

# Sabah TLAS Audit Report

## Sabah Legality Standard Principles 1 – 4

<b>Licensee</b>	Licensee: Masding Bin Ikim & 8 Peserta Contractor: Syarikat Projek Tetap Sdn. Bhd. (627996-W)	<b>Reference #</b>	GFSSBH 003-154
<b>Contact Person</b>	Chin Jin Kong Jhien Jhan Lim	<b>Date of Report</b>	07/10/2022
<b>Office Address</b>	No. 36, Level 2, Bandar Tyng, Shopping Arcade, Mile 6, North Road, 90000 Sandakan, Sabah, Malaysia.	<b>Date of close out</b>	-
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<b>Email</b>	-	<b>Fax</b>	-
		<b>Approved By</b>	Dr. Kevin Grace

Statements			
Audit Statement	GFS 190 LVS		
Issuance Date	10 October 2022	Expiration Date	09 October 2023

Assessment Details	
Assessment Dates	03 – 07 October 2022
Scope of Assessment	TLAS P1-4: Form IIB #: JPHTN/FRM 700-2/4/1/851/3
Species	Mixed species
Lead Assessor	Varenius Untomon
Assessor(s)	Priera Bagang
SFD Staff	Rustum Mison (DFO Kudat), Saikol Aya (ADFO Kudat), Jaludin Urubit (KPPM Kudat/Banggi), Bigwaison Rudini (PPM Kudat/Banggi)

### 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 01<sup>st</sup> 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:

- Masding Bin Iklim & 8 Peserta has appointed Syarikat Projek Tetap Sdn. Bhd. as the contractor to extract logs on 20/06/2022. The agreement was witnessed by Sahar Bin Unggat (Court of the Second-Class Magistrate) and stamped with the Lembaga Hasil Dalam Negeri Stamp dated 23/06/2022.
- Following salvage logging the area will be used to cultivate agricultural crops.
- The licensee is under the jurisdiction of Kudat District Forestry Office.
- Land use classification:

Land classification	Area (ha)	Current Status (ha)
Land Title (NT) - 9 Lot	21.00	1 <sup>st</sup> FIIB application: 740 pcs (1,065.16m <sup>3</sup> )

### Environmental Context:

- The state land is adjacent to the Class I Pulau Banggi and Pulau Balambangan Forest Reserve, approximately 550m from the Form IIB license boundary.
- Dipterocarp diversity is low and non-dipterocarp becomes more dominant. The common trees found within the project area are Macaranga, Seraya, Mempening, Binuang, Keruing, Takalis, and Obah.
- No sensitive or protected area was identified within the project area.
- An EIA or PMM is not required for this project area.

### Social Context:

- All the beneficiaries of the project area are a community from Kg. Kapitangan, Pulau Banggi, Kudat.
- Based on the title land, there is no area subject to NCR inside the licensed area.

## Scope of Assessment

- The scope of the evaluation is to verify compliance of Masding Bin Ikim & 8 Peserta (Syarikat Projek Tetap Sdn. Bhd.) with the Form IIB #: JPHTN/FRM 700-2/4/1/851/3, dated 14/09/2022.
- The assessment is in accordance on the terms of the agreement for the "Sabah Legality Standard Principles 1 - 4 dated 01<sup>st</sup> January 2015 (FDS-TLAS-002).
- Site evaluation to verify and report the level of compliance by Masding Bin Ikim & 8 Peserta 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 & Mandays: Form IIB: Masding Bin Ikim & 8 Peserta (Projek Tetap Sdn. Bhd.) & Sunggang Binti Apong & 50 Peserta (Privilege Capital Sdn. Bhd.) / Kudat District / 03 – 07 October 2022 (Total Mandays = 16)**

Date	Activity	GFS Staff	Mandays
03 October 2022 Monday	Opening meeting at SFD Kudat.	Priera Bagang Varenus Untomon	2
04 October 2022 Tuesday	Document review at SFD Kudat office.	Priera Bagang Varenus Untomon	2
05 October 2022 Wednesday	Field visit to the licensed areas: Pulau Banggi (Masding Bin Ikim & 8 Peserta) & Pulau Balambangan (Sunggang Binti Apong & 50 Peserta).	Priera Bagang Varenus Untomon	2
06 October 2022 Thursday	Closing meeting at SFD Kudat.	Priera Bagang Varenus Untomon	2
07 October 2022 Friday	Travel to home base. Close-out: Bornion Timber	Priera Bagang Varenus Untomon	2

08 – 09 October 2022	Reporting GFSSBH 003-154 Reporting GFSSBH003-155 Reporting GFSSBH 003-142a	Dr. Kevin Grace, Varenius Untomon	5
<b>Total</b>			<b>15</b>

### Highlights of Assessment

**(Major Gaps = 0; Minor Gaps = 2; Observations = 1)**

Masding Bin Ikim & 8 Peserta has complied with the Sabah Legality Standard (**SFD-TLAS-002**) as no non-compliance was identified during the assessment on 03 – 07 October 2022.

Summary of status of operations by **Principle**:

**Principle 1.**

Masding Bin Ikim & 8 Peserta has appointed Syarikat Projek Tetap Sdn. Bhd. as the contractor to extract logs on 20/06/2022. The agreement was witnessed by Sahar Bin Unggat (Court of the Second-Class Magistrate) and stamped with the Lembaga Hasil Dalam Negeri Stamp dated 23/06/2022.

Form IIB Permit JPHTN/FRM 700-2/4/1/851/3, dated 14/09/2022.

Applicant	Masding Bin Ikim & 8 Peserta
Land status	Tanah Bergeran NT-9 Lot
Locality	Kg. Kapitangan Banggi, Kudat
Area (ha)	21.0
No. of logs	740
Volume (m <sup>3</sup> )	1,065.16

**Principle 2.**

This assessment solely depends on the documentation presented by the SFD during the assessment. The GFS team could not manage to access the licensed area due to poor weather conditions. The licensed area is located at Banggi Island, Kudat and the only main access to the licensed area is by boat, which is located approximately 40KM from the mainland.

**October 2022: Observation 001-2022 – Checklist 2.1.7**

SFD has yet to release the receipt payment for the property hammer mark.

**October 2022: Gap 001/2022 (Minor) – Checklist 2.2.3**

No evidence of a land premium exemption letter from the Land and Survey Department.

**October 2022: Gap 002/2022 (Minor) – Checklist 2.3.2 & 2.3.7**

No evidence of safety and fire training prior to harvesting operations.

**Principle 3.**

No occupational permit registration is required in the Form IIB area. All applicable fees were paid accordingly.

**Principle 4.**

**Not Applicable** – There is no village or local settlement located within the licensed area. The State Government has awarded the land titles to the beneficiaries as private property.

## Summary Results:

(Major gap = 0, Minor gap = 2, Observation = 1)

Gap raised against indicators & criteria during the October, 2022 assessment.

GAP	Type	Checklist	Status	Description
001/2022	Minor	2.2.3	New	<b>October 2022:</b> No evidence of a land premium exemption letter from the Land and Survey Department.
002/2022	Minor	2.3.2 2.3.7	New	<b>October 2022:</b> No evidence of safety and fire training prior to harvesting operations.

Observation raised against indicators & criteria during the October, 2022 assessment.

Obs #	Checklist	Description
001-2022	2.1.7	<b>October 2022:</b> SFD has yet to release the receipt payment for the property hammer mark.

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

### Recommendations

**Masding Bin Ikim & 8 Peserta (Syarikat Projek Tetap Sdn. Bhd.)** demonstrated compliance with the Sabah Legality Standard (**SFD-TLAS-002**) for its designated area 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) – Checklist 2.2.3:** The Land and Survey Department should provide exemption letter. The licensee shall follow up with the Land and Survey Department regarding the land premium.

**Gap 002/2022 (Minor) – Checklist 2.3.2 & 2.3.7:** The licensee shall conduct the safety and fire training prior to harvesting operations and maintain training records.

**Observation 001-2022 – Checklist 2.1.7:** SFD to expedite the issuance of payment receipt.

Form IIB permits issued for areas under 100 ha are expected to be completed within 12 months; thus, annual surveillance should not be applicable.

**End of Summary Report**