

MSPO CERTIFICATION SUMMARY REPORT

SPOC Q23 BELURU 1

SURVEILLANCE 02

Date: 03/05/2019

TUV NORD (Malaysia) Sdn Bhd
No. 9F-1A, 9th Floor, Tower 2 @ PFCC
Jalan Puteri ½, Bandar Puteri Puchong
47100 Puchong, Selangor.
Phone: +603 8600 4031/4032
Fax: +603 8600 4550

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Table of Contents

1.	INTRODUCTION	4
1.1.	Objective	4
1.2.	Scope	4
1.3.	Appointment & Qualification of Audit Team Members	4
2.	METHODOLOGY.....	8
3.	ORGANISATION INFORMATION	12
4.	CERTIFICATION ASSESSMENT	23
4.1.	Surveillance Audit ASA 02	23
4.2.	Stakeholders' Consultation	23
4.3.	Summary of Assessment	25
4.4.	Status of Non-Conformities Previously Identified	35
4.5.	Details of Audit Findings Identified During This Audit	38
5.	CONCLUSION	40
6.	RECOMMENDATION	41
7.	REFERENCES	42
	Annex / Enclosures	43

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri
Certifying Unit: SPOC Q23 Beluru 1
Client Number: 92-007
Audit Type: Surveillance Audit (ASA 02)



ABBREVIATIONS

CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
FFB	Fresh Fruit Bunch
GAP	Good Agriculture Practices
GPS	Global Positioning System
HBV	High Biodiversity Value
IPM	Integrated Pest Management
ISO	International Standard Organisation
LKN	Latihan Khidmat Nasihat
MPOB	Malaysian Palm Oil Board
NC	Non Conformity
OSH	Occupational Safety and Health
P&C	Principle and Criteria
PPE	Personal Protective Equipment
RTE	Rate, Threatened and Endangered
SA8000	Social Accountability 8000
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SPOC	Sustainable Palm Oil Cluster
WHO	World Health Organization

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri
Certifying Unit: SPOC Q23 Beluru 1
Client Number: 92-007
Audit Type: Surveillance Audit (ASA 02)



1. INTRODUCTION

MPOB SPOC Q23 Beluru 1 has commissioned TÜV NORD (Malaysia) Sdn Bhd to conduct surveillance audit for its independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

1.1. Objective

The objective of this audit is to assess the MPOB Cawangan SPOC Q23 Beluru 1 as group manager managing the independent smallholders by an independent certification body. The aim of this surveillance audit is assessed on the compliance of the standard by MPOB Cawangan SPOC Q23 Beluru 1.

1.2. Scope

The surveillance audit is based on the documentation established by MPOB Cawangan SPOC Q23 Beluru 1 in managing the independent smallholders' scheme.

The supporting documents are provided to the audit team as well as information received by means of interviews and background investigation.

The documents and information are reviewed against the requirements and criteria mentioned below. TÜV NORD has employed a risk-based approach in the verification, focusing on the identification of significant risks and reliability of the monitoring and reporting.

The assessment is carried out on the basis of the MS 2530-2:2013: Part 2: General principles for independent smallholders.

In addition, the following reference are used as part of the assessment; the compliance of the requirements out of the guidelines applied was checked.

1. Kod Amalan Baik (GAP) Perkebun Kecil, Malaysia Palm Oil Board
2. Guidelines for Development of a Standard Operating Procedure for Oil Palm Cultivation on Peat.
3. Malaysian Sustainable Palm Oil Part 2: General Principles for Independent Smallholders Audit Guidance.

1.3. Appointment & Qualification of Audit Team Members

The audit team consist of one (1) team leader and two (2) team member are appointed. The audit team members contribute to the review of documents, assessment of the project activity and preparation of this report.

Qualification of the Trainee Lead Auditor: Muhammad Khairul Anuar bin Azizul Hasan

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology;	Graduate in Applied Science (Major in Plantation Industry and management)

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Requirement	Qualifications
iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields	
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	7 years working experience in oil palm plantations.
Successfully completed MS 2530 series of standards training	Successfully completed MS2530 : 2013 LA series ,
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified as auditor base on audit log.
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia, English and/ or any other local language.	Able to communicate in Bahasa Malaysia and English.
Field working experience in the palm oil sector, or demonstrable equivalent	7 years working experience in oil palm plantation.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	7 years working experience in oil palm plantation.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Successfully completed SA 8000 Basic training and Auditor MSPO and Auditor in training for RSPO scheme.
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed IMS 9001, 14001 and 45001 LA course, Auditor for MSPO and Auditor in training for RSPO scheme.

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Qualification of Team Members

Requirement	Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields	Zul Hairi bin Abu Hassan	Graduate in Applied Science (Major in Plantation Industry and Management)	Yes
	Ariff bin Lokman	Graduate in Applied Science (Major in Plantation Industry and Management)	
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Zul Hairi bin Abu Hassan	9 years working experience in oil palm plantation.	Yes
	Ariff bin Lokman	7 years working experience in oil palm plantation.	
Attended the MS 2530 series of standards training	Zul Hairi bin Abu Hassan	Successfully completed MS2530 series training, RSPO P & C LA, SCC and ISCC-EU training	Yes
	Ariff bin Lokman	Successfully completed MS2530 series training, RSPO P & C LA	
Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Zul Hairi bin Abu Hassan	Qualified as auditor base on audit log.	Yes
	Ariff bin Lokman	Qualified as auditor base on audit log.	
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Zul Hairi bin Abu Hassan	Bahasa Malaysia and English.	Yes
	Ariff bin Lokman	Bahasa Malaysia and English.	

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Requirement	Assessor	Qualification	Compliance
Field working experience in the palm oil sector, or demonstrable equivalent	Zul Hairi bin Abu Hassan	9 years working experience in oil palm plantation.	Yes
	Ariff bin Lokman	7 years working experience in oil palm plantation.	
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Zul Hairi bin Abu Hassan	9 years working experience in oil palm plantation.	Yes
	Ariff bin Lokman	7 years working experience in oil palm plantation.	
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Zul Hairi bin Abu Hassan	Auditor for RSPO and MSPO scheme, ISO 45001	Yes
	Ariff bin Lokman	Auditor for MSPO scheme, IMS ISO 9001, 14001, 45001.	
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Zul Hairi bin Abu Hassan	Successfully completed SA 8000 Basic training and auditor for RSPO and MSPO schemes	Yes
	Ariff bin Lokman	Successfully completed SA 8000 Basic training, Auditor for MSPO and Auditor in training for RSPO scheme.	
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Zul Hairi bin Abu Hassan	Successfully completed ISO 14001 LA course and auditor for RSPO and MSPO scheme.	Yes
	Ariff bin Lokman	Successfully completed IMS ISO 9001, 14001, 45001 LA course, Auditor for MSPO and Auditor in training for RSPO scheme.	

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



2. METHODOLOGY

The audit approach consists of the following steps:

- Contract review;
- Appointment of team members and reviewer / certifier;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- On-site assessment, inspections, interviews with operational personnel, stakeholders and its contractors; review of documentation;
- On-site reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Final audit reporting
- Peer review
- Address Peer Review Comments (if any)
- Certifying, final approval and issuance of certificate.

Surveillance 02 Audit:

Surveillance 02 audit is conducted on 11/02/2019 covers the following activities but not limited to below:

- Onsite visit, observations and inspections of farms management and activities;
- Interview smallholders;
- Reviewed revised and updated documentation established and implemented;
- FFB production records;
- Training records;
- Land titles and land application approvals;
- Work plans established;
- Stakeholders consultation meeting;
- Review and closed out of observations raised during stage 1 audit;
- Assessment reporting;

For list of personnel participated in the audits refer attendance sheet and Table 7-1.

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



On-site Assessment

The audit of the smallholders is conducted according to the MS 2530-2:2013 Part 2 for Independent Smallholders.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of stakeholders, smallholders, SPCO officers, review of documentation and data.

MSPO guidance documents are used to guide the collection of information. Any comments from external stakeholders were considered in the assessment.

For this surveillance audit, the selected independent smallholders is based on the formula $S = \sqrt{n}$ where S = sample size and n = number of group members which is in accordance to MSPO certification procedure.

The group of smallholders consists of 522 new members and 112 old members.

Based on the formula, the sample size $S = 34$ (old members $\sqrt{112} = 10.58$, round up = 11, new members $\sqrt{522} = 22.84$, round up = 23. Old members plus new members = 34. Thus, a total of 34 smallholders are selected for the onsite assessment and inspection listed in Table 2-1 below:

Table 2-1: List of Sampled Independent Smallholders

Name of independent smallholders	Specific Address / site
Edward anak Ganie	Rh Edward, Sg Temam Bakong 98050 Miri Sarawak
Nicholas anak Chumin	Rh Edward, Sg Temam Bakong 98050 Miri Sarawak
Maramat anak Ubran	Rh Edward, Sg Temam Bakong 98050 Miri Sarawak
Mancha anak Ramba	Rh Edward, Sg Temam Bakong 98050 Miri Sarawak
Anti anak Bundan	Rh Edward, Sg Temam Bakong 98050 Miri Sarawak
Bill anak Morgan	Rh Morgan Sg. Nyipa Bakong 98050 Baram Sarawak.
Liang anak Nanchang	Rh Morgan Sg. Nyipa Bakong 98050 Baram Sarawak.
Perak anak Leka	Rh Morgan Sg. Nyipa Bakong 98050 Baram Sarawak.
Jambon anak Baudat	Rh Morgan Sg. Nyipa Bakong 98050 Baram Sarawak.
Jungai anak Paeng	Rh Morgan Sg. Nyipa Bakong 98050 Baram Sarawak.
Fauzi anak Umpin	Rh Morgan Sg. Nyipa Bakong 98050 Baram Sarawak.
Egang anak Sami	Rh Egang, Sg Selepin Bakong, 98050 Miri Sarawak

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Name of independent smallholders	Specific Address / site
Jostan anak Payang	Rh Egang, Sg Selepin Bakong, 98050 Miri Sarawak
Ninting anak Muai	Rh Egang, Sg Selepin Bakong, 98050 Miri Sarawak
James anak Tanding	Rh Egang, Sg Selepin Bakong, 98050 Miri Sarawak
Umbau anak Nong	Rh Egang, Sg Selepin Bakong, 98050 Miri Sarawak
Sulaiman anak Entalang	Rh Egang, Sg Selepin Bakong, 98050 Miri Sarawak
Michael anak Geruna	Rh Egang, Sg Selepin Bakong, 98050 Miri Sarawak
Farry anak Sawen	Rh Buddy Aya, Sg Selepin Bakong, 98050 Miri Sarawak
Ubu anak Mambai	Rh Buddy Aya, Sg Selepin Bakong, 98050 Miri Sarawak
Ami anak Empajang	Rh Jantan, Sg Bakas Bakong, 98050 Miri, Sarawak
Budin anak Maling	Rh Jantan, Sg Bakas Bakong, 98050 Miri, Sarawak
Albert Lang anak Budin	Rh Jantan, Sg Bakas Bakong, 98050 Miri, Sarawak
Jantan anak Gumbang	Rh Jantan, Sg Bakas Bakong, 98050 Miri, Sarawak
Esin anak Emang	Rh Jantan, Sg Bakas Bakong, 98050 Miri, Sarawak
Abdullah bin Samat	Kpg Melayu Beluru Bakong, 98050 Miri Sarawak
Madun bin Galau	Kpg Melayu Beluru Bakong, 98050 Miri Sarawak
Eddy anak Guang	Rh Mering, Sg Biar Bakong, 98050 Miri Sarawak
Renggan@Ramuyan anak Ranggau	Rh Mering, Sg Biar Bakong, 98050 Miri Sarawak
Tonny anak Unding	Rh Berauh, Sg Entulang Bakong 98050 Miri Sarawak
Roland anak Unggau	Rh Berauh, Sg Entulang Bakong 98050 Miri Sarawak
James anak Pilip	Rh Berauh, Sg Entulang Bakong 98050 Miri Sarawak
Berauh anak Barau	Rh Berauh, Sg Entulang Bakong 98050 Miri Sarawak

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Name of independent smallholders	Specific Address / site
Bali anak Taja	Rh Berauh, Sg Entulang Bakong 98050 Miri Sarawak

Non-conformance:

On the basis of the desk review, evidences presented during the audits as well as from the onsite visits non-conformance (NC) Major and Minor as well as Observations (OBS) may be raised during the audit.

Major non-conformance shall be addressed and responded with 60 days from closing date of audit. All minor non-conformances action plan are submitted within 30 days from closing date of audit for review and acceptance. Implementation of Minor NCs and OBS will be review and verify during the next audit.

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



3. ORGANISATION INFORMATION

MPOB Cawangan SPOC Q23 Beluru 1, is a branch of MPOB located at Miri to provide technical support as well as develop the independent smallholders' scheme around the Beluru 1 district.

The SPOC is managed by a group manager and supported by a team officers to manage the cluster providing technical support, estate management skills and training.

The SPOC office is located at Lot 1177 & 1178, Tingkat 4, Miri Waterfront, Jalan Permaisuri, 98000 Miri, and Sarawak.

The locations for the smallholders are in Beluru 1 as shown in the below maps.



MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



MSPO Certification Summary Report

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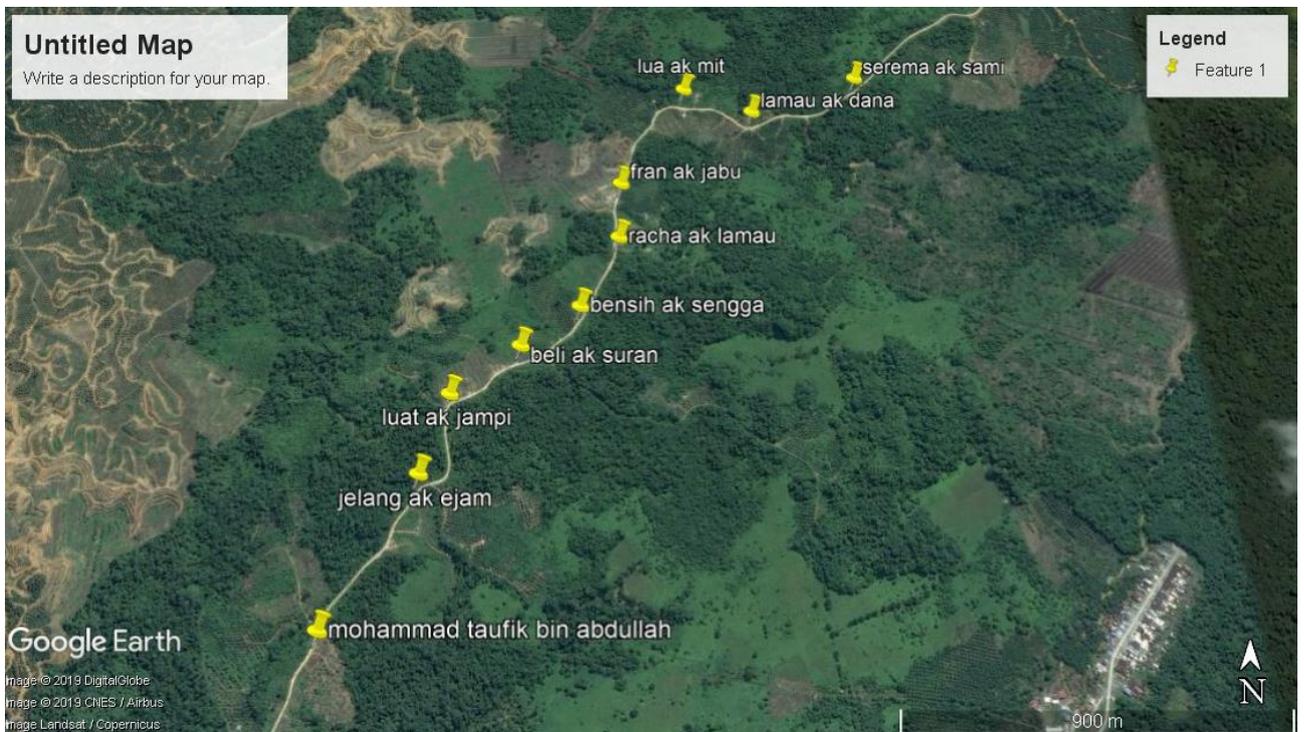
MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



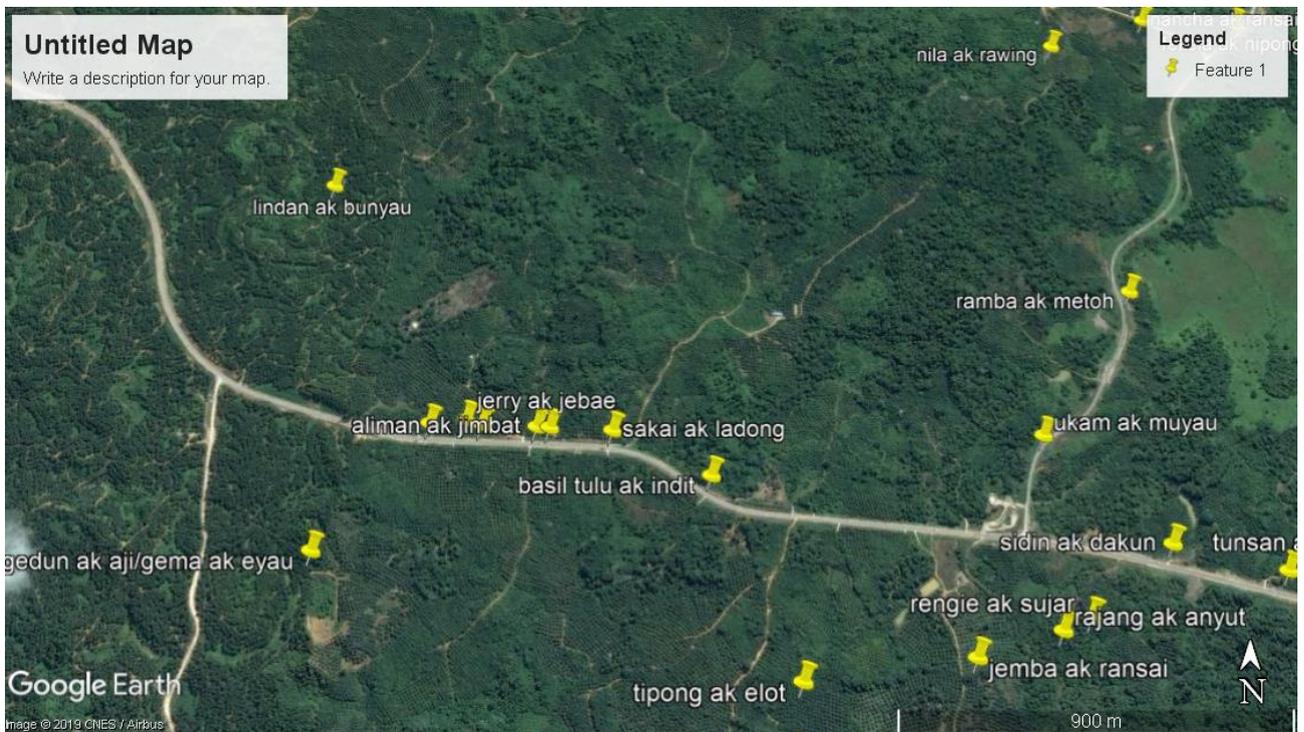
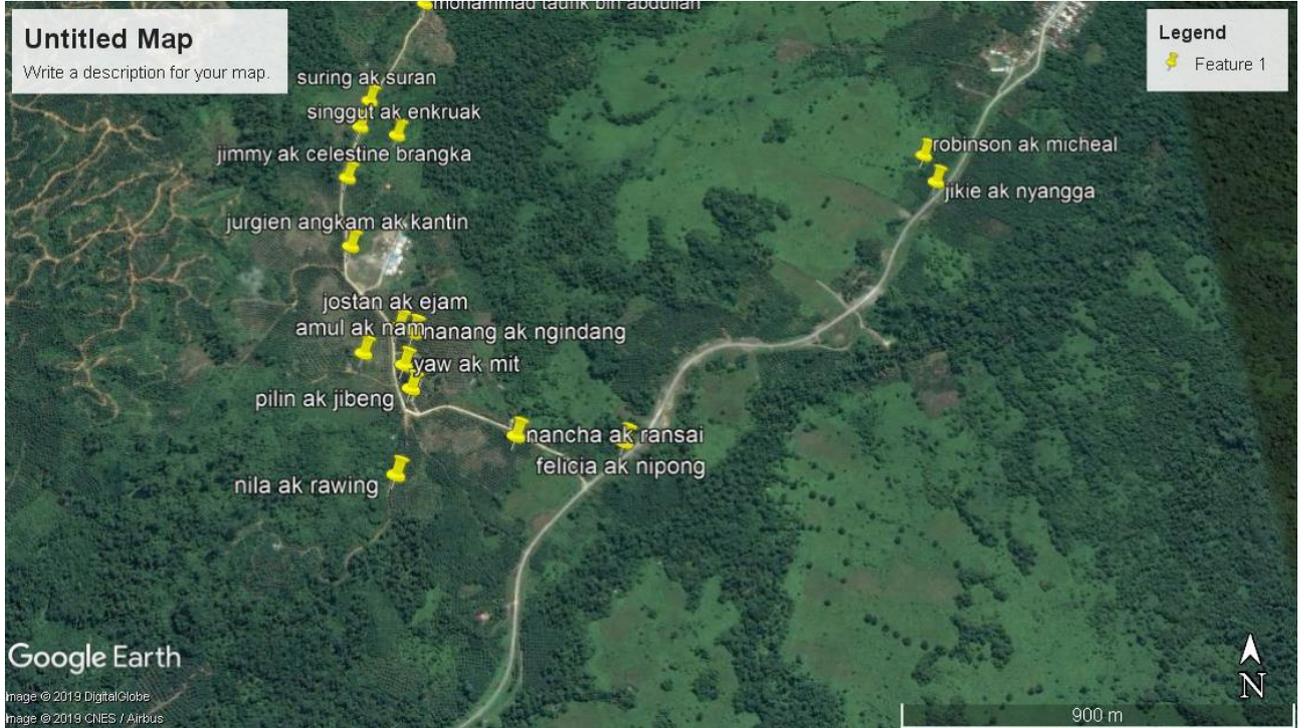
MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



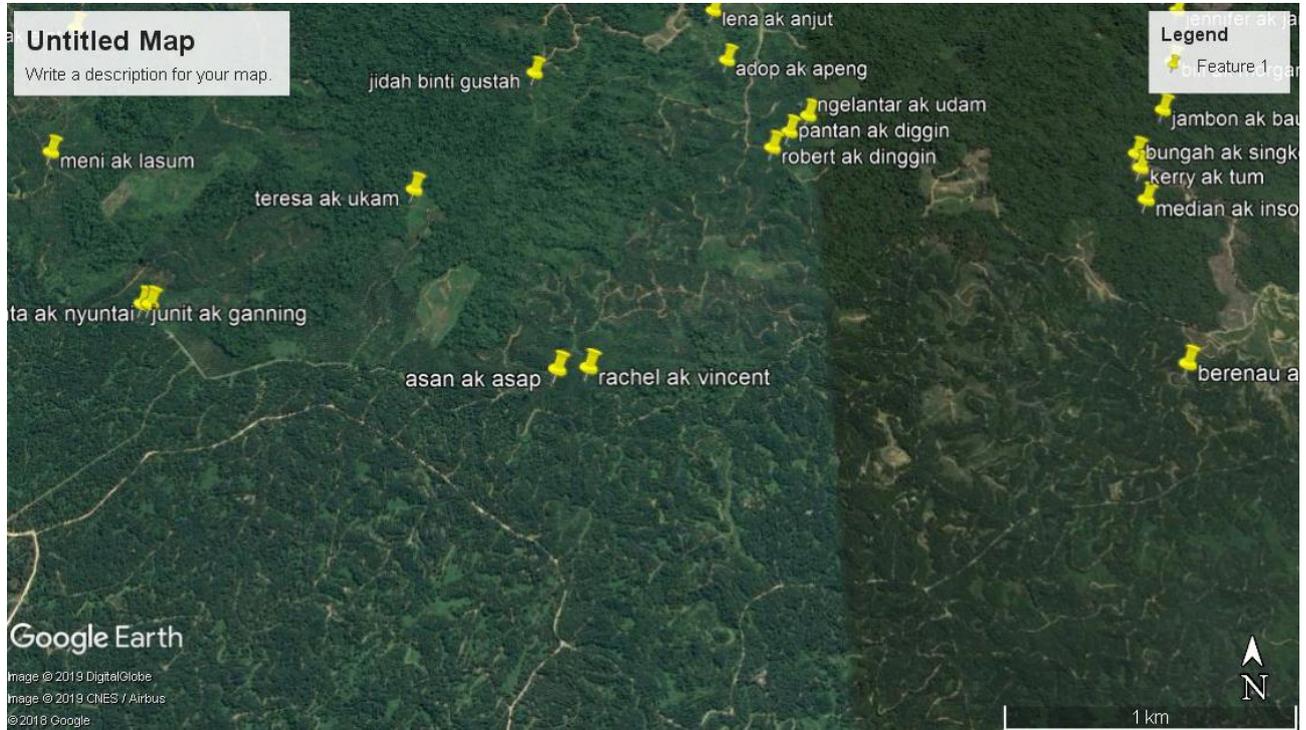
MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



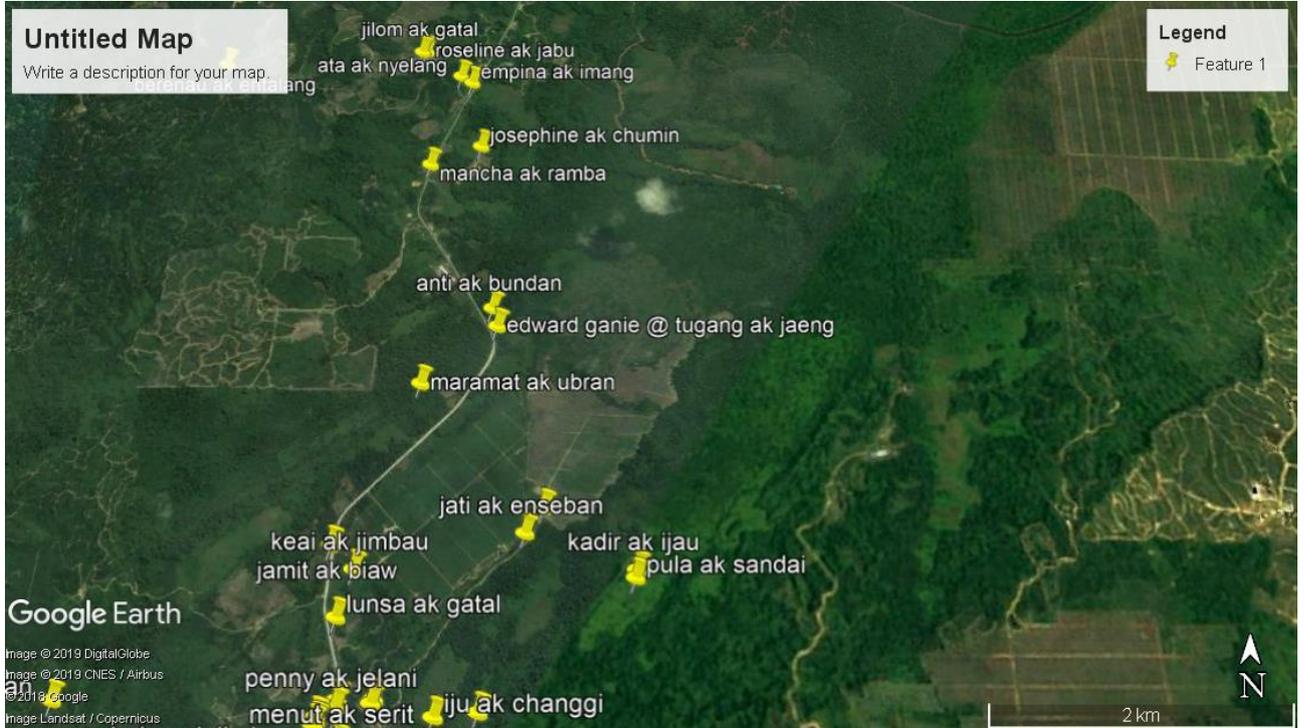
MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



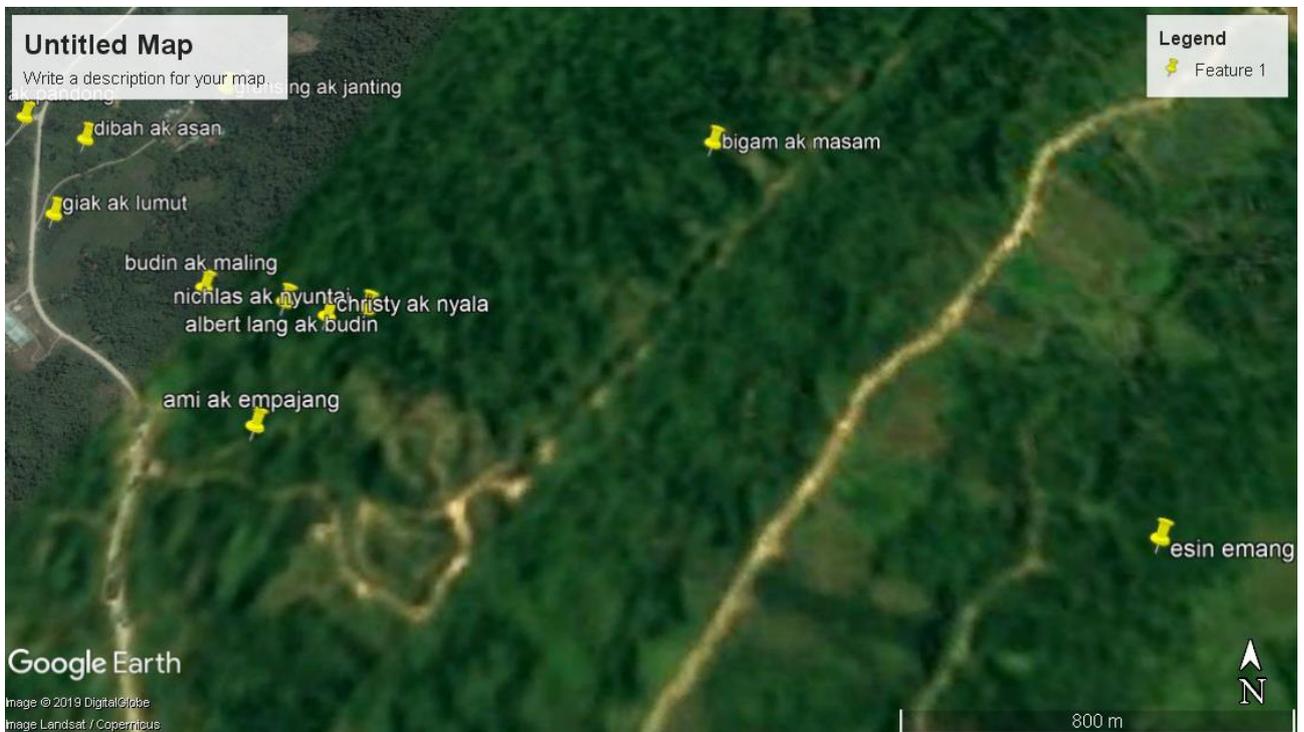
MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri
Certifying Unit: SPOC Q23 Beluru 1
Client Number: 92-007
Audit Type: Surveillance Audit (ASA 02)



4. CERTIFICATION ASSESSMENT

4.1. Surveillance Audit 02

The objective of the audit is to assess the activities of MPOB Cawangan SPOC Q23 Beluru 1 are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

There are 522 smallholders joined the certification prior to this surveillance 02 audit. The total number of smallholders previously are 112 members and thus, total numbers of smallholders' increase to 634.

The surveillance 02 audit is conducted on 11/02/2019 to 13/02/2019 that include inspection of the smallholders farms, farms boundary, interviews, conduct stakeholders' consultation and review of the findings raised in the last audit.

The audit team has applied the Malaysian Sustainable Palm Oil Part 2: General Principles for Independent Smallholders Audit Guidance to assess the establish documents against the Principles and Criteria of the standard.

The details of assessment of the indicators are at the summary of assessment in this report.

During the onsite the following were verified.

1. Compliance to legal requirements on the land title, land use rights and customary rights
2. Training and competence
3. Environmental management
4. Waste management and disposal
5. Best practice – farm management including fertilising, chemical spraying and harvesting.

During the surveillance 02 audit, there are 2 Major findings raised. The Major non-conformances raise during the audit are closed out by means of documents review that are establish, revised and implemented appropriately and preventive actions taken. Action plan is submitted for Minor non-conformance with implementation will be review during the next audit. OBS raise will be review and verify in the next audit.

During this audit, the minor non-compliance and observations raised in the last audit, the audit team has review by means of inspection of smallholders' farms, conduct interviews, review and verify documents that are established, corrected and implemented appropriately by the SPOC team. The corrective measures implemented could be verified as appropriate.

For details of the assessment, refer summary of assessment for each indicator in section 4.4 of this report.

The number of audit findings raised in this audit refer to Section 4.5 of this audit report.

4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 23/01/2019 as to accommodate stakeholder's consultation meeting for SPOC Q23 Beluru 1 to provide comments. As at audit date on 11/02/2019 there are no comments received.

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Invitation letters are sent on 23/01/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 11/02/2019 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

The topics of discussion are as below:

- a. Introduction of objectives of MSPO standard certification for smallholders.
- b. Development of smallholders farms in area;
- c. Wildlife management area and impact to the smallholders;
- d. Environmental issues on the impact of river contamination;
- e. Type of wildlife around area;
- f. Support from processing palm oil mills at area/

There are no issues raised during the stakeholders' consultation that need to be addressed by the SPOC management office.

It can be concluded the relevant Principles and Criteria clauses of the applied standard are in compliance.

The List of Stakeholders who attended the meeting refer to table 7.1

Item	Subject discussed	Audit team findings	Company response and proposed action to be taken
1	Any information from Group Manager [thereafter known as GM] as regards to MSPO audit?	Stakeholders confirmed that information have been provided as regards to MSPO awareness and implementation by the group manager. The group Manager was praised for his effort and efficiency in providing the information.	Positive comments towards SPOC Q23 management
2	Social issues	Stakeholders have confirmed that 2 to 3 years ago had a case stolen of FFB from the smallholder's field and company. Since last year and after the implementation of MSPO there is no longer such case of FFB being stolen.	Positive comments towards SPOC Q23 management
3	Understanding of Land Title – Native Customer Land, Freehold, Leased (Grant), Land application (LA)	Stakeholders are well understood of the land title issue. They have confirmed that all land titles must be verified by Tuai Rumah and Jabatan Tanah dan Ukur.	Positive comments towards SPOC Q23 management
4	Economy / Livelihood Is there any impact on livelihood after the introduction of MSPO?	There is no impact to livelihood after the introduction of MSPO.	Positive comments towards SPOC Q23 management
5	Does MSPO largely benefits the local community?	Stakeholders interviewed indicates that there is improvements as regards to best practices.	Positive comments towards SPOC Q23 management

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



		Stakeholders are aware of safety and health during performing the job, proper placement of frond stacking, chemical usage and storage of chemicals.	
6	Understanding of environmental.	Stakeholders are aware of the environmental effect at the river area during n manuring and chemical application.	Positive comments towards SPOC Q23 management
7	Awareness towards species, habitats, and high conservation values?	After implementation of MSPO, there is no hunting activities (rare, threaten and endangered species) happen as regards to protected species. It was confirmed by the stakeholders.	Positive comments towards SPOC Q23 management
8	FFB quality	Mill or ramp operators have confirmed that the yield and quality have increase since the implementation of MSPO.	Positive comments towards SPOC Q23 management
10	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholders have confirmed there is no management conflict with the MSPO. MPOB have such a good effort to work with the related parties for MSPO implementation. MPOB have took initiative to work with 'Rumah Panjang' to explain MSPO.	Positive comments towards SPOC Q23 management
11	Do you have any suggestions for management?	Stakeholders are interested in application of liquid fertilizer. They have suggested MPOB to hold a briefing to make them understands the effects of liquid fertilizer application.	Group manager will engage with supplier to demonstrate the effectiveness of liquid fertilizer.

4.3. Summary of Assessment

MSPO Principle and sample of the Criteria Assessment Summary
The assessment team conduct a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits all criterions will be assessed. Evidences are sought for conformity with the MSPO 2530-2. The summary of the assessment is as below, where the "Findings/Comments" column reflects the findings in accordance with each criteria and indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	SPOC Q23 Beluru 1 has established MSPO Policy doc no: P-01/MSPO – SPOC/2019 to the smallholders signed by both Group Manager and smallholder dated January 2019.	Yes

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Principle 1: Management Commitment & responsibility																			
Indicator	Summary of Assessment		Compliance																
	<p>SPOC Q23 Beluru 1 komited terhadap pembangunan sawit MS 2530: Bahagian 2- Prinsip umum untuk pekebun kecil persendirian yang merangkumi.</p> <ul style="list-style-type: none"> • Komitmen dan tanggungjawab pihak pengurusan SPOC Q23 Beluru 1. • Keterbukaan dalam memberi maklumat kepada pihak berkepentingan. • Dokumentasi bagi tujuan kebolehejakan. • Pematuhan undang-undang tempatan, kebangsaan and antarabangsa yang telah disahkan. • Sumbangan kepada pembangunan mampan komuniti setempat. • Penyelesaian aduan dan rungutan secara telus dan adil. • Pematuhan keadaan pekerjaan, aspek keselamatan dan kesihatan pekerja. • Penjagaan alam sekitar, sumber semulajadi, biodiversity dan perkhidmatan ekosistem. • keperluan pemuliharaan spesies yang jarang ditemui, terancam, hampir pupus dan habitat yang mempunyai nilai biodiversity tinggi. • Pelaksanaan pembakaran sifar dan amalan pertanian baik. • Pematuhan syarat-syarat bagi pembangunan baru sawit. <p>Policy is available at notice board of MPOB Cawangan Miri office.</p> <p>All smallholders have received a copy of the policy and maintained in the file.</p> <p>During stakeholder consultation, stakeholder are aware of the implementation of MSPO. They are aware of the need and the compliance requirements for MSPO certification including quality, environment and safety & health.</p>																		
4.1.2.1	<p>SPOC Q23 Beluru 1 has established senarai impak social, persekitaran & pelan tindakan. Document no: MSPO/SSCC/L-04/ISP, dated effective: 30/03/2018.</p> <p>SPOC Q23 Beluru 1 established continual improvement plan under document 'Pelan Tindakan 2019' as stated below.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Item</th> <th>Action Plan</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Smallholders signboard</td> <td>MPOB HQ is in progress to complete it.</td> <td>Smallholders currently use temporary signboard</td> </tr> <tr> <td>2</td> <td>Coordinate</td> <td>To visit all new smallholders to obtain the coordinate</td> <td>GM to implement</td> </tr> <tr> <td>3</td> <td>Receipt of FFB Sales</td> <td>To obtain records for sales of FFB</td> <td>GM to implement</td> </tr> </tbody> </table>		No	Item	Action Plan	Status	1	Smallholders signboard	MPOB HQ is in progress to complete it.	Smallholders currently use temporary signboard	2	Coordinate	To visit all new smallholders to obtain the coordinate	GM to implement	3	Receipt of FFB Sales	To obtain records for sales of FFB	GM to implement	Yes
No	Item	Action Plan	Status																
1	Smallholders signboard	MPOB HQ is in progress to complete it.	Smallholders currently use temporary signboard																
2	Coordinate	To visit all new smallholders to obtain the coordinate	GM to implement																
3	Receipt of FFB Sales	To obtain records for sales of FFB	GM to implement																

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Principle 1: Management Commitment & responsibility				
Indicator	Summary of Assessment			Compliance
	4	Map	To visit new smallholders to obtain map for verification.	GM to implement
	<p>During site verification, the smallholders are aware to keep FFB sales receipt to meet MSPO requirement. New smallholders start to keep receipts as evidence of records for reference.</p>			
4.1.2.2	<p>SPOC Q23 Beluru 1 has conducted the latest Program Pensijilan MSPO dated 11/01/2019 attended by 77 smallholders. The remaining smallholder's attend the Program in 2018 and January 2019.</p> <p>Pamphlets MSPO have been disseminate to smallholders to gain knowledge for further improvement on field operation. The element in the pamphlets including 3P (People, Planet and Profit).</p> <p>SPOC Q23 Beluru 1 have conduct internal audit for MSPO dated 22/01/2019 by MPOB HQ Officer covering both old members and new members. The internal audit indicates 6 major non-conformities, 3 minor non-conformities and 5 observations. The action taken to be send to MPOB HQ on 21 April 2019 as per MPOB requirement.</p>			Yes

Principle 2: Transparency				
Indicator	Summary of Assessment			Compliance
4.2.1.1	<p>MPOB has established Garis Panduan Pelan Daya Ekonomi dan Kewangan for SPOC doc no MSPO/SSCC/GP-01/PEK revision 01 effective date 13/04/2018. Topics as follows;</p> <ul style="list-style-type: none"> - Rekod penjualan BTS - Rekod penggunaan baja/racun - Rekod perbelanjaan <p>Smallholders may consider to fill up in Buku Rekod Ladang provided.</p>			Yes
4.2.1.2	<p>Flow chart describe start point at smallholder farm to ramp operator, mill and dealers. This further mention the receipt to be issued and obtain from the ramp operator or mill or dealer.</p> <p>Sighted form for documentation of the sales and production record, document no. MSPO/SSCC/GP-01/PEK.</p> <p>During on site verification interviewed with smallholder sighted weighbridge ticket for month of Jan – Feb 2019 records.</p>			Yes

Principle 3: Compliance to legal requirements				
Indicator	Summary of Assessment			Compliance
4.3.1.1	<p>MPOB SPOC Q23 Beluru 1 have established Legal Register, doc no MSPO/SSCC/L-02/LLR issue no 01 effective date 30/03/2018.</p> <p>Examples in Legal register</p> <ul style="list-style-type: none"> - Akta A1441: Akta Kualiti Alam Sekeliling (Pindaan) 2012 			Yes

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> - Peraturan Perlindungan Hidupan Liar 1998 (Sarawak) - Garis Panduan pembangunan melibatkan Sungai dan Rizab Sungai (Jab. Pengairan dan Saliran) - Akta 149: Akta Racun Makhluk Perosak 1974 - Akta Kanak – Kanak dan orang Muda (Pekerjaan) 1966 - Akta 582: Akta MPOB 1998, Peraturan – peraturan Lembaga Minyak Sawit Malaysia (Pelesenan) 2005. <p>During site verification, smallholders are able to demonstrate their understanding of Peraturan Perlindungan Hidupan Liar 1998 (Sarawak). That hunting, catching or keeping the wildlife are strictly prohibited by the law.</p> <p>They understand that no child labour allow to be work at the field.</p>	
4.3.2.1	<p>Smallholders land titles are generally Native Customary Right Land for agricultural purposes.</p> <p>Smallholder are able to provide the land title as usage right. There is no issue concerning land dispute during stakeholder’s consultation.</p>	Yes
4.3.3.1	<p>Land title and map of smallholder’s farms are authorised by ‘Tuai Rumah’.</p> <p>Sighted and review ‘Borang Permohonan Pensijilan Minyak Sawit Mampan Malaysia (MSPO), that smallholders land title is Native title.</p>	Yes
4.3.3.2	<p>Individual file for new members of smallholder has review. Some of maps are not sign by ‘Tuai Rumah’ and ‘Ketua Kampung’.</p> <p>Non-conformity: Major</p> <p>Individual file has reviewed. Smallholders have established map for their field location. However the maps are not sign and authorize by the ‘Tuai Rumah’ to verify the maps/ and location.</p> <p>This has been raise in the previous audit as Minor NC and has been closed but repeated for new smallholders map are verify by ‘Tuai Rumah’. Therefore elevated to Major.</p>	No

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	<p>SPOC Q23 Beluru 1 has established SOP ‘Aduan dan Rungutan’ (Complaint and Grievances), doc no: SOP-01/AR/2016 issue no: 1 date effective: 01/04/2016.</p> <p>Sighted in the SOP, the complaint form doc no: F-01/AR/2016, date effective: 01/04/2016 has 3 separate sections:</p> <p>Section A: Complaint/Grievances</p> <p>Section B: Settlement action</p> <p>Section C: Verification of settlement action.</p> <p>Document review complaint file sighted 5 complaints were lodge by the smallholders.</p>	Yes

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Example complaint raised dated 10/09/2018 regarding Skim 'Tanaman Baru Sawit Pekebun Kecil'. Received complaint verified by SPOC GM on 11/09/2018 for further action. Group manager submit complaint to MPOB HQ on 14/09/2018 for approval.</p> <p>Interview during site visit, smallholders understand the procedure to lodge the complaint to the SPOC Group manager.</p>	
4.4.1.2	<p>SPOC Q23 Beluru 1 has established SOP 'Aduan dan Rungutan', doc no: SOP-01/AR/2016, issue no: 1.date effective: 01/04/2016.</p> <p>Point 2 of SOP states "tindakan susulan/siasatan" describe the process of handling complaint / grievance in a flow chart.</p> <p>The group manager is the person in charge to determine the issue and method of resolve. Total days to resolve is 14 days.</p> <p>In the situation where the complaint cannot be resolve by the SPOC within 14 days, point 2.8 in the SOP states "jika aduan yang diterima adalah diluar bidang kuasa dan keupayaan pengurus kumpulan, ianya akan dirujuk kepada pihak yang berkaitan bagi tujuan penyelesaian.</p> <p>Sighted complaint submitted by smallholder and review by SPOC Group manager. All the complaints are responds by SPOC Group Manager within the timeline of 14 days.</p> <p>Interview with smallholders, they understood the process and timelines to resolve the complaints.</p>	Yes
4.4.2.1	<p>Sighted SPOC Q23 Beluru 1 have been established training plan for Safety and health for 2019.</p> <p>SOP "Prosedure Notifikasi Aduan, Kemalangan, Kemalangan Nyaris, Kejadian Berbahaya, Keracunan Pekerjaan" document no SOP-03/AK/2016 dated 01/04/2016.</p> <p>During on site verification, interviewed smallholders inform they are aware of safety and health for all field operations.</p> <p>As regards to chemical application, they are able to demonstrate the correct PPE to wear during chemical application such as rubber glove, apron, boots, and goggle and face mask.</p>	Yes
4.4.3.1	<p>Sighted Form Terma Penggajian Pekerja for hiring to meet wages requirement. Form "Terma Penggajian Pekerja" require to record</p> <ol style="list-style-type: none"> 1) Menuai Buah Tandan Segar : RM _____ 2) Membaja : RM _____ 3) Meracun : RM _____ 4) Pemangkasan Pelepah : RM _____ <p>During On site verification, interviewed with smallholders there is no hiring of workers due to smallholder operate on family basis for the field operation such as harvesting, manuring, spraying and transportation.</p>	Yes
4.4.3.2	<p>Sighted Form Terma Penggajian Pekerja for hiring to meet wages requirement. Form "Terma Penggajian Pekerja" specific point to take note during hiring. :</p>	Yes

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Principle 4: Social Responsibility, health, safety and employment conditions				
Indicator	Summary of Assessment	Compliance		
	<p>- Tidak mengamalkan sikap diskriminasi terhadap agama, kaum, jantina, warna kulit, kewarganegaraan dan politik.</p> <p>Site visit and interviews with smallholders indicates there is no discrimination occurs.</p>			
4.4.3.3	<p>Form Terma Penggajian Pekerja for hiring to meet wages requirement is established. Form "Terma Penggajian Pekerja" with specific points to take note during hiring:</p> <ol style="list-style-type: none"> 1. Pembayaran upah adalah mengikut jenis kerja yang dilakukan seperti yang disyorkan oleh pengurus SPOC 2. Kadar bayaran mestilah dipersetujui oleh pekebun kecil dan pekerja <p>Dokument Senarai Harga Upah Berdasarkan Kerja Harian Di Kebun;</p> <ol style="list-style-type: none"> 1. Menuai 2. Membaja 3. Meracon 4. Pemangkasan 	Yes		
4.4.3.4	<p>During on site verification, interviewed with smallholders and observation there are no workers quarters. Smallholders operate on family basis.</p>	Yes		
4.4.3.5	<p>Form Terma Penggajian Pekerja for hiring to meet wages requirement is established.</p> <p>In the form "Terma Penggajian Pekerja" there are 2 points to consider during hiring of workers:</p> <ol style="list-style-type: none"> 1. Mempunyai permit kerja bagi pekerja asing 2. Tidak sama sekali membernarkan / mengupah orang muda di bawah umur 15 tahun untuk bekerja <p>During on site verification interview there is no child labour employ as it is against the law and regulation.</p>	Yes		
4.4.4.1	<p>SPOC Q23 Beluru 1 has conducted GAP training on 11/01/2019 attended by all participants of SPOC.</p> <p>Other topics included in the training as below</p> <ul style="list-style-type: none"> • Environmental • Biodiversity <p>SPOC Q23 Beluru 1 has conducted Taklimat & Latihan MSPO on 11/01/2019.</p> <ul style="list-style-type: none"> • Definisi • Skop MSPO Bahagian 2 • Prinsip, kriteria & Indikator MSPO <p>Training plan for year 2019 is established</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Taklimat MSPO Bersama peserta</td> <td style="width: 50%;">April 2019 - October 2019</td> </tr> </table>	Taklimat MSPO Bersama peserta	April 2019 - October 2019	Yes
Taklimat MSPO Bersama peserta	April 2019 - October 2019			

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Principle 4: Social Responsibility, health, safety and employment conditions				
Indicator	Summary of Assessment	Compliance		
	<table border="1"> <tr> <td>Program pengurusan Kebun Peserta SPOC</td> <td>January 2019 – December 2019</td> </tr> </table> <p>During site visit and interviews with smallholders they have participated in the training conducted and obtain knowledge during LKN field inspection by Group Manager.</p>	Program pengurusan Kebun Peserta SPOC	January 2019 – December 2019	
Program pengurusan Kebun Peserta SPOC	January 2019 – December 2019			

Principle 5: Environment, natural resources, biodiversity and ecosystem services														
Indicator	Summary of Assessment	Compliance												
4.5.1.1	<p>SPOC Q23 Beluru 1 has established SOP 'Senarai Impak Soisal, Persekitaran & Pelan Tindakan', doc no: L-03/ISP/2016 issue no: 0 date effective: 01/04/2016.</p> <p>SOP states the environmental impacts example:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Aktiviti</th> <th>Impak Persekitaran</th> <th>Pelan tindakan</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Membaja dan integrasi tanaman</td> <td>Menambahbaik semula unsur-unsur tanah dengan pembajaan pada pokok terutama pembajaan bahan organic dan tanaman integrasi.</td> <td>Amalan diteruskan</td> </tr> <tr> <td>2.</td> <td>Meracun dan membaja</td> <td>Pencemaran air boleh berlaku akibat daripada penggunaan racun makhluk perosak berdekatan dengan saluran air.</td> <td>Amalan GAP dan lawatan khidmt nasihat oleh TUNAS.</td> </tr> </tbody> </table> <p>During site interview with smallholders, they understand and aware of the environmental impact. Smallholders are not practicing blanket spraying. Large amount of chemical used will affect the environment. Most of fields apply manual slashing for upkeep maintenance.</p>	No	Aktiviti	Impak Persekitaran	Pelan tindakan	1.	Membaja dan integrasi tanaman	Menambahbaik semula unsur-unsur tanah dengan pembajaan pada pokok terutama pembajaan bahan organic dan tanaman integrasi.	Amalan diteruskan	2.	Meracun dan membaja	Pencemaran air boleh berlaku akibat daripada penggunaan racun makhluk perosak berdekatan dengan saluran air.	Amalan GAP dan lawatan khidmt nasihat oleh TUNAS.	Yes
No	Aktiviti	Impak Persekitaran	Pelan tindakan											
1.	Membaja dan integrasi tanaman	Menambahbaik semula unsur-unsur tanah dengan pembajaan pada pokok terutama pembajaan bahan organic dan tanaman integrasi.	Amalan diteruskan											
2.	Meracun dan membaja	Pencemaran air boleh berlaku akibat daripada penggunaan racun makhluk perosak berdekatan dengan saluran air.	Amalan GAP dan lawatan khidmt nasihat oleh TUNAS.											
4.5.2.1	No use of renewable energy documented on audit date. During site visit to smallholders field indicate there is no use of renewable energy.	Yes												
4.5.3.1	<p>SPOC Q23 Beluru 1 has established SOP 'Pengurusan Bahan Buangan Terjadual', doc no: MSPO/SSCC/SOP-03/BT issue no: 01 date effective: 30/03/2018,</p> <p>SOP states 'senarai semua jenis bahan buangan seperti bekas racun kosong, beg baja, dan minyak hitam terpakai, yang terhasil daripada operasi yang dijalankan perlu disediakan'.</p> <p>Sighted document 'Rekod Pengurusan Bahan Buangan Tahun 2019'</p> <p>Sighted record of reuse of empty container for chemical.</p> <p>During site visit, smallholders are aware of empty chemical containers can recycle for use after the triple rinsing.</p> <p>Smallholders reused empty fertilizer bag for loose fruit collection.</p>	Yes												

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.3.2	<p>Sighted memo from "Jabatan Alam Sekitar", Ruj kami: JAS 91/110/619/130 Jld 5 (8), dated 24/05/2018 that empty chemical containers are not scheduled wastes after triple rinse process.</p> <p>Smallholders require to triple rinse the empty container for reused.</p> <p>Field verification at smallholders observed empty containers are labelled and kept in a proper storage.</p> <p>No sign of domestic waste found during site visit.</p>	Yes
4.5.4.1	<p>SPOC Q23 Beluru 1 has established SOP 'Garis Panduan Zon Penampunan Sungai', doc no: MSPO/SSCC/GP-03/ZPS, dated 13/04/2018.</p> <p>SOP state responsible of smallholders to take care of environmental at the buffer zone from polluting by chemical.</p> <p>SPOC Q23 Beluru 1 has established SOP 'Garis Panduan Pelan Daya Ekonomi Dan Kewangan', doc no: MSPO/SSCC/GP-01/PEK, dated 13/04/2018.</p> <p>SOP stated point no. 3 states pruning- arrangement of frond must be at contour of terrace and row of planting at the flat area.</p> <p>On site verification, smallholders have implemented frond stacking as per SOP. Smallholders understand that good arrangement of fronds will give benefit to the palm, ground cover and prevent soil erosion.</p>	Yes
4.5.4.2	<p>During site verification, sighted smallholders harvest rainwater for spraying activities or washing purposes. Soil conservation condition with grasses and good arrangement of frond stacking sighted.</p>	Yes
4.5.5.1	<p>SPOC Q23 Beluru 1 has established document list of wildlife dated 31/12/2018. 1st source records are based on is observation made by the smallholders.</p> <p>Example of wildlife:</p> <ol style="list-style-type: none"> 1. Landak 2. Ayam hutan 3. Tenggiling <p>Training is conducted on 11/09/2018 for new members on Flora & Fauna and biodiversity surrounding the area.</p> <p>LKN was conducted on 16/01/2019 for awareness of update wildlife list to the smallholders.</p> <p>Interviews with smallholders they inform sighted wildlife such as wild boar, snake, and bird.</p> <p>Further checked with smallholders there is no endangered species sighted on their field and aware of no practice of hunting on wildlife.</p>	Yes
4.5.6.1	<p>Sighted establish SOP Zero Burning Practices document no. MSPO/SSCC/GP-04/APS dated 13/04/2018.</p> <p>Guideline describes 2 points as below</p>	Yes

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>1. Pembakaran terbuka adalah dilarang dibawah permbakaran sifar ASEA (1999) dan perintah Kualaiti Alam Sekeliling (Aktiviti Yang Diisytiharkan)(Pembakaran terbuka 2003)</p> <p>2. Pekebun kecil adalah dilarang untuk melakukan sebarang aktiviti pembakaran terbuka semasa kerja pembukaan ladang/tanam semula.</p> <p>Site visit to smallholder's field observe no open burning and smallholders are aware that open burning is restricted by the law.</p>	

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>SPOC Q23 Beluru 1 have conducted GAP training on 11/01//2019</p> <p>Field observation found smallholders have implement best practices such as:</p> <ul style="list-style-type: none"> - Minimize used of chemical - Water harvesting practices for chemical mixing operation - Front stacking as organic fertilizer. 	Yes
4.6.1.2	<p>During on site visit at smallholders field, sighted identification signage implemented with details of the such as:</p> <ul style="list-style-type: none"> - Name of smallholder - Lot No: - Geo-coordinates - Lot size: <p>Non-conformity: Major</p> <p>Field visit indicate that smallholders have installed visual identification signage. However, seven smallholders do not have visual identification signage.</p>	No
4.6.2.1	<p>Group manager has established financial management plan for year 2019. The management plan include the financial budget for 2019 program and field visits to the smallholders. Sighted in the management plan:</p> <ul style="list-style-type: none"> - Program awareness of MSPO - Roadshow of MSPO - Training for technical expert to the smallholders - Field visit (LKN). <p>SPOC Q23 Group Manager has established Program Penyelenggaraan Ladang for year 2019 for monitoring of monthly expenses of the smallholders.</p>	Yes

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.3.1	<p>Group manager, smallholders and dealers meeting minutes document no: Bil 1/2018, date 22/05/2018 is reviewed. The meeting discuss on daily FFB pricing calculation.</p> <p>Onsite interview with smallholders, they liaise with ramp operator and mill for pricing. Ramp operator and mill announce pricing at the notice boards.</p>	Yes

Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	<p>Reviewing the list of smallholders and year of planting. The latest planting is in year 2018. Site assessment conducted by SPOC group manager using MPOB established form "Borang Pensijilan Kod Amalan Pertanian Baik (GAP) Pekebun Kecil".</p>	Yes
4.7.2.1	<p>'Borang Pensijilan Kod Amalan Pertanian Baik (GAP) Pekebun Kecil' Paragraph B 'Maklumat Kebun' (Land Information) describes the type of soil</p> <p>Jenis tanah (Type of Soil)</p> <ol style="list-style-type: none"> 1. Lanar (Sandy Soil) 2. Pedalaman (Mineral Soil) 3. Gambut (Peat) <p>Review 'Borang Pensijilan Kod Amalan Pertanian Baik (GAP) Pekebun Kecil' for the latest planting in 2018 states soil type is Pedalaman (mineral soil).</p>	Yes
4.7.3.1	<p>'Borang Pensijilan Kod Amalan Pertanian Baik (GAP) Pekebun Kecil' topic Kriteria Penilaian GAP Mandatori;</p> <p>Topografi Tanah</p> <ol style="list-style-type: none"> 1. Rata (flat) 2. <25° beralun (undulating) 3. >25° bukit (hilly) <p>Review form 'Borang Pensijilan Kod Amalan Pertanian Baik (GAP) Pekebun Kecil' for the latest planting in 2018 states the planting is on flat land.</p>	Yes

4.4. Status of Non-Conformities Previously Identified

	<p>The stage 1 audit findings of this system have been reviewed, in particular to assure appropriate correction and corrective action HAS implemented to address identified audit findings. Details of the follow up action taken on stage 1 audit findings were recorded in the Stage 1 audit report.</p>
X	<p>The last audit results of this system have been reviewed, in particular to assure appropriate correction and corrective action HAS implemented to address any nonconformity identified.</p>
	<p>The last audit results of this system have been reviewed, in particular to assure appropriate correction and corrective action HAS NOT been implemented effectively. Non-conformity will be re-raised.</p>

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



	Not applicable. No non-conformity raised in previous audit.
<i>Note 1: If a minor non-conformity raised in last audit, is not closed out, then this finding will be re-raised to a Major non-conformity.</i> <i>Note 2: All minor NCs raise in last audit are required to capture in this report together with the closing of the non-compliance.</i>	

Detail of Audit Findings in last Audit

AUDIT OUTCOME	
MAJOR Non-Conformities	2
MINOR Non-Conformities	1
Observations	0

Non Conformity Number No. 1			
Indicator: 4.1.2.1 The action plan for continual improvement shall be based on the consideration for the main social and environmental impact and opportunities of the independent smallholder's group, such as SPOC. Independent smallholders shall be aware of the need to understand the importance of continuous improvement.			
Location	SPOC Bakong		
Description of Finding / Objective Evidence:			
The continuous improvement plan for environment plan impact was established, sighted and reviewed. However, no social aspect included in the plan.			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	<input type="checkbox"/> Observation
	Deadline for implementation	16/03/2018	
Root Cause Analysis (by company):			
No evidence where the social aspect plan here been conducted.			
Correction (by company):			
Talk and briefing to SPOC member already conducted. Record can be review in the social impact file.			
Corrective / Preventive Action (by company)			
Social impact continuous plan will be carried out by talk and training on site regularly and continuously.			
Review of Correction & Corrective / Preventive Action			
Training for social aspect conducted on 07/02/2018, 20/02/2018 and 22/02/2018 was reviewed. Impak sosial dan Pelan Tindakan and MSPO SPOC Bakong Q23 training programme 2018 which incorporate social aspects under MSPO training for smallholders has been reviewed. Based on evidence provided, it is sufficient to close the non-conformity raised.			
The implementation will be further reviewed in the next audit.			
Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Name of Auditor: Zul Hairi Bin Abu Hassan		Date of Closure: 12/03/2018	
Review of Implementation for Major NC (where applicable)			

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Non Conformity Number No. 1	
Interviewed with smallholders indicate there are training provided by the Group Manager for social.. Training records reviewed that include all the smallholders SPOC Q23.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Name of Trainee Lead Auditor: Muhammad Khairul Anuar bin Azizul Hasan	Date of Closure: 11/02/2019

Non Conformity Number No. 2			
Indicator: 4.2.1.1 The group management shall commit itself to implement and maintain the requirements for traceability			
Location	SPOC Bakong		
Description of Finding / Objective Evidence:			
The group has establish Rekod Hasil dan Pendapatan on Buku Rekod Ladang, (BRL) and updated until December 2017			
FFB records for sampled smallholder A for the month of December 2017 stated 2.8mt.			
Sampled weighbridge ticket no. 056041, dated 07/12/2017 weight; 1.84 mt and weighbridge dated 10/12/2017 ticket no. 056723 1.94 mt which sum up to 3.78 mt for the month of December 2017. Thus the total FFB weight for December 2017 under the BRL does not tally with the weight indicated on the weighbridge tickets.			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	<input type="checkbox"/> Observation
	Deadline for implementation	16/03/2018	
Root Cause Analysis (by company):			
The total FFB weight for December 2017 under BRL was not tally with the weight indicated on the weighbridge ticket.			
Correction (by company):			
The document already submits by the smallholder. The actual record for the BRL and total FFB weighbridge was amended.			
Corrective / Preventive Action (by company)			
Talk and briefing will be held regularly by the group manager to members.			
Review of Correction & Corrective / Preventive Action			
Rekod Hasil dan Pendapatan smallholder A for the month of December 2017 to January 2018 has been reviewed. Payment vouchers and weighbridge tickets as supporting evidence was submitte and reviewed. SPOC Bakong Q23 training programme: Palm Oil Technical training is submitted and reviewed. Based on evidence submitted and reviewed, the non-conformity could be consider closed. The implementation will be further reviewed in the next surveillance audit.			
Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Name of Lead Auditor: Mohamad Norhisham Bin Mohd Salleh	Date of Closure: 12/03/2018		
Review of Implementation for Major NC (where applicable)			

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Non Conformity Number No. 2	
Weighbridge tickets for the month of December 2017 and January 2018 sighted. The information in the weighbridge ticket recorded in the BRL. The records tally between weighbridge tickets and BRL records. Interviewed with smallholders indicate training provide to educate and monitor the records of sales and expenses.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Name of Trainee Lead Auditor: Muhammad Khairul Anuar bin Azizul Hasan	Date of Closure: 11/02/2019

Non Conformity Number No. 3			
Indicator: 4.3.3.2 Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available			
Location	SPOC Q23 Beluru 1		
Description of Finding / Objective Evidence:			
The group has established map indicating the ownership of NCR land. However, the map does not indicate there is no overlap between smallholders and their respective neighbour's boundary.			
Classification	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	<input type="checkbox"/> Observation
	Deadline for implementation	Next surveillance audit	
Root Cause Analysis (by company):			
The map does not provide prove in ensure no overlap in between smallholders and their respective neighbour boundary.			
Correction (by company):			
Talk/ briefing /advice visited by group manage to the members concerning land map of the smallholder.			
Corrective / Preventive Action (by company)			
The record of the map will be updated for monitoring purpose monthly.			
Review of Correction & Corrective / Preventive Action			
Taklimat Pembukaan Kebun conducted on 07/02/2018 is submitted as evidence and reviewed. The implementation will be verified on next surveillance audit.			
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Name of Lead Auditor: Mohamad Norhisham Bin Mohd Salleh		Date of Closure: Next surveillance audit.	
Review of Implementation for Major NC (where applicable)			
Maps provided have been signed by the Tuai Rumah to verify the land of smallholders. Training and briefing to the smallholders has been conducted on 09/01/2019.			
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Name of Lead Auditor / Auditor: Muhammad Khairul Anuar bin Azizul Hasan		Date of Review: 13/02/2019	

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



4.5 Detail of Audit Findings Identified During This Audit

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

AUDIT OUTCOME	
MAJOR Non-Conformities	2
MINOR Non-Conformities	0
OFI	0

Non Conformity Number No. 1			
Indicator: 4.6.1.2 A visual identification or reference system shall be established for each field or block of oil palm planting. (MAJOR)			
Location	SPOC Q23 Beluru 1		
Description of Finding / Objective Evidence:			
Field visit indicate that smallholders have established installed visual identification signage. However, seven smallholders from the sampled smallholders do not have visual identification signage.			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	<input type="checkbox"/> Observation
Date Raise: 13/02/2019	Deadline for implementation	15/04/2019	
Raise by: Ariff bin Lokman			
Root Cause Analysis (by company):			
7 smallholders do not have visual identification to confirm their field.			
Correction (by company):			
The group manager will make sure the participants to established the identification signage			
Corrective / Preventive Action (by company)			
Group manager have visit the 7 smallholders on 13/3/2019 to make sure the identification at their field.			
Review of Correction & Corrective / Preventive Action			
identification Group manager has submitted evidence of the installation of visual identification of the smallholders that do not have. The NC is considered closed and will be verify in the next surveillance audit.			
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Name of Auditor : Ariff bin Lokman		Date of Closure: 21/03/2019	

Non Conformity Number No. 2	
Indicator: 4.3.3.2 Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. (MINOR)	
Location	SPOC Q23 Beluru 1
Description of Finding / Objective Evidence:	

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Non Conformity Number No. 2			
<p>Individual file reviewed. Smallholders have established map for their field location. However, the maps are not signed and authorized by the Tuai Rumah to verify to verify the maps and location. ;</p> <p>This issue has been raised in the previous audit as Minor NC. This issues has been closed but repeated for new smallholder's maps are not verify by Tuai Rumah. Therefore elevated to Major NC.</p>			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	<input type="checkbox"/> Observation
Date Raise: 13/02/2019	Deadline for implementation		15/04/2019
Raise by: Zul Hairi bin Abu Hassan			
Root Cause Analysis (by company):			
The smallholder map is not signed by the "tuai rumah" which is founded in individual file.			
Correction (by company):			
The group manager will visit to the tuai rumah to sign and authorised the map.			
Corrective / Preventive Action (by company)			
Group manager has visited smallholders on 13/3/2019 to make sure maps endorsed by tuai rumah.			
Review of Correction & Corrective / Preventive Action			
All 3 maps have been endorsed by the "tuai rumah". The NC is considered closed and will further review in the next audit.			
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Name of Auditor: Zul Hairi bin Abu Hassan		Date of Closure: 21/03/2019	

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri
Certifying Unit: SPOC Q23 Beluru 1
Client Number: 92-007
Audit Type: Surveillance Audit (ASA 02)



5. CONCLUSION

Malaysia Palm Oil Board has commissioned TÜV NORD (Malaysia) Sdn Bhd to carry out the certification for the Sustainable Palm Oil Cluster (SPOC) for SPOC Q23 Beluru 1 consisting of 634 independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

There are 2 Major NCs raised in this audit are closed out successfully.

From the review of the standard operating procedures, relevant forms, work flow charts established and implemented; the subsequent background investigation and interviews conducted during this surveillance audit have provided TÜV NORD (Malaysia) with sufficient evidence on the fulfilment of the applied standard Principles & Criteria.

In conclusion the certified organisation has been established, implement and continue to improve in managing the independent smallholders are in line with the Principles & Criteria of the applied standard MS 2530-2:2013 Part 2.

As a result of this audit, the audit team confirms that:

Total certified number of independent smallholders:	634	Smallholders
Total certified acreage of smallholders:	3,228.62	Ha
Certified FFBS output January to December 2018:	7,395.94	Mt
Certified FFBS output January to December 2019:	57,954.00	mt

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri
Certifying Unit: SPOC Q23 Beluru 1
Client Number: 92-007
Audit Type: Surveillance Audit (ASA 02)



6. RECOMMENDATION

The audit team conducted a process-based audit focussing on significant aspects / risks and objectives required by the standard(s). The audit methods used are interviews, observations, sampling of activities, review of documentation and records.

Any audit is based on sampling within an organization's management system and therefore is not guarantee of 100 % conformity with requirements.

The structure of the audit is in accordance with the audit plan included to this summary report as annex.

The audit team concludes that the organisation has established and maintained its management system in line with the requirements of the standard(s) and demonstrated the ability of the system to achieve requirements for production and management within the scope and the organisation's policies and objectives.

Therefore, the audit team recommends that, based on the results of this audit and the system's demonstrated state of development and maturity that this management system certification be

	Recommended for Certification / Recertification
x	Recommended for Continuity of Certification
	Suspended of Certification

Puchong, 03/05/2019

Name: Muhammad Khairul Anuar bin Azizul Hasan
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader

Puchong, 03/05/2019

Nor'adhlin Sofia Binti Razali
TUV NORD (Malaysia) Sdn Bhd
Certifier / Approver

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



7. REFERENCES

Table 7-1: List of Interviewed Persons, Observers and Smallholders

No.	Name	Organization / Function
1	Dorina anak Kumbang	RH Palm Oil Mill
2	Annabella anak Tujoh	RH Palm Oil Mill
3	Nurrairie @ Uni	Jabatan Pertanian Beluru Bakong

MSPO Certification Summary Report

Company Name: MPOB Cawangan Miri

Certifying Unit: SPOC Q23 Beluru 1

Client Number: 92-007

Audit Type: Surveillance Audit (ASA 02)



Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities / Audit Objectives

This report is sent to the certification body or bodies, the members of the audit team and the audit representative of the organisation. All documents (such as this report) regarding the certification procedure are treated confidentially by the audit team and the certification body. This audit report remains the property of the certification body.

An audit is a procedure based on the principle of random sampling and cannot cover each detail of the management system. Therefore nonconformities of weaknesses may still exist which were not expressly mentioned by the auditors in the final meeting or in the audit report.

The responsibility for continuous effective operation of the management system always rests solely with the audited and certified organisation.

Salvo clause:

The audit report will be left to the organisation at the end of the audit - subject to approval by the certification body. The independent release process may cause modifications or additions. In these cases a modified revision will be sent to the audited organisation.

The objective (goal) of the audit is to establish compliance of the management system of the aforementioned organization with the requirements of the aforementioned standard in order to achieve or maintain certification through an independent and accredited certification body. Identification of possibilities to improve the management system can also be a component of the audit and is considered simply to be an enhancement; it does not constitute consultancy or advice with regard to the management system.

Annex / Enclosures

Annex /
corresponding audit
documentation

- P&C Audit Report / Checklist(s)
- Audit Plan
- Additional annexes, number