

MSPO CERTIFICATION SUMMARY REPORT

SPOC B2 KELANANG

SURVEILLANCE 13

Onsite Audit Date: 20/07/2020 – 24/07/2020

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MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
Certifying Unit: SPOC B2 Kelanang
Client Number: 92-066
Audit Type: ASA 13
Mode of Audit: Onsite



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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

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1. INTRODUCTION

MPOB has commissioned TÜV NORD (Malaysia) Sdn Bhd to conduct surveillance audit for SPOC B2 Kelanang 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 B2 Kelanang as group manager managing the independent smallholders by an independent certification body for compliance of the applied standard.

1.2. Scope

The assessment is based on the documentation established by MPOB Cawangan SPOC B2 Kelanang 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.

The following references 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 appointed consists of the team leader and 2 team members. The team contribute to the review of documents, assessment of the project activity and preparation of this report.

Qualification of the Trainee Lead Auditor: Khairul Anwar Bin Ismail

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 Agricultural Science

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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)	5 years working experience in oil palm plantations
Successfully completed MS 2530 series of standards training	Successfully completed MS 2530 series standards training.
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 for MSPO scheme. Lead Auditor in training
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	5 years working experience in oil palm plantations
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	5 years working experience in oil palm plantations.
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 Lead Auditor 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.
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 ISO 9001, 14001 and 45001 LA course and auditor for MSPO scheme.

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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	Muhammad Khairul Anuar Bin Azizul Hasan	Graduate in Applied Science (Major in Plantation and management)	Yes
	Jasmandy Bin Syahrul	Graduate in Plantation 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)	Muhammad Khairul Anuar Bin Azizul Hasan	7 years working experience in oil palm plantations.	Yes
	Jasmandy Bin Syahrul	9 years of working experience in oil palm plantations	
Successfully completed MS 2530 series of standards training	Muhammad Khairul Anuar Bin Azizul Hasan	Successfully completed MS2530 series of standards training.	Yes
	Jasmandy Bin Syahrul	Successfully completed MS2530 series of standards training	
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.	Muhammad Khairul Anuar Bin Azizul Hasan	Qualified and appointed as auditor for MSPO scheme.	Yes
	Jasmandy Bin Syahrul	Auditor in training	
A good knowledge in handling and evaluating sources of information and data. Able to communicate in	Muhammad Khairul Anuar Bin Azizul Hasan	Able to communicate in Bahasa Malaysia and English.	Yes

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Requirement	Assessor	Qualification	Compliance
Bahasa Malaysia, English and / or any other local language.	Jasmandy Bin Syahrul	Able to communicate in Bahasa Malaysia and English.	
Field working experience in the palm oil sector, or demonstrable equivalent	Muhammad Khairul Anuar Bin Azizul Hasan	7 years working experience in oil palm plantations.	Yes
	Jasmandy Bin Syahrul	9 years of working experience in oil palm plantations	
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Muhammad Khairul Anuar Bin Azizul Hasan	7 years working experience in oil palm plantations.	Yes
	Jasmandy Bin Syahrul	9 years of working experience in oil palm plantations	
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Muhammad Khairul Anuar Bin Azizul Hasan	Successfully completed IMS ISO 45001:2018 Lead Auditor course.	Yes
	Jasmandy Bin Syahrul	9 years of working experience in oil palm plantations	
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Muhammad Khairul Anuar Bin Azizul Hasan	Successfully completed Basic SA 8000 training.	Yes
	Jasmandy Bin Syahrul	Successfully completed Basic SA 8000 training.	
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Muhammad Khairul Anuar Bin Azizul Hasan	Successfully completed IMS ISO 14001:2015 Lead auditor course and auditor for MSPO scheme.	Yes
	Jasmandy Bin Syahrul	Successfully completed IMS ISO 14001:2015 Lead auditor course and auditor for MSPO scheme.	

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2. METHODOLOGY

The audit approach onsite audit 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
- Certifying, final approval and issuance of certificate.

Surveillance Audit:

Surveillance audit conducted on 20/07/2020– 24/07/2020 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;

On-site Assessment

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

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The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of 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 onsite audit, the selected independent smallholders are based on the formula $S = \sqrt[n]{n}$ where S = sample size and n = number of group members which is in accordance to MSPO certification procedure.

The group of smallholders consists of 320 new members and 360 old members.

Based on the formula, the sample size $S = 1.5\sqrt[3]{320} = 26.837$ for new members and $S = 1.5\sqrt[3]{360} = 28.46$ number for old members. Therefore, the total of new smallholders 27 and old members are 29 round up to the next integral. Thus, a total of 56 smallholders 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	GPS Coordinates
Salmiah Binti Abd Hamid	2.762058"N; 101.526106"E
Sholihan Bin Sarimin	2.771911"N; 101.520623"E
Jailani Bin Subari	2.770341"N; 101.531562"E
Mohd Toridi Bin Roslan	2.770051"N; 101.528191"E
Mazh Liana Binti Ahmad Sum	2.765783"N; 101.512479"E
Mohammad Nizham Bin Ahmad Sum	2.765541"N; 101.512327"E
Waris Seman Bin Sadani	2.774079"N; 101.527559"E
Saion Bin Masroh	2.780035"N; 101.520504"E
Rahmah Binti Mlsran	2.773611"N; 101.507388"E
Mohd Nor Bin Raimi	2.771061"N; 101.513135"E
May Azlin Binti Shamsudin	2.770085"N; 101.514730"E
Ahmad Sum Bin Ahmad Ikram	2.770511"N; 101.519555"E
Ang Swee Ling	2.780087"N; 101.501990"E
Gan Hong Lan	2.766775"N; 101.491015"E

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Name of independent smallholders	GPS Coordinates
Tan Chin Wan	2.772016"N; 101.473414"E
Lian Ha	2.754563"N; 101.510996"E
Tan Chin Neo	2.758391"N; 101.495117"E
Siti Aminah Binti Marlan	2.754096"N; 101.497118"E
Ruba Sundaram A/L Muthusamy	2.764897"N; 101.492448"E
Lian Zhong Ying	2.757787"N; 101.505207"E
Lian Chung Ming	2.761833"N; 101.505119"E
Chong Chop Sang	2.766394"N; 101.491706"E
Tew Hui Kuok	2.761740"N; 101.506331"E
Tew Hui Hua	2.758721"N; 101.511401"E
Muhamad Jasman Bin Juraimi	2.743629"N; 101.506407"E
Mohd Hisham Bin Ahmad Sum	2.743455"N; 101.513473"E
Norita Binti Jamaluddin	2.747237"N; 101.507807"E
Tan Wan Huah	2.725053"N; 101.494168"E
Sitiris Bin Sadiran	2.729886"N; 101.507783"E
Ang Kian Yap	2.771527"N; 101.512944"E
Zainal Abidin Bin Salihin	2.779361"N; 101.520472"E
Rukhizam Binti Zainal Abidin	2.774444"N; 101.525666"E
Tung Sang	2.757138"N; 101.513222"E
Ng Eng Kiat	2.764138"N; 101.498472"E
Law Hwa Chaw	2.761777"N; 101.482805"E
Isnaton Binti Jurumi@Hj Mahfuth	2.791694"N; 101.475138"E

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Name of independent smallholders	GPS Coordinates
Abdul Rahim Bin Sali	2.748027"N; 101.491472"E
Goh Lan	2.769222"N; 101.500638"E
Gan Beng Chin	2.809527"N; 101.422527"E
Gan Char Li	2.765751"N; 101.484083"E
Ang Kok Song	2.769666"N; 101.478527"E
Tang Ngi King	2.769722"N; 101.499888"E
Gan Siew Yong	2.751055"N; 101.475416"E
Gan Siew Huan	2.763027"N; 101.496388"E
Tan Teck Sin	2.766833"N; 101.483444"E
Chua Ah Sim @ Chua Chong	2.764138"N; 101.476222"E
Sow Bok Sow	2.762888"N; 101.496416"E
Tan Hui Chuan	2.749305"N; 101.468861"E
Ong Peah Chen	2.754916"N; 101.473611"E
Khor Chin Kang	2.721528"N; 101.486051"E
Lian Chai Joo	2.760166"N; 101.505972"E
Ng Hong Leng	2.762944"N; 101.490111"E
Gan Chon Leong	2.762972"N; 101.482555"E
Tan Kian Chye	2.758194"N; 101.474444"E
Tan Bee Luei	2.756944"N; 101.508027"E
Lian Chye Tiong	2.758416"N; 101.511083"E

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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, Minor and Opportunity for Improvements (OFI) may be raised during the audit.

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

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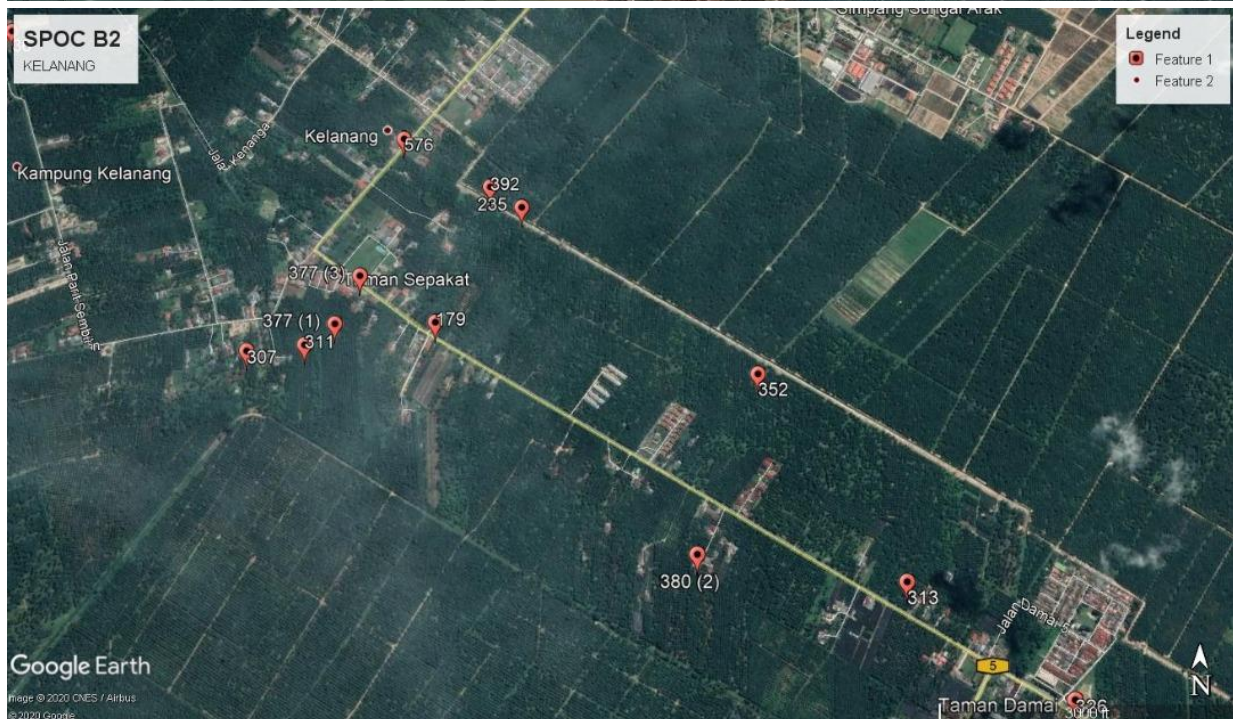


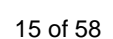
3. ORGANISATION INFORMATION

MPOB Cawangan SPOC B2 Kelanang, is a branch of MPOB located at No 14, Tingkat 1, Jalan Cemerlang 2, Pusat Perdagangan Banting, 42700 Banting, Selangor 2°48'50" N 101°30'28" E is managed by a group manager and supported by a team officers to manage the cluster providing technical support, estate management skills and training as well as develop the independent smallholders' scheme around the Kuala Langat district.

The locations for the smallholders are in Kuala Langat as shown in the below maps.







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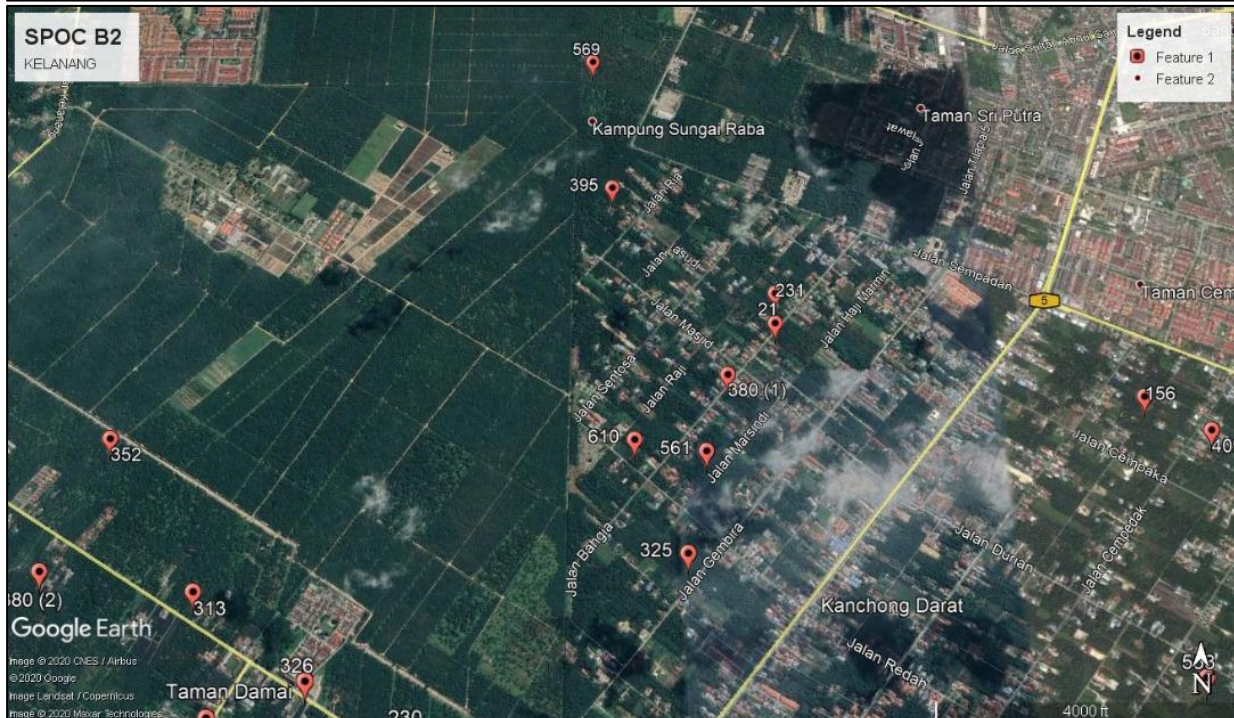
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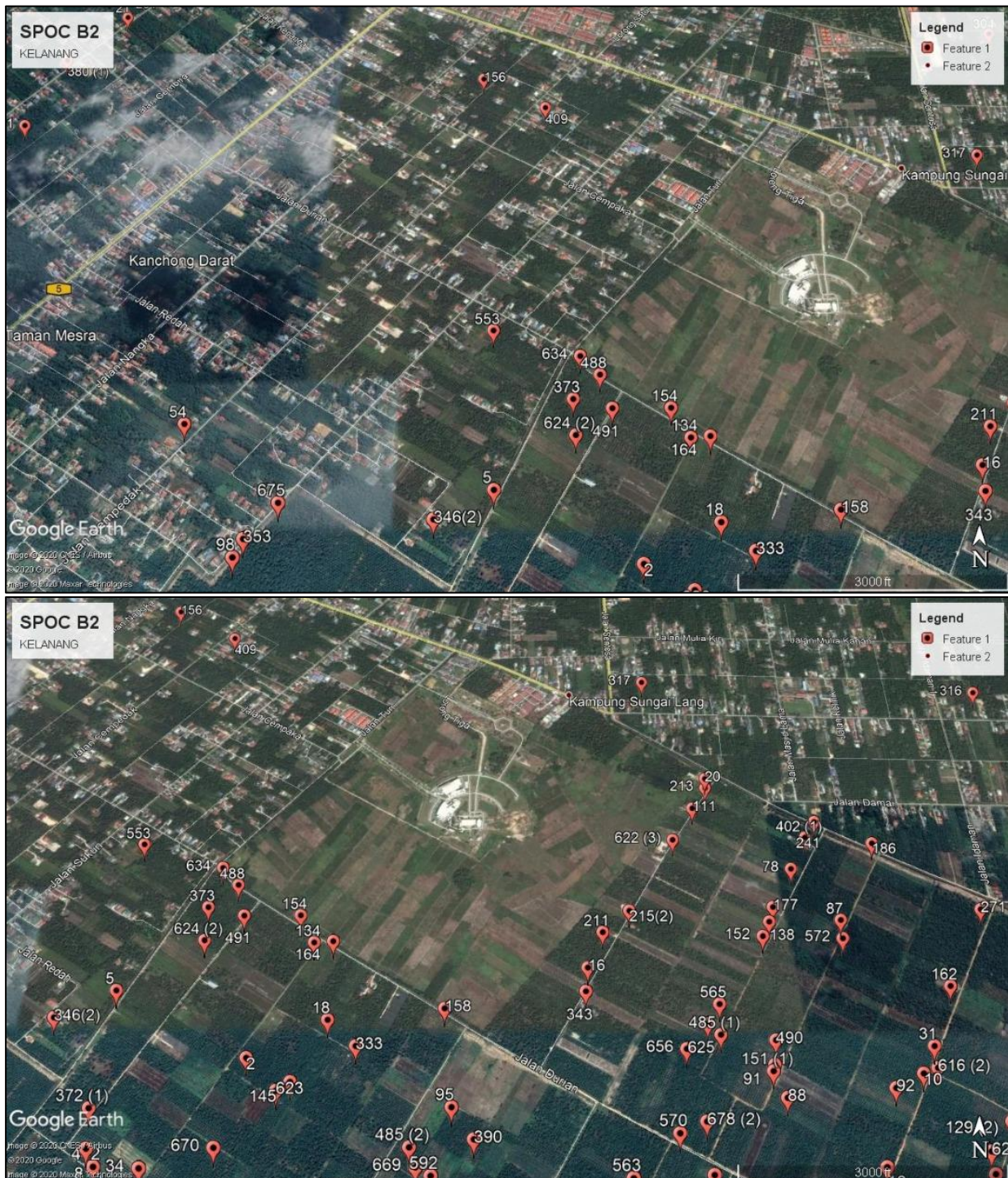
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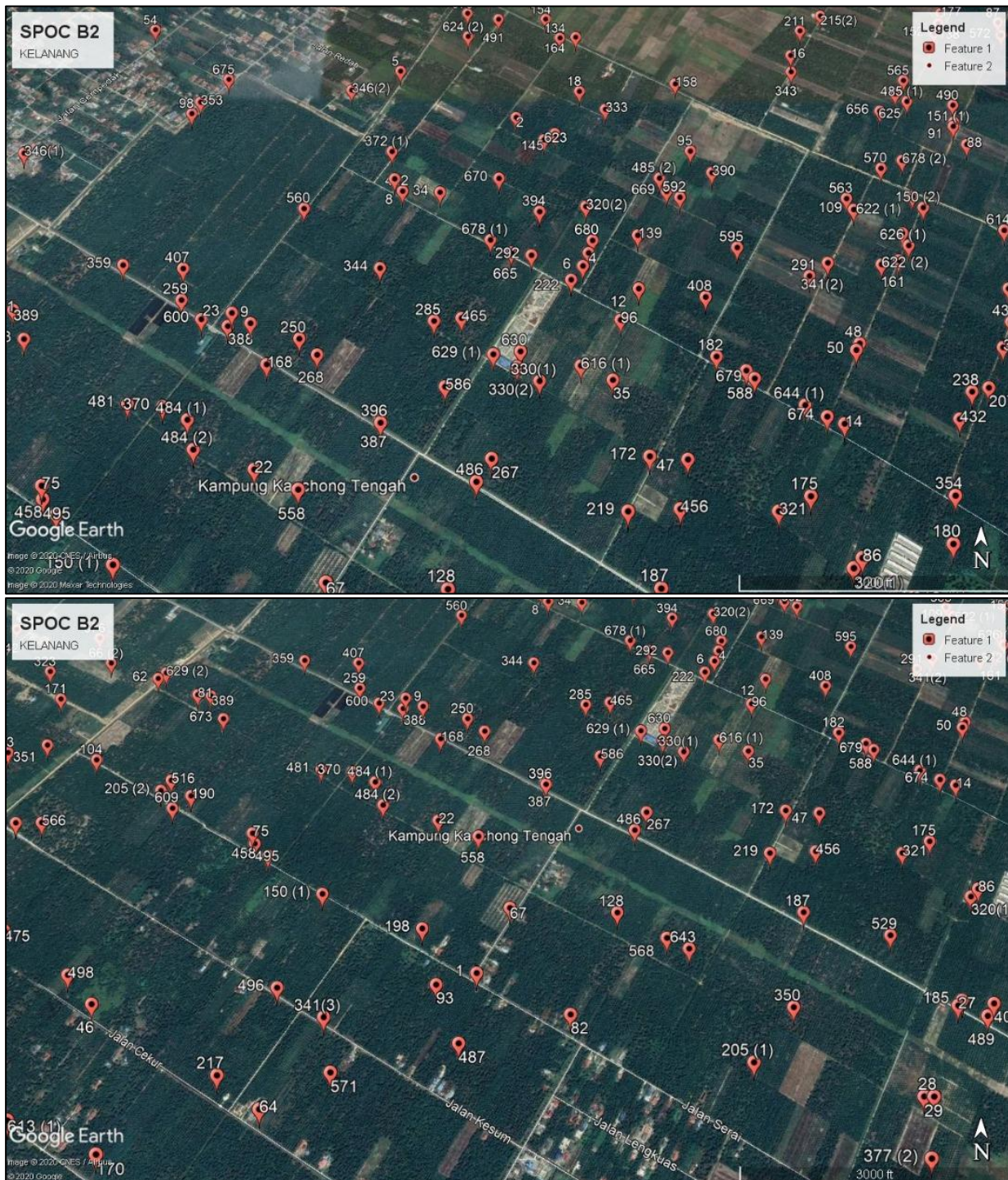
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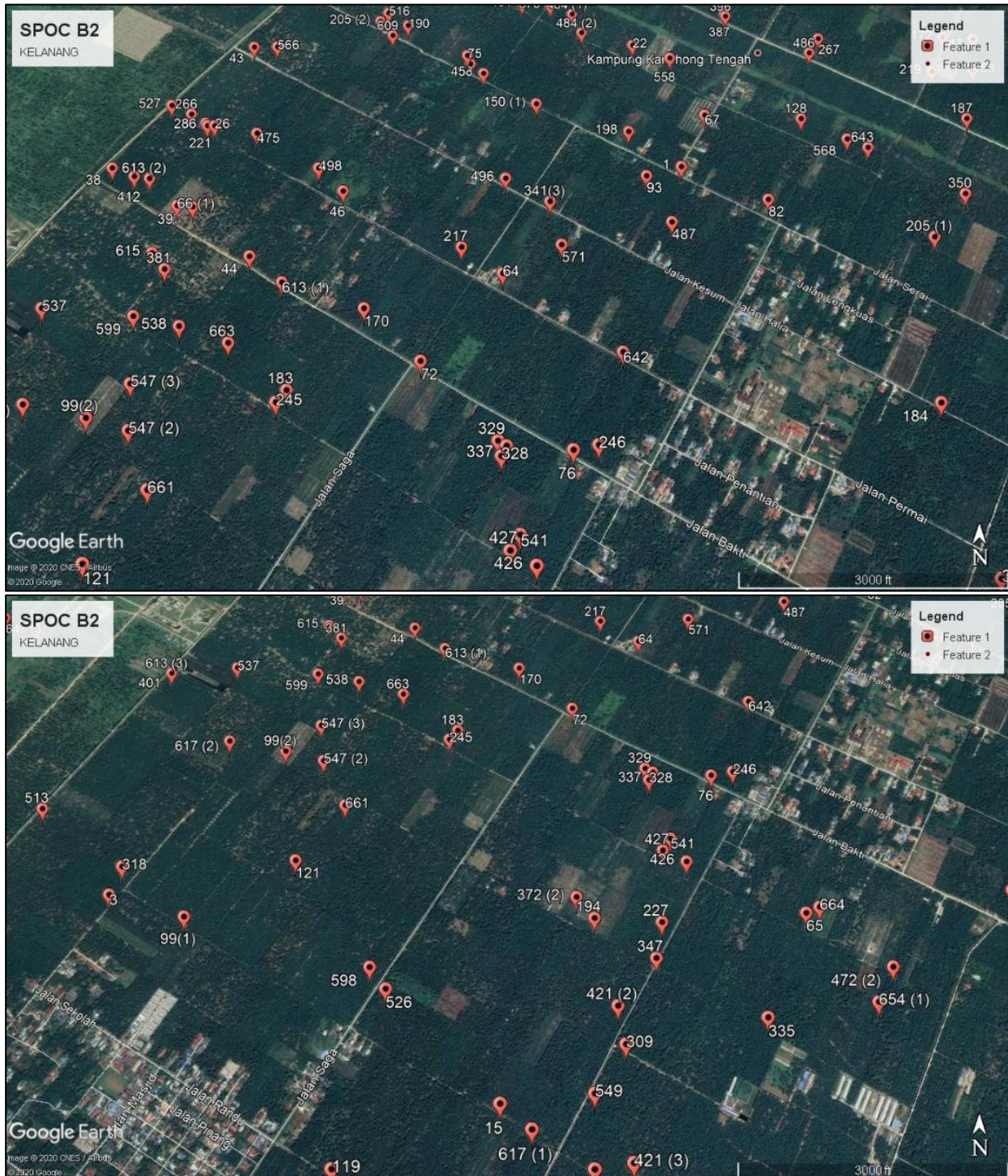
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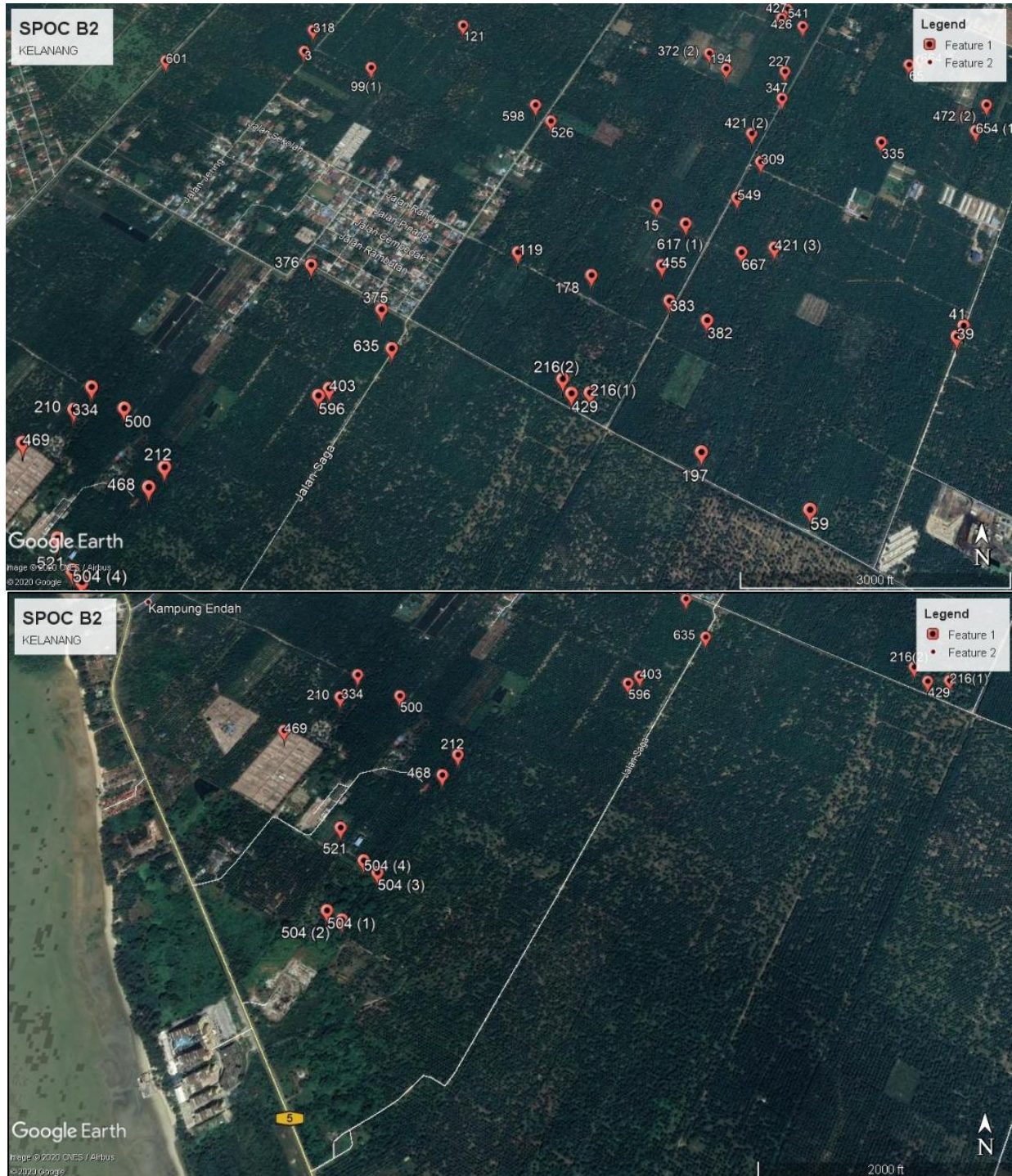
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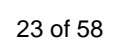
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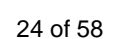
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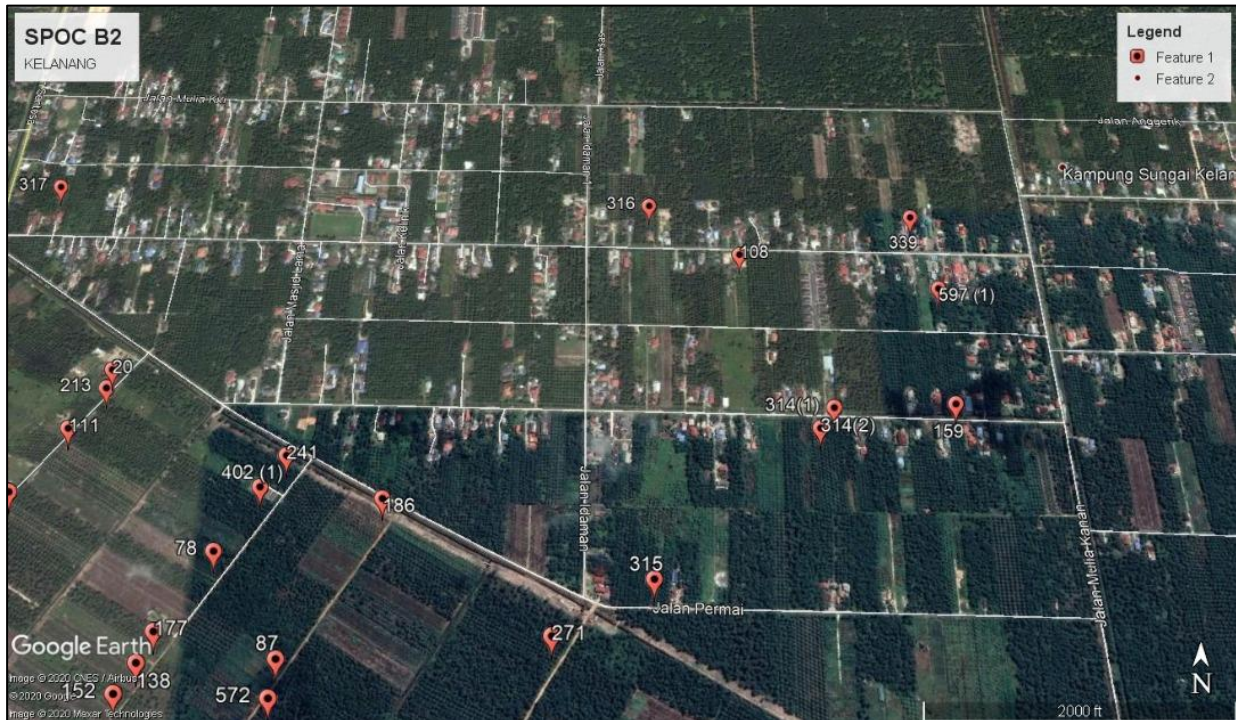
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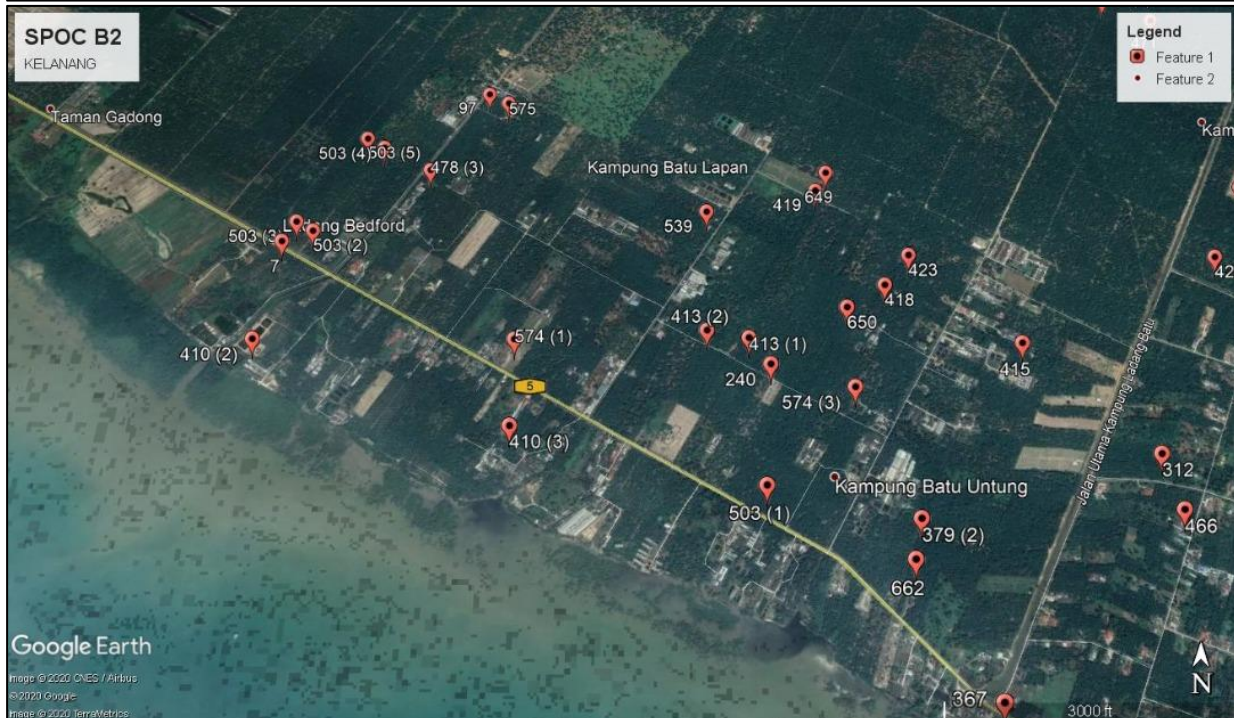
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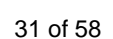
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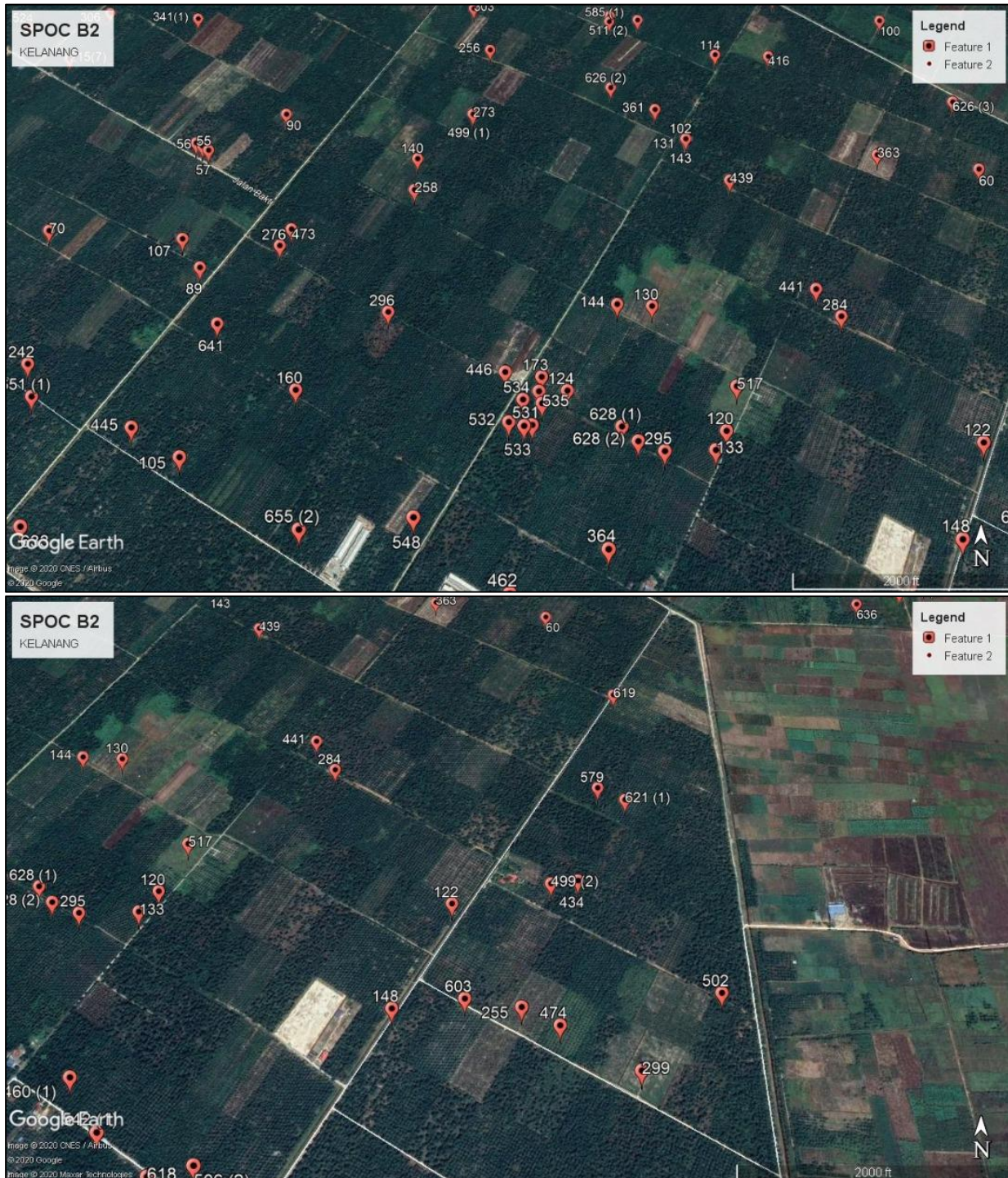
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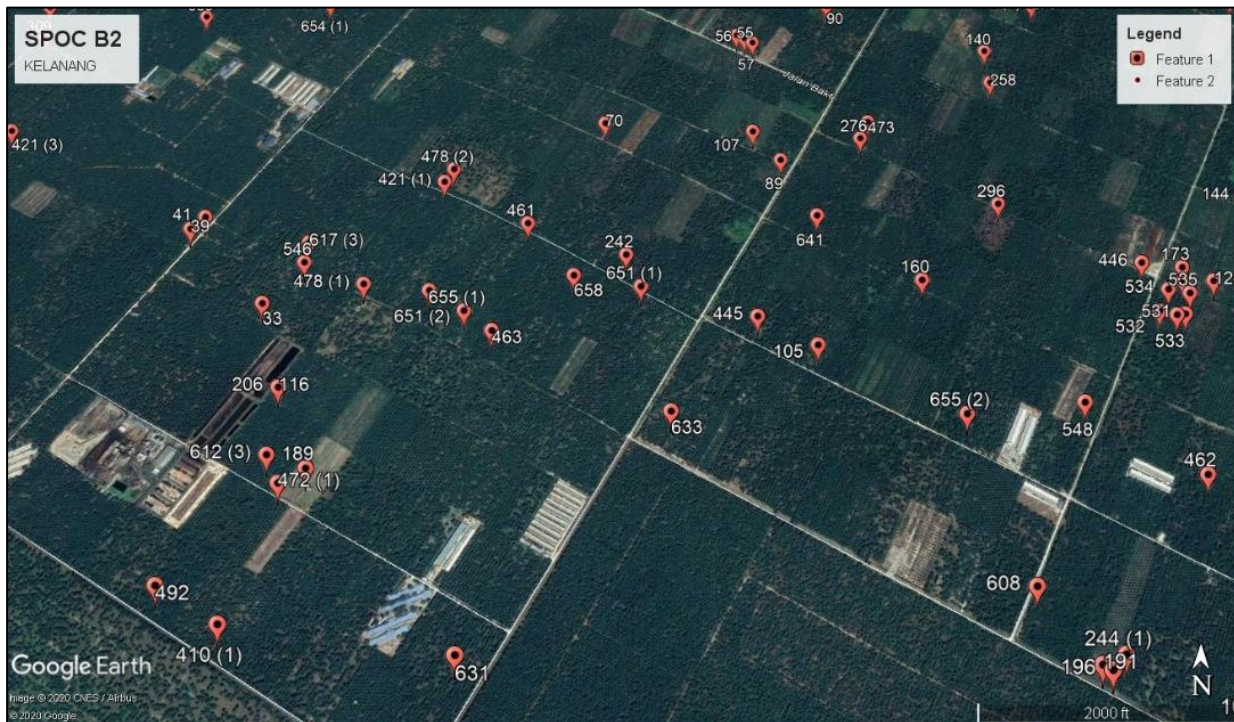
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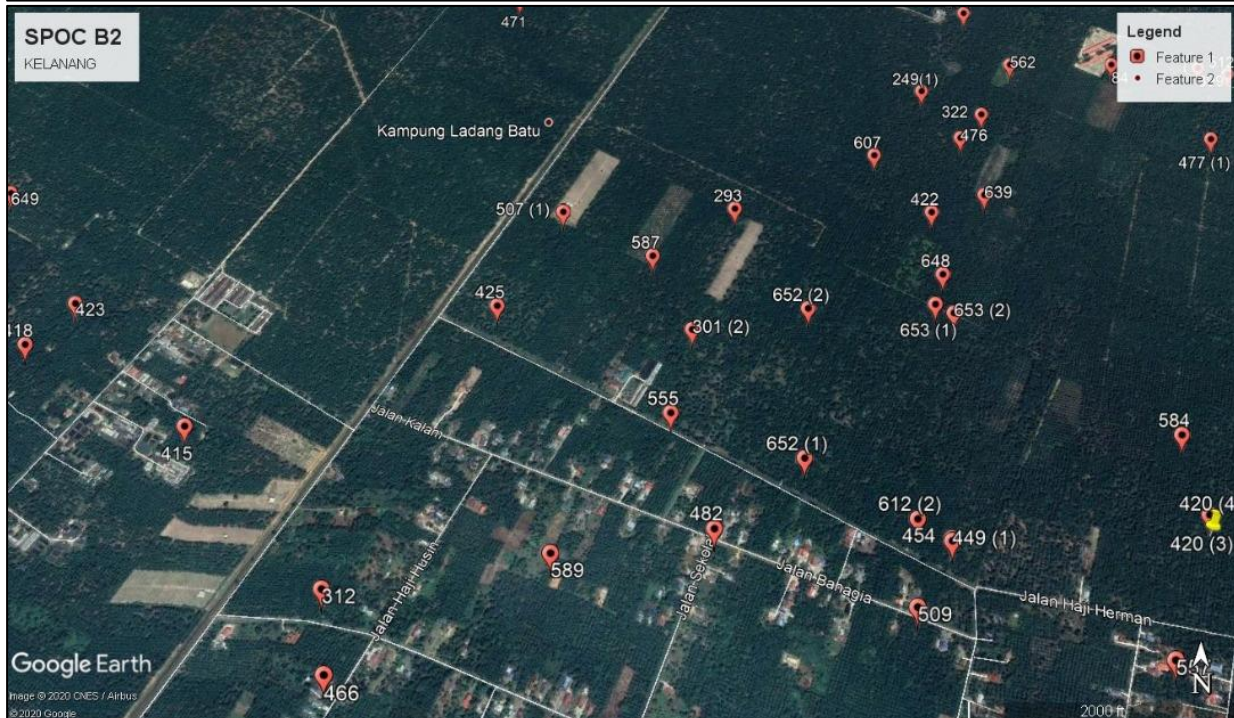
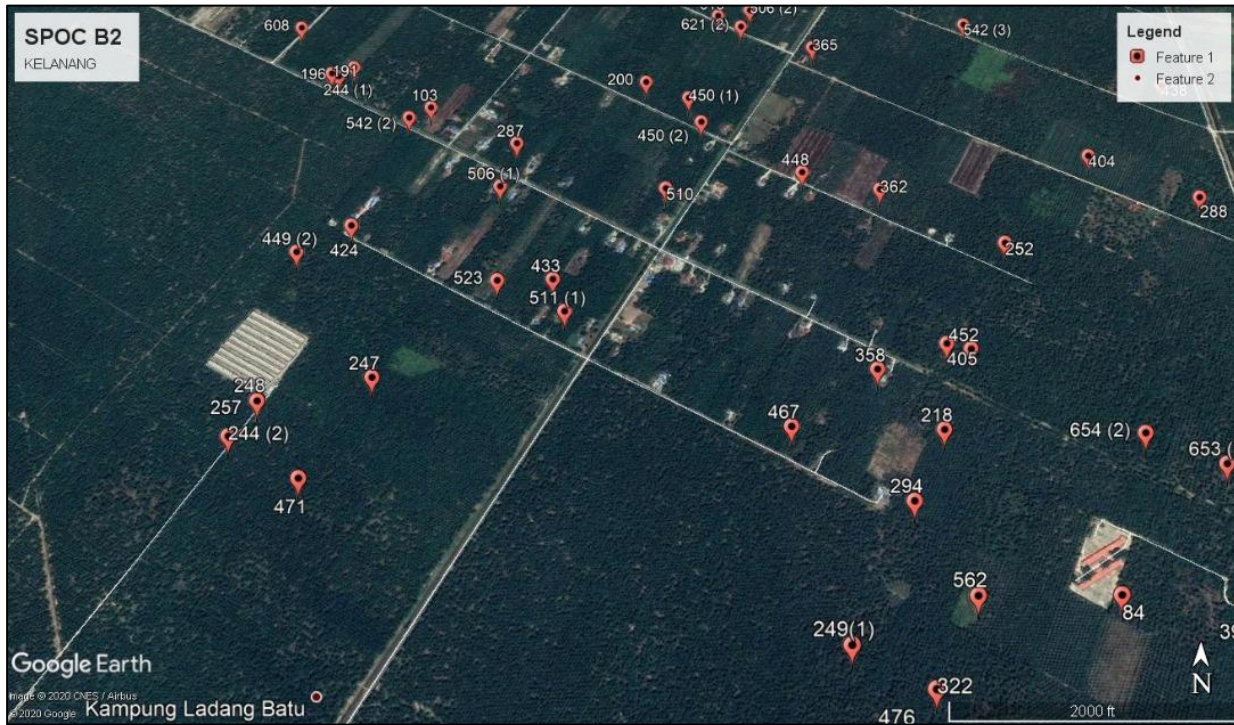
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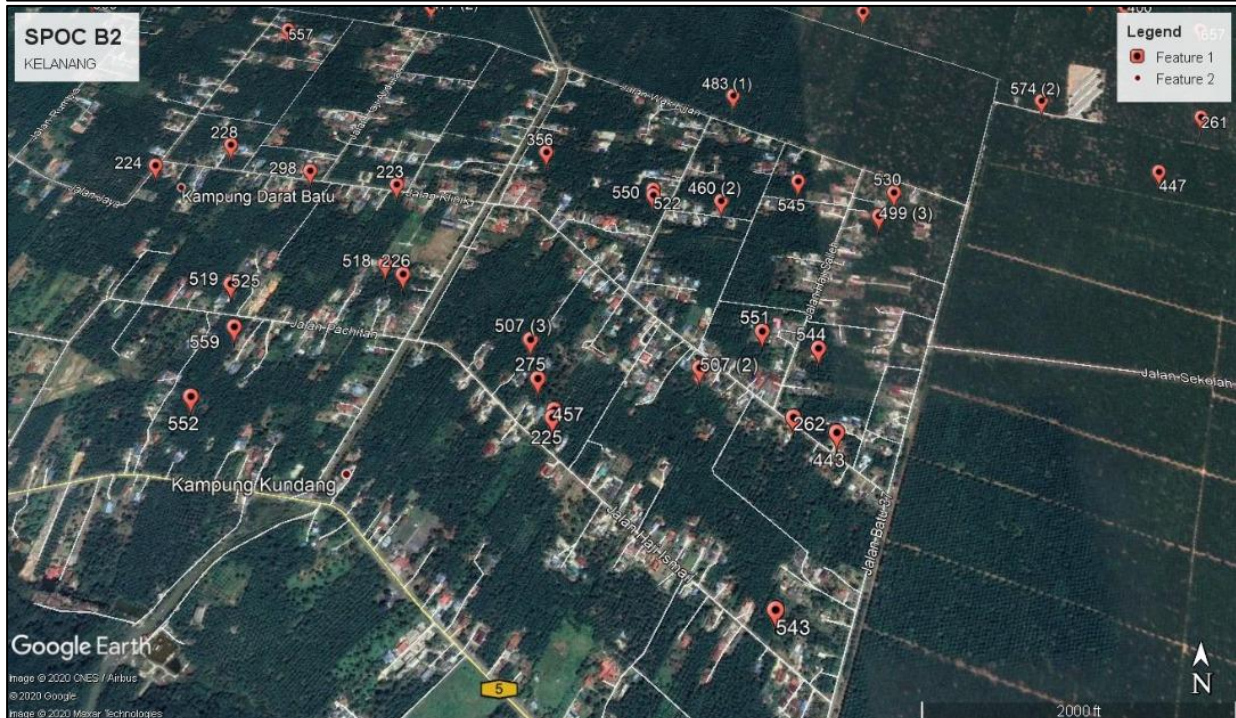
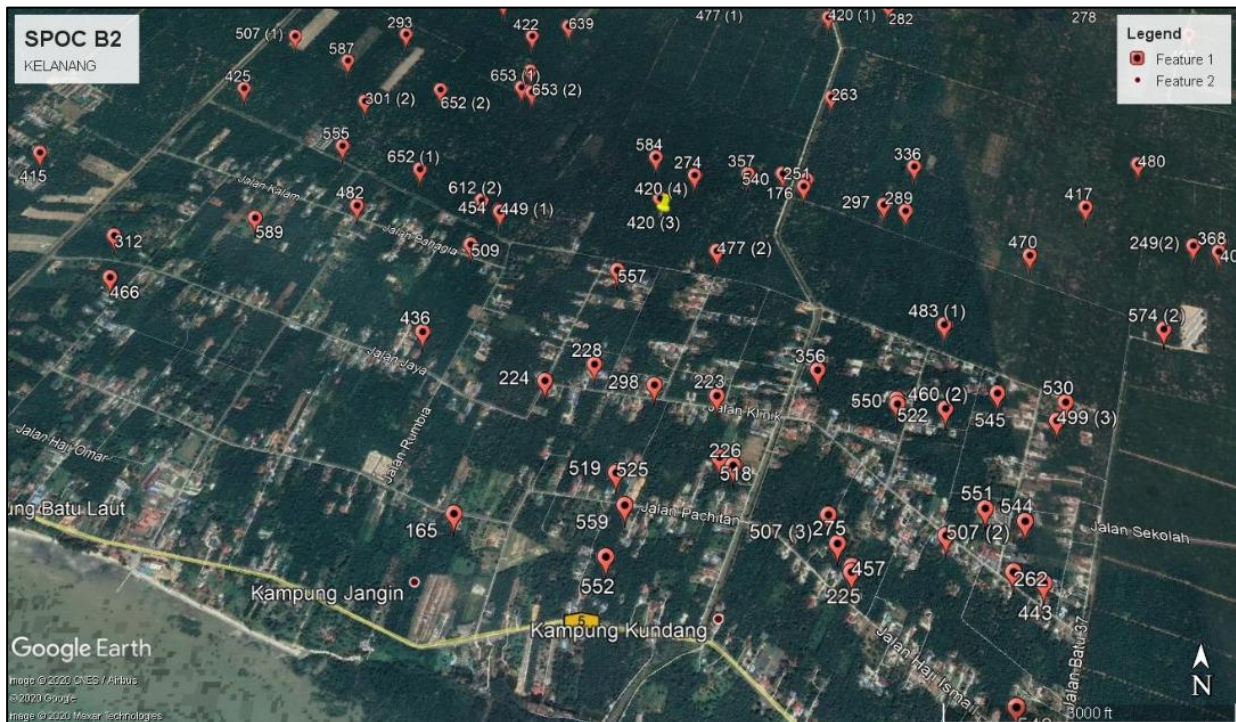
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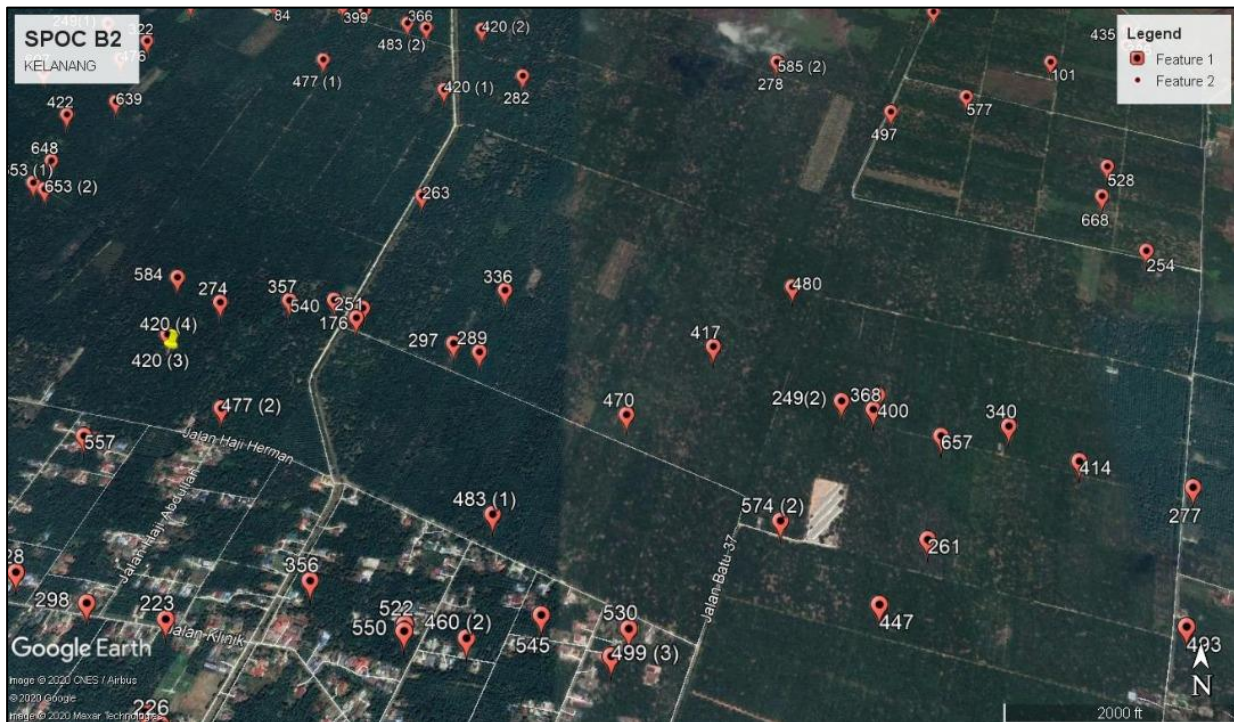
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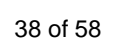
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4. CERTIFICATION ASSESSMENT

4.1. ASA 13

The objective of the audit is to assess the activities of MPOB Cawangan SPOC B2 Kelanang are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

4.1.1. Surveillance:

There are 680 smallholders joined the certification during ASA 13 audit.

The total number of smallholders 360 remain the same during surveillance audit.

During this surveillance audit, 320 of smallholders join the program.

The surveillance audit is conducted on 20/07/2020 to 24/07/2020 that include inspection of the smallholders farms, 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 previous surveillance audit, there are 1 Major, 1 Minor and 0 OFI raised.

During this audit, the major and minor non-compliance 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 4.3 of this report.

The number of audit findings raised in this audit refer to Section 4.6 of this audit report.

4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 20/06/2020 as to accommodate stakeholder's consultation meeting for SPOC B2 Kelanang to provide comments. As at audit date on 20/07/2020 there are no comments received.

Invitation letters are sent on 20/06/2020 to invite relevant stakeholders to attend a local stakeholders' consultation on 20/07/2020 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

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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 finding	Comments or Feedback to SPOC
1	Any information from Group Manager for MSPO audit?	Stakeholders are aware regarding the MSPO awareness and able to demonstrate understanding of social, environment and safety & health	No action required
2	Social issues	Interviewed stakeholders are not local communities. Therefore, no input for this topic.	No action required
3	Understanding of Land Title – Native, Customary Land, Freehold, Leased, Land application (LA)	Interviewed stakeholders are not local communities. Therefore, no input for this topic.	No action required
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.	No action required
5	Does MSPO largely benefits the local communities?	Interviewed stakeholders are not local communities. Therefore, no input for this topic.	No action required
6	Any environment awareness provided by SPOC	Interviewed stakeholders are not local communities. Therefore, no input for this topic.	No action required
7	Any wildlife awareness by SPOC	Interviewed stakeholders are not local communities. Therefore, no input for this topic.	No action required

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8	FFB quality	Interviewed stakeholders are not local communities. Therefore, no input for this topic.	No action required
9	Are there any plantation or mill management practices that affect you?	Interviewed stakeholders are not local communities. Therefore, no input for this topic.	No action required
10	Do you consider any management conflict with the MSPO principles and criteria?	Stakeholders informed there is no conflict in between SPOC B2 Kelanang group management and MSPO requirement.	No action required
11	Do you have any suggestions for SPOC management?	Interviewed stakeholders are not local communities. Therefore, no input for this topic.	No action required
12	Any suggestions	Interviewed stakeholders are not local communities. Therefore, no input for this topic.	No action required

4.3. Summary of Assessment

Principle and 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	<p>SPOC B2 Kelanang established MSPO policy dated 24/07/2019 signed by group manager and display at SPOC office notice board.</p> <p>SPOC B2 Kelanang adopted MPOB MSPO certification application with the MSPO policy included in the form duly agreed and signed by smallholders and acknowledged by the group manager.</p> <p>Copy of application form available in smallholder file signed and acknowledge by the group manager.</p> <p>Smallholders are brief on MSPO Policy during MSPO awareness programme conducted on 06/07/2020.</p> <p>During site verification, interviewed smallholders understands and aware of MSPO requirements.</p>	Yes
4.1.2.1	<p>SPOC B2 Kelanang established continual improvement plan, List of Social, Environmental and Action Impact Plans. Document no: MSPO/SPOC/L-04/ISP, issue no 3, rev 3 date effective: 01/06/2020</p> <p>The table include topic on activity, social impact and improvement plan.</p>	No

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	Non-conformity Major 01 CIP does not indicates the monitoring of land use conversion.	
4.1.2.2	<p>SPOC B2 Kelanang distribute Warta Sawit to smallholders during MSPO and PPE usage briefing on 06/7/2020.</p> <p>Those who did not attended the briefing will receive a copy during Advisory Visit (LKN) for (GAP).</p> <p>During interview with smallholders, they obtained new information from group manager and received the Warta Sawit when attend training.</p>	Yes

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>SPOC B2 Kelanang established Guidelines for Economic and Financial Power Plans, doc no MSPO/SPOC/GP-01/PEK, issue no: 3 rev: 3 dated 01/06/2020.</p> <p>The guideline has a flow chart describing the step approach for delivery of FFB to ramp operator / collection center or mill with the type of documents.</p> <ol style="list-style-type: none"> 1. Sales receipt 2. Weighbridge ticket 3. Enter to BRL 4. Keep Receipt <p>SPOC will collect records and prepare summary.</p>	Yes
4.2.1.2	<p>SPOC B2 Kelanang maintain records of FFB production and sales of each smallholders.</p> <p>Review sales records kept by the group manager consist of summary of deliveries and sales invoice from dealers or ramp operators to smallholders.</p> <p>SPOC B2 Kelanang monitor FFB pricing on monthly basis obtain from dealers and ramp operators.</p> <p>Interview smallholders inform FFB sales and delivery records available and copies are kept.</p>	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>SPOC B2 Kelanang establish list of applicable legal documents Document no. MSPO/SPOC/L-01/SKU, issue 3, rev: 3, effective date: 01/06/2020</p> <p>Example:</p> <p>Act 127: Environmental Quality Act 1974 update year 2006</p> <p>Act 342: Prevention and Control of Infectious Disease Act 1988</p>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	Smallholders are brief on legal requirements during MSPO awareness programme conducted on 06/07/2020. Copy of online system approval of MPOB license kept on file in each smallholders and in the database.	
4.3.2.1	SPOC B2 Kelanang smallholders land titles are either freehold, lease title of 99 years issued by Land Office Kuala Langat or native land that confirmed by JAKOA. SPOC GM has submitted letters to MPOB HQ for land use conversion of 81 lots dated 01/07/2020.	Yes
4.3.3.1	SPOC B2 Kelanang smallholders land titles are either freehold, lease title of 99 years issued by Land Office Kuala Langat or native land that confirmed by JAKOA. Land title in the name of smallholder	Yes
4.3.3.2	Map in land title indicate size, location and boundary marker.	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	SPOC B2 Kelanang adopted MPOB guidelines Complaint and Grievance, doc no. MSPO/SPOC/SOP-01/AR, issue 03, revision 02 dated 01/06/2020. Smallholders are brief on complaint and grievance guidelines during MSPO awareness programme conducted on 27/02/2020 and 01/06/2020. Records book review there are no complaints since last surveillance audit in July 2019. Interview smallholders inform aware on grievance procedure.	Yes
4.4.1.2	SPOC B2 Kelanang adopted MPOB guidelines Complaint and Grievance, doc no. MSPO/SPOC/SOP-01/AR, issue 03, revision 02 dated 01/06/2020. The procedure has a table listing the activities to resolve any complaints. The group manager is the responsible person to handle and manage any complaints. A flowchart describe the steps and timeline to manage and respond any complaint received. The total days to resolve is 14. Any complaint outside the scope of the group manager it will refer to other parties or MPOB HQ to handle the matter. Smallholders are brief during MSPO awareness programme conducted on 27/02/2020 and 01/06/2020. Interview smallholders inform they are aware on complaint process and timelines to resolve the complaints.	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.2.1	<p>SPOC B2 Kelanang adopt MPOB Guidelines Occupational Safety & Health, document no. MSPO/SPOC/GP-02/KKP, issue: 3, revision: 0 effective date: 01/06/2020.</p> <p>Scope of the guideline describe:</p> <p>Responsibilities of the group manager and smallholders / workers.</p> <p>Safety work practices for harvesting, chemical spraying and fertilizer application.</p> <p>Smallholders are brief on safety and health during MSPO awareness programme conducted on 27/02/2020 and 01/06/2020.</p> <p>Site interviewed with smallholders confirmed that they aware on safe work practices. Smallholders informed they use personnel protective equipment for field activities such as sprayer.</p>	Yes
4.4.3.1	<p>SPOC B2 Kelanang adopted MPOB Employment Terms document no: MSPO/SPOC/SMP-01, rev-01 for hiring of field workers by smallholders.</p> <p>The document describe the requirements for hiring of workers.</p> <p>SPOC B2 Kelanang adopt MPOB document Employment Agreement MSPO/SPOC/TPP-01, rev. 01, for hiring or workers.</p> <p>Interview smallholders inform they are aware prior commencement of work, a mutual verbal agreement on the price rate.</p> <p>Majority of smallholders' operate on family based or subcontract to FFB dealer for harvesting, chemical spraying and fertilizing activities.</p>	Yes
4.4.3.2	<p>SPOC B2 Kelanang MSPO application form with a statement "provide equal opportunity and treatment regardless of race, colour, sex, religion, political affiliation, nationality, social origin and shall not engage in or support discriminatory practices.</p> <p>In addition, B2 Kelanang adopt MPOB Conditions for hiring workers in oil palm fields, document no. MSPO/SPOC/SMP-01, rev-01 signed by the group manager and Zone Manager with a statement "provide equal opportunity and treatment regardless of race, colour, sex, religion, political affiliation, nationality, social origin and shall not engage in or support discriminatory practices.</p> <p>Smallholders are brief on hiring casual worker during MSPO awareness programme conducted on 27/02/2020 and 01/06/2020.</p> <p>Interviewed smallholders inform they are aware about the policy on discrimination.</p>	Yes
4.4.3.3	Interviewed smallholders inform they are using dealers' workers for field activities.	Yes
4.4.3.4	There are no living quarters observed during onsite visits to smallholders.	Yes
4.4.3.5	SPOC B2 Kelanang adopt MPOB Conditions for hiring workers in oil palm fields, document no. MSPO/SPOC/SMP-01, rev-01 signed by GM with a statement "No hiring or allow children below age of 15 years to work in the farm.	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Smallholders are brief on restriction on hiring child labour during MSPO awareness programme conducted on 27/02/2020 and 01/06/2020.</p> <p>Interviewed smallholders inform no child labour working in the field. All harvesting, fertilizing and spraying activity are carried out either by smallholder themselves, among family members or dealers' workers.</p>	
4.4.4.1	<p>SPOC B2 Kelanang establish annual training programme for 2020 dated 01/03/2020</p> <p>Smallholders are brief during MSPO awareness programme conducted on 27/02/2020 and 01/06/2020.</p> <p>Advisory visit (LKN) for smallholders was conducted:</p> <p>Example: Advisory visit dated on 02/07/2020.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>SPOC B2 Kelanang adopt MPOB Social and Environment Impacts and Action Plan, document number MSPO/SPOC/L-04/ISP, issue 3, revision: 3 effective date 01/06/2020.</p> <p>The document include a section for Environmental Impact and Action Plan.</p> <p>During site visit smallholders field confirm there are no non-permitted activities observed in the field.</p> <p>Interview smallholders' they are aware the environmental impact and the environmental topics was briefed by group manager during LKN or MSPO training.</p>	Yes
4.5.2.1	<p>SPOC B2 Kelanang smallholders do no use renewable energy at site.</p>	Yes
4.5.3.1	<p>SPOC B2 Kelanang adopt MPOB List of Scheduled and Domestic Wastes MSPO/SPOC/L-03/SRD Issue 3 rev 0 effective date 01/06/2020.</p> <p>The list consists of: Solid, liquids and gaseous wastes</p> <p>Waste generated from agricultural inputs: Fronds</p> <p>Waste generated not from agricultural inputs: Empty chemical containers</p> <p>During site visit and interviewed, smallholder are aware that empty chemical containers can be recycle and reused after triple rinsing.</p>	Yes
4.5.3.2	<p>SPOC B2 Kelanang adopted MPOB SOP Pengurusan Bahan Buangan Terjadual', doc no: MSPO/SPOC/SOP-03/BT issue 3 revision 3 effective date 01/06/2020.</p> <p>The SOP objective 'Monitor and ensure the waste management process and disposal of waste for responsible individuals can be implemented in an orderly, efficient and safe manner'.</p> <p>A flowchart describing the steps in managing and disposal of scheduled wastes.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Smallholders are brief on managing and disposal of empty chemical containers during MSPO awareness programme conducted on 27/02/2020 and 01/06/2020.</p> <p>A copy of MPOB Training Module for MSPO Independent Smallholders is distributed to participants.</p> <p>Smallholders practice with triple rinse the empty chemical containers and reused for chemical spraying.</p> <p>During site visit, no chemical containers left in the fields.</p> <p>Chemical spraying conducted by smallholders, dealers' workers or casual workers hired by smallholders.</p> <p>Interview smallholders inform all chemical containers are stored at chemical cabinets</p>	
4.5.4.1	<p>SPOC B2 Kelanang adopt MPOB guidelines River Buffer Zone, doc no: MSPO/SPOC/GP-03/ZPS, issue 3, revision 0 dated 01/06/2020.</p> <p>Smallholders are brief on restriction chemical application at buffer zone area during MSPO awareness programme conducted on 27/02/2020 and 01/06/2020.</p> <p>Smallholders interviewed are aware to maintain the water quality and its importance.</p>	Yes
4.5.4.2	<p>SPOC B2 Kelanang smallholders practice rain harvesting for operation such as using pits.</p>	Yes
4.5.5.1	<p>SPOC B2 Kelanang establish list of wildlife in and around Kuala Langat district.</p> <p>Example:</p> <p>Monkeys and wildboars.</p> <p>Smallholders are brief list of wildlife in Kuala Langat District during MSPO awareness programme conducted on 27/02/2020 and 01/06/2020.</p> <p>Interview smallholders informed there are monkeys and wildboars in their fields.</p>	Yes
4.5.6.1	<p>SPOC B2 Kelanang adopted MPOB Guidelines Zero Burning Practices, doc. No. MSPO/SPOC/GP-04/APS, issue 3 rev. 01, effective date 01/06/2020.</p> <p>Smallholders are brief on zero burning practices during MSPO awareness programme conducted on 27/02/2020 and 01/06/2020.</p> <p>Field visit observe no open burning occur and smallholders are aware that open burning is restricted by the law.</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>SPOC B2 Kelanang conduct GAP briefing and LKN for harvesting, manuring, chemical application and PPE usage.</p> <p>Field observation to smallholders' field indicates that they do implemented good agricultural practice such as:</p> <ol style="list-style-type: none"> 1. Proper stacking of fronds. 2. Good maintenance of harvesting path. 3. Proper palm pruning. <p>Non-conformity Major 02:</p> <p>SPOC B2 Kelanang established MPK 2020 update 01/06/2020. However, blanket spraying observed during onsite not accordance to MPK 2020 especially at the peat land area.</p> <p>MSPO application form document no: Borang MSPO pin 3, is not sufficiently filled example 'Senarai Semak Dokumen'. The additional information such as planting cycle, planting material and soil type could be included.</p>	No
4.6.1.2	SPOC B2 Kelanang establish visual identification for each smallholder with information of smallholders' name, lot number, GPS coordinates, lot size and year of planting.	Yes
4.6.2.1	<p>SPOC B2 Kelanang establish Guideline Economic and Financial Plan, MSPO/SPOC/GP-01/PEK, issue 3, revision 3, dated 01/06/2020.</p> <p>SPOC B2 Kelanang establish budget for land conversions issued to MPOB HQ.</p> <p>All other operation budgets and costs are under the control of MPOB HQ.</p>	Yes
4.6.3.1	<p>SPOC B2 Kelanang monitors FFB pricing on monthly basis through input from selected ramp / dealers for fair price.</p> <p>Interview with smallholders informed the FFB price being obtain from the collecting center weighbridge through phone call.</p>	Yes

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Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	SPOC B2 Kelanang smallholders' database is review with first planting in 1989 and latest replanting in year 2019. There are no new plantings for old members and new members. Therefore, no data captured.	Yes
4.7.2.1	SPOC B2 Kelanang smallholders' database is review with 1 st planting in 1989 and latest replanting in year 2019. There are no new plantings for old members and new members. SPOC B2 Kelanang established the Map of Soil series to identify the smallholder field soil type for references.	Yes
4.7.3.1	SPOC B2 Kelanang smallholders' database is review with 1 st planting in 1989 and latest replanting in year 2018. There are no new plantings for old members and new members. Therefore, no data for type of terrain available.	Yes

4.4. Status of Non-Conformities Previously Identified

	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.
X	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.
	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.
	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>	

4.5. Detail of Audit Findings in last Audit

AUDIT OUTCOME		
During last Audit	1	MAJOR Non-Conformities
	1	MINOR Non-Conformities

Non Conformity Number 01	
Indicator # and Description:	4.5.3.2 Independent smallholders shall ensure that waste from the smallholdings is disposed of appropriately. Smallholders shall adopt local and national legislation to dispose of hazardous chemicals and their containers.

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Non Conformity Number 01			
Location:	Smallholders field		
Description of Finding / Objective Evidence:			
Site visit to smallholders' field, sighted empty chemical containers was found scattered in the field and no marking or punched on the empty containers to indicate the container to be reused or dispose.			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	
Raise by:	Zul Hairi Bin Abu Hassan	Date Raise:	07/08/2019
Deadline for implementation		07/10/2019	
Root Cause Analysis (by company):			
There is an empty container of chemical in the farm that is not marked and in the hole.			
Correction (by company):			
Provide advisory services to smallholders regarding the handling of the empty chemical containers that have been used either for disposal or reuse.			
Corrective / Preventive Action (by company)			
Conduct the visits to the farm and give continuous briefings so that the gardener is more aware of the importance of handling the empty chemical container and pesticides after use.			
Review of Correction & Corrective / Preventive Action			
Document 'Laporan Lawatan Khidmat Nasihat (LKN) has review. Site visit and training has conducted by group manager to smallholder date 01/10/2019. Thus, this non-conformity could considered closed. The effective implementation will be review during 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: 02/10/2019	
Review of Implementation			
MSPO training report dated 27/02/2020 had been reviewed. The training for management of scheduled waste had been conducted. Interview with smallholders confirm, they capable to show awareness about the management of scheduled waste such as empty chemical containers. No empty chemical containers found scattered in the field during the site visit and empty chemical container was marked or punched. The implementation could be consider as appropriate.			
Name of Trainee Lead Auditor: Khairul Anwar Bin Ismail		Date of Review: 24/07/2020	

Non Conformity Number 02	
Indicator and Description	4.3.3.2 Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.
Location:	Office

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Non Conformity Number 02			
Description of Finding / Objective Evidence:			
Smallholder individual file 305 is native land confirmed by letter JAKOA dated 19/04/2019. However, no maps available to show extend of the land.			
Classification	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
Raise by:	Sheron Pui Ling Wui	Date Raise:	07/08/2019
Deadline for implementation	Date of action plan submit within 30 days after date raise, implementation will be confirm on next surveillance audit.		
Root Cause Analysis (by company):			
Tiada pelan/peta tanah rizab orang asli Kampung Tanjung Sepat.			
Correction (by company):			
Menghubungi pejabat JAKOA Daerah Kuala Langat dan JAKOA Negeri Selangor bagi mendapatkan pelan/peta tanah rizab Orang Asli Kampung Tanjung Sepat.			
Corrective / Preventive Action (by company)			
Sentiasa bekerjasama dengan pejabat JAKOA Daerah Kuala Langat dan JAKOA Negeri Selangor dalam hal berkaitan orang asli supaya segala permasalahan dapat diatasi sepenuhnya.			
Review of Correction & Corrective / Preventive Action			
Action plan is review, the action plan states group manager to liaise with JAKOA to get the land map for smallholders (Orange Asli). The action plan is accepted. The action taken will be review 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 Auditor: Sheron Pui Ling Wui		Date of Closure: 20/09/2019	
Review of Implementation			
The land map for smallholder no. 305 had been made available. Communication within SPOC B2 Kelanang and JAKOA is established. The smallholders land title list is review, only one smallholder with native land. The implementation could be consider as appropriate.			
Name of Trainee Lead Auditor: Khairul Anwar Bin Ismail		Date of Review: 24/07/2020	

4.6. Detail of Audit Findings Identified During This Audit

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

ON-SITE AUDIT OUTCOME		
During this onsite audit,	1	MAJOR Non-Conformities
	1	MINOR Non-Conformities

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Non Conformity Number <01>			
Indicator # and Description	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. (MAJOR)		
Location:	Office		
Description of Finding / Objective Evidence:			
The continual improvement plan (CIP) does not indicate the monitoring of land use conversion.			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	
Mode of Audit	<input type="checkbox"/> Remote	<input checked="" type="checkbox"/> Onsite	
Raise by:	Khairul Anwar Bin Ismail	Date Raise:	24/07/2020
Deadline for implementation		24/09/2020	
Root Cause Analysis (by company):			
No action plan for continual improvement to indicate the monitoring of land use conversion.			
Correction (by company):			
The action plan for continual improvement has been setup to indicate the monitoring of land use conversion.			
Corrective / Preventive Action (by company)			
The group manager will be aware to used action plan of continuous improvement process to monitor land use conversion.			
Review of Correction & Corrective / Preventive Action			
Review documents submitted, the group manager has included in the continuous improvement plan (CIP) dated 11/08/2020 to monitor the land use conversion.			
The evidence provided sufficient to close the NC.			
Further verification will be conducted 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 Trainee Lead Auditor: Khairul Anwar Bin Ismail		Date of Closure: 19/08/2020	
Review of Implementation			
Name of Lead Auditor / Auditor:		Date of Review:	

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Non Conformity Number < 02 >			
Indicator # and Description	4.6.1.1: All independent smallholders' oil palm farms shall implement best practices such as the MPOB Codes of Practice, Malaysian Standards, ISO Standards and the Kod Amalan Baik (GAP) Pekebun Kecil. (MINOR)		
Location:	Smallholder Farm & Office		
Description of Finding / Objective Evidence:			
SPOC B2 Kelanang established MPK 2020 updated 01/06/2020. However, blanket spraying observed during onsite not accordance to MPK 2020 especially at the peat land area. MSPO application form document "Borang MSPO pin 3" is not sufficiently filled example "Senarai Semak Dokumen". The additional information such as planting cycle, planting material and soil type could be included.			
Classification	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
Mode of Audit	<input type="checkbox"/> Remote	<input checked="" type="checkbox"/> Onsite	
Raise by:	Khairul Anwar Bin Ismail	Date Raise:	24/07/2020
Deadline for implementation		24/08/2020	
Root Cause Analysis (by company):			
1. Blanket spraying has been done by smallholder at the peat land area. 2. MSPO application form document is not sufficiently filled especially "Senarai semak dokumen".			
Correction (by company):			
1. Latihan Khidmat Nasihat (LKN)" has been given to smallholder. 2. MSPO application form document is fulfilled.			
Corrective / Preventive Action (by company)			
1. Smallholders will be given continuous training to avoid the same mistakes. 2. SPOC managers will be alert during fulfilled MSPO application form document.			
Review of Correction & Corrective / Preventive Action			
1. Review documents submitted, the group manager has visited and conducted individual advisory visit (LKN) to smallholders on Good Agricultural Practices (GAP) on no blanket chemical spraying on 19/08/2020. 2. Review on the MSPO application form, the group manager has filled all required information in 'Senarai Semak Dokumen'.			
The evidence provided is sufficient to close the NC. Further verification will be conducted 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 Trainee Lead Auditor: Khairul Anwar Bin Ismail		Date of Closure: 19/08/2020	
Review of Implementation			

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
Certifying Unit: SPOC B2 Kelanang
Client Number: 92-066
Audit Type: ASA 13
Mode of Audit: Onsite



Non Conformity Number < 02 >	
Name of Lead Auditor / Auditor:	Date of Review:

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
Certifying Unit: SPOC B2 Kelanang
Client Number: 92-066
Audit Type: ASA 13
Mode of Audit: Onsite



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 B2 Kelanang consisting of 680 independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

There is 1 Major NC raised in this audit onsite and closed out successfully. There is 1 Minor NC raise with action plan submitted and accepted. Furthermore Minor NC raised in this audit will be verify in the next surveillance audit.

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.

Total certified number of independent smallholders:	680
Total certified acreage of smallholders:	974.95 Ha
Certified FFBs output January to December 2019 :	5,581.29 Mt
Actual FFBs output January to June 2020:	9,520.57 Mt
Projected FFBs output July to December 2020:	11,208.94 Mt

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
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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, 25/08/2020

Khairul Anwar bin Ismail
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader

Puchong, 25/08/2020

Nur Amanina Zahir
TUV NORD (Malaysia) Sdn Bhd
Certifier / Approver

MSPO Certification Summary Report

Company Name: Malaysian Palm Oil Board
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7. LIST OF INTERVIEWEES

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

No.	Organization
1	Eng Hong Palm Oil Mill Sdn. Bhd.
2	West Estate Oil Mill

MSPO Certification Summary Report

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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