



**PUBLIC SUMMARY  
SURVEILLANCE 2 AUDIT ( 3<sup>rd</sup> CYCLE) ON  
NEGERI SEMBILAN FOREST MANAGEMENT UNIT  
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC 002  
Date of First Certification: 29 December 2009  
Audit Date: 15-17 Nov 2017  
Date of Public Summary : 3<sup>rd</sup> April 2018**

**Certification Body:**

**SIRIM QAS International Sdn. Bhd.  
Block 4, SIRIM Complex  
No. 1, Persiaran Dato' Menteri  
Section 2, 40700 Shah Alam  
Selangor  
MALAYSIA  
Tel : 60-3-5544 6400/5544 6448  
Fax : 60-3 5544 6763  
Website : [www.sirim-qas.com.my](http://www.sirim-qas.com.my)**

## TABLE OF CONTENTS

	Page No.
<b>1. EXECUTIVE SUMMARY</b>	<b>3</b>
<b>2. INTRODUCTION</b>	<b>4</b>
2.1 Name of FMU	4
2.2 Contact Person and Address	4
2.3 General Background on the Negeri Sembilan FMU	4
2.4 Date First Certified	4
2.5 Location of the FMU	4
2.6 Forest Management System	4
2.7 Annual Allowable Cut/ Annual Harvest Under the Forest Management Plan	4
2.8 Environmental and Socioeconomic Context	4
<b>3 AUDIT PROCESS</b>	<b>5</b>
3.1 Audit Dates	5
3.2 Audit Team	5
3.3 Standard Used	5
3.4 Stakeholder Consultations	5
3.5 Audit Process	5
<b>4. SUMMARY OF AUDIT FINDINGS</b>	<b>6</b>
<u>Attachments</u>	
1 Map of Negeri Sembilan FMU	14
2 Details of Auditors and Qualification	15
3 Comments Received From Stakeholders and Responses by Audit Team Leader	17
4 Surveillance 2 Audit Plan	18
5 Details on NCRs and OFIs Raised During this Surveillance 2 Audit and Corrective Actions Taken	20
6 Verification on Previous Surveillance 1 (2016) Audit Findings and Action Taken	23

## 1 EXECUTIVE SUMMARY

This Surveillance 2 Audit on the Negeri Sembilan Forest Management Unit (hereafter referred as the Negeri Sembilan FMU) was conducted on 15 – 17 November 2017 to assess the continued compliance of the overall forest management system of the Negeri Sembilan 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 2 Audit was limited to the forest management system and practices on the Permanent Reserved Forest (PRF) within the Negeri Sembilan FMU.

This Surveillance 2 Audit was conducted by a 3-member team comprising Mohd Razman Salim (Lead Auditor), Dr. Samsudin Musa (Auditor) and Dr. Zahid Emby (Auditor).

Based on the findings of this Surveillance 2 Audit, it was found that Negeri Sembilan FMU had continued to comply with the requirements of the MC&I(Natural Forest). This Surveillance 2 Audit had resulted in the issuance of 4 (four) minor Non Conformity Reports (NCRs) (including an upgraded of previous OFI to a Minor NCR from previous surveillance 1 audit). In addition, 2 (two) Observation for Improvements (OFIs) were raised.

This public summary contains the general information on the Negeri Sembilan FMU, the findings of the Surveillance 2 Audit, NCRs raised as well as the decision on the continued certification of the FMU.

## 2 INTRODUCTION

2.1 Name of FMU  
Negeri Sembilan Forest Management Unit

2.2 Contact Person and Address  
En. Salim bin Aman  
Director  
Negeri Sembilan State Forestry Department  
Blok C, Level 4, Wisma Negeri  
Jalan Dato' Abdul Malek,  
70503 Seremban  
Negeri Sembilan.

Tel : 06-7659849  
Fax : 06-7623711  
E-mail : salimaman@forestry.gov.my

2.3 General Background on the Negeri Sembilan FMU

The Negeri Sembilan FMU is managed by the Negeri Sembilan State Forestry Department (NSSFD). The NSSFD 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 the Negeri Sembilan Utara (Jelebu), Negeri Sembilan Timur (Kuala Pilah), and Negeri Sembilan Barat (Seremban) Forest District.

The inland forest is managed under a Selective Management System (SMS) on a 30 -year rotation period. Under the Eleventh Malaysia Plan (2016-2020), the Annual Allowable Cut (AAC) for the Negeri Sembilan FMU had been set at 2,397 ha a year or 11,985 for 5 years. A Forest Management Plan (FMP) covering the period from 2016 to 2025 had been presented during the audit.

During this Surveillance 2 Audit, the Negeri Sembilan FMU size remain the same as Surveillance 1 Audit which is 155,649.56 ha. The FMU currently comprises 155,649.56 ha of PRF or 23% of the State's total land area of 665,700.00 ha.

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

2.4 Date First Certified

29 December 2009

2.5 Location of the FMU

The FMU is located within 2° 29' N to 3° 5' N and 101° 49' E to 102° 35' E.

2.6 Forest Management System

The FMU had followed the principles of sustainable forest management (SFM) and the requirements of the Licence Agreement of the State government. A Forest Management Plan (FMP) 2016 to 2025 was presented during this audit. The inland forest of the Negeri Sembilan FMU had continued to be managed on a sustainable basis under a Selective Management System (SMS) on a 30-year rotation period.

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

For the Eleventh Malaysia Plan (2016-2020), the annual allowable cut (AAC) for the FMU had been approved based on the recommendation of the National Land Council amounting to 2,397 ha a year or 11,985 for 5 years. During this surveillance 2 audit, the size of the FMU is 155,649.56 ha.

2.8 Environmental and Socioeconomic Context

The Macro Environmental Impact Assessment (MEIA) of the FMU had been completed in 2007 and was available during the audit. The FMU has indicated measures to mitigate the environmental impacts

identified in the environmental impacts assessment will be included in the revision of the FMP which is underway. Inspection of the final draft FMP 2016-2025 indicated that mitigation measures have been incorporated. A listing of endemic and rare flora species especially those listed in IUCN list had been included in the FMP (2016-2025).

Logging operations are also undertaken in compliance with several guidelines and systems that ensure the environment is conserved. Riparian buffers are protected and areas above 1,000 meters and 40° slopes are also protected. Harvesting operation is also guided by an approved harvesting plan for the specified felling blocks.

On indigenous peoples' rights, the NSSFD's forestry operations had not extended into the Orang Asli Reserves. As such, there was no record of the community delegating control of their rights with free, prior and informed consent to the FMU management. In spite of the unresolved status of the Orang Asli land located within the FMU, the rights of the community to use the surrounding forest resources for subsistence were being recognized by the NSSFD in the planning and implementation of forest management activities of the FMU.

There was no commercial utilization of traditional forest-related knowledge and practices of the Orang Asli in the use of forest species or management systems in its forest operations. However the FMU has established a mechanism on fair and equitable compensation for the commercial utilisation of traditional forest-related knowledge and practices of indigenous peoples which is the Social Impact Assessment Guidelines (2013) for forest management in Peninsular Malaysia, produced by Universiti Putra Malaysia (UPM).

### 3. AUDIT PROCESS

#### 3.1 Audit Dates

15-17 November 2017 (9 Auditor-days)

#### 3.2 Audit Team

1. Mohd Razman Salim (Lead Auditor)
2. Dr. Samsudin Musa (Forester)
3. Dr. Zahid Emby (Sociologist)

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 October 2017 to solicit feedback from stakeholders on the compliance of the Negeri Sembilan 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 to evaluate the level of continued compliance of the Negeri Sembilan FMU's current documentation and field practices in forest management against 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 in Kg. Kelaka, Kg. Ngoi-Ngoi and Kg. Jeram Kedah which is outside the PRF, members of the Village Development and Security Committee (Jawatankuasa Kemajuan dan Keselamatan Kampung) of local communities Kg. Batu 18, Kg. Rambai Baris and Kg. Batu 9 Pantai 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 NSSFD.

The coverage of this Surveillance 2 Audit is as shown in the Surveillance 2 Audit Plan in **Attachment 4**.

The NSSFD had sent a corrective action plan to the audit team to address the minor NCRs which the audit team had reviewed and accepted them. The audit team had prepared an interim surveillance 2 audit report and sent it to the NSSFD for comment.

#### 4 SUMMARY OF AUDIT FINDINGS

Based on the findings of this Surveillance 2 Audit, it was found that the NSSFD had continued to manage the Negeri Sembilan FMU in compliance with the requirements of the MC&I(Natural Forest). This surveillance 2 had resulted in the issuance of 4 minor NCRs and 2 OFIs. The details on the NCRs/OFIs raised are shown in **Attachment 5**.

The audit team had reviewed and accepted the NSSFD's proposed corrective actions to address the four (4) 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 NSSFD to address the three (3) Minor NCRs and two (2) 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 NSSFD.

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 Negeri Sembilan FMU has remained the same. Nonetheless, a total of 3,561 ha of Timber Latex Clone forest plantations have been zoned to be established in the FMU, pending the completion of the cost and benefit analysis for the establishment of the forest plantation.

As there is no major NCR raised during this surveillance audit, the audit team had therefore recommended that the Certificate for Forest Management be extended for another 1 year.

The summary on the findings of the Surveillance 2 Audit on the Negeri Sembilan FMU against the requirements of the MC&I (Natural Forest) are as follows:

Principle	Strengths	Weaknesses
<b>Principle 1 Compliance With Laws and Principles</b>	The NSSFD had continued to maintain records of all the relevant national and local laws, regulations and policies related to forest management.  Consultation with forest officers at the head office in Seremban and at the District Forest	There were no negative findings.

Principle	Strengths	Weaknesses
	<p>Office as well as field staff had demonstrated they have a general understanding and were found to be knowledgeable on the national and local laws and regulatory framework.</p> <p>There were detailed records of violations of the National Forestry Act by logging contractors and the public maintained in the Head Office in Seremban.</p> <p>All applicable and legally prescribed fees, royalties, taxes, and other charges were paid accordingly as per records verified during this audit. There were no changes during this audit.</p> <p>The forest managers were aware of all the binding international agreements on forest management.</p> <p>It was noted that there were no conflicts identified and if there were, the forest managers were willing to participate in the resolution of such conflicts.</p> <p>It was found that the Negeri Sembilan FMU continued to be legally protected by the provisions of sections 7 to 13 of the National Forestry Act 1984.</p> <p>The initiatives implemented by NSSFD towards control of encroachment, illegal harvesting, hunting, and settlement and other unauthorised activities in the FMU are surveying, maintenance and monitoring of the PRF boundaries, and remote sensing (FMRS).</p> <p>The NSSFD had continued to conduct briefings and seminars to explain the concept and implementation of the MC&amp;I(Natural Forest) and policies to the department's staff and contractors.</p>	
<p><b>Principle 2 Tenure and Use Rights and Responsibilities</b></p>	<p>Long-term tenure and the use rights to the land and forest resources had been clearly defined, documented and legally established. Documents related to forest reserve gazettement and degazettement provisioned under the National Forestry Act 1984 had been compiled and kept in the NSSFD office.</p> <p>There was no record of any conflict on legal or customary tenure and/or forest use rights of the land or forest resources from the local non-aboriginal and/or Orang Asli communities living in the vicinity of the PRF during this audit.</p> <p>Forest managers had demonstrated their willingness to support all legally recognized mechanisms for resolving land claims by accepting and following the Aboriginal Peoples Act, 1954 (specifically Section 6, 7, 8, 10, 13,</p>	<p>There were no negative findings.</p>

Principle	Strengths	Weaknesses
	<p>19) and the court of law.</p> <p>In management operations in the FMU local communities living in the periphery of the FMU were consulted prior to commencement of such operations. Village representatives were briefed on coming operations and their concerns pertaining to potential impact. Water catchment areas, water supply sites and rivers used by local communities as well as forest products such as rattan and honey were protected as provisioned in standing harvesting regulations. This was confirmed by community leaders of the Malay villages of Kg Batu 18/Rambai Baris and Kg Batu 9 Pantai interviewed during the audit.</p>	
<p><b>Principle 3 Indigenous People's Rights</b></p>	<p>The legal and customary rights of indigenous peoples to own, use and manage their lands, territories and resources continued to be recognised and respected.</p> <p>The FMU's forestry operations had not extended into the Orang Asli Reserves. As such, there was no record of the community delegating control of their rights with free, prior and informed consent to the FMU management.</p> <p>Appropriate procedures for identification and protection of sites of special cultural, ecological, economic or religious significance to the Orang Asli had been established. Management procedure mechanisms had been put in place to ensure that these sites were identified and duly protected and the community's right of access to these areas were provided for.</p> <p>There was no evidence to show that the Orang Asli's traditional forest-related knowledge and practices in forest species or management systems had been used in forest operations.</p>	<p>There were no negative findings.</p>
<p><b>Principle 4 Community Relations and Workers' Rights</b></p>	<p>The Negeri Sembilan FMU had provided sufficient support for training, retraining, local infrastructure, facilities and social programs for departmental staff. Training and retraining were made available to the employees of logging contractors and their workers.</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>Being government employees, all the NSSFD's staff had continued to enjoy the full benefits of medical care, SOCSO and Employee Provident Fund. They were also fully aware of the Occupational Safety and Health Act, 1994, Employees' Social Security Act, 1969 and Workmen's Compensation Act, 1952.</p>	<p>First Aid Box was made available at the forest camp (NB/01/12/2017), however, auditor has found that oral medicine such as toothache pills (Weng Heng tablet) was mixed with external medical kit. External medical kit such as triangular bandage and scissor were not available in the first aid box. Thus, an <b>OFI for Indicator 4.2.3.</b> was raised.</p> <p>During the inspection of active logging site in Compartment 10 Gapau FR, it was found that out of a total 19 employees only 5</p>



Principle	Strengths	Weaknesses
	<p>The NSSFD had formed a Health and Safety Committee and minutes of the meetings were kept in the Head office. Instructions to all districts to maintain safety record by the Director was issued since May 2009. The NSSFD had continued to follow its management policy on safety and health of workers established on 15 August 2008.</p> <p>The supporting staffs of the NSSFD were allowed to organize into union of their own choice. They are members of the Congress of Unions of Employees in the Public and Civil Services (CUEPACS). The supporting staff (basically the uniformed field staff) had remained as members of the <i>Kesatuan Pegawai-Pegawai Hutan Melayu Semenanjung Malaysia</i> (KPPHMSM) or the (Union of Malay Forest Officers Peninsular Malaysia).</p> <p>There was no union for forest workers hired by the contractors and records confirmed that they were employed in accordance with the Employment Act 1955 which protected their welfare.</p> <p>The same mechanisms and procedures were being used to address grievances raised by workers and/or their unions and for conflict resolution using the standing procedures and the relevant laws such as (i) Employment Act, 1955, (ii) Industrial Relations Act, 1967 (Section 4 &amp; 13), and (iii) Trade Union Act, 1959 (Act 262). It continues to be a normal practice for minor grievances and complaints being directly communicated to the respective supervisor.</p> <p>Appropriate mechanisms exist in resolving grievances and providing the local community with fair and equitable compensation if they are negatively impacted by the FMU's forestry operations.</p>	<p>employees was insured by the logging (license NU/01/01/2017). The business entity insured was also for sawmill and not logging. Thus, a Minor NCR for Indicator 4.3.2 was raised.</p> <p>It was found that the statements and questions in the SIA questionnaire were worded the same for the "Before", "During" and "After" questionnaire. For example the words "telah" and "semasa" are also used in the "Before" questionnaire thus possibly raising confusion among the respondents answering the questionnaire. Therefore an <b>OFI</b> was raised for <b>Indicator 4.4.1</b>.</p>
<p><b>Principle 5 Benefits From the Forest</b></p>	<p>The 5-Year Development Plan Budget from year 2014 to 2017 was made available during the audit. The total budget allocated for 2017 consisting of a development budget, a management budget and cess.</p> <p>The NSSFD had continued to encourage the efficient services to ensure economic viability and wide range of environmental and social benefits.</p> <p>The management of forest within the FMU was guided by the Forest Management Plan (FMP) and followed the selective management system (SMS) where trees were selectively felled based on a cutting limit determined based on the growing stock estimated through a pre-felling inventory. The annual coupe for the FMU</p>	<p>There were no negative findings.</p>

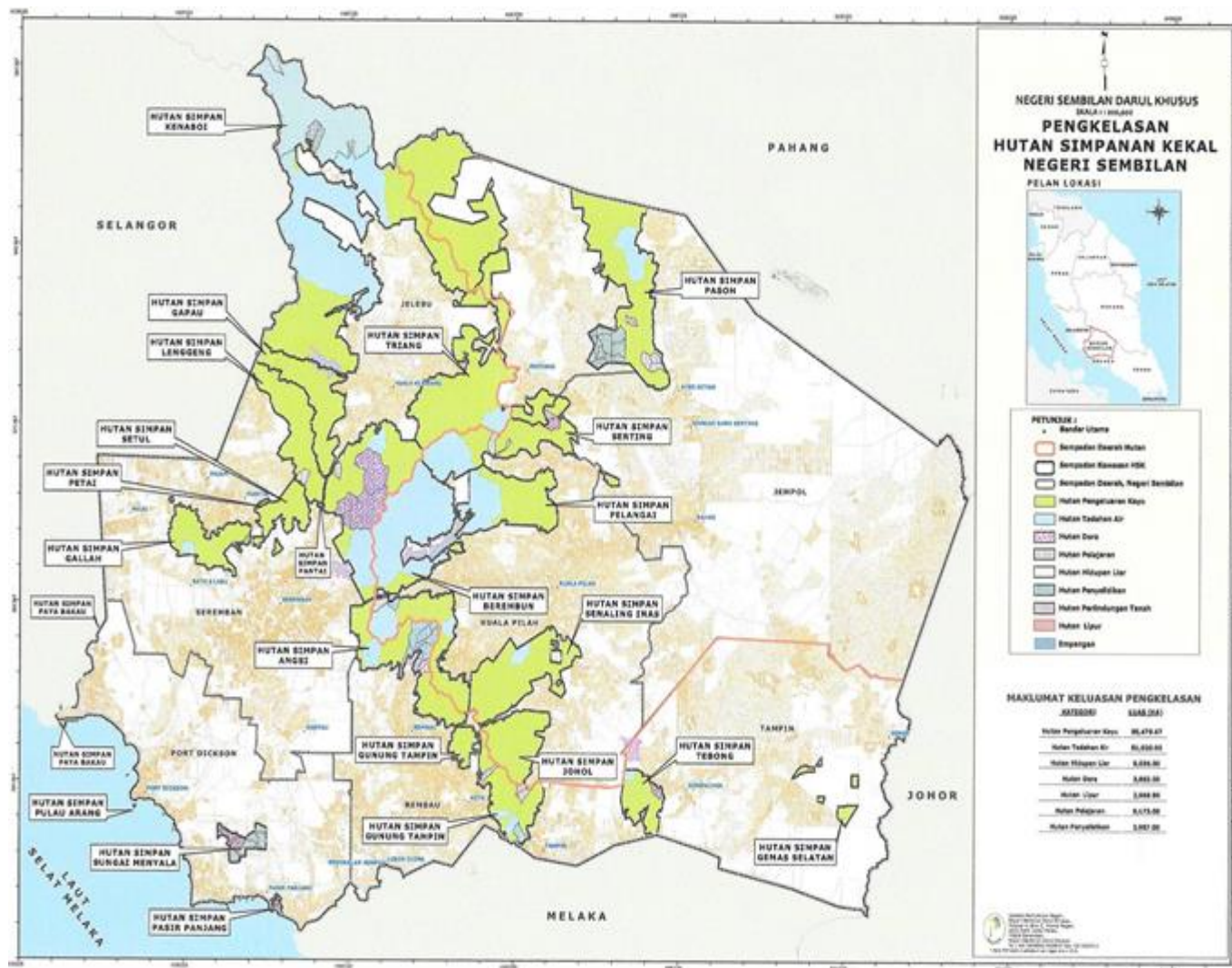
Principle	Strengths	Weaknesses
	<p>for 2016-2020 had been approved based on the recommendation of the National Land Council amounting to 2,397 ha a year or 11,985 ha for 5 years. For the 2017 (up to Oct 2017) 8 licenses were approved for logging covering a total area of 630.7 ha. This is however still significantly below the AAC of 2,397 ha.</p> <p>Timber was still the main product being extracted from the Negeri Sembilan FMU. There was no non-timber forest product licence being issued.</p>	
<p><b>Principle 6 Environmental Impact</b></p>	<p>Macro Environmental Impact Assessment (MEIA) of the FMU was completed in 2007 and was available during the audit. The midterm review of FMP (2006-2015) had identified sites of high biodiversity values in the Kenaboi, Gunong Angsi, Berembun, and Pasoh PRFs. The Plan had also raised environmental issues in forest management particularly on measures to mitigate potential environmental impacts during harvesting through proper road construction.</p> <p>A listing of endemic and rare flora species especially those in the IUCN list had been included in the new FMP (2016-2025). Additional list of endangered, rare, and threatened (ERT) species had been provided by research institutions and universities. The NSSFD had taken initiative to protect one of the endangered species identified in the list namely <i>Vatica yeechiongii</i> by designating the site as a HCVF area in the Setul PRF.</p> <p>Guidelines for identifying and protecting ERT species including features of special biological interest, and Guidelines for establishing conservation and protection areas, in accordance with existing forest ecosystems protection requirement were made available.</p> <p>There was continuous cooperation between forest managers, conservation organizations and regulatory authorities on implementing conservation and management activities.</p> <p>Hunting and collecting activities had continued to be strictly controlled. The NSSFD had not issued any permit on hunting and fishing and had installed gates at the entrances of the main access roads to prevent encroachment.</p> <p>The NSSFD had also continued to maintain Virgin Jungle Reserves (VJR) amounting to 3,802 ha representing different forest types found in the FMU. Kenaboi PRF with total area 9.034 ha was gazetted for Forest Wildlife Sanctuary (Hutan Perlindungan Hidupan Liar) on 16 May 2008.</p>	<p>During site inspection to Compartment 10, Gapau PRF, It was found that the construction and maintenance of access road leading to the Compartment had resulted soil being pushed into buffer strips and streams. A Minor NCR SAM 01/2017(SA2) for Indicator 6.5.4 was raised.</p>

Principle	Strengths	Weaknesses
	<p>The PRFs of the FMU have been classified into 11 functional classes of which 10 were under protected forests. These areas had been clearly demarcated on maps and were available in the FMP.</p> <p>Harvesting was designed in the FMU taking into consideration the need for the conservation of biological corridors and buffer zones for features of special biological interest for wildlife, and also conducted adhering to the 'Guidelines for RIL in Peninsular Malaysia 2003' and the 'Forest Road Guidelines 2010 (Amended 2013)' to reduce soil compaction and minimize erosion.</p> <p>Chemicals was not widely used in forest operations except for paints and fuel. The use of approved chemicals had continued to be controlled and followed the appropriate procedures.</p> <p>NSSFD had established standard operating procedures on waste disposal and re-cycling of liquid and solid non-organic wastes and records of disposal of containers, liquid and solid non-organic wastes, including fuel and oil.</p> <p>Biological control agents have not been used in the Negeri Sembilan FMU management. There are no records of application of biological control agents in the FMU.</p> <p>A total of 3,561.44 ha of Timber Latex Clone forest plantations (covered 2.3% of certified area) have been zoned to be established in the FMU as at November 2017. The FMU is in the process to prepare cost benefit analysis report for the whole plantation area. Conversion from natural forest to forest plantations or non-forest use in the Negeri Sembilan FMU did not include any High Conservation Value Forest (HCVF) areas.</p>	
<p><b>Principle 7 Management Plan</b></p>	<p>The Forest Management Plan (FMP) 2016-2025 is available and completed. The information and documents that required by this indicator (a) to (i) were made available in the FMP 2016-2025.</p> <p>The revision of the FMP 2016 – 2025 will be conducted in 2020 or after five years from this audit.</p> <p>The officers of the NSSFD are generally aware of new scientific and technical information. In addition, research projects and reports conducted by local and international scientists in the Pasoh PRF managed by the FRIM was made available to the NSSFD.</p>	<p>There were no negative finding</p>

Principle	Strengths	Weaknesses
	<p>Forestry Department Peninsular Malaysia (FDPM) has adequate training facilities in the main campus in the Forestry Training School in Kepong, state, and off-campus complementary training centres for forest harvesting (Kuala Berang, Terengganu state), ecotourism (Sg. Menyala, Negeri Sembilan state) and forest nursery (Mantin, Negeri Sembilan state).</p> <p>A summary of the primary elements of the forest management plan 2016-2025 was made publicly available at: <a href="http://forestry.ns.gov.my/index.php/my/sumber/ingkesan-eksekutif">http://forestry.ns.gov.my/index.php/my/sumber/ingkesan-eksekutif</a>.</p>	
<p><b>Principle 8 Monitoring and Assessment</b></p>	<p>The NSSFD had continued to apply the procedures to monitor ecological, environmental and economic impacts through the use of monitoring Forms A (Infrastructure), B (Forest Harvesting), C (Environment and Protection) and D (Timber Output) as required in the Director General's circulars before, during and after forest harvesting operations.</p> <p>The FMU has monitored area of harvested trees for all licensed area per year from 2013 to 2017 (Jan - Oct) but does not more than annual allowable cut (AAC) which is 2,397 ha/year.</p> <p>Growth plots which had been established in the FMU were enumerated on a regular basis by the staff from the Forestry Department Headquarters Peninsular Malaysia. The results of monitoring had been incorporated into the revised FMP.</p> <p>The movement of certified logs from the FMU had been monitored through the issuance of the Removal Pass (RP).</p> <p>The NSSFD has incorporated the results from monitoring activities on HCVFs and scientific research into the new forest management plan (2016-2025).</p> <p>The FMU has uploaded information on growth rates and composition changes of flora and fauna in the official FMU's website.</p> <p>An analysis on the growth plots and comparison of pre F and post F tree numbers had been completed and the results had been updated the public summary as below; <a href="http://forestry.ns.gov.my/index.php/my/sumber/mc-i/analisa-pre-f-post-f">http://forestry.ns.gov.my/index.php/my/sumber/mc-i/analisa-pre-f-post-f</a></p>	<p>Auditor has found that summary information for Criterion 8.2 (a), (d) and (e) were not available in the same website link. Thus, a <b>Minor NCR MRS 01/2017 (ASA2) for Indicator 8.5.1</b> was raised.</p>
<p><b>Principle 9 Maintenance of High Conservation Values</b></p>	<p>The NSSFD had determined in 2015 the presence of HCVF with the cooperation of the relevant research institutions and government agencies as below;</p> <ol style="list-style-type: none"> <li>1. HCVF sites endemic species of Resak</li> </ol>	<p>During this audit it was found that consultation with relevant stakeholders to determine the presence of HCVF attributes in the FMU</p>

Principle	Strengths	Weaknesses
	<p>(<i>vatica yeechongii</i>) in the Compartment 4, Setul PRF comprising total 4 ha and,</p> <p>2. Lowland Dipterocarp Forest of Sungai Menyala PRF, total 1,280.27 ha.</p> <p>FRIM has made a proposal to gazette the Compt. 19, 29, 31 &amp; 32 and part of Compt. 26 in Gunung Tampin PRF as new HCVF area for <i>Begonia tampinica</i> as verified through letter dated 5 October 2017.</p> <p>Measures to demarcate maintain and enhance HCVF attributes had been documented in the new FMP (2016-2025) and had been included in the public summary which had been posted on the NSSFD's web page; <a href="http://forestry.ns.gov.my/index.php/my/sumber/mc-i/hcvf">http://forestry.ns.gov.my/index.php/my/sumber/mc-i/hcvf</a></p> <p>Monitoring procedures to assess the effectiveness of the measures in the management of the HCVFs of the Setul PRF and Sungai Menyala PRF was made available. Annual monitoring was conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.</p>	<p>was not undertaken. The development of the new Forest Management Plan also did not include consultation with relevant stakeholders. Due to recurrence of previous OFI it was upgraded to a <b>Minor NCR SAM04/2017(ASA2)</b> for the same Indicator 9.1.1 during this Surveillance 2 Audit.</p>

Map of Negeri Sembilan FMU



## Details of Auditors and Qualification

Assessment Team	Role/Area of MC&I Requirement	Qualification and Experience
Mohd Razman Salim	Audit Team leader / Forester	<p>Academic Qualification: B.Sc 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 &amp; 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&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)], MYNI of RSPO P&amp;C and other management systems on ISO 9001, 14001 and OHSAS 18001</p> <p>Training / Research Areas: Was attending and pass in the following training programmes: Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)] organized by MTCC, 1-4 December 2013.</p> <ul style="list-style-type: none"> <li>• EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013.</li> <li>• OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013.</li> <li>• QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013.</li> </ul>
Dr. Samsudin Musa	Auditor	<p>Dr. Samsudin bin Musa is a Senior Research Officer at the Forest Research Institute of Malaysia (FRIM) since 1997. He graduated in 1984 with a B Sc. Forestry from the University Putra Malaysia and has completed his PhD studies in Universiti Kebangsaan Malaysia (UKM) in 2011. From 1993 to 1997 he was the Forest Inventory Officer at the Forestry Department Headquarters, Peninsular Malaysia. Prior to that, he was the Head of Inventory Unit of the ASEAN Institute of Forest Management in Kuala Lumpur from 1987 to 1993. His area of expertise include silviculture, climate change and forest certification.</p> <p>He was involved in the following forest management/chain-of-custody certification training programmes:</p> <p>Workshop on Forest Management Certification, Institut Penyelidikan Perhutanan Malaysia, Kepong. (12-13 December 1996). – Resource person</p> <p>XXI IUFRO Pre-Congress Workshop on Sustainable forest management and Criteria &amp; Indicators, FRIM, Kepong, Malaysia (1-4 August, 2000) – Resource person</p> <p>Workshop on Methodologies for Assessing Forest Biodiversity and Estimating its Recovery. Kuala Lumpur, Malaysia (30-31 October,</p>

		<p>2001). – Resource person  Training in Forest Management Certification by Scientific Certification System, SIRIM, February 2000, Shah Alam, Selangor  Quality Assurance Auditor/Lead Auditor Training Course and Examination, 25-29 March 2003, Moody International Certification., FRIM, Kepong, Selangor  Forest Management Certification Procedures, SIRIM QAS, 19 February 2009, Shah Alam, Selangor  ISO 14001:2004 EMS Lead Auditor Training Course under SIRIM Training Services Sdn Bhd, 2-6 March 2009  Auditor Training Course on MC&amp;I 2002, 30 March – 2 April 2002 by MTCC, Kuala Lipis, Pahang</p> <p>His auditing experiences include the following:</p> <p>Member of the Team under MTCC/SGS(M) Sdn. Bhd. (Local expert/Auditor) for the testing of the application of Malaysian Criteria and Indicators for Forest Management Certification (MC&amp;I) for the State of Johor, Malaysia, 14-18 August 2001.  FRIM Internal Auditor for ISO 9002.  Observer for the Assessment for forest management certification of the Perak Integrated Timber Complex by SIRIM QAS International based on FSC principles in collaboration with the Scientific Certification Services (SCS) on 8-11 October 2001  GTZ-FD Project on the Development of Internal Assessment Procedures for Forest Certification. 1999 (Local expert)  GTZ-FD Project on the Development of Internal Assessment Procedures for Sustainable Forest Management using new MC&amp;I. 2000/2001 (Consultancy Project Leader)  Auditor for forest management certification of the Kelantan FMU conducted by SIRIM QAS International against the MC&amp;I under the MTCS in 2004  Auditor for forest management certification of the Kedah FMU conducted by SIRIM QAS International against the MC&amp;I (2002), 5-9 March 2006  Auditor for forest management certification of the Perak FMU conducted by SIRIM QAS International against the MC&amp;I (2002), 10-15 September 2006  Auditor for forest management certification of the Negeri Sembilan FMU conducted by SIRIM QAS International against the MC&amp;I (2002), 9-13 April 2007  Lead Auditor in Field Tests of MC&amp;I (2002) in Sarawak FMU for the Malaysian Timber Certification Council.</p>
Dr. Zahid Emby	Auditor / workers & community issues and related legal issues	<ul style="list-style-type: none"> <li>• 1977- 1992 – Lecturer, Department of Social Sciences, Faculty of Educational Services, Universiti Pertanian Malaysia</li> <li>• August 1992 – 1994 – Head, Department of Social Development Studies, Universiti Pertanian Malaysia</li> <li>• August 1, 1998 -2001. Reappointed as Head of the renamed Department of Social and Development Science for a three year term</li> <li>• Head, Department of Music from October 2003 until his retirement on December 17, 2006</li> <li>• Spent some time as a visiting scholar at University of Hull, U.K. and Victoria University of Wellington, New Zealand.</li> <li>• Freelance consultant on social issue.</li> </ul>



## Comments Received from Stakeholders and Responses by Audit Team Leader

No.	Comments/Issues Raised	Response by Audit Team
1	<p>1. Negeri Sembilan has relatively small area of forest of 155,650 ha. How does management regulate their annual coupe in ensuring forest sustainability?</p> <p>2. Department should portrays to public of their good image and effort in managing the forest for other purposes; environmental protection, biodiversity conservation and other benefits from the forests.</p> <p>3. Similarity in other states that showing some logged production forests has shown that there is lower productivity than anticipated and species composition have been altered. We hope this matter will be assessed and management prescriptions be improved.</p> <p>4. Management of forest as payment for environmental services (PES) such as clean water supply, medicinal plants and eco-tourism should be further explored.</p> <p>5. Forest Management Plan (FMP) should be updated and utilized in managing forest resources in Negeri Sembilan.</p>	<p>The current practices, the FMU has managed the annual coupe through annual allowable cut (AAC). Auditor has verified that the FMU has not exceeded maximum AAC which is 2,397 ha/year from 2013 – 2017 (Jan-Oct).</p> <p>The FMU has used their official website <a href="http://forestry.ns.gov.my/index.php/my">http://forestry.ns.gov.my/index.php/my</a> as a medium to inform the public all the effort to manage the PRFs.</p> <p>The FMU has acknowledged on this matter. As required by this MC&amp;I standard, the FMU has monitored on the changes of productivity and species changes based on Pre-F and Post-F inventory data for logged-over forest area.</p> <p>The FMU will consider on the recommendation. Currently, the Negeri Sembilan State Government has concentrate more on eco-tourism than forest harvesting as another source of income for the state.</p> <p>Since the new FMP for the period 2016-2025 just completed in 2017. The midterm review will be conducted in 2020 by incorporating the results and findings of the monitoring activities into the revision of the FMP.</p>

## Surveillance 2 Audit Plan

DAY	TIME	PROGRAM		
		AUDITOR 1 (Razman)	AUDITOR 2 (Dr Samsudin)	AUDITOR 3 (Dr Zahid)
Day 0 <b>Tuesday</b> (14/11/2017)	5.00 pm	<ul style="list-style-type: none"> <li>• Travel from Kuala Lumpur to Seremban</li> <li>• Check-in at Royale Chulan Hotel</li> <li>• Briefing by Audit Team Leader on the surveillance 2 audit plan</li> </ul>		
Day 1 <b>Wednesday</b> (15/11/2017)	9.00 am – 1.00 pm	<ul style="list-style-type: none"> <li>• Opening Meeting with representatives of FMU</li> <li>• Briefing session by Forest Manager of the FMU on progress of forest activities</li> <li>• Q&amp;A Session</li> <li>• Evaluation of changes to the management of the FMU</li> <li>• Check on progress of planned activities aimed at enhancing the operation system to achieve improvement in overall performance</li> <li>• Check on complaints, stakeholder comments and follow-up actions <ul style="list-style-type: none"> <li>○ Orang Asli</li> <li>○ Government agencies</li> <li>○ NGOs</li> </ul> </li> <li>• Check on verification for closing NCRs raised during the previous audit</li> <li>• Evaluate on procedures for internal audit</li> <li>• Evaluate on management review system</li> <li>• Stakeholder consultations</li> </ul>		
	2.00 pm – 5.00 pm	Documentation and records review <ul style="list-style-type: none"> <li>• Principle 4 - Community Relations and Worker's Right (Safety issues)</li> <li>• Principle 7 – Management Plan</li> <li>• Principle 8 – Monitoring and Assessment</li> <li>• Principle 9 – Maintenance of High Conservation Value Forests</li> </ul>	Documentation and records review <ul style="list-style-type: none"> <li>• Principle 1 – Compliance with Laws and Principles</li> <li>• Principle 5 – Benefits from the forest</li> <li>• Principle 6 – Environmental Impact</li> </ul>	Documentation and records review <ul style="list-style-type: none"> <li>• Principle 2 – Tenure and Use Rights and Responsibilities</li> <li>• Principle 3 – Indigenous Peoples' Right</li> <li>• Principle 4 - Community Relations and Worker's Right</li> </ul>
		<ul style="list-style-type: none"> <li>• Review of Day 1 Findings by Audit Team Leader</li> </ul>		

<b>Day 2</b>  <b>Thursday</b> <b>(16/11/2017)</b>	7.30 am – 5.00 pm	<b>Site visit</b> <ul style="list-style-type: none"> <li>• Inspection of active area – Compartment 27, Lenggeng PRF</li> <li>• Boundaries inspection</li> <li>• Interview with contractor and forest workers</li> <li>• Temporary Forest Checking Station – Lenggeng PRF</li> <li>• Conversion area such as TLC -</li> <li>• Nursery - Mantin</li> </ul>	<b>Site visit</b> <ul style="list-style-type: none"> <li>• Inspection of active area - Compartment 10, Gapau PRF</li> <li>• Interview with contractors</li> <li>• Interview with contractor and forest workers</li> <li>• Temporary Forest Checking Station – Ulu Klawang</li> <li>• HCVFs - Sungai Menyala PRF</li> </ul>	<b>Site visit &amp; consultations</b> <ul style="list-style-type: none"> <li>• Local Communities – Kg. Batu 18/ Rambai Baris &amp; Kg. Batu 9, Pantai</li> <li>• Orang Asli settlement <ul style="list-style-type: none"> <li>i. Kg. Kalaka</li> <li>ii. Kg. Ngoi-Ngoi</li> <li>iii. Kg. Jeram Kedah</li> </ul> </li> </ul>
		<ul style="list-style-type: none"> <li>• Review of Day 2 Findings by Audit Team Leader</li> </ul>		
<b>Day 3</b>  <b>Friday</b> <b>(17/11/2017)</b>	8.30 am – 1.00 pm  2.00 - 4.00 pm  4.30pm	<ul style="list-style-type: none"> <li>• Documentation and records review</li> <li>• Stakeholders consultation with JAKOA</li> <li>• Preparation of audit report and finding</li> <li>• Briefing to representatives of FMU on the progress of audit</li> <li>• Closing Meeting and presentation of findings of audit and discussion on follow-up activities</li> <li>• Adjourn Closing Meeting</li> </ul>		

## Details on NCRs and OFIs Raised During this Surveillance 2 Audit and Corrective Actions Taken

Indicator	Specification Major/Minor/O FI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 4.3.2  NCR: SAM 02/2017 (SA2)	Minor	<p><b>Requirement: Indicator 4.3.2</b> - Provisions for workers the right to organise and undertake collective bargaining leading to agreements in accordance with ILO Convention No. 98 – The Right to Organise and Collective Bargaining Convention, 1949 - Articles 1 and 2, ILO Convention No. 111 – Discrimination (Employment and Occupation), 1958 - The Right to Equal Treatment, ILO Convention No. 100 – Equal Remuneration, 1951 - The Right to Equal Pay.</p> <p><b>Finding:</b> It was found that only a portion of the employees in the logging operations was insured. Under the Employees' Social Security Act 1969 all employees in industries which the Act applies shall be insured.</p> <p><b>Objective evidence :</b> During the inspection of active logging site in Compartment 10 Gapau FR, it was found that out of a total 19 employees only 5 employees was insured by the logging (license NU/01/01/2017). The business entity insured was also for sawmill and not logging.</p>	Contractor was required to insure all their workers before the logging license ended on 14 February 2018.	The corrective action plan was accepted by audit team.  <b>Status: The implementation and effectiveness of the action plan will be verified during next audit.</b>
Indicator 6.5.4  NCR: SAM 03/2017 (SA2)	Minor	<p><b>Requirement : Indicator 6.5.4</b> Availability and implementation of guidelines for conservation of buffer strips along streams and rivers</p> <p><b>Finding :</b> Too much earthworks during maintenance of forest roads has resulted in soil getting into buffer streams</p> <p><b>Objective evidence :</b> During the inspection of active logging site in Compartment 10 Gapau FR, it was found that the construction and maintenance of access road leading to the Compartment had resulted in soil being pushed into buffer strips and streams.</p>	The FMU will direct licensee to do road maintenance for the Secondary road as per Forest Road Specification 2010 before March 2018.	The corrective action plan was accepted by audit team.  <b>Status: The implementation and effectiveness of the action plan will be verified during next audit.</b>
Indicator 8.5.1  NCR:	Minor	<b>Requirement: Indicator 8.5.1</b> - A summary of the results of monitoring indicators, including those listed in Criterion 8.2, shall be made available to	The FMU will upload all the required information as	The corrective action plan was accepted by audit team.

MRS 01/ 2017 (SA2)		<p>the public.</p> <p><b>Finding :</b> Summary of the results of monitoring for Criterion 8.2 (b) and (c) have been uploaded in the FMU's website except for Criterion (a) Yield of all forest products harvested, (d) Environmental and social impacts of harvesting and other operations and (e) Costs, productivity and efficiency of forest management.</p> <p><b>Objective evidence :</b> Auditor has verified a summary information for Criterion 8.2 (b) and (c) have been made publicly available at the FMU's website: <a href="https://forestry.ns.gov.my">https://forestry.ns.gov.my</a>. However, information for Criterion 8.2 (a), (d) and (e) were not available in the same website link.</p>	per Criterion 8.2 (a), (d) and (e) on the FMU's website in February 2018.	<b>Status: The implementation and effectiveness of the action plan will be verified during next audit.</b>
Indicator 9.1.1  NCR: SAM 04/ 2017 (SA2)	Minor (Upgraded from previous OFI)	<p><b>Requirement: Indicator 9.1.1</b> - 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.</p> <p><b>Finding :</b> Consultation of Relevant Stakeholders to determine presence of HCVF attributes was not conducted</p> <p><b>Objective evidence :</b> In the previous audit, an OFI was raised because consultation with relevant stakeholders to determine the presence of HCVF attributes in the FMU was not undertaken. The development of the new Forest Management Plan also did not include consultation with relevant stakeholders on aspects related HCVF. In this audit it was found the consultation with stakeholders was still not conducted. <b>The previous OFI was raised to a minor NCR.</b></p>	The FMU has sent a letter to all relevant stakeholders on 15 December 2017 in order to get feedback/ comments for HCVFs area inside the certified FMU area.	The corrective action plan was accepted by audit team.  <b>Status: The implementation and effectiveness of the action plan will be verified during next audit.</b>
Indicator 4.2.3	OFI	First Aid Box was made available at the forest camp (NB/01/12/2017), however, auditor has found that oral medicine such as toothache pills (Weng Heng tablet) was mixed with external medical kit. External medical kit such as triangular bandage and scissor were not available in the first aid box.	Not required	
Indicator 4.4.1	OFI	It was found that the statements and questions in the SIA questionnaire were worded the same for the "Before", "During" and "After" questionnaire. For	Not required	

		example the words “telah” and “semasa” are also used in the “Before” questionnaire thus possibly raising confusion among the respondents answering the questionnaire.		
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## Verification on Previous Surveillance 1 (2016) Audit Findings and Action Taken

Indicator	Specification Major/Minor/OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 6.5.1  NCR: SAM-01 /2017	Minor	<p><b>Indicator 6.5.1</b> - Availability and implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations</p> <p>A minor NCR was raised in the previous Recertification audit on this indicator as there retaining walls were not constructed to prevent loose soil from entering into the river system. In this audit, in the inspection of Compartment 41 Serting FR and Compartment 35 Triang FR the construction of retaining walls were evident at several waterway crossings. However, there was still one area in where the retaining walls were not constructed. Since the measures have been taken but were still not adequate the minor NCR issued is retained.</p>	<p>The contractor did not construct the retaining wall due to seasonal water stream and slow water movement and does not erode the soil.</p> <p>Negeri Sembilan Forestry Department has acted;</p> <ol style="list-style-type: none"> <li>I. The licencies was instructed to construct the retaining wall as required in "Garis Panduan Jalan Hutan 2013"</li> <li>II. Training material for briefing to every new licences area to be updated to avoid recurrence</li> <li>III. Refreshment training on Garis Panduan Jalan Hutan 2013</li> <li>IV. Frequent monitoring to this licences area</li> </ol>	<p>During the inspection of active logging sites in this audit in Compartment 10 Gapau FR and Compartment 27 Lenggeng FR, it was found that retaining walls were built accordingly along bridges and river crossings.</p> <p><b>Status: Closed</b></p>
Indicator 7.1.1  NCR: SAM 02/2017	Minor	<p><b>Indicator 7.1.1</b> - Availability and implementation of Forest Management Plan</p> <p>The Forest Management Plan 2016 – 2025 has not been fully completed and officially endorsed.</p> <p>A copy of the final draft of the Forest Management Plan 2016 – 2025 was available. However, it has yet to be finalized and upon inspection, it was still found to be incomplete. The FMP has also not been approved by the Negeri Sembilan Forestry Department and has also not been endorsed by the Negeri Sembilan State Government</p>	<p>Draft FMP 2016-2025 pending for approval due to some amendment were in progress</p> <p>Negeri Sembilan Forestry Department will seek endorsement from Negeri Sembilan State Government before 30 April 2017</p>	<p>The Forest Management Plan (FMP) 2016-2025 is available and completed. The information and documents that required by this indicator (a) to (i) were made available in the FMP 2016-2025.</p> <p><b>Status: Closed</b></p>
Indicator 7.4.1	Minor	<p><b>Indicator 7.4.1</b> - A summary of the primary elements of the</p>	<p>The FMP were pending endorsement from State Government, thus the</p>	<p>A summary of the primary elements of</p>

<p>NCR: KN01/ 2017</p>		<p>forest management plan as prepared and implemented under Indicator 7.1.1 shall be made available to the public</p> <p>The public 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>Auditor has verified the summary of the primary elements at the Negeri Sembilan Forestry Department official website and has found that it was not up-to-date for the FMP 2016 – 2025</p>	<p>public summary was also pending on the website</p> <p>The public summary to be uploaded at Negeri Sembilan Forestry Department website subsequently after endorsement of the FMP from the State Government</p>	<p>the forest management plan 2016-2025 was made publicly available at: <a href="http://forestry.ns.gov.my/index.php/my/suber/ringkasan-eksekutif">http://forestry.ns.gov.my/index.php/my/suber/ringkasan-eksekutif</a>.</p> <p><b>Status: Closed</b></p>
<p>Indicator 9.1.1</p>	<p>OFI</p>	<p><b>Indicator 9.1.1</b> - 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.</p> <p>It was found that consultation with relevant stakeholders to determine the presence of HCVF attributes in the FMU was not undertaken. The development of the new Forest Management Plan also did not include consultation with relevant stakeholders on aspects related HCVF.</p>	<p>Not required</p>	<p>During this audit, it was found that the consultation with stakeholders was still not conducted.</p> <p><b>Status: The previous OFI was upgraded to a Minor NCR SAM 04/2017 (SA2).</b></p>
<p>Indicator 9.4.2</p>	<p>OFI</p>	<p><b>Indicator 9.4.2</b> - Forest managers shall incorporate the results and findings of the HCVFs monitoring activities into the implementation and revision of the forest management plan.</p> <p>The result obtained from the monitoring results from HCVF areas at Setul PRF and Sungai Menyala PRF were not adequately incorporated in the new FMP (2016-2025).</p>	<p>Not required</p>	<p>The result obtained from the monitoring results from HCVF areas at Setul PRF and Sungai Menyala PRF had been incorporated in the new FMP (2016-2025) as verified at Section 6.4.2.6 <i>Maklumat Asas Kawasan</i>.</p> <p><b>Status: Closed.</b></p>

End of Report