



**PUBLIC SUMMARY
SURVEILLANCE 1 AUDIT (1st CYCLE) ON
LINAU FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC–NF 00119
Date of First Certification: 16th July 2018
Audit Date: 16th -19th July 2019
Date of Public Summary: 5th December 2019**

Certification Body:

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EXECUTIVE SUMMARY

This surveillance 1 audit on Linau Forest Management Unit (FMU), hereafter referred as the Linau FMU was conducted on 16th -19th July 2019 to assess the continued compliance of the overall forest management system of Linau FMU against the requirements of the *Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest)* [MC&I (Natural Forest)] using the verifiers stipulated for Sarawak. The scope of this surveillance 1 audit was limited to the forest management system and practices on the Permanent Reserved Forest (PRF) within Linau FMU.

This surveillance 1 audit was conducted by a 3-member team comprising Hj. Roslee Jamaludin (Lead Auditor), Mohd. Razman Salim (Auditor) and Mohd. Annas Amin Hj. Omar (Auditor).

Based on the findings of this surveillance 1 audit, it was found that Linau FMU had complied with the requirements of the MC&I (Natural Forest). This surveillance 1 audit had resulted in the issuance of two (2) Major, four (4) Minor Non-Conformance Report (NCRs), and two (2) OFI. After the closing of the major NCR the audit team had therefore recommended that the Certificate for Forest Management be renewed to the Linau FMU.

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

1.0 INTRODUCTION

1.1 Name of FMU

Linau Forest Management Unit

1.2 Contact Person and Address

Name : Mr. Lau Keiw Hieng / Mr Andy Wong Ko Hock

Designation : Assistance Operation Manager

Address : Lot 515, Jalan Datuk Edward Jeli,
Piasau Industrial Estate,
P.O. Box 1599, 98000 Miri,
Sarawak.

Contact details : Phone # : 085 656699 / 019 8152099
Fax # : 085 664999 / 085 668299
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andywong@shinyang.com.my

1.3 General Background on the Linau FMU

Linau FMU is managed by Shin Yang Trading Sdn. Bhd. and is committed in the management of the FMU on a sustainable basis. The administration of the FMU covers an area of 72,685 ha of Linau Permanent Forest, Balui Permanent Forest and a small portion of Bahau Permanent Forest located in Kapit Division.

The inland forest is managed under a Sustainable Forest Management System (SFMS) on a 25 - year rotation period. The Annual Allowable Cut (AAC) was calculated to 89,253m³/year or no more than 2,353 ha/year for 25 years of cutting cycle. A Forest Management Plan (FMP) covering the period from 2017 to 2026 had been presented during the audit. During this audit, the total area has increased about 25ha. from 72685 to 72710ha. the different because of the change in map from Land & Survey Department to JUPEM map.

During this surveillance 1 audit, the Linau FMU has increased in size from from 72685 to 72710ha. increased about 25ha. the different because of the change in map from Land & Survey Department to JUPEM map.

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

1.4 Date First Certified

16th July 2018

1.5 Location of the FMU

The FMU is situated approximately between Latitudes 20 02' 000' N to 20 20' 000" N and Longitudes 1140 27' E to 1140 56' E

1.6 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.

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

The Annual Allowable Cut (AAC) was calculated to 55,547m³/year or no more than 2380 ha/year for 25 years of cutting cycle. During this surveillance 1 audit, the size of the FMU is 72,710 ha.

1.8 Environmental and Socioeconomic Context

The Final Report of Environmental Impact Assessment (EIA), "Proposed Re-entry Forest Logging at Linau, Kapit Division, Sarawak Under Licence T/3228" was produced in April 2009 by CNF Consultancy Sdn Bhd. The potential impacts and strategies to mitigate the impacts were written in this report. The Environmental Monitoring Report (EMR) was conducted quarterly. Forest Management Plans have incorporated measures to mitigate the environmental impacts identified in the assessments as in Chapter 7.5: Mitigation Measures.

Long Lidem is the only community living adjacent to Linau FMU. Based on the Social Impact Assessment, Long Lidem only have farm and has no Native Customary Right (NCR) land (base on law of Sarawak, Chapter 81) that officially gazetted by Land and Survey Department under Land Code Ordinance (1958). A bilateral agreement was signed on 14th August 2017 by local community and the Linau FMU management. The bilateral agreement identified and agreed to ensure that the water catchment areas, burial ground, and cultivated farm areas of the community were maintained during the forest operation. Linau FMU was given the right to conduct forest operation in the license areas of Linau FMU T/3228 without any obstruction and disturbance by the local community.

Qualified people in communities living within, or adjacent to the FMU has been given preference for employment and contract works.

The FMU has established a mechanism for fair and equitable compensation for the commercial utilisation of traditional forest-related knowledge and practices of indigenous peoples titled 'Procedure of Utilisation of Traditional Forest-Related Knowledge of Local Community'

2.0 AUDIT PROCESS

2.1 Audit Dates

16th -19th July 2019/12 auditor days

2.2 Audit Team

Hj.Roslee Jamaludin	(Lead Auditor)
Mohd. Razman Salim	(Forester)
Mohd.Annas Amin Hj. Omar	(Forester)

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

2.3 Standard Used

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

2.4 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning in June 2019 to solicit feedback from stakeholders on the compliance of the Linau FMU against the requirements of the MC&I (Natural Forest). The comments by the stakeholders and responses by the audit team are shown in **Attachment 3**.

2.5 Audit Process

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

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FMU, local community or stakeholders or field audit or a combination of these methods. Depending on the compliance with the verifiers for a particular indicator, the auditors then decided on the degree of the FMU's overall compliance with the indicator and decided whether or not to issue a major or minor NCR or an OFI which is defined as follows:

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

Consultations during the audit were held with the Local communities in Kampung Long Lidem located adjacent to the Linau FMU. Long Lidem is the only community living adjacent to Linau FMU. The audit team had also held meetings with the workers and workers representative of the Linau FMU

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

The Linau FMU had sent a corrective action plan to the audit team to address the major and minor NCRs which the audit team had reviewed and accepted them. The audit team had prepared an interim surveillance 1 audit report and sent it to the Linau FMU for comment. A Final draft of surveillance 1 audit report which had incorporated the comments received from the Linau FMU was then prepared.

3.0 SUMMARY OF AUDIT FINDINGS

Based on the findings of this surveillance 1 audit, it was found that Shin Yang Trading Sdn. Bhd had continued to manage the Linau FMU in compliance with most of the requirements of the MC&I (Natural Forest). This surveillance 1 had resulted in the issuance of two (2) major, four (4) minor NCRs and two (2) OFIs. The details on the NCRs/OFIs raised are shown in **Attachment 5**.

The audit team had reviewed, accepted, and verified the corrective actions taken by the Linau FMU to address the two (2) major NCR raised during this surveillance 1 audit. The audit team was satisfied that the corrective action had been effectively implemented and had therefore closed out this major NCR. The audit team had also reviewed and accepted the Linau FMU proposed corrective actions to address the four (4) minor NCRs. However, these corrective actions shall be verified by the audit team during the next audit.

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

On local community rights, there were mechanisms in place to resolve disputes over tenure and use rights through Standard Operating Procedure on “Conflict Resolution Procedure”- Dispute Form and meetings held with FMU Liaison Committee. It was observed that there was no recorded civil court case pertaining to legal or customary tenure or use rights filed against the Linau FMU.

Regarding Criterion 6.10, There was no plan for converting the forest area to plantations. Conversion of natural forest into non forest land use had not occurred within the FMU.

As the major NCR raised during this surveillance 1 audit had been closed out, the audit team had therefore recommended that the Certificate for Forest Management be awarded to Linau FMU be maintained.

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

Principle	Strengths	Weaknesses
Principle 1 Compliance With Laws and Principles	<p>The forest management of Linau FMU 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&I (Natural Forest) fundamental for the FMU management were available in the office at the Abit Stumping Office or Research Central Office of T3228 FMU.</p> <p>The “Summary of Record of Violation and Action Taken By FMU” as at 12th July 2019 were presented during the audit. No case has been recorded during this audit.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Camp Office.</p> <p>Forest managers continue to demonstrate awareness of all the binding international agreements such as International Labour Organizations Conventions (ILO), Convention of Biological Diversity (CBD), and International Tropical Timber Agreement 1994.</p> <p>The Linau FMU has established a Standard Operating Procedure (SOP) on “Conflict Between Law and Regulation” (SOP Ref. LEG/01). The conflicts were recorded mainly on the understanding of the laws and regulations and were documented for the FMU action.</p> <p>The forest managers had expressed their willingness to participate in resolution of such conflicts if they arise</p>	<p>Permit for diesel storage at Linau base camp was not available during audit. Therefore, a Minor NCR MRS 01 2019 for Indicator 1.1.1 was raised.</p>

Principle	Strengths	Weaknesses
	<p>Sign boards on control of hunting had been erected at the strategic location. Posters on Total Protected Wildlife in Sarawak were also observed at the Base Camp office.</p> <p>The policy statement was displayed at prominent sites within the FMU and had been communicated throughout the organization. The Policies was made available in Public Summary in website: https://www.shinyang.com.my/products-services/forest-management-unit.html</p>	
Principle 2 Tenure and Use Rights and Responsibilities	<p>The documentation of legal status, and established forest use rights of the land or forest resources within the relevant federal, state, and local laws was made available during the audit. Forest Timber License Agreement No. T/3228 was issued to Shin Yang Trading Sdn. Bhd. on 19 June 2003 and it was extended until 29 April 2020.</p> <p>Forest managers had continued to recognise, respect and collaborate with holders of duly recognised legal or customary tenure or use rights of the local communities.</p> <p>There were mechanisms in place at various levels for use to resolve disputes over tenure and use rights.</p>	
Principle 3 Indigenous People's Rights	<p>Long Lidem is the only community living adjacent to Linau FMU. Based on the Social Impact Assessment, Long Lidem only have farm and has no Native Customary Right (NCR) land. Even though there is no NCR land, management of Linau FMU has shown respect to the community by paying compensation to all local community who has area claimed by Long Lidem as their areas were affected by the forest operation.</p> <p>A bilateral agreement of prior informs consent has been signed by the representative of local community and the management of Linau FMU to safeguard their resources and use right.</p> <p>The FMU has established a mechanism for fair and equitable compensation for the commercial utilisation of traditional</p>	<p>The FMU yet to incorporate the preventive and mitigation measures – 'Table 1: Monitoring Mitigation for Social Impact Assessment within Linau FMU T3228' as stated in the 'Minutes of Forest Certification Meeting Committee Meeting & Management Review 2018' dated 11 May 2019 in the revised FMP dated 15 July 2019. Therefore, a Minor NCR MRS 02 2019 for Indicator 3.2.1 was raised.</p>

Principle	Strengths	Weaknesses
	forest-related knowledge and practices of indigenous peoples titled 'Procedure of Utilisation of Traditional Forest-Related Knowledge of Local Community'.	
Principle 4 Community Relations and Workers' Rights	<p>The FMU has planned relevant training for staff and workers as evidence in the Training Plan 2019 presented during the audit. Management has conducted various training related to forest management and logging operation for their staff.</p> <p>Qualified people in communities living within, or adjacent to, the FMU has been given preference for employment and contract works.</p> <p>All applicable laws and/or regulations covering health and safety of employees were made available and explained to them.</p> <p>Safety and Health Committee had been established by FMU, and Safety & Health Meeting have been conducted quarterly.</p> <p>The FMU had communicated to the staff and workers of their rights to freely organise into union of their own choice</p> <p>A document entitled SOP on "Conflict Resolution Procedure SOP Ref: 02" was available. The guidelines address conflict occurrence with local communities due to impact of forest harvesting operation. This enables actions to be taken to prevent loss or damage affecting the local peoples' legal or customary rights, property, resources, or their livelihoods.</p>	<p>i) Training plan 2019 has covered all relevant operations except for Forestry Policy Statement briefing and PSP Training</p> <p>ii) Only a few of local community at Long Lidem was aware of the MC&I forest certification taken by the FMU</p> <p>iii) The community of Long Lidem had been briefed on the complaints procedure by the FMU. However, did not see the sample of complaints form. Therefore, an OFI for Indicator 4.1.1 was raised.</p> <p>i) During site visit at diesel pump station, the ladder that connecting not guarded with hand railing at both ladders.</p> <p>ii) No safety guard rail at working platform in diesel pump station. Therefore, an OFI for Indicator 4.2.3 was raised.</p> <p>1. The employment contract for workers did not clearly stated such as number of days of work, working hours, holidays, annual leave and sick leave in the contract as per Sarawak Labour Ordinance (Ch. 76). The sampled workers as listed below:</p> <p>i. Wong Chiu Pang (Agreement date: 01/01/2002)</p> <p>ii. Wong Khieng Wu (Agreement date: 21/02/2000)</p> <p>iii. Abrianto (Agreement date: 3/12/2016)</p> <p>iv. Edi Duma (Agreement date: 19/06/2017)</p> <p>2. No evidence of extension for contract of employment for foreign workers between the employees and employer. The sampled workers as listed below:</p> <p>i. Abrianto (Agreement date: 3/12/2016)</p> <p>ii. Edi Duma (Agreement date: 19/06/2017)</p>

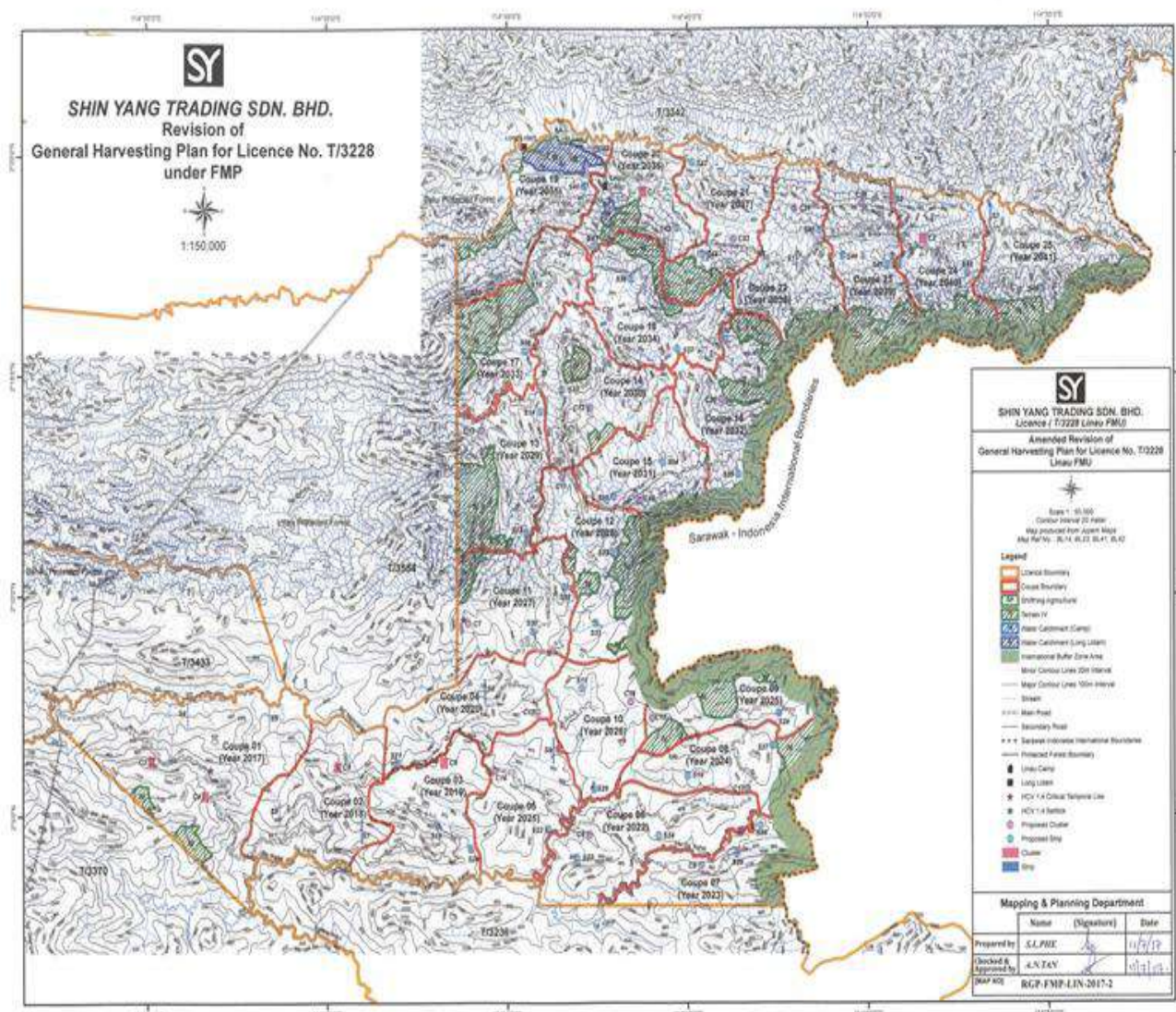
Principle	Strengths	Weaknesses															
		Therefore, a Major NCR for Indicator 4.3.3 was raised															
Principle 5 Benefits From the Forest	<p>Investments and reinvestments had continued in forest management, including aspects of forest administration, research, human resource development, protection, economy, conservation, environment and social.</p> <p>Timber was still the main product being extracted from the forest in the FMU, No minor forest produce had been extracted.</p> <p>Protection Areas of terrain IV, watershed area, shifting cultivation area, low density mix dipterocarp forest, Kerangas were excluded from logging and were demarcated on the map.</p> <p>The rate of harvest was calculated to not be greater than estimated regrowth of the residual stand based on permanent sample plots within a pre-defined 25 years of cutting cycle, with total productive area of 58515ha.</p>	<p>During Site inspection to active tagging area in Block 12 Coupe 01AR at MT-2 and Pre-harvesting area in Block 5 Coupe 1AR at ST-0-1, it was evidence that trees with DBH above 30cm and in compliance with the definition of "Potential Crop Tree "as in Para 11.5 (b) in "RIL Guidelines For Ground –based Harvesting System Part 1" were not tag as PCT trees as follows:</p> <table border="1"> <thead> <tr> <th>No</th><th>Species</th><th>DBH</th></tr> </thead> <tbody> <tr> <td>1</td><td>Meranti</td><td>40cm</td></tr> <tr> <td>2</td><td>Empenit</td><td>38cm</td></tr> <tr> <td>3</td><td>Meranti</td><td>39cm</td></tr> <tr> <td>4</td><td>Meranti</td><td>33cm</td></tr> </tbody> </table> <p>Therefore, a Minor NCR for Indicator 5.2.1 was raised.</p> <p>During site inspection at Block 13 Coupe 1 AR, auditor has found one tree stump with dbh under cutting limit has been felled at MT-1. Species Ubah with DBH 38 cm and without tree tag.</p> <p>Therefore, a Major NCR for Indicator 5.3.1 was raised.</p>	No	Species	DBH	1	Meranti	40cm	2	Empenit	38cm	3	Meranti	39cm	4	Meranti	33cm
No	Species	DBH															
1	Meranti	40cm															
2	Empenit	38cm															
3	Meranti	39cm															
4	Meranti	33cm															
Principle 6 Environmental Impact	<p>The Final Report of Environmental Impact Assessment (EIA), "Proposed Re-entry Forest Logging at Linau, Kapit Division, Sarawak Under Licence T/3228" was produced in April 2009 by CNF Consultancy Sdn Bhd. Forest Management Plans have incorporate measures to mitigate the environmental impacts identified in the assessments.</p> <p>The FMU had identified the Protected area such as water catchment area, terrain IV or Kerangas, HCVF and International Buffer Zone areas. These areas were demarcated on the ground and mapped.</p> <p>Hunting, fishing, and collecting activities were controlled and inappropriate activities were prevented. Signages for no hunting were erected at the main</p>	<p>The SOP for handling of scheduled waste only mentioned for spent lubricating oil (SW305), spent hydraulic oil (SW306) and Rags, plastics, papers or filter contaminated with scheduled wastes (SW410). However, other scheduled waste as listed below not stated in the SOP as listed below:</p> <ul style="list-style-type: none"> i. SW 408 : Contaminated soil, debris or matter resulting from cleaning-up of a spill of chemical, mineral oil or scheduled wastes ii. SW 409 : Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes iii. SW 102 : Waste of lead acid batteries in whole or crushed form <p>Therefore, a Minor NCR for Indicator 6.7.1 was raised</p>															

Principle	Strengths	Weaknesses
	<p>entrance and at strategic location and posters had been posted at the main entrance, office, workshop, canteen and the staff quarters.</p> <p>The silvicultural treatment will be carried out by multi-layer approach, based on “Manual of Silviculture for the Permanent Forest Estate of Sarawak, 1999”.</p> <p>For the conservation of genetic, species and ecosystem diversity in the FMU, the minimum cutting limit of 45cm DBH and above for non - Dipt. Species and Dipt 60cm DBH and above were implemented in Linau FMU.</p> <p>The FMU had been adhering to specifications on the harvesting procedures to protect soil from compaction, reduce/low impact logging, forest road, log landing and stream buffer zone through their SOPs and Guidelines.</p> <p>There was no application of biological control agents in the FMU. No exotic species were planted in the forest.</p> <p>Conversion of natural forest into non forest land use had not occurred within the FMU.</p>	
<p>Principle 7 Management Plan</p>	<p>A Forest Management Plan (FMP) for the FMU for the period 2017-2026 had been prepared, and approved by Forest Department Sarawak. The FMP had included all the items listed from (a) to (i) in Criterion 7.1. The presence of ERT species had been documented and protective measures for them had been included in the FMP.</p> <p>The FMP covers the duration of 2017-2026, the FMU will revise its FMP every 5 years.</p> <p>Forest manager was aware of new scientific and technical information pertinent to the management of the area to be certified.</p> <p>The FMU has its training room in the Linau FMU main office. Training programs for the FMU for the year 2019 was available. The training was divided into two categories, i.e. internal and</p>	<p>There were no negative findings</p>

Principle	Strengths	Weaknesses
	<p>external training program. The training activities include a wide variety of aspects from the use of field equipment, forest boundary demarcation, computer skills, data management and tree identification and RIL.</p> <p>Summary of Forest Management Plan has been prepared, implemented and made available to the public through website link as follows : https://www.shinyang.com.my/products-services/forest-management-unit.html</p>	
Principle 8 Monitoring and Assessment	<p>The Linau FMU complies with the regulatory monitoring procedures in accordance with relevant federal and state guidelines of the Forestry Departments and other relevant agencies.</p> <p>The forest managers have identified 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>The forest managers had provided relevant documents for identifying all forest products leaving the Linau FMU area so that their origin could be easily determined.</p> <p>A summary of the monitoring results for (a) Yield of all forest products harvested, (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 Shin Yang's website: https://www.shinyang.com.my/products-services/forest-management-unit.html</p>	There were no negative findings
Principle 9 Maintenance of High Conservation Values	<p>The assessment report titled 'High Conservation Value (HCV) Assessment Report T/3228-Linau FMU, dated December 2016 by Sarawak Forestry Corporation Sdn Bhd' was available.</p> <p>Linau FMU had consulted relevant stakeholders such as WWF-Malaysia, Sarawak Forestry Corporation and Forest District Office, Bintulu, communities of Long Lidem, Sarawak Biodiversity Centre, Department of land</p>	There were no negative findings

Principle	Strengths	Weaknesses
	<p>Survey, and Department of Agriculture on the options to maintain or enhance the identified HCVFs.</p> <p>The status or information of HCVF was incorporated into the Forest Management Plan for Linau Forest Management Unit (T/3228).</p> <p>All the identified sites in the report had been protected as conservation area and riparian buffer belts. The HCVF's areas were demarcated on map in the FMP in "Revision of General Harvesting Plan for Licence No. T/3228 under FMP".</p> <p>The monitoring was conducted at least once in a year. Site inspection to critical temporal areas important for wildlife at Block 31 (bat roosting), Coupe 14 (Salt Licks and pigeon drinking area/feeding site) and Coupe 19 (Flora – Ipoh tree) found the areas was conserved and remain undisturbed.</p>	

Map of Linau FMU



Experiences and Qualifications of Audit Team Members

Audit Team	Role/Area of MC&I Requirement	Qualification and Experience
Hj.Roslee 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 / Research Areas:</p> <p>Had Attended and Passed the following Training programmes:</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 ,Agri & Forestry Section) 21 August 2015.</p> <p>Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food , Agri & Forestry Section) 26 Jan 2016.</p> <p>FMC Workshop 28th -29th November 2017</p> <p>FMC Workshop for 2018 organised by SIRIM (Food,Agr. &Forestry) 22 November 2018</p> <p>COC Workshop 2018 organised by SIRIM 26 November 2018</p> <p>Auditor Training Course on PEFC Chain of Custody Certification organized by MTCC on 19th -20th December 2018.</p>

		<p>MSPO Training Course 16-17 Feb 2019 organised by SIRIM</p> <p>COC Workshop 27/6/2019 FAF SIRIM QAS</p> <p>FMC 25-26/6/2019 organised by FAF SIRIM QAS</p>
Mohd Razman Salim	Assessor/ Forester	<p>Academic Qualification: B.Sc. of Forestry (Forest Production), Universiti Putra Malaysia.</p> <p>Work Experience: Five years experienced as Research Officer at the Forest Research Institute Malaysia (FRIM) since 2007 in a various area such as ecological research for lowland and hill dipterocarp forest, Geographic Information Systems, forest inventories, forest harvesting and forest management system (SMS). Participate in organizing committee member, division level activities and projects. Coordinate and collaborate a long term ecological plot and inventory data about 25 years at the Pasoh, Negeri Sembilan with Negeri Sembilan Forestry Department, universities (local & international) and NGOs. Published and presented research findings at the seminars and conferences. Currently as Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International Sdn Bhd, since 2013. Involved in conducting assessments on forest management certification [MC&I (Natural Forest)] & [MC&I (Plantations)], MYNI of RSPO P&C and other management systems on ISO 9001, 14001 and OHSAS 18001</p> <p>Training / Research Areas: Was attending and pass in the following training programmes:</p> <p>Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organized by MTCC, 1-4 December 2013. EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013. OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013. QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013.</p>
Mohd. Annas Amin Hj. Omar	Auditor/ Forester	<p>Academic Qualification: <i>Diploma in Forestry, UPM</i> <i>B. Sc. In Forestry, UPM</i></p> <p>Work Experience: Six years as Assistant Forest Officer at Perak State Forestry Department from 2013-2018. Main responsibility is Assisting District Forest Officers in administrative work, forest development and forest operations. Conduct forest Enforcement Team Activities such as The Prevention of illegal logging. Appointed as Raid Officer in Raid Eradicating Illegal Refinery in Kinta Manjung Forest District. Also appointed as Investigation Officer in a case involved Ayer Chepam Forest Reserve and cased Prosecuted in Court.</p> <p>Training / Research Areas: Attended and pass the following training programmes:</p> <p>Program Of MTCS Training Course (MC& I) In Kuantan (9-12 July 2018)</p> <p>Lead Auditor ISO 9001, ISO 14001 & ISO 45001 Exemplar Global Certified (13-18 Ogos 2018)</p>

Surveillance 1 Audit Plan

DAY	TIME	PROGRAM		
		Auditor 1 (Hj.Roslee)	Auditor 2 (Anas)	Auditor 3 (Razman)
Day 0 15/7/2019 Monday	6:00am-11:00am 11.00am-7.00pm	All Auditors travelling from KLIA to Bintulu Flight from Kuala Lumpur (KUL) to Bintulu (BTU)- MH2742 ETD-08:25, ETA-10:45 Travel to Linau Camp site		
Day 1 16/7/2019 Tuesday	8.00am –12.00pm	<ul style="list-style-type: none"> Opening Meeting with representatives of FMU Briefing session by Forest Manager of the FMU Q&A Session Evaluation of changes to the management of the FMU/FPMU 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. 		
	12.00 pm – 5.00 pm	Documentation Review		
		Principle 1 – Compliance with Laws and Principles	Principle 6 – Environmental Impact	Principle 2 – Tenure and Use Rights and Responsibilities.
		Principle 5 – Benefits from the forest	Principle 8 – Monitoring and Assessment	Principle 3 – Indigenous Peoples' Right
	8.00pm-10.pm	Principle 7 – Management Plan	Principle 9 – Maintenance of High Conservation Value (HCV)	Principle 4 - Community Relations and Worker's Right
		<ul style="list-style-type: none"> Review of Day 1 Findings by Audit Team Leader 		

Day 2 17/7/2019 Wednesday	7.30 am- 5.30 pm	Site visit		
		<ul style="list-style-type: none">Inspection of active harvesting area(coupe1AR block 12)Consultation with contractors and workers operating in active logging area, bulldozer, hook-man, chainsaw and supervisor.Inspection Licence Boundary at Coupe 19AR Sungai Kajang	<ul style="list-style-type: none">HCVF site No: 01- Coupe 01ARConservation area – terrain IV at Coupe 01ARPSP plot- strip 04 & Cluster 04 at Coupe 01AR	<ul style="list-style-type: none">Consultation with Local Communities – Long LidamInspection of Workshop &storeInterview with workers and worker's RepresentativeInspection of Workers QuartersConsultation with stakeholders:<ul style="list-style-type: none">-Sarawak Forestry Department- Sarawak Forestry Corporation (SFC)Nursery inspection and interview with nursery Workers
		<ul style="list-style-type: none">Review of Day 2 Findings by Audit Team Leader		
Day 3 18/7/2019 Thursday	7.30 am - 5.00pm	Site visit		
		<ul style="list-style-type: none">Inspection of Pre- Harvesting area/tree tagging area (Coupe 01AR Block 5)Stumping area (Coupe 04AR)HCVF site No.2 (Coupe 11AR)	<ul style="list-style-type: none">Inspection of active/Post harvesting area (Block 13, Coupe 01AR)PSP plot- Strip 21 Coupe 04AR.	<ul style="list-style-type: none">Inspection of post harvesting Block at Coupe 01AR Block 59.HCV Site No. 05 at Coupe 19ARPSP Strip 06 at Coupe 02AR
		<ul style="list-style-type: none">Review of Day 3 Findings by Audit Team Leader		
Day 4 19/7/2019 Friday	8.00am- 12.00pm	<ul style="list-style-type: none">Documentation and records review		
	2.00pm -3.00pm	<ul style="list-style-type: none">Preparation of audit report and findingBriefing to representatives of FMU on the findings of audit		
	3.00pm	<ul style="list-style-type: none">Closing Meeting and presentation of findings of audit and discussion on follow-up activitiesAdjourn Closing Meeting		
20/7/2019 (Saturday)	8.30am	<ul style="list-style-type: none">Travel back to Bintulu check-in at New World Hotel.		
All Auditors travel back to Kuala Lumpur on 21 st July 2019 (Sunday), Flight MH2743 – ETD 11:20, ETA 13:25				

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

Indicator	Specification Major/Minor/ OFI	Detail Non-conformance	Corrective Action Taken	Comment by Audit Team
Indicator 1.1.1 NCR: MRS 01/ 2019	Minor	<p>Indicator 1.1.1 Records and availability of up-to-date applicable federal, state and local laws, and regulations and policies, in particular those related to forest management.</p> <p>Finding : Storage of diesel without permit from related government authority agencies.</p> <p>Objective evidence : Permit for diesel storage at Linau base camp was not available during audit.</p>	Submit all required documents and request for diesel storage permit from KPDNKK (Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan);	<p>The corrective action plan was accepted by audit team.</p> <p>Status: The implementation and effectiveness of corrective action plan will be verified during next audit.</p>
Indicator 3.2.1 NCR : MRS 02/ 2019	Minor	<p>Indicator 3.2.1 - Forest management practices in indigenous people's lands recognised within relevant federal, state and local laws shall not threaten or diminish, either directly or indirectly, their resources or tenure rights.</p> <p>Finding : Preventive and mitigation measures was not incorporated into Forest Management Plan.</p> <p>Objective evidence : The FMU yet to incorporate the preventive and mitigation measures – 'Table 1: Monitoring Mitigation for Social Impact Assessment within Linau FMU T3228' as stated in the 'Minutes of Forest Certification Meeting Committee Meeting & Management Review 2018' dated 11 May 2019 in the revised FMP dated 15 July 2019.</p>	We will incorporate the preventive and mitigation measures for monitoring mitigation of Social Impact Assessment as supplementary to the Forest Management Plan of Linau FMU T-3228 and to be incorporated into the revised FMP in future.	<p>The corrective action plan was accepted by audit team.</p> <p>Status: The implementation and effectiveness of corrective action plan will be verified during next audit.</p>
Indicator 6.7.1 NCR : MRS 04 /2019	Minor	<p>Indicator 6.7.1 – Oil, fuel, containers, liquid and solid non organic wastes shall be disposed of in an environmentally appropriate and legal manner.</p> <p>Finding: Relevant schedule waste were not sufficiently covered in the SOP Schedule Waste as per</p>	Standard Operating Procedure (SOP) of Scheduled Waste (SW 408, SW 409, and SW 102) will be added into SOP. Employees involved in the process of scheduled waste management	The corrective action plan was accepted by audit team.

		<p>Environmental Quality (Schedules waste) Regulation 2005.</p> <p>Objective evidence : The SOP for handling of scheduled waste only mentioned for spent lubricating oil (SW305), spent hydraulic oil (SW306) and Rags, plastics, papers or filter contaminated with scheduled wastes (SW410). However, other scheduled waste as listed below not stated in the SOP as listed below:</p> <ul style="list-style-type: none">i. SW 408 : Contaminated soil, debris or matter resulting from cleaning-up of a spill of chemical, mineral oil or scheduled wastesii. SW 409 : Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastesiii. SW 102 : Waste of lead acid batteries in whole or crushed form	<p>will be informed and trained to increase their safety awareness toward scheduled wastes.</p> <p>(A) Estimated SOP of SW408, SW409 and SW102 to be completed by Aug 2019.</p> <p>(B) Estimated training on SW408, SW409, and SW102 SOP to be completed by Sep 2019.</p>	<p>Status: The implementation and effectiveness of corrective action plan will be verified during next audit.</p>															
<p>Indicator 5.2.1</p> <p>NCR : RJ01/2019</p>	<p>Minor</p>	<p>Indicator 5.2.1 - Forest management practices encourage the optimal use of forest resources.</p> <p>Finding : Trees with DBH more than 30cm but below the cutting limit were not tagged as PCT as requirement in “RIL Guidelines for Ground-Based Harvesting System Part 1”.</p> <p>Objective evidence : During Site inspection to active tagging area in Block 12 Coupe 01AR at MT-2 and Pre-harvesting area in Block 5 Coupe 1AR at ST-0-1 , it was evidence that trees with DBH above 30cm and in compliance with the definition of “Potential Crop Tree “ as in Para 11.5 (b) in “RIL Guidelines For Ground –based Harvesting System Part 1” were not tag as PCT trees as follows:</p> <table><tr><td>No</td><td>Species</td><td>DBH</td></tr><tr><td>1</td><td>Meranti</td><td>40cm</td></tr><tr><td>2</td><td>Empenit</td><td>38cm</td></tr><tr><td>3</td><td>Meranti</td><td>39cm</td></tr><tr><td>4</td><td>Meranti</td><td>33cm</td></tr></table>	No	Species	DBH	1	Meranti	40cm	2	Empenit	38cm	3	Meranti	39cm	4	Meranti	33cm	<p>1. Re-fresh training for RIL guidelines specifically the section of pre-felling inventory to the ground operators.</p> <p>2.Holistic Planning & systematic tagging are to be done in regards to the preparation of identification, marking and recordings the PCTs.</p> <p>3. Re-check and inspection is established after tagging is done for individual block.</p> <p>(Evidence: Records of the inspection reports in terms of Form and Procedure.)</p>	<p>The corrective action plan was accepted by audit team.</p> <p>Status: The implementation and effectiveness of corrective action plan will be verified during next audit.</p>
No	Species	DBH																	
1	Meranti	40cm																	
2	Empenit	38cm																	
3	Meranti	39cm																	
4	Meranti	33cm																	

<p>Indicator 4.3.3</p> <p>MRS 03 /2019</p>	<p>Major</p>	<p>Indicator 4.3.3 - The right of workers to benefits and protection is assured under applicable laws and/or regulation.</p> <p>Finding : The contract of employment for workers did not clearly stated the rights of the employee as per Sarawak Labour Ordinance.</p> <p>Objective evidence :</p> <p>1.The employment contract for workers did not clearly stated such as number of days of work, working hours, holidays, annual leave and sick leave in the contract as per Sarawak Labour Ordinance (Ch. 76). The sampled workers as listed below:</p> <ul style="list-style-type: none"> i. Wong Chiu Pang (Agreement date: 01/01/2002) ii. WongKhieng Wu (Agreement date: 21/02/2000) iii. Abrianto (Agreement date: 3/12/2016) iv. Edi Duma (Agreement date: 19/06/2017) <p>2.No evidence of extension for contract of employment for foreign workers between the employees and employer. The sampled workers as listed below:</p> <ul style="list-style-type: none"> i Abrianto (Agreement date: 3/12/2016) ii.Edi Duma (Agreement date: 19/06/2017) 	<p>1. Human resource will update Contract Agreement accordingly to the evidence findings by the auditors, Days of works, working hours, holidays, annual leave and sick leave only.</p> <p>2. Personal Department will establish the table of monitoring to monitor the validity for TKI workers' agreement. This is to ensure the agreement is not expiring in future.</p>	<p>FMU has provided the following document:</p> <ul style="list-style-type: none"> 1. The revised Letter of Appointment/employment of workers to include no of days of work in clause 7 – Annual Leaves,Clause 4- Working Hours,Clause 8- Public Holiday and Clause 9- Sick leaves.FMU has submitted 3(three) samples of the Appointment letter: Mr.Mr. Wong Chiu Pang,Mr. Wong Khieng Wu and Jeffry anak Jaya. 2. Contract for foreign workers has been extended and signed on 26th July 2019. The FMU has submitted 2 samples of the contract namely for Abrianto and Edi Duma. The FMU also has established a Monitoring Table “Monitoring of Contract Agreement Validity for Linau Camp. (Indo Workers- TKI)” as a monitoring mechanism. <p>Status : Closed</p>
<p>Indicator 5.3.1</p> <p>NCR No: ANS01/2019</p>	<p>Major</p>	<p>Indicator 5.3.1 - Implementation of guidelines for reduced/low impact logging to minimize damage to residual stand.</p> <p>Finding: Implementation of felling by FMU did not comply to cutting limit.</p> <p>Objective evidence:</p> <p>1. During site inspection at Block 13 Coupe 1 AR, auditor has found one tree stump with dbh under cutting limit has been felled at MT-1. Species Ubah with DBH 38 cm and without tree tag.</p>	<p>1. FMU will focus more in block inspection in order to check and ensure the site workers are aware with prohibited action during harvesting activity and any cutting of undersized tree should be reported in terms of document and report to the forest manager and concern authority.</p> <p>2. Form for “report on breaches of cutting rules, tagged tree not</p>	<p>The FMU has prepared the following document:</p> <ul style="list-style-type: none"> 1. SOP on “Breaches of Cutting Rules, Tagged Trees not Extracted &ETC.” 2. Reporting Format on “Breaches of Cutting Rules, Tagged Trees not Extracted

			<p>extracted and etc" designed to strengthen the block inspection;</p> <p>3. The SOP of "report on the breaches of cutting rules and reduce impact logging RILs guidelines Sarawak (Part 1) of section 11.5 Potential Crop trees and (Part 2) section 11.11 Tree felling"</p>	<p>&ETC."</p> <p>3. The following training were conducted on 20-21 August 2019 attended by Foreman, Block Production Supervisor and Operators:</p> <ul style="list-style-type: none"> • Supplementary tag for missed out harvestable tree during tree tagging inventory. • Breaches of Cutting Rules, Tagged Trees not Extracted &ETC." <p>Status: Closed.</p>
Indicator 4.1.1	OFI	<p><u>Forest managers provide appropriate support for training, retraining, local infrastructure, facilities and social programmes that commensurate with the scale and intensity of forest management operations.</u></p> <p>i) Training plan 2019 has covered all relevant operations except for Forestry Policy Statement briefing and PSP Training</p> <p>ii) Only a few of local community at Long Lidem was aware of the MC&I forest certification taken by the FMU</p> <p>iii) The community of Long Lidem had been briefed on the complaints procedure by the FMU. However, did not see the sample of complaints form.</p>	Not required	Will be verify during next audit
indicator 4.2.3	OFI	<p><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> <p>i) During site visit at diesel pump station, the ladder that connecting not guarded with hand railing at both of the ladder.</p> <p>ii) No safety guard rail at working platform in diesel pump station</p>	Not required	Will be verify during next audit

Corrective Actions Taken and Final Status on NCRs and OFIs Raised During Previous Audit

Indicator	Specification Major/Minor/ OFI	Detail Non-conformances	Corrective Action Plans Taken	Comments by Audit team
4.2.3 KN01/2017	Major	<p><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> <p>Finding: Appropriate safety and operational equipment was not made available to forest plantation workers in the work place</p> <p>Objective evidence: During site inspection, auditor has found numbers of non-compliance as stated below:</p> <ol style="list-style-type: none"> 1) First Aid Kit was not available at the workshop and fuel depot in Linau Base Camp. 2) Bottles with drinking water were mixed with other wire and chemical container in the wireman store. 3) Hydraulic oil were stored in wireman and hardware store which is not in designated storage area. 4) The hose without nozzle were used for filling diesel to machineries and vehicle in fuel depot, Linau base camp. 5) Almost all Chain Lock used in the Linau Workshop were not in good 	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> • Supplement of First Aid kit in Linau FMU as planned is for block and store only, however the person in charge overlook plan for the workshop and fuel depot as thinking the distance from the said place is near to the store. • Safety instruction for the findings 2-5 were provided, however the same staffs at workshop and fuel depot were unaware on the said matter. <p>Correction and corrective action plan including completion date:</p> <ul style="list-style-type: none"> • First Aid Kit were immediately provided to the workshop and Fuel Depot in Linau Base Camp: • Bottles with drinking water were label with “drinking water only”, stored separately and no reuse of drinking bottles to fill with M-oil especially in the wireman store. • Hydraulic oil container was instructed immediately to be stored in designated storage area. • Nozzle was installed on hose used for filling diesel to machineries and vehicles in fuel depot • Chain lock repaired and installed with safety latch immediately. • Safety program will be conducted weekly by OSHA committee to minimize /prevent the re-current of the non-compliance activities of the safety behavior at the workplace. 	<p>Auditors has verified the action plan and evidence of implementation on the non-compliance raised.</p> <p>First Aid Kit are immediately provided to the workshop and fuel depot in Linau Base Camp.</p> <p>Bottles with drinking water will be labelled with “drinking water only”, stored separately and no reuse of drinking bottle to fill the M-Oil bottles/containers especially in the wireman store.</p> <p>Hydraulic oil container was instructed immediately to be stored in designated storage area.</p> <p>Nozzle is installed on hose that used for filling diesel to machineries and vehicles in fuel depot.</p> <p>Chain Lock is to be repaired and installed with safety latch immediately</p> <p>Safety program will be conducted by OSHA committee weekly to minimize/prevent reoccurrence of the non-compliance.</p> <p>Based on the evidence and</p>

		condition which is it without safety latch.		<p>pictorial report of implementation provided regarding the first aid kits, drinking water bottles, hydraulic oil containers, nozzle, chain lock and safety training program, the evidence of implementation were accepted.</p> <p>Status: Closed</p>
5.6.1 KN02/2017	Major	<p><u>Rate of harvest shall not be greater than estimated regrowth of the residual stand based on permanent sample plots within a pre-defined cutting cycle.</u></p> <p>Guidelines for Reduced Impact Logging Systems in Forest Management Certification (Natural Forest) Area, Second Edition, 2014 – para 3.3 – Tree marking and preparation of the tree stand map</p> <p>Finding: The forest management practices do not take into consideration of the estimated regrowth of the residual stand based on permanent sample plots within a pre-defined cutting cycle.</p> <p>Objective evidence: The Guidelines for Reduced Impact Logging Systems in Forest Management Certification (Natural Forest) Area, Second Edition, 2014 and FMP chapter 3.7 – AAC Verification requires block only be harvested when the commercial timber stand exceeded 22m³/ha.</p> <p>However, during the site inspection at active harvesting area in block 25 and 26, at Coupe 1AR, it was found</p> <ul style="list-style-type: none"> Enumerated volume for block 25, with area of 84ha, only 463.41m³ or 5.5m³/ha (1.9 trees/ha), and Enumerated volume for block 26, with area of 80 ha, only 496.00m³ or 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> Due to the management overlook for the requirement of Forest management Plan Chapter 3.7-AAC, block can only be harvested when the commercial timber stand exceed 22m³/ha, the management only focus on the production (M³) cannot be more than Annual Allowable Cut (AAC). The enumeration error in PSP (Major NCR raised under indicator 8.2.1) may result in estimation of net volume from the PSPs did not tally with the result of the enumerated volume of the current active harvesting area. <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> The management has stopped operating in the areas with less than 22m³/ha. based on the memo dated 3/1/2018, and only to proceed to block 60 which has more than 22m³/ha from 9 block been enumerated for volume. The management has stucked to follow its management to uphold the requirement of MC&I (Natural Forest) for indicator 5.6.1 and also to fulfill the management objective in FMP, only areas with volume exceed 22m³/ha. will be harvested. The management has communicated with the FMU 	<p>Auditors have verified action plan and evidence of implementation on block to be harvested only when commercial timber stands exceed 22m³/ha. Based on the memo from Forest Manager Shin Yang Sdn Bhd. to Camp Manager of Linau FMU dated 3rd Jan.2018, the management decided not to harvest blocks with low volume density less than 22m³/ha. and only block with more than 22m³/ha will be harvest. From the result of pre-f inventories for 9 block of coupe 1AR, i.e block 13, 19,20,22,25,26,27,28 and 60, only block 60 was chosen for next harvesting area as the result of Pre-F inventory showed that this block has 26.12m³/ha., which is more than 22m³/ha. The evidence of implementation was accepted.</p> <p>Status: Closed</p>

		<p>6.2m³/ha (1.6 trees/ha) to be harvested.</p> <p>The estimated net volumes from the PSPs result were 60.55m³/ha, and it does not in line with the result of enumerated volume of current active harvesting area.</p>	<p>through memo dated 3/1/2018 to continue to choose better block and to ensure the management objective only to harvest when the commercial timber volume exceed 22m³/ha.</p>	
8.2.1 KN03/2017	Major	<p><u>Forest managers shall gather the relevant information, appropriate to the scale and intensity of the forest management operations, needed to monitor the items (a) to (e) listed in Criterion 8.2.</u></p> <p>Finding: The relevant information, appropriate to the scale and intensity of the forest management operations, needed to monitor the items (b) Growth rates, regeneration and condition of the forest was not sufficient. The establishment and monitoring of Permanent Sample Plots were not satisfactorily enumerated.</p> <p>Objective evidence: 1. During the site inspection of Permanent Sample Plots Cluster No.03, in block 37, Coupe 1AR, it was found;</p> <ul style="list-style-type: none"> • Three (3) trees outside of sample plot boundaries were measured • Sample plot boundaries along 20m interval were not demarcated on the ground • The sample plot map was not in scale and wrongly recorded in opposite direction <p>2. The SOP on Permanent Sample Plots (PSP) for Study of Growth and Regeneration of Forest Resources, Module 3, SOP Ref: FR/01 does not clearly explain the process of the PSP design and working instruction</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1) The trees measured outside the sample plot were due to sample plot boundary were not demarcated at 20m interval on the ground. The survey crew only demarcated at 100m interval based on the "Forest Resource Assessment Guideline." 2) Sample plot map were wrongly shown during the audit, the map was only the rough sketched map, and it has caused misleading to the auditor during the ground inspection. 3) The establishment of PSP (Strips & Clusters) were based on Forest Resource Assessment, in which the length of strips and cluster were long and only at 100m the boundary was demarcated, as a result the error occurred as the control boundary at 20m interval were not demarcated on the ground. 4) Standard Operating Procedure (SOP) on PSP did not provide adequate information to survey crews, especially the mitigation to reduce or minimize error and how to do correction if error occurred. <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1) Rechecked and carry out correction of the PSP plots immediately and monitored by Headquarter (HQ)surveyor representative. 2) Revised the procedure of PSP to be more comprehensive for the surveyor crews to implement on 	<p>Auditors has received the action plan and evidence of implementation on PSP enumeration, sample plot boundary demarcation, sample plot map and Standard Operating Procedure (SOP) on Permanent Sample Plot (PSP) were verified. The PSP for cluster no.03 has been improved by the survey crews. The improvement was based on the revised Standard Operating Procedure for PSP. The FMU has improved and established the Standard Operating Procedures (SOP) regarding the PSP, the SOPs were:</p> <ul style="list-style-type: none"> • SOP/FR/03 Quality Assurance/ Quality Control to double check the data collection as to ensure accuracy of data; • SOP/FR/04 Use of Clinometer to ensure the accuracy of measurement of distance and slope correction; • SOP/FR/05 PSP Plot Design to ensure the sampling design be

			<p>the ground.</p> <p>3) Double checked the 1st round enumerated data of PSP plots immediately by the HQ Surveyors.</p> <p>4) Established the correction form for PSP to record the errors for PSP data recorded.</p> <p>5) Frequent training on PSP to be conducted to avoid error in sampling activities, especially sample at the strip or cluster boundary.</p>	<p>adhered to by survey crews;</p> <ul style="list-style-type: none">SOP/FR/06 Establishment of PSP Plot: to ensure the PSP Plot were properly located and set up to minimize errors during sampling.SOP/FR/07 Measurement of trees.SOP/FR/08: Recording on Tally Sheet. <p>The evidences for implementation were accepted.</p> <p>Status: Closed</p>												
1.5.2 RJ 01/2017	Minor	<p><u>Control of encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities in the FMU.</u></p> <p>Finding: The licence boundary marked with red paint.</p> <p>Objective evidence: The FMU has marked the license boundary with red paint not orange paint as requirement under Chapter 5 of Forest Management Plan 2017- 2027 for Linau FMU under para 5.3, Table 5.3:</p> <table><tr><td>No.</td><td>Feature</td><td>Colour Paint</td></tr><tr><td>1</td><td>Licence Boundary</td><td>Orange</td></tr><tr><td>2</td><td>Coupe Boundary</td><td>Red</td></tr><tr><td>3</td><td>Block Boundary</td><td>Yellow</td></tr></table>	No.	Feature	Colour Paint	1	Licence Boundary	Orange	2	Coupe Boundary	Red	3	Block Boundary	Yellow	<p>Result of investigation and determination of root cause:</p> <p>1) Conflicts of two (2) standard for the Licence Boundary Guidelines in Sarawak, red colour (Forest Department Guidelines) and orange colour (Sarawak Forestry Corporation), as a result the demarcation on the ground with red color.</p> <p>2) The FMU has marked the licence boundary with red paint based on the Sarawak Forestry Department Guidelines (Procedure for the inspection of harvesting areas 1999, clause 6.0 labeling and painting along boundary)</p> <p>Correction and corrective action plan including completion date:</p> <p>1) Redo the demarcation of license boundary with orange</p>	<p>Auditor has received the action plan on external boundary demarcation on the ground. The action plan has been carried out on the ground, the external boundary has been coloured with orange. The FMU has revised the SOP on Boundary Demarcation & Protection.</p> <p>Status: NCR Closed</p>
No.	Feature	Colour Paint														
1	Licence Boundary	Orange														
2	Coupe Boundary	Red														
3	Block Boundary	Yellow														

			<p>colour based on the Linau Forest Management Plan</p> <ol style="list-style-type: none"> 2) Refreshed the procedures on boundary demarcation to the surveyors and to ensure they follow the colour as planned in the Linau Forest Management Plan (FMP). 3) Frequent boundary monitoring by HQ surveyors representative to check on the colour. 	
3.4.2 RJ 02/2017	Minor	<p><u>Availability of appropriate mechanisms and fair and equitable compensation for the commercial utilisation of traditional forest-related knowledge and practices of indigenous peoples in accordance with existing legislation or by mutual agreement.</u></p> <p>Finding: An appropriate mechanism for fair and equitable compensation for the utilization of traditional forest related knowledge and practices were not available.</p> <p>Objective evidence:</p> <p>The FMU has used a local community knowledge for identification of community use zone, for collecting rattan, herbs, firewood, water catchment, SA area, Ipoh root. FMU has paid for the service. However, there was no specific mechanism or procedure to determine the fair rate for the service.</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1) The requirement for indicator 3.4.2 was misunderstood by the CSR team as for commercial purpose only. Thus the Linau FMU CSR committee excludes the mechanism for this requirement. <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1) The Standard Operating Procedure (SOP) was established by CSR committee for the fair and equitable compensation for commercial utilization of traditional forest related knowledge and practices of Local Community in Linau. 2) The CSR Committee consulted local Community and explained about the SOP. 3) The CSR Committee has added addendum in the mutual agreement for both parties and ensure both party agreed on the determination of the fair rate for the services provided. 	<p>Auditor has verified that, FMU has established a mechanism for fair and equitable compensation for the commercial utilisation of traditional forest-related knowledge and practices of indigenous peoples titled 'Procedure of Utilisation of Traditional Forest-Related Knowledge of Local Community'.</p> <p>Status: Closed</p>
5.5.1 RJ 03/2017	Minor	<p><u>Availability and implementation of guidelines for conservation of buffer strips along streams and rivers.</u></p> <p>Finding:</p> <p>Buffer zones were not marked and signboards were not erected on the ground.</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1) The signboards for buffer zone were only erected at the main river especially along the bridges, the small stream were mainly marked with blue paint only, therefore the buffer zone for the stream at block 79/80 	<p>Auditors has verified action plan to establish the signboards and demarcation of buffer zone in coupe 25 and 24. The monitoring of buffer zone was included in the Monitoring Program of HCVF.</p>

		<p>Objective evidence: Buffer zone for the stream at block 79/80 in Coupe 25 and Coupe 24 were not mark as buffer zone and the signboard of the buffer zone were not erected.</p>	<p>in coupe 25 and coupe 24 were not mark as buffer zone and the signboards were not erected.</p> <p>2) Coupes 25 and 24 of Linau FMU were the old coupe, the demarcation of buffer zone with blue colour were done several years ago and also due to the closure of coupes 25 and 24, the colour faded. The demarcation team focusing the maintenance of buffer zone in the new coupe.</p> <p>Correction and corrective action plan including completion date:</p> <p>1) The signboard and demarcation of buffer zone were reestablished at the stream buffer zone areas in coupe 25 and 24.</p> <p>2) Include the demarcation monitoring into the HCVF monitoring program so that the monitoring crew will patrol the stream buffer area to ensure the buffer zone were clearly demarcated.</p>	<p>Status: Closed</p>
<p>7.1.1 RJ 04/2017</p>	<p>Minor</p>	<p><u>Availability and Implementation of Forest Management Plan.</u></p> <p>Finding: The Management Objectives in the FMP were not clearly stated for the long term objectives of management and means of achieving them.</p> <p>Objective evidence:</p> <p>The Management Objectives in the FMP did not mention specific size of trees selectively be removed and did not include other component of forest resource such as wildlife, fish, water, air and local community. The management objective under Chapter 3 para 3.3 of FMP only list out the following objective:</p> <p>1. Selective removal of the old growth stands on a sustained yield basis in the FMU operable area;</p>	<p>Result of investigation and determination of root cause:</p> <p>1) The management objectives in Linau Forest Management Plan was written based on the management objectives in Linau Forest Timber Licence T-3228, the management objective in Forest Timber Licence list out as follows:</p> <ul style="list-style-type: none"> • Selective removal of the old growth stands on a sustained yield basis in the FMU operable area; • Protection of the soils through proper planning for roads and harvesting method; • Regeneration and improvement of the forest by suitable silvicultural techniques. <p>Correction and corrective action plan including completion date:</p>	<p>Auditors has verified that, The Management Objectives in the FMP has been reviewed and were clearly stated for the long term objectives of management and means of achieving them.</p> <p>Status: Closed</p>

		<p>2. Protection of the soils through proper planning for roads and harvesting method;</p> <p>3. Regeneration and improvement of the forest by suitable silvicultural techniques.</p>	<p>1) In order to fulfill the requirement, the management objective should include the balance, in management of ecology, social and economy. The management objective of Linau FMU will include: The overall and specific objectives, this will include management of timber, fauna, flora, water and soil resources, also ecological/HCVFs, research and development for social and ensure legal framework and management.</p>	
<p>7.1.1 RJ 04/2017</p>	<p>Minor</p>	<p><u>Availability and Implementation of Forest Management Plan.</u></p> <p>Finding: The Management Objectives in the FMP were not clearly stated for the long term objectives of management and means of achieving them.</p> <p>Objective evidence:</p> <p>The Management Objectives in the FMP did not mention specific size of trees selectively be removed and did not include other component of forest resource such as wildlife, fish, water, air and local community. The management objective under Chapter 3 para 3.3 of FMP only list out the following objective:</p> <p>4. Selective removal of the old growth stands on a sustained yield basis in the FMU operable area;</p> <p>5. Protection of the soils through proper planning for roads and harvesting method;</p> <p>6. Regeneration and improvement of the forest by suitable silvicultural techniques.</p>	<p>Result of investigation and determination of root cause:</p> <p>2) The management objectives in Linau Forest Management Plan was written based on the management objectives in Linau Forest Timber Licence T-3228, the management objective in Forest Timber Licence list out as follows:</p> <ul style="list-style-type: none"> • Selective removal of the old growth stands on a sustained yield basis in the FMU operable area; • Protection of the soils through proper planning for roads and harvesting method; • Regeneration and improvement of the forest by suitable silvicultural techniques. <p>Correction and corrective action plan including completion date:</p> <p>1) In order to fulfill the requirement, the management objective should include the balance, in management of ecology, social and economy. The management objective of Linau FMU will include: The overall and specific objectives, this will include management of timber, fauna, flora, water and soil resources, also ecological/HCVFs, research and development for social and ensure legal framework and management.</p>	<p>Auditors has verified that, The Management Objectives in the FMP has been reviewed and were clearly stated for the long term objectives of management and means of achieving them.</p> <p>Status: Closed</p>