

MSPO SCCS CERTIFICATION SUMMARY REPORT

SYARIKAT HOI WAN (SABAH) SDN BHD

CERTIFICATION AUDIT

Date: 12/06/2019

TUV NORD (Malaysia) Sdn Bhd
No. 9F-1A, 9th Floor, Tower 2 @ PFCC
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MSPO Supply Chain Certification Report

Company Name: Syarikat Hoi Wan (Sabah) Sdn Bhd

Certifying Unit: Syarikat Hoi Wan (Sabah) Sdn Bhd

Client Number: 92-118

Audit Type: Certification Audit



1. INTRODUCTION

COMPANY DETAILS	
Certified Company name:	Syarikat Hoi Wan (Sabah) Sdn Bhd
Address:	CL075336444, Tingkat Bawah, Batu 10, Jalan Sungai Batang, Sandakan, Sabah
Name of responsible person:	Wong Tet Jung @ Aquinas Wong
Contact number of responsible person:	+6013-5533111/089-535773
Email of responsible person:	sythoiwan@yahoo.com @ aquinas@yahoo.com
Type of company for certification:	Single
Type of Activity	Palm Oil Repacking

AUDIT DETAILS	
Lead Auditor: (Trainee)	Sheron Pui Ling Wui – SP
Auditor(s):	Cheong Chun Yuen (Robert) - RC
Date(s) of audit:	12/06/2019
Audit type:	Certification Audit
Proposed date(s) of next audit:	12-06-2020
MSPO Module Audited	MB

SCOPE OF CERTIFICATION
Repacking of palm oil cooking oil.

CERTIFICATE DETAILS	
Certified Client Details	SYARIKAT HOI WAN (SABAH) SDN BHD
Certificate Number:	04 300 92 118
Validity of certificate starts:	01-07-2019
Validity of certificate ends:	30-06-2024
Date of first certification:	01-07-2019
Other Certification:	NA

SUBCONTRACTING*			
Name	Address	Subcontract Activity	Visited during the audit

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NA			

Note * - only for activities concerning the processing or production of MSPO certified PO or PO products

Module MB Volume Information							
Start date of volume reporting		No certified MSPO palm products					
End date of volume reporting		No certified MSPO palm products					
Type of Palm Products	RPD Olein						
Last Year Certified Volume sold (mt)	0						
Last Year Volume sold as conventional (mt)	0						

Suppliers Information						
Name	Address	Product	Volume	Module	Certificate Number	
No MSPO SCCs certified supplier at as audit period.	NA	NA	NA	NA	NA	

Buyers Information						
Name	Address	Product	Volume	Module	Certificate Number	
NO buyers for MSPO certified palm products	NA	NA	NA	NA	NA	

GENERAL CHAIN OF CUSTODY REQUIREMENTS

Clause	Requirement	Findings & Comments	Conform Yes / No
5.1	Sustainability Policy		
5.1.1	A sustainability policy shall be established by the organisation to demonstrate its commitment towards the sustainable production of certified palm oil products.	Hoi Wan has established MSPO SCCS policy that states commitment to the production of Sustainable Palm Oil products by adhering to the MSPO SCCS dated 01/04/2019 signed by Managing Director.	Yes
5.1.2	The policy shall be communicated to the employees, suppliers, outsourced contractors, customers and relevant stakeholders.	Policy is displayed at the office notice board. Briefing on MSPO SCCS to internal workers & staff conducted on 24/05/2019. Briefing on MSPO SCCS to related stakeholders (customers, suppliers, and government agencies) conducted on 07/05/2019.	Yes
5.2	Management Representative		
5.2.1	The organisation shall appoint a member of the management who, irrespective of other responsibilities, shall have overall responsibility and authority for the organisation's MSPO SCCS management.	MSPO SCCS Organisation Chart dated 01/04/2019, the Admin executive is the appointed person responsible for managing the overall traceability and supply chain system	Yes
5.3	Record Keeping		
5.3.1	The organisation shall establish and maintain accurate and up-to-date records to provide evidence of conformity in the implementation of MSPO SCCS. The records shall be maintained for a minimum period of three (3) years.	Hoi Wan has established MSPO SCCS Supply Chain Manual, doc no: HW-MSPO SCCS-M-1, Rev: 0, effective date 01/04/2019 approved by Managing Director. Point 5.3 Record Keeping state records will be maintain for a minimum period of 3 years.	Yes
5.4	Procedures		
5.4.1	The organisation shall establish documented procedures for its supply chain to demonstrate compliance with MSPO SCCS as follows:		
	a. Description of the material flow within the production process;	Hoi Wan has established Traceability Procedure, doc no. HW-MSPO SCCS-T 1, Rev 0, effective date 01/04/2019 describes the process in meeting requirements of MSPO. The procedure include incoming cooking oil, packing and storage and outgoing of cooking oil.	Yes
	b. Organisational structure, responsibilities and authorities of personnel with respect to MSPO SCCS;	Hoi Wan has established MSPO SCCS Organisation Chart to manage MSPO dated 01/04/2019. The chart identify the respective responsible persons. Example: Admin executive appointed for record keeping, traceability, supply chain, claim, and IT platform.	Yes

	c. Procedures on the supply chain models that enables the identification of incoming material from suppliers and distribution to the buyers;	Hoi Wan has established MSPO SCCS Supply Chain Manual, doc no: HW-MSPO SCCS-M-1, Rev: 0, effective date 01/04/2019 approved by Managing Director. Point 8.2 describes the supply chain model for incoming cooking oil currently is MB.	
5.5	Internal Audit		
5.5.1	The organisation shall conduct internal audits at planned intervals to determine whether the MSPO SCCS requirements are effectively implemented and maintained.	Internal audit was conducted on 02/09/2019. There are 8 findings and closed out prior to external audit. Internal audit frequency is once annually as describe in supply chain manual	Yes
5.5.2	The organisation shall establish corrections and implement corrective actions for any non-conformity raised.	Corrective actions identified in internal audit are discussed and implemented during the management review meeting.	Yes
5.6	Management Review		
The management review of the organisation's MSPO SCCS system shall be conducted at planned intervals to ensure its adequacy and effectiveness, and shall include the following aspects:			
a. Review input			
i.	Results of internal and external audits	Management review meeting conducted on 02/05/2019 includes results of internal audit	Yes
ii.	Customer feedback	No customer feedback received as at audit date	Yes
iii.	Process performance and product conformity	Product conformity and process input reported in management review meeting	Yes
iv.	Status of corrections and corrective actions	There is no previous internal and external audit, therefore no reporting results.	Yes
v.	Follow-up actions from previous management reviews	This is the 1 st management review, therefore no previous review.	Yes
vi.	Changes that could affect the MSPO SCCS system	With the introduction of the MSPO SCCS requirements, no changes affected.	Yes
vii.	Recommendation for improvement	Improvements of MSPO SCCS documentation according to internal audit findings	Yes
viii.	Complaints and grievances	No complaint and grievance received so far from buyers or wholesaler.	Yes
b. Review output			
i.	Improvement in the effectiveness of the MSPO SCCS system and its processes	Improve in the system documentation	Yes
ii.	Resources needed	Budget for training, communications, filing system budgets has been included in the management review	Yes
6	Resource Management		
6.1	Competency and Training		

6.1.1	The organisation shall ensure that all personnel engaged in the implementation and maintenance of the MSPO SCCS are competent with appropriate training, skill and experience.	All relevant employees managing MSPO SCCS system documentation according to the organisation chart have attended training conducted on 24/05/2019. Interview with employee (example: admin, clerk) indicate they attended related training such as MSPO SCCS.		Yes
6.1.2	The organisation shall establish an effective training plan according to the roles and responsibilities of personnel.	Hoi Wan has established MSPO SCCS Supply Chain Manual, doc no: HW-MSPO SCCS-M-1, Rev: 0, effective date 01/04/2019. Point 6.1 Competency and training, training plan established according to roles and responsibilities of personnel. Training plan for 2019 dated 11/06/2019 included MSPO SCCS and others related training approved by Managing Director.		Yes
6.1.3	The organisation shall maintain records of the trainings provided to personnel in relation to the implementation of the MSPO SCCS.	MSPO SCCS training conducted on 24/05/2019 sighted and maintained.		Yes
7	Purchase and Sales			
7.1	The organisation shall ensure that the documents associated with transactions between the customer and supplier of the certified palm oil products shall include at least the following information:			
	a) The name and address of the seller / buyer;	Seller:	Seller name and address stated in purchase order	Yes
		Buyer:	Buyer name and address stated in sales invoice.	
	b) Product(s) identification including the applicable supply chain models (mass balance, segregated);	Seller:	Current supplier is not certified yet. Therefore no supply chain identification. Product type (Refined Palm Olien) stated in weighbridge ticket.	Yes
		Buyer:	Product type stated in invoice, (Cooking Oil)	
	c) The quantity of the product delivered;	Seller:	Stated in weighbridge ticket Example: WB # 1149593 dated 07/06/2019 Qty: 25.12mt	Yes
		Buyer:	Stated in invoice 10 ctns (170)	
	d) The loading or delivery date;	Seller:	Stated in weighbridge ticket. See above	Yes
Buyer:		Stated in invoice Example: 08/06/2019		

	e) Related transportation documentation with a unique identification number;	Seller:	The contract no. is the unique reference number stated in the WB ticket: Example: SEO/L-OL/005/06/19	Yes
		Buyer:	All sales are on cash basis, therefore no contracts except invoices raised.	
	f) MSPO Supply chain certificate number; and	Seller:	Seller is not MSPO SCCS certified yet	Yes
		Buyer:	Not at present since no MSPO SCCS certified products are sold	
	g) MSPO Supply chain certificate validity;	Seller:	Seller is not MSPO SCCS certified yet.	Yes
		Buyer:	Not at present since no MSPO SCCS certified products are sold	
7.2	The organisation shall have a mechanism in place for handling non-conforming palm oil products and/or documents.	MSPO SCCS Traceability Procedure Doc. No. HW-MSPO-SCCS-T-1 rev. 0 dated 01/04/2019 topic 4. Incoming cooking oil include handling of non-conforming palm oil products and or documents.		Yes
8	Supply Chain Models			
8.1	Segregation			
8.1.1 General	The Segregation (SG) Model assures that MSPO certified palm oil products delivered to the end user come only from MSPO SG certified sources. It permits the mixing of certified palm oil products from a variety of MSPO SG certified sources.	Not applicable at present		NA
8.1.2	Requirements			
8.1.2.1	The Segregation approach requires that the MSPO certified palm oil products shall be kept separate from non-MSPO certified palm oil products at every stage of production, processing, refining and manufacturing throughout the supply chain. This model allows mixing of any MSPO SG certified palm oil products from various certified sources. Physical certified palm oil products delivered to the end user shall be traceable to MSPO certified sources.	Not applicable at present		Yes
8.1.2.2	The site shall ensure and verify through clear procedures and record keeping that the MSPO certified oil palm products are kept segregated from non-certified palm oil products including during transportation and storage to strive for 100% separation.	Not applicable at present		Yes
8.2	Mass balance			

8.2.1 General	<p>The Mass Balance (MB) Model administratively monitors the trade of MSPO certified palm oil products throughout the entire supply chain. MB can only be operated at site level (mass balance claims cannot be transferred from site to site administratively).</p> <p>The MB Model allows for mixing of MSPO and non-MSPO certified palm oil products at any stage in the supply chain provided that overall site quantities are controlled.</p>	<p>Currently Hoi Wan does the repacking of the refined oil by batch based on each purchase order to supplier and quantity delivered are consistent.</p> <p>Batching records reviewed and traceable to the purchased quantity and total quantity sold to each buyer.</p> <p>Hoi Wan does not mixed the product from different supplier.</p>	Yes
8.2.2	Requirements		
8.2.2.1	<p>The basis of the MSPO SCCS requirements for MB shall consist of reconciliation between the quantity of MSPO certified palm oil products bought and the quantity of MSPO certified palm oil products sold. This includes control of purchases and sales of MSPO certified palm oil products and its derivatives which shall be independently verified. There are no requirements for separate storage, transportation or controls in the production process.</p>	<p>Currently Hoi Wan does the repacking of the refined oil by batch based on each purchase order to supplier and quantity delivered are consistent.</p> <p>Batching records reviewed and traceable to the purchased quantity and total quantity sold to each buyer.</p>	Yes
8.2.2.2	<p>The organisation shall ensure that the quantity of physical MSPO MB palm oil product inputs and outputs (volume or weight) at the physical site are monitored.</p>	<p>Records of purchased and sold reviewed and traceable to the purchased quantity and total quantity sold to each buyer.</p>	Yes
8.2.2.3	<p>The organisation shall ensure that the output of MSPO MB palm oil product supplied to customers from the physical site does not exceed the input of MSPO certified palm oil products received at the physical site, using either a continuous accounting system or a fixed inventory period.</p>	<p>Hoi Wan traceability records are by batch based on each purchase order.</p> <p>There is no mixing occurred.</p>	Yes
8.2.3	Continuous accounting system		
8.2.3.1	<p>Where a continuous accounting system is in operation, the organisation shall ensure that the quantity of physical MSPO MB palm oil product inputs and outputs at the physical site are monitored on a real-time basis.</p>	<p>Hoi Wan applies a batch quota accounting system to monitor the quota approved to repack refined oil cooking oil for each month.</p> <p>Example:</p> <p>Purchase order for 155mt dated 02/05/2019</p> <p>Quantity delivered 154.56mt as at 21/05/2019</p>	Yes
8.2.3.2	<p>Where a continuous accounting system is in operation, the organisation shall ensure that the material accounting system is never overdrawn. Only MSPO data which has been recorded in the material accounting system shall be</p>	<p>Hoi Wan applies a batch quota accounting system to monitor the quota approved to repack refined oil cooking oil for each month.</p>	Yes

	allocated to outputs supplied by the organisation.		
8.2.4	Fixed Inventory periods		
8.2.4.1	Where a fixed inventory period is in operation, the organisation shall ensure that the quantity of MSPO MB palm oil product inputs and outputs (volume or weight) are balanced. The fixed inventory period shall be three (3) months.	Not applicable since Hoi Wan applies a batch quota system.	Yes
8.2.4.2	Where a fixed inventory period is in operation, the organisation may overdraw data when there is evidence that MSPO MB palm oil product purchased for delivery within the inventory period cover the MSPO output quantity supplied.	Not applicable. See above	Yes
8.2.4.3	Where a fixed inventory period is in operation, unused credits can be carried over and recorded in the material accounting system for the following inventory period.	Not applicable. See above	Yes
8.2.4.4	Where a fixed inventory period is in operation, the organisation shall ensure that the material accounting system is not overdrawn at the end of inventory period. Only MSPO data which has been recorded in the material accounting system within the inventory period shall be allocated to outputs supplied within the inventory period. [Records of any internal processing of MSPO certified products including the respective yields/conversion factor must be available/ accessible during assessment audits] NOTE 1 For oleochemicals and derivatives, please use the conversion factor explained in the <i>Guidance for Oleochemicals and its Derivatives Under MSPO SCCS</i> .	Not applicable. See above	Yes
9	Outsourced Activities		
9.1	The organisation which outsources its activities to independent third party or parties shall ensure that it:		
	a) has legal ownership of all input materials during the outsourced activities	Hoi Wan established MSPO SCCS Supply Chain Manual doc no. HW-MSPO SCCS-M 1, Rev 0, dated 01/04/2019. Point 9.1 stated SHWSB does not outsource any of its activities. Transport and deliver of products to buyer by own transport.	Yes

		There is no change of custody during the transportation process.	
	b) has an agreement/contract covering the outsourced activities with each contractor. This agreement/contract shall include a clause reserving the right of the certification body to audit the outsourced contractor; and	No outsourced activities carried out by Hoi Wan.	Yes
	c) Has a documented control system with procedures for the outsourced activities which are shared with the relevant outsourced contractor.	Hoi Wan established MSPO SCCS Supply Chain Manual doc no. HW-MSPO SCCS-M 1, Rev 0, dated 01/04/2019. Point 9.1 describe the control mechanism for outsourcing activities if required.	Yes
10	Claim		
10.1	The organisation shall only make claims on the products that contains MSPO certified material from oil palm planted areas which have been certified for the oil palm management certification standard as being sustainably managed. Reference: <i>Issuance of MSPO Logo Usage Licence by MPOCC under the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme</i> document. .	Hoi Wan currently does not make claim on product contains MSPO certified palm products. Hoi Wan does not have a licence agreement with MPOCC for logo usage.	Yes
10.2	The organization shall has a Logo Usage License Agreement with MPOCC for logo usage	Hoi Wan does not have a licence agreement with MPOCC for logo usage.	Yes
10.3	The validity of the license shall be the period of validity of oil palm management certificate or the supply chain certificate or the agreement	Hoi Wan does not have a licence agreement with MPOCC for logo usage.	Yes
11	Complaints and Grievances		
	The organisation shall have in place and maintain documented procedures for dealing with any substantive and procedural complaints and grievances relating to its stakeholders.	Hoi Wan has established Complaint and Grievances Procedure, doc no. HW-MSPO SCCS-CG 1, Rev 0, effective date 01/04/2019. No complaints received as at audit date.	Yes
12	IT Platform		
	The organisation within the supply chain must register its production and sale of MSPO certified products in the available system*. NOTE 2: This shall be applicable when the IT Platform is operational.	Not applicable during this audit since MPOCC has not establish an IT platform.	Yes

Summary of Non Conformities

Detail of Non Conformities identified during this audit

This section gives an overview of the non-conformities raised during this audit.

AUDIT OUTCOME FOR SCC	
Non-Conformities	0


Non Conformity Number < >			
Clause & Description	NA		
Description of Finding/Objective Evidence:			
Date Raised:		Deadline for implementation:	
Root cause Analysis (<i>by company</i>):			
Corrective action planned (<i>by company</i>):			
Preventive Action (<i>by company</i>):			
Review of corrective/preventive action			
Closed: <input type="checkbox"/> Yes <input type="checkbox"/> No			
Lead Auditor or Auditor:		Date of closure:	

Nr.	Indicator	Location	Opportunity for Improvement
1	7.1 (a)	Purchasing Department	The purchase order number could be included in the trade confirmation and weighbridge ticket for reference.

MSPO SCCS Certification Report

DESCRIPTION OF THE COMPANY'S SYSTEMS
1. Description of the organizational, management and operational systems to ensure compliance with MSPO Supply Chain Certification Systems
Syarikat Hoi Wan (Sabah) Sdn Bhd is a palm oil repacking facility for refined palm oil products. Relevant manual, procedures, work instructions and forms are established according to MSPO Supply Chain Certification Standard version 01/10/2018. All trading activities either purchasing or sales of palm products are monitored using an established mass balance system.
2. Other certificates
NA
3. List of actions taken by the organization to ensure compliance:
Physical stocks and documents monitoring.
4. List of key attention points for the coming year of assessment
Monitoring of physical stock balance against documented stock
5. Certified quantity purchased and claimed
Since this is initial certification audit, no certified MSPO palm products purchased or sold
6. Control of annual certified volume of MSPO certified oil palm products purchased and claimed over a specified period.
No projections yet since no processing of MSPO certified palm products
Compliant: <Yes>

PREVIOUS AUDIT
Summary of previous assessments and conclusion, with recommendations and/or non-conformances of the previous assessment
NA

SIGN-OFF OF ASSESSMENT	
Certification Decision Date:	24/06/2019
Certifier:	Nur Amanina Zahir
<p>The undersigned, being the Cerifier, confirmed that the information and conclusion stated in this report have been prepared in good manner and the certification decision has been based upon the information stated. It is herewith the decision for the certified complex is in line with the applicable standard and system documents.</p> <p>The audit was conducted based on a sampling basis, where understandably the limitation of this will result of any non-compliance that may not be detected in this audit that may arise in future audits.</p>	
<p>Signature:</p> <div style="text-align: center; margin-top: 20px;">  </div>	