

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Lee Tat Lee Enterprise Sdn. Bhd. (351451-K)	Reference #	GFSSBH 004-483
Contact Person	Enjilin Logihad (Clerk)	Audit Date	04/04/2023
Office Address	Lot 30, Phase 1, HSK Industrial Centre, Mile 56, Jalan Penampang, Bundusan, 88300 Kota Kinabalu, Sabah, Malaysia.	Date close out	-
Mill Address	<u>Hardware store:</u> Lot 30, Phase 1, HSK Industrial Centre, Mile 56, Jalan Penampang, Bundusan, 88300 Kota Kinabalu, Sabah, Malaysia.	Telephone	+6010 586 9554
Email	ltl_kk@yahoo.com	Fax	+6088 712 955
		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 290 WTP		
Issuance Date	10 April 2023	Expiration Date	09 April 2024

Assessment Details

Company Type	Importer & Trading
Scope of Assessment	Sabah TLAS P5-6: FDS(KK)(I)002/2021
Product Group	Sawn timber, Plywood and Blockboard
Source of Material	Indonesia, Sabah and Peninsular Malaysia.
Species	<i>Albizia falcataria</i> (Batai), OT (Other timber)
Lead Assessor	Brandon James
Assessor(s)	Varenus Untomon
FDS Staff	Jasni Rapiee (PPD KK)

Terms of Assessment

The scope of the evaluation is to verify compliance of Lee Tat Lee Enterprise 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 GFS.

Background Information:

Lee Tat Lee Enterprise Sdn. Bhd. (Lee Tat Lee Enterprise) is registered in Johor Bahru, Malaysia, with registration # 351451-K. Lee Tat Lee purchases sawn timber from the local supplier and imports plywood from Peninsular Malaysia and Indonesia for the local market only.

The previous assessment was conducted in April 2022 that resulted in 3 gap(s) and 1 observation(s) (Report #: GFSSBH 004-334).

Associated Organizations & Subcontractors:

Lee Tat Lee Enterprise engages Asia Shipping & Forwarding (Sabah) Sdn. Bhd. as its forwarding agent to handle documentation for import activities.

Description of the Supply Chain:

From March 2022 to March 2023, Lee Tat Lee purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Kim Guan Impex Sdn. Bhd.	FDS(KK)(I)021/2019	Plywood	Kota Kinabalu	GFS 258 WTP (15/01/2024)	Low
C & H Enterprise	FDS(SS)(I)038/2019	Plywood	Sandakan	GFS 235 WTP (26/06/2023)	Low
Veracity Corporation Sdn. Bhd.	JP(N)KG001/00(X02)R	Plywood	Keningau	GFS 053 WTP (18/09/2023)	Low
Tonah Trading Company Sdn. Bhd.	-	Plywood	Peninsular Malaysia	-	High
PT Cendana Putra Nusantara	-	Blockboard	Indonesia	-	High
CV Sumber Anugrah	-	Plywood	Indonesia	LVLK-009-IDN	Low
Lee Tat Lee Hardware Sdn. Bhd.	-	Plywood	Peninsular Malaysia	-	High

Note: *GFS risk evaluation is based on the risk matrix for Sabah TLAS (VL) material & products.

Summary Results:

(Major gap = 0, Minor gap = 6, Observation = 0)

GAPs: Year 2023					
GAP #	Type	Checklist	Status	Description	
001/2022	Minor	5.2.4	Outstanding	<p>April 2022: There is no evidence that the COC procedure has been established to define import and trading activities related to Sabah TLAS requirements.</p> <p>April 2023: Lee Tat Lee Enterprise has yet to establish a system to comply with Sabah TLAS requirements and Chain of Custody system based on its import and trading activities.</p>	
002/2022	Minor	5.3.2 5.3.7	Outstanding	<p>April 2022: No safety and fire training conducted by the company.</p> <p>April 2023: Lee Tat Lee Enterprise has yet to conduct safety and fire training annually.</p>	
003/2022	Minor	6.2.3 6.2.6	Outstanding	<p>April 2022: The company did not retain the copies of import documents, for plywood imported from Peninsular Malaysia.</p> <p>April 2023: Lee Tat Lee Enterprise has yet to retain copies of import documents for all imported materials.</p>	
001/2023	Obs 001-2022	6.2.4	Raised to Minor	<p>April 2022: The company did not conduct a Risk Assessment for plywood imported from Peninsular Malaysia.</p> <p>April 2023: Lee Tat Lee Enterprise has yet to conduct risk assessments for all imported products.</p>	
002/2023	Minor	6.2.8 6.3.1	New	<p>April 2023: Import inspection receipts were not maintained in its office.</p>	
003/2023	Minor	6.3.2 6.3.3	New	<p>April 2023: Removal passes for imported materials were not</p>	

				maintained in its office.
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*Major = Non-Compliance

Observations: Year 2023

Obs #	Checklist	Description
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Highlights of Close-Out Visit (if applicable)

Date: -

Not applicable

Recommendations

Lee Tat Lee Enterprise Sdn. Bhd. has demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Statement of Compliance and Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD.

Gap(s)/Observation(s) identified in this assessment should be addressed before the next surveillance visit. Action required to close the gap(s)/observation(s) include:

Gap 001/2022 (Minor) - Outstanding – Checklist 5.2.4: Lee Tat Lee Enterprise shall establish a system to comply with Sabah TLAS requirements and Chain of Custody system based on its activities.

Gap 002/2022 (Minor) - Outstanding – Checklist 5.3.2, 5.3.7: Lee Tat Lee Enterprise shall conduct safety and fire training annually.

Gap 003/2022 (Minor) - Outstanding – Checklist 6.2.3, 6.2.6: Lee Tat Lee Enterprise shall retain copies of import documents including removal passes for imported plywood.

Gap 001/2023 (Raised to Minor) – Checklist 6.2.4: Lee Tat Lee Enterprise shall conduct Risk Assessments for all imported products.

Gap 002/2023 (Minor) - Checklist 6.2.8, 6.3.1: Lee Tat Lee Enterprise shall maintain import inspection receipt in its office.

Gap 003/2023 (Minor) - Checklist 6.3.2, 6.3.3: Lee Tat Lee Enterprise shall maintain removal passes for all imported materials in its office.

The next surveillance visit is scheduled for April 2024.

End of Summary Report