



**PUBLIC SUMMARY
STAGE 2 AUDIT ON
PATAH-TUTOH FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC-NF 00134
Date of First Certification: 28 October 2022
Audit Date: 25 - 28 January 2022
Date of Public Summary: 8 November 2022**

Certification Body:

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TABLE OF CONTENTS

	Page No.
EXECUTIVE SUMMARY	3
1.0 INTRODUCTION	4
1.1 Name of FMU	4
1.2 Contact Person and Address	4
1.3 General Background on the Patah-Tutoh FMU	4
1.4 Date First Certified	4
1.5 Location of the FMU	4
1.6 Forest Management System.....	4
1.7 Annual Allowable Cut/Annual Harvest under the Forest Management Plan	5
1.8 Environmental and Socioeconomic Context.....	5
2.0 AUDIT PROCESS	5
2.1 Audit Dates	5
2.2 Audit Team.....	5
2.3 Standard Used.....	5
2.4 Stakeholder Consultations.....	6
2.5 Audit Process.....	6
3.0 SUMMARY OF AUDIT FINDINGS	6

Attachment

Map of Patah-Tutoh FMU	13
Experiences and Qualifications of Audit Team Members	14
Comments Received from Stakeholders and Responses by Audit Team Leader	16
Stage 2/Surveillance/Recertification Audit Plan	17
Details on NCRs and OFIs Raised During this Stage 2 Audit and Corrective Actions Taken (2022).....	19

EXECUTIVE SUMMARY

The Stage 2 audit for forest management certification on Timberplus Sdn. Bhd. – Patah-Tutoh FMU T/0341 was conducted from 25 to 28 January 2022. This was an audit conducted following the previous stage 1 audit which was conducted on 8-10 June 2021 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 SFM) using the verifiers stipulated for Sarawak, Malaysia.

The audit was conducted by a four-member team comprising Khairul Najwan Ahmad Jahari (Lead Auditor), Mohd Razman Salim, Angelica Sinimis, Suimin and Azrul Ikhsan Mohamed (Trainee Auditor).

Based on the findings of this stage 2 audit, it was found that Patah-Tutoh FMU had complied to comply with the requirements of the MC&I SFM. This stage 2 audit had resulted in the issuance of 5 (Five) and 12 (Twelve) major and minor Non Conformity Reports (NCRs) respectively.

This public summary contains the general information on the Patah-Tutoh FMU, the findings of the stage 2 audit, NCRs raised as well as the decision on the certification of the FMU.

1.0 INTRODUCTION

1.1 Name of FMU

Patah-Tutoh Forest Management Unit

1.2 Contact Person and Address

Name: William Tham
Designation: Assistant Manager
Address: No.88, Crown Towers,
Jalan Pending, 93450, Kuching,
Sarawak.

Phone # : 082-345033

Fax # : 082-345678

1.3 General Background on the Patah-Tutoh FMU

The Forest Timber Licence (FTL) No. T/0341 was issued to Timberplus Sdn Bhd by the Sarawak Forestry Department on 30th September 1988 to 29th September 1998 to manage a total of 38,687 ha of the Tutoh-Apoh Forest Reserve and the Maringong Protected Forest, which is located within the Baram Division, Sarawak for an initial period of 10 years. It was subsequently renewed from 30th September 2020 until 29th September 2021. Timberplus Sdn. Bhd. was managing the area or known as Patah-Tutoh T/0341 Forest Management Unit (FMU).

The Patah-Tutoh T/0341 FMU covers an area of 38,687 ha of Tutoh-Apoh Forest Reserve and the Maringong Protected Forest. The forest area is situated approximately between Latitudes 3° 44' 37.8" N to 3° 30' 59.6" N and Longitudes 114° 57' 34.8" E to 115° 15' 16.8" E in the Baram District of Miri Division. It is about 150 km southeast of Miri City. The FMU is bounded by Sungai Tutoh to the north and east whereas the southern boundary is defined by the Ulu Sungai Patah. The eastern boundary is defined by cut lines that are commonly shared with nearby timber licenced areas.

The forest types in the FMU are predominantly Mixed Dipterocarp II (MD II) 54%, Mixed Dipterocarp III (MD III) 16%, and Kerangas 25%. Currently, there was no forest operation in the Patah-Tutoh T/0341 FMU.

Generally, there was no native settlement within the Patah-Tutoh FMU. The nearest settlement is Long Sian, located just north of the FMU, on the other side of Sungai Tutoh, and Long Nen, 15 km from the exit point of the FMU, along the logging road to Long Bedian and Long Lama.

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

1.4 Date First Certified

28 October 2022

1.5 Location of the FMU

The FMU is located between Latitudes 3° 44' 37.8" N to 3° 30' 59.6" N and Longitudes 114° 57' 34.8" E to 115° 15' 16.8" 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. The Timberplus Sdn. Bhd. has prepared a ten-year Forest Management Plan (FMP) dated October 2019 and general SOPs for the Patah-Tutoh T/0341 FMU. A Forest Management Plan was presented during this audit.

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

The operable area for Patah-Tutoh FMU is 27,764 ha and the mean annual operable area is 1,547.48 ha with a cutting cycle of 25 years. This is in accordance with the General Harvesting Plan (GP) that was approved by the FD Sarawak. The AAC is calculated at 35.95m³/ha and the annual AAC is 19,153.16 m³ per annum.

1.8 Environmental and Socioeconomic Context

The Environmental Impact Assessment (EIA) was prepared by CNF Consultancy on February 2013 in the report titled "Proposed Re-Entry Forest Logging at Sg Tutoh, Miri Division, Sarawak under Licence No. T/0341". The approval document from the Natural Resource and Environmental Board (NREB) was made available [Ref (13) NREB/6-3/2H/26] at the Tahora Camp.

The Forest Management Plan had also incorporated an assessment of environmental impacts specific to potential impacts on endangered, rare, and threatened species of flora and fauna (ERT), and the need for biological corridors in the FMU.

Documentation of the customary rights of indigenous peoples' lands was available. As described in Indicator 2.1.2 and 2.2.2, under the Sarawak Government Gazette Part V Vol.L V11 18th July, 2002 no.31 and Forest ordinance Maringong Protected Forest Notification, 2002 (section 33) Cap 126 Second Schedule and Forests Ordinance, Tutoh-Apoh Forest reserves Notification, 2002 section 14 Cap 126 with effect 1st dec, 2000 described lists of communities with user rights in Tutoh-Apoh Forest Reserve and the Maringong Protected Forest. Management and use of such lands and resources are controlled by indigenous peoples. unless they delegate control with free, prior, and informed consent to other parties. It was confirmed during the consultation with communities at Long Siang, Long Kajau (Ba'Taha), Long Selulong and Long Kawa.

There was no commercial utilization of traditional forest-related knowledge and practices within the FMU. However, a mechanism was established for a fair and equitable compensation for the commercial utilization of traditional forest-related knowledge and practices of local communities.

FMU provides employment opportunities for communities in the Tutoh-Patah region although there are no harvesting activities and suitable vacancy is not available.

2.0 AUDIT PROCESS

2.1 Audit Dates

25 - 28 Jan 2022 / 12 auditor day(s)

2.2 Audit Team

- | | |
|------------------------------------|-------------------|
| 1. Khairul Najwan bin Ahmad Jahari | (Lead Auditor) |
| 2. Mohd Razman Salim | (Forester) |
| 3. Angelica Suimin Sinimis | (Sociologist) |
| 4. Azrul Ikhsan Mohamed | (Trainee Auditor) |

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 MC&I SFM using the verifiers stipulated for Sarawak.

2.4 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning December 2021 to solicit feedback from stakeholders on the compliance of the Patah-Tutoh FMU against the requirements of the MC&I SFM. 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 compliance of the Patah-Tutoh FMU's current documentation and field practices in forest management with the detailed of the standard of performances (SOPs) listed in the MC&I SFM, 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 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 SFM.
- (ii) a minor NCR is a deviation or a lapse in complying with the requirements of the MC&I SFM; 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 SFM but without sufficient objective evidence to support a non-conformance.

Consultation was conducted with 4 longhouses at Long Siang, Long Kajau (Ba' Taha), Long Selulong and Long Kawah Consultation was also conducted with Worker's representative, and workers.

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

The Patah-Tutoh 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 stage 2 audit report and sent it to Patah-Tutoh FMU for comment. A second draft of Stage 2 audit report which had incorporated the comments received from the Patah-Tutoh FMU was then prepared and sent to two peer reviewers for independent reviewing. A final stage 2 audit was prepared after incorporated the comments from peer reviewers.

3.0 SUMMARY OF AUDIT FINDINGS

Based on the findings of this stage 2 audit, it was found that Timberplus Sdn. Bhd. had managed the Patah-Tutoh FMU T/0341 in compliance with most of the requirements of the MC&I SFM. This stage 2 audit had resulted in the issuance of 5 major, 12 minor NCRs. The details on the NCRs raised are shown in **Attachment 5**.

The audit team had reviewed, accepted, and verified the corrective actions taken by Patah-Tutoh FMU T/0341 to address the 5 major NCR raised during this stage 2. The audit team was satisfied that the corrective action plan and had been effectively implemented the evidence of implementation and had therefore closed out this major NCR. The audit team had also reviewed and accepted the proposed corrective actions plan to address the 12 minor NCRs. However, these corrective actions shall be verified by the audit team during the next audit.

The Conflict Resolution procedures in the SFD Green Book in Chapter 12 was adopted as a guideline to resolve the conflict between parties. FMU had initiated to consult two communities Long Siang and Long Kajau (Ba' Taha) and had planned in February 2022 to carry out further consultations, awareness program on Community Representative Committee (CRC), Forest Management Certification and Forest management liaison Committee based on the Conflict resolution Procedures guidelines.

Regarding Criterion 6.10, Conversion of natural forest into non forest land use had not occurred within the Danum FMU and the FMU management has no plan to convert the forest area into plantations.

As the major NCR raised during this stage 2 audit had been closed out, the audit team had therefore recommended that the Certificate for Forest Management be awarded to Patah - Tutoh FMU.

The summary on the findings of the Stage 2 audit on Patah-Tutoh FMU against the requirements of the MC&I (Natural Forest) are as follows:

Principle	Strengths	Weaknesses
<p>Principle 1 Compliance With Laws and Principles</p>	<p>Copies of all relevant laws, policies and regulations stipulated in the MC&I SFM fundamental for the FMU management were available in the office at the Tahora Base Camp.</p> <p>Consultation with the forest manager and senior officer of the FMU showed that they had demonstrated an awareness and understanding of the federal, state and local laws and regulatory framework for forest management.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at Tahora Base Camp. Currently, the FMU only paying for renewal fee of timber licence dated 26 Aug 2021, as there was no forest operation during the audit.</p> <p>The FMU Manager was aware of all the binding international agreements relevant to forest management.</p> <p>Documentation of any conflicts between laws, and regulations with MC&I's principles and criteria was made available in "Conflict arises during the implementation of FMP on ground and drafting of FMP".</p> <p>The policy statement was displayed at prominent sites within the FMU and had been communicated throughout the organization.</p>	<p>Site visit to FMU's licence boundaries with Samling (T/0405) and Shin Yang (T/9155) adjacent to Coupe 1 found the signages and boundaries demarcation were still in progress.</p> <p>Therefore, Minor NCR KN01/2022 was raised for Indicator 1.5.2</p>
<p>Principle 2 Tenure and Use Rights and Responsibilities</p>	<p>The Forest Timber Licence (FTL) No. T/0341 was issued to Timberplus Sdn Bhd by the Sarawak Forestry Department on 30th September 1988 to 29th September 1998 to manage a total of 38,687 ha of the Tutoh-Apoh Forest Reserve and the Maringong Protected Forest, which is located within the Baram Division, Sarawak for an initial period of 10 years, It was subsequently renewed on 30th September 2020 until 29th September 2021(WPO.628.532[VI]-05).</p> <p>There was no NCR land or civil courts pertaining to legal customary tenure in the FMU at the time of audit. The Forest managers support legally recognised mechanisms for resolving land claims.</p>	<p>The licence area stated in the FTL is not the same with the FMU area as stated in the approved FMP 2019-2029.</p> <p>Therefore, a Minor NCR MRS 01/2022 for Indicator 2.1.1 was raised.</p> <p>Stakeholder consultation with Long Siang, Long Kajau (Ba'Taha), Long Kawa, Long Selulong and document review indicated the following:-</p> <p>1. Records of consultations held with the local communities to identify areas traditionally used and sites of significant importance (temuda, pulau rayau, tanah simpan, burial ground, water intake point) were not sufficient. Signages of Native claims were spotted at coupe 6 and 7 during the field</p>

Principle	Strengths	Weaknesses
		<p>inspection.</p> <p>Therefore, A Major NCR AS01/2022 for indicator 2.2.2. was raised.</p>
<p>Principle 3 Indigenous People's Rights</p>	<p>The Conflict Resolution procedures in the SFD Green Book in Chapter 12 was adopted as a guideline to resolve the conflict between parties. Internal procedures or SOP of PlanTA and RaTA respectively as a mechanism to resolve disputes over land claims and user rights.</p> <p>FMU surveyors were tasked to carry out ground or site verification to prevent or mitigate adverse impacts included marking of sites for shifting agriculture, burial ground, settlements, and water catchment.</p> <p>There was no record on the application of any traditional forest-related knowledge and practices of natives in forest operations. however, a mechanism was established for a fair and equitable compensation for the commercial utilization of traditional forest-related knowledge and practices of local communities.</p>	<p>Sites of special cultural, ecological or religious significance to indigenous peoples were not identified.</p> <p>It was discovered that;</p> <ol style="list-style-type: none"> 1. Records/documentations of sites of special cultural, ecological or religious significance and action taken to protect the identified sites were not available 2. List and maps depicting locations of important cultural, ecological, economic or religious sites (e.g., <i>temuda, pulau rayau, tanah simpan</i>, burial ground, water intake point) in the FMU were not made available. 3. Procedures to identify, protect and community use areas and social monitoring was not available. 4. Records of dialogue and consultation held with natives and other relevant stakeholders was not Sufficient. <p>Therefore, a Major NCR AS02/2022 for Indicator 3.3.1 was raised.</p>
<p>Principle 4 Community Relations and Workers' Rights</p>	<p>Inspection of employment records showed that there were no underage workers and illegal migrant workers employed by the FMU.</p> <p>FMU provides employment opportunities for communities in the Tutoh-Patah region although there are no harvesting activities and suitable vacancy is not available.</p> <p>Operational procedures on Safety and Health of Workers have been provided by the FMU and made available during the audit.</p> <p>The FMU has appointed officers from KTS Headquarters as Safety and Health Advisor and Safety and Health Person in-Charge (Degree in Safety and Health) as a key person to monitor safety and health program, implementation, and safety issues.</p> <p>All the equipment, PPE, vehicles, fire extinguisher and First Aid kits were found to be in good condition. Preventive maintenance of vehicle was conducted at</p>	<p>The audit found that, training program for the year 2022 and records of training for the year 2021 were not available as listed below:</p> <ol style="list-style-type: none"> 1. MC&I SFM briefing 2. Use a fire extinguisher 3. Forest road construction and maintenance 4. Chemical handling: Personal vehicle 5. Waste Management and handling of fuel and oil spillage 6. First aid training <p>Therefore, a Minor NCR MRS 02/2022 for Indicator 4.1.1 was raised.</p> <ol style="list-style-type: none"> 1. The employment contract examined showed <ol style="list-style-type: none"> i. Workers were given accumulative rest days without approval from Labour department ii. Annual leave, Sick Leave and Medical leave was not specified 2. Interview with 6 workers confirmed that they were: - <ol style="list-style-type: none"> i. Not aware of their Annual Leave,

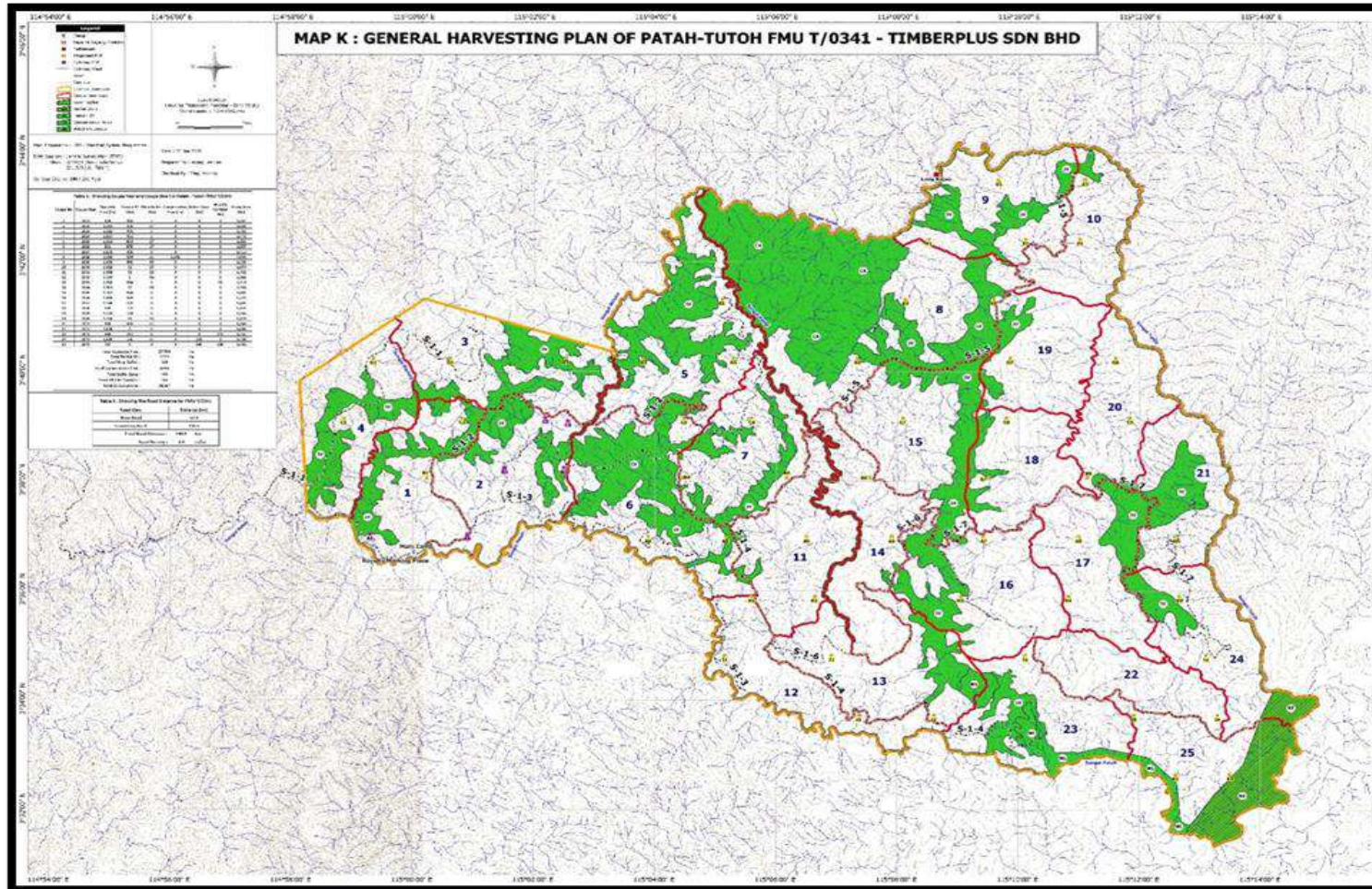
Principle	Strengths	Weaknesses
	<p>other base camp, Kem Binu (acacia plantation area), Tubau.</p> <p>Demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials were found to be adequate at workshop and genset room.</p>	<p>Sick leave, and medical leave entitlement</p> <p>ii. Deduction of salary was done for workers returning late from rest days</p> <p>iii. Grievance mechanism procedures for workers was not available.</p> <p>Therefore, a Major NCR AS03/2022 for indicator 4.3.3 was raised.</p> <p>Social Impact Assessment was not comprehensive to include the people and groups directly affected by the forest operations:</p> <ol style="list-style-type: none"> 1. In the SIA Draft report, August 2019 and FMP for Patah-Tutoh-T/0341, it has not included the people and groups directly affected by the forest operations 2. Consultations with community is not sufficient and is only limited to Long Siang and Ba Taha 3. Lists of Species/resources used by the Indigenous peoples including Significant sites of ecological, cultural and economic importance to the communities were not available. <p>Therefore, a Major NCR AS02/2022 for indicator 4.4.1 was raised.</p>
<p>Principle 5 Benefits From the Forest</p>	<p>To encourage the optimal use of forest resources, Patah-Tutoh FMU management has conducted forest resource inventories with a total of 13 sampling units from 57 samplings that were planned earlier.</p> <p>There was no harvesting during the audit. Therefore, implementation of RIL to minimise damage for the residual stand from available guidelines is restricted to a few activities namely compliance of requirements from the state i.e., detailed harvesting plan and pre-felling inventories including obtaining RILP for the planned harvested coupe (and blocks). Consultation with local communities surrounding and within the FMU indicated that non-timber forest products were collected for personal use and daily subsistence.</p> <p>The AAC was determined by the 13 PSPs based on the data simulation using the growth simulation programme run by the consultant.</p>	<p>A review of the actual expenditure for the year 2021 found that:</p> <ol style="list-style-type: none"> 1. Audit found no official annual budget and expenditure for forest management in Patah-Tutoh FMU. 2. The document on “Timberplus Sdn Bhd T/0341 - Budget for the Year 2022 and Actual Expenditure for the Year 2021” provided during the audit does not have endorsement or approval from the FMU management. 3. Review on “Timberplus Sdn Bhd T/0341 - Budget for the Year 2022 and Actual Expenditure for the Year 2021” found no budget provided for protection, research, conservation, environmental, silvicultural treatment and social aspect. 4. The budget for the year 2022 has been reduced to RM 576,000.00 from the planned budget of RM 1,083,000.00 in the FMU. 5. In addition, the expenditure in the year 2021 has been reduced by RM 564,000.00 from the planned budget

Principle	Strengths	Weaknesses
	<p>The AAC is calculated at 35.95m³/ha and the annual AAC is 19,153.16 m³ per annum. The mean annual growth is also calculated by the simulation programs.</p>	<p>of RM 1,083,000.00 in the FMU.</p> <p>Therefore, Minor NCR KN02/2022 for Indicator 5.1.1 was raised</p>
<p>Principle 6 Environmental Impact</p>	<p>The Environmental Impact Assessment (EIA) was prepared by CNF Consultancy on February 2013 in the report titled “Proposed Re-Entry Forest Logging at Sg Tutoh, Miri Division, Sarawak under Licence No. T/0341”.</p> <p>Recommended mitigation measures of the EIA were incorporated into Chapter 7 of the FMP: Environmental Impact Assessment on potential impact, mitigation measure due to the forest operation, monitoring action for environmental compliance status and environmental quality monitoring.</p> <p>The FMU had identified the Protected area such as terrain IV, HCV, site-sensitive areas for soil and water protection, and buffer zone, these areas were demarcated on the ground and mapped.</p> <p>Signages for no hunting were erected at the main entrance and at strategic locations and posters were posted at the main entrance, office, and staff quarters.</p> <p>Management policy on Forest & Environmental Management Policy dated 19th January 2022 has stated “to adopt the use of environmentally friendly methods of pest management and prohibit the use of banned pesticides.</p> <p>A visit to Scheduled Waste Store found the SW have been disposed of in an environmentally appropriate and legal manner based on the Domestic Waste Handling Procedure, Doc No. DWM/01 Rev. No. 0.</p> <p>There was no application of biological control agents in the FMU.</p> <p>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.</p>	<p>The audit found the cooperation between forest managers, local communities including indigenous peoples, research and academic institutions and regulatory authorities in implementing conservation and management activities was not made available.</p> <p>Therefore, Minor NCR AZ01/2022 for Indicator 6.2.3. was raised.</p> <p>During a site visit at Sungai Patah located at Tahora Camp, it was discovered the fertilizer store and 2 abandoned quarters were within the Stream Buffer Reserve (SBR).</p> <p>Therefore, Major NCR AZ02/2022 for Indicator 6.5.4. was raised</p> <p>The FMU was unable to provide Forest Fire Management Plan at the time of the audit.</p> <p>Therefore, Minor NCR AZ03/2022 for Indicator 6.5.5. was raised</p>
<p>Principle 7 Management Plan</p>	<p>The Timberplus Sdn. Bhd. has prepared a ten-year Forest Management Plan (FMP) dated October 2019 and general SOPs for the Patah-Tutoh T/0341 FMU. The</p>	<p>The forest managers are unable to clearly define and assign specific roles and responsibilities of the forest worker to ensure effective implementation of the</p>

Principle	Strengths	Weaknesses
	<p>FMP was approved on 31st December 2019 by the Sarawak Forestry Department.</p> <p>The FMU will periodically revise the forest management plan every 5 years.</p> <p>Records of new scientific and technical information and from monitoring activities were covered in the letter dated 22 December 2021 by inviting SFD to Traditional Knowledge Workshop.</p> <p>The summary of the primary elements of the forest management plan as prepared and implemented under Indicator 7.1.1 were made available in https://www.patahtutohfmfu.my/</p>	<p>forest management plan.</p> <p>Therefore, Minor NCR KN03/2022 for Indicator 7.3.1 was raised.</p>
<p>Principle 8 Monitoring and Assessment</p>	<p>An internal audit was conducted on 18-20 May 2021. A total of seventeen (17) non-compliances were raised. The record on Internal Audit showed the auditors are trained and all aspect of MC&I was appropriately covered during the audit.</p> <p>The Patah-Tutoh FMU has appropriately included all relevant information needed to monitor items listed in (a) to (e) of Criterion 8.2.</p> <p>The forest managers have incorporated the results and findings of the monitoring activities into the implementation and revision of the forest management plan in October 2019.</p> <p>The Public summary of the forest monitoring indicators a) to e) was available at the website and verified during the audit: http://www.patahtutohfmfu.my</p>	<p>The procedure titled “Administration Monitoring Efficacy Report” is used for assessing the social, ecological, environmental, and economic impacts of the forest management operations. However, a review of the procedures found that all phases of the harvesting operation (before, during and after harvesting) were not fully covered in the procedure.</p> <p>Therefore, a Minor NCR MRS03/2022 for Indicator 8.1.2. was raised</p> <ol style="list-style-type: none"> 1. During site inspection at PSP A1 and PSP B1 at Coupe 1, it was found measurement merchantable tree height was using estimation, without using precise equipment (e.g., laser rangefinder) thus, affecting the accuracy of measurement. 2. Condition of subplot such as old logging trail and tree with liana was not recorded in the inventory form by surveyor team. <p>Therefore, Minor NCR MRS 05/2022 for Indicator 8.2.1 was raised</p> <p>The audit found that, there was no clear documentation to specify 100% PEFC Certified, and relevant documents for tracing forest product (logs) from its origin leaving the certified area. Therefore, a Minor NCR MRS 06/2022 for Indicator 8.3.1 was raised.</p>
<p>Principle 9 Maintenance of High Conservation</p>	<p>The assessment report titled ‘High Conservation Value Forest (HCV 1 – HCV 6) Assessment Report Timber License No. T/0341 Sg. Tutoh – Sg. Patah area, Miri</p>	<p>Consultation with relevant stakeholders on the options to maintain or enhance the identified HCV for the ‘High Conservation Value Forest (HCV 1 – HCV 6)</p>

Principle	Strengths	Weaknesses
<p>Values</p>	<p>Division, Sarawak, dated October 2019 has been prepared by GPP CONSERVATION, GP Pusaka.</p> <p>The measures for HCVF have been included in the forest management plan summary made publicly available on www.patahtutohfm.my/hcvf including HCV Measures.</p> <p>Field Visit Report for the HCVA “Salt Lick” (HCVA Inspection – Inspection & Maintenance, dated May 14, 2021) has been verified during site visit at 1 of the HCV “Salt lick” at coupe 1, the HCV buffer has been demarcated 100m buffer according to the High Conservation Value Areas (HCVAs) Surveillance Procedure, Document No. LIMS/04/HCVASP.</p>	<p>Assessment Report Timber License No. T/0341 Sg. Tutoh – Sg. Patah area, Miri Division, Sarawak, dated October 2019 has not been carried out.</p> <p>Therefore, Minor NCR AZ04/2022 for Indicator 9.2.1. was raised</p>

Map of Patah-Tutoh FMU



Experiences and Qualifications of Audit Team Members

Names of Audit Team	Role	Qualification and Experience
Khairul Najwan Ahmad Jahari	Audit Team Leader / Forester	<p>Academic Qualification: B.Sc. of Forestry (Forest Management), Universiti Putra Malaysia.</p> <p>Work Experience: Appointed as contract Research Officer in the Natural Forest Division, Forest Research Institute of Malaysia (FRIM), since 2001. Conduct and coordinate a research on 8th Malaysian Plan Project. Produce technical reports, meeting, seminar and conferences reports as well as quarterly physical and financial reports. Coordinate and participate field work, multi-level meetings, seminars, conferences and workshops. Spent some time in other existing FRIM projects (inter divisional) as an organizing committee member, division level activities and projects. Currently as Senior Lead Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International, since 2009. Involved in conducting assessments on forest management certification MC&I (Natural Forest) and MC&I (Forest Plantation), MYNI of RSPO P&C, MSPO, TLAS, STLVS and other management system on ISO 9001, 14001 and OHSAS 1800</p> <p>Training / Research Areas: Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)] organized by MTCC, 30 March - 2 April 2009. EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 2-6 March 2009. OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 23-27 Feb 2009. QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 16 – 21 Feb 2009.</p>
Angelica Sinimis Suimin	Auditor/ Sociology	<p>Academic Qualification: She has a Bachelor of Arts in Social Science and MSc in Environmental Management and Social Development. Has a certificate in Paralegal Studies and Diploma in Emergency Medical Technician (UK) and Human Resources Management (UM).</p> <p>Work Experience: A competent One to One Competency Based and Education Trainer from De Taffe University, Australia. Independent Auditor under SIRIM QAS Malaysia and Technical Expert for FSC audit under SCS Global services. Has worked as Rural Sociologist under the World Bank project under the Japanese Trust Fund for Community Forestry Project in Sabah for 3 years. She has over 30 years of working experience and was working in the Forestry Related Industries both in Sabah and Sarawak for 28 years in different capacities (e.g independent Researcher, Rural Sociologist, Sr. Training and Administrator, Human Resources Executive, Emergency Medical Technician, Training Officer, CSR Manager, Chief Operation Officer for Avantha Foundation Malaysia).</p> <p>Attended training programmes: Has attended the following courses: 1) MTCC Forest certification Standards for Forest Management and Plantations, 2013, Sirim QAS</p>

		<p>2) FSC Forest Certification standards fro Forest Management and Control Wood, 2015;Nepcon</p> <p>3) LEAD ASSESSOR COURSE ISO 14001(EXEMPLAR GLOBAL CERTIFIED LEMS01) , 2016; Sirim QAS</p> <p>4) DIPLOMACY TRAINING (Human Rights, Indigenous People, the Private Sector and Development), 2017; Faculty of law, Uni New South Wales</p> <p>5) MC&I Natural Forests and Plantation v.2 standards, 2017 – MTCC</p>
Mohd Razman Salim	Assessment Team Leader / Forester	<p>Academic Qualification: B.Sc of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience: Five years experienced as Research Officer at the Forest Research Institute Malaysia (FRIM) since 2007 in a various area such as ecological research for lowland and hill dipterocarp forest, Geographic Information Systems, forest inventories, forest harvesting and forest management system (SMS). Participate in organizing committee member, division level activities and projects. Coordinate and collaborate a long term ecological plot and inventory data about 25 years at the Pasoh, Negeri Sembilan with Negeri Sembilan Forestry Department, universities (local & 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: 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>

Comments Received from Stakeholders and Responses by Audit Team Leader

No.	Stakeholder	Comments/Issues Raised	Response by Audit Team
		No stakeholders comments	

Stage 2/Surveillance/Recertification Audit Plan

DAY	TIME	PROGRAM											
Travel Day 1 23.1.22 Sunday	12.00pm-5.00pm 1.00pm	All Auditors travelling to Miri on 23 January 2022 MAS Flight from Kuala Lumpur to Miri - MH2594 ETD - 14:15, ETA-16:30 Air Asia Flight from Kota Kinabalu to Miri – AK6071 ETD – 16:40, ETA – 16:30 Stay at Pullman Hotel											
Travel Day 2 24.1.22 Monday	7.30 am – 3.00 pm	Travel to Patah Tutoh Camp											
Audit Day 1 25.1.22 Tuesday	8.00 am – 1.00 pm 2.00 pm – 5.00 pm	<ul style="list-style-type: none"> Opening Meeting with representatives of FMU Briefing session by Forest Manager of the FMU Q&A Session Follow up on issues of concern from Stage 1 Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> Local Communities Government agencies NGOs Evaluate on internal audit and management review <p>Documentation and records review</p> <table border="1"> <thead> <tr> <th>Najwan</th> <th>Azrul</th> <th>Razman</th> <th>Angelica</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Principle 1 – Compliance with Laws and Principles Principle 5 – Benefits from the forest Principle 7 – Management Plan </td> <td> <ul style="list-style-type: none"> Principle 6 – Environmental Impact Principle 9 – Maintenance of High Conservation Value (HCV) </td> <td> <ul style="list-style-type: none"> Principle 2 – Tenure and Use Rights and Responsibilities Principle 4 - Community Relations and <u>Worker's Right</u> Principle 8 – Monitoring and Assessment </td> <td> <ul style="list-style-type: none"> Principle 2 – Tenure and Use Rights and Responsibilities Principle 3 – Indigenous Peoples' Right Principle 4 - <u>Community Relations</u> and Worker's Right </td> </tr> </tbody> </table>				Najwan	Azrul	Razman	Angelica	<ul style="list-style-type: none"> Principle 1 – Compliance with Laws and Principles Principle 5 – Benefits from the forest Principle 7 – Management Plan 	<ul style="list-style-type: none"> Principle 6 – Environmental Impact Principle 9 – Maintenance of High Conservation Value (HCV) 	<ul style="list-style-type: none"> Principle 2 – Tenure and Use Rights and Responsibilities Principle 4 - Community Relations and <u>Worker's Right</u> Principle 8 – Monitoring and Assessment 	<ul style="list-style-type: none"> Principle 2 – Tenure and Use Rights and Responsibilities Principle 3 – Indigenous Peoples' Right Principle 4 - <u>Community Relations</u> and Worker's Right
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Audit Day 2 26.1.22 Wednesday	7.30 am – 1.00 pm 2.00 pm – 5.00pm	<p>Site visit</p> <ul style="list-style-type: none"> Inspection of active harvesting (if any) Inspection of Coupe Boundary Silviculture treatment 	<p>Site visit</p> <ul style="list-style-type: none"> Inspection of active harvesting area (if any) Inspection of Pre-harvesting area or Tree tagging area 	<p>Site visit</p> <ul style="list-style-type: none"> Inspection of active harvesting area (if any) Inspection of Pre-harvesting area or Tree tagging area 	<p>Site visit</p> <ul style="list-style-type: none"> Consultation with Local Communities 								

		activities	Block <ul style="list-style-type: none"> • Consultation with contractors and workers operating in active logging area • Conservation/HCVF area and PSP 	Block <ul style="list-style-type: none"> • Consultation with contractors and workers operating in active logging area • Conservation/HCVF area and PSP 	
		Review of Day 2 Findings by Audit Team Leader			
Audit Day 3 27.1.22 Thursday	7.30 am – 1.00 pm 2.00 pm – 5.00pm	Site visit <ul style="list-style-type: none"> • Inspection of Post-harvesting area (if any) • PSP • Boundary of FMU License Boundaries • HCVF 	Site visit <ul style="list-style-type: none"> • Nursery and chemical store • Check on workshop, machineries maintenance and equipment • Inspection of staff quarters • Inspection of Central Stumping Site 	Site visit <ul style="list-style-type: none"> • Nursery and chemical store • Check on workshop, machineries maintenance and equipment • Inspection of staff quarters • Inspection of Central Stumping Site 	Site visit <ul style="list-style-type: none"> • Consultation with Local Communities • Consultation with workers and worker's representative • Consultation with stakeholders
Audit Day 4 28.1.22 Friday	8.30 am – 1.00 pm 2.00pm-5.00 pm	<ul style="list-style-type: none"> • Documentation and records review • Preparation of audit report and finding • Briefing to representatives of FMU on the findings of audit • Closing Meeting and presentation of findings of audit and discussion on follow-up activities • Adjourn Closing Meeting 			
Travel day 29.1.22	7.30am	Travel back to Miri			
Travel Day 30.1.22	9.00am	All Auditors travelling from Miri to KLIA/BKI on 30 January 2022. MAS Flight to Kuala Lumpur - MH2575 ETD-11:30, ETA-13:45 Air Asia Flight to Kota Kinabalu – AK6072 ETD-17:55, ETA-18:45			

Details on NCRs and OFIs Raised During this Stage 2 Audit and Corrective Actions Taken (2022)

No	Indicator	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
1.	Major NCR AS01/2022	<p>Indicator 2.2.2 - With respect to activities that may affect such rights, forest managers shall recognise, respect and collaborate with holders of duly recognised legal or customary tenure or use rights within relevant federal, state and local laws.</p> <p>Finding: Records collaboration to identify traditionally used & significant areas for local communities were not found during this audit</p> <p>Objective evidence: Stakeholder consultation with Long Siang, Long Kajau (Ba'Taha), Long Kawa, Long Selulong and document review indicated the following:- Records of consultations held with the local communities to identify areas traditionally used and sites of significant importance (temuda, pulau rayau, tanah simpan, burial ground, water intake point) were not sufficient. Signages of Native claims were spotted at coupe 6 and 7 during the field inspection.</p>	<p>FMU yet to finalized list of communities affected by the operation</p> <p>Correction (if applicable) and corrective action plan including completion date:</p> <p>a) FMU social team to meet with District officer and communities' leader to finalize the list of local communities be included as stakeholders.</p> <p>b) Invite related stakeholders to attend Traditional Knowledge workshop and set-up Communities' Representative Committee, the platform also includes preliminary consultation to identify traditional and sites of significant importance.</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader. The last evidence of corrective action taken for Major NCRs was received on 13 July 2022 and has been accepted and closed on 12 August 2022</p> <p>Minutes of Meeting of <i>"Perbincangan bagi Mengenalpasti dan Menentusahkan Penempatan Komuniti didalam Kawasan Lesen Patah-Tutoh FMU T/0341"</i> with Telang Usan District Officer, SAO, Community Leaders and Sarawak Forestry Department was conducted on 8 March in Long Lama to set up a CRC. Community lists and updated maps have been successfully identified and established in collaboration with District Office, Community Leaders and FMU for Patah - Tutoh FMU.</p> <p>Stakeholder meeting for the Formation of Community Representative Committee (CRC) for Patah-Tutoh FMU was conducted on 27 April 2022. The meeting was attended by representatives from Long Siang, Ba'Taha, Long Malong, Long Selulong, Long Maraan, Long Liwok, Ba'Maring, Long Tepen, Long Leng, Long Kawa, Long Siang, Long Nen, Long Win and Long. Minutes of meeting of <i>"Formation of Community Representative Committee (CRC) for Patah-Tutoh FMU"</i>, attendance list and picture were</p>

				<p>reviewed by auditor.</p> <p>The slide presentation on identification, mark, and Mapping High Conservative Value Areas such as Burial Ground, Temuda, Special Cultural Sites, Tanah Simpan, Water Catchment Area, Hunting Ground, Apan and Kawasan Rayau that have been presented and explained to both local community leader and relevant government Agencies during the meeting were reviewed by auditor.</p> <p>Status: Closed</p>
2.	Major NCR AS02/2022	<p>Indicator 3.3.1 - 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>Finding: Sites of special cultural, ecological or religious significance to indigenous peoples were not identified.</p> <p>Objective evidence:</p> <ol style="list-style-type: none"> 1. Records/documentations of sites of special cultural, ecological or religious significance and action taken to protect the identified sites were not available. 2. List and maps depicting locations of important cultural, ecological, economic or religious sites in the FMU were not made available e.g., <i>temuda, pulau rayau, tanah simpan</i>, burial ground, water intake point) were not available. 3. Procedures to identify, protect and 	<p>Section 2 - Result of investigation and determination of root cause</p> <p>Procedure to identify and protect sites of special cultural, ecological or religious significant to indigenous people was not in place.</p> <p>Section 3 - Correction (if applicable) and corrective action plan including completion date</p> <p>To establish procedure on identifying and protecting sites of special cultural, ecological or religious significant to agreement.</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader. The last evidence of corrective action taken for Major NCRs was received on 13 July 2022 and has been accepted and closed on 12 August 2022</p> <p>Stakeholder Consultation Meeting held on 8 March 2022 at Long Lama. During the stakeholder consultation meeting, the HCV topic has been clearly briefed and discussed with all the stakeholders for the purpose to identify all the HCVs fall within/nearby the Patah-Tutoh FMU as stated in the Minutes of Meeting of <i>"Perbincangan bagi Menenalpasti dan Menentusahkan Penempatan Komuniti didalam Kawasan Lesen Patah-Tutoh FMU T/0341"</i></p> <p>The participants in this meeting are District Officer, State Administrative Officer, Pemanca, Penghulu, Forestry Officer as verified in the attendance list</p> <p>Stakeholder Consultation Meeting held on 27</p>

		<p>community use areas and social monitoring was not available.</p> <p>4. Records of dialogue and consultation held with natives and other relevant stakeholders was not Sufficient.</p>		<p>April 2022 at Long Bedian During the stakeholder consultation meeting a specific High Conservation Value Forest (HCVF) topic has been presented and briefed to all the communities' headmen who has attended the dialogue.</p> <p>The Social Assessment Survey Form has been carried during the stakeholder consultation meeting on 27 April 2022. All the 11 Tuai Rumah (TK) has provided an information pertaining to the sites of special cultural, eco Logical or religious significance, environment and economic impacts within Patah Tutoh FMU</p> <p>Social Impact Assessment Survey Form that has been filled by representatives from Long Malong, Long Selulong, Long Meraan, Long Liwok, Long Leng, Long Kawa, Long Nen, Long Urang, Long Kevok, Long Siang and Ba' taha were reviewed by auditor</p> <p>Standard Operating significant site Procedure (SOP) for identifying, monitoring and protecting "IDENTIFYING, MONITORING AND PROTECTING SIGNIFICANT SITES" Document No.: SECP/07/IMPSS dated 7 July 2022 were also reviewed by auditor</p> <p>Status: Closed</p>
3.	Major NCR AS03/2022	<p>Indicator 4.3.3 - The right of workers to employment benefits and social protection is assured under applicable laws and/or regulations.</p> <p>Finding: The right of workers to employment benefits and social protection under Labour Ordinance</p>	<p>Section 2 - Result of investigation and determination of root cause</p> <p>Existing employment condition not fully complied with Labor Ordinance. Grievance mechanism procedure specifically for workers was not in place.</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader. The last evidence of corrective action taken for Major NCRs was received on 13 July 2022 and has been accepted and closed on 12 August 2022</p>

		<p>[Cap. 76 (1958 Ed.)] were not fully complied</p> <p>Objective evidence:</p> <ol style="list-style-type: none"> 1. The employment contract examined showed <ol style="list-style-type: none"> i. Workers were given accumulative rest days without approval from Labour department ii. Annual leave, Sick Leave and Medical leave was not specified 2. Interview with 6 workers confirmed that they were:- <ol style="list-style-type: none"> i. Not aware of their Annual Leave, Sick leave and medical leave entitlement ii. Deduction of salary was done for workers returning late from rest days <p>Grievance mechanism procedures for workers was not available.</p>	<p>Section 3 - Correction (if applicable) and corrective action plan including completion date</p> <ol style="list-style-type: none"> 1. To write to Labor Department to obtain approval of accumulative rest days 2. To provide addendum of employment contract with stated information on leave entitlement. 3. To establish procedure for grievance mechanism for workers. 	<p>Evidence below was reviewed and accepted;</p> <ol style="list-style-type: none"> 1. Application to Accumulate Rest Day Is. 105B (3)1 for Timberplus Sdn. Bhd. for logging camp's operation is located at Baram District, Miri Division with current operation workforce of six (6) workers to Marudi's Labour Department on 21 April 2022 2. The application has been acknowledged by JTK Marudi on 24 May 2022 3. Borang Permohonan Untuk mendapatkan Permit Pengumpulan Cuti Rehat Mingguan dibawah Seksyen 105B(3) Ordinan Buruh (Sarawak Bab 76) 4. Complaint Reporting and Grievances (CRG), Document No.: SECP/05/CRG <p>Status: Closed</p>
4.	Major NCR AS04/2022	<p>Indicator 4.4.1 – 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>Finding: Social Impact Assessment was not comprehensive to include the people and groups directly affected by the forest operations</p> <p>Objective evidence:</p> <ol style="list-style-type: none"> 1. In the SIA Draft report, August 	<p>Section 2 - Result of investigation and determination of root cause</p> <p>SIA report not comprehensive enough to meet the standard requirements.</p> <p>Section 3 - Correction (if applicable) and corrective action plan including completion date</p> <ol style="list-style-type: none"> 1. Update and amend the SIA report with finalized list of affected communities by the forest operation by March 2022. 2. Consultation with communities to provide information on lists of species/resources used and update into 	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader. The last evidence of corrective action taken for Major NCRs was received on 13 July 2022 and has been accepted and closed on 12 August 2022</p> <p>“Social Impact Assessment (SIA) for The Timber Harvesting within the Patah-Tutoh Forest Management Unit (FMU) under the Forest Timber Licence No. T/0341 at the Sg Patah-Sg Tutoh Area, Miri Division, Sarawak”, dated July 2022 was reviewed and accepted by auditor</p>

		<p>2019 and FMP for Patah-Tutoh-T/0341, it has not included the people and groups directly affected by the forest operations</p> <p>2. Consultations with community is not sufficient and is only limited to Long Siang and Ba Taha</p> <p>3. Lists of Species/resources used by the Indigenous peoples including Significant sites of ecological, cultural and economic importance to the communities were not available.</p>	SIA by April 2022.	Status: Closed
5.	Major NCR: AZ02/2022	<p>Indicator 6.5.4 – Availability and implementation of guidelines for management of natural hydrology of wetlands and guidelines for conservation of buffer strips along streams and rivers.</p> <p>Finding: Conservation of buffer strips along streams and rivers was not in accordance with the guidelines for management of natural hydrology of wetlands and guidelines for conservation of buffer strips along streams and rivers</p> <p>Objective evidence: Site visit at Sungai Patah located at Tahora Camp has discovered fertilizer store and 2 abandon quarters was within the Stream Buffer Reserve (SBR).</p>	<p>Section 2 - Result of investigation and determination of root cause</p> <p>The old camp set-up does not fully comply with providing sufficient buffer along the stream passing through the camp area.</p> <p>Section 3 - Correction (if applicable) and corrective action plan including completion date</p> <p>Dismantle of unoccupied facilities in camp that is fall within the stream buffer, this including one fertilizer store and 2 units of towing house completed on 18 February 2022.</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader. The last evidence of corrective action taken for Major NCRs was received on 13 July 2022 and has been accepted and closed on 12 August 2022</p> <p>The pictorial report showed Fertilizer store and two (2) abandoned quarters within the Stream Buffer Reserve (SBR) were dismantled and demolished. The activities was completed on 18 February 2022</p> <p>Status: Closed</p>

6.	Minor NCR: KN01/2022	<p>Requirement: Indicator 1.5.2 - FMU shall be protected from encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities.</p> <p>Finding: Control measures on encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities were not sufficient</p> <p>Objective evidence:</p> <ul style="list-style-type: none"> • Visit to licence boundaries with T/0405 (Samling) adjacent with Coupe 4 and T/9155 (Shin Yang) adjacent with Coupe 1 found the control measures such as signages and boundaries demarcation was not sufficient. • Visit to road along Coupe 6 found one temporary hunting hut with bullet shell was spotted. However, it was not recorded in patrolling records. 	<p>Section 2 - Result of investigation and determination of root cause</p> <p>Insufficient warning signage to alert visitors or local communities to prevent any unauthorized activities in the FU area.</p> <p>Section 3 - Correction (if applicable) and Corrective action plan including completion date:</p> <p>a. To erect relevant signage at various entrance to the FMU to alert outsiders prior entering the FMU area by March 2022.</p> <p>b. To have proper and scheduled monitoring system to ensure all related unauthorized activities were properly recorded or reported. Person assigned to monitor shall be trained or briefed.</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader.</p> <p>Status: Accepted</p> <p>The implementation and effectiveness of the proposed Corrective Action Plan are to be verified at the next audit</p>
7.	Minor NCR: MRS01/2022	<p>Requirement: Indicator 2.1.1 - Availability of documentation of legal status, and established forest use rights of the land or forest resources within the relevant federal, state and local laws in the FMU.</p> <p>Finding :</p> <ol style="list-style-type: none"> 1) Forest Timber Licence (FTL) yet to be updated from stateland to forest reserve. 2) Licence area stated in the FTL not same with FMU area as stated in the approved FMP 2019-2029. <p>Objective evidence :</p>	<p>Section 2 - Result of investigation and determination of root cause</p> <p>Lack of communication between Forest Department and FM, this lead to unaware of related to changes of the land status of the FMU from Stateland to forest reserve & protected forest.</p> <p>Section 3 - Correction (if applicable) and corrective action plan including completion date</p> <p>To write in to Forest Department's Licensing Unit to obtain revised Forest Timber License (FTL) in view of changes</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader.</p> <p>Status: Accepted</p> <p>The implementation and effectiveness of the proposed Corrective Action Plan are to be verified at the next audit</p>

		<p>The Forest Timber Licence No. T/0341 and First Schedule (attachment) stated that the land status is 'Patah Tutoh Stateland' and licensed area is 39,735 ha.</p> <p>However, the FTL yet to be updated with latest information where the licensed area had been gazetted under Tutoh-Apoh Forest Reserve and Maringgong Protected Forest. And the licensed area stated in the FMP as approved by FDS is 38,687 ha.</p> <p>The reference documents as below:</p> <ol style="list-style-type: none"> 1) No. 31 Vol. LVII The Sarawak Government Gazette Part V dated 18 July 2002 – No. 2295 Tutoh-Apoh Forest Reserve Notification, 2002 (Made under section 14) (effective date from 1st December 2000) 2) No. 31 Vol. LVII The Sarawak Government Gazette Part V dated 18 July 2002 – No. 2296 Maringgong Protected Forest Notification, 2002 (Made under section 33) (effective date from 1st December 2000) 3) 'First Schedule - Working Plan for Patah Tutoh Stateland' stated licensed area covered 39,735 ha 4) Forest Management Plan for Patah-Tutoh T/0341, October 2019 	<p>in place resulting from gazette Tutoh-Apoh Forest Reserve and Maringgong protected Forest by February 2022.</p>	
8.	<p>Minor</p> <p>NCR: MRS02/2022</p>	<p>Indicator 4.1.1 Forest managers provide appropriate support for training, retraining, local infrastructure, facilities and socio-economic programmes that are commensurate with the scale and intensity of forest management operations.</p>	<p>Section 2 - Result of investigation and determination of root cause</p> <p>Existing training program didn't include all relevant trainings to meet the standard requirements</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader.</p> <p>Status: Accepted</p>

		<p>Finding:</p> <ol style="list-style-type: none"> 1) Relevant training for forest workers as required by standard requirements was not listed in the training programme 2) Record of training for year 2021 was not available as mentioned at (1). <p>Objective evidence: Training programme for year 2022 and records of training for year 2021 were not available during audit as listed below:</p> <ol style="list-style-type: none"> 1. MC&I SFM briefing 2. Use fire extinguisher 3. Forest road construction and maintenance 4. Chemical handling: Personal vehicle 5. Waste Management and handling of fuel and oil spillage 6. First aid training 	<p>Section 3 - Correction (if applicable) and corrective action plan including completion date</p> <ol style="list-style-type: none"> 1. To review training program involving all level of workers based in the camp by March 2022. 2. To ensure any other service outsourced within the Group such as road construction and maintenance or machineries repair and maintenance team has undergone relevant training required. Their records of training shall be provided. 	<p>The implementation and effectiveness of the proposed Corrective Action Plan are to be verified at the next audit</p>
9.	Minor NCR: KN02/2022	<p>Indicator 5.1.1 - Investments and reinvestments are made in forest management, including for forest administration, protection, research, human resource development, economic, conservation, environmental and social aspects, consistent with the tenure of the FMU.</p> <p>Finding: The annual budget and expenditure for forest management does not include protection, research, conservation, environmental and social aspect.</p>	<p>Section 2 - Result of investigation and determination of root cause</p> <p>Budget provided in the MP was not realistic or properly communicated with the operation team.</p> <p>Section 3 - Correction (if applicable) and Corrective action plan including completion date:</p> <p>To provide revised & approved FMP budget in line with operation needs by April 2022. The actual annual expenditure records must be consistence with the</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader.</p> <p>Status: Accepted</p> <p>The implementation and effectiveness of the proposed Corrective Action Plan are to be verified at the next audit</p>

		<p>Objective evidence:</p> <ol style="list-style-type: none"> 1. Audit found no official expenditure for forest management in Patah-Tutoh FMU. 2. The document on “Timberplus Sdn Bhd T/0341 - Budget for Year 2022 and Actual Expenditure for Year 2021” provided during the audit does not have endorsement or approval from the FMU management. 3. Review on “Timberplus Sdn Bhd T/0341 - Budget for Year 2022 and Actual Expenditure for Year 2021” found no budget provided for protection, research, conservation, environmental, silvicultural treatment and social aspect. 4. The budget for year 2022 has reduced to RM 576,000.00 and expenditure in year 2021 has reduced RM 564,000.00 from the planned budget of RM 1,083,000.00 in the FMU. 	approved FMP budget breakdown and to be endorsed.	
10.	Minor NCR: AZ01/2022	<p>Indicator 6.2.3 - Existence of cooperation between forest managers, conservation organizations, local communities including indigenous peoples, research and academic institutions and regulatory authorities in implementing conservation and management activities.</p> <p>Finding : Cooperation between forest managers, local communities including indigenous peoples, research and academic institutions and regulatory authorities in implementing conservation and management activities was not made available.</p>	<p>Section 2 - Result of investigation and determination of root cause</p> <p>Initial stage of implementing FU hasn't include cooperation with relevant bodies on conservation and management activities.</p> <p>Section 3 - Correction (if applicable) and corrective action plan including completion date</p> <p>To identify from educational institution or Forest Department requesting for any possible cooperation to implement conservation and management activities be carry out. Write in officially before June</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader.</p> <p>Status: Accepted</p> <p>The implementation and effectiveness of the proposed Corrective Action Plan are to be verified at the next audit</p>

		<p>Objective evidence : There was no evidence found during the audit in the implementation of conservation and management activities</p>	2022 once identified.	
11.	<p>Minor NCR: AZ03/2022</p>	<p>Indicator 6.5.5 – Fire prevention and control plan to be prepared and implemented for all fire prone forest types.</p> <p>Finding : Fire prevention and control plan for all fire prone forest types was not available.</p> <p>Objective evidence : Forest Fire Management Plan was not made available during the audit.</p>	<p>Section 2 - Result of investigation and determination of root cause</p> <p>Forest Fire Management Plan was not in place in view of non-existence on Industrial Tree planting surrounding the FMU.</p> <p>Section 3 - Correction (if applicable) and corrective action plan including completion date</p> <p>To establish a Forest Fire Management Plan in line with FMU's scale of operation, sufficient resources and training to be provided to ensure the established plan is workable by June 2022.</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader.</p> <p>Status: Accepted</p> <p>The implementation and effectiveness of the proposed Corrective Action Plan are to be verified at the next audit</p>
12.	<p>Minor NCR: KN03/2022</p>	<p>Indicator 7.3.1 - Forest managers shall clearly define and assign specific roles to and responsibilities of the forest worker to ensure effective implementation of the forest management plan.</p> <p>Finding:</p> <ol style="list-style-type: none"> 1. Job description was not clearly defined 2. The manpower was insufficient to implement Forest Management Plan <p>Objective evidence: Review on the Patah-Tutoh FMU Operations found only 6 workers</p>	<p>Section 2 - Result of investigation and determination of root cause</p> <p>Forest worker does not provide with clear and defined job description.</p> <p>Section 3 - Correction (if applicable) and Corrective action plan including completion date:</p> <p>To provide documented Job Description for each working groups by March 2022. To identify, recruit or outsource relevant workforce to ensure smooth implementation of FMP.</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader.</p> <p>Status: Accepted</p> <p>The implementation and effectiveness of the proposed Corrective Action Plan are to be verified at the next audit</p>

		<p>(surveyors) and 1 staff (Supervisor) were officially worked in FMU and covering all current related activities (specific on Social, HCV, PSP, Boundary marking, Enrichment Planting, camp maintenance and others).</p> <p>Interviews with same 6 workers (surveyors) of Patah-Tutoh FMU indicated that their job descriptions were not clear. Review of their employment agreement confirm the job description was not available</p>		
13.	<p>Minor NCR: MRS03/2022</p>	<p>Indicator 8.1.2 - 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>Finding: Monitoring procedure for assessing social, ecological, environmental and economic impacts was not sufficient.</p> <p>Objective evidence: Procedure titled 'Administration Monitoring Efficacy Report' for assessing social, ecological, environmental and economic impacts was not sufficient to cover all phases of harvesting operation (before, during and after harvesting).</p>	<p>Section 2 - Result of investigation and determination of root cause</p> <p>Existing monitoring procedure was not sufficiently cover different phase of harvesting operation.</p> <p>Section 3 - Correction (if applicable) and corrective action plan including completion date</p> <p>To revise the existing "Administrative Monitoring Efficacy Report" or develop new procedure to incorporate the needs to assess social, ecological, environment and economic impacts before, during and after the harvesting operation by July 2022. The person involving such monitoring shall be trained.</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader.</p> <p>Status: Accepted</p> <p>The implementation and effectiveness of the proposed Corrective Action Plan are to be verified at the next audit</p>
14.	<p>Minor NCR: MRS04/2022</p>	<p>Indicator 8.1.3 - Forest managers shall undertake annual internal audit and management review of forest management for continual</p>	<p>Section 2 - Result of investigation and determination of root cause</p> <p>Procedure for Internal Audit not in place</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader.</p>

		<p>improvement. The conduct of internal audit, management review and continual improvement is stipulated in <u>APPENDIX A</u>.</p> <p>Finding:</p> <ol style="list-style-type: none"> 1) Documented procedure for internal audit was not available. 2) Management yet to determine root cause and review the effectiveness of the corrective action for the raised non-compliance during internal audit. <p>Objective evidence: The FMU has yet to establish documented procedure for internal audit, and no root cause for the raised non-compliance during internal audit. Details of the required requirements as refer to Appendix A, MC&I SFM:</p> <p>No documented procedure available that covered internal audit requirements:</p> <ol style="list-style-type: none"> (i) Frequency of internal audit (ii) Methods and responsibilities (iii) Audit plan - audit criteria and audit scope (iv) Selection of auditors and ensure impartiality (v) Issuance of non-compliance report (vi) Closure of non-compliance report (vii) Timeframe of reporting of internal audit report <p>Non-conformity:</p> <ol style="list-style-type: none"> 1. No section for evaluation the causes of the non-conformity. 	<p>as the FMU team refer directly to Appendix A, MC&I SFM.</p> <p>Section 3 - Correction (if applicable) and corrective action plan including completion date</p> <p>To establish procedure for Internal Audit and provide revised Non-Conformance form to determine root cause and review of effectiveness of the corrective action taken by Feb 2022.</p>	<p>Status: Accepted</p> <p>The implementation and effectiveness of the proposed Corrective Action Plan are to be verified at the next audit</p>
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15.	Minor NCR: MRS05/2022	<p>Indicator 8.2.1 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>Finding :</p> <ol style="list-style-type: none"> 1. Measurement of merchantable tree height was based on estimation. 2. Condition of subplot and tree with liana within the PSP was not recorded in the inventory form. <p>Objective evidence :</p> <ol style="list-style-type: none"> 3. During site inspection at PSP A1 and PSP B1 at Coupe 1, it was found measurement merchantable tree height was using estimation, without using precise equipment (e.g., laser rangefinder) thus, affecting the accuracy of measurement. 4. Condition of subplot such as old logging trail and tree with liana was not recorded in the inventory form by surveyor team. 	<p>Section 2 - Result of investigation and determination of root cause</p> <p>Surveyor conducting ground works to develop Permanent Sample Plot (PSP) were not provided with any appropriate equipment to measure the height of the tree.</p> <p>Section 3 - Correction (if applicable) and corrective action plan including completion date</p> <p>To provide Clinometer to surveyor team and Chief surveyor to provide briefing (by June 2022) on the method on how to use the equipment in order to obtain best tree height estimation.</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader.</p> <p>Status: Accepted</p> <p>The implementation and effectiveness of the proposed Corrective Action Plan are to be verified at the next audit</p>
16.	Minor NCR: MRS06/2022	<p>Indicator 8.3.1 - Forest managers shall provide relevant documents to ensure that all forest products leaving the certified area can be identified (including volumes and types) so that their origin can be determined. Specific claims to communicate the origin of products are specified in <u>APPENDIX B</u>.</p> <p>Finding : Documents for tracing forest product from its origin leaving the certified area was not available.</p>	<p>Section 2 - Result of investigation and determination of root cause</p> <p>Procedure on tracing of forest product yet to be established in view harvesting operation only commence in 2025.</p> <p>Section 3 - Correction (if applicable) and corrective action plan including completion date</p> <p>To establish procedure "Tracing of Logs" in line with MC&I SFM Appendix B by March 2022.</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader.</p> <p>Status: Accepted</p> <p>The implementation and effectiveness of the proposed Corrective Action Plan are to be verified at the next audit</p>

		<p>Objective evidence : No documented procedure and relevant documents for tracing forest product (logs) from its origin leaving the certified area</p>		
17.	<p>Minor NCR: AZ04/2022</p>	<p>Indicator 9.2.1 - Forest managers shall consult with relevant stakeholders on the options to maintain or enhance the identified HCVFs.</p> <p>Finding : Relevant stakeholders on the options to maintain or enhance the identified HCV areas was not consulted.</p> <p>Objective evidence: Consultation with relevant stakeholders on the options to maintain or enhance the identified HCV for the 'High Conservation Value Forest (HCV 1 – HCV 6) Assessment Report Timber License No. T/0341 Sg. Tutoh – Sg. Patah area, Miri Division, Sarawak, dated October 2019 has not been carried out.</p>	<p>Section 2 - Result of investigation and determination of root cause</p> <p>No consultation with relevant stakeholders specifically on High Conservation Value despite of full HCV report in place</p> <p>Section 3 - Correction (if applicable) and corrective action plan including completion date</p> <p>To write in to Forest Department and attached with Full CV report to obtain their comment on appropriate options to maintain or enhance the identified HCV present within the FU by March 2022.</p>	<p>The audit team examined the corrective action plans to address the NCR audit on 28 February 2022 which has been accepted by the audit team leader.</p> <p>Status: Accepted</p> <p>The implementation and effectiveness of the proposed Corrective Action Plan are to be verified at the next audit</p>

End of Report