

MSPO CERTIFICATION SUMMARY REPORT

MPOB – SPOC J33 SG BALANG

SURVEILLANCE 03

Onsite Audit Date: 28/03/2022 - 31/03/2022

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

Company Name:	Malaysian Palm Oil Board
Certifying Unit:	SPOC J33 Sungai Balang
Client Number:	92-096
Audit Type:	ASA 03
Mode of Audit:	Onsite



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ABBREVIATIONS

CHRA	Chemical Health Risk Assessment
СРО	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
МРОВ	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 03 for SPOC J33 Sungai Balang 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 J33 Sungai Balang 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 J33 Sungai Balang 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.

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 the report.

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

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following	Graduate in Plantation Industry and Management
i) Agriculture;	
 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;	

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Requirement	Qualifications
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 MPOCC endorsed lead auditor training	Successfully completed MS 2530 series standards for Lead Auditors.
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 Lead auditor for MSPO scheme.
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.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001 Lead Auditor course.
Health and safety auditing on the farm and in processing facilities Or	Successfully completed IMS ISO 45001 Lead Auditor course.
Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	
Workers welfare and social auditing experience	Successfully completed SA 8000 Basic training.
or	
Successfully attended SA8000 or related social or ethical accountability codes	
Environmental and ecological auditing or experience with organic agriculture.	Successfully completed IMS ISO 14001 Lead Auditor course.
or	
Successfully completed Environmental Management Systems ISO 14001 standard	
Completed High Conversation Value assessment	Attended and completed the HCV-HCS for producers course.

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Requirement	Qualifications
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Able to communicate in Bahasa Malaysia and English.

Qualification of Team Member(s)

Requirement	Name Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following		Graduate in Applied Science (Major In Agrobiology).	Yes
i) Agriculture;			
 Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); 	Chan Shi Lie	Graduate in Technology Media.	Yes
iii) Engineering, Process Technology;			
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	Mohd Norhisham bin Mohd Salleh	5 years working experience in oil palm plantations.	Yes
of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Chan Shi Lie	6 years working experience in oil palm plantations.	Yes
Successfully completed MPOCC endorsed lead auditor / auditor trainings	Mohd Norhisham bin Mohd Salleh	Successfully completed MS2530 series of standards for LA.	Yes
	Chan Shi Lie	Successfully completed MS2530 series of standards for LA.	Yes
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	Mohd Norhisham bin Mohd Salleh	Qualified as Auditor for MSPO scheme	Yes
auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Chan Shi Lie	Qualified as Auditor for MSPO scheme	Yes

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Requirement	Name Assessor	Qualification	Compliance
Field working experience in the palm oil sector or demonstrable equivalent	Mohd Norhisham bin Mohd Salleh	5 years working experience in oil palm plantations.	Yes
	Chan Shi Lie	6 years working experience in oil palm plantations.	Yes
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Mohd Norhisham bin Mohd Salleh	5 years working experience in oil palm plantations.	Yes
	Chan Shi Lie	6 years working experience in oil palm plantations.	Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Mohd Norhisham bin Mohd Salleh	Successfully completed ISO 9001:2015 LA course.	Yes
	Chan Shi Lie	Successfully completed ISO 9001:2015 LA course.	Yes
Health and safety auditing on the farms processes and activities Or	Mohd Norhisham bin Mohd Salleh	Successfully completed ISO 45001:2018 LA course.	Yes
Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Chan Shi Lie	Successfully completed IMS ISO 45001 LA course.	Yes
Workers welfare and social auditing experience	Mohd Norhisham bin Mohd Salleh	Successfully completed SA 8000 Basic training	Yes
or Successfully attended SA8000 or related social or ethical accountability codes	Chan Shi Lie	Successfully completed SA 8000 Basic training	Yes
Environmental and ecological auditing or experience with organic agriculture.	Mohd Norhisham bin Mohd Salleh	Successfully completed IMS ISO 14001:2015 LA course.	Yes
or Successfully completed Environmental Management Systems ISO 14001 standard	Chan Shi Lie	Successfully completed IMS ISO 14001 LA course.	Yes
Completed High Conversation Value assessment	Mohd Norhisham bin Mohd Salleh	Attended and completed the HCV- HCS for producers course.	Yes

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Requirement	Name Assessor	Qualification	Compliance
	Chan Shi Lie	Attended and completed the HCV- HCS for producers course.	Yes
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Mohd Norhisham bin Mohd Salleh	Able to communicate in both Bahasa Malaysia and English.	Yes
	Chan Shi Lie	Able to communicate in Bahasa Malaysia, English and Mandarin.	Yes

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2. METHODOLOGY

The audit approach consists of the following steps:

- Appointment of team members;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Latest smallholders list;
- Audit planning;
- Background investigation, desk review of submitted documents;
- Assessment, inspections, interviews SPOC personnel and review of documentation;
- Review of SPOC management system;
- Reporting
- Resolution of non-conformance (NC)
- Draft audit reporting
- Technical review
- Final audit reporting
- Final approval, certification decision and issuance of certificate.

Surveillance Audit 03:

Surveillance audit 03 is conducted onsite on 28/03/2022 - 31/03/2022 covering the following activities but not limited to below:

Onsite:

- 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;
- Review and closed out of observations raised during SA audit;
- Assessment reporting;

Onsite Assessment

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

The methodology for collection of objective evidence by means of physical inspections, observation of tasks and processes, interviews of smallholders, SPOC officers, review of documentation and data.

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For this onsite audit, the number of selected independent smallholders are based on example table of ACB – OPMC Issue 2 dated 04/09/2020

The group of smallholders consists of 317 new members and 609 old members. The total number of smallholders for this audit are 926.

As per MPOB requirements the risk factor of 1.5 shall be applied. Therefore, the sample size S = $1.5\sqrt{926} = 45.65$ round up to the next integral of 46

As per OPMC 2 issue 2, from the sample size, the number of the new members are $46 \times 75\%$ = 34 and number of existing members are $46 \times 25\%$ = 12.

The list of smallholders selected for the onsite assessment and inspection listed in Table 2-1 below:

Name	GPS Coordinates
Existing members	
Md Fadzil Bin Hj Ali	1.90448 N 102.71348 E
Abdul Hanif Bin Mohd Amin	1.88701 N 102.70517 E
Md Yunos Bin Sukaiman	1.91836 N 102.72995 E
Wang Kak Wa	1.89011 N 102.70136 E
Wang Kak Lim	1.90142 N 102.74975 E
Masinah Binti Salim	1.87328 N 102.73439 E
Jarwan Bin Sarmin	1.8765 N 102.68961 E
Abu Bakar Bin Othman	1.88478 N 102.7420 E
Tan Ngee	1.91131 N 102.71497 E
Teseng Sdn.Bhd	1.88961 N 102.69678 E
Isnin Bin Hassan	1.88871 N 102.70727 E
Li Chow Sui	1.91779 N 102.2687 E

Table 2-1: List of Sample Smallholders

Company Name:Malaysian Palm Oil BoardCertifying Unit:SPOC J33 Sungai BalangClient Number:92-096Audit Type:ASA 03Mode of Audit:Onsite



Name	GPS Coordinates
New Members	
Mohd Helmi Bin Sahak	1.87814 N 102.73277 E
Abu Bakar Bin Muhamad	1.88629 N 102.74927 E
Normah Binti Jaffar	1.88007 N 102.73752 E
Hj Abu Khan Bin Hj Misran	1.90844 N 102.75289 E
Roslan Bin Kailan	1.91424 N 102.71878 E
Fazah Bin Kadir	1.94322 N 102.76429 E
Suhaimi Bin Nekmat	1.87711 N 102.73682 E
Salleh Bin Komeng	1.95132 N 102.77714 E
Mohd Nor Bin Omar	1.89229 N 10278416 E
Arasy Bin Masut @ Masod	1.91903 N 102.77014 E
Adawiah Binti Masut @ Masod	1.88449 N 102.69471 E
Sulaiman Bin Samin	1.90233 N 102.70952 E
Norhisam Bin Paiman	1.90267 N 102.70852 E
Daud Bin Kiran	1.90372 N 102.70963 E
Muhamad Nur Bin Roslan	1.91733 N 102.7273 E
Sapiah Binti Abu	1.90454 N 102.70388 E
Mohd Afiq Bin Md Muslim	1.92363 N 102.75064 E
Wong Teng Hee	1.94538 N 102.76163 E
Dzul Fakar Bin Hussin	1.92779 N 102.78077 E
Norlinda Binti Mohd Nor	1.90372 N 102.70963 E
Mohd Nazir Bin Mohd Nor	1.90267 N 102.70852 E

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Name	GPS Coordinates
New Memb	ers
Ru Binti Mokti	1.96918 N 102. 71653 E
Aniza Binti Tukiman	1.87479 N 102.73439 E
Abu Bin Satiman	1.88492 N 102.70441 E
Tay Tiong Liap	1.89046 N 102.7010 E
Norliza Binti Mohd Nor	1.88844 N 102.74378 E
Mohd Badrin Bin Sikah @ Mohd Anuar	1.87078 N 102.72159 E
Shamsuddin Bin Kadiron	1.92748 N 102.75932 E
Mazlan Bin Hj Abdul @ Hj Md Fadzil	1.94107 N 102.7768 E
Ng Cheng Piau	1.88821 N 102.72658 E
Ng Cheng An	1.90032 N 102.74318 E
Ng Cheng Yap	1.90122 N 102.74404 E
Nurnizar Bin Ahlip	1.9406 N 102.76675 E
Ahmad Bin Riduan	1.91288 N 102.76299 E

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 J33 Sungai Balang, is a branch of MPOB located No. 33 (Tingkat 1), Jalan Kasawari 21/7, Taman Sungai Abong Permai 2, 84000 Muar, Johor, Coordinate 2.057778°N, 102.606667°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 Muar district.

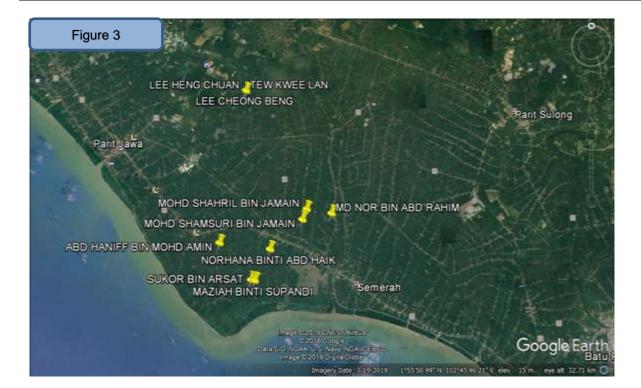
The smallholders are in Muar as shown in the below maps.

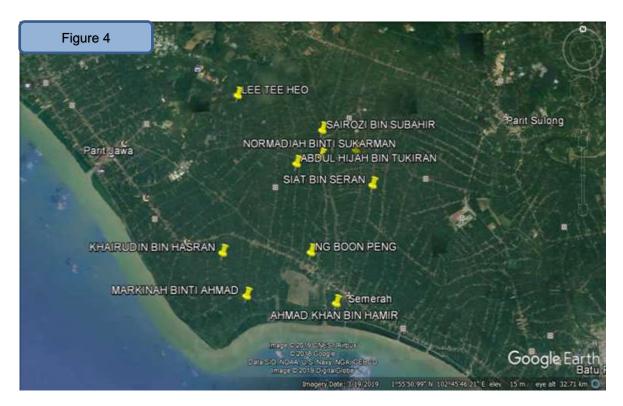




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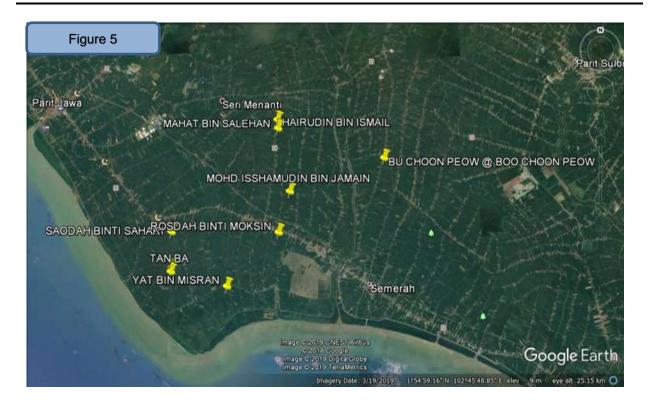


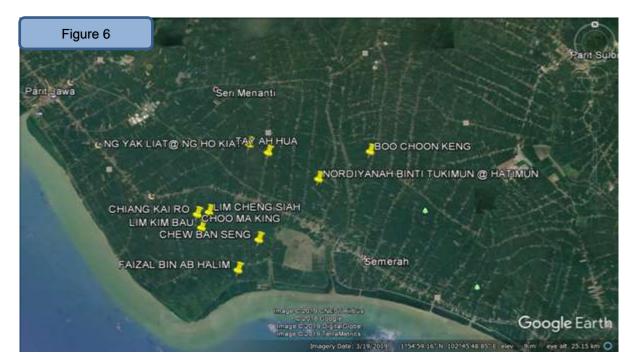




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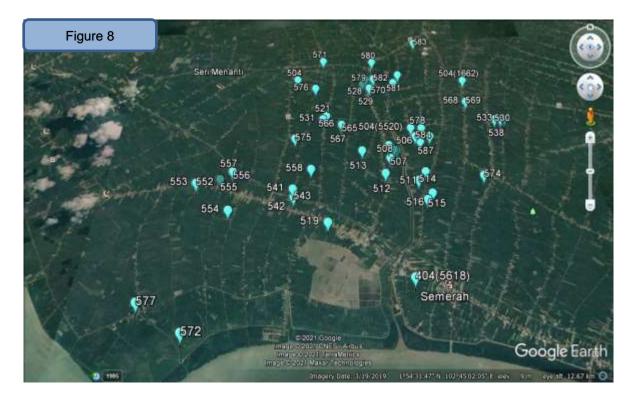


Map no. 7

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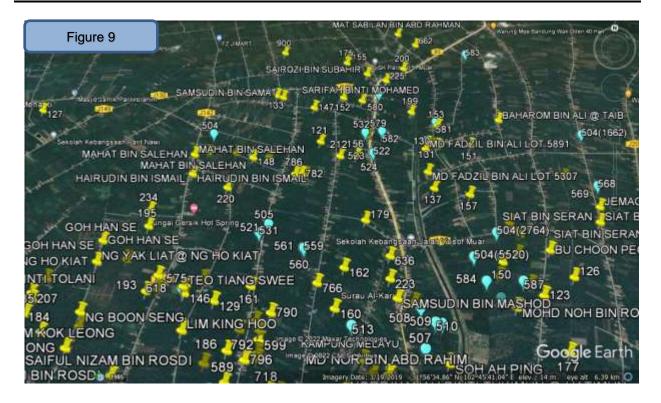


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4. CERTIFICATION ASSESSMENT

4.1. ASA 03

The objective of the audit is to assess the activities of MPOB Cawangan SPOC J33 Sungai Balang are in compliance with MS 2530-2: 2013 Part 2: General principles for independent smallholders' requirements.

4.1.1. Surveillance audit 03:

The surveillance audit 03 is conducted on 28/03/2022 to 31/03/2022.

The number of smallholders in this surveillance audit 03 are 926.

The number of smallholders 609 remain the same for this surveillance audit 03.

The number of smallholders joined during this surveillance audit 03 are 317.

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 but not limited to below:

- 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. Health and safety
- 6. Group Manager management system
- 7. Best practice farm management including fertilising, chemical spraying and harvesting.

During the last surveillance audit 02, there is one (1) OFI identified and has been assessed through onsite visit for verification.

During this surveillance audit 03, there are four (4) OFIs were identified.

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

According to ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: During the stage 2 and recertification audit of the management unit, the CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

Therefore, there is no physical stakeholders consultation conducted for this surveillance audit.

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4.3. Summary of Assessment

Principle and Criteria Assessment Summary

The assessment team conducted a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits with all criterions will be assessed. Evidences are sought for conformity with the applied MSPO 2530-2. The summary of the assessment is as below, where the "Findings/Comments" column reflects the findings in accordance with each indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below in section 4.6.

Principle 1: Management Commitment & responsibility					
Indicator	Summary of Assessment				Compliance
4.1.1.1	SPOC J33 Sungai Balang adopted MPOB MSPO Policy, doc no: Yes MSPO/SSCC/POLISI-01, revision 3, updated 01/06/2021.			Yes	
			MSPO Policy is publice notice board.	icly displayed at MPOB	
	Document review on smallholders individual file, MSPO Policy is include in MSPO application form signed by SPOC J33 Sungai Balang Group Manager and smallholders.				
			ed SPOC J33 Sung fed on the MSPO Po	gai Balang smallholders blicy.	
4.1.2.1	SPOC J33 Sungai Balang adopted MPOB List of Social and Environmental Yes Impact and Action Plan, document no: MSPO/SPOC/L-04/ISP, issue no: 4, revision no: 4, effective date: 01/06/2021.				
	The table includes type of impact, activity, social and environmental impact and action plan.				
	Туре	Activity	Impact	Action Plan	
	Social	Manuring, spraying	Theft of fertilizer and pesticide	Stored in the designated store.	
	Environment	Manuring, spraying	Polluting water source if activities conducted near the waterways	Avoid activities near the waterways.	
	Onsite interview with sampled SPOC J33 Sungai Balang smallholders, informed they have been briefed by Group Manager to avoid chemical spraying activities near the waterways.				
4.1.2.2	SPOC J33 Sungai Balang Group Manager provide smallholders with 'Warta Sawit' Bil. 78 (2) May – August 2021 to share new information on oil palm management.			Yes	
	Onsite interview with sampled SPOC J33 Sungai Balang smallholders informed they received the latest Warta Sawit Bil. 78 (2) May – August 2021.				

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	SPOC J33 Sungai Balang adopted MPOB 'Manual Prosedur Kerja MSPO Kelompok Minyak Sawit Mampan' document number MSPO/SPOC/GP- 01/PEK revision number 04, dated 01/06/2021 which include 'Carta Alir Kebolehjejakan Perbelanjaan dan Pendapatan Pekebun Kecil' as a traceability procedure.	Yes
	The traceability procedure describe smallholders provided with Buku Rekod Ladang (BRL) to record FFB sales.	
	Onsite interview with sampled SPOC J33 Sungai Balang smallholders informed FFB production, fertilizer and chemical application recorded in the BRL.	
	Review the BRL of smallholders with information of FFB production.	
	SPOC J33 Sungai Balang Group Manager maintain record of FFB sales in smallholders' individual file.	
4.2.1.2	SPOC J33 Sungai Balang established FFB production summary record by monthly basis for smallholders updated as at December 2021.	Yes
	SPOC J33 Sungai Balang maintain records of FFB sales and weighbridge ticket in smallholders' individual file.	
	Interview with sampled SPOC J33 Sungai Balang smallholders informed FFB sales receipts and weighbridge tickets are maintained.	

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	SPOC J33 Sungai Balang adopted MPOB List of legal requirement, document number MSPO/SPOC/L-01/SKU revision number 07 dated 01/06/2021.	Yes
	Example as follow:	
	1. Akta 226: Akta Taman Negara 1980	
	2. Akta 149: Akta Racun Makhluk Perosak 1974	
	 Akta 582: Akta MPOB 1998 Peraturan – peraturan Lembaga Minyak Sawit Malaysia (Pelesenan) 2005 	
	 Akta 342: Akta Pencegahan Dan Pengawalan Penyakit Berjangkit 1988' 	
	Document review on sample SPOC J33 Sungai Balang smallholders verify, copy of MPOB license is maintained in the smallholder's individual file with validity until 31/01/2026.	
	Onsite interview with sampled SPOC J33 Sungai Balang smallholders informed they are briefed on legal requirement.	
4.3.2.1	SPOC J33 Sungai Balang smallholders land titles are either freehold or lease title of 99 years issued by Muar Land District.	Yes
	Land use is for agricultural purposes or oil palm or rubber.	

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	Review on letter from SPOC J33 group manager to MPOB HQ, dated 01/03/2022 describe on application of conversions for 191 smallholders.	
	SPOC J33 Sungai Balang established CIP dated 24/03/2022 include timeline on monitoring of land use conversion and progress status dated 31/12/2022.	
4.3.3.1	SPOC J33 Sungai Balang smallholders are either having freehold title or lease title.	Yes
	Document review verify land status of SPOC J33 Sungai Balang smallholders with no customary right land.	
	Onsite interview with sampled SPOC J33 Sungai Balang smallholders informed they are no land dispute lodged to group manager.	
4.3.3.2	SPOC J33 Sungai Balang smallholders are either having freehold title or lease title.	Yes
	Document review for sample smallholders land titles include a map, lot number, area size and boundary marking.	

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	SPOC J33 Sungai Balang adopted MPOB Guidelines Complaint and Grievance, doc no. MSPO/SPOC/SOP-01/AR, issue 04, revision 02 dated 01/06/2021.	Yes
	The SOP describes;	
	1. Stated in the SOP timeline for addressing the grievance and complaint are within 14 days.	
	2. Group manager is in charge in handling the complaint and grievances.	
	3. All the grievance and complaint records are documented.	
	Document review on LKN report verified the complaint and grievances procedure has been briefed to smallholders dated 06/04/2021.	
	Onsite interview with sampled SPOC J33 Sungai Balang smallholders informed they are briefed and understand the complaint and grievance procedure and process flow.	
4.4.1.2	SPOC J33 Sungai Balang adopted MPOB Guidelines Complaint and Grievance, doc no. MSPO/SPOC/SOP-01/AR, issue 04, revision 02 dated 01/06/2021.	Yes
	Review the SOP stated time line to resolve disputes within 14 days.	
	Stated in the SOP person in charge is Group Manager. The Group Manager is assigned for:	
	1. Accepting the grievances	
	2. Analyzed and investigate on issue raised	

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Principle 4	: Social Responsibility, health, safety and employment conditions	
Indicator	Summary of Assessment	Compliance
	Any complaint outside the scope of the group manager it will refer to other parties or MPOB HQ.	
	Interview with sampled SPOC J33 Sungai Balang smallholders informed they are briefed on complaint and grievance process and timelines to resolve the complaints.	
4.4.2.1	SPOC J33 Sungai Balang adopt MPOB Guidelines Occupational Safety & Health, document no. MSPO/SPOC/GP-02/KKP, issue: 4, revision: 0 effective date: 01/06/2021.	Yes
	SOP describes:	
	1. Responsibility of GM and smallholders regarding safety and health.	
	2. Procedure and type of PPE used for harvesting, manuring and spraying.	
	Review on safety and health training has been conducted on 17/01/2022.	
	Interview with sampled SPOC J33 Sungai Balang smallholders informed they are briefed on importance of safety and health during working in field.	
4.4.3.1	SPOC J33 Sungai Balang adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021.	Yes
	The form has includes payment rates for operational activities such as harvesting, chemical spraying, manuring and pruning.	
	Interview with sampled SPOC J33 Sungai Balang smallholders informed, they working by themselves or assisted by family members in carrying out field operations.	
4.4.3.2	SPOC J33 Sungai Balang adopted MPOB 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.'	Yes
	SPOC J33 Sungai Balang adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021The form describe :	
	Against any form of discrimination, and implying human right in terms of opportunities, disregards of races, gender, religion, political affiliation, and nationality.	
	There are no complaints related to discrimination during documents review.	
	Interview with sampled SPOC J33 Sungai Balang smallholders informed no discrimination occurs.	
4.4.3.3	SPOC J33 Sungai Balang adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021	Yes
	The form has includes payment rates for operational activities such as harvesting, spraying, manuring and pruning.	

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Interview with sampled SPOC J33 Sungai Balang smallholders informed, they are working by themselves or assisted by family members in carrying out field operations	
4.4.3.4	Site visit to farm and interview with sampled SPOC J33 Sungai Balang smallholders informed no on-site living quarters provided	Yes
4.4.3.5	SPOC J33 Sungai Balang adopted MPOB Employment Terms document number MSPO/SPOC/SMP-01, rev-02 updated 01/06/2021The form describe :	Yes
	 Not to employ young workers below the age of 15-18 years old, for working in dangerous and heavy work. 	
	Interview with sampled SPOC J33 Sungai Balang smallholders and site visit to smallholders farm confirmed no presence of child workers in field. Smallholders are briefed and understand on legal restriction on hiring under age workers.	
4.4.4.1	SPOC J33 Sungai Balang establish training programme year for year 2022.	Yes
	The training programme include 'Taklimat MSPO', GAP and LKN visit.	
	Example of training conducted:	
	Title: MSPO introduction, Safety and Health and GAP.	
	Date: 17/01/2022.	
	Document review verified the LKN has been conducted on 08/02/2022.	
	Interview with sampled SPOC J33 Sungai Balang smallholders informed they has attended the MSPO training. Smallholders are able to demonstrate understanding of MSPO implementation in farms.	

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	SPOC J33 Sungai Balang adopted MPOB List of Social and Environmental Impact and Action Plan, document number MSPO/SSCC/I-04/ISP, revision 04, issue 04 dated 01/06/2021.	Yes
	Environment impact had been identified and included in the SOP.	
	Activity: Manuring / chemical spraying activities.	
	Environmental impact: Water pollution can occur because of the use of pesticides near waterways.	
	Environmental impacts: Disposal of scheduled wastes.	
	Site visit at sampled SPOC J33 Sungai Balang smallholders' farm observed empty chemical containers are reused for chemical spraying activities.	

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		5
Indicator	Summary of Assessment	Compliance
	Onsite interview with sampled SPOC J33 Sungai Balang smallholders informed LKN visit dated 09/03/2022 and 14/02/2022 include briefing on environmental impact.	
	SPOC J33 Sungai Balang conduct briefing on environmental impact to smallholders on 17/01/2022.	
4.5.2.1	Onsite interview with SPOC J33 Sungai Balang smallholders informed they are not using any renewal energy	Yes
	Onsite visit there is no use of renewable energy at smallholder's farms.	
4.5.3.1	SPOC J33 Sungai Balang adopted MPOB List of Scheduled and Domestic Wastes MSPO/SPOC/L-03/SRD Issue 4 rev 1 effective date 01/06/2021.	Yes
	Example:	
	Document review verify the list consists of solid, liquids and gaseous wastes.	
	Example:	
	Agricultural input: Herbicides	
	Waste produced: Empty chemical containers	
	Impact: Polluting water source if the empty containers left in the field or near the water ways.	
	Review on the training documents, SPOC J33 Sungai Balang Group Manager conduct training on 17/01/2022 to smallholders covers topics as follow:	
	1. Wildlife protection	
	2. Environmental impact	
	SPOC J33 Sungai Balang established 'Rekod Pengurusan Bahan Buangan Terjadual Tahun 2022' for monitoring of scheduled waste generated.	
	Onsite visit observed the empty chemical containers are reused for chemical spraying activities.	
	Onsite interview with sampled SPOC J33 Sungai Balang smallholders informed they have been briefed on handling of recycle or reused for empty chemical containers and fertilizer bags.	
4.5.3.2	SPOC J33 Sungai Balang adopted MPOB SOP for Scheduled Waste Management, doc no: MSPO/SPOC/SOP-04/BT dated 01/06/2021.	Yes
	The SOP describe:	
	 To conduct triple rinsing for each empty chemical container before disposed. 	
	To put marking on empty chemical container for chemical mixing purposes.	

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Principle	Principle 5: Environment, natural resources, biodiversity and ecosystem services	
Indicator	Summary of Assessment	Compliance
	 All scheduled waste shall be disposal according to the Environmental Quality (Scheduled waste) Regulations, 2015. 	
	SPOC J33 Sungai Balang established 'Rekod Pengurusan Bahan Buangan Terjadual Tahun 2022' for monitoring of scheduled waste generated.	
	Onsite interviewed with sampled SPOC J33 Sungai Balang smallholders informed they practice triple rinse for empty chemical containers and reused for chemical spraying.	
4.5.4.1	SPOC J33 Sungai Balang adopt MPOB Guidelines River Buffer Zone, doc no: MSPO/SPOC/GP-03/ZPS, issue 4 dated 01/06/2021	Yes
	The SOP describes:	
	1. Guideline on buffer zone length.	
	2. No activities such as chemical spraying and manuring.	
	3. Flow chart on buffer zone establishment.	
	Review training record, SPOC J33 Sungai Balang Group Manager conducted briefing on conserve of buffer zone area dated 17/01/2022 and LKN visit to smallholders' farm on 09/03/2022 and 14/02/2022.	
	Onsite interview with sampled SPOC J33 Sungai Balang smallholders informed they been briefed the need to conserve the buffer zone areas and not to carry out any chemical spraying or manuring activity near the waterways.	
4.5.4.2	Rain harvesting is practice by sampled smallholders to collect rainwater for chemical spraying activity.	Yes
	Onsite interview with sampled SPOC J33 Sungai Balang smallholders informed they are practices rain water harvesting using empty chemical container for chemical spraying activities.	
4.5.5.1	SPOC J33 Sungai Balang established list of wildlife dated 01/03/2022.	Yes
	Example:	
	Totally protected:	
	1. Sun bear	
	2. Sunda Pangolin	
	Protected:	
	1. Jungle fowl	
	2. Little Green Pigeon	
	Onsite interview with sampled SPOC J33 Sungai Balang smallholders informed they have sighted wild boar, monkey and squirrel within their farms.	

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Principle 5	Principle 5: Environment, natural resources, biodiversity and ecosystem services	
Indicator	Summary of Assessment	Compliance
4.5.6.1	SPOC J33 Sungai Balang adopted MPOB Guidelines Zero Burning Practices, doc. No. MSPO/SPOC/GP-04/APS, issue 4 rev. 1, effective date 01/06/2021.	Yes
	SOP describes there is no open burning of any kind on the operating unit, except those comply with the Environmental Quality Order 2003 and obtain approval from Department of Environment.	
	Review training record, SPOC J33 Sungai Balang Group Manager conducted briefing on zero burning dated 17/01/2022 and LKN visit to smallholders' farm on 09/03/2022 and 14/02/2022.	
	Onsite field visit observed there is no sign of open burning sighted.	
	Onsite interviewed with sampled SPOC J33 Sungai Balang smallholders informed they understand no open burning allowed within their farm.	

Principle 6	Principle 6: Best Practices	
Indicator	Summary of Assessment	Compliance
4.6.1.1	SPOC J33 Sungai Balang conducted 'Taklimat MSPO' covering GAP to smallholders dated 17/01/2022.	Yes
	Onsite inspection at sampled smallholders farm sighted good agricultural practice has been implemented such as:	
	1. Proper stacking of fronds.	
	2. Good maintenance of harvesting path.	
	3. Proper palm pruning.	
	Onsite interview with sampled SPOC J33 Sungai Balang smallholders informed they have been briefed on good agricultural practices by Group Manager.	
4.6.1.2	SPOC J33 Sungai Balang established visual identification for each smallholder with information of smallholders' name, field address, GPS coordinates, lot size and year of planting.	Yes
4.6.2.1	SPOC J33 Sungai Balang adopt MPOB Guideline Economic and Financial Plan, MSPO/SPOC/GP-01/PEK, issue 4, revision 4 dated 01/06/2021.	Yes
	During document review, budget for MSPO training and LKN visit year 2022 has been established.	
	The operation budgets includes MSPO training, MSPO auditing, PPE and miscellaneous expenses.	
4.6.3.1	During document review, briefing on FFB price has been conducted on 17/01/2022.	Yes
	Onsite interview with sampled SPOC J33 Sungai Balang smallholders informed the FFB price is displayed at collecting centre notice board.	

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Principle 7	Principle 7: Development of new planting	
Indicator	Summary of Assessment	Compliance
4.7.1.1	Document review on list of smallholders and planting statements no new planting in SPOC J33 Sungai Balang.	Yes
	The first planting is in year 1980 and latest replanting is in year 2019.	
	There are no new planting for existing and new members in year 2021.	
	Therefore, no data for type of terrain available.	
4.7.2.1	Document review on list of smallholders and planting statements no new planting in SPOC J33 Sungai Balang.	Yes
	The first planting is in year 1980 and latest replanting is in year 2019.	
	There are no new planting for existing and new members in year 2021.	
	Therefore, no soil survey or topography is required.	
4.7.3.1	Document review on list of smallholders and planting statements no new planting in SPOC J33 Sungai Balang.	Yes
	The first planting is in year 1980 and latest replanting is in year 2019.	
	There are no new planting for existing and new members in year 2021.	
	Therefore, no data for type of terrain available.	

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. 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.
Х	No non-conformity raised in previous audit.
Note 1: If a minor non-conformity raised in last audit, is not closed out, the finding will be raised to a Major non-conformity. Note 2: All major and minor NCs raise in last audit are required to capture in this report together with the review of the non- compliance implementation.	

4.5. Detail of Audit Findings in last Audit

AUDIT OUTCOME		
During last audit	0	MAJOR Non-Conformities
	0	MINOR Non-Conformities

4.6. Detail of Audit Findings Identified During This Audit

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

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ON-SITE AUDIT OUTCOME		
During this onsite	0	MAJOR Non-Conformities
audit,	0	MINOR Non-Conformities

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.2.1.1	To keep records of sales and delivery or transportation of fresh fruit bunches.	Office	SPOC J33 Sungai Balang could improve on updating monthly FFB productions records.
2.	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.	Field	SPOC J33 Sungai Balang could improve smallholders understanding on waste disposal.
3.	4.5.5.1	Independent smallholders should show a basic understanding of any species or habitats of concern, together with their conservation needs. Information on protected species and their habitat with high biodiversity value may be obtained from relevant government agencies, such as the Forestry Department, Forest Research Institute of Malaysia and the Wildlife Department.	Field	SPOC J33 Sungai Balang could improve in disseminating list of wildlife to smallholders.
4.	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 and the Kod Amalan Baik (GAP) Pekebun Kecil.	Field	SPOC J33 Sungai Balang could improve on GAP such as: - Chemical spraying activities - Weed control

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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 J33 Sungai Balang consisting of 913 independent smallholders according to MS 2530-2:2013 Part 2, General Principles for Independent Smallholders.

During this surveillance 03 audit, four (4) Opportunity For Improvement (OFIs) were identified.

From the review of the standard operating procedures, guidelines, relevant forms, work flow charts established and implemented; the subsequent background investigation and interviews conducted during this surveillance audit have provided TUV 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 General Principles for Independent Smallholders.

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

Total certified number of independent smallholders:	926	
Total certified acreage of smallholders:	1,487.15	На

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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 with this summary report as an 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 demonstrated state of development and maturity that the certification to be

	Recommended for Certification
Х	Recommended for Continuity of Certification
	Suspended of Certification

Puchong, 11/04/2022

Muhammad Khairul Anuar Bin Azizul Hasan TUV NORD (Malaysia) Sdn Bhd Audit Team Leader Puchong, 25/04/2022

Cheong, Chun Yuen (Robert) TUV NORD (Malaysia) Sdn Bhd Certifier / Approver

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7. LIST OF STAKEHOLDERS

No stakeholders' consultation conducted in accordance to ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: During the stage 2 and recertification audit. Therefore, no stakeholders listed.

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

This report is sent by the certification body to 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 regards to the management system.

Annex / Enclosures

Annex / corresponding audit documentation

P&C Audit Report / Checklist(s)Audit Plan