



Assessment Report	13 th Nov - 13 th Nov
	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	SUNGAI TERAH PALM OIL MILL SDN BHD
Address	PT 1577, MUKIM RENOK GUA MUSANG 18300 GUA MUSANG, KELANTAN
Report No.	MS18FM0051
Status of Audit	First Assessment Audit (Document Review)

Section A General Information

General	
Standard Assessed	MSPO MS 2530-4:2013
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	George Law
Alternate contacts	-
Management Representative contact no.	012-379 3892
E-mail address	georgedcl@agropalm.com.my
Fax Number	09-9140152
Phone Number	09-9140150

Scope of Certification	
Scope of certification in English	The provision of fresh fruit bunch (FFB) processing by palm oil mill
Applicable clause of the MS 2530-2:2013	Clause 4.1, 4.2, 4.3, 4.4, 4.5, 4.6
Changes from Previous registration	No
Extension/changes of scope date	NA

System Documentation Information	
Quality Manual Document Identification	STPOM-M-SEK01-SEK06
Last Management System revision date	01/10/2018
Previous Management System date	NA
Management Review Date	Plan to conduct on 28/11/2018
Internal audit Date	Plan to conduct on 26-27/11/2018

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) opportunity for the client to ask questions.

	<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"
4.1 Management Commitment & Responsibility		
4.1.1 MSPO Policy	YES	<p>4.1.1.1 Verified the policy regarding MSPO were stated inside "MSPO Policy date on 01/10/2018 - approved by Managing Director, Mr. Bernard Ling. The above policy shown commitment of the company towards compliance on the MSPO requirement.</p> <p>4.1.1.2 Sighted the continual improvement aspect were stated inside the "MSPO Policy"</p>
4.1.2 Internal Audit	YES	<p>4.1.2.1 Plan to conduct on 26-27/11/2018</p> <p>4.1.2.2-Internal audit procedure-STPOM-PK-002-Audit Dalaman/ Internal Audit dated on 1/10/2018 Rev 00.</p> <p>4.1.2.3- Will review during Stage 2 Audit</p>
4.1.3 Management Review	YES	4.1.3- Plan conducted on 28/11/2018
4.1.4 Continual Improvement	YES	4.1.4-Continues improvement plan- , Waste management plan, water management plan , Envuronal management plan, pollution prevention plan, business strategic plan year 2018/2019 - Will be verified during 2 nd stage..
4.2 Transparency		
4.2.1 Transparency of information and documents relevant to MSPO requirement	YES	4.2.1.1- As per STPOM-PK-003 Procedure Process Traceability & Traceability
4.2.2 Transparent method of communication and consultation	YES	<p>4.2.1.2- As per STPOM-PK-006 Procedure Communication, Consultation & Participation</p> <p>4.2.2.1- As per STPOM-PK-011 Pengendalian Aduan, Keluhan & Ketidakpatuhan Complaint form available at the office and the procedure have been well brief to all employee during policy briefing as mention above. Sighted the company had establish Borang Aduan (GEN-F-14), this file will record all the complaint receive. Record complaint and action taken will be verified during 2nd stage.</p> <p>4.2.2.2- Sighted the nomination of responsible person to handle of consultation for stakeholder issues is Mr Rosli bin Sulong dated on 01/10/2018</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		4.2.2.3- List of stakeholder -List of stakeholder of mill consist of supplier, contractor , government agencies and authorities as per List Of Stakeholder dated 10/10/2018
4.2.3 Traceability	YES	4.2.3.1- As per STPOM-PK-002 Prosedur Kebolehkesanan Dan Ketelusan establish dated on 1/10/2018. 4.2.3.2 Will verified during Stage 2 audit 4.2.3.3 Appoint Assistant Mill Manager as a responsible person for the traceability as per Mill Manager job description. 4.2.3.4 Will be verified during Stage 2 audit.
4.3 Compliance to legal requirements		
4.3.1 Regulatory requirements	YES	4.3.1.1 As per STPOM-PK-005 Pengenalpastian & Penilaian Undang-Undang. Sighted the legal register had list 32 related legal which need to comply by the mill. 4.3.1.2 Legal and Other Requirement Register as per Senaai Pematuhan Undang-Undang dated 01/10/2018 4.3.1.3 Will verified during Stage 2 4.3.1.4 The person incharge to monitor the law compliance will be Pegawai Pengurusan MSPO.
4.3.2 Land use rights	YES	4.3.2.1 Verified Land Title# 4.3.2.2 Verified during 2 nd Stage 4.3.2..3 Verified during 2 nd Stage 4.3.3.4 Verified during 2 nd Stage
4.3.3 Customary rights	YES	4.3.3.1 No customary land.- not applicable. 4.3.3.2 No official map 4.3.3.3 No land dispute issue
4.4 Social responsibility, health, safety and employment condition		
4.4.1 Social impact assessment (SIA)	YES	4.4.1.1 Will be verified during stage 2 audit
4.4.2 Complaints and grievances	YES	4.4.2.1 -Complaint and Grievances procedure were datil in date on 1/08/2018 . Sighted the establishment of complaint - complaint register. 4.4.2.2 - Will be verified during stage 2 audit 4.4.2.3 - Will be verified during stage 2 4.4.2.4- Will be verified during stage 2 4.4.2.5- All complaint form will be recorded in the Complaint Register log .

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
4.4.3 Commitment to contribute to local sustainable development	YES	4.4.3.1 Noted CSR was given and contribute financial to communities. CSR record- will verified during Stage 2
4.4.4 Employees safety and health	YES	<p>4.4.4.1 As per Safety, Health & Environmental Policy dated 01/10/2018</p> <p>4.4.4.2</p> <p>a) Policy was display at office and brief to employees during morning briefing.</p> <p>b) Verified HIRARC has cover operation such confine space & other routine process (loading ramp, sterilizer, Thresher & etc. dated 1/10/2018.</p> <p>c) No program been establish for training</p> <p>d) Verified the PPE issuance record available and met with the HIRARC control measure.</p> <p>e) Sighted procedure STPOM-PK-007 Pengurusan Bahan Kimia dated on 1/10/2018.</p> <p>f) Safety and Health Committee Chairman, Mr Rosli bin Sulong.</p> <p>g) Verified the OSHC minute meeting on 23/10/201804/10/2018 etc. The meeting attended by Chairman, secretary, employer reps. and employee reps.</p> <p>h) As per STPOM-PK-009 Prosedur Prosedur Pengurusan Kecemasan</p> <p>i) Plan to conduct on 24-25/11/2018 for First Aid Training conducted by St John Ambulance, Kelantan.</p> <p>j) Sighted registration of JKPP 8 dated . As at todate nil incident cases were reported.</p> <p>Any compliance at site will be verified in 2nd stage.</p>
4.4.5 Employment conditions	YES	<p>4.4.5.1 Verified the policy regarding Equal rights were stated inside Good Social Practice Policy date on 01/10/2018</p> <p>4.4.5.2-Will verified in stage 2.</p> <p>4.4.5.3-Offer letter for Employee - will be verified during 2nd stage.</p> <p>4.4.5.4-Contractor payment slip - will be verified during 2nd stage.Salary according to the minimum wages standard.</p> <p>4.4.5.5-Attendance record - etc Daily attendance , thumb print - will be verified during 2nd stage.</p> <p>4.4.5.6-Offer letter and contract agreement for Employee - will be verified during 2nd stage.</p> <p>4.4.5.9-Salary slips in place and comply with requirement.</p> <p>4.4.5.10-Salary slips payment for overtime and production more than target.</p> <p>4.4.5.11-Will verified in Stage 2</p> <p>4.4.5.12-Will verified in stage 2</p> <p>4.4.5.13-Statement can join union inside the Good Social Practices Policy date on 01/10/2018</p>

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		4.4.5.14-List of workers name complete with Age are available complete sighted in the excell record format- notice non underage worker..
4.4.6 Training and competency	YES	4.4.6.1 As per ADM-F005 Kalender Latihan Tahunan. 4.4.6.2 As per ADM-F004 Borang Penilaian Kakitangan 4.4.6.3 Training program had been established for year 2018 - included in safety training, chemical handling, etc
4.5 Environment, natural resources, biodiversity and ecosystem services		
4.5.1 Environmental management plan	YES	4.5.1.1 As per Safety, Health & Environmental Policy dated 01/10/2018 a) Policy and objectives available as refer to 4.5.1.1 b) Environmental Impact Assessment dated 01/10/2018 4.5.1.3 As per Safety, Health & Environmental Management Program dated 01/10/2018 4.5.1.4 Will be verified during 2 nd stage 4.5.1.5 An awareness and training program for environment are available date 01/08/2018 included Env meeting, Env. awareness training, waste management training & etc. 4.5.1.6 Latest enviornmental meeting conducted on 23/10/2018.
4.5.2 Efficiency of energy use and use of renewable energy	YES	4.5.2.1 As per Smoke Density Meter report submitted to DOE by montly basis . Record of electicity usage and water usage had been proper recorded by the company. 4.5.2.2 As per Summary of Diesel, electricity for milling activity and process. 4.5.2.3 Palm Fibre and Shell Kernel are used in order to reduce the dependent on TNB energy. Verified the daily energy genereted recorded and trend anlysis is available.
4.5.3 Waste management and disposal	YES	4.5.3.1 Inventory Of Schedule Waste (Fifth Schedule) latest updated on 1/8/2018 listed SW102,SW103,SW110 SW305, SW 306, SW410 etc. 4.5.3.2 As per Waste Management Plan 4.5.3.3 As per STPOM-PK-008 Pengurusan Sisa Buangan dated 1/10/2018. 4.5.3.4 Domestic Waste manage by districh manucipal. Will verified during 2 nd stage for the site compliance.
4.5.4 Reduction of pollution and emission	YES	4.5.4.1 As per Waste Management Plan - refer to environmental management plan - the mitigation plan will be verified during 2 nd stage.

System requirements	Y / N	Document reference if select "Y" or comments if select "N"
		4.5.4.2 As per Waste Management Plan - refer to environmental management plan - the mitigation plan will be verified during 2nd stage. 4.5.4.3 Valid DOE License (jadual pematuhan) for period of 01/07/2018 to 30/06/2019 and POME lab test result . Will be verified during 2 nd stage.
4.5.5 Natural water resource	YES	4.5.5.1 As per water management plan - Will be verified during 2 nd stage. 4.5.5.2 As per Waste Management Plan - refer to environmental management plan - the mitigation plan will be verified during 2nd stage.
4.6 Best Practices		
4.6.1 Mill management	YES	4.6.1.1 As per Manual, prosedur & garis panduan dated 01/10/2018 for all activities. 4.6.1.2 Sighted the best practices were accordance to SOP for Palm oil mill.
4.6.2 Economic and financial viability plan	YES	4.6.2.1 As per Yearly Financial Budget for expenditure, general charges, mill processing cost, machinery maintenance and upkeep.
4.6.3 Transparent and fair price dealing	YES	4.6.3.1 As per MPOB CPO price- sighted it were fairly transparent that the contractor agreed the price as mention in the contract agreement evidence :- , payment voucher to FFB supplier. 4.6.3.2 Verify during the 2 nd Stage
4.6.4 Contractor	YES	4.6.4.1 According to the auditee the briefing on the requirement on MSPO will be conducted on 25/10/2018 (Stakeholder meeting) - will be verified during 2 nd stage. 4.6.4.2 Verified during the 2 nd Stage

Observation for Improvement

Auditor	Observation
ZU	4.1.1.1 Policy was approved by previous CE), advise management to show the commitment of the management on compliance to all the MSPO principle. 4.2.2.3 To include the community surround the mill operation and government agencies having interest with mill operation such as DOE, DOSH etc. 4.1.1.1 No evidence on the social impacts been identified and plan was implemented. 4.4.4.2 (c) Sighted no training program been establish for safety and other matters 4.5.2.1 Sighted no monitoring of the non renewable energy with appropriate monitoring. 4.5.5.1 To establish the Water Management Plan for the usage of water consumption

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) **83**

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
Mohamad Zulkefli bin Md Isa	George Law	Financial Coontroller
Team member		
NIL		
Trainee auditor		
NIL		
Observer		
NIL		
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	Mohamad Zulkefli bin Md. Isa	George Law
Date	13/11/2018	13/11/2018
E-mail	admin@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:

Corrective action completed, site is now ready for stage 2 audit.

Signatory of auditor	
Date	