

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Kilang Papan Andus (S) Sdn. Bhd. (1125812-U)
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Reference #	GFSSBH 004-372a
Assessment Date	14/07/2022
Date close out	09/09/2022
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Approved By	Dr. Kevin Grace

Statements

Audit Statement #	NC: Non-Compliance – Criteria 5.2 & 5.3 (Outstanding)		
Issuance Date	Not applicable	Expiration Date	Not applicable

Assessment Details

Company Type	Sawmill
Scope of Assessment	TLAS P5-6: JP(K)KK002/16(B01)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya) OT.
Lead Assessor	Anne Gimbir
Assessor(s)	Ivy Justin
SFD Staff	Sahrulizam (JPS Kota Kinabalu)

Terms of Assessment

The scope of the evaluation is to verify compliance of the Kilang Papan Andus (S) 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:

Kilang Papan Andus (S) Sdn. Bhd. [Kilang Papan Andus (S)] is registered in Kuala Lumpur, Malaysia, with registration # 1125812-U. Currently, the company only sells the sawn timber to the surrounding village and provides sawing services.

Associated Organizations & Subcontractors:

Kilang Papan Andus (S) does not engage other companies as their subcontractors.

Description of the Supply Chain:

From January 2021 to July 2022, Kilang Papan Andus (S) purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Soh Kui Seng/ J.B.Enterprise	JPHTN/FRM: 7002/4/2/JLD.5/46	Logs	Bongawan	-	High

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

**The company just started receiving logs in January 2022.

Summary Results:

(Major gap = 3, Minor gap = 2, Observation = 1)

September 2022: (Major gap = 3, Minor gap = 2, Observation = 1)

GAPs: 2022				
GAP #	Type	Checklist	Status	Description
001/2022	Minor	5.1.2	New	July 2022: Appendix 1 was submitted with only output volume and lacked input volume and Carry Forward volumes for April & May 2022.
002/2022	Major	5.2.4	Outstanding	July 2022: The company did not develop a CoC procedure for the current production system. September 2022: The company did not take action to develop a CoC procedure.
003/2022	Major	5.2.5 5.2.7	Outstanding	July 2022: The company did not identify batch number and TLAS status for WIP and finished goods. September 2022: The company did not take action to identify batch numbers and TLAS status for WIP and finished goods.
004/2022	Major	5.3.1 5.3.5	Outstanding	July 2022: The company did not register workers under SOCSO. September 2022: The company did not take action to register workers under SOCSO.
005/2022	Minor	5.3.2 5.3.7	New	July 2022: The company has yet to conduct training on safety, health and fire.

*Major = Non-Compliance

Observations: 2022		
Obs #	Checklist	Description
001-2022	5.3.4	July 2022: The company has yet to submit the JKPP 8 for 2022.

Highlights of Close-Out Visit (if applicable)	Date: 09 September 2022
Major Gaps shall be addressed by October 2022. The company did not take action to develop a CoC procedure, establish a batch production system for identification and traceability of production and finished products nor register workers for SOCSO as required. Thus, all 3 major gaps are outstanding.	

Recommendations

Kilang Papan Andus (S) Sdn. Bhd. has not demonstrated compliance with the Sabah Principles 5-6 for Chain of Custody as non-compliance was identified in Criteria 5.2 & 5.3 and is NOT eligible to receive a GFS Statement of Compliance or Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD.

Major Gaps shall be addressed within by **October 2022**.

Gap 002/2022 (Major) – Checklist 5.2.4: The company shall develop and implement a Chain of Custody procedure in its current production system.

Gap 003/2022 (Major) – Checklist 5.2.5, 5.2.7: The company shall allocate batch number and identify TLAS status to WIP and finished goods.

Gap 004/2022 (Major) – Checklist 5.3.1, 5.3.5: The company shall register under SOCSO and contribute monthly SOCSO for all workers.

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) – Checklist 5.1.2: The company shall record the correct monthly input and output and carry forward volumes in Appendix 1.

Gap 005/2022 (Minor) – 5.3.2, 5.3.7: The company shall conduct training on safety, health and fire annually.

Observation 001-2022 – Checklist 5.3.4: The company shall submit the JKPP 8 by the 15th of January to DOSH.

The next surveillance visit is scheduled for July 2023.

End of Summary Report