



**PUBLIC SUMMARY  
STAGE 2 AUDIT REPORT (2018) ON  
BAHAU KAHEI FOREST MANAGEMENT UNIT  
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC-NF 00121  
Date of First Certification: 19 December 2018  
Audit Date: 15-18 Jan 2018  
Date of Public Summary: 28 December 2018**

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## **EXECUTIVE SUMMARY**

The Stage 2 audit for forest management certification on the Jaya Tiasa Holdings Berhad – Bahau Kahei FMU was conducted from 15-18 January 2018. This was an audit conducted following the Stage 1 audit which was conducted in 26-28 July 2017 on the overall forest management system and practices of the FMU against the requirements of the Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] using the verifiers stipulated for Sarawak, Malaysia.

The audit was conducted with the full cooperation of the Jaya Tiasa Sdn. Bhd. by a three-member team comprising Khairul Najwan Ahmad Jahari (Lead Auditor), Hj Roslee Jamaludin, and Puteri Arlydia Abdul.

In general, the findings of this stage 2 audit have indicated that the FMU had complied with most of the requirements of the MC&I (Natural Forest) despite the issuance of total thirteen (13) Major and eight (8) Minor Non-Conformance Report (NCRs) on the Bahau Kahei FMU, against the requirements of the MC&I (Natural Forest).

The FMU had submitted a proposed corrective action plans to address the NCRs raised during the stage 2 audit on 12<sup>th</sup> April 2018 by courier and on 22<sup>nd</sup> June 2018 by email which has been accepted by the audit team leader. The evidences of corrective action taken for Major NCR was accepted and closed during the Verification Audit on 7-10 August 2018.

The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs shall be verified by the audit team during the next surveillance audit.

## 2 INTRODUCTION

### 2.1 Name of FMU

Jaya Tiasa Holding. Bhd – Bahau Kahei FMU

### 2.2 Contact Person and Address

Name: Hii Sii Yew

Designation: Senior Manager, Certification

Address: Jaya Tiasa Holdings Berhad – Bahau Kahei FMU

No.41-43 Blok D, Pusat Suria Permata,

Lorong Upper Lanang 12C,

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### 2.3 General Background on the Bahau Kahei FMU

The Forest Timber Licence (FTL) No. T/3236 was issued to Ankura Trading (M) Sdn. Bhd. by the Sarawak Forestry Department on 15<sup>th</sup> October 1990 to 14 October 2005 to manage a total 45,035 ha of the Bahau Protected Forest (13,160ha) and Linau Protected Forest (25,320 ha), and State Land (6,555ha), which is located within the Belaga District of Kapit Division, Sarawak for an initial period of 15 years. It was subsequently renewed on 14<sup>th</sup> October 2010 until 14<sup>th</sup> October 2026 for re-entry logging.

The Natural Forest (NFM) managed by Jaya Tiasa Holdings Sdn. Bhd. covers an area of 45,035 ha of Bahau Protected Forest and Linau Protected Forest. The forest area is situated approximately between Latitudes 1° 49' N to 2° 4' N and Longitudes 114° 33' E to 114° 53' E, within Upper Belaga District, Kapit Division and bounded by Sg Kahei in the North West; a cut line to the South-West from Batang Balui; Going East of Sg. Aput, and borders of the Sarawak (Malaysia) – Kalimantan (Indonesia) International Boundary. The Bahau-Kahei FMU is about 176 km (straight line) to the North-East of Kapit Town and accessible by the river of Batang Baleh from Sibu-Kapit-Putai Log-Pond (7 hours travelling by express boat) and continue travelling from Putai Log Pond - Jaya Tiasa Veneer Mill - Camp Wood for 170km or 5 to 6 hours by logging roads.

The forest types in the FMU are logged-over Hill Mixed Dipterocarp Forest (MDF) and relatively small pockets of Kerangas Forest. The general landform of the FMU ranges from undulating to considerably hilly terrain with elevation between 450m to 1,360m a.s.l. The FMU has been approximately zoned into forest function for Protection (water catchment), Terrain IV (3,909 ha), International Buffer Zone Area (5,684 ha), Shifting Agricultural Area (925 ha), River Buffer (4,870 ha) and Production Area (29,753 ha). The FMU also within the Heart of Borneo Corridor (HoB)

Currently, the FMU has proposed General Harvesting Plan (GP) approved on 2<sup>nd</sup> January 2018 and logging activities were conducted at Coupe 1, Block 5,7,8 and 9, tree tagging activities at block 25, Post F at Block 1&2.

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

### 2.4 Date First Certified

19 December 2018

## 2.5 Location of the FMU

The forest area is situated approximately between Latitudes 1° 49' N to 2° 4' N and Longitudes 114° 33' E to 114° 53' E, within Upper Belaga District, Kapit Division and bounded by Sg Kahei in the North West; a cut line to the South-West from Batang Balui; Going East of Sg. Aput, and borders of the Sarawak (Malaysia) – Kalimantan (Indonesia) International Boundary.

## 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) (2017) to (2026) was presented during this audit.

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

Under the Eleventh Malaysia Plan (2017-2026), the annual allowable cut (AAC) for the FMU had been set at 1488 ha. During this audit, the size of the FMU is 29,753.00 ha.

## 2.8 Environmental and Socioeconomic Context

A stakeholder notification was issued in 15 December 2017 for a period of one month inviting relevant stakeholders to give comments on the FMU. There are only two comment received from the stakeholders on Ravenscourt FMU during the period.

The audit team had conducted an onsite consultation with the relevant stakeholders during the Stage 2. Details of the consultation with the stakeholders are showed in the audit plan as well as in the Stage 2 audit report in Principles 2, 3 and 4.

# 3. AUDIT PROCESS

## 3.1 Audit Dates

15-18 Jan 2018 and 7-10 August 2018

## 3.2 Audit Team

1. Khairul Najwan bin Ahmad Jahari (Lead Auditor)
2. Hj Roslee Jamaludin
3. Puteri Arlydia Abdul.

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 Sarawak.

## 3.4 Stakeholder Consultations

A stakeholder notification was issued in 16 April 2017 for a period of one month inviting relevant stakeholders to give comments on the FMU. However, there was no comment received from the stakeholders on Ravenscourt FMU during the period.

The audit team had conducted an onsite consultation with the relevant stakeholders during the Stage 2. Details of the consultation with the stakeholders are showed in the audit plan as well as in the Stage 2 audit report in Principles 2, 3 and 4.

### 3.5 Audit Process

A total of total thirteen (13) Major and eight (8) Minor Non-Conformance Report (NCRs were raised on the Bahau Kahei FMU against the requirements of the MC&I (Natural Forest). The audit team had examined all the action plans received and closed during the verification audit on 7-10 August 2018. Bahau Kahei FMU had showed their commitment to address the non-conformities by establishing action plans as detailed in Attachment 3.

### 4.0 SUMMARY OF AUDIT FINDING

The summary on the findings of the Stage 2 on the Bahau Kahei 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>	<p>The forest management had maintained records of all relevant national, local laws, regulations and policies related to forest management. Copies of all relevant laws, policies and regulations stipulated in the MC&amp;I (Natural Forest) fundamental for the FMU management were available in the office at the Bahau Kahei FMU - Camp Wood, Kapit Division, Sarawak..</p> <p>Forest managers are aware and/or knowledgeable of the applicable federal, state and local laws, as well as the regulatory framework for forest management.</p> <p>Bahau Kahei FMU has not violated any law and therefore no compound or penalty imposed by the relevant authorities.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Bahau Kahei Camp Office.</p> <p>The forest managers had expressed their willingness to participate in resolution of such conflicts if they arise.</p>	<p>Patrolling on active area of Coupe 1 was conducted on weekly basis and last visit recorded on 10 Jan 2018 was verified during the audit.</p> <p>However, during site inspection at Coupe 19, it was found a wooden structure house has been constructed, and trees has been illegally felled. Site visit to external license boundaries on Coupe 18 adjacent to T/3371 (Jaya Tiasa) also found the demarcation was not available. External boundaries for Coupe 17 with T/3228 (Shin Yang Trading) were also not available. The control of encroachment, illegal harvesting and settlement, and other unauthorised activities in the FMU found to be insufficient. Therefore, <b>Major NCR KN01/2018 was raised on Indicator 1.5.2</b></p>
<b>Principle 2 Tenure and Use Rights and Responsibilities</b>	<p>Legal documents such as The Constitution of the state of Sarawak, Land Code 1958 (Cap 81), Natives Court Ordinance 1992, Natives Customs (Declaration) 1996, Sarawak Cultural Heritage Ordinance 1993, Community Chiefs and Headmen Ordinance 2004, Native Courts (Amendment) Ordinance 2001 (Cap A87) has been made available at main</p>	<p>There were no negative findings</p>

Principle	Strengths	Weaknesses
	<p>office (Bahau Kahei - Camp Global Anthem).</p> <p>Documents on legal or customary tenure or use rights of local communities within relevant federal and state legal frameworks and customary laws for the forest plantation areas were available in main office (Bahau Kahei - Camp Global Anthem). To the date, no complaint has been received with regards from local communities.</p> <p>Consultation via meeting has been choose as a mechanism to resolve disputes over tenure claims and use rights, if any. The first meeting dated 26/09/2017 of <i>Jawatankuasa Pelestarian dan Pembangunan Komuniti</i> (CCDC) has discussed among other; the <i>Hutan Komunal, Kawasan Temuda, Pelestarian Kawasan Bernilai Tinggi (HCVA)</i> and past experience with previous logging licensee (Tapak Megah) etc.</p>	
<b>Principle 3 Indigenous People's Rights</b>	<p>Documentation of the customary rights of indigenous peoples' lands was available. As described in Indicator 2.1.1, a total of 925ha Shifting Cultivation/Area (SA) inside FMU area has been demarcated for local community use based on aerial survey (satellite image analysis). Record showed these areas has been presented during <i>Jawatankuasa Pelestarian dan Pembangunan Komuniti</i> (CCDC) meeting on 26/09/2017.</p> <p>Based on interview with FMU manager and stakeholder consultation (during current audit), no indigenous traditional forest-related knowledge and practices has been used by the FMU in forest operations.</p>	<p>The FMU has established Strategic Forest Management Plan (2017-2026), approved by Forest Department of Sarawak.</p> <p>However, the preventive and mitigation measures to protect indigenous people rights on resources (based on request for mutual understanding) to respect &amp; recognise their significant economic &amp; cultural e.g. <i>Hutan Komunal / Pemakai Menua / Pulau &amp; Temuda</i> (Hunting Area, Shifting Agricultural Area etc.), Burial Area &amp; Water Intake Point has yet to be incorporated into Forest Management Plan. Hence, Minor <b>NCR LYD-01/2018 on Indicator 3.2.1 has been raised</b></p> <p>Audit also found record of actions taken to prevent or mitigate adverse impacts against indigenous people rights on resources (based on request mutual understanding to respect &amp; recognise their significant economic &amp; cultural (no official legal claim) e.g. <i>Hutan Komunal / Pemakai Menua / Pulau, Temuda,</i></p>

Principle	Strengths	Weaknesses
		<p>Burial Area &amp; Water Intake Point has not been made available during this audit. Another <b>Minor NCR LYD-02/2018 on Indicator 3.2.2 has been raised</b></p> <p><b>Minor NCR LYD-03/2018</b> has been raised on Indicator 3.3.1 as the following were found to be inadequate during <u>identification activities of protecting sites of special cultural, ecological, economic or religious significance to natives:</u></p> <ol style="list-style-type: none"> <li>1. Procedures for identifying and protecting sites of special cultural, ecological, economic or religious significance to natives</li> <li>2. During preliminary discussion (<i>Jawatankuasa Pelestarian &amp; Pembangunan Komuniti CCDC</i>) dated 26/09/2017, local communities of Long Unai has request <u>mutual understanding to respect &amp; recognise their significant economic &amp; cultural area</u> (no official legal claim) of <i>Hutan Komunal / Pemakai Menua / Pulau &amp; Temuda</i> (Hunting Area, Shifting Agricultural Area etc.). As this issues in the midst of discussion, FMU also has raised good will to protect Burial Area &amp; Water Intake Point as protection area. To the date, the following has not been implemented yet: <ol style="list-style-type: none"> <li>a. Adequate consultations held with local communities &amp; authorities to finalize the identification and documents these areas (cultural, religious &amp; water intake etc.)</li> <li>b. Records of action taken to protect the identified significant sites of local communities</li> </ol> </li> </ol>
<b>Principle 4 Community Relations and Workers' Rights</b>	Workers have been insured by Lonpac Insurance Bhd which covered on annual basis, based on date join	Appropriate support for training has been provide to all including among other are; Safety and Health – Logging Operation 22/10/2017,



Principle	Strengths	Weaknesses
	<p>in/employment date and renewal for sampled workers found to be valid to current audit, including foreign workers. For local, additional contribution through SOCSO (Social Security Organisation) has been made available as per <i>Peraturan-peraturan (AM) Keselamatan Sosial Pekerja 1971 (Per 44A)</i>.</p> <p>Stakeholder consultation during audit with Long Unai has confirmed the meeting was conducted appropriately. To the date there is no grievances and fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local communities has been raised. It is also confirmed that Long Unai people has not seen any activity been carried out in the buffer zone for both sides of the river near the village. Shall any issue arise, FMU committed to follow their SOP for Conflict Resolution.</p>	<p>Emergency Preparedness and Response 4/05/2017, Reduce Impact Logging 11/02/2017, <i>Pengetahuan Mengenai Keperluan Alam Sekitar dalam Operasi</i> 22/11/2017, 12-15/04/2017, 27/08/2017, FMU Policies 14/11/2017 and 22/08/2017, Occupational Safety and Health 3/05/2017 and Fire Extinguisher application 7/1/2018.</p> <p>However, it was found the awareness and understanding of harvesting forest workers at operation sites at Block 7, 8, 9 and Log Scaler against MC&amp;I (Natural Forest) found to be insufficient as per interview during current audit. <b>Therefore, Minor NCR LYD-04/2018 on Indicator 4.1.1 has been raised</b></p> <p>The FMU has presented 2 documents e.g. a 1-Socio-Economic Study of the Communities found within and around The Forest Managements Units (FMUs) Undergoing Certification in Kapit Division of Sarawak dated June 2010 and 2-Report on Industrial Attachment at Jayatiasa Holding Berhad at Camp Wood, Bahau-Kahei Forest Management Unit T/3236 Kapit Division from 16/10/2017-22/12/2017 as Social Impact Assessment (SIA) covering Long Unai (353 villagers with 53 households. Estimated at the assessment this village have 72% are Punan tribe and another 28% remaining are Kenyah tribe). However, the coverage on the Social Impact to communities coming from the forest operations has not been adequately assessed. Thus, <b>Major NCR LYD-05/2018 on Indicator 4.4.1 has been raised.</b></p> <p>The result of SIA evaluation was not available to be incorporated in the forest planning and management, and Issue of Concern has been</p>

Principle	Strengths	Weaknesses
		raised. As per verified during current audit, forest planning and management practices has not considered and incorporate the results of social impact assessment into Strategic Forest Management Plan 2017-2026 resulted <b>Minor NCR LYD-06/2018 on Indicator 4.4.2 has been issued</b> to the FMU
<b>Principle 5 Benefits from the Forest</b>	<p>For the assessment of timber resource, the FMU had established Permanent Sample Plot, sampling units of 1ha plot of 100m width and 100m length for every 1000 ha of operable area and systematic recording of field data and information are being carried out by the FMU. The data collected will be used to obtain preliminary information on growth and yield of forest stand particularly to determine the best harvesting period and minimum cutting limit for both Dipterocarp and Non-Dipterocarp spp.</p> <p>The main products extracted from the forest in the FMU were logs and in accordance to RIL guidelines and detailed harvesting plans. No minor forest produce had been extracted.</p> <p>The FMU operating only for the production and harvesting of timber products particularly logs. The production mix of forest product including the utilization of non-timber forest products by local community enterprises was not available. The FMU has been zoned into three forest function: Protection zone that has been marked includes water catchment, SA. Terrain IV and conservation area for the livelihood of the local community.</p>	<p>Provisions and management prescriptions are made to maintain, restore or enhance the productive capacity and ecological integrity of the FMU to ensure its economic viability was available. The FMP of Bahau Kahei FMU (2017-2026) had also elaborated on forest management, conservation, socio-economic status and environmental protection. Chapter 8 of FMP also elaborated on the provision for research and data collection for monitoring of forest growth and dynamics.</p> <p>However, the FMU did not maintain the record of Silvicultural treatment even though the climber cutting treatment on the PCT was conducted. Therefore, Minor NCR RJ 2/2018 for indicator 5.1.2 was raised.</p>
<b>Principle 6 Environmental Impact</b>	The FMU intended to collaborate with research institution on Post-F inventory and wildlife population dynamics in the near future, to keep on updates on its monitoring result. The FMU has list out the future Collaborators (research)	The guidelines to identify and protect endangered, rare and threatened species of forest flora and fauna, including features of special biological interest such as

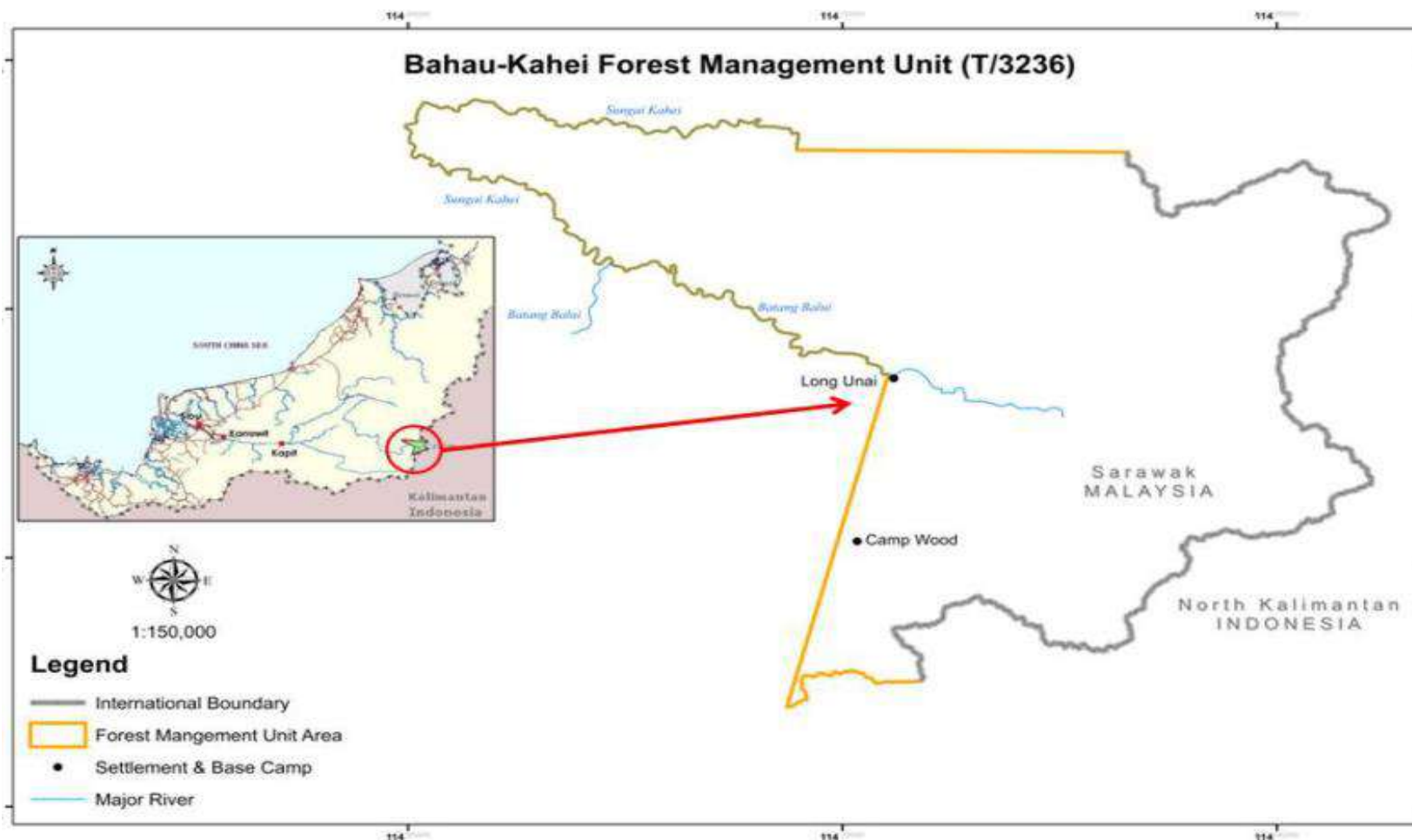
Principle	Strengths	Weaknesses
	<p>namely Universiti Putra Malaysia, Universiti Malaysia Sarawak, Universiti Malaysia Sabah, Universiti Malaya, Swinburne University, Universiti College of Technology Sarawak, Kyoto University and Forest Research Institute of Malaysia.</p> <p>Site visit to Diagnostic Sampling Plot (DS) No.DS02 in Block 1 Coupe 1 with the area of 78 ha. was harvested in July 2017, showed that the plot has been established base on the SOP and the recording has been done correctly. The inspection was done in subplot-I, tree No I01 DBH 11.5cm (Kayu Malam), tree I02 29.7cm (Benuang), tree no I03 14.1cm (MRTM), tree no. I04 15.2cm (KRX), and in sub plot-H, tree No. H02 55.4cm (Benuang), tree no. H01 42.6cm (Benuang) and H03 25cm (Tapang Lalat). These trees have been recorded correctly in the field sheet.</p> <p>Site visit to Shifting Cultivation (SA) area at block 25 evidenced that the boundary has been marked with yellow paint. The buffer zone at Sungai Unai had been marked with blue paint, it was found that these areas were intact, signboard was installed.</p> <p>Earth bunds/ water bar to reduce the impact of rain water along slopes were constructed across the skid trails immediately after the harvesting operation was completed. These bunds were observed at ST-01 Block 8 Coupe 1. The felling of trees did not involve riparian buffer zone.</p>	<p>seed trees, salt licks, nesting and feeding areas in the FMU can be referred in "Guidelines to Identify Endangered, Rare, Threatened or Protected Forest Tree Species in Sarawak dated October 2013 by SFC and SFC Guidelines ERT Species (September 2014) by SFC. However, the List of Endangered, Rare and Threatened (ERT) Flora and Fauna species were not included in the Environmental Impact Assessment for Hill Logging Under Forest Timber License No. T/3236 and Forest Management Plan for Bahau - Kahei FMU (2017-2026). FMU only include list of flora and fauna from adjacent FMU license T/3371. Therefore, a Minor NCR RJ3/2018 for indicator 6.2.1 was raised.</p> <p>Road construction, layout, log landings and drainage requirement were following the guidelines. Inspections of the main access road and secondary roads showed that the appropriate drainage system was maintained with road surfaces well compacted. However, during the site inspection at Block 8 of Coupe 1, it was found that additional skid trail at ST- 01 has been constructed without approval by Sarawak Forestry Corporation. Therefore, a <b>Major NCR RJ 4/2018 for indicator 6.5.1 was raised.</b></p>
<b>Principle 7 Management Plan</b>	<p>Records of new scientific and technical information pertinent to the management of the area to be certified were also available to the forest managers. Records of new scientific and technical information and from monitoring activities were covered in the FMP.</p> <p>The FMU provides facility and training has been planned as per Training Schedule 2017 and 2018. Progressive communication and planning have</p>	<p>The FMP provides maps specific to planned management activities and references to supporting documents that include Tables, Figures Charts, Graphs, Schedules, Budgets, SOPs and operation guidelines either as Annexes or Appendices.</p> <p>Chapter 9 of FMP has list out the method of silvicultural treatment for the logged over forest, however the</p>

Principle	Strengths	Weaknesses
	been done with Jayatiasa Plywood Sdn Bhd as well as Jayatiasa HQ and supported by Sarawak Forestry Corporation (SFC), Forest Department of Sarawak (FDS) and Sarawak Timber Association (STA).	list of the areas involved were not evidence in the FMP. Therefore, <b>Minor NCR RJ4/2018 was raised on Indicator 7.1.1</b>
<b>Principle 8 Monitoring and Assessment</b>	Sarawak Forestry Corporation has conducted harvesting monitoring as per 'Procedures for the inspection of harvesting areas, 1999'. Pre-felling inspection on coupe boundaries and buffer zone area has been conducted on 14 November 2016. Logging road inspection for feeder roads and skid trails was carried out on 9 <sup>th</sup> January 2017.	<p>Auditor has found that Standard Operating Procedure (SOP) dated January 2018 to monitor social, ecological, environmental and economic impacts to monitor on impacts of harvesting and management operation were not sufficient. Appropriate monitoring procedures and monitoring report for assessing social, ecological, environmental and economic impacts were not sufficient. <b>Thus, Major NCR KN02/2018 on Indicator 8.1.2 was raised.</b></p> <p>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 were not sufficiently gathered. This includes;</p> <ul style="list-style-type: none"> <li>• During the inspection of Permanent Sample Plots, it was found only 2 out of 40 were established (Coupe 7 and 19 only). Establishment of new PSP were not well distributed to the whole area of FMU.</li> <li>• Reports on social, environmental, and economic impacts evaluation not available</li> </ul> <p>Thus, Major NCR KN03/2018 was raised on Indicator 8.2.1</p> <p>During the site inspection at the Place of Royalty Marking (PoRM) at Camp Wood, the following documents/records were hardly retrievable, and the control of records found to be inadequate:</p> <ul style="list-style-type: none"> <li>• Record of Daily Production Return (up to individual tree)</li> <li>• Record of log specification</li> </ul>

Principle	Strengths	Weaknesses
		<p><b>Thus, Major NCR RJ05/2018 was raised</b></p> <p>A summary of the monitoring results for (a) Yield of all forest products harvested, (b) Growth rates, regeneration and condition of the forest, (c) Composition and observed changes in the flora and fauna, and (e) Costs, productivity and efficiency of forest management as verified in the public summary at the Jaya Tiasa's website:  <a href="http://www.jayatiasa.net/data/cms/files/03%20Monitoring%20Results.pdf">http://www.jayatiasa.net/data/cms/files/03%20Monitoring%20Results.pdf</a> were not available. Therefore, Major NCR KN04/2018 on Indicator <b>8.5.1 was raised.</b></p>
<b>Principle 9 Maintenance of High Conservation Values</b>	The results and findings of the HCVFs monitoring activities was incorporated into the implementation and revision of the forest management plan as in Chapter 11.4 – Summary of findings and Chapter 11.5 – Management and Monitoring of HCVF by Attributes	<p>The report on HCVF assessment, identification and demarcation on maps of proposed HCVFs was not available. Major NCR KN05/2018 was raised.</p> <p>Since the HCVF Report Assessment has yet to be conducted, thus the list of relevant stakeholders consulted regarding the HCV area was not available. The list of relevant stakeholders consulted regarding HCV which should include NGOs, government bodies, universities and/ or related local communities was not available. Evidence of consultation with stakeholders on HCV was not available. Therefore, Major NCR KN06/2018 was raised.</p> <p>The FMU has incorporated HCVF's information into the Forest Management Plan under Chapter Eleven: Identification and Management of Protection Areas. However, the protected HCVF's areas has yet to be incorporated of into the Forest Management Plan (2017-2026) at Bahau Kahei FMU. Thus, Major NCR KN07/2018 was raised</p>

Principle	Strengths	Weaknesses
		<p>The HCVF areas have yet to be mapped and incorporated progressively into the Forest Management Plan and demarcated on the ground, where appropriate. Measures to demarcate, maintain and / or enhance the HCVF attributes have not been implemented. Thus, a <b>Major NCR KN08/2017</b> for Indicator 9.3.1 was raised.</p> <p>Since the HCVF Report Assessment not available, the measures to demarcate, maintain and / or enhance the HCVF attributes taken by Bahau Kahei FMU in the forest management plan summary available to the public <a href="http://www.jayatiasa.net/data/cms/files/02%20High%20Conservation%20Value%20Attributes.pdf">http://www.jayatiasa.net/data/cms/files/02%20High%20Conservation%20Value%20Attributes.pdf</a> were not valid. <b>Major NCR KN09/2018</b> for Indicator 9.3.2 was raised.</p> <p>Monitoring procedures and records to assess the effectiveness of the measures in the management of the HCVF area were not available. Therefore, <b>Major NCR KN10/2018 on Indicator 9.4.1 was raised.</b></p>

Map of Bahau Kahei FMU



**Details of The Auditors And Their Qualification**

<b>Assessment Team</b>	<b>Role/Area of MC&amp;I Requirement</b>	<b>Qualification and Experience</b>
Khairul Najwan Ahmad Jahari	Audit Team Leader / Forester	<p>Academic Qualification:</p> <p>B.Sc. of Forestry (Forest Management), Universiti Putra Malaysia.</p> <p>Work Experience:</p> <p>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. 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 Lead Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International, since 2009. Involved in conducting assessments on forest management certification (MC&amp;I and FSC P&amp;C), MYNI of RSPO P&amp;C and other management system on ISO 9001, 14001 and OHSAS 1800</p> <p>Training / Research Areas:</p> <p>Was attending and pass in the following training programmes:</p> <p>Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;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>



Mohd Razman Salim	Auditor/ Forester/ Safety Auditor	<p>Academic Qualification:</p> <p>B.Sc. of Forestry (Forest Production), Universiti 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 &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:</p> <p>Was attending and pass in the following training programmes:</p> <p>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> <p>EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013.</p> <p>OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013.</p> <p>QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013.</p>
Hj.Roslee Bin Jamaludin	Auditor/ Forester	<p>Academic Qualification:</p> <p>B.Sc of Forestry (Forest Management), University Putra Malaysia.</p> <p>Diploma of 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</p>

		<p>Assistant Forest Management officer in Kuantan, Forestry Department of Pahang, Assistant District Forest Officer in Kuala Lipis Pahang and Segamat , Johore. Forest Plantation Officer in Johore 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 to further improved the existing procedures, such as, Forestry Manual, Forest Road Guidelines, Forestry Rules, other guidelines regarding the MC&amp;I for forest certification. A member of MAJURUS, was appointed as an Internal Auditor for the MC&amp;I. Has attended several forestry Conference overseas and local. A member of IRIM (Institut Rimbawan Malaysia). Appointed as a fasilitator and trainer for Forest Road Guidelines by Forestry Department Peninsular Malaysia.</p> <p>Training / Research Areas:</p> <p>NA</p> <p>Attended training programmes:</p> <p>Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;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 &amp; Criteria (HCV) organised by SIRIMQAS (Food, Agri&amp; Forestry Section) 21 August 2015.</p> <p>Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food, Agr &amp; Forestry Section) 26 Jan 2016.</p>
Puteri Arlydia Abdul	Auditor	<p>Academic Qualification:</p> <p>Work Experience:</p> <p>February 2012 – April 2015</p> <p>Intertek Certification International Sdn Bhd</p> <p>Business Assurance / Management Certification Audit</p> <p>Certification Administration Executive / Auditor</p> <p>Assist in RSPO P&amp;C, RSPO SCC, RSPO RED, PEFC COC, ISSC DE, ISSC EU (Contract, Audit preparation, Certificate, Etrace)</p> <p>Conduct ISO 9001 Audits</p> <p>May 2011 - January 2012</p> <p>Transparency International Malaysia</p>

		<p>Non-Government Organisation (NGO) / Forest Governance Integrity Awareness Program</p> <p>Project Research Officer</p> <p>Assist in Forest governance integrity awareness programs / event November 2008 – January 2011</p> <p>Forest Plantation Development Sdn Bhd</p> <p>Government Link Company (GLC) / Special Purpose Vehicle by Government to Provide Softloan and Monitor Forest Plantation Program</p> <p>Project Officer / Forester</p> <p>Audit Forest Plantation Against MC&amp;I - Forest Plantation for government grant approval</p> <p>Training / Research Areas:</p> <p>ISO 9001: 2008 Lead Auditor Course dated 19-23 March 2012 &amp; Training on ISO 9001:2015 (final version) dated 21 Sep 2015</p> <p>Specialisation: Silviculture, Forest Ecology, Agroforestry.</p> <p>Latest research: Mapping and Assessment of Present and Future Potential Carbon Storage in Malaysian Forest: Soil Carbon, Woody Debris and Vegetation. RUGs, UPM, 2009-2011</p>
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## Comments Received from Stakeholders and Responses by Audit Team Leader

	Stakeholders Comment	Auditors Comment
<p>Iqbal bin Abdullah, Chairman, Malaysian Nature Society, Miri Sarawak</p> <p>Date: 19.12.2017</p>	<p>We don't have any relation with the above FMU since we are located in Miri</p> <p>We do hope this FMU would become new ecosystems for animals (esp. protected species) and before it would due to be forested back, to implement necessary action to protect the wildlife i.e. Sun Bear, Pangolin, etc.</p>	<p>Audit found the FMU intended to collaborate with research institution on Post-F inventory and wildlife population dynamics in the near future, to keep on updates on its monitoring result.</p> <p>The activities on hunting, fishing and collecting activities and inappropriate activities were prevented in the FMU and controlled by Honorary Wildlife Rangers.</p> <p>The report on weekly patrolling to monitor and record of any hunting activities and illegal logging within the active coupe and the surrounding area was presented during the audit.</p> <p>In Addition, posters and leaflets on Endangered Species and Totally Protected Animals of Sarawak, Protected Animals of Sarawak and Totally Protected Plans of Sarawak, were posted at various location as in Office, Canteen, workshop and other areas.</p>
<p>Mitchel Boy Samuel, Environmental Control Officer, NREB Sarawak</p> <p>Date: 8.1.2018</p>	<p>EMR has been regularly submitted quarterly, latest EMR received on 2 October 2017 for 3<sup>rd</sup> Quarter 2017 FMU is also in the process of regarding to Environmental Compliance Audit to replace EMR submission.</p>	<p>Audit found the FMU has conducted EIA for The Hill Logging Under Timber Licence No. T/3236 at the Batang Balui – Sg Kahei – Sg. Aput Area, Kapit Divisions, Sarawak dated June 2013 was conducted for the FMU as required under item 2(i) of the First Schedule of the said Order under Section 11A (1) of the Natural Resources and Environmental Ordinance. The EMR for 3<sup>rd</sup> Quarter 2017 (July-September 2017) for Licence T/3236 was presented during the audit.</p>

## Stage 2 Audit Plan

DAY	TIME	PROGRAM	
		(AUDITOR 1 & 2)	AUDITOR (3)
<b>Travel Day 1</b>  <b>12.1.18</b> <b>Friday</b>	04.00pm-11.00pm	All Auditors travelling from KLIA to SIBU on 12 Jan 2018.  Flight from Kuala Lumpur (KUL) to Sibu (SBW)- MH2718 ETD-19:55, ETA-21:50  Staying at Tanah Mas Hotel	
<b>Travel Day 2</b>  <b>13.1.18</b> <b>Saturday</b>	8.00 am – 12.00 pm  12.00 pm – 3.00 pm	Travelling to Kapit by Express Boat  Continue travelling to Sempileh Log Pond  Staying at JTP (Jaya Tiasa Plymill)	
<b>Travel Day 3</b> <b>14.1.18</b> <b>Sunday</b>	7.00 am – 12.00 pm	Continue travelling to Bahau Kahei FMU (Camp Wood)	
<b>Day 1</b>  <b>15.1.18</b>  <b>Monday</b>	8.00 am – 1.00 pm          2.00 pm – 5.00 pm	<ul style="list-style-type: none"> <li>Opening Meeting with representatives of FMU</li> <li>Briefing session by Forest Manager of the FMU</li> <li>Q&amp;A Session</li> <li>Follow up on issues of concern from Stage 1</li> <li>Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> <li>Local Communities</li> <li>Government agencies</li> <li>NGOs</li> </ul> </li> <li>Evaluate on internal audit and management review</li> </ul> Documentation and records review  Principle 1 – Compliance with Laws and Principles Principle 2 – Tenure and Use Rights and Responsibilities Principle 3 – Indigenous Peoples' Right Principle 4 - Community Relations and Worker's Right Principle 5 – Benefits from the forest Principle 6 – Environmental Impact Principle 7 – Management Plan Principle 8 – Monitoring and Assessment Principle 9 – Maintenance of High Conservation Value (HCV) <ul style="list-style-type: none"> <li>Review of Day 1 Findings by Audit Team Leader</li> </ul>	

<b>Day 2</b>  <b>16.1.18</b>  <b>Tuesday</b>	7.30 am – 1.00 pm	<b>Site visit</b> <ul style="list-style-type: none"> <li>• Inspection of Pre-harvesting/tree tagging area</li> <li>• Consultation with contractors and workers operating in active logging area, bulldozer, hook-man, chainsaw and supervisor.</li> <li>• Inspection of Coupe Boundary</li> <li>• Silviculture treatment activities</li> <li>• PSP plots</li> </ul>	<b>Site visit</b> <ul style="list-style-type: none"> <li>• Consultation with Local Communities – Long Unai</li> <li>• Consultation with stakeholders – Sarawak Forestry Department and Sarawak Forestry Corporation (SFC)</li> </ul>
	2.00 pm – 5.00pm		
		<ul style="list-style-type: none"> <li>• Review of Day 2 Findings by Audit Team Leader</li> </ul>	
<b>Day 3</b>  <b>17.1.18</b>  <b>Wednesday</b>	7.30 am – 1.00 pm	<b>Site visit</b> <ul style="list-style-type: none"> <li>• Inspection of active harvesting area of Block 5, 7, 8 and 9 of Coupe 1</li> <li>• Inspection of Post-harvesting area</li> <li>• HCVF area and Fauna monitoring sites</li> <li>• Inspection of FMU Licenses Boundaries by Helicopter</li> <li>• Inspection of Stumping Site</li> </ul>	<b>Site visit</b> <ul style="list-style-type: none"> <li>• Consultation with workers and worker’s representative</li> <li>• Check on workshop, nursery and chemical store</li> <li>• Inspection of staff quarters</li> </ul>
	2.00 pm – 5.00pm		
		<ul style="list-style-type: none"> <li>• Review of Day 3 Findings by Audit Team Leader</li> </ul>	
<b>Day 4</b>  <b>18.1.18</b>  <b>Thursday</b>	8.30 am – 1.00 pm	<ul style="list-style-type: none"> <li>• Documentation and records review</li> </ul>	
	2.00pm-3.00 pm	<ul style="list-style-type: none"> <li>• Preparation of audit report and finding</li> <li>• Briefing to representatives of FMU on the findings of audit</li> </ul>	
	3.00pm	<ul style="list-style-type: none"> <li>• Closing Meeting and presentation of findings of audit and discussion on follow-up activities</li> </ul>	
	5.00pm-10.00pm	<ul style="list-style-type: none"> <li>• Adjourn Closing Meeting</li> </ul>	
		<ul style="list-style-type: none"> <li>• Travelling from Camp Wood to JTP*</li> </ul>	
		Staying at JTP	
<b>Travel Day 1</b>	7:30am* - 11:00 pm	Travelling from JTP to Sempileh Logpond*	

<b>19.1.18</b> <b>Friday</b>	11.30am – 2.30pm  6.00pm	Travelling to Kapit and continue to Sibu by Express Boat  Staying at Tanah Mas Hotel
<b>Travel Day 2</b>  <b>20.1.18</b> <b>Saturday</b>	9.00am	All Auditors travelling from SIBU to KLIA on 20 Jan 2018.  Flexi MAS Flight from Sibu (SBW) to Kuala Lumpur (KUL) MH2715 ETD-11:05, ETA-12:55**

## Stage 2 Audit Findings and Corrective Action Taken

Specification Major/Minor/OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Major NCR KN01/2018	<p><b>Requirement: Indicator 1.5.2</b> - Control of encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities in the FMU.</p> <p>Forest Rules, 1962 – Rules 10 and 19</p> <p><b>Finding:</b> The control of encroachment, illegal harvesting and settlement, and other unauthorised activities in the FMU found to be insufficient.</p> <p><b>Objective evidences:</b></p> <p>The control of encroachment, illegal harvesting and settlement, and other unauthorised activities in the FMU found to be insufficient.</p> <ul style="list-style-type: none"> <li>During site inspection at Coupe 19, it was found a wooden structure house has been constructed, and trees has been illegally felled.</li> <li>Site visit to external license boundaries on Coupe 18 adjacent to T/3371 (Jaya Tiasa) found the demarcation was not available. External boundaries for Coupe 17 with T/3228 (Shin Yang Trading) were also not available.</li> </ul>	<p><b>Result of investigation and determination of root cause:</b></p> <p>The FMU is only aware of the existence of that wooden structure and illegally felled trees about two weeks before the Stage I Audit took place.</p> <p>On the non-availability of demarcation of the said external license boundaries, the FMU is not aware about its requirement; and the same time, it faced acute man power shortage.</p> <p><b>Correction (if applicable) and Corrective action plan including completion date</b></p> <p>The FMU found that internal control is of paramount and thus, it has opted to construct a security post at the entrance to the base camp. The security post was completed by the end of May 2018 and being manned by five security personnel in mid-June 2018.</p> <p>At the same time, the FDS has been notified (via a letter sent on January 24, 2018; Ref. No.: ANK-TM/FD-02/18) on the latest encroachment status on the ground due to illegal cross border trading.</p> <p>Recruitment drive for the new forest surveyors has</p>	<p>Result of investigation, determination of root cause and corrective action plan including completion date were accepted.</p> <p>An official notified letter of “Encroachment into Bahau-Kahei FMU (T/3236)” was sent to Forest Department Sarawak (FDS) and copied (CC) to Sarawak Forestry Corporation (SFC), Ref: ANK-TM/FD-02/18 dated 24<sup>th</sup> January 2018</p> <p>The FMU had made second letter regarding the same issues to FDS and SFC, Ref: ANK-TM/FD-13/18 dated 19<sup>th</sup> July 2018, including the official memorandum by FDS to the National Security Council (MKN) (Ref: WPO.628.370(IV)-103)</p> <p>Other action or effort has been made by the Bahau-Kahei FMU by sending an official letter to YDH Pesurohjaya Polis Sarawak (Kuching) on 24<sup>th</sup> July 2018 and to District Officer of Pejabat Daerah Bukit Mabong, Kapit regarding the encroachment issues in the FMU</p> <p>Visit to encroach area found both FDS and SFC have initiated the investigation process on the two cases of illegal felling and settlement. The investigation process will take a while to complete as it involved international parties and local communities. It was confirmed with consultation with FDS and</p>



		<p>been carried out, with an additional of 5 personnel, to a total number of 19 personnel. Thereafter, the license boundary marking has been carried out progressively with focus on the active areas of the adjoining license.</p>	<p>SFC officers during the verification audit.</p> <p>Inspection of security post in front of the camp found all every person whoever entering the area was recorded, including items that they bring. Records book of the security post was verified during the audit.</p> <p>Monitoring Summary Report of people, vehicle &amp; goods movement through T/3236 in the month of June and July 2018 was sent to Polis Sarawak (Kuching) on 24<sup>th</sup> July 2018 was verified by the auditors.</p> <p>Completed demarcation of North-western and Western parts of the FMU boundary, and on-going for Northern, North-eastern and Eastern FMU boundary was verified as in "Demarcation Work File" and "T3236 FMU &amp; Boundary Demarcation Program in 2018", including progress report and map</p> <p>Demarcation of Southern and Eastern part of IBZ boundary and on-going for the South-eastern, East and North-eastern part of the IBZ was verified along Batang Balui during the verification audit</p> <p>Site inspection external boundary at along Coupe 8 and 11 found the external boundaries was painted with oranges/red colour, and some stretch with "Diamond-Shape Aluminium T/3236 Plates" along the river bank.</p> <p>Verification along Intentional buffer zone at Coupe 19 found the boundaries were painted</p>
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			<p>with blue colour and warning signboard.</p> <p>Verification audit conducted 7-10 August 2018 found the Bahau-Kahei FMU has made an effort to control the encroachment by constructing a security post, monitors, putting a warning signages and clear boundaries demarcation. All of actions taken was recorded and copies of the monitoring reports was sent to relevant authorities. All documents and records were verified and accepted by the auditors.</p> <p><b>Status: Closed</b></p>
<p><b>Major</b></p> <p>LYD05/2018</p>	<p><b>Requirement: Indicator 4.4.1</b> - forest managers shall evaluate, through consultations, social impact of forest operations directly affecting communities, and the people and groups directly affected by the forest operations shall have access to information on the results of the social impact evaluations</p> <p><b>Finding:</b> the social impact of forest operations has not been evaluated yet</p> <p><b>Objective evidence:</b></p> <p>The FMU has presented 2 documents e.g. a 1-Socio-Economic Study of the Communities found within and around The Forest Managements Units (FMUs) Undergoing Certification in Kapit Division of Sarawak dated June 2010 and 2- Report on Industrial Attachment at Jayatiasa Holding Berhad at Camp Wood, Bahau-Kahei Forest Management Unit T/3236 Kapit Division from</p>	<p><b>Result of investigation and determination of root cause:</b></p> <p>The FMU has yet to embark on SIA due to shortage of competent man power to carry out such study</p> <p><b>Correction (if applicable) and Corrective action plan including completion date</b></p> <p>As been described in <u>Section 3</u> of <b>Indicator 3.2.1</b>, including '<i>Chapter 7: Impact Assessment</i>' of the FMP (2017 – 2026), which has been submitted to FDS in June 2018.</p> <p><u>(Section 3 of Indicator 3.2.1):</u> The SOP is now available and incorporated into the SIA. Key impacts from timber harvesting and mitigation measures are prescribed and incorporated into '<i>Chapter 7: Impact Assessment</i>' of the FMP (2017 – 2026), which</p>	<p>Result of investigation, determination of root cause and corrective action plan including completion date were accepted.</p> <p>The SIA Report, titled "A Social Impact Assessment (SIA) Report of Forest Operation in Bahau-Kahei Forest Management Unit (FMU) Kapit Division, Sarawak, version 2 (Final)" dated February 2018 was verified during the audit. The SIA had included the social impact against communities from the forest harvesting as shown in Chapter 3 - "Findings of Key Social Impact and Discussion" and Chapter 4 – "Management Action &amp; Monitoring".</p> <p>Prior to the preparation of the SIA report, the community of Long Unai have been consulted through questionnaires and interviews. 36 villagers have been consulted from house to house as evidence by the questionnaires (questionnaires</p>

	<p>16/10/2017-22/12/2017 as Social Impact Assessment (SIA).</p> <p>Hence the coverage on the <u>Social Impact</u> to communities coming from the forest operations <u>has not been adequately assessed</u></p>	<p>was submitted to FDS in June 2018.</p>	<p>Form A for "Village Head" and questionnaires Form B for "Household") titled "Social Impact Assessment - Bahau – Kahei FMU From Harvesting and Management Operation".</p> <p>The results of Social Impact Evaluation were presented to the community on 30<sup>th</sup> June 2018 held at Head of Village House. The attendees include, CRC management representative and CRC community representative for Long Unai.</p> <p>Auditor has consulted Mr. Dian Asang, Assistant Village Head of Long Unai and Sarawak Forestry Corporation (SFC) and confirmed that the conservation officers from Bahau- Kahei FMU had consulted the villagers and Village Head during the preparation of SIA.</p> <p><b>Status: Closed</b></p>
<p><b>Major</b></p> <p>RJ01/2018</p>	<p><b>Requirement: 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><b>Finding:</b> Construction of additional skid trail was carried out without official permission from Sarawak Forestry Corporation (SFC).</p> <p><b>Objective evidence:</b></p> <p>During site inspection at Block 8 Coupe 1, it was found that additional skid trail at ST-01 has been constructed without permission from Sarawak Forestry Corporation.</p>	<p><b>Result of investigation and determination of root cause:</b></p> <p>The offenders were new and inexperienced harvesting team in RIL-related practices.</p> <p><b>Correction (if applicable) and Corrective action plan including completion date</b></p> <p>Appropriate action has been taken, where SFC had carried out site inspection in the said blocks and issued 'Offer to Compound' notification letter dated June 7, 2018 (Ref. No.: SFC.600-6/6/3(75)). The penalty, amounted to RM2,000.00, has been paid</p>	<p>Result of investigation, determination of root cause and corrective action plan including completion date were accepted.</p> <p>The SFC has issued a letter "Offer to Compound" Ref. no. SFC.600-6/6/3 (75) dated 7<sup>th</sup> June 2018 and attached with Compound Form of Offence No. SFC/SBW/035/18, the compound was accepted by FMU and was signed by Senior Manager Forest Operation. The FMU has been compound for RM2,000.00 for felling 10 trees not on the planned skid trail. The FMU has paid the compound as evidence by the compound receipt (Bill No.: S31806001444) dated on 7<sup>th</sup> June 2018.</p>

		<p>by the FMU to the State Government of Sarawak on June 21, 2018 (Bill No.: S31806001444). Other actions being taken include:</p> <ol style="list-style-type: none"> <li>regular RIL Assessments by the FMU Internal Audit team, and</li> <li>the FMU management has regularly conducted the Refreshers' courses for harvesting teams.</li> </ol>	<p>The FMU have regularly conducted the Refreshers' courses for harvesting teams;</p> <p>Refresher course has been conducted on the following date:</p> <ol style="list-style-type: none"> <li><u>On 4<sup>th</sup> and 6<sup>th</sup> March 2018:</u> Training on Log Extraction (Theory and Practical) attended by Richmond Moly anak Aba and Michael anak Manggai. The training was conducted in Blok 11 and Block 15 in Coupe 9</li> <li><u>On 4<sup>th</sup> and 6<sup>th</sup> Mach 2018.</u> Training on Tree Felling (Theory and Practical) attended by Tedong anak Jawi and Aba anak Jelian. The training was conducted in Blok 11 and Block 15 in Coupe 9.</li> </ol> <p>The training was conducted by experienced trainer, Mr. Linggang anak Bili. The trainer has the Certificate in Log Extraction issued by Sarawak Timber Association (STA).</p> <p>Site inspection to:</p> <ol style="list-style-type: none"> <li>FT -0-01 (225m), ST-0-1(304m), MT1 (739m) and FT-1-0 (115m) in Block 15 in Coupe 01 found that there was no new trail constructed without approval.</li> <li>ST-0-2 (504m) a deviation/branch of 20m and 60m were found, however the reason for extraction of log that</li> </ol>
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			<p>was located nearby the ST-0-2, as not to construct new skid trail because of the short distance and also, FT-0-1 was inspected and no new skid trail been constructed without approval.</p> <p>c. ST-0-1 (356m) and FT-0-1-1 (89m). No unapproved Skid trail were found.</p> <p><b>Status: Closed</b></p>
Major KN02/2018	<p><b>Requirement: Indicator 8.1.2</b> - Forest managers shall identify and implement appropriate monitoring procedures, in accordance with the scale and intensity of the forest management operations, for assessing social, ecological, environmental and economic impacts.</p> <p><b>Finding:</b> Appropriate monitoring procedures and monitoring report for assessing social, ecological, environmental and economic impacts were not sufficient</p> <p><b>Objective evidence:</b> Standard Operating Procedure (SOP) dated January 2018 to monitor social, ecological, environmental and economic impacts to monitor on impacts of harvesting and management operation were not sufficient.</p>	<p><b>Result of investigation and determination of root cause:</b></p> <p>The produced SOP is of sub-standard and only covered the basic aspects of the said assessment.</p> <p><b>Correction (if applicable) and Corrective action plan including completion date</b></p> <p>The FMU has enhanced the SOP by defining related objectives, strategies and KPIs. The SOP entitled '<i>Standard Operating Procedure (SOP): Monitoring Impacts on Social, Ecological, Environmental and Economic due to Timber Harvesting and Management Operations</i>' was made available in June 2018.</p>	<p>Result of investigation, determination of root cause and corrective action plan including completion date were accepted.</p> <p>Standard Operating Procedure (SOP) title "Monitoring Impact, Social, Ecological, Environmental and Economic due to Timber Harvesting and Management Harvesting" dated June 2018 was verified. The monitoring includes:</p> <ol style="list-style-type: none"> <li>Yield of all timber harvested;</li> <li>Growth rate, regeneration and condition of the forest, particularly trees of Dipterocarp and non-Dipterocarp families.</li> <li>Composition and observe changes of flora and fauna;</li> <li>Environmental and social impact primarily due to timber harvesting;</li> <li>Cost, productivity and efficiency of forest management.</li> </ol>

			<p>The Report on Monitoring Impact on Social, Ecological, Environmental and Economic due to Timber Harvesting and Management Operation dated July 2018 were also has been prepared and verified during the verification audit</p> <p><b>Status: Closed</b></p>
<p><b>Major</b> KN03/2018</p>	<p><b>Requirement: Indicator 8.2.1</b> - 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.</p> <p><b>Finding:</b> 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 were not sufficiently gathered</p> <p><b>Objective evidence:</b> 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 were not sufficiently gathered</p> <ul style="list-style-type: none"> <li>During the inspection of Permanent Sample Plots, it was found only 2 out of 40 were established (Coupe 7 and 19 only). Establishment of new were not well distributed to the whole area of FMU.</li> <li>Reports on social, environmental, and economic impacts evaluation not available</li> </ul>	<p><b>Result of investigation and determination of root cause:</b></p> <ul style="list-style-type: none"> <li>The FMU is in the midst of building up PSP teams.</li> <li>Reports on social, environmental and economic impacts evaluation can only be conducted once the SOP is available.</li> </ul> <p><b>Correction (if applicable) and Corrective action plan including completion date</b></p> <ul style="list-style-type: none"> <li>As of July 2018, the FMU has established and assessed 10 PSP.</li> <li>The report entitled '<i>Final Report: Monitoring Impacts on Social, Ecological, Environmental and Economic due to Timber Harvesting and Management Operations</i>' was made available in June 2018.</li> </ul>	<p>Result of investigation, determination of root cause and corrective action plan including completion date were accepted.</p> <p>A total of eighteen (18) Permanent Sample Plot (PSP) have been established and assessed by the FMU. This is including 10 PSP established in 2007-2008 and 8 newly established in 2017. The other 22 PSPs were progressively prepared towards of total 40 PSPs for the whole Bahau-Kahei FMU. The established PSPs were well distributed to whole FMU area, e.g. Coupe 1, Coupe 2, Coupe 3, Coupe 18, Coupe 20 and was verified during the verification audit</p> <p>Two (2) PSP has been verified by the auditor during the verification audit. Inspection on quadrat 03, 04, 37 and 84 at PSP No. 0301, Coupe 3 and quadrat 52, 53 and 68 at PSP No. 0201 at Coupe 2 found the plot was established with correct tree enumeration, tree identification, data recording, precise bearing and clear plot design.</p> <p>The report entitled '<i>Final Report: Monitoring Impacts on Social,</i></p>

			<p>Ecological, Environmental and Economic due to Timber Harvesting and Management Operations' dated July 2018 was made available and verified during the verification audit and found 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 were sufficiently conducted</p> <p><b>Status: Closed</b></p>
<p><b>Major</b> RJ05/2018</p>	<p><b>Requirement: Indicator 8.3.1</b> - Forest managers shall provide relevant documents for identifying all forest products leaving the area to be certified so that their origin could be easily determined</p> <p><b>Finding:</b> Relevant documents for identifying all forest products leaving the area hardly retrievable &amp; control of records found to be inadequate during this audit</p> <p><b>Objective evidence:</b> During the site inspection at the Place of Royalty Marking (PoRM) at Camp Wood, the following documents/records were hardly retrievable, and the control of records found to be inadequate:</p> <ul style="list-style-type: none"> <li>• Record of Daily Production Return (up to individual tree)</li> <li>• Record of log specification</li> </ul>	<p><b>Result of investigation and determination of root cause:</b></p> <p>The Chief Scaler is aware about the issue but has not prepared the necessary documents upon audit.</p> <p><b>Correction (if applicable) and Corrective action plan including completion date</b></p> <p>The CoC process flow chart has been produced in early March 2018, with activities ranging to the endorsement of RILP up to STIDC Royal Custom. A meeting was then held at the FMU Office on March 21, 2018 with representatives from the FMU, logging contractor and SFC, with the aim to inform the Person-In-Charge (PIC) and site management personnel about the legal process flow of timber at its source up to the local buyer(s) and/or export point.</p>	<p>Result of investigation, determination of root cause and corrective action plan including completion date were accepted.</p> <p>Sample on Record of Daily Production Return (up to individual tree) No. 37825 (truck no. QA99) dated 29.1.2018 was verified.</p> <p>Record of Log Specification No. SBP0218A01 dated 1.2.2018 and Removal Pass No. 146838 dated 8.2.2018 were reviewed by the auditor</p> <p>Site inspection at the Place of Royalty Marking (PoRM) at Camp Wood, the chain of custody records was retrievable, and the control of records found to be sufficient.</p> <p><b>Status: Closed</b></p> <p><i>Notes: No harvesting since March until September 2018 due to revised Detail Harvesting Plan (DP) to include 7 new blocks in current DP</i></p>
<p><b>Major</b> KN04/2018</p>	<p><b>Requirement: Indicator 8.5.1</b> - A summary of the results of monitoring indicators, including</p>	<p><b>Result of investigation and determination of root cause:</b></p>	<p>Result of investigation, determination of root cause and</p>

	<p>those listed in Criterion 8.2, shall be made available to the public.</p> <p><b>Finding:</b> A summary of the results of monitoring indicators, including those listed in Criterion 8.2, was not available.</p> <p><b>Objective evidence:</b> During A summary of the monitoring results for (a) Yield of all forest products harvested, (b) Growth rates, regeneration and condition of the forest, (c) Composition and observed changes in the flora and fauna, and (e) Costs, productivity and efficiency of forest management as verified in the public summary at the Jaya Tiasa's website:  <a href="http://www.jayatiasa.net/usr/page_sub.a_spx?pgid=130">http://www.jayatiasa.net/usr/page_sub.a_spx?pgid=130</a> were not available.</p>	<p>The summary was not available in the company's website, as both the SOP and Report are not yet ready at the time of audit.</p> <p><b>Correction (if applicable) and Corrective action plan including completion date</b></p> <p>The monitoring results were compiled in a report entitled '<i>Final Report: Monitoring Impacts on Social, Ecological, Environmental and Economic due to Timber Harvesting and Management Operations</i>', which was made available in June 2018. Public summaries (such as '<i>Public Summary – FMP</i>', '<i>Public Summary – HCV</i>' and '<i>Public Summary – Monitoring Results</i>') can be viewed at <a href="http://www.jayatiasa.net/usr/pagesub.aspx?pgid=124">http://www.jayatiasa.net/usr/pagesub.aspx?pgid=124</a></p>	<p>corrective action plan including completion date were accepted.</p> <p>Summary of the monitoring results for (a) Yield of all forest products harvested, (b) Growth rates, regeneration and condition of the forest, (c) Composition and observed changes in the flora and fauna, and (e) Costs, productivity and efficiency of forest management as verified in the public summary at the Jaya Tiasa's website: <a href="http://www.jayatiasa.net/data/cms/files/03%20Monitoring%20Results.pdf">http://www.jayatiasa.net/data/cms/files/03%20Monitoring%20Results.pdf</a> (<i>Summary of Monitoring Results on Timber Harvesting Activities (July 2017 – June 2018)</i>) was verified and accepted</p> <p><b>Status: Closed</b></p>
Major KN05/2018	<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> Report of HCVF assessment and record on consultations with relevant stakeholders regarding the HCVF area were not available</p> <p><b>Objective evidence:</b> The report on HCVF assessment, identification and demarcation on maps of proposed HCVFs was not available</p>	<p><b>Result of investigation and determination of root cause:</b></p> <p>The HCVF Assessment was initially conducted in 2017 for Jaya Tiasa's Proposed Baleh-Balui FMU (Forest Timber License T/3371), which is adjacent to Bahau-Kahei FMU (T/3236). The assessment for T/3236, however, was in progress and not available in time for the Stage II Audit.</p> <p><b>Correction (if applicable) and Corrective action plan including completion date</b></p>	<p>Result of investigation, determination of root cause and corrective action plan including completion date were accepted.</p> <p>The Assessment Report titled "High Conservation Value Forest (HCV1-HCV6) Assessment Report for Timber Licence No. T/3236 Bahau-Kahei area, Kapit Division, Sarawak by HCVFRN (High Conservation Value Forest Resource Network, Sarawak)" dated March 2018 was verified during the audit.</p> <p>Consultations with stakeholders was made on 29<sup>th</sup> March 2018, attended by WWF Kuching, Forest Department Sarawak (FDS), Sarawak Forestry</p>



		<p>The report entitled '<i>High Conservation Value Forest (HCV 1 – HCV 6) Assessment Report: Timber License No. T/3236, Bahau-Kahei Area, Kapit Division, Sarawak</i>' was made available in March 2018. HCV 1.4, 2, 4.1, 4.2, 4.3, 5 and 6 were then updated on the maps of 1:115000 map scales.</p>	<p>Corporation (SFC), Kapit Land and Survey, District Office Bukit Mabong (Kapit), NREB and Headman Long Unai.</p> <p>HCVF Map as in General Harvesting Plan (wpo.628.370 (iv)-102 dated 2.1.2018, approved by Sarawak Forestry Department.</p> <p>Report of HCVF assessment and record on consultations with relevant stakeholders regarding the HCVF area were made available and accepted.</p> <p><b>Status: Closed</b></p>
<p><b>Major</b> KN06/2018</p>	<p><b>Requirement: Indicator 9.2.1</b> Forest managers shall provide the assessors with a list of relevant stakeholders who have been consulted regarding the HCVF area.</p> <p><b>Finding:</b> The list of relevant stakeholders consulted regarding the HCVF area was not available</p> <p><b>Objective evidence:</b> The list of relevant stakeholders and evidence of consultation with stakeholders was not available.</p>	<p><b>Result of investigation and determination of root cause:</b></p> <p>The non-availability of HCVF Report has caused the FMU unable to proceed with the Stakeholders' Consultation.</p> <p><b>Correction (if applicable) and Corrective action plan including completion date</b></p> <p>The report entitled '<i>High Conservation Value Forest (HCV 1 – HCV 6) Assessment Report: Timber License No. T/3236, Bahau-Kahei Area, Kapit Division, Sarawak</i>' was made available in March 2018. The Stakeholders' Consultation was then held in Kapit on March 29, 2018 to present, discuss and agree upon the results by all stakeholders. The Stakeholders' List includes representatives from the:</p> <ol style="list-style-type: none"> <li>FMU;</li> <li>HCVFRNS;</li> <li>FDS;</li> </ol>	<p>Result of investigation, determination of root cause and corrective action plan including completion date were accepted.</p> <p>Evidences: Letter of stakeholder invitation (Ref: JHT/FCD/T3236/HCVF) dated 13<sup>th</sup> March 2018 was verified</p> <p>Attendances list and pictures of stakeholder meeting dated 29<sup>th</sup> March 2018 was verified during the audit.</p> <p>Minutes of meeting was attached in the HCVF Report, Appendix 1, and verified during the audit.</p> <p>Auditor has consulted Mr. Dian Asang, Assistant Village Head of Long Unai, Forest Department Sarawak (SFD), and Sarawak Forestry Corporation (SFC) and confirmed that the Bahau- Kahei FMU had consulted them during the preparation of HCVF Assessment.</p>

		d. SFC; e. NREB; f. District Office of Bukit Mabong; g. Land and Survey Sarawak; h. WWF-Sarawak; and i. Long Unai community.	<b>Status: Closed</b>
<b>Major</b> KN07/2018	<p><b>Requirement: Indicator 9.2.2</b> Forest managers shall demonstrate that the forest management operations consider and protect areas of high conservation value in the FMU.</p> <p><b>Finding:</b> Incorporation of protected HCV areas into the Forest Management Plan was not done</p> <p><b>Objective evidence:</b> The protected HCVF areas has yet to be incorporated of into the Forest Management Plan (2017-2026) at Bahau Kahei FMU</p>	<p><b>Result of investigation and determination of root cause</b></p> <p>The non-availability of HCVF Report has caused the FMU unable to incorporate the protected HCVF areas in the FMP (2017 – 2026).</p> <p><b>Correction (if applicable) and Corrective action plan including completion date:</b></p> <p>The report entitled '<i>High Conservation Value Forest (HCV 1 – HCV 6) Assessment Report: Timber License No. T/3236, Bahau-Kahei Area, Kapit Division, Sarawak</i>' by High Conservation Value Forest Resource Network Sarawak (HCVFRNS) was made available in March 2018. Thus, '<i>Chapter 11: Identification and Management of High Conservation Value (HCV) Forests</i>' has been added into the FMP (2017 – 2026) in June 2018. The FDS has also been notified about the revision via a letter sent in June 2018.</p>	<p>Result of investigation, determination of root cause and corrective action plan including completion date were accepted.</p> <p>The revised Bahau-Kahei FMU (T/3236) Forest Management Plan (FMP) and request letter to Sarawak Forestry Department (ANK-TM/FD-10/18) dated 13 June 2018 was verified during Verification Audit on 7– 10 August 2018.</p> <p>The protected HCVF areas was incorporated into the FMP as in Chapter 11 – Identification and Management of HCV Forest.</p> <p><b>Status: Closed</b></p>
<b>Major</b> KN08/2018	<p><b>Requirement: Indicator 9.3.1 -</b> Measures to demarcate, maintain and/or enhance the HCVF attributes are documented in the forest management plan and effectively implemented</p>	<p><b>Result of investigation and determination of root cause</b></p> <p>The non-availability of HCVF Report has caused the FMU unable to incorporate the protected HCVF areas in the</p>	<p>Result of investigation, determination of root cause and corrective action plan including completion date were accepted.</p> <p>The HCV areas has been mapped and incorporated progressively</p>

	<p><b>Finding:</b> Measures to demarcate, maintain and / or enhance the HCVF attributes have not been implemented.</p> <p><b>Objective evidence:</b> The HCVF areas have yet to be mapped and incorporated progressively into the Forest Management Plan and demarcated on the ground, where appropriate</p>	<p>FMP (2017 – 2026), including ground demarcation.</p> <p><b>Correction (if applicable) and Corrective action plan including completion date:</b></p> <p>The actions taken have been mentioned in <u>Section 3</u> of <b>Indicator 9.2.2</b>. As at July 30, 2018, the ground demarcation includes of:</p> <ol style="list-style-type: none"> <li>burial grounds;</li> <li>salt lick; and</li> <li>Terrain IV.</li> </ol> <p><u>(Section 3 of Indicator 9.2.2.)</u> The report entitled '<i>High Conservation Value Forest (HCV 1 – HCV 6) Assessment Report: Timber License No. T/3236, Bahau-Kahei Area, Kapit Division, Sarawak</i>' by High Conservation Value Forest Resource Network Sarawak (HCVFRNS) was made available in March 2018. Thus, '<i>Chapter 11: Identification and Management of High Conservation Value (HCV) Forests</i>' has been added into the FMP (2017 – 2026) in June 2018. The FDS has also been notified about the revision via a letter sent in June 2018.</p>	<p>into the Forest Management Plan and demarcated on the ground. HCVF Map as in General Harvesting Plan (wpo.628.370 (iv)-102 dated 2.1.2018, was approved by Forestry Department Sarawak.</p> <p>Site visit and inspection during the verification has been conducted as below:</p> <ul style="list-style-type: none"> <li>Shifting Agriculture Area (SA) along Batang Balui at Coupe 1, 8 and 11 (by boat)</li> <li>Burial ground/site of Long Unai at Coupe 1</li> <li>Burial ground/site of Long Jawe at Coupe 2</li> <li>Water catchments area of Long Unai at Coupe 8</li> <li>Salt lick and Terrain IV within Coupe 07; and</li> <li>International Buffer Zone (partially) at Coupe 19</li> </ul> <p>Site visit found the HCVF areas was demarcated with blue paint and signboard has been established surrounding of the HCVF area.</p> <p><b>Status: Closed</b></p>
Major KN09/2018	<p><b>Requirement: Indicator 9.3.2</b> Measures to demarcate, maintain and / or enhance the HCV attributes shall be included in the forest management plan summary made available to the public.</p> <p><b>Finding:</b> Measures to demarcate, maintain and / or enhance the HCVF attributes included in the</p>	<p><b>Result of investigation and determination of root cause</b></p> <p>The non-availability of HCVF Report has caused the FMU unable to incorporate the protected HCVF areas in the FMP (2017 – 2026), including ground demarcation.</p>	<p>Result of investigation, determination of root cause and corrective action plan including completion date were accepted.</p> <p>The HCVF attributes was updated in Jaya Tiasa's website's as hyperlink <a href="http://www.jayatiasa.net/data/cms/files/02%20High%20Conserv">http://www.jayatiasa.net/data/cms/files/02%20High%20Conserv</a></p>

	<p>forest management plan summary available to the public were not valid.</p> <p><b>Objective evidence:</b> Measures to demarcate, maintain and / or enhance the HCVF attributes taken by Bahau Kahei FMU in the forest management plan summary available to the public <a href="http://www.jayatiasa.net/usr/pagesub.aspx?pgid=130">http://www.jayatiasa.net/usr/pagesub.aspx?pgid=130</a> were not valid.</p>	<p><b>Correction (if applicable) and Corrective action plan including completion date:</b></p> <p>The public summary entitled 'Public Summary – HCV' can be viewed at <a href="http://www.jayatiasa.net/usr/pagesub.aspx?pgid=124">http://www.jayatiasa.net/usr/pagesub.aspx?pgid=124</a>.</p>	<p><a href="#">ation%20Value%20Attributes.pdf</a> . and was verified and accepted</p> <p><b>Status: Closed</b></p>
<p><b>Major</b> KN10/2018</p>	<p><b>Requirement: Indicator 9.4.1</b> Forest managers shall conduct, appropriate to scale and intensity of forest management, annual monitoring to assess the effectiveness of the measures in the management of the HCVFs in the FMU.</p> <p><b>Finding:</b> Monitoring procedures and records to assess the effectiveness of the measures in the management of the HCVF area were not available</p> <p><b>Objective evidence:</b> Monitoring procedures and records to assess the effectiveness of the measures in the management of the HCVF area were not available at Bahau Kahei FMU</p>	<p><b>Result of investigation and determination of root cause</b></p> <p>The HCVF Assessment has not been conducted in the FMU (as been described in <u>Section 2</u> of <b>Indicators 8.1.2, 8.2.1, 8.5.1, 9.1.1, 9.2.1, 9.2.2 and 9.3.1</b>).</p> <p><b>Correction (if applicable) and Corrective action plan including completion date:</b></p> <p>The following procedures and reports are available for viewing:</p> <ol style="list-style-type: none"> <li><i>High Conservation Value Forest (HCV 1 – HCV 6) Assessment Report: Timber License No. T/3236, Bahau-Kahei Area, Kapit Division, Sarawak – March 2018;</i></li> <li><i>Baseline Information on Status and Population Dynamics of Mammal, Avifauna and Herpetofauna Species in Timber License No. T/3236, Bahau-Kahei FMU, Kapit Division, Sarawak – May 2018;</i></li> <li><i>Identifying and Protecting Sites of</i></li> </ol>	<p>Result of investigation, determination of root cause and corrective action plan including completion date were accepted.</p> <p>Verification Audit on 7 August 2018 found the SOP on "Monitoring HCV Attributes" (issue 1, rev.0) dated June 2018 and Monitoring of HCVF Attributes on salt lick 50m buffer zone, watershed buffer zone, ERT(s) flora and fauna baseline, burial site of Long Unai and Long Jawe dated June 2018 was verified and accepted by the auditors.</p> <p><b>Status: Closed</b></p>

		<p><i>Special Cultural, Ecological, Economic and/or Religious Significance to Natives: Standard Operating Procedures (SOP) – May 2018;</i></p> <p>d. <i>Standard Operating Procedures (SOP) for Monitoring HCV Attributes – May 2018;</i> and</p> <p>e. <i>Monitoring Report for HCV Attributes – May 2018.</i></p>	
<p><b>Minor</b> LYD01/2018</p>	<p><b>Indicator 3.2.1</b> - Preventive and mitigation measures to protect indigenous people rights on resources and tenure to be incorporated into Forest Management Plan</p> <p><b>Finding:</b> preventive and mitigation measures to protect indigenous people rights on resources has yet to be incorporated into Forest Management Plan</p> <p><b>Objective evidence:</b> The FMU has established Strategic Forest Management Plan (2017-2026), approved by Forest Department of Sarawak.</p> <p>Hence, the <u>preventive and mitigation measures</u> to protect indigenous people rights on resources (based on request for mutual understanding) to respect &amp; recognise their significant economic &amp; cultural e.g. <i>Hutan Komunal / Pemakai Menua / Pulau &amp; Temuda</i> (Hunting Area, Shifting Agricultural Area etc.), Burial Area &amp; Water Intake Point has yet to be <u>incorporated into Forest Management Plan</u></p>	<p><b>Result of investigation and determination of root cause</b></p> <p>The FMU has not got ready the SOP for:</p> <p>a. SIA; and identifying and protecting sites of special cultural, ecological, economic or religious significant to natives.</p> <p><b>Correction (if applicable) and Corrective action plan including completion date:</b></p> <p>The SOP is now available and incorporated into the SIA. Key impacts from timber harvesting and mitigation measures are prescribed and incorporated into '<i>Chapter 7: Impact Assessment</i>' of the FMP (2017 – 2026), which was submitted to FDS in June 2018.</p>	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p> <p><b>Status: Accepted</b></p>

<p><b>Minor</b> LYD02/2018</p>	<p><b>Indicator 3.2.2</b> record of actions taken to prevent or mitigate adverse impacts against indigenous people rights on resources</p> <p><b>Finding:</b> record of actions taken to prevent or mitigate adverse impacts against indigenous people rights on resources has not been made available during this audit</p> <p><b>Objective evidence:</b> <u>Record of actions taken to prevent or mitigate adverse impacts</u> against indigenous people rights on resources (based on request mutual understanding to respect &amp; recognise their significant economic &amp; cultural (no official legal claim) e.g. <i>Hutan Komunal / Pemakai Menua / Pulau, Temuda</i>, Burial Area &amp; Water Intake Point has not been made available during this audit</p>	<p><b>Result of investigation and determination of root cause</b></p> <p>The FMU has not got ready the SOP for: b. SIA; and identifying and protecting sites of special cultural, ecological, economic or religious significant to natives.</p> <p><b>Correction (if applicable) and Corrective action plan including completion date:</b></p> <p>The SOP is now available and incorporated into the SIA. Key impacts from timber harvesting and mitigation measures are prescribed and incorporated into '<i>Chapter 7: Impact Assessment</i>' of the FMP (2017 – 2026), which was submitted to FDS in June 2018.</p>	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p> <p><b>Status: Accepted</b></p>
<p><b>Minor</b> LYD03/2018</p>	<p><b>Indicator 3.3.1-</b> 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.</p> <p><b>Finding:</b> appropriate procedures for identifying and protecting sites of special cultural, ecological, economic or religious significance to natives has not been established and identification activities of these sites found to be inadequate</p> <p><b>Objective evidence:</b> The following were found to be inadequate during <u>identification</u></p>	<p><b>Result of investigation and determination of root cause</b></p> <p>The FMU has not got ready the SOP for: c. SIA; and identifying and protecting sites of special cultural, ecological, economic or religious significant to natives.</p> <p><b>Correction (if applicable) and Corrective action plan including completion date:</b></p> <p>The FMU respects the local community's use rights to forest resources. Apart from having mutual benefits among both parties, it is also to ensure that timber</p>	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p> <p><b>Status: Accepted</b></p>

	<p><u>activities of protecting sites</u> of special cultural, ecological, economic or religious significance to natives:</p> <p>3. Procedures for identifying and protecting sites of special cultural, ecological, economic or religious significance to natives</p> <p>4. During preliminary discussion (<i>Jawatankuasa Pelestarian &amp; Pembangunan Komuniti CCDC</i>) dated 26/09/2017, local communities of Long Unai has request <u>mutual understanding to respect &amp; recognise their significant economic &amp; cultural area</u> (no official legal claim) of <i>Hutan Komunal / Pemakai Menua / Pulau &amp; Temuda</i> (Hunting Area, Shifting Agricultural Area etc.). As this issues in the midst of discussion, FMU also has raised good will to protect Burial Area &amp; Water Intake Point as protection area. To the date, the following has not been implemented yet:</p> <ol style="list-style-type: none"> <li>Adequate consultations held with local communities &amp; authorities to finalized the identification and documents these areas (cultural, religious &amp; water intake etc.)</li> <li>Records of action taken to protect the identified significant sites of local communities</li> </ol>	<p>harvesting runs smoothly without any dispute. Impacts from timber harvesting and mitigation measures have also been carried out and reported in the SIA Report.</p>	
Minor LYD04/2018	<p><b>Indicator 4.1.1</b> - forest managers provide appropriate support for training, retraining, local infrastructure, facilities and social programmes that commensurate</p>	<p><b>Result of investigation and determination of root cause</b> The FMU is aware that such dilemma exists and needs to be monitored continuously</p>	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p>

	<p>with the scale and intensity of forest management operations</p> <p><b>Finding:</b> the awareness and understanding of forest workers at operation sites against MC&amp;I found to be insufficient</p> <p><b>Objective evidence:</b> The awareness and understanding of harvesting forest workers at operation sites of Block 7,8,9 and Log Scaler against MC&amp;I found to be insufficient as per interview during current audit</p>	<p>on safety briefings, working procedures, <i>etc.</i></p> <p><b>Correction (if applicable) and Corrective action plan including completion date:</b></p> <p>The FMU has conducted in-house training and is an on-going process for both old and new forest workers that comprised of modules on company policies such as SFM, HSE, GSP, <i>etc.</i> This includes briefings on specific job scope for the new workers by the trained STA trainer.</p>	<p><b>Status: Accepted</b></p>
<p><b>Minor</b> LYD06/2018</p>	<p><b>Indicator 4.4.2</b> - forest planning and management practices shall consider and incorporate the results of such evaluations (social impact assessment) into Forest Management Plan</p> <p><b>Finding:</b> forest planning and management practices has not considered and incorporate the results of social impact assessment into Forest Management Plan</p> <p><b>Objective evidence:</b> Forest planning and management practices has not considered and <u>incorporate the results of social impact assessment</u> into Strategic Forest Management Plan 2017-2026</p>	<p><b>Result of investigation and determination of root cause</b></p> <p>The FMU has yet to embark on SIA due to shortage of competent man power to carry out such study.</p> <p><b>Correction (if applicable) and Corrective action plan including completion date:</b></p> <p>The SIA findings have been incorporated into the FMP (2017 – 2026) (see '<i>Chapter 7: Impact Assessment</i>'), of which the revised FMP been submitted to FDS in June 2018.</p>	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p> <p><b>Status: Accepted</b></p>
<p><b>Minor</b> RJ02/2018</p>	<p><b>Indicator 5.1.2</b> - Provisions and management prescriptions are made to maintain, restore or enhance the productive capacity and ecological integrity of the FMU to ensure its economic viability.</p> <p><b>Finding:</b> The record of Silviculture treatment not evidence</p>	<p><b>Result of investigation and determination of root cause</b></p> <p>The FMU was unaware of the requirement; even though it has carried out climber cutting on PCT but without keeping any record of such treatment. Therefore,</p>	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p> <p><b>Status: Accepted</b></p>



	<p><b>Objective evidence:</b> The FMU did not maintain the record of Silvicultural treatment eventhough the climber cutting treatment on the PCT was conducted.</p>	<p>additional column shall be inserted in the tree stocking sheets (RILP); commences from Block 26, Coupe 1.</p> <p><b>Correction (if applicable) and Corrective action plan including completion date:</b></p> <p>The FMU have inserted the 'Climber Cut' column in the tree stocking sheet, where every liberated PCT from climbers during the Pre-harvesting tree inventory shall be recorded in the tree stocking sheet.</p>	
<p><b>Minor</b> RJ03/2018</p>	<p><b>Indicator 6.2.1</b> - Availability and implementation of guidelines to identify and protect endangered, rare and threatened species of forest flora and fauna, including features of special biological interest such as seed trees, salt licks, nesting and feeding areas in the FMU</p> <p><b>Finding:</b> List of ERT for Fauna and Flora were not available in the EIA and FMP.</p> <p><b>Objective evidence:</b> The List of Endangered, Rare and Threatened (ERT) Flora and Fauna species were not included in the Environmental Impact Assessment for Hill Logging Under Forest Timber License No. T/3236 and Forest Management Plan for Bahau - Kahei FMU (2017-2026).</p>	<p><b>Result of investigation and determination of root cause</b></p> <p>The List of ERT species was not available in the EIA Report produced in June 2013. As for the non-availability of List of ERT in the FMP (2017 – 2026), the FMU at that time has yet to appoint a consultant to conduct such assessment, which was done in March 2018.</p> <p><b>Correction (if applicable) and Corrective action plan including completion date:</b></p> <p>The List of ERT in the EIA Report is not available, as it has not been revised. However, in the 'Term of Reference' of 'Environmental Impact Assessment for the Proposed Timber Harvesting within Bahau-Kahei FMU under FTL No. T/3236, at Ulu Batang Balui Area, Bukit Mabong and Belaga Districts, Kapit Division, Sarawak – June 2018', the</p>	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p> <p><b>Status: Accepted</b></p>

		<p>consultant has intended to carry out a study and evaluate the '<i>Biological Environment</i>' that comprised of '<i>Fauna Component</i>' and '<i>Flora and Forest Stand</i>' in the future.</p> <p>Currently, the following reports are available for viewing:</p> <ol style="list-style-type: none"> <li><i>High Conservation Value Forest (HCV 1 – HCV 6) Assessment Report: Timber License No. T/3236, Bahau-Kahei Area, Kapit Division, Sarawak – March 2018; and</i></li> <li><i>Baseline Information on Status and Population Dynamics of Mammal, Avifauna and Herpetofauna Species in Timber License No. T/3236, Bahau-Kahei FMU, Kapit Division, Sarawak – May 2018.</i></li> </ol> <p>Therefore, the findings under HCV 1.2 have been incorporated in the FMP (2017 – 2026), such as: <i>Chapter 11: Identification and Management of High Conservation Value (HCV) Forests.</i></p>	
<p><b>Minor</b> RJ04/2018</p>	<p><b>Indicator 7.1.1</b> – Availability and implementation of Forest Management Plan.</p> <p><b>Finding:</b> The list of area for silvicultural treatment were not included in the Forest Management Plan</p> <p><b>Objective evidence:</b> Chapter 9 of FMP has list out the method of silvicultural treatment for the logged over forest, however</p>	<p><b>Result of investigation and determination of root cause</b></p> <p>The FMU was uncertain on which type of silvicultural treatment is needed when it has revised its FMP (2017 – 2026), due to lack of reassessed PSP data and Post-Harvesting Diagnostic Sampling (DS) has yet to be conducted</p>	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p> <p><b>Status: Accepted</b></p>

	<p>the list of the areas involved were not evidence in the FMP.</p>	<p><b>Correction (if applicable) and Corrective action plan including completion date:</b></p> <p>The analyzed DS data obtained from a total plot area of 2.4-ha has found that there is adequate PCT stocking, compared to the minimum PCT stocking at 32 trees/ha (adopted from Peninsular Malaysia's <i>Selective Management System</i> (SMS)). Therefore, enrichment planting is not required; unless the PCT stocking is inadequate. Climber cutting for PCT is also being carried out in the Pre-harvesting tree inventory (see <u>Section 3 of Indicator 5.1.2</u> and <b>Table 9.1</b> in '<i>Chapter 9: Silviculture, Forest Rehabilitation and Reforestation</i>' of the FMP (2017 – 2026)). Besides, the DS findings have been incorporated into '<i>Chapter 9: Silviculture, Forest Rehabilitation and Reforestation</i>' of the FMP (2017 – 2026) and FDS has been notified about the revision via a letter sent in June 2018.</p>	
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