



Assessment Report	09 <sup>th</sup> August - 09 <sup>th</sup> August
	2018

[Disclaimer: The audit report has been generated to reflect the compliance of the company toward the Malaysian Sustainable Palm Oil (MSPO) MS 2530-2:2013 General Principles For Independent Smallholder and every criterion's have been in every effort taken to ensure the accuracy of the assessment and reporting produced. As the assessment is been carried out based on sampling, certain areas or processes may not be able to verified on its compliances. ]

## MSPO

Company Name	SMALLHOLDER PALM OIL CLUSTER (Bota, Lambor, Parit, Belanja & Layang-layang - A19)
Address	Pejabat MPOB Caw. Seri Iskandar, No. 25A, Jalan Gemilang 1, Bandar Baru Seri Iskandar 32610, Seri Iskandar, Perak.
Report No.	MS18FM0026
Status of Audit	First Assessment Audit (Document Review)

## Section A General Information

General	
Standard Assessed	MSP0 MS 2530-2:2013
Audit objectives	To verify the document established to met the requirement of the standard and ready for the stage 2 assessment
Integrate Assessment	No

Contact Details	
Management Representative	Mohd Najib B Borhan
Alternate contacts	-
Management Representative contact no.	019-263 2063
E-mail address	najib@mpob.gov.my
Fax Number	053711829
Phone Number	053711794

Scope of Certification	
Scope of certification in English	Production of MSP0 certified FFB
Applicable clause of the MS 2530-2:2013	Clause 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.7
Changes from Previous registration	No
Extension/changes of scope date	NA

System Documentation Information	
Quality Manual Document Identification	Manual Prosedur Kerja - Pensijilan Minyak Sawit Mampan (MSP0) Bagi Pekebun Kecil Persendirian
Last Management System revision date	30/3/2018
Previous Management System date	-
Management Review Date	NA
Internal audit Date	17 <sup>th</sup> July 2018

## Section B Audit Note

### Summary of Area Audited

BUSINESS AREAS	DETAILS OF AUDITED SUMMARY
Opening Meeting and Closing Meeting	Opening Meeting a) introduction of the participants, including an outline of their roles; b) confirmation of the scope of certification; c) confirmation of the audit plan (including type and scope of audit, objectives and criteria), any changes, and other relevant arrangements with the client, such as the date and time for the closing meeting, interim meetings between the audit team and the client's management; d) confirmation of formal communication channels between the audit team and the client; e) confirmation that the resources and facilities needed by the audit team are available; f) confirmation of matters relating to confidentiality; g) confirmation of relevant work safety, emergency and security procedures for the audit team; h) confirmation of the availability, roles and identities of any guides and observers; i) the method of reporting, including any grading of audit findings; j) information about the conditions under which the audit may be premature terminated; k) confirmation that the audit team leader and audit team representing the certification body is responsible for the audit and shall be in control of executing the audit plan including audit activities and audit trails; l) confirmation of the status of findings of the previous review or audit, if applicable; m) methods and procedures to be used to conduct the audit based on sampling; n) confirmation of the language to be used during the audit; o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns;

	<p>p) opportunity for the client to ask questions.</p> <p>Closing Meeting</p> <p>a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty</p> <p>b) the method and timeframe of reporting, including any grading of audit findings;</p> <p>c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification;</p> <p>d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit;</p> <p>e) the certification body's post audit activities;</p> <p>f) information about the complaint handling and appeal processes.</p> <p>g) Any diverging opinion that are not resolved.</p> <p>h) opportunity for the client to ask questions.</p>
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System requirements	Y / N	Document reference if select "Y" or comments if select "N"
<b>4.1 Management Commitment &amp; Responsibility</b>		
4.1.1 MSPO Policy	Y	<p>As per MSPO Policy - Document No. #MSPO/SSCC/POLISI-01. Dated 30/07/2018 Approved by Pengurus Kumpulan SPOC A19, En Mohd Najib Bin Borhan.</p> <p>The MSPO Policy contain on the Commitment and responsibilities of SPOC A19 Bota, Lambor, Parit, Belanja &amp; Layang-layang, continual improvement in developing sustainable palm oil and etc. Verified the policy is provided into individual smallholder file.</p>
4.1.2 Continual Improvement	Y	<p>Found Kalender Aktiviti 2018 Program Latihan/ Kursus Zon Utara, the planned is for Kursus Sehari Sawit Bersama Pekebun Kecil for the SPOC participant and 1<sup>st</sup> Stage Audit on July and Sept 2018.</p> <p>Verified the training record available, such as:</p> <ol style="list-style-type: none"> <li>1. Taklimat Persijilan Minyak Sawit Mampan Malaysia – 05/04/2018, Trainer; TUNAS, MPOB HQ, DOSH, PERHILITAN with attendance 64 pax.</li> </ol> <p>Manuring and Spraying Programme are available for 2018. The programme has divided by age profile of palm oil Such as Membaja – Year 1, Year 2, Year 3, Year 4, Year 5, Year 6, Year &gt; 6 and for Spraying – Year &lt;4, Year &gt;4. The type of fertilizer was referred from Buku Panduan Pembajaan Sawit Untuk Pekebun Kecil.</p> <p>Internal Audit was conducted in 17/07/2018 at SPOC A19 (Bota, Lambor, Parit, Belanja, Layang-layang) conducted by Khairul Azwan &amp; Amir Taslim (MPOB HQ) Verified the Audit Report - Sighted 9 NCs Major &amp; 0 NC Minor and 6 OFI was raised during the internal audit.</p> <p>As per Senarai Impak Sosial, Persekitaran &amp; Pelan Tindakan Documant No. #MSPO/SSCC/L-04/ISP dated 13/04/2018; with 7 identified plan on social</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		impact assessment and 8 plan on Environmental Impact.
<b>4.2 Transparency</b>		
4.2.1 Traceability	Y	<p>a) Weighbridge ticket issued by ramp operator - Kept by smallholder/ MPOB (TUNAS), Verified the payment voucher sample available such:</p> <p>i) Aziz Bin Ishaik dated 22/07/2018 by Ramp Koperasi Peserta-peserta Rancangan Felcra Nasaruddin Belia Tunas Baru Seri Iskandar Berhad.</p> <p>ii) Mior Narahan dated 16/05/2018 by Ramp Kilang Sawit Felcra Nasaruddin.</p> <p>iii) Mohd Azhari Malek dated 08/07/2018 by Ramp Gerak Mantap Ent.</p> <p>b) MPOB has given Buku Rekod Ladang to SPOC Participant, maintain and kept by smallholders, verified the hand over on 05/04/2018 during MSPO briefing - To be verified during 2<sup>nd</sup> Stage Audit.</p>
<b>4.3 Compliance to legal requirements</b>		
4.3.1 Regulatory requirements	Y	<p>a) As per Master List of Legal Requirement Register (Senarai Keperluan Undang-undang) #MSPO/SSCC/L-02/LLR. Effective date 13/04/2018. 17 type of Act/ Regulation been identified in the list such as Akta 127 (EQA 1974), Act 139 (FMA 1967), Act 149 (Pesticide Act 1974), Act 256 (Employment Act), Ordinan Tanah Sabah 68, Enakmen Sumber Air Sabah 1998, etc. (OBS)</p> <p>b) Briefing to all smallholder on Taklimat Persijilan Minyak Sawit Mampan Malaysia – 05/04/2018, Trainer; TUNAS, MPOB HQ, DOSH, PERHILITAN with attendance 64 pax. Verified the Act/Regulation available been briefed to participants.</p>
4.3.2 Land use rights	Y	<p>a) Copy of land title keep in the smallholder personnel file, total of the SPOC participants are 50, as per group manager. The sample of land title as below:</p> <p>i) Mohd Azhari B Abdul Malek – Lot 22738 (Felcra Nasaruddin (B)), 1.09 Ha, Lease Due Date – 14/09/2108, Syarat Nyata - Tanaman Komersial Kelapa Sawit. Owner - Mohd Azhari B Abdul Malek.</p> <p>ii) Abdul Halim B Abdullah - Lot 22693 (Felcra Nasaruddin (Belia)), 1.092 Ha, Lease Due Date – 03/05/2108. Syarat Nyata – Tanaman Komersial – Kelapa Sawit. Owner - Abdul Halim B Abdullah</p> <p>iii) Aziz Bin Ishak - Lot 22702 (Felcra Nasruddin (Belia)), 1.093 Ha, Lease Due Date – 04/05/2108.</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>Syarat Nyata – Tanaman Komersial – Kelapa Sawit. Owner - Aziz Bin Ishak</p> <p>iv) Mior Narahan B Mior Mohammad - Lot 22741 (Felcra Nasaruddin (Belia)), 1.094 Ha, Lease Due Date – 23/06/2108. Syarat Nyata - Tanaman Komersial Kelapa Sawit. Owner – Mior Narahan B Mior Mohammad.</p> <p>v) Ahmad Bin Omar - Lot 22774 (Felcra Nasaruddin (Belia)), 1.092 Ha, Lease Due Date – 29/04/2108. Syarat Nyata - Tanaman Komersial Kelapa Sawit. Owner – Ahmad Bin Omar.</p> <p>vi) Azizan Mat Azit - Lot 22762 (Felcra Nasaruddin (Belia)), 1.094 Ha, Lease due date – 03/05/2108. Syarat Nyata - Tanaman Komersial Kelapa Sawit. Owner – Azizan Mat Azit.</p> <p>vii) Mohd Razemi B Ibrahim - Lot 22777 (Felcra Nasaruddin (Belia)), 1.092 Ha, Lease due date – 04/05/2108. Syarat Nyata - Tanaman Komersial Kelapa Sawit. Owner – Mohd Razemi B Ibrahim.</p> <p>viii) Saad B Ismail - Lot 22760 (Felcra Nasaruddin (Belia)), 1.086 Ha, Lease Due Date – 03/05/2108. Syarat Nyata - Tanaman Komersial Kelapa Sawit. Owner – Amir Sharipuddin B Ramli.</p> <p>ix) Mohd Sallehin B Asmuri - Lot 22732 (Felcra Nasaruddin (Belia)), 1.086 Ha, Lease Due Date – 23/06/2108. Syarat Nyata - Tanaman Komersial Kelapa Sawit. Owner – Mohd Sallehin B Asmuri.</p> <p>x) Abu Khuzafah B Dahaman - Lot 22724 (Felcra Nasaruddin (Belia)), 1.089 Ha, Lease Due Date – 22/06/2108. Syarat Nyata - Tanaman Komersial Kelapa Sawit. Owner – Abu Khuzafah B Dahaman.</p> <p>b) Boundary stone availability – Verified with GM, few boundary stone been identified and no land dispute been raised. To be verified during 2<sup>nd</sup> Stage Audit.</p>
4.3.3 Customary rights	<b>Y</b>	a) Refer to Borang B1 (Jadual Keempat Belas) Pelan Tanah. Verified the document attached with land title in individual file. Verified the ownership in land title as per registered.
<b>4.4 Social responsibility, health, safety and employment condition</b>		
4.4.1 Complaints and grievances	<b>Y</b>	a) Refer to document - MSP0/SSCC/SOP-01/AR - Aduan Dan Rungutan effective date 13/04/2018.

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		<p>b) Establish the "Carta Aliran Aduan &amp; Rungutan.</p> <p>c) Borang Aduan &amp; Rungutan Document No. MSPO/SSCC/F-01/AR. - Verified with GM, there is no complaint or grievance until todate.</p>
4.4.2 Employees safety and health	Y	<p>a) Refer to document - MSPO/SSCC/SOP-04/KK - Prosedur Kemalangan, Kejadian Berbahaya Dan Keracunan Pekerja. Effective date 13/04/2018. Attachment available such JKKP 6 form, JKKP 7 form &amp; JKKP 8 form. - Verified with GM, no accident yet are occurred and reported.</p> <p>b) MSPO/SSCC/GP-02/KKP - Garis Panduan Keselamatan Dan Kesihatan Pekerja. Dated 14/04/2018. Procedure on Harvesting, spraying and manuring are available in this guideline.</p>
4.4.3 Employment conditions	Y	<p>Sighted the document no. MSPO/SSCC/SMP-01 Syarat Mengupah Pekerja Di Kebun Sawit for SPOC A19.</p> <p>Sighted the document no. MSPO/SSCC/TPP-01 Terma Penggajian Pekerja for individual Smallholder. Individual smallholder need to determine the rate of Harvesting, manuring, spraying, pruning that follow the minimum wages.</p> <p>- Verified with GM, smallholder for SPOC A19 the document of Terma Penggajian Pekerja are distributed to each smallholder for their determination. GM need to collect the price determined to ensure not against Malaysian Law.</p>
4.4.4 Training and competency	Y	<p>Group Manager established the Gantt Chart Pensijilan MSPO bagi SPOC A19, Tahun 2018 and planned appropriate training for smallholders. Training record available for smallholder as below:</p> <p>Verified the training record available, Taklimat Persijilan Minyak Sawit Mampan Malaysia - 05/04/2018, Trainer; TUNAS, MPOB HQ, DOSH, DOE, PERHILITAN with attendance 64 pax.</p>
<b>4.5 Environment, natural resources, biodiversity and ecosystem services</b>		
4.5.1 Environmental management plan	Y	<p>Awarenes training done by DOE on 05/04/2018.</p> <p>Pelan Tindakan Documant No. #MSPO/SSCC/L-04/ISP dated 13/04/2018; with 8 plan on Environmental Impact</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.5.2 Efficiency of energy use and use of renewable energy	Y	MPOB has Established a format form of "Rekod Penggunaan Tenaga (Diesel)". Doc No. MSPO/SSCC/F-03/PTD. - Verified with GM, smallholder in SPOC A19 are not use tractor/vehicle/machine that used diesel.
4.5.3 Waste management and disposal	Y	"Pengurusan Bahan Buangan Terjadual", #MSPO/SSCC/SOP-03/BT, date: 06/07/2018. Rev01.  Established "Senarai Bahan Buangan Terjadual Yang Terdapat di SPOC A19" year 2018. As per in the list and verified with GM, smallholder do not use tractor/vehicle that generate spent hydraulic/spent lubricant only Tong/Beraks Racun kosong & Guni Baja for SPOC A19.  Per letter from DOE #JAS 91/110/619/130 dated 24/05/2018, Empty container are not categorized into Scheduled waste if the triple rinse been done by smallholder.  - To be verified during 2nd Stage Audit.
4.5.4 Natural water resource	Y	To be verified during 2 <sup>nd</sup> Stage Audit.  Implementation of natural water resources as per GAP certification requirement.  Sighted the document no. MSPO/SSCC/GP-03/ZPS - Garis Panduan Zon Penampian Sungai dated 30/03/2018. - To be verified during 2 <sup>nd</sup> stage audit.
4.5.5 Status of rare, threatened, or endangered species and high biodiversity value	Y	Evidence on Training on "Kesedaran Tentang Spesis Haiwan Terancam/ Pupus. Conducted by PERHILITAN Negeri Perak, date: 05/04/2018. - To be verified during 2 <sup>nd</sup> stage
4.5.6 Zero burning practices	Y	Evidence on Training on MSPO MS2530:2013 part 2 and individual briefing has been informed on the Zero burning practises to smallholders. The training date on 05/04/2018 (MSPO Training).
<b>4.6 Best Practices</b>		
4.6.1 Site management	Y	As per Program Lawatan LKN/ GAP SPOC A19 for year 2018, the program included plan for 50 participants in Mac – Dec 2018, and it has completed for 6 Participant for SPOC in Mac 2018.  Refer from GAP checklist record in individual file and as informed by GM, the assessment for GAP been

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		done and all criteria are complied with participant. The GAP certification will be issues in nearby time. Verified the GAP Checklist finding/report are available in personal smallholder file.
4.6.2 Economic and financial viability plan	Y	<p>Established the "Garis Panduan Pelan Daya Ekonomi Dan Kewangan" Document No. MSPO/SSCC/GP-01/PEK dated 13/04/2018.</p> <p>GM has established the 'Program Pembajaan &amp; Kawalan Rumpai 2018'. The program has been distributed during LKN.</p> <p>According to GM, he has advice participant verbally to reserve a budget for own and for manuring and chemical spraying program with ration 3:1 of the crop yield.</p>
4.6.3 Transparent and fair price dealing	Y	<p>For FFB pricing, ramp/weighbridge/trader are required to buy from smallholder based on MPOB pricing rate in website <a href="http://bepi.mpob.gov.my/admin2/daily.php">http://bepi.mpob.gov.my/admin2/daily.php</a></p> <p>However, the pricing pay to smallholder will be defer from website which for trader profit.</p> <p>- Evidence based on "Resit Timbang" issued by the Dealer Fruit.</p> <p>The list of 'Pusat Timbang' are listed in Stakeholder List (Koperasi Peserta Felcra &amp; Junjung luhur).</p> <p>-To be verified during 2<sup>nd</sup> Stage Audit.</p>
<b>4.7 Development of new planting</b>		
4.7.1 Oil palm shall not be planted on land with high biodiversity value	-	NA
4.7.2 Soil survey	-	NA
4.7.3 Extensive planting on steep terrain, marginal and fragile soils	-	NA

### Observation for Improvement

Auditor	Observation
HM	4.4.3 - To collect the price determined by ramp/smallholder to ensure the rate are not against Malaysian Law.

During the assessment 0 nonconformities were identified. (refer to attachment)



## Section C Conclusion

### Document Review Conclusion

- The documentation is acceptable and complete, there is no finding/issue at this time and progress has been established towards next stage of audit/MAV.*
- The documentation is generally acceptable, however there are a numbers of finding/issued which the company needs to address before proceeding to stage 2/MAV.*
- (Please proceed to follow up section)*

**Note :** The assessment was based on random samples and therefore nonconformities may exist which have not been identified. All the pages should be attached if the organization wishes to copy and delivered to the interested party


**Number of Employees (covered by scope of registration) 50**

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
Badrul Hisham Hj Baharin (BH)	Mohd Najib B Borhan	Group Manager (SPOC A19) Head Office MPOB Officer MPOB Officer (HQ)
Team member	Khairul Anuar Khamis	
Mohamad Hafis Mustafa (MH)	Mohd Rasyid Mohimin	
Trainee auditor	Muhammad Asyraf B Che Yazid	
NIL		
Observer		
NIL		

Company Information if different from above

Invoicing address if different from above	Same as above
Alternate contact (if applicable)	Same as above

### Acknowledge receipt of this report:

	Signed for on behalf of CCI	Signed for on behalf of the client
Signed		
Name	Badrul Hisham Hj Baharin	Mohd Najib B Borhan
Date	09/08/2018	09/08/2018


E-mail	badrul.hisham@cciglobe.com	
Fax No	03-8073 2688	

**FOLLOW – UP:**

**Area of Concern status:**

No	Description				
1					
	Auditor comment				
	Status	close		open	
2					
	Auditor comment				
	Status	close		open	
3					
	Auditor comment				
	Status	close		open	

Stage 1 audit conclusion: Ready for stage 2 audit

Signatory of auditor	
Date	09/08/2018