



**MALAYSIAN TIMBER
CERTIFICATION SCHEME:
MC&I(NATURAL FOREST)
(ASSOCIATED DOCUMENTS)**

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MALAYSIAN TIMBER CERTIFICATION SCHEME

PUBLIC SUMMARY OF SURVEILLANCE 01 AUDIT OF TERENGGANU FOREST MANAGEMENT UNIT AGAINST THE REQUIREMENTS OF MC&I(NATURAL FOREST)

Public Summary Date:	21 March 2014		
Project Number:	MY02661		
Client:	Terengganu State Forestry Department		
Web Page:	http://trgforestry.terengganu.gov.my/		
Address:	Jabatan Perhutanan Negeri Terengganu Tingkat 8, Wisma Negeri 20200 Kuala Terengganu Terengganu		
Country:	Malaysia		
Certificate Number:	SGS-MTCS/FM-0103	Certificate Type:	Malaysian Timber Certification Scheme
Date of Issue:	1 st April 2013	Date of Expiry:	31 March 2016
Forest Zone:	Tropical		
Scope:	Forest Management of 516,696.50 ha of permanent reserve forest in Terengganu State for the production of timber		
Total Certified Area:	516,696.50 ha (excluding the PRF area planted with forest plantations in Merchang FR and construction of second hydro electric dam within Tembat and Petuang FRs amounting to 22,536 ha)		
Contact Person:	Tuan Haji Azmi bin Nordin - State Director of Forestry		
Tel:	+6(09)-6222 444		
Fax:	+6(09)-623 6552		
Email:	azmi@forestry.gov.my / altifaizal@forestry.gov.my		
Surveillance 01 Audit Date:	02-05 September 2013		
Verification Audit Date:	17-18 December 2013		
Audit Team:	Abdul Haye Semail (Lead Auditor) Dr. Savinder Kaur (Auditor) Mohd Faisal Jaafar (Auditor)		

INTRODUCTION

The Terengganu Forest Management Unit (FMU) has been certified under the Malaysian Timber Certification Scheme (MTCS) since 2001; first under the Malaysian Criteria, Indicators, Activities and Standards of Performance (MC&I) for Forest Management Certification or in short MC&I(2001) and thereafter under the Malaysian Criteria and Indicators for Forest Management Certification or in short [MC&I(2002)].

The Terengganu FMU managed by the Terengganu State Forestry Department was issued with a Certificate of Forest Management (SGS/MTCS/FM-002) against the requirements of the MC&I(2002) after a Stage 2 Audit which was conducted in November 2009. The Certificate issued is valid for three years from 01 April 2010 to 31 March 2013. Following the Surveillance 02 Audit that was conducted in 2011, the FMU has to undergo a recertification audit which was conducted on 09-13 September 2012. In line with the implementation of the transition plan from the use of MC&I(2002) to MC&I(Natural Forest), the recertification audit included the new revised MC&I(Natural Forest) in its audit scope. However any deviation from the new aspects in the MC&I(Natural Forest) as compared to the MC&I(2002) were raised as "observations" and not "non-conformity". These observations were subsequently evaluated and classified as "minor or major non-compliances" by the CB on 1 February 2013 based on evidences submitted by the FMU manager to address the various observations raised. The Terengganu FMU was re-certified based on the requirement of the MC&I(Natural Forest) and granted a new certificate on 1 April 2013. The Surveillance 01 Audit for the FMU under the new MC&I(Natural Forest) has been conducted on 02-05 September 2013 where one Major CAR was issued. A verification audit was conducted on 17-18 December 2013 where the Major CAR was closed. This report provides the findings of the said Surveillance 01 Audit.

With a total land area of 1,295,566 ha, the Terengganu FMU is located to the east coast of Peninsular Malaysia. There are a total of 42 Forest Reserves within the Terengganu FMU covering an area of 539,232.50 ha of Permanent Reserved Forests (PRF). In addition, a total of 260 ha have been proposed as PRF which is being managed in the same manner as the PRF.

In terms of forest types, the total areas managed by the Terengganu FMU comprises of 524,180.50 ha of dry inland forest, 13,757 ha of peat swamp forest, 1,295 ha of mangrove forest, amounting to a total of 539,232.50 ha. There is also an area designated as National Park amounting to 77,507 ha that is a totally protected area which is not managed by the FMU and hence is not included in the scope of the certification. In addition, an area amounting to 33,000 ha has been designated as a stateland. Operations within such area carried out by the Terengganu Forestry Department are also not included in the scope of this audit. Logs produced from these sources are not certified and hence cannot enter the PEFC chain of custody system for forest products. Furthermore, although part of the PRF, operations within the following PRFs are also excluded from the scope:

- Plantation Forests – 3,860 ha (Merchang FR)
- Second Hydro Electric Dam – 18,676 ha (within Tembat and Petuang FRs)

The process and mechanism for public or local stakeholders' participation in forest management are in place. Overall, there are no claims or disputes with regard to land tenureship within PRF in Terengganu FMU either orally or in writing. The Terengganu State Forestry Department continues to collaborate with relevant parties in ensuring positive solution to any problem that may arise. As a government department, the State FD participates in inter-departmental discussions (*Majlis Bersama Jabatan*) pertaining to any community rights' issues. The process found to be undertaken systematically through the various arrays of committees from the local village level right up to the State Government.

A one-month stakeholder consultation was initiated in July 2013 where several feedbacks/responses were received from the various stakeholders consulted during the consultation period. The audit team has gathered the evidence and verified the issues raised during the audit on September 2013. Details of the issues raised and findings gathered during the audit are as in **Annex 3**.

For this Surveillance 01 Audit, there were also on-site consultations being held with the staff of the Terengganu FMU, field workers of the contractors at the harvesting sites, as well as other stakeholders i.e. government agencies and local communities including the Orang Asli.

SUMMARY OF FINDINGS OF SURVEILLANCE 01 AUDIT

The Surveillance 01 Audit assessed the implementation of forest management practices in the Terengganu FMU against the requirements of the MC&I(Natural Forest). The summary of the outstanding CARs closed-out and new CARs raised are listed in Annex 1 below.

SURVEILLANCE 01 AUDIT	
Issues that were hard to assess	Nil
Number of CARs closed	Six (6) Minor CARs closed
Number of Observations closed	Three (3) Observations closed
Number of New CARs raised	One (1) Minor CAR upgraded to Major CAR (subsequently closed during the close-out of Major CAR audit in December 2013). Five (5) New Minor CARs are raised
Number of new Observation raised	Four (4) Observations are raised
Certification Decision	<p>The forest management unit of the Terengganu State Forestry Department to maintain its certificate as:</p> <ul style="list-style-type: none"> ▪ The management system has shown to be capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation; and ▪ The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate. ▪ The issues highlighted as Minor CARs must be adequately addressed and the adequacy of the actions taken need to be verified during the second surveillance visit to be conducted within 12 months from the date of assessment.



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Annex 1

**SUMMARY OF OUTSTANDING CORRECTIVE ACTION REQUESTS (CARs) CLOSED OUT
AND NEW CARs AND OBSERVATIONS RAISED**

Summary of CARs Closed Out during SA01

CAR No.	Indicator	Non-conformance	Objective Evidence	Close-out Evidence										
01	4.2.5	Lack of demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials.	The chemical and hazardous materials (herbicides) are not properly stored at the contractor's store at <i>Taman Rekreasi Lata Tembakah</i> .	<p>During the Surveillance 01 Audit, the audit team verified that a circular letter was issued by the FD to all contractors employed within the FMU for maintenance works in Recreational Forest (Ref: PHNT 100/48/1/79) dated 17 September 2012 that specifies the rules to prohibit all usage of pesticides for all maintenance works in the Recreational Forest within the FMU.</p> <p>To confirm this, the audit team visited two recreational forests namely Sekayu Recreational Forest and Lata Tembakah Recreation Forest where the audit team confirmed that there was no usage of pesticides by the contractors in the said area.</p> <p>In addition, interviews with the contractor's workers at both recreational forests confirmed that they are aware of the rules prohibiting the usage of pesticides for maintenance works in recreational forest outlined by the forestry department.</p> <p>Minor CAR 01 closed</p>										
02	6.3.1	Post-harvest natural regeneration inventory and measures to supplement natural regeneration in the FMU is found not according to schedule?	The Post-F Inventory is not conducted according to the SMS requirement i.e. 2-5 years after logging, in Terengganu Utara and Barat Forest Districts.	<p>Post-F inventory practice is conducted within the logged over forest for the objective to collect data and information pertaining to the forest composition to be utilized for assessing such logged over forest. Data collected is used for determining the silviculture practices for the particular area. With regard to the Post-F Inventory, the result of the inventory is captured in the Post-Felling Inventory File on compartment by compartment basis. Since last audit, several areas have undergone or scheduled for the Post-Felling Inventory. The details of the Post-F Inventory conducted or to be conducted are as follows:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>PRF</th> <th>Compt.</th> <th>Area</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Sungai Nipah</td> <td>11</td> <td>11.14</td> <td>Completed</td> </tr> </tbody> </table>	No.	PRF	Compt.	Area	Status	1.	Sungai Nipah	11	11.14	Completed
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03	8.1.2	Inconsistencies in the implementation of Social Impact Monitoring in accordance with guidelines of the Forestry Department.	<p>The <i>Maklumat Kajian Impak Sosial Dalam Sektor Pembalakan</i> (Information on Social Impact Evaluation in the Logging Sector) is not consistently implemented throughout the FMU based on visits to the following license areas:</p> <ul style="list-style-type: none"> • L2 020/2012 – Compt. 21, Telemong FR; • L1 001/2012 – Compt. 98, Gunung Tebu FR; • L3 016/2012 – Compt. 1, Rasau Kerteh FR – inadequate response 	<p>The audit team observed that social impact evaluations are conducted prior, during and after harvesting operation utilizing the Monitoring Form E: Social Impact and focusing on local or Orang Asli communities living in the areas surrounding the PRFs. This can be observed through the verification in the licensed filed for the following logging operation:</p> <ul style="list-style-type: none"> • Compt 11, Jengai Forest Reserve; • Compt 33, Cherul Forest Reserve; • Compt 01, Rasau Kerteh Forest Reserve; • Compt 35, Cherul Forest Reserve; • Compt 02, Bukit Gong Forest Reserve; 																																																																						

				<ul style="list-style-type: none"> • Compt 28, Sungai Nipah Forest Reserve; • Compt 55, Sungai Nipah Forest Reserve; and • Compt 40, Bukit Gong Forest Reserve. <p>Verification on the sampled Monitoring Form E for the above-mentioned logging operation indicated that there is no issue articulated by the local communities including the Orang Asli following the harvesting activities operated within the Permanent Reserved Forest.</p> <p>In addition, there is evidence that the FMU has taken proactive action in organizing stakeholder consultation at the state level i.e. <i>"Stakeholder Consultation with Government Agencies, Logging Contractors and Local Communities, in Kemaman on 14 May 2012"</i>. The event was attended by more than 50 participants and among the topics discussed are the direct and indirect impacts of the certification against the stakeholders as well as arising issues between the stakeholders and the logging contractors as well as State Forestry Department covering the social issues, environmental issues, safety and health issues. Several other examples of the stakeholder consultation conducted by the FMU are as follows:</p> <ul style="list-style-type: none"> • Consultation with Orang Asli in Kampung Sungai Sayap through a report and Letter dated 16 April 2013. (ref:Bil.(04) dlm. RHB 03/10/06.) from the Pejabat Renjer Hutan Besut to the Terengganu Utara District Forestry Office, titled, <i>"Temubual/Perjumpaan Dengan Penduduk Orang Asli Di Kampung Sungai Sayap, Mukim Daerah Besut, Terengganu."</i> The audit team also verified that Form E: Social Impact Assessment in Forestry Sector (<i>Borang Kajian Impak Sosial Aduan Maklumat Kajian Impak Sosial Dalam Sektor Perhutanan</i>) had been utilised in conducting consultation with stakeholders to monitor any social impact. Interview is conducted by the audit team on 03 September 2013 in Kg. Sg. Sayap confirmed the usage of the form. • Besides the above, the audit team also interviewed the Orang Asli Semoq Beri community of Kg. Sg. Berua, Kuala Berang on 4 September 2013 and based on the interviewed held confirm the usage of the social impact forms. <p>Minor CAR 03 closed</p>
04	8.3.1	Harvesting Code not included in the licence number on Removal Passes (RPs).	Five RPs (RP no. A 069715, A069716, A 069717, A 069718 and A 069719) issued by the BPH Pasir Akar had omitted the "HS" code for the harvesting licence that indicates the logs extracted are sourced from forest reserve.	<p>The audit team conducted visit to Durian Mas and Jerangau Forest Checking Stations (FCS) to review log transportation process and issuance of Removal Passes (RP) to the truck transporting the log out from each licensed area. Several RPs has been verified i.e. A 094346, A 094321, A 94248, A 94342, A 94316, A 092903, A 092907, A 092711, A 092819 and A 092901.</p> <p>The audit team observed that proper procedures have been adhered to in section of logs and measurement of logs in the truck. Each RP issued contains the following details: license number, date, truck number, driver's name and clear last destination of the transported logs. Each log carries the FD log tag which is traceable and verifiable to the primary data in the log tagging book included in the Forest Harvesting Plan.</p> <p>Minor CAR 04 closed</p>

05	4.2.1	Inadequate dissemination of up-to-date information on all applicable laws and/or regulations covering occupational safety and health of forest workers	<p>Non-compliance of Guidelines on Occupational Safety and Health in Logging Operations:</p> <ul style="list-style-type: none"> • Lack of risk assessment of forest operation; • No emergency procedure established at the logging camp; • Contractors are not trained on emergency first aid and use of first aid kits; • Chainsaw safety features inadequate; and • Logging camps are not established based on prescribed specifications: <ol style="list-style-type: none"> 1. Distance between diesel skid tank to the nearest river should be more than 100 meters; 2. Kitchen drainage should be covered for at least 15 meters; and 3. Genset must be located at least 100m from the nearest river. 	<p>Verification during the Surveillance 01 Audit showed there are still inadequate in implementation of Guidelines on Occupational Safety and Health in Logging Operations in the following areas:</p> <ul style="list-style-type: none"> • Fire Extinguisher is not made available inside heavy machineries i.e. bulldozer and excavator at operation area; • Emergency procedures and response is established only to accommodate emergency during fire occurrence; • First Aid kit is available at the logging camp, but there is no evidence training provided to the personnel identified as the authorized person to handle the first aid – L2 003/2013 (HS) • First Aid Kit is not made available at the working place i.e. at the logging operation area (in all visited operation areas) • Hazard Identification and Risk Assessment Risk Control is not systematically assessed; • Inadequate use of PPEs: <ul style="list-style-type: none"> ✓ No Visor for chainsaw operator; and ✓ Reflector vest especially for workers on the forest floor. <p>Minor CAR 05 issued upgraded to Major CAR 08</p>										
06	4.3.3	The right of workers to benefits and protection is not assured under applicable laws and/or regulations.	Evidence was not produced to confirm the rights and benefits of the forest workers.	<p>All forest workers employed by the FMU are a government servant and subjected to the term and conditions outlined by the Public Service Department.</p> <p>Meanwhile logging contractors is subjected to the term of conditions stated within their employment agreement. Both the FMU and logging contractor forest workers are found to be covered with insurance. In addition, the contractor workers are also found to be subscribing to Social Security Organization (SOCISO). The above requirements are found to be spelled out in their employment contract.</p> <p>Minor CAR 06 closed</p>										
07	5.3.3	Regular training is not conducted for the staff on techniques of reduced-impact logging.	RIL trainings are conducted by the FD. However implementation on the ground indicated inadequate understanding of the implementation of RIL guidelines related to cross-drains, water bars, directional felling, and elevation of forest roads. Verification of training records v/s contractor's employee records indicated that trained personnel are not implementing the RIL.	<p>Training programme with regard to the implementation of the reduced-impact logging for senior officers, rangers, foresters and forest workers employed by logging contractors within the Terengganu State Forestry Department for 2013 is made available to the auditor during the audit.</p> <p>Several trainings with regard to the implementation and operation of the RIL as well as the Directional Felling Training has been conducted to rangers, foresters and forest workers employed by logging contractors as follows:</p> <table border="1" data-bbox="1294 1233 2051 1430"> <thead> <tr> <th rowspan="2">Date</th> <th rowspan="2">Training Details</th> <th colspan="2">No. of Participants</th> </tr> <tr> <th>Forestry Department</th> <th>Logging Contractors</th> </tr> </thead> <tbody> <tr> <td>25-28 Feb 2013</td> <td>Training on the Implementation of Forest</td> <td>31</td> <td>19</td> </tr> </tbody> </table>	Date	Training Details	No. of Participants		Forestry Department	Logging Contractors	25-28 Feb 2013	Training on the Implementation of Forest	31	19
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M08	4.2.1	Up-to-date information on all applicable laws and/or regulations covering occupational safety and health of forest workers is not disseminated to them.	<p>Verification during the Surveillance 01 Audit showed there are still inadequate in implementation of Guidelines on Occupational Safety and Health in Logging Operations in the following areas:</p> <ul style="list-style-type: none"> • Fire Extinguisher is not made available inside heavy machineries i.e. bulldozer and excavator at operation area; • Emergency procedures and response is established only to accommodate emergency during fire occurrence; • First Aid kit is available at the logging camp, but there is no evidence training provided to the personnel identified as the authorized person to handle the first aid – L2 003/2013 (HS) • First Aid Kit is not made available at the working place i.e. at the logging operation area (in all visited operation areas) • Hazard Identification and Risk Assessment Risk Control is not systematically assessed; • Inadequate use of PPEs: <ul style="list-style-type: none"> ✓ No Visor for chainsaw operator; and ✓ Reflector vest especially for workers on the forest floor. 	<p>During the closing of CAR audit in December, the audit team has visited four active logging areas i.e. Compt. 2B & 9, Besul FR, Compt. 15, Hulu Temomong FR and Compt. 40A, Hulu Terengganu FR of which two were visited during Surveillance 01 Audit (resulted in the issuance of Major CAR). Based on field verification, the audit team observed that all visited areas have adequately address the Major CAR where:</p> <ul style="list-style-type: none"> • Fire Extinguisher is made available at all heavy machineries in particular bulldozers and excavators; • Emergency Response Procedures has been established to accommodate emergency during fire occurrence; • Evidence of training to the first aider regarding the First Aid Kit is made available at the logging camp; • First Aid Kit is made available at the logging camp as well as at the heavy machineries (for application during the operations); • Hazard Identification and Risk Assessment Risk Control is systematically prepared covering all forest management operations of the FMUs including management of recreational forest, nurseries etc; • PPEs for application during harvesting operations is available at the logging camp i.e. visor for chainsaw operator and reflector vest. <p>Major CAR 08 closed</p>								
09	4.2.2	Inconsistencies of management policies addressing the occupational safety and health of forest workers and their families in accordance with current	Currently there is one Safety and Health Officer appointed at the FMU level. However, the officer is yet to be trained by the authorized regulatory body as per in the OSHA, 1994.	New Minor CAR raised during the Surveillance 01 Audit								

		legislation and/or regulations.		
10	6.2.3	Inadequate cooperation between forest managers, and conservation organizations and regulatory authorities in implementing conservation and management activities.	<p>There is insufficient evidence on the collaboration between Terengganu Barat District Forestry Office and PERHILITAN on the conservation of wildlife in the forest reserves in Terengganu Barat.</p> <p>There is lack of cooperation between Terengganu Forestry Department and JAKOA on the regulation of gaharu collection in the forest reserves by Orang Asli. Interviews with JAKOA and the Orang Asli of Kg.Sg. Berua reveal that they are unaware of the national (National Forestry Act, 1984; CITES Act, 2008) and international (CITES 1973, Article II) regulatory framework on the collection and trade of gaharu (<i>Aquilaria sp.</i>)</p>	New Minor CAR raised during the Surveillance 01 Audit
11	7.3.2	Forest workers are not adequately trained as to their respective roles in the implementation of the forest management plan.	Details and records of training provided to chainsaw operators have been verified. Furthermore, interview is also has been conducted to 5 chainsaw operators met at logging camp visited. Out of 5 chainsaw operators interviewed and verified, only one operator possessing valid training certificate.	New Minor CAR raised during the Surveillance 01 Audit
12	9.1.1	Forest managers have not adequately assessed the presence of HCVF attributes in the FMU in accordance with relevant federal, state and local laws, appropriate to scale and intensity of forest management operations in the FMU, and in consultation with relevant stakeholders.	<p>Forest managers have not fully assessed, identified and demarcated the presence of HCVFs in the forest reserves. E.g. Fauna such as Paedocypris fish (Rimba Bandar Bukit Bauk) (Pg.ix of MTR); endangered species (IUCN red List), e.g. Malayan tiger, Asian Elephant, Malayan Tapir etc. (prevalent in HS. Tembat, Cherul, Pasir Raja).</p> <p>There is no evidence of stakeholder consultation with relevant agencies on potential HCVF (all attributes) identified through scientific expeditions such as the Gunung Mandi Angin (2004) and Bukit Bauk (2006) and Dungun Timber Complex</p>	New Minor CAR raised during the Surveillance 01 Audit
13	9.3.1	Inadequate measures to demarcate, maintain and/or enhance the HCVF attributes are documented in the forest management plan and effectively implemented.	There is no evidence of measures to enhance the attributes of the three identified HCVF, either in the Forest Management Plan (2005-2016) and Mid-Term Review (2012). There is no evidence of implementation of management prescription to enhance the attributes of these identified HCVFs.	

Summary of Observations raised [MC&I(Natural Forest)]

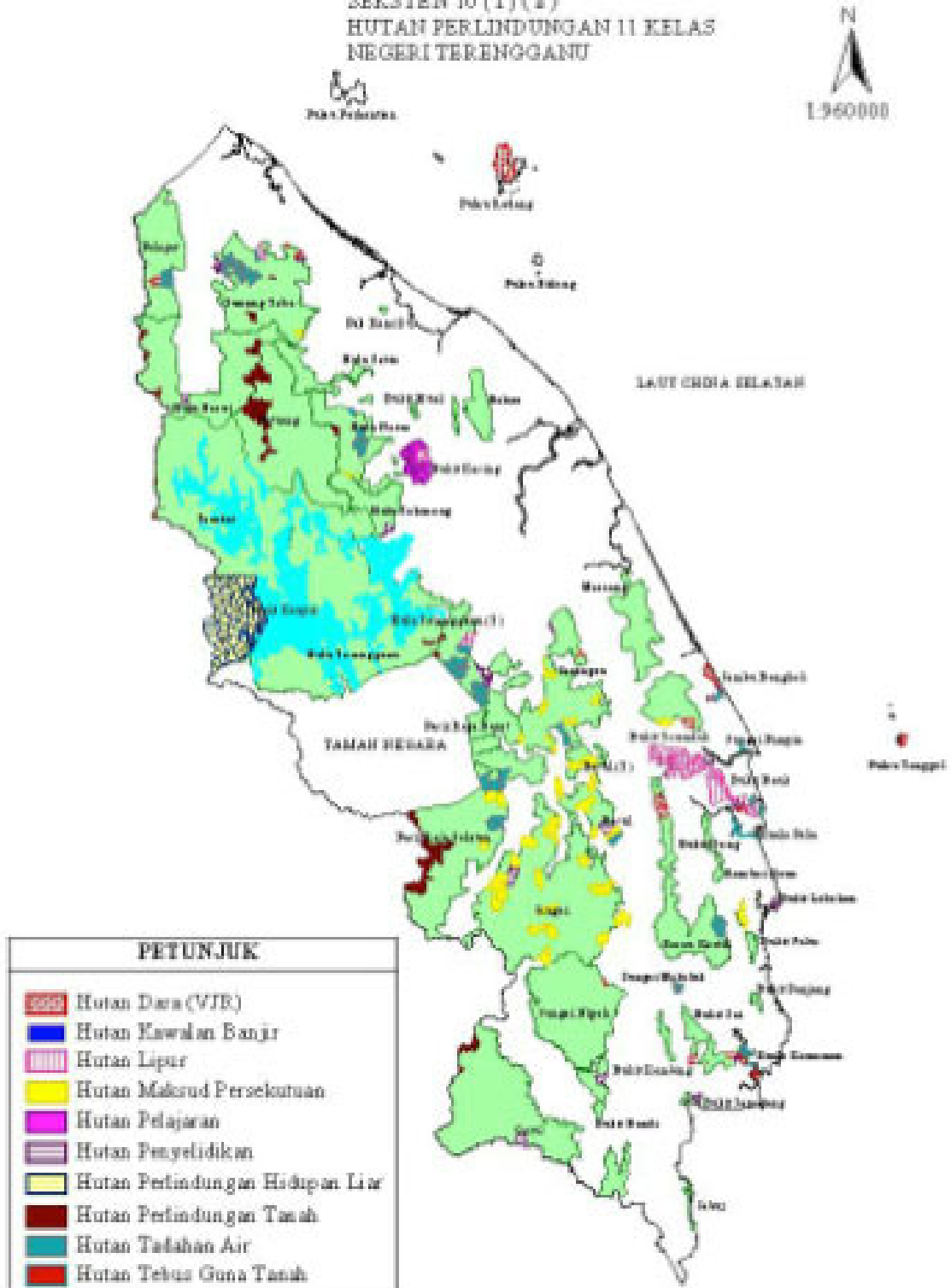
CAR No.	Indicator	Observation	Follow-up Evidence	Status
02	4.2.3	Machinery maintenance records are not made available at the logging camp. Chainsaws are not kept in safe working condition.	Field verification at Compartment 09 Besul Forest Reserve and Compartment 15 Hulu Telemong Forest Reserve showed that the machineries maintenance records for all heavy machineries including chain saw is made available at the logging camp. In addition, operation procedures for all machineries at the logging camp including the heavy machineries are also available. Visit to the workshop area in logging camp where the machineries are docked showed that all are equipped with seatbelt. At storage area, the audit team has verified the chainsaw and found that the chainsaw is in safe working conditions, equipped with a chain-break and a cover.	Observation closed
03	5.3.1	Excessive skid trail clearing and joining of two skid trails together resulting in increased damage to forest stand as observed in License No. L1 001/2012 (HS) Compartment 98.	The audit team observed that the logging operations had been conducted according to the above documents where there was no excessive construction of forest roads in the areas visited as follows: <ul style="list-style-type: none"> • Compartment 9, Besul FR: <ul style="list-style-type: none"> ○ Feeder Road no. 1 and 2; ○ Skid Trails:- LP 2, LP3, LP6 and LP8 • Compartment 15, Hulu Telemong FR: <ul style="list-style-type: none"> ○ Feeder Road no. 2; ○ Skid Trails:- LP 11, LP12, LP13, LP14 and LP15. In addition, the audit team also observed that the damage to the residual stand is minimal as a result of the implementation of RIL.	Observation closed
06	8.1.1	Poor maintenance of access roads outside the license area L 1001/2012 (HS) Compartment 98 was identified during an internal DOF audit but was not followed through as observed in. Monitoring Form (Borang C) does not cover road outside licensed compartment.	Currently, monitoring on various elements of forest harvesting operations is made via the use of Borang A (<i>Infrastructure</i>), B (<i>Forest Harvesting</i>), C (<i>Environment</i>) and D (<i>Output</i>) which are consistently used. Monitoring on social elements is done through the <i>Panduan Maklumat/Borang</i>	Observation closed

			<p><i>Kajian Impak Sosial dan Alam Sekitar Dalam Sektor Pembalakan</i> which is compiled before and after harvesting of each license. In addition, Social impact evaluation form (Form E) is also completed prior, during and after harvest.</p> <p>Records of the monitoring activities described above are kept for each license.</p> <p>Maintenance of access roads in outside of license areas has been conducted as reported in Form (<i>Borang C</i>). This is observed during the verification of the documentation at logging camp in active logging areas of Compt. 9, Besul FR and Compt. 15, Hulu Telemong FR.</p>	
07	3.3.1	<p>There is insufficient evidence of :</p> <ol style="list-style-type: none"> procedures to identify and protect Orang Asli special sites of cultural, ecological, economic or religious significance. records of Orang Asli special sites at the Terengganu Barat District Forestry Office identification of sites of economic and ecological importance of Orang Asli. 		Observation raised
08	4.3.3	<p>All logging camp visited found to have group insurance for workers. List of insured workers did not tally with the current sub-license workers due to drastic workers turnover in.....?</p> <p>The list of insured staff needs to be updated more frequently, at least monthly.</p>		Observation raised
09	6.3.3	<ul style="list-style-type: none"> There is insufficient evidence on the harvesting designed taking into consideration the need of biological corridors and buffer zones for features of special biological interest for wildlife across the FMU. Isolated efforts observed are the three viaducts for wildlife crossing at HS. Tembat Insufficient evidence of collaboration between Terengganu Barat District Forestry Office and PERHILITAN on the conservation of wildlife in the forest reserves in Terengganu Barat. 		Observation raised
10	8.3.1	<p>Terengganu FMU has planned to use computerised system for issuing RPs since 2010. Part of the system has been implemented such as standard coding number for destinations of the logs.</p> <p>Since the implementation of the computerised system ceased, FMU should consider abandoning the coding system as it may</p>		Observation raised

		cause confusion in the supply chain.		
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Forest Reserves in Terengganu FMU

PILAN WARTA
FENGEKELASAN HUTAN SIMPANAN KERAL
SEKSYEN 10 (1) (a)
HUTAN PERLINDUNGAN 11 KELAS
NEGERI TERENGGANU



ISSUES RAISED BY STAKEHOLDERS

Nr	Comment	Response
Surveillance 01 Audit		
1	The comment/feedback received during the stakeholder consultation process through an email 16 August 2013 voicing concerns on the Forest status for all areas surrounding the second dam project within the Tembat Forest Reserve.	Verification during the audit confirmed that such areas surrounding the project areas have been classified as protection forest covering an area a total of 134,692.40ha within. Tembat Forest Reserve. Such areas are mapped and demarcated on the ground.
2	The comment/feedback received during the stakeholder consultation process through an email 16 August 2013 voicing concerns on forest clearing/logging in the wildlife corridor area between Taman Negara and the forest block to the north (Terengganu hills/East Coast range. Poaching of endangered species is a real issue in the Terengganu FMU, but there is not enough on-the-ground surveillance to be sure of the extent of this threat.)	SGS has taken action to verify the issues from the FMU during the audit. Through the documentation review and an interview with PERHILITAN reveals insufficient evidence on the collaboration between Terengganu Barat District Forestry Office and PERHILITAN on the conservation of wildlife in the forest reserves in Terengganu Barat. This issue has been identified as Minor CAR (Minor CAR 10) during the audit under Indicator 6.2.3. .
3	The comment/feedback received during the stakeholder consultation process through an email 16 August 2013 voicing concerns that the Central Forest Spine CFS Masterplan, which was endorsed by the National Committee on Biodiversity in 2010 sets out a number of landscape corridors that should be established in Terengganu but there seems to be no evident of such landscape corridors being established on the ground	Information pertaining to the establishment of the Ecological Linkages throughout the Peninsular Malaysia that is coordinated by the regional Planning Division, Department of Town and Country Planning Peninsular Malaysia, which specifies the planned biological corridor identified as Primary Linkages and Secondary Linkages. Latest records through the Minutes of National Technical Committee on the Implementation of Central Forest Spine Bil. 1/2013 specifies that there are two primary linkages and two secondary linkage identified in Terengganu FMU as follows: PL 7 – Taman Negara to Tembat FR PL 11 – Lojing FR to Taman Negara SL 4 – Taman Negara to Bukit Bauk FR SL 5 – Tembat FR to Setiu FR However, the implementation of the CFS project at the state level is still at an early stage. Further clarification from the FMU reveals that the next Meeting to be held in January 2014 to discuss the action plan for the implementation of the CFS in the FMU.