



SABAH FORESTRY DEPARTMENT

Sabah Timber Legality Assurance System (Sabah TLAS)

Sabah TLAS Audit Report Principles 1 - 4

Document No: FDS-TLAS-006

Approved by:

Director Of Forestry

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*Page: 1 of 15
Date Effective: 25 October 2016
Revision Status: 01*

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Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

Licensee	
Contact Person	
Office Address	
Email	
Reference #	
Date of Report Date of close out	
Telephone	
Fax	
Approved By	

Statements			
Audit Statement			
Issuance Date		Expiration Date	

Assessment Details	
Assessment Dates	
Scope of Assessment	
Species	
Lead Assessor	
Assessor(s)	
FDS Staff	

OBJECTIVES:

- The objective of this checklist is to verify compliance to the Criteria listed in the Sabah Legality Standard as defined by Principles 1 - 4 for Sabah dated 01st January 2015 (**FDS-TLAS-002**).
- Compliance is defined when all applicable criteria are observed to be compliant. A Minor Gap to any indicator does not constitute non-compliance to a criterion. A Major Gap to any applicable indicator does reflect non-compliance to a criterion. Compliance for a criterion where multiple minor gaps are identified in indicators under the criterion may reflect non-compliance to the criterion.
- All issues identified under this standard shall be considered appropriate to the scale and degree of forestry operations undertaken by the parties under the agreement.

Summary Information

Overview of Licensee:

Environmental Context:

Social Context:

Scope of Assessment

- The scope of the evaluation is to verify compliance of Licensee Sdn. Bhd. with the Sabah Forest Management License Agreement (SFMLA XX/XXXX) for FMU X.
- The assessment is in accordance on the terms of the agreement for the “Sabah Legality Standard Principles 1 - 4 dated 01st January 2015 (FDS-TLAS-002).
- Site evaluation to verify and report the level of compliance by Licensee Sdn. Bhd. and contractors to the standard in respect to each of the criteria within this report.
- Compliance is defined when the auditee demonstrates that the indicators consist of none or only minor gaps against any applicable criteria of the standard. Non-compliance to the Sabah Legality Standard occurs when the auditee does not demonstrate adequate compliance to a criterion.

Itinerary of Assessment

Date	Activity

Highlights of Assessment

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Results:

(Compliance = xx; Non-Compliance = xx)

Gaps were raised against indicators & criteria during the Month, Year assessment.

GAP	Type	Checklist	Description

Status of previous outstanding Gaps.

GAP	Type	Checklist	Status	Description of Close Out

GAP	Type	Checklist	Status	Description of Close Out

Highlights of Close Out Visit (if applicable)	Dates

Recommendations

End of Summary Report

Principle 1. Right to Harvest	
Criterion 1.1: Approval of Harvesting Area	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
1.1.1 The Organisation shall hold approval of harvest rights for the specified area.	
FINDINGS:	GAP #
1.1.2 Areas gazetted for specific purposes, including Native Customary Right (NCR) land (SL only) shall be excluded from the area to be approved for harvesting.	
FINDINGS:	GAP #
Criterion 1.2: Harvesting license and / or coupe permit	<input type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
1.2.1 The NRO shall hold a letter of approval of harvesting licence.	
FINDINGS:	GAP #
1.2.2 The Organisation shall have a valid harvesting licence/coupe permit.	
FINDINGS:	GAP #
Criterion 1.3: EIA requirement	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
1.3.1 For areas of more than 500 ha the Organisation/Land Owner shall have an EIA Report approved by the Director of EPD).	
FINDINGS:	GAP #
1.3.2 For areas between 100 and 500 ha the Organisation/Land Owner shall have a PMM approved by the Director of EPD.	
FINDINGS:	GAP #
1.3.3 For areas of 100 ha or more bordering any protected areas, the Organisation / Land Owner have an EIA approved by the Director of EPD.	
FINDINGS:	GAP #
1.3.4 The EIA/PMM shall be developed and submitted to EPD by a qualified environmental consultant.	
FINDINGS:	GAP #

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Criterion 1.4: Forest Management Plan	<input type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
1.4.1 The Organisation shall develop a 10-year Forest Management Plan (FMP) approved by FDS.	
FINDINGS:	GAP #
1.4.2 The FMP shall describe the policy, management systems, forest resources, environmental and social elements associated with the SFMLA.	
FINDINGS:	GAP #
1.4.2.1 Policy Statement 1.4.2.2 Inventory results defining forest conditions 1.4.2.3 ESIA Assessment 1.4.2.4 Zoning of forest area into Production, Conservation, Social, etc. 1.4.2.5 Delineations of compartments 1.4.2.6 Net production area 1.4.2.7 Sustainable yield & AAC 1.4.2.8 Plans for restoration & ITP 1.4.2.9 FMU / Land use map (agriculture, community settlement, production, conservation and non-forested areas)	
1.4.3 The FMP shall be revised every 5 years as defined in the SFMLA.	
FINDINGS:	GAP #

Criterion 1.5: Annual Work Plan	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
1.5.1 The Organisation (SFMLA/LTL) shall have an approved Annual Work Plan (AWP) containing detailed maps and description of areas and types of operations to be carried out during the year and approved by FDS.	
FINDINGS:	GAP #
1.5.2 The Organisation shall have a Comprehensive Harvest Plan (CHP) containing total and net	

production areas, particulars of licensee, description of areas, harvesting prescription, estimated log production, list of roads and skid trails, list of trees to be harvested, harvesting volume, diameter limits, species and protected areas that are approved by FDS.	
FINDINGS:	GAP #
1.5.3 CHP shall comply with Reduced Impact Logging (RIL) Operation Guide Book requirements for harvesting and operations (roads, skid trails and log landings density and location, harvestable tree marking and stream buffer zone(s) identification.	
FINDINGS:	GAP #
1.5.4 The CHP shall be developed by a registered CHP contractor.	
FINDINGS:	GAP #

Criterion 1.6: Plantation Development Plan	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
1.6.1 The Organisation shall have a 10 year PDP that is approved by FDS.	
FINDINGS:	GAP #

Criterion 1.7: PDP Annual Work Plan	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
1.7.1 The Organisation shall have an approved Annual Work Plan (AWP) consisting of harvesting components based on the 10-year PDP.	
FINDINGS:	GAP #
1.7.2 The Annual Work Plan shall contain maps and description of areas and types of operations to be carried out during the year and approved by FDS.	
FINDINGS:	GAP #

Criterion 1.8: Area Demarcation and Mapping	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
1.8.1 The organisation shall identify and demarcate on the ground, the boundary of the licensed area according to regulations.	
FINDINGS:	GAP #
1.8.2 The Organisation shall have an updated and approved Map(s) of Coupe Permit / Harvest area at the required scale and level of detail.	
FINDINGS:	GAP #

1.8.3 Areas prohibited from harvesting such as riparian zones, buffer zones, steep slopes, etc., are mapped in NFM areas.	
FINDINGS:	GAP #

Criterion 1.9: Forest Inventory		<input type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
1.9.1 The Organisation shall conduct a systematic plot sampling inventory according to Director's Circular: FDS 26/2009.		
FINDINGS:	GAP #	
1.9.2 The Organisation shall maintain records, which shall contain information on volume of trees to be harvested and resulting volume of logs within the area in accordance with CHP and license requirements (monthly summary records and compartment felling records).		
FINDINGS:	GAP #	

Principle 2. Forest Operation		
Criterion 2.1: Harvesting Operations		<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
2.1.1 The Organisation shall adhere to the harvesting licence condition/coupe permit for RIL (PF). a. Organisation shall ensure that harvest practices meet all relevant operational elements of RIL Code of Practice (such as road alignment and construction, directional felling, log extraction, etc.). b. Organisation shall ensure that contractors are registered to carry out RIL. c. Organisation shall ensure that workers and contractors are properly trained to carry out RIL. d. Organisation shall prepare Daily Felling Records.		
FINDINGS:	GAP #	
2.1.2 Non-RIL (SL & AL) –The Organisation shall use a registered logging contractor.		
FINDINGS:	GAP #	
2.1.3 The Organisation shall implement relevant mitigation measures according to requirements of AEC/MD and submit Environmental Compliance Report (ECR) as required.		
FINDINGS:	GAP #	
2.1.4 The Organisation shall notify the Director of Wildlife Department one month before commencing harvesting operation for any area to be harvested.		
FINDINGS:	GAP #	

2.1.5 Areas prohibited from harvesting such as steep slopes, riparian reserve and buffer zones shall be protected and excluded from harvesting.	
FINDINGS:	GAP #
2.1.6 The Organisation shall maintain records of all trees felled and extracted that include species, diameters & volume traceable to the tree (Compartment felling records and monthly summary).	
FINDINGS:	GAP #
2.1.7 The Organization shall demonstrate compliance to tree marking and felling regulations regarding diameter limits, species and slope limits.	
FINDINGS:	GAP #
2.1.8 The Organisation shall not harvest any species or trees prohibited from harvesting or otherwise protected.	
FINDINGS:	GAP #
2.1.9 The Organisation shall not harvest any CITES listed species without license.	
FINDINGS:	GAP #
2.1.10 The Organisation shall demonstrate implementation of elements listed in the Annual Work Plan.	
FINDINGS:	GAP #
2.1.11 The Organisation shall develop and implement systems to protect forest from illegal exploitation and/or encroachment such as:	
<ul style="list-style-type: none"> a. Systems for entry and access control to concession - (e.g. entry gate registry) b. Forest security and patrolling measures for encroachment, illegal logging and/or poaching - (monitoring schedule, personnel and training records) c. Identification of illegal activities & reporting to authorities - (security records) 	
FINDINGS:	GAP #
Criterion 2.2: Industrial Tree Plantations (ITP)	
<input type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance	
2.2.1 ITP (PF) Organisation shall only extract planted trees from compartments approved in the AWP.	
FINDINGS:	GAP #
2.2.2 ITP (PF) The Organisation shall record all production of logs from plantation areas based on volume or weight and submit monthly production report to the DFO.	
FINDINGS:	GAP #

2.2.3 ITP (PF) The Organisation shall adhere to the harvesting license condition/coupe permit.	
FINDINGS:	GAP #
2.2.4 ITP (PF) The Organisation shall ensure that the logging contractor is registered with FDS.	
FINDINGS:	GAP #
2.2.5 ITP (PF) The DFO shall develop the Quarterly Logging Progress Report.	
FINDINGS:	GAP #
2.2.6 ITP (PF) The Organisation shall register Property Hammer Mark for sawmill/ply mill processing.	
FINDINGS:	GAP #
2.2.7 ITP (PF) The Organisation shall incise a serial number (or paint the serial number on all logs, with permission from the DoF.) on all logs for sawmill and plywood processing. (Note: for small diameter logs it is permitted to use paint instead of incision.)	
FINDINGS:	GAP #
2.2.8 ITP (PF) The Organisation shall have an occupation permit for all stumping areas inside the forest reserve.	
FINDINGS:	GAP #
2.2.9 ITP (PF) The Organisation and/or appointed contractors shall comply with AEC and MD.	
FINDINGS:	GAP #
2.2.10 ITP (SL/AL) The Land owner and developer shall have all harvested trees inspected by the DFO prior to removal.	
FINDINGS:	GAP #
2.2.11 ITP (SL/AL) Plantation logs shall only be removed upon issuance of a Removal Pass (exception exists in Kota Kinabalu)	
FINDINGS:	GAP #
2.2.12 ITP (SL/AL) The Organisation shall comply with EIA/PMM requirements.	

FINDINGS:	GAP #
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Criterion 2.3: Log Transportation	<input type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
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2.3.1 The Organisation shall incise each extracted log with a serial number traceable to the harvest tree number in the CHP for NFM logs; or to the coupe permit number for ITP logs. Paint can be used for small ITP logs as appropriate.

FINDINGS:	GAP #
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2.3.2 The Organisation shall transport marked logs to an approved stumping area that has an occupation permit for areas inside PF or TOL for areas inside SL.

FINDINGS:	GAP #
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2.3.3 The Form IIB license holder shall have a valid land title/or letter of confirmation of land applicant from Assistant Collector of Land Revenue on the land status and receipt of payment of land premium.

FINDINGS:	GAP #
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2.3.4 The Form IIB / ITP (SL/AL) land owner shall have a letter/agreement/contract/Power of Attorney with the contractor to remove logs and wood residues.

FINDINGS:	GAP #
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2.3.5 All logs to be transported shall have a Property Hammer Mark; FDS Inspection Hammer Mark / FDS Royalty Hammer Mark as appropriate.

FINDINGS:	GAP #
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2.3.6 Transported logs shall be accompanied with a Transit Pass / CS Form; Removal Pass and Timber Disposal Permit as required that corresponds the logs being transported (species, log numbers, quality, volume and dimensions).

FINDINGS:	GAP #
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2.3.7 Logs from Sabah TLAS compliant forest licenced areas shall be identified on the transportation permits as appropriate.

FINDINGS:	GAP #
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2.3.8 Logs transported from a one area to another shall only take place between 07:00am to 07:00pm, unless the DoF approves transport outside the stipulated time period.

FINDINGS:	GAP #
2.3.9 Logs and timber transported between mills shall be accompanied with a valid Removal Pass. (Note: Exemption exists within Kota Kinabalu).	
FINDINGS:	GAP #

Criterion 2.4: Log Transportation (Form IIB)	<input type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
2.4.1 The Organisation shall have a valid land title and receipt of payment of land premium.	
FINDINGS:	GAP #
2.4.2 The land owner shall have a letter/agreement/contract/ [Power of Attorney] with the contractor to remove logs and wood residues.	
FINDINGS:	GAP #
2.4.3 Applicable only to title lands, the transport of logs shall only be done with a valid: <ul style="list-style-type: none"> • Form IIB Permit • Timber Disposal Permit • Removal Pass 	
FINDINGS:	GAP #
2.4.4 The Organisation shall ensure and document that the TDP and Removal Pass corresponds to the logs transported (species, log numbers, quality, volume and dimensions).	
FINDINGS:	GAP #

Criterion 2.5: Log Transportation (ITP)	<input type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
2.5.1 For ITP Logs (PF) <ul style="list-style-type: none"> a. All plantation logs transported from the harvesting area to an approved weigh bridge for royalty assessment shall have the Property Hammer mark and FDS inspection Hammer Mark (Marked randomly). 	
FINDINGS:	GAP #
2.5.2 For ITP Logs (PF): <ul style="list-style-type: none"> b. All plantation logs shall be accompanied with a Transit Pass. 	
FINDINGS:	GAP #

2.5.3 For ITP Logs (PF): c. All plantation logs transported from the weigh bridge to the Port of loading/mill shall have the FDS Royalty Hammer Mark (marked randomly).	
FINDINGS:	GAP #
2.5.4 For ITP Logs (PF): d. All plantation logs shall be accompanied with Removal Passes upon payment of royalty.	
FINDINGS:	GAP #
2.5.5 For ITP Logs With No Royalty (SL/AL, Including rubber wood from small holders)s a. The land owner shall have a letter/agreement/contract/[Power of Attorney (PA)] with the contractor to remove logs.	
FINDINGS:	GAP #
2.5.6 For ITP Logs With No Royalty (SL/AL, Including rubber wood from small holders) b. Organisation/authorized contractor shall have approval to transport plantation logs to an approved weigh bridge from the DoF (SL) or the District Forestry Officer (AL).	
FINDINGS:	GAP #

2.5.7 For ITP Logs With No Royalty (SL/AL, Including rubber wood from small holders) c. Logs shall bear Property Hammer Mark and FDS Inspection Hammer Mark (marked randomly).	
FINDINGS:	GAP #
2.5.8 For ITP Logs With No Royalty (SL/AL, Including rubber wood from small holders) d. All logs transported from the weigh bridge to the Port of loading/mill shall be accompanied by Removal Passes upon recording of volume (weighed volume).	
FINDINGS:	GAP #
2.5.9 For ITP Logs With Royalty – For Export (SL/AL, including rubber wood from small holders) i. The land owner has a letter / agreement / contract / [Power of Attorney (PA)] with the contractor to remove logs. ii. Land owner/authorized contractor obtains approval to transport plantation logs to an approved weigh bridge from the DoF (SL) or the District Forestry Officer (AL). Logs must bear Property Hammer Mark and FDS Inspection Hammer Mark (marked or painted randomly). iii. Land owner/authorized contractor transports all logs from the weigh bridge to the Port of loading must be accompanied with Removal Passes upon recording of volume (weighed volume).	
FINDINGS:	GAP #

2.5.10 Logs and timber transported between mills shall be accompanied by valid Removal Passes. Note: Exemption exists within Kota Kinabalu	
FINDINGS:	GAP #
2.5.11 The Organisation shall only transport logs from a one area to another between 7.00am to 7.00pm, unless the DoF approves transportation outside the stipulated time period	
FINDINGS:	GAP #
2.5.12 The Organisation shall ensure and document that the TDP and Removal Pass corresponds to the logs transported (species, log numbers, quality, volume and dimensions).	
FINDINGS:	GAP #

Criterion 2.6: Worker Safety & Health	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
2.6.1 The Organisation shall pay insurance premium/contribution for all workers.	
Findings:	GAP #
2.6.2 The Organisation shall provide adequate training on safety measures/personnel protective equipment.	
FINDINGS:	GAP #
2.6.3 The Organisation shall undertake remedial measures as directed by relevant authorities (DOSH and FDS) following their inspection.	
FINDINGS:	GAP #
2.6.4 The Organisation shall submit appropriate report to DOSH / Department of Labour in a timely manner as required.	
FINDINGS:	GAP #
2.6.5 The Organisation shall report to: SOCSO, DOSH and Department of Labour on accidents related to employment immediately.	
FINDINGS:	GAP #
2.6.6 The Organisation shall maintain monthly records of contribution to SOCSO.	
FINDINGS:	GAP #
2.6.7 The Organisation shall maintain records of worker's training on safety and health showing what training was conducted, who attended and any certificates that were awarded.	
FINDINGS:	GAP #

2.6.8 The Organisation shall provide protective clothing and safety equipment required in accordance to the RIL Operation Guide Book.	
FINDINGS:	GAP #
2.6.9 The Organisation shall insure compliance with directional felling techniques.	
FINDINGS:	GAP #
2.6.10 The Organisation shall ensure adequate precaution for workers' safety in the event of fire or other accidents.	
FINDINGS:	GAP #

Principle 3. Statutory Charges	
Criterion 3.1: Royalty & Fees	<input type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
3.1.1 Organisation shall pay all applicable license fees upon issuance of a license and other charges prior to issuance of harvesting licence.	
FINDINGS:	GAP #
3.1.2 The Organisation shall pay all royalties due, based on volume and species, premium (unless exempted), Community Forestry Cess, Forest Conservation Fees Forest Rehabilitation Fees (unless exempted) before the Organisation can remove the timber from the licensed area.	
FINDINGS:	GAP #
3.1.3 The Organisation shall pay Removal Pass fees before removal of timbers.	
FINDINGS:	GAP #
3.1.4 Logs shall carry FDS Royalty Hammer Mark	
FINDINGS:	GAP #
3.1.5 The Organisation shall have Timber Disposal Permit, Removal Pass and payment receipts as records of royalty payment.	
FINDINGS:	GAP #

Principle 4. Other User Rights	
Criterion 4.1: Community benefits and rights to occupy and use	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
4.1.1 The Organisation or it's appointed consultant shall conduct a Social Baseline Survey and Social Impact Assessment of the licensed area as part of the preparation of a 10-year FMP, which shall include:	
a. Identification of communities	

b. Identification of potential impacts c. Mitigation measures	
FINDINGS:	GAP #
4.1.2 The Organisation shall identify and set aside Community Forestry Areas in their licensed area (where relevant) and include such areas in the Forest Management Plan (FMP).	
FINDINGS:	GAP #
4.1.3 The Organisation shall identify and respect community rights within the licensed area and exclude community areas from harvesting.	
FINDINGS:	GAP #
4.1.4 The Organisation shall record and document communications and consultation with communities.	
FINDINGS:	GAP #

Criterion 4.2: Users' Right by Natives		<input type="checkbox"/> Compliance <input type="checkbox"/> Non-Compliance
4.2.1 Areas with Native Customary Right (NCR) claim described under the Land Ordinance shall be excised from Temporary Occupation Licence (TOL) area after a land inquiry is conducted to verify the claim and found to be justifiable by the Lands and Surveys Department prior to the issuance of TOL and the timber harvesting licence.		
FINDINGS:	GAP #	
4.2.2 Native rights shall be respected.		
FINDINGS:	GAP #	

APPENDICES

Gaps:

GAP#	Checklist	Description
Photo Evidence		

GAP#	Checklist	Description
Photo Evidence		

Gap Close-out:

GAP#	Checklist	Description	Description of Close-out
Photo Evidence			
Photo Before:		Photo Close-out	