

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Inspiration Furniture Sdn. Bhd. (506354-K)	Reference #	GFSSBH 004-019
Contact Person	Jacqueline Wong (Business Manager)	Assessment Date	27/03/2019
Office Address	Office: Lot 16, Jalan 2B, KKIP Timur Industrial Zone 12, KKIP 88460, Sabah.	Date close out	-
Mill Address	Warehouse: Lot 16, Jalan 2B, KKIP Timur Industrial Zone 12, KKIP 88460, Sabah.	Telephone	+6012 829 2399 (Ms. Wong)
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 198 WTP		
Issuance Date	01 April 2019	Expiration Date	31 March 2020

Assessment Details

Company Type	Exporter and Importer
Scope of Assessment	Sabah TLAS P5 – 6: FDS (KK)(E)239/2018 and FDS(KK)(I)109/2017
Product Group	Sawn timber, Moulding, Densified wood, Plywood
Source of Material	Sabah & Peninsular Malaysia, Papua New Guinea and Vietnam.
Species	<i>Shorea inappendiculata</i> (Selangan batu), <i>Shorea spp.</i> (Red seraya, Yellow seraya), <i>Parashorea spp.</i> (White seraya) and other timber (OT)
Lead Assessor	Priera Bagang
Assessor(s)	Franklin Emang, Cynthia D. John and Walter Marcus
FDS Staff	RH Muznah Sabardin (EIS Kota Kinabalu), RH Jamain Othman (KPPM Kota Kinabalu)

Terms of Assessment

The scope of the evaluation is to verify compliance of the Inspiration Furniture Sdn. Bhd. to the criteria within the Sabah Timber Legality Assurance System (TLAS) Principle 5 - Mill Operations and Principle 6 - Trade and Customs standards. Compliance is defined when the organization demonstrates that there is no non-compliance to any applicable criteria. Non-compliance to the Sabah Legality Standard occurs when the organization does not comply with 1 or more criteria. Non-compliance must be formally addressed prior to certification or within 2 months following a surveillance assessment.

Limitations of Assessment

The information presented in this report is based on documentation and other information presented by the client and observations made during the field verification under the assessment. Auditor's reporting of information presented by the client are taken as accurate, unless evaluated differently through the observations made during the assessment. All information presented in the report is accurate and complete to the best of knowledge of.

Background Information:

Inspiration Furniture Sdn. Bhd. (Inspiration Furniture) is registered in Kota Kinabalu on 25/02/2000, with registration # 506354-K. The company purchased sawn timber and moulding from Sabah, Papua New Guinea and Vietnam. The finished products are exported to Vietnam, Thailand, Hong Kong, China, Philippines market in 2018.

The previous assessment was conducted in January 2018 that has resulted in 1 gap(s) and 1 observation(s) (Report #: G162-375a).

Associated Organizations & Subcontractors:

Inspiration Furniture is associated with Weeluck Corporation Sdn. Bhd. that involved in the company's management. Inspiration Furniture engaged Primbumi Sdn. Bhd. as their subcontractor to provide moulding services, Hock Lee Sawmill Sdn. Bhd. for storage of raw material and Makeson Sdn. Bhd. for sawn timber KD service. These subcontractors are located in Kota Kinabalu, Sabah.

Description of the Supply Chain:

In 2018, Inspiration Furniture purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	FDS TLAS-CC (Validity)	GFS Audit Statement # (Validity)
Rimbunan Hijau (PNG) Ltd.	Not available	Sawn timber	Papua New Guinea	-	-
Wawoi Guavi Timber Company Ltd.	Not available	Sawn timber	Papua New Guinea	-	-
Hai An Wood Import & Export Co. Ltd.	Not Available	Plywood	Vietnam	-	-
H&G Export Company Limited	Not Available	Plywood	Vietnam	-	-
Primbumi Sdn. Bhd.	JP(K)KK003/15(M01)	Moulding	Kota Kinabalu	FDS(SCS)053/2017 (30/06/2018)*	GFS 179 WTP (30/06/2019)

Note: Pending an update at FDS website.

Summary Results:

(Major gap = 0, Minor gap = 2, Observation = 0)

GAPs:					
GAP #	Type	Checklist	Status	Description	
005/2018	Minor	6.2.7	Closed	<p>January 2018: (previous checklist was 6.2.4) Inspiration Furniture does not maintain phytosanitary record for three import consignments. These documents were not available during the assessment.</p> <p>March 2019: The company maintained the phytosanitary records for all imported raw materials.</p>	
007/2019	Raised to Minor	6.2.3 6.2.8 6.3.1	New	<p>January 2018: (previous checklists were 6.2.5, 6.2.6, 6.3.1) The company does not maintain FDS inspection report for one out of three randomly sampled of import documents. Copy of payment receipt for FDS inspection was not available during the assessment.</p> <p>March 2019: Inconsistencies on maintaining the FDS import documents. Import consignment for December 2018 and January 2019 lacked FDS inspection</p>	

				fee receipt, sales contract, and FDS import approval form.
006/2019	Minor	5.2.2 6.3.2 6.3.3	New	March 2019: According to the company, all the imported materials that went to the warehouse were covered with Removal Pass. However, the removal pass for import consignment in January 2019 was not available during the assessment.

*Major = Non-Compliance

Obs #	Checklist	Description
-	-	-

Highlights of Close-Out Visit (if applicable)	Date
Not applicable	-

Recommendations
<p>Inspiration Furniture Sdn. Bhd. has demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Audit Statement and STCC from FDS.</p> <p>Gaps identified in this assessment should be addressed before the next surveillance visit. Actions required to close the gaps include:</p> <p>Gap 006/2019 (Minor) – Checklists 5.2.2, 6.3.2, 6.3.3: To maintain a copy of all removal passes in the office.</p> <p>Gap 007/2019 (Minor) – Checklists 6.2.3, 6.2.8, 6.3.1: To maintain all the import consignment documents.</p> <p>The next surveillance visit is scheduled in January 2020.</p>

End of Summary Report