of 12 VJRs has been established covering a total area of 4,055.61 ha within the Terengganu FMU.</p> <p>The FMU has been included in the Central Forest Spine (CFS) network which was considered in its management as stated in the draft of the revised FMP (2016-2025) identifying the primary wildlife corridors in the FMU. These corridors were protected from any intervention including forest harvesting.</p> <p>Auditor had found that a total of 21,584 ha of certified area had been converted to second dam (18,676 ha) and forest plantation (2,908 ha) planted between 1986- until early 2010, which covered about 3.96% The second dam was excluded from the scope of audit by previous certification body. It was found that the status of both Tembat and Petuang PRFs are still forest reserves, it was included in the certification scope during this Surveillance Audit in 2016 as requested by TSFD. The converted area was, however, not more than 4% of the total area of the FMU in the first 3 years plus subsequent 2 years. Conversion from natural forest to forest plantations or non-forest land use in the FMU, however, did not include any High Conservation Value Forest (HCVF) areas.</p>	
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Principle 7 Management Plan	<p>Training at TSFD mostly was conducted at Pusat Latihan Perhutanan Chalok and Pusat Latihan Perhutanan Terengganu. Annual training program for TSFD staffs have been conducted in were available for 2016 as evidenced in document entitled “Rekod Latihan/Kursus Tahun 2016”. The staff training records and certificates were verified for training listed above and made available during the audit.</p>	<p>The FMU has yet to finalise and obtain approval for the Forest Management Plan 2016-2025. The auditor only verified a draft FMP for 2016-2025 during the audit. Therefore, a Minor NCR MRS 02 2016 was raised by Auditor on Indicator 7.1.1.</p> <p>A summary of the primary elements of the FMP (2016-2025) was not made publicly available through the departmental webpage as verified during this Surveillance Audit. The TFMU only made publicly available a summary of primary elements of the previous FMP (2006-2015) at the department official website. Therefore, a Minor NCR MRS 03 2016 was raised by auditor on Indicator 7.4.1</p>
Principle 8 Monitoring and Assessment	<p>Director General's Directive on the use of monitoring forms A – D, [A: Infrastruktur (Infrastructure), B: Pengusahaan Hutan (Forest Harvesting), C: Alam Sekitar (Environment), D: Pengeluaran (Output)] and Borang SIA (social impact assessment before, during and after harvesting activities) had been used accordingly.</p> <p>Selection of tree for felling based on cutting limit had been tagged accordingly. Tagging records were kept by the Terengganu FMU and a copy was available at the Forest Checking Stations to allow chain of custody monitoring and ensure that only tagged trees were removed.</p>	<p>The auditor had found that relevant information, appropriate to the scale and intensity of the forest management operations, needed to be monitored in the items (a) to (e) listed in Criterion 8.2 was not available in the latest Forest Management Plan (2016-2025) for Terengganu FMU as there was only a draft in the FMU office. Therefore, a Minor NCR MRS 04 2016 was raised by Auditor on Indicator 8.2.1.</p> <p>A summary of the results of monitoring indicators, including those listed in Criterion 8.2 was not publicly available.</p> <ul style="list-style-type: none"> a) Yield of all forest products harvested. b) Growth rates, regeneration and condition of the forest. c) Composition and observed changes in the flora and fauna. d) Environmental and social impacts of harvesting and other operations. e) Costs, productivity and efficiency of forest management <p>Therefore, a Minor NCR MRS 05 2016 was raised by Auditor on Indicator 8.5.1.</p>

<p>Principle 9 Maintenance of High Conservation Values</p>	<p>The TSFD had prepared guidelines to establish and manage the HCVF as per the document entitled "<i>Garis Panduan Penentuan, Penubuhan dan Pengurusan Kawasan Hutan Mempunyai Nilai Pemeliharaan Yang Tinggi (HCVF) Dalam Hutan Simpanan Kekal (HSK) Di Semenanjung Malaysia.</i>" dated 24 June 2013. The <i>Garis Panduan</i> was issued by the Forestry Department Peninsular Malaysia (FDPM) and was available at the TSFD. The establishment of HCVF (about 63 ha) in Compartment 31, Jerangau FR containing Keruing Sarawak (<i>Dipterocarpus Sarawakensis</i>), was one of the efforts by Terengganu FD to protect ERT species.</p> <p>TSFD had consulted relevant stakeholders on the options to maintain or enhance the identified HCVFs. Forest management operations had considered and protected areas of high conservation value in the FMU with identified conservation attributes and options for the maintenance in FMP.</p> <p>Field verification of the HCVF showed that the HCVF boundary was clear and marked with yellow paint in accordance to the SOP. There were adequate number of signboards indicating the location of the HCVF and "No entry" signs erected.</p>	<p>There were no negative findings</p>
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Map of Terengganu FMU



Experiences and Qualifications of Audit Team Members

Assessment Team	Role/Area of MC&I Requirement	Qualifications and Experience
1.Mohd Razman Salim	Assessment Team Leader / Forester	<p>Academic Qualification: BSc. of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience: Five years experienced as Research Officer at the Forest Research Institute Malaysia (FRIM) since 2007 in a various area such as ecological research for lowland and hill dipterocarp forest, Geographic Information Systems, forest inventories, forest harvesting and forest management system (SMS). Participate in organizing committee member, division level activities and projects. Coordinate and collaborate a long term ecological plot and inventory data about 25 years at the Pasoh, Negeri Sembilan with Negeri Sembilan Forestry Department, universities (local & international) and NGOs. Published and presented research findings at the seminars and conferences. Currently as Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International Sdn Bhd, since 2013. Involved in conducting assessments on forest management certification MC&I (Natural Forest) & MC&I (Plantations), MYNI of RSPO P&C and other management systems on ISO 9001, 14001 and OHSAS 18001</p> <p>Training / Research Areas:</p> <p>Attended and pass in the following training programmes:</p> <ul style="list-style-type: none"> • Lead Assessor Course on Malaysian Criteria and Indicators for Forest Management Certification MC&I (Natural Forest)] & MC&I (Plantations) organized by MTCC, 1- 4 December 2013. • QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013. • OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013. • EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013.
2. Ismail Adnan bin Abdul Malek	Assessor/ Forester	<p>Academic Qualification: Master of Forestry (Forest Harvesting), University of British Columbia, Canada.</p>

		<p>Work Experience: One year experience as Sub Assistant Conservator of Forest from 1974 to 1975. In charge of Kuantan Forest District (Administration). Seven years (1979 – 1986) experience as Forester/Logging Superintendent) at Syarikat Jengka Sdn. Bhd, Jengka, Pahang. Specific duties were Mapping and supervising Forest Management and Logging Operations. Twenty five (25) years experienced as Senior Lecturer at the Faculty of Forestry, Universiti Putra Malaysia, Serdang Selangor. Responsible for Forestry Teaching, Research and Extension. Had taught subjects in Forest Management, Forest Harvesting and Geo-spatial technology (Remote sensing & GIS) and had supervised student research at both undergraduate and graduate (Master/PhD) levels. Had received grants and carried out research in Forest Management, Forest Harvesting and Forest Management System (SMS). Participated as Resource Person/Organizing Committee member for Training and Seminar/Conferences held at both Local and International levels organized by the Faculty. Published and presented research findings in Forestry Journals/Publications and proceedings of local and International seminars/ conferences attended. Currently as Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International Sdn Bhd, since 2016. Involved in conducting assessments on forest management certification MC&I (Natural Forest) & MC&I (Plantations).</p> <p>Training / Research Areas:</p> <p>Attended and pass the following training programmes:</p> <ul style="list-style-type: none"> • Lead Auditor Course on MC& I (Natural Forest) and MC&I (Forest Plantation V2) (SIRIM QAS Sdn. Bhd), 9th-10th July 2015. • MS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 23rd-27th Nov 2015. • Training on Auditing Techniques (SIRIM QAS Int. Sdn. Bhd), 26th January 2016. • RSPO Lead Auditor Training organized by Wild Asia Sdn Bhd, 10th – 14th October 2016
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3. Dr. Zahid Emby	Assessor / workers & community issues and related legal issues	<ul style="list-style-type: none"> • 1977- 1992 – Lecturer, Department of Social Sciences, Faculty of Educational Services, Universiti Pertanian Malaysia • Head, August 1992 – 1994, Department of Social Development Studies, Universiti Pertanian Malaysia • August 1, 1998 -2001. Reappointed as Head of the renamed Department of Social and Development Science for a three year term • Head, Department of Music from October 2003 until his retirement on December 17, 2006 • Spent some time as a visiting scholar at University of Hull, U.K. and Victoria University of Wellington, New Zealand. • Freelance consultant on social issues
4. Puteri Arlydia Abdul	Trainee Auditor / Forester	<p>Academic Qualification: B. Sc of Forestry (Forest Production), Universiti Putra Malaysia.</p> <p>Work Experience:</p> <p>2015 onward – trainee auditor at Food, Agriculture and Forestry Section (FAF), SIRIM QAS International Sdn Bhd for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)], MYNI of RSPO P&C, MSPO and other management systems e.g. ISO 9001 & 14001</p> <p>2012 – 2015 Certification Administration Executive / Auditor and Coordinator for PEFC CoC, RSPO P&C , RSPO SCC, RSPO RED, ISCC DE, ISCC EU with Intertek Certification International Sdn Bhd</p> <p>2011 – 2012 Project Research Officer at Transparency International Malaysia - research, coordinating & implementation project requirements for forest governance integrity, liaise with external parties on matter arising and related to the project to forest governance integrity.</p> <p>2008 – 2011 Project Officer / Forester at Forest Plantation Development Sdn Bhd (wholly owned by MTIB) - auditing document/proposal for forest plantation soft loan, field auditing for forest plantation (against Malaysian National Indicator for Forest Plantation, Environmental, HCVF, Land Title (legal assuring of land, land tenure, terms of land title , land boundary, land dispute and claims under encumbrances, dispute and process of negotiation and compensation) & Company Act, Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer) and mapping forest plantation.</p>

		<p>2007 – 2008 Forester / GIS Officer at Forestry Department Peninsular Malaysia (HQ) - handlings Geographic Information System (GIS) Database, Mapping Forest and facilitate GIS and Remote Sensing Training ('Human Resource Development in Geographic Information System and Remote Sensing for the Forestry Personnel of ASEAN Countries' August 2007.</p> <p><u>Training / Research Areas:</u></p> <p>Attended and pass in the following training programmes:</p> <ul style="list-style-type: none"> • Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organized by MTCC, 9-10 June 2015. • EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 May 2015. • QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 19-23 March 2012 and New Revision 2015 on 21 September 2015 • Forest Plantation Management Training by Malaysian Timber Industry Board (MTIB), Forest Research Institute Malaysia (FRIM), and Forest Plantation Development Sdn Bhd, 19-21 March 2009 • Forest Plantation (for Rubber) Development & Training by Malaysia Rubber Board, 24-26 November 2008
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Comments Received from Stakeholders and Responses by Audit Team Leader

No.	Comments/Issues Raised	Response by Audit Team	
1	As an organization who conducted a Hydroelectric Project Hulu Terengganu, we have found that the FMU has provided good services in timely manner such as issuance of 'Permit Penggunaan', permission to enter the forest reserve, etc.	Noted. The hydroelectric project is a second hydroelectric dam within Tembat and Petuang Forest Reserves (18,676 ha) which was excluded from the audit scope as reported by previous Certification Body – SGS (Malaysia) Sdn. Bhd. during Recertification Audit dated 17-21 May 2015.	

Surveillance 1 Audit Plan

DAY	TIME	PROGRAM		
		AUDITOR 1 (AUDIT TEAM LEADER) (Razman)	AUDITOR 2 (Dr Zahid, Puteri Arlydia & Najwan)	AUDITOR 3 (Ismail)
Day 1 18/9/2016 (Sunday)	12.00 pm – 1.00 pm	<ul style="list-style-type: none"> Travel to Kuala Terengganu 		
	2.00 pm – 5.00 pm	<ul style="list-style-type: none"> Opening Meeting with representatives of FMU Briefing session by Forest Manager of the FMU on progress of forest activities Q&A Session Evaluation of changes to the management of the FMU Check on progress of planned activities aimed at enhancing the operation system to achieve improvement in overall performance Check on complaints, stakeholder comments and follow-up actions Government agencies NGOs Check on verification for closing NCRs raised during the previous audit Evaluate on procedures for internal audit Evaluate on management review system 		
	5.00pm	<ul style="list-style-type: none"> Overnight at Kuala Terengganu 		

Day 2 19/9/2016 (Monday)	9.00 am – 4.00 pm	<ul style="list-style-type: none"> • Documentation and records review: <ul style="list-style-type: none"> ○ Principle 1 – Compliance with Laws and Principles ○ Principle 2 – Tenure and Use Rights and Responsibilities ○ Principle 3 – Indigenous Peoples' Right ○ Principle 4 – Community Relations and Workers' Right ○ Principle 5 – Benefits from the forest ○ Principle 6 – Environmental Impact ○ Principle 7 – Management Plan ○ Principle 8 – Monitoring and Assessment ○ Principle 9 – Maintenance of High Conservation on Value Forests 	
	4.00 pm	<ul style="list-style-type: none"> • Stakeholder consultation with Department of PERHILITAN and JAKOA 	
	5.00 pm	<ul style="list-style-type: none"> • Auditor 1 & 2 travel to Terengganu Selatan District Forest Office, Kemaman • Auditor 3 overnight at Kuala Terengganu 	
Day 3 20/9/2016 (Tuesday)	8.00 am – 5.00 pm	Site visit at active area: Terengganu Selatan	Site visit at active area: Terengganu Barat
		<ul style="list-style-type: none"> • Document review at Terengganu Selatan District Office • Inspection of active harvesting area – Compt. 36, Cherul PRF (TS-01-12-16) • Forest Checking Station – Cheneh • Nursery at Kerteh • Interview with local communities <ul style="list-style-type: none"> i) Kg. Sg. Pergam ii) Kg. Shukor 	<ul style="list-style-type: none"> • Document review at Terengganu Barat District Office • Inspection of active harvesting area – Compt. 45, Petuang PRF (TB-01-17-16) & Compt. 80, Pasir Raja PRF (TB-01-15-16) • Forest Checking Station – Bukit Diman • Inspection of closing area – Compt. 5, Jerangau PRF (TS-01-07-15)
	5.00pm	<ul style="list-style-type: none"> • Auditor 1 overnight at Kemaman • Auditor 2 travel to Kuala Terengganu • Auditor 3 overnight at Kuala Terengganu 	

Day 4 21/9/2016 (Wednesday)	8.00 am – 5.30pm	Site visit at active area: Terengganu Selatan	Site visit: Terengganu Barat
		<ul style="list-style-type: none"> • Inspection at active harvesting area –Compt. 51B, Rasau Kerteh PRF (TS-01-13-16) • Pre-F - Compt. 8A, Bukit Bandi PRF • VJR – Compt. 8, Bukit Sai PRF 	<ul style="list-style-type: none"> • Nursery – Ajil • Pre-F – Compt. 79, Pasir Raja PRF • Forest Recreation Sekayu • HCVF – Keruing Sarawak • Interview with local communities – Kg. Sg. Berua & JKKK Telemong
	5.30pm	<ul style="list-style-type: none"> • All auditors travel and overnight at Kuala Terengganu 	
Day 5 22/9/2016 (Thursday)	8.30 am – 11.00 am	<ul style="list-style-type: none"> • Preparation of audit report and finding 	
	11.00 am - 1.00 pm	<ul style="list-style-type: none"> • Briefing to representatives of FMU on the findings of audit • Closing Meeting <p>Travel to Kuala Lumpur</p>	

Details on NCRs and OFIs Raised During this Surveillance 1 Audit and Corrective Actions Taken

Indicator	Specification Major/Minor/OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 3.3.1 NCR #: ZE 01 2016	Minor	<p>Requirement : <u>Availability of appropriate procedures within current administrative processes for identifying and protecting such sites and provisions for rights of access to these sites by indigenous peoples within relevant federal, state and local laws or by mutual agreement.</u></p> <p>Finding : Evidence to follow-up on previous Observation during Recertification Audit 2015 was not evident during this audit</p> <p>Objective evidence : TSFD stated in its plan of action to close the Observation during Recertification Audit 2015 that the Department will meet JAKOA to finalise and update information on identifying and protecting the sites of special cultural, ecological, economic or religious significance to the Orang Asli. However this plan had not been put into action and as such adequate record-keeping on information pertaining to these special sites of the Orang Asli is still unavailable.</p>	Refer to official letter from Terengganu FMU – Bil.(29)PHNT.100/69/Bhg.5 dated 8 November 2016, the FMU has conducted a discussion/meeting with JAKOA Terengganu on 13 November 2016 in order to identify the special cultural, ecological, economic or religious significance to the Orang Asli, status of Orang Asli Sg. Putih, Cherul, Kemaman and also updating latest information on Orang Asli in Terengganu State.	The implementation and effectiveness of the corrective action plan will be verified during next audit.
Indicator 4.2.5 NCR #: LYD-01/2016	Minor	<p>Requirement : <u>Demarcation of hazardous areas and provisions of guidelines for storage and handling of hazardous materials</u></p> <p>Finding : Provision of guidelines for storage and handling of hazardous materials was not been fully implemented.</p> <p>Objective evidence : During site audit at Compartment 36 PRF Cherul (Kongsi & workshop) (TS-01-12-16) it was found that:</p> <ul style="list-style-type: none"> • Drums/oil/liquid with no label was stored • Contaminated soil with oil was sighted at the genset area • Safety Signage at workshop was on the floor covered by 	Based on a letter Bil.(38)dIm.PHDTS4/64/Jld.9, the FMU has directed the contractor to do corrective action on these nonconformities such as labelling the storage area (drums/oil/liquid) and workshop with safety signage. Oil/fuel trap had been constructed at the diesel tank in order to prevent spillage and contaminated soil with oil.	The implementation and effectiveness of the corrective action plan will be verified during next audit.

		dust and hardly can be seen		
Indicator 6.5.1 NCR #: MRS 01 2016	Minor	<p>Requirement : <u>Availability and implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations</u></p> <p>Finding : Construction of additional skid trail was carried out without official permission from Forestry Department</p> <p>Objective evidence : Auditor has found that additional and extension of skid trail in the Compartment 36, Cherul PRF (TS-01-12-16) has been constructed without permission from South District Forest Officer as verified through road plan 'Pelan Kemajuan Pengusaha' dated 14 September 2016 for skid trail as listed below: 1) Construction of skid trail 3/4 and 4/4 2) Unauthorized extension / construction of skid trail 1/3 from 180 meter to 240 meter</p>	District Forest Officer has received the application for additional and extension of skid trail on 19 September 2016 for licensed area TS 01-12-16 based on Borang Kawalan Lorong Penarik as verified through letter Bil.(17)dIm.PHDT57/2/79Jld.2. The DFO has permitted the licensee to add and extend the skid trail. The District Forest Officer (DFO) has updated the road plan dated 10 October 2016.	The implementation and effectiveness of the corrective action plan will be verified during next audit.
Indicator 7.1.1 NCR #: MRS 02 2016	Minor	<p>Requirement : <u>Availability and implementation of Forest Management Plan</u></p> <p>Finding : Latest Forest Management Plan for 2016-2025 was not available</p> <p>Objective evidence : During the audit, auditor has verified that TSFD has yet to finalise its draft of Forest Management Plan 2016-2025</p>	Referring to the official letter from Terengganu FMU Bil.(55)dIm.PHNT.100/6/16 Bhg.11 dated 20 October 2016, the Forest Management Plan 2016 – 2025 for Terengganu FMU has been completed on 22 December 2016. The FMP had been sent to Pihak Berkuasa Negeri on 19 January 2017 for approval.	The implementation and effectiveness of the corrective action plan will be verified during next audit.
Indicator 7.4.1 NCR #: MRS 03 2016	Minor	<p>Requirement : <u>A summary of the primary elements of the forest management plan as prepared and implemented under Indicator 7.1.1 shall be made available to the public</u></p> <p>Finding : A summary of the primary elements of the forest management plan which has been made available to the public was not up-to-date</p> <p>Objective evidence : Auditor has verified a summary of the primary elements of the FMP at</p>	Summary of the primary elements of the latest Forest Management Plan 2016 has been updated in the Terengganu Forestry Department official website trgforestry.terengganu.gov.my on 22 December 2016.	The implementation and effectiveness of the corrective action plan will be verified during next audit.

		the Terengganu Forestry Department official website – 'Ringkasan Eksekutif' at the link trgforestry.terengganu.gov.my/images/MTR%20RPH%202006-2015.pdf was not up-to-date		
Indicator 8.2.1 NCR #: MRS 04 2016	Minor	<p>Requirement : <u>Forest managers shall gather the relevant information, appropriate to the scale and intensity of the forest management operations, needed to monitor the items (a) to (e) listed in Criterion 8.2.</u> a) <u>Yield of all forest products harvested.</u> b) <u>Growth rates, regeneration and condition of the forest.</u> c) <u>Composition and observed changes in the flora and fauna.</u> d) <u>Environmental and social impacts of harvesting and other operations.</u> e) <u>Costs, productivity and efficiency of forest management</u></p> <p>Finding : Relevant information as listed in Criterion 8.2 (items a-e), appropriate to the scale and intensity of the forest management operations, was not evident.</p> <p>Objective evidence : Auditor has found that relevant information, appropriate to the scale and intensity of the forest management operations, needed to monitor the items (a) to (e) listed in Criterion 8.2 was only available in the outdated Forest Management Plan (2006-2015). There was only a draft for new Forest Management Plan (2016-2025).</p>	Information (a) to (e) listed in Criterion 8.2 have been gathered and compiled in the latest Forest Management Plan 2016 – 2025 on 22 December 2016.	The implementation and effectiveness of the corrective action plan will be verified during next audit.
Indicator 8.5.1 NCR #: MRS 05 2016	Minor	<p>Requirement : <u>A summary of the results of monitoring indicators, including those listed in Criterion 8.2, shall be made available to the public.</u></p> <p>Finding : An up-to-date summary of the results of monitoring indicators, including those listed in Criterion 8.2, shall be made available to the public.</p> <p>Objective evidence : An up-to-date of public summary of results of monitoring indicators, including those listed in Criterion 8.2 was not made publicly available</p>	Public summary of results of monitoring for Criterion 8.2 has been updated in the Terengganu Forestry Department official website trgforestry.terengganu.gov.my on 22 December 2016.	The implementation and effectiveness of the corrective action plan will be verified during next audit.

Indicator 6.10.1 OFI #: 1	OFI	<p>The forest manager shall ensure <u>that conversion from natural forest to forest plantations or non-forest use:</u></p> <p>a) <u>Shall not include any High Conservation Value Forest areas;</u> and</p> <p>b) <u>Covers a very limited portion* of the FMU and shall enable clear, substantial, additional, secure, long term conservation, economic and social benefits across the FMU</u></p> <p><u>**A limited portion" is defined as:</u></p> <ul style="list-style-type: none"> • <u>not more than 2.5% of the total area of the FMU in the first 3 years;</u> • <u>not more than 1.5% for the subsequent 2 years; and</u> • <u>not more than 1% for the next subsequent 2 years.</u> <p>The approved of conversion project for mining in Compartment 1 to Compartment 6 of the Besul (Tambahan) FR by Terengganu State as refer to official letter PHNT 100/6/16/Bhg.8 dated 8 July 2014, the area has been put on halt and there is a decision from the concession owner of the area i.e. KPKKT to revert back the area into the PRF. However there is no written documentation to confirm the decision.</p>	<p>During this Surveillance 1 Audit, status of the Compartment 1 to 6 of the Besul (Tambahan) FR by Terengganu State was still unknown either for mining or revert back to KPKKT as concession owner (still managed by TSFD). TSFD will follow up with the Land and Mines Department (Pejabat Tanah dan Galian) on the status of these areas. Therefore, status of these areas will be verified during next audit</p>	<p>The OFI was maintained for verification during next audit.</p>
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Corrective Actions Taken and Final Status on NCRs and OFIs Raised During Previous Audit

Indicator	Specification Major/Minor/O FI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 4.4.1	Minor	<p><u>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.</u></p> <p>The long term social environmental impact is not assessed as the current social impact only gauges impact to communities immediately after the logging license is closed without subsequent follow-up. An interview with the village head of Kg. Basong on 18 may 2015 indicated that the long term social and environmental impacts from past logging at Telemong Forest Reserve such as reduced water quality, sedimentation and flooding have not been assessed by the FD with the communities.</p>	Based on official letter PHNK 100/6/16/Bhg.9 (15) dated 30 August 2015, Terengganu FMU has revised its monitoring form A-E to assess on the long term social environmental impact to local communities and indigenous people especially on reduced water quality, sedimentation and flooding. The FMU will brief its officers and forester on the new revision.	<p>Auditor has verified and confirmed that through Monitoring Form A – E, Terengganu FMU had assessed on the long term social environmental impact to local communities and indigenous people after logging license was closed. During interviewed with local communities and indigenous people from Kg. Sg. Pergam, Kg. Shukor, Kg. Sg. Berua and Kg. Telemong. No water pollutions, reduced water quality, sedimentation and flooding affected from harvesting activities has been observed and addressed by local community & indigenous people during the assessment. The evaluation from the findings (Monitoring Form A - E) has been incorporated into the management planning of harvesting operation.</p> <p>Status: Closed</p>
Indicator 5.1.1	Minor	<p><u>Investments and reinvestments are made in forest management, including for forest, administration, research, human resource development, protection, economic, conservation environmental and social aspects, consistent with the tenure of the FMU.</u></p> <p>There is a budget constraints impede the implementation of management prescriptions to maintain ecological productivity of the forest as follows:</p> <ol style="list-style-type: none"> 1. HCVF management plan for keruing Sarawak and cengal besar 	Terengganu FD had requested from Terengganu State about RM 2 million for year 2015 for forest management including HCVF, patrolling and staff allocation.	Based on expenditures report until 31 August 2016, investments and reinvestments were made in forest management by Terengganu FD (TFD) where a total of RM210, 011.24 was spent for infrastructure/ building maintenance and recreation areas improvements. A total of RM 15,903,418.32 was spent for staff salary and remuneration. The other expenditure sighted was the "Kumpulan Wang Pembangunan Hutan (KWPH)" for forest conservation and protection in Terengganu FMU up to 31

		<p>2. To conduct inventory for fauna and subsequently assess, identify, demarcate HCVF areas for fauna and other attributes recommended in the MTR (2012)</p> <p>3. To conduct periodically patrolling of forest areas, especially access points to forest reserves through Orang Asli villages and logging concession area as to prevent inappropriate activities within the FMU</p> <p>4. To allocate sufficient staff to fill in the vacant positions</p>		<p>July 2016, an amount of RM2, 533,472.76 was spent for forest conservation and maintenance projects. The activities carried out using this vote include boundary surveying/maintenance (RM609, 120), Forest Management Plan (FMP) preparation (RM164,000), [Pre-F and Post-F inventories, Timber tagging, Nursery (RM489,365), Forest Plantation (RM169,498). Ecotourism (RM432,157), Forest ICT (RM84382), Human Resource Development (RM324,705) and Infrastructure/Equipment (RM423,481). Funds were also allocated for HCVF (Keruing Sarawak and Chengal besar), Phenology plots, VJR and establishment of non-timber forest products.</p> <p>Status: Closed</p>
Indicator 6.2.1	Minor	<p><u>Availability and implementation of guidelines to identify and protect endangered, rare and threatened species of forest flora and fauna, including features of special biological interest such as seed trees, salt licks, nesting and feeding areas in the FMU.</u></p> <p>During the Recertification Audit, the Terengganu FD has incorporated a baseline assessment of features of special biological interest such as salt licks, nesting and feeding areas in the FMU during the Pre-F and post-F surveys. However, the audit team is unable to evaluate the effectiveness of this initiative as the actual implementation only commenced in April 2015.</p>	<p>The FD has directed to all District Forest Officers that any special biological interest for wildlife such as salt licks, nesting and feeding if found during Pre-F and Post-F surveys should be recorded in the inventory form 'Kad kompas untuk inventori hutan sebelum terbang (Pre-F) and 'Inventori hutan selepas terbang (Post-F)' through official letter PHNT 100/6/16/Bhg.8 (92) dated 20 August 2014 and 30 April 2015.</p>	<p>Up-to-date information on features of special biological interest such as salt licks, nesting and feeding areas in the FMU were available through data collection during pre-F and post-F surveys [refer to letter dated 20 August 2016 ref: P.H.N.T.100/6/16 Bhg.8 0 from the Terengganu State FD to all DFOs, titled, ["Maklumat Mengenai Kedapatan Hidupan Liar Dan Kepentingan Biologinya Di Kawasan Lesen"]. The availability of this collected information was verified. List of totally protected wildlife as per Schedule II of the Wildlife Conservation Act, 2010 is available.</p> <p>Status: Closed</p>
Indicator 8.2.1	Minor	<p><u>Forest managers shall gather the relevant information, appropriate to the scale and intensity of the forest management operations, needed to monitor the items (a) to (e) listed in Criterion 8.2.</u></p>	<p>The FD has directed to all District Forest Officers that any special biological interest for wildlife such as salt licks, nesting and feeding if found</p>	<p>Up-to-date information on features of special biological interest such as salt licks, nesting and feeding areas in the FMU were available through data collection during pre-F and post-F</p>

		<p>The audit team notes that there is no evidence of wildlife/biodiversity inventory analysis or research which can provide information on the composition and observed changes in the flora and fauna, especially for proposed licence areas, as specified in item 8(c).</p>	<p>during Pre-F and Post-F surveys should be recorded in the inventory form 'Kad Kompas untuk inventori hutan sebelum tebangan (Pre-F) and 'Inventori hutan selepas tebangan (Post-F)' through official letter PHNT 100/6/16/Bhg.8 (92) dated 20 August 2014 and 30 April 2015. The FMU also will collaborate with PERHILITAN (Wildlife Department) on tiger survey project which will be started in 2016.</p>	<p>surveys [refer to letter dated 20 August 2016 ref: P.H.N.T.100/6/16 Bhg.8 0 from the Terengganu State FD to all DFOs, titled, ["Maklumat Mengenai Kedapatan Hidupan Liar Dan Kepentingan Biologinya Di Kawasan Lesen"]. The FMU has cooperated with Wildlife Department on tiger survey '1st National Tiger Survey' from April to December 2016 at Gunung Aais, Sungai Nipah, Jerangau and Pasir Raja PRFs based on official letter PHNT 6/3/7/27 Bhg. 3(37) dated 10 April 2016.</p> <p>Status: Closed</p>
<p>Indicator 3.3.1</p> <p>OFI #: 1</p>	OFI	<p><u>Availability of appropriate procedures within current administrative processes for identifying and protecting such sites and provisions for rights of access to these sites by indigenous peoples within relevant federal, state and local laws or by mutual agreement.</u></p> <p>The FD must ensure adequate record keeping on information pertaining to special sites of the Orang Asli.</p>	Not required	<p>Evidence to follow-up on previous Observation #1 during Recertification Audit 2015 was not evident during this audit. JPNT stated in its plan of action to close the Observation during Recertification Audit 2015 that the Department will meet JAKOA to finalise and update information on identifying and protecting the sites of special cultural, ecological, economic or religious significance to the Orang Asli. However this plan had not been put into action and as such adequate record-keeping on information pertaining to these special sites of the Orang Asli is still unavailable.</p> <p>Status: Observation #01 for Indicator 3.3.1 was upgraded to a Minor NCR ZE 01 2016.</p>
<p>Indicator 4.3.3</p> <p>OFI #: 2</p>	OFI	<p><u>The right of workers to benefits and protection is assured under applicable laws and/or regulations.</u></p> <p>Workers of the logging contractors are subjected to the terms and conditions stated within their employment agreement. However, the terms and conditions that spell out in the employment</p>	Not required	<p>Sample on employment contract of forest workers for active areas at Compartment 36 PRF Cherul, Compartment 51B PRF Rasau Kerteh, Compartment 45 PRF Petuang, Compartment 80 PRF Pasir Raja Barat and Compartment 5 PRF Jerangau have confirmed that the contract has met the</p>

		contracts are found to be inconstistence between contractors. This situation may cause incomppliance to the Employment Act 1955 in the future.		<p>minimum requirement in line with Employment Act 1955. Employees of logging contractors were also protected by the terms and conditions stated in their employment agreement which included among other things SOCSO and health benefits. These terms and conditions had been standardized by the TSFB for all contractors. It had been implemented in the southern and western part of the TSFD and the signed agreements were sighted in the license files.</p> <p>Status: Closed</p>
<p>Indicator 6.2.4</p> <p>OFI #: 3</p>	OFI	<p><u>Hunting, fishing and collecting activities shall be controlled and inappropriate activities prevented in the FMU.</u></p> <p>The FMU manager does not have an effective system for community policing which can assist the FMU manager to tackle such issues. An interview with the Kg. Orang Asli Sg. Sayap (Terengganu Utara) on 19 May 2015 revealed that there are foreign nationals which encroach into the Ulu Besut Forest Reserve. There is a need for FD to increase cooperation with the Orang Asli to address foreign encroachment in the state.</p>	Not required	<p>Current audit has confirmed that TSFD has improved their relation with both Orang Asli and local communities based on interview conducted at Kg. Sungai Pergam, Kg. Shukor, Kg. Sungai Berua, and Kg. Telamong. Orang Asli and local communities. Activities conducted by TSFD such as patrolling and social impact assessment through monitoring form A-E have provide platform for communication on both parties.</p> <p>Status: Closed</p>
<p>Indicator 6.2.5</p> <p>OFI #: 4</p>	OFI	<p><u>Forest workers shall be aware of endangered, rare and threatened species of forest flora and fauna found in the FMU. Such awareness shall be promoted among local communities.</u></p> <p>The Wildlife Department (PERHILITAN) suggests that the current system of inviting logging contractors for the 'taklimat lesen' to raise awareness on the prohibition of inappropriate fauna should be conducted on-site together with all forest workers as the information may not trickle down to the workers. PERHILITAN has reiterated its</p>	Not required	<p>The Terengganu FD had already established collaboration with the PERHILITAN on the conservation of wildlife in Terengganu FMU as verified during interviewed with PERHILITAN officers in Kuala Terengganu. PERHILITAN has been invited to new harvesting license briefing (<i>taklimat lesen</i>) to licensee and contractor on prohibition of inappropriate activities such as hunting, fishing and trapping fauna dated 2 & 14 June 2015. PERHILITAN and TSFD have cooperated on monitoring and training</p>

		request for regular monitoring of the activities of forest workers in logging concession areas.		activities since 2015 such as at Tembat PRF, tiger monitoring, CFS, viaduct project and also training on wildlife for TSFD's staffs. Status: Closed
Indicator 6.10.1 OFI #: 5	OFI	<p><u>The forest manager shall ensure that conversion from natural forest to forest plantations or non-forest use:</u></p> <p><u>a) Shall not include any High Conservation Value Forest areas; and</u></p> <p><u>b) Covers a very limited portion* of the FMU and shall enable clear, substantial, additional, secure, long term conservation, economic and social benefits across the FMU</u></p> <p><u>*"A limited portion" is defined as:</u></p> <ul style="list-style-type: none"> <u>not more than 2.5% of the total area of the FMU in the first 3 years;</u> <u>not more than 1.5% for the subsequent 2 years; and</u> <u>not more than 1% for the next subsequent 2 years.</u> <p>The approved of conversion project for mining in Compartment 1 to Compartment 6 of the Besul (Tambahan) FR by Terengganu State as refer to official letter PHNT 100/6/16/Bhg.8 dated 8 July 2014, the area has been put on halt and there is a decision from the concession owner of the area i.e. KPKKT to revert back the area into the PRF. Unfortunately, there is no written documentation to confirm the decision.</p>	Not required	<p>During this Surveillance 1 Audit, status of the Compartment 1 to 6 of the Besul (Tambahan) FR by Terengganu State was still unknown either for mining or revert back to KPKKT as concession owner (still managed by TSFD). TSFD will follow up with the Land and Mines Department (Pejabat Tanah dan Galian) on the status of these area. Therefore, status of these area will be verified during next audit</p> <p>Status: The OFI was maintained for verification during next audit.</p>
Indicator 7.2.1 OFI #: 6	OFI	<u>Implementation of procedures to periodically revise the forest management plan, incorporating the results of monitoring or new scientific and technical information, the frequency of which shall be appropriate to the scale and intensity of forest management operations, so as to respond to changing environmental, social and economic circumstances.</u>	Not required	<p>The FMU has yet to finalise and obtain approval for the new Forest Management Plan 2016-2025.</p> <p>Status: Observation #6 for indicator 7.2.1 was upgraded to a Minor NCR MRS 02 2016.</p>

		<p>The revision of the forest management plan for Terengganu FD is still pending. The FD explains that this is due to a new JPSM format (final draft) which differs from the previous format. Since the previous forest management plan expires in 2015, the FD must hasten its appointment of a consultant to carry out the revision, which should incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.</p>		
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End of Public Summary