

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Akil Jutamas Sdn. Bhd. (795494-U)	Reference #	GFSSBH 004-445
Contact Person	Tan Kiew Min (Mill Manager)	Audit Date	05/01/2022
Office Address	Batu 2, Jalan Sipitang – Beaufort, Sabah, Malaysia.	Date close out	-
Mill Address	Akil Jutamas, P.O. Box 604, 89808 Beaufort, Sabah, Malaysia.	Telephone	+6013 801 7399
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 125 WTP		
Issuance Date	09 January 2023	Expiration Date	08 January 2024

Assessment Details

Company Type	Sawmill, Moulding, Kiln Dry Plant, Wood Preservation Plant, Importer and Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(K)BT001/19(X04)
Product Group	Kiln Dried Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Hevea brasiliensis</i> (Rubberwood), <i>Shorea spp.</i> (Yellow Seraya, Red Seraya, Melapi), <i>Parashorea spp.</i> (White Seraya), <i>Dialium indum</i> (KerANJI), Lithocarpus & Quercus (Mempening), OT (other timber)
Lead Assessor	Glory Linggou
Assessor(s)	Brandon James
FDS Staff	Noorazah Mohamad (PPD Beaufort), Fedroystan Jimpin (PPD Beaufort), Rahman Lamat (PPD Beaufort)

Terms of Assessment

The scope of the evaluation is to verify compliance of Akil Jutamas 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:

Akil Jutamas Sdn. Bhd. (Akil Jutamas) is registered in Sabah, Malaysia, with the registration number 795494-U. The company produces sawn timber, kiln-dried and preserved rubberwood timber, which Akil Jutamas sells to its customers in Taiwan.

The previous assessment was conducted in January 2022 that resulted in 7 gap(s) and 0 observation(s) (Report #: GFSSBH 004-299).

Associated Organizations & Subcontractors:

Akil Jutamas does not engage other subcontractors to support manufacturing activities.

Description of the Supply Chain:

From December 2021 to December 2022, Akil Jutamas purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Madah Andamas	JPHTN/TNM700-2/5/1JILID.19(57)	Rubberwood	Tenom	-	Low
Herbat R & 3 Peserta	JPHTN/TNM700-2/5/1JILID19(53)	Rubberwood	Tenom	-	Low
Andiwang Buntar	JPHTN/TNM700.2/5/1JILID19(79)	Rubberwood	Tenom	-	Low
Soong Pin Bin Lee	JPHTN/FRM700-2/4/10JLD5/22	Rubberwood	Sipitang	-	Low
En. Primus Liew	JPHTN/FRM700-2/4/2JILID5/32	Round log	Beaufort	-	High
Sumindal Rundayong	JPHTN/TNM-2/5/1/JLD19(91)	Rubberwood	Tenom	-	Low
Sylvester Kaling	JPHTN/SPG700-2/0/3/JLD4(66)	Rubberwood	Sipitang	-	Low
Christina Liew Mei Fah & 3 Peserta (Tiong & Chun Enterprise)	JPHTN/FRM700-2/4/1/824/7	Round log	Sipitang	GFS 176 LVS (17/04/2023)	Low
Lawi Bin Uta	JPHTN/SPG700-2/0/2/JLD.6(8)	Rubberwood	Sipitang	-	Low
Chung Nyin On	JPHTN/TNM700-2/5/1/JLD.19(103)	Rubberwood	Tenom	-	Low
See Chun Young	JPHTN/FRM700-2/4/1/866/4	Round log	Sipitang	-	High
Andiar Bin Samugang	JPHTN/SPG700-2/0/3JLD.5(6)	Rubberwood	Sipitang	-	Low

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

Summary Results:

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

GAPs: Year 2023					
GAP #	Type	Checklist	Status	Description	
001/2022	Minor	5.1.2	Outstanding	January 2022: Lack of recording of carry forward stock in Appendix 1 to justify greater log input volume than log received volume. January 2023: Carry forward stock was not correctly calculated, records of log input and output differed between manual and online submission and calculation of monthly recovery is not consistent with industry averages.	
002/2022	Minor	5.2.3	Closed	January 2022: No indication of Sabah TLAS status and TDP in the log arrival book. January 2023: Akil Jutamas recorded the TDP and Sabah TLAS status in the log arrival book.	
003/2022	Minor	5.2.4	Closed	January 2022: The COC manual does not reflect the current	

				<p>production system. Inadequate identification of Sabah TLAS status and batch unit from log purchasing (various species), allocation to production, finished products, through sales local & export.</p> <p>January 2023: The COC manual has been revised to describe log purchasing, identification of Sabah TLAS status and batch unit production of material through manufacture and sales of finished products.</p>
004/2022	Minor	5.2.5 5.2.7	Closed	<p>January 2022: Lack of implementation of the COC system. WIP and finished products were observed not identified with a batch number, Sabah TLAS status or traceable to its supplier.</p> <p>January 2023: The COC system has been implemented to identify batch # and Sabah TLAS status for WIP and finished products.</p>
005/2022	Minor	5.3.2 5.3.7	Outstanding	<p>January 2022: No evidence of safety and fire training from 2020 to 2021.</p> <p>January 2023: The training was limited to fire safety and did not include work safety for material handling and mill production.</p>
006/2022	Minor	5.3.4	Closed	<p>January 2022: The company has yet to submit JKPP8 for 2021.</p> <p>January 2023: Akil Jutamas submitted JKPP8 for 2022 to DOSH.</p>
007/2022	Minor	6.2.4	Closed	<p>January 2022: No evidence of Risk Assessment conducted for imported materials.</p> <p>January 2023: Akil Jutamas has not imported material from December 2021 to December 2022.</p>

*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2023	5.2.2	<p>January 2023: The removal pass from the assessed compliant supplier under Sabah TLAS P1-4 was not stamped as "Sabah TLAS CC" by SFD.</p>
002-2023	5.2.3	<p>January 2023: Sabah TLAS status for Christina Liew Mei Fah & 3 Peserta was identified as non-TLAS for material received in September 2022, which was documented compliant (GFSSBH 003-125) in April 2022.</p>

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

Recommendations

Akil Jutamas 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 5.1.2: Akil Jutamas shall correctly record the carry forward stock, log input and output and calculation of monthly recovery.

Gap 005/2022 (Minor) Outstanding – Checklist 5.3.2, 5.3.7: Akil Jutamas shall conduct work safety training for material handling annually.

Observation 001-2023 – Checklist 5.2.2: SFD shall stamp removal passes from the licensee compliant under Sabah TLAS P1-4 with the “Sabah TLAS CC” stamp.

Observation 002-2023 – Checklist 5.2.3: Akil Jutamas shall correctly record the Sabah TLAS status in the log arrival book.

The next surveillance visit is scheduled for January 2024.

End of Summary Report