



**PUBLIC SUMMARY
SURVEILLANCE 2 AUDIT (3rd CYCLE) ON
TERENGGANU FOREST MANAGEMENT UNIT (FMU)
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC 001115
Date of First Certification: 1st April 2010
Audit Date: 14th - 17th August 2017
Date of Public Summary: 3th Sept 2018**

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EXECUTIVE SUMMARY

The Terengganu Forest Management Unit (FMU) consists of 544,883.00 ha of permanent reserved forest (PRF) and is managed by the Terengganu State Forestry Department (TSFD). The PRFs within the FMU comprise mainly of inland Dipterocarp forests covering an area of 514,082.73 ha with the remaining PRFs covering 25,931.10 ha of peat swamp forests and 1,036.55 ha of mangrove forests. There was also a forest plantation in the certified area covering of 3,833 ha. The administration of the FMU is divided into three forest districts namely the North, West and South Terengganu Forest Districts.

The inland forest is managed under a Selective Management System (SMS) on a 25 to 30-year rotation period. Under the Eleventh Malaysia Plan (2016-2020), the Annual Allowable Cut (AAC) for the Terengganu State FMU had been set at 6,388 ha. A Forest Management Plan (FMP) covering the period from 2016 to 2025 had been presented during the audit. There were no indigenous people reserves in the FMU. They live outside of Terengganu FMU PRF (settled in state land).

The surveillance 2 audit was conducted on 14th to 17th August 2017. The surveillance audit team had raised six (6) major and three (3) minor non conformities. The team had also verified the implementation of corrective actions taken by the FMU on the surveillance 1 audit findings raised i.e. seven (7) minor non conformities and one (1) OFI. Although there were some audit findings that were closed out; there were some minor non conformities which had been upgraded to a major non conformity due to recurrent non conformities.

In general, the FMU had continued to comply with the requirements of MC&I (Natural Forest) Standard. The FMU is recommended to continue the certification to MC&I (Natural Forest) after the audit team had reviewed and accepted the corrective action plans and evidence of implementation submitted by the FMU on the six (6) major and three (3) minor non-conformities raised in this surveillance audit.

2 INTRODUCTION

2.1 Name of FMU

Terengganu State Forestry Department

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 Forestry Department State.

The Terengganu FMU was managed by Terengganu State Forestry Department (TSFD) and previously was audited by the Certification Body of SGS (Malaysia) Sdn. Bhd. The last Audit conducted by SGS (Malaysia) was on 17-21 May 2015. The FMU had transferred its forest management certification to SIRIM QAS International Sdn Bhd and the Surveillance 1 Audit was conducted on 18 - 22 September 2016. During the Surveillance 1 Audit (2016), Terengganu FMU area consist of 544,936.58 ha of PRF. However about 53.58 ha had been degazetted on 4 August 2016. Therefore, Terengganu FMU reducing its area from 544,936.58 ha to of 544,883 ha during the Surveillance 2 Audit conducted on 14th -17th August 2017.

Table 1 below shows the districts that were assessed. All of the district area managed by Terengganu State Forestry Department.

Table 1: Forest Management Units covered in the assessment

Forest District Office	Address / Location	Ranger Office
Terengganu Utara	Kuala Terengganu	Kuala Terengganu
		Setiu
		Pasir Akar
		Kg. Raja
Terengganu Selatan	Dungun	Dungun
		Durian Mas
		Cheneh
		Kemaman / Kerteh
Terengganu Barat	Kuala Berang	Kuala Berang
		Jerangau
		Tengkawang
		Ajil

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

2.4 Date First Certified

1st April 2010

2.5 Location of the FMU

Terengganu FMU located in Terengganu State with the administration divided into three forest districts namely the North, West and South Terengganu Forest Districts.

2.6 Forest Management System

The revised version of the Forest Management Plan (2016 – 2025) for Terengganu FMU has been made available during the audit.

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

The Annual Allowable Cut (AAC) for the Terengganu State FMU has been set at 6,388.00 ha. A Forest Management Plan (FMP) covering the period from 2016 to 2025 was presented during the audit.

2.8 Environmental and Socioeconomic Context

SIA (Social Impact Assessment Form) was used to assess local communities / indigenous people living / adjacent to logging area. The assessment, as per instruction has been conducted before and during the logging operation as verified through '*Borang Impak Sosial*'. Final social impact assessment at these active logging areas will be conducted by the FMU once the logging operation completed.

During this audit, the SIA report anticipated low impact of harvesting operation on the local community. The audit team had observed there were no water pollutions, reduced water quality, sedimentation and flooding resulting from harvesting activities affecting the local community during the assessment. The local community interviewed had confirmed that they were not fully dependent on hunting and gathering any forest resources as their income. Evaluation from the findings had been incorporated into the management planning of harvesting operation.

3. AUDIT PROCESS

3.1 Audit Dates

14th -17th August 2017 / 12 auditor day(s)

3.2 Audit Team

1. Hj.Roslee Jamaludin (Trainee Lead Auditor)
2. Khairul Najwan Ahmad Jahari (Auditor)
3. Mohd. Razman Salim (Auditor)

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 stakeholder consultation was conducted in July 2017 for a period of one month. There was three (3) comment received from a stakeholder (Refer to Attachment 3). Audit team had also conducted a stakeholder consultation with Head of Village and JKK Pelagat, JKK Air Putih, and JKK Kg Chapu during this surveillance audit.

3.5 Audit Process

The audit was conducted primarily to evaluate the level of continued compliance of the FMU's current documentation and field practices in forest management with the detailed of the 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.

4 SUMMARY OF AUDIT FINDINGS

A total six (6) major non-conformities report and three (3) minor non-conformities against requirements of MC&I (Natural Forest) were raised as shown in Attachment 5. The previous year non-conformities were satisfactorily closed following verification of the implemented corrective actions, however one indicator was upgraded to major NCR. The assessment team had examined all the action plans and evidence of implementation and found them to be adequate. Terengganu FMU had showed their commitment to address the non-conformities by establishing action plans and evidence of implementation as detailed in **Attachment 5**.

The summary on the findings of the Surveillance audit on the Terengganu State Forestry Department against the requirements of the MC&I (Natural Forest) are as follows:

Principle	Strengths	Weaknesses
Principle 1 Compliance with Laws and Principles	<p>Terengganu FMU has continued to maintain records of all relevant national and local laws, regulations and policies related to forest management.</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.</p> <p>Forestry Department Peninsular Malaysia had organised meeting at Federal Level with State's Forestry Departments to discuss on the revision of laws, regulations and MC&I standard. The meeting had discussed and reviewed the changes and impact against auditing standard and vice versa. No conflicts were identified between laws, regulations and auditing standard since last audit.</p>	There were no negative findings.
Principle 2	Forest managers had demonstrated their	There were no negative findings

Principle	Strengths	Weaknesses
<p>Tenure and Use Rights and Responsibilities</p>	<p>willingness to support all legal mechanisms on land claims. There was no record of any legally recognized land claims from the local and indigenous communities living in the vicinity of the PRF during this surveillance audit.</p> <p>National Forestry Act 1984 (Section 19, 28, 33, 34, 40, and 62), Aboriginal Peoples Act (Section 6, 7, 8, 10, 13 and 19) and United Nations Declarations on Rights of Indigenous Peoples, 2007 were made available at Terengganu FMU State office. 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.</p>	
<p>Principle 3 Indigenous People's Rights</p>	<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 State Forestry Department (TSFD) certified area. The auditor had verified this during interview with JAKOA followed with site visits at aboriginal people's villages – Kg. Sg. Pergam, Kg. Shukor, Kg. Sg. Berua during surveillance audit 1 and local communities at JKKK Pelagat, JKKK Air Putih, JKKK Kg Chapu during this surveillance audit 2. Based on interview with the indigenous people, there was no issue pertaining to legal or customary tenure or use rights related with Terengganu FMU.</p>	<p>There were no negative findings</p>
<p>Principle 4 Community Relations and Workers' Rights</p>	<p>Workers and staffs were given sufficient training mainly in the facility in Training Center at Chalok and Hulu Terengganu (Pusat Latihan Perhutanan Chalok and Pusat Latihan Perhutanan Terengganu). Among training topics covered included establishment/tagging/maintenance of forest boundaries, river buffers, log, protection, road and seed trees. Training was conducted annually according to set programme and companies were notified to send their workers, including contractors and</p>	<p>Medical kit for internal use (oral medicated pills etc.) was also made available in separated and labelled box. However, auditor has found that only yellow lotion, calamine lotion and cotton wool were made available in the First Aid Box at logging camp, Compartment 68, Sg. Nipah PRF (TS 01-03-17). The logging site has not complied with Standard Operation Procedure (SOP) bagi Pembinaan Kongsy Pekerja Pembalakan</p>

Principle	Strengths	Weaknesses
	<p>supervisors.</p> <p>Safety policies and procedures including current legislation and/or regulations were displayed at Kongsii (worker temporary camp site) and safety equipment (PPE) was also found to be in good working conditions. However, since there was no logging operation on the day of audit, it was not possible to see the use of the equipment in the field.</p> <p>Sufficient regulations and provisions to protect the local community for their customary rights, property, resources, or their livelihoods were found to be in place</p>	<p>Berdasarkan Keperluan Keselamatan dan Kesihatan Pekerjaan di Semenanjung Malaysia. Therefore, a Minor NCR MRS 04/2017 for Indicator 4.2.3 was raised.</p> <p>During this audit, it was found that the Terengganu FMU staffs were covered with Employees' Provident Fund (EPF). The contractor's workers at Compartment 44 PRF Petuang (TB 01-16-16) were covered with insurance under Zurich Insurance Malaysia Berhad until 19/9/2017 with policy no: 011700013371-00 as required by Employees' Social Security Act, 1969. While, contractor's workers at Compartment 23 PRF Hulu Telemong (TB 01-13-17) were covered with Tune Insurance until 17/8/2017 with policy no. 801064. However, during the inspection of active logging area at Compartment 24A, Pelagat PRF (TU-01-06-17), it was found out that only one (1) contractor worker were covered with insurance under MSIG until 4 July 2019 with policy no: KN-09818418-PMR instead of seventeen (17) workers registered in the sub-licence. The requirement for rights of workers to benefits and protection is assured under applicable laws and/or regulations i.e. Employees' Social Security Act, 1969 was not complied with. Thus, Major NCR KN05/2017 for Indicator 4.3.3 was raised.</p>
<p>Principle 5 Benefits from the Forest</p>	<p>Investments and reinvestments have been made in forest management by Terengganu FD (TFD) in 2017. This was evident by the sighted report on expenditures for infrastructure/ building maintenance, recreation areas improvements and also for staff salary and remuneration.</p> <p>Pre-F inventory was conducted according to the SMS requirements at the intensity of 10% with a view to collect the relevant information of the forest composition and physiography for the implementation of the SMS.</p> <p>On the other hand, Post-F inventory practice was conducted within the logged-over forest</p>	<p>There were no negative findings</p>

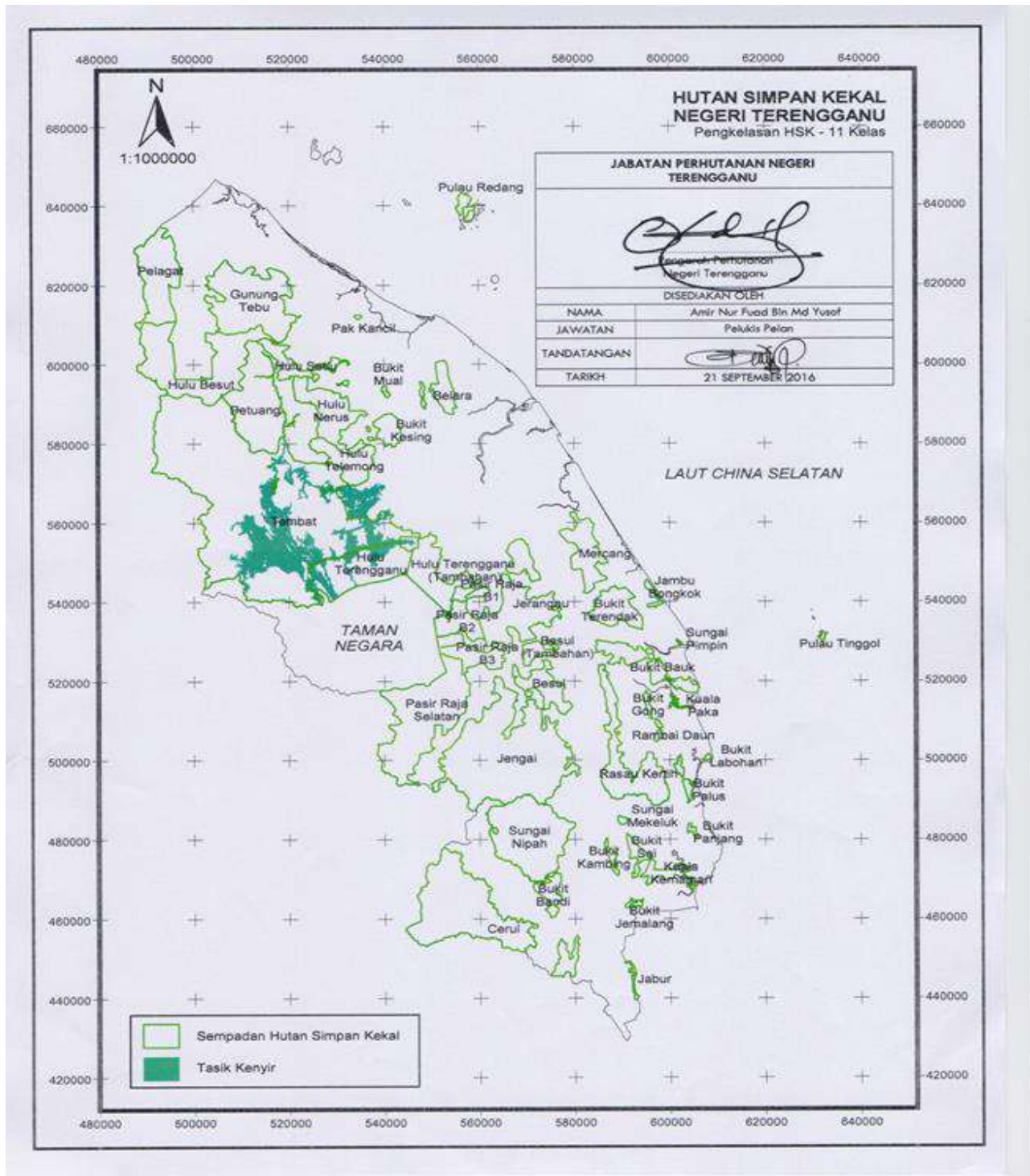
Principle	Strengths	Weaknesses
	<p>with the objective to collect data and information pertaining to the forest composition, to be utilized for assessing such logged-over forest. Data collected was used for determining the silviculture practices for the particular area.</p> <p>Areas exceeding 1,000 meters 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 established 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 are also established as Protection Forests in Terengganu FMU. The area was demarcated, mapped and managed according to the Guidelines for Catchment Forests (2010).</p>	
<p>Principle 6 Environmental Impact</p>	<p>The TSFD also is an important and active member of the Central Forest Spine (CFS) Programme and working committee of the CFS implementation (<i>Jawatankuasa Kerja CFS</i>). In the Central Forest Spine (CFS) Programme, several biological corridors were planned within the Terengganu FMU to conserve wildlife movement and habitats. Many of the major wildlife corridors, or Primary Links, identified as the major corridors were located in the Terengganu FMU.</p> <p>About 53.58 ha of Tembat PRF had been degazetted on 4 August 2016. Therefore, Terengganu FMU reducing its area from 544,936.58 ha to of 544,883 ha.</p> <p>Forest plantation was established in the certified area covering 2908 ha. that has been converted before July 2012, beside that Terengganu State Forestry Department also had allocated about 925 ha of PRFs for future conversion to forest plantation area if needed.</p> <p>The TSFD had established collaboration with PERHILITAN on the conservation of wildlife in Terengganu FMU. PERHILITAN had been invited to new harvesting license area briefing (<i>taklimat lesen</i>) to licensee, contractor and forest workers on prohibition of inappropriate activities such as hunting, fishing and trapping fauna. PERHILITAN</p>	<p>Guidelines for reducing harvesting impact on soil included the “Guidelines for Reduced Impact Logging in Peninsular Malaysia, 2003”, “Guidelines for Forest Roads 2010 (Amendment 2013) and the Forest Harvesting Plan were available. Harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations were also available.</p> <p>However, during site inspection, it was found that additional and extension of skid trail has been constructed without permission from District Forest Officer as below;</p> <ol style="list-style-type: none"> 1) Compartment 24A, Pelagat PRF (TU-01-06-17) for construction of skid trail LP18/JT1 2) Compartment 44, Jengai PRF (TS-01-14-16) for construction of skid trail LP8/JT2, and 3) Unregistered new skid trail at JT4, in Compartment 3B, Bukit Bandi PRF (TS-01-14-16) <p>A Minor NCR MRS 01 2016 was raised during the previous audit, therefore the recurrence of Minor NCR MRS/01-2016 was upgraded to</p>

Principle	Strengths	Weaknesses
	<p>and TSFD had cooperated together on monitoring and training activities since 2015 such as tiger monitoring, CFS, viaduct project and also training on wildlife for TSFD's staffs.</p> <p>Water catchment forests comprised the largest designated protection forest of the FMU and these areas were strictly protected and monitored. About 11% or 61,375.58 ha of the FMU had been gazetted as catchment forest.</p>	<p>Major NCR KN01/2017 for indicator 6.5.1</p> <p>During the inspection of active logging sites, it was found that the blading of skid trails exceeded (>1 meter) the allowable limit;</p> <ol style="list-style-type: none"> a. Compartment 1, Bukit Mual PRF (TU-01-02-17) at skid trail LP26/JT2 b. Compartment 44, Jengai PRF (TS-01-21-16) at skid trail LP2/JT1 and LP8/JT2. <p>2. Auditor has found that construction of log fisher trail in Compartment 44, Petuang PRF (TB 01-16-16) had exceeded 50m as listed below:</p> <ol style="list-style-type: none"> a. Two branches of log fisher trail at Matau 8 = 90m & 80m b. Length of log fisher trail at Matau 15 = 90m <p>3. Branches of log fisher trail after maximum length of 50m were constructed at Matau 8.</p> <p>Thus a Major NCR KN02/2017 for indicator 6.5.3 was raised.</p> <p>The inspection of active harvesting area at Compartment 3B, Bukit Bandi PRF (licence No. TS-01-14-16) was found that three (3) trees in the buffer zone were felled (6 meters from the stream bank);</p> <ol style="list-style-type: none"> a. Tree no. CM03953, Damar Hitam, size of 82cm DBH b. Tree no. CM03952, Damar Hitam, size of 110cm DBH, and c. Tree no. CM03953, Kelat, size of 62cm DBH <p>Therefore, a Major NCR KN03/2017 for indicator 6.5.4 was raised.</p> <p>Standard operating procedures on waste disposal and re-cycling of liquid and solid non-organic wastes titled Standard Operation Procedure (SOP) <i>"Bagi Pelupusan Sisa Pepejal Dan Cecair Bukan Organik Berdasarkan Keperluan Kualiti Alam Sekitar"</i> was not evidence at the</p>

Principle	Strengths	Weaknesses
		<p>FMU's office and at visited licensed areas:</p> <ol style="list-style-type: none"> 1. Compartment 44, Petuang PRF (TB 01-16-16) 2. Compartment 23, Hulu Telemong PRF (TB 01-13-17) 3. Compartment 24A, Pelagat PRF (TU 01-06-17) 4. Compartment 44, Jengai PRF (TS 01-21-16) 5. Compartment 3B, Bukit Bandi PRF (TS 01-14-16) <p>Therefore, a Major NCR MRS 02/2017 for Indicator 6.7.1 was raised.</p>
<p>Principle 7 Management Plan</p>	<p>The revised version of the Forest Management Plan (2016 – 2025) for Terengganu FMU has been made available during the audit. The FMP had included all the items listed from (a) to (i) in Criterion 7.1. The forest management system had been elaborated in the FMP which has classified the forest reserve within the FMU into production and protection forests.</p>	<p>Training on “<i>Pengurusan Sisa Pepejal dan Cecair Bukan Organik berdasarkan Keperluan Kualiti Alam Sekitar</i>” to the forest workers as to their respective roles in the implementation of the forest management plan was found to be not sufficient.</p> <p>Therefore, a Minor NCR KN04/2017 for indicator 7.3.2 was raised.</p>
<p>Principle 8 Monitoring and Assessment</p>	<p>Growth plots had been established in the FMU and enumerated on a regular basis by the staff of the Forestry Department HQ Peninsular Malaysia in Kuala Lumpur with the assistance of the TSFD. There were three (3) VJR plots at the South Forest District, one (1) VJR plot at the West Forest District and two (2) VJR plots at the North Forest District. The growth plot analysis was undertaken by the Forestry department Headquarters and the results were used to assess growth and recovery of the forest which included dynamics species composition of flora on a peninsular wide basis</p>	<p>The logs cannot be trace as the tree number recorded with different species. The stumps are as follows:</p> <ol style="list-style-type: none"> 1) Two (2) tree stumps having the same number i.e. CM03953 species identified in the field as Damar Hitam with diameter 110cm and CM03953 identified as Kelat with diameter 62cm. The trees have been felled. When cross check with tree tagging book and “<i>Borang Kawalan Tebangan Pokok</i>” dated 10/6/17 the species recorded was Balau with diameter 65cm. 2) One (1) tree stump with number CM03952 identified in the field as Damar Hitam with diameter 82 cm has been felled, cross check with tagging book and “<i>Borang Kawalan Tebangan Pokok</i>” dated 10/6/2017 the species recorded as Meranti Sarang Punai with diameter 66cm.

Principle	Strengths	Weaknesses
		Therefore, a Major NCR RJ 1/2017 for indicator 8.3.1 was raised.
<p>Principle 9 Maintenance of High Conservation Values</p>	<p>Terengganu FMU had consulted relevant stakeholders on the options to maintain or enhance the identified HCVFs which had resulted</p> <ul style="list-style-type: none"> • Keruing Sarawak Compartment 31 PRF Jerangau - phenology observation by Forest Research Institute Malaysia (FRIM) on 15/06/2016 • Pokok Sal Compartment 34 PRF Jerangau – Rancangan Pengurusan HCVF dated 19/01/2014 prepared by FRIM <p>Forest management operations had considered and protected areas of high conservation value in the FMU with identified conservation attributes and options for the maintenance. The FMU also has incorporated these HCVFs into the FMP (2016-2025) in Section 6.3.11 <i>Pengurusan Hutan Bagi Maksud-Maksud Persekutuan (HMP)</i>.</p>	<p>HCVF areas as listed below were not demarcated on maps in the Forest Management Plan 2016-2025:</p> <ol style="list-style-type: none"> 1. Keruing Sarawak (<i>Dipterocarpus sarawakensis</i>) at Compartment 31, Jerangau PRF (Terengganu Barat) 2. Chengal Besar (<i>Neobalanocarpus heimii</i>) at Compartment 5, Pasir Raja (Terengganu Selatan) 3. Pokok Sal (<i>Johannesteijsmannia altifrons</i>) at Compartment 34, Jerangau PRF (Terengganu Barat). <p>Therefore, a Minor NCR MRS 03/2017 for Indicator 9.3.1 was raised.</p>

Map of Terengganu Forest Management Unit (FMU)



Experiences and Qualifications of Audit Team Members

Assessment Team	Role/Area of MC&I Requirement	Qualification and Experience
Hj.Roslee Bin Jamaludin	Trainee Lead Auditor/ Forester	<p>Academic Qualification: B.Sc. of Forestry (Forest Management), University Putra Malaysia. Diploma in Forestry, Mara Institute of Technology, Malaysia.</p> <p>Work Experience:</p> <p>A retiree of Forest Conservator from Forestry Department of Peninsular Malaysia, with 36 years of experience in forest management, operation and administration. Has been working in various position since appointment in 1977, which includes Assistant Forest Management officer in Kuantan, Forestry Department of Pahang, Assistant District Forest Officer in Kuala Lipis Pahang and Segamat, Johor. Forest Plantation Officer in Johor and Terengganu, Forestry Officer for the State of Malacca. Assistant Director for Forest Harvesting and Industries in Selangor, District Forest Officer in Dungun Terengganu, Assistant Director for Forest Management in Negeri Sembilan and the State Director of Forestry Penang before retirement in April 2015. Has involved in several Working Committee form by the Forestry Department of Peninsular Malaysia to further improve the existing procedures, such as, Forestry Manual, Forest Road Guidelines, Forestry Rules, other guidelines regarding the MC&I for forest certification. A member of MAJURUS, was appointed as an Internal Auditor for the MC&I. Has attended several forestry Conference overseas and local. A member of IRIM (Institut Rimbawan Malaysia). Appointed as a facilitator and trainer for Forest Road Guidelines by Forestry Department Peninsular Malaysia.</p> <p>Training programmes attended:</p> <p>Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organised by MTCC, 9 – 10 July 2015</p> <p>EMS 14001: 2004 Lead Assessor Training Course organised by SIRIM Training Services Sdn Bhd, 23 Nov. – 27 Nov. 2015.</p> <p>Briefing on RSPO Principle & Criteria (HCV) organised by SIRIM QAS (Food, Agriculture & Forestry Section) 21 August 2015.</p> <p>Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food, Agriculture & Forestry Section) 26 Jan 2016.</p>
Mohd Razman Salim	Auditor/ Forester	<p>Academic Qualification: B.Sc. of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience:</p>

		<p>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>Was attending 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.
<p>Khairul Najwan Ahmad Jahari.</p>	<p>Auditor/ Forester</p>	<p>Academic Qualification: B.Sc. of Forestry (Forest Management), Universiti Putra Malaysia.</p> <p>Work Experience: Appointed as contract Research Officer in the Natural Forest Division, Forest Research Institute of Malaysia (FRIM), since 2001. Conduct and coordinate a research on 8th Malaysian Plan Project; Research on Forest Resource Classification and Determination of Optimum Silviculture Option for Second Growth Forest. Produce technical reports, meeting, seminar and conferences reports as well as quarterly physical and financial reports. Coordinate and participate field works, multi-level meetings, seminars, conferences and workshops. Spent some time in other existing FRIM projects (inter divisional) as an organizing committee member, division level activities and projects. Currently as Senior Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International, since 2009. Involved in conducting assessments on forest management certification (MC&I and FSC P&C), MYNI of RSPO P&C, MSPO and other management system on ISO 9001, 14001 and OHSAS 1800</p> <p>Training / Research Areas:</p>

		<p>Had attended and passed in the following training programmes:</p> <p>Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)] organized by MTCC, 30 March - 2 April 2009.</p> <p>EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 2-6 March 2009.</p> <p>OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 23-27 Feb 2009.</p> <p>QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 16 – 21 Feb 2009.</p>
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Comments by Stakeholders and Responses from Audit Team

No.	Stakeholder	Comments/Issues Raised	Response by Audit Team
1	Department of Survey and Mapping Terengganu	The demarcation and survey of external boundaries of Permanent Forest Reserve should be completed to ensure that the alienated land did not exist in the Permanent Forest Reserve.	Noted. During the consultation with JUPEM of Terengganu, there was no specific PRF mentioned. The Forestry Department of Terengganu and JUPEM of Terengganu has held the meeting regarding the alienated land in PRF. The demarcation and detail surveying of PRF were the ongoing process by the Forestry Department of Terengganu. The Forestry Department of Terengganu has provided the list of <i>"Status Pengukuran Halus Sempadan Luar Hutan Simpanan Kekal (HSK) Negeri Terengganu – Mac 2017"</i> .
2	Department of Occupational Safety and Health, Terengganu	Overall the audited harvesting licences till 30.6.2017 has shown the compliance to the Occupational Safety and Health Act 1994.	Noted.
3	Wildlife Department Terengganu	Forestry Department of Terengganu and Wildlife Department of Terengganu often working together in sustainable forest management and in enforcement activities. The wildlife Department were often invited to deliver talk on the importance of wildlife and biodiversity to the loggers and the workers. Beside that both departments working together in Central Forest Spine (CFS) activities.	Noted.

Details of Surveillance 2 Audit Plan

DAY	TIME	PROGRAM		
		TRAINEE AUDIT TEAM LEADER (AUDITOR 1)	AUDITOR (2)	AUDITOR (3)
Day 0 (13 /8/2017) (Sunday)	18.35-19.30	<ul style="list-style-type: none"> Travel to Kuala Terengganu Briefing by Audit Team Leader on the surveillance audit plan 		
Day 1 14/ 8/2017 (Monday)	8.30 am 10.30 am	<ul style="list-style-type: none"> Opening Meeting with representatives of FMU Briefing session by Forest Manager of the FMU Q&A Session Documentation Review 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 and follow-up actions Evaluate on procedures for internal audit Evaluate on management review system Verification of NCRs raised during the previous audit. Confirmed the audit schedule 		
	10.30 am – 5.00 pm	Documentation and Record 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 Relation and Worker’s Rights 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 Valus Forest. 		
	3.00pm	<ul style="list-style-type: none"> Stakeholders’ consultation with JUPEM 		
Day 2 15/8/2017 (Tuesday)	7.30 am	Auditor 1 travel to Terengganu Selatan, Auditor 2 travel to Terengganu Barat on Tuesday Morning. Auditor 3 to Terengganu Utara.		
	8.30 am – 5.00pm	Site Visits Terengganu Selatan <ul style="list-style-type: none"> Document Review at District Forest Office Community Consultation (JKKK Air Putih) 	Site visit: Terengganu Barat <ul style="list-style-type: none"> Document review at District Forest Office Inspection of active harvesting 	Site Visit: Terengganu Utara <ul style="list-style-type: none"> Documentation Review at District Forest Office Inspection of active logging

		<ul style="list-style-type: none"> • Inspection of active harvesting area (Compt.44 Jengai PRF) • Checking Station (Durian Mas) • Inspection of FMU's external boundary. (Jengai PRF) 	<ul style="list-style-type: none"> • area (Compt.44 Petuang PRF) • Forest Workers camp(Compt.44 Petuang PRF) • Forest Checking Station (Kuala Jeneris) • Nursery (Ajil) 	<ul style="list-style-type: none"> • area.(Compt.24A, Pelagat PRF) • Forest workers camp (Gunung Tebu) • Checking Station(Pasir Akar & Sg. Tong) • Interview with local Community (JKKK Pelagat) • Nursery (Chalok)
		Auditor 1 Overnight in Terengganu Selatan, Auditor 2 overnight in Terengganu Barat, Auditor 3 overnight in Kuala Terengganu.		
Day 3 16/8/2017 (Wednesday)	8.00am-5.00 pm	Site Visit: Terengganu Selatan <ul style="list-style-type: none"> • Document Review at District Forest Office • Inspection of Active harvesting area. (Compt.3B, Bukit Bandi PRF) • Inspection Closing Report area. (Compt.35A Sg. Nipah PRF) • VJR (Bukit Bauk) • Checking Station (Air Putih) 	Site Visit: Terengganu Barat <ul style="list-style-type: none"> • Document review at District Forest Office • Inspection of active harvesting area. (Compt.23, Hulu Telemong PRF) • HCVF(Compt.34 Jerangau PRF) • Tree Tagging Area (Compt.23 Hulu Telemong PRF) • Interview with local community (JKKK Kg. Chapu) 	Site Visit: Terengganu Utara <ul style="list-style-type: none"> • Document Review at District Forest Office • Inspection of active harvesting area Compt.1 Bukit Mual PRF) • Inspection of closing report area. (Compt. 2 Bukit Mual PRF)
		Auditor 1 & 2 travel back to Kuala Terengganu.		
Day 4 17/8/2017 (Thursday)	8.30am-12.30 am	<ul style="list-style-type: none"> • Continue on Documentation and Record review • Interview with worker's Union Representative. • Preparation of audit report and Finding 		
	12.30 pm-2.30 pm	<ul style="list-style-type: none"> • Briefing to representative of FMU on the finding of the audit • Closing Meeting • Travel to Kuala Lumpur. 		

Surveillance 2 Audit (2017) Findings and Corrective Action Taken

Indicator	Specification Major/Minor/OFI	Detail Non-conformance	Corrective Action Taken	Verification by Auditor
Indicator 4.3.3 NCR No.: KN05/2017	Major	<p>Requirement: <u>The right of workers to benefits and protection is assured under applicable laws and/or regulations.</u></p> <p>Finding: The right of workers to benefits and protection is assured under applicable laws and/or regulations were not comply with Employees' Social Security Act, 1969.</p> <p>Objective evidence: During the inspection of active logging area at Compartment 24A, Pelagat PRF (TU-01-06-17), it was found out that only one (1) contractor worker were covered with insurance under MSIG until 4 July 2019 with policy no: KN-09818418-PMR instead of seventeen (17) workers registered in the sub-licence.</p>	The FMU ensured that insurance cover will involved the forest workers that has been registered for Sub_licence.	<p>The Terengganu FMU had provided the Non Motor Cover Note for Workmen Compensation from the AXA Affin General Insurance Berhad for the 17 workers working in Licence no. TU-01-06-17. The insurance covered the, Bulldozer Driver, Bulldozer Attendance, Chain Sawyer, Excavator Driver, Supervisor, Stockpile Clerk and Log Gripper for the period of 26th August - 25th Sept.2017.</p> <p>Status: Major NCR Closed</p>
Indicator 6.5.1 NCR No.: KN01/2017	Major	<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. Recurrent of Minor NCR MRS/01-2016 upgraded to Major NCR</p> <p>Objective evidence: During site inspection, it was found that additional and extension of skid trail has been constructed without permission from District Forest Officer as below;</p> <p>1) Compartment 24A, Pelagat PRF (TU-01-06-17) for construction of skid trail LP18/JT1 2) Compartment 44, Jengai PRF (TS-01-14-16) for construction of skid trail LP8/JT2, and</p>	<p>1. The FMU will imposed the compound and deduction of licence deposit to the logger for non compliance of "Guidelines on Forest Road 2010".</p> <p>2. The approval from District Forest Officer will be obtained for the additional skid trail constructed.</p>	<p>The construction of additional skid trail in Licence no. TS-01-14-16 Compt. 3B Bukit Bandi PFR and TS -01-21-16 Compt. 44 Jengai PFR had been approved by District Forest Officer based on the Letter Ref; No. Bil(15) dlm .PHDTS. 4/64 jld.10 dated 22nd November 2017. The construction of additional skid trail for Compt. 24 A Pelagat PFR has no evidence of approval letter, the licensee has been issued the Noticed to compound the offence dated 4th Oct.2017 and the licensee accepted the compound and pay the compound as evidence in Receipt no. TR 032276 dated 8th Oct.2017.</p> <p>Status: Major NCR Closed</p>

		3) Unregistered new skid trail at JT4, in Compartment 3B, Bukit Bandi PRF (TS-01-14-16).		
Indicator 6.5.3 NCR No.: KN02/2017	Major	<p>Requirement: <u>Availability and implementation of guidelines for forest road lay-out and construction, including log landings and drainage requirements.</u></p> <p>Finding: The construction of access roads and skid trails did not adhere to the guideline "Guidelines for Forest Road 2010 (Amended 2013) clause 2.6.12 – Lorong Penarik, The construction of logfisher trail was not complied with the guidelines Section 3.1, Lorong Log Fisher, Garis Panduan Penggunaan Jentera Log Fisher Dalam Pengusahaan Hutan Darat Asli Dalam Hutan Simpanan Kekal.</p> <p>Objective evidence:</p> <ol style="list-style-type: none"> 1. During the inspection of active logging sites, it was found that the blading of skid trails exceeded (>1 meter) the allowable limit; <ol style="list-style-type: none"> a. Compartment 1, Bukit Mual PRF (TU-01-02-17) at skid trail LP26/JT2 b. Compartment 44, Jengai PRF (TS-01-21-16) at skid trail LP2/JT1 and LP8/JT2. 2. Auditor has found that construction of log fisher trail in Compartment 44, Petuang PRF (TB 01-16-16) had exceeded 50 m as listed below: <ol style="list-style-type: none"> a. Two branches of log fisher trail at Matau 8 = 90 m & 80 m b. Length of log fisher trail at Matau 15 = 90 m 3. Branches of log fisher trail after maximum length of 50 m were constructed at Matau 8. 	<ol style="list-style-type: none"> 1. The FMU will imposed the compound and deduction of licence deposit to the logger for non compliance of "Guidelines on Forest Road 2010". 2. The approval from State Director of Forestry will be obtained for the additional distance of skid trail for log fisher constructed. 3. The Contractor has to repair the infrastructure that has not complied to the forest road guidelines at their own cost. 4. Training on awareness of forest road will be conducted for contractor and forest workers. 5. Letter of Reminder to licensees, contractors and Department staffs on audit findings and the need for compliance of forest road guidelines. 	<p>The licensee has been compound for the non-compliance of the "Guidelines for Forest Road Construction 2010 (Amended 2013), as evidence by the Receipt No. TR 032271 dated 5th Oct. 2017.</p> <p>An Approval Letter Ref. No. Bil. (23) dlm. PHNT.400/7/1/1689 S.K .3 dated 17th Oct. 2017 was issued by State Director of Forestry Trengganu for the construction of log fisher trail more than 100m.</p> <p>The log fisher trail has been planted with local species.</p> <p>Status: Major NCR Closed</p>
Indicator 6.5.4 NCR No.: KN03/2017	Major	<p>Requirement: <u>Availability and implementation of guidelines for conservation of buffer strips along streams and rivers.</u></p> <p>Finding: The construction of access roads and skid trails did not adhere to the guideline "Guidelines for Forest Road 2010 (amended 2013)" clause 2.6.12 –</p>	<ol style="list-style-type: none"> 1. The FMU will imposed the compound and deduction of licence deposit to the logger for non compliance of "Guidelines on Forest Road 2010"and felling of trees in the buffer zone. 2. The Contractor has to repair the infrastructure 	<p>The Licensee for Licence No TU-01-02-17 Compt 1 Bukit Mual has been compound for the offences committed. The receipt number for payment of the compound: TR 032271 dated 5th Oct .2017.</p>

		<p>Lorong Penarik, clause 1.7.4 – Zon Penampalan Alur Air.</p> <p>Objective evidence:</p> <p>1) During the inspection of closed logging area at Compartment 1, Bukit Mual PRF (TU-01-02-17), it was found:</p> <ol style="list-style-type: none"> a. skid trail LP26/JT2 was encroaching the buffer zone b. buffer zone boundary mark was not found at skid trail LP26/JT2 c. one (1) tree of Meranti Pa'ang size estimated 98cm DBH, was felled in buffer zone (6 meter from the stream bank) <p>2) During the inspection of active logging area at Compartment 24A, Pelagat PRF (TU-01-06-17) it was found</p> <ol style="list-style-type: none"> a. Water stream (10m wide) near LP18/JT1 was not marked in the harvesting map and not demarcated at the site b. the skid trail LP18/JT1 was crossing the water stream <p>3) Inspection of active logging area at Compartment 3B, Bukit Bandi PRF (TS-01-14-16) was found three (3) trees in the buffer zone were felled (6 meter from the stream bank);</p> <ol style="list-style-type: none"> a. Tree no. CM03953, Damar Hitam, size of 82cm DBH b. Tree no. CM03952, Damar Hitam, size of 110cm DBH, and c. Tree no. CM03953, Kelat, size of 62cm DBH 	<p>that has not complied to the forest road guidelines at their own cost.</p> <p>3. Training on awareness of forest road will be conducted for contractor and forest workers.</p> <p>4. Letter of Reminder to licensees, contractors and Department staffs on audit findings and the need for compliance of forest road guidelines.</p>	<p>The buffer zone for the LP26/JT 2 has been marked on the ground.</p> <p>The Licensee for Licence No. TU-01--06-17 Compt. 24 A PFR Pelagat has been compound for the offences committed. The receipt no: TR 032276 dated 8th Oct.2017.</p> <p>The water stream at LP18/JT1 has been marked on the harvesting map and was demarcated on the site.</p> <p>The Licensee for Licence No. TS-01-14-16 Compt.3B Bukit Bandi PFR has been compound for the offence committed. The receipt of payment no:TR 032587 dated 12th Nov. 2017.</p> <p>The buffer zone has been rehabilitated with planting of trees.</p> <p>Status: Major NCR Closed</p>
<p>Indicator 6.7.1</p> <p>NCR No. : MRS 02/2017</p>	<p>Major</p>	<p>Requirement: <u>Oil, fuel, tyres, containers, liquid and solid non-organic wastes shall be disposed of in an environmentally appropriate and legal manner.</u></p> <p>Finding : Standard operating procedures on waste disposal and re-cycling of liquid and solid non-organic wastes was not available.</p>	<p>The SOP on disposal of waste material and non organic liquid waste will be circulated to department staffs, licensee and contractors.</p>	<p>Standard Operating Procedure (SOP) "Bagi Pelupusan Sisa Pepejal Dan Cecair Bukan Organik Berdasarkan Keperluan Kualiti Alam Sekitar" has been circulated as evidence by the Letters from three (3) District Forest Officer , Ref.No. Bil(9) dlm .PHDTS 4/64 Jld.10 dated 1st Oct.2017, Ref.no. PHDTB</p>

		<p>Objective evidence : Standard operating procedures on waste disposal and re-cycling of liquid and solid non-organic wastes titled <i>Standard Operation Procedure (SOP) Bagi Pelupusan Sisa Pepejal Dan Cecair Bukan Organik Berdasarkan Keperluan Kualiti Alam Sekitar</i> was not evident at the FMU's office and at visited licensed area:</p> <ol style="list-style-type: none"> 1. Compartment 44, Petuang PRF (TB 01-16-16) 2. Compartment 23, Hulu Telemong PRF (TB 01-13-17) 3. Compartment 24A, Pelagat PRF (TU 01-06-17) 4. Compartment 44, Jengai PRF (TS 01-21-16) 5. Compartment 3B, Bukit Bandi PRF (TS 01-14-16) 		<p>/1/2/1/10 (34) dated 22nd August 2017 and Ref. No. Bil (11) dlm. PHDTU. 4/2/5/318 dated 1st Oct.2017.</p> <p>Status: Major NCR Closed</p>
<p>Indicator 8.3.1</p> <p>NCR No.: RJ 1/2017</p>	<p>Major</p>	<p>Requirement : <u>Forest managers shall provide relevant documents for identifying all forest products leaving the area to be certified so that their origin could be easily determined.</u></p> <p>Finding :</p> <ul style="list-style-type: none"> ● Tree stumps having the same number of white tags (Stump tag), and species did not tally with the tree tagging book, and ● Tree stump with white tag (stump tag) did not tally with the tree tagging book. ● The logs cannot be trace as the tree number recorded with different species. <p>Objective evidence :</p> <p>During the field inspection in buffer zone at JT 4 of licence TS - 01-14-16 Kpt 3B HSK Bukit Bandi it was evidenced that:</p> <p>1) Two (2) tree stumps having the same number i.e CM 03953 species identified in the field as Damar hitam with diameter 110cm and CM 03953 identified as Kelat diameter 62cm. The trees has been felled. When cross check with tree tagging book and "Borang Kawalan Tebangan Pokok" dated 10/6/17 the species recorded was Balau with diameter 65 cm.</p>	<ol style="list-style-type: none"> 1. The FMU will imposed the compound to the logger for non compliance on the procedures of timber tagging log extraction. 2. Training on awareness of forest road and tree tagging and daily tree felling will be conducted for contractor and forest workers. 3. Letter of Reminder to licensees, contractors and Department staffs on audit findings. 	<p>The Trengganu FMU has issued the noticed of compound Ref. No. (41) PHNT 100/3/1/5 dated 8th Nov. 2017 for using two (2) same number of fell tag on two trees to the Licensee, the Licensee accepted the notice of compound and the receipt of payment TR 032587 dated 12th Nov.2017 was evidence.</p> <p>The trainings on Forest Road Construction were conducted on 2nd Oct.2017, 3rd Oct 2017 and 5th Oct 2017, attended by Forestry Dept. Of Trengganu Officer, staff and the registered workers from the licence area.</p> <p>The training on Tree tagging has been included in the schedule for 2018 training.</p> <p>The "Borang Kawalan Tebangan Pokok " has been used for the control of felled trees in the licence areas, the FMU has improve and enhance by implementing the use of small and handy book to record the tree tagging that tree has been felled.</p> <p>Status: Major NCR Closed</p>

		2) One (1) tree stump with number CM03952 identified in the field as Damar Hitam with diameter 82 cm the trees has been felled, cross check with tagging book and “ Borang Kawalan Tebangan Pokok” dated 10/6/2017 the species recorded as Meranti Sarang Punai with diameter 66cm.		
Indicator 4.2.3 NCR No. : MRS 04/2017	Minor	<p>Requirement: <u>Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to forest workers in the work place.</u></p> <ul style="list-style-type: none"> Standard Operation Procedure (SOP) bagi Pembinaan Kongsi Pekerja Pembalakan Berdasarkan Keperluan Keselamatan dan Kesihatan Pekerjaan di Semenanjung Malaysia <p>Finding: First Aid Box was not fully equipped with the required kit as per procedure.</p> <p>Objective evidence : Auditor has found that only yellow lotion, calamine lotion and cutton wool were made available in the First Aid Box at logging camp, Compartment 68, Sg. Nipah PRF (TS 01-03-17).</p>	<p>The First Aid Kit at logging camp, Compartment 68, Sg. Nipah PRF (TS 01-03-17) has been replaced with the new First Aid kit, the expiry date on 2021.</p> <p>In addition Inspection Schedule for First Aid Kit will be conducted by the Trengganu FMU periodically.</p>	<p>Corrective action plan accepted.</p> <p>Status: The implementation and effectiveness of the corrective action plan will be verified during next audit.</p>
Indicator 7.3.2 NCR No.: KN04/2017	Minor	<p>Requirement: <u>Forest workers shall be trained as to their respective roles in the implementation of the forest management plan.</u></p> <p>Finding: Training to the forest workers as to their respective roles in the implementation of the forest management plan was not sufficient.</p> <p>Objective evidence: Interview with Foresters and contractors (kepala hutan) during the inspection of active logging area at Compartment 24A, Pelagat PRF (TU-01-06-17), and closed logging area at Compartment 1, Bukit Mual PRF (TU-01-02-17), was found they are not aware of “Guidelines for Forest Road 2010 (amended 2013)” specific to skid</p>	<p>The trainings on Standard Operating Procedure (SOP) “Schedule Waste Management”, and training on “Guidelines on Forest Road Construction 2010 (Amended 2013) has been included in the Training Schedule for 2018.</p>	<p>Corrective Action Plan accepted.</p> <p>Status: The implementation and effectiveness of the corrective action plan will be verified during next audit.</p>

		<p>trail requirements (minimum blading and slope)</p> <p>Interview with Foresters during the inspection of active logging area at Compartment 23 Hulu Telemong PRF (TB-01-13-17) and Compartment 44 Petuang PRF (TB-01-16-16) was found they are not aware of SOP on Scheduled Waste - "Pengurusan Sisa Pepejal dan Cecair Bukan Organik berdasarkan Keperluan Kualiti Alam Sekitar".</p>		
<p>Indicator 9.3.1 NCR No. : MRS 03/2017</p>	<p>Minor</p>	<p>Requirement: <u>Measures to demarcate, maintain and/or enhance the HCVF attributes are documented in the forest management plan and effectively implemented.</u></p> <p>Finding : Map of HCVF areas was not available in the Forest Management Plan.</p> <p>Objective evidence : HCVF areas as listed below were not demarcated on maps in the Forest Management Plan 2016-2025:</p> <ol style="list-style-type: none"> 1. Keruing Sarawak (<i>Dipterocarpus sarawakensis</i>) at Compartment 31, Jerangau PRF (Terengganu Barat) 2. Chengal Besar (<i>Neobalanocarpus heimii</i>) at Compartment 5, Pasir Raja (Terengganu Selatan) 3. Pokok Sal (<i>Johannesteijsmannia altifrons</i>) at Compartment 34, Jerangau PRF (Terengganu Barat). 	<p>Map of HCVF has been demarcated on maps and has been made available in the Forest Management Plan 2016-2025.</p>	<p>Corrective Action Plan accepted.</p> <p>Status: The implementation and effectiveness of the corrective action plan will be verified during next audit.</p>

Appendix VI

Verification on Previous Surveillance 1 Audit (2016) Findings and Action Taken

Indicator	Specification Major/Minor/OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
<p align="center">Indicator 3.3.1</p> <p align="center">NCR #: ZE 01 2016</p>	<p align="center">Minor</p>	<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 : 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>As 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.</p> <p>Status: The implementation and effectiveness of the corrective action plan will be verified during next audit.</p>	<p>During this surveillance 2 audit, it was found the consultation was made with Orang Asli Sungai Sayap, Mukim Keruak, Besut on 7 August 2017 and with Orang Asli Kampung Sungai Pergam, Mukim Jabor, Kemaman. Minutes of meeting and attendance list was verified and found no any special site in the PRF. In addition, Terengganu FMU was also had a discussion with JAKOA on 13 November 2017 on status of Orang Asli special cultural site. There are no any such areas in the FMU.</p> <p align="right">Status: Closed</p>
<p align="center">Indicator 4.2.5</p> <p align="center">NCR #: LYD-01/2016</p>	<p align="center">Minor</p>	<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 dust and hardly can be seen 	<p>Based on letter Bil.(38)d/m.PHDTS4/64/Jld.9, the FMU has directed the licensee 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 made at the diesel tank in order to prevent spillage and contaminated soil with oil.</p> <p>Status: The implementation and effectiveness of the corrective action plan will be verified during next audit.</p>	<p>During site review at temporary logging camp & workshop Compartment 23 PRF Hulu Telemong (TB 01-13-17) and Compartment 44 PRF Petuang (TB 01-16-16), container of liquid and solid non-organic wastes were labelled, genset area was managed without any oil spillage to soil, and safety signage at workshop was clearly displayed.</p> <p align="right">Status: closed</p>

<p>Indicator 6.5.1</p> <p>NCR #: MRS 01 2016</p>	<p>Minor</p>	<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 Silan' 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>	<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)d/m.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.</p> <p>Status: The implementation and effectiveness of the corrective action plan will be verified during next audit.</p>	<p>During site inspection, it was found that additional and extension of skid trail has been constructed without permission from District Forest Officer as below;</p> <p>1) Compartment 24A, Pelagat PRF (TU-01-06-17) for construction of skid trail LP18/JT1 2) Compartment 44, Jengai PRF (TS-01-14-16) for construction of skid trail LP8/JT2, and 3) Unregistered new skid trail at JT4, in Compartment 3B, Bukit Bandi PRF (TS-01-14-16)</p> <p>The recurrent of Minor NCR.</p> <p>Status: Upgraded to Major</p>
<p>Indicator 7.1.1</p> <p>NCR #: MRS 02 2016</p>	<p>Minor</p>	<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 Terengganu FMU has yet to finalise its draft of Forest Management Plan 2016-2025</p>	<p>As refer to official letter from Terengganu FMU – Bil.(55)d/m.PHNT.100/6/16 Bhg.11 dated 20 October 2016, 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.</p> <p>Status: The implementation and effectiveness of the corrective action plan will be verified during next audit.</p>	<p>The revised version of the Forest Management Plan (2016 – 2025) for Terengganu FMU has been made available during the audit. The FMP had included all the items listed from a) to i) in Criterion 7.1.</p> <p>Status: Closed</p>
<p>Indicator 7.4.1</p> <p>NCR #: MRS 03 2016</p>	<p>Minor</p>	<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>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.</p> <p>Status: The implementation and effectiveness of the</p>	<p>A summary of the primary elements of the FMP (2016-2025) was updated and made publicly available through the departmental webpage trgforestry.terengganu.gov.my.</p>

		<p>Objective evidence : Auditor has verified a summary of the primary elements of the FMP at 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</p>	<p>corrective action plan will be verified during next audit.</p>	<p>Status: Closed</p>
<p>Indicator 8.2.1</p> <p>NCR #: MRS 04 2016</p>	<p>Minor</p>	<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> <u>a) Yield of all forest products harvested.</u> <u>b) Growth rates, regeneration and condition of the forest.</u> <u>c) Composition and observed changes in the flora and fauna.</u> <u>d) Environmental and social impacts of harvesting and other operations.</u> <u>e) 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>	<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.</p> <p>Status: The implementation and effectiveness of the corrective action plan will be verified during next audit.</p>	<p>The 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 made available in the Forest Management Plan (2016-2025) for Terengganu FMU.</p> <p>Status: Closed</p>
<p>Indicator 8.5.1</p> <p>NCR #: MRS 05 2016</p>	<p>Minor</p>	<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 :</p>	<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.</p> <p>Status: The implementation and effectiveness of the corrective action plan will be verified during next audit.</p>	<p>The summary of the results of monitoring indicators, including those listed in Criterion 8.2 was made publicly available in the Terengganu Forestry Department official website: trgforestry.terengganu.gov.my</p> <p>Status: Closed</p>

		An up-to-date of public summary of results of monitoring indicators, including those listed in Criterion 8.2 was not made publicly available		
Indicator 6.10.1 OFI #: 1	OFI	<p>The forest manager shall ensure that <u>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; and</u></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. Unfortunately, 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 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>	<p>The Iron mine project at Besul Tambahan PRF for Compartment 1 to 6 had been degazetted as PRF by the state government of Terengganu as verified during this Surveillance 2 Audit.</p> <p>Status: Closed</p>

-End of Report-