



Assessment Report

Date: 14 Nov to 15 Nov

2016

[Disclaimer: The audit report has been generated to reflect the compliance of the company toward the MSPO standard 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 2503:2013
Part 2

Company name	Sustainable Palm Oil Cluster (Daerah Kluang)
Address	Stesen Penyelidikan MPOB Kluang, P.O.Box 532, KM 11, Jalan Johor Tenggara, 86009 Kluang, Johor.
Report no	MS16MM001
Status of audit	Main Assessment If surveillance NA

Thank you for your trustful cooperation during our audit of your organization. This report has been prepared of every effort to ensure the accuracy of the information recorded. The assessment is based on sampling on the records, practice, documents and personnel, therefore the final results of the assessment is of representative towards the system implementation of the organization. This report may generated to record as much of the system implementation information but may still limited due to the sampling .This report details the assessment results including strengths, opportunities, and weaknesses. These results were presented to your management at the closing meeting of the audit. You can use these results to improve the effectiveness of your management system. We look forward to continuing our partnership towards sustainable business success. This report has been prepared in compliance to the ISO 17021:2011 requirements.

To ensure the next assessment will be carry out in compliance to the ISO 17021:2011, please remember to immediately notify CARE Certification International about any significant change to your company at any point of time. Together we will then coordinate appropriate measures to maintain your current certification. Such circumstances include, for example, changes relating to the legal, commercial, organizational status or ownership, organization and management (e.g. key managerial, decision making or technical staff), contact address and sites, scope of operations under the certified management system, and major changes to the management system and processes. Together we CARE and will then ensure the smoothness of the upcoming assessment. Thank you for your persistence of support.

	Signed for on behalf of CCI	Signed for on behalf of client
Sign	 <hr/>	
Name	Zulkarnain Ishak	Company stamp
Date	15/11/2016	
Email	admin@cciglobe.com	
Fax no	038073 2688	

Section A General Information

General	
Audit objectives	<input checked="" type="checkbox"/> To verify that the system initial implementation is in accordance to requirements of the standard adopted. <input type="checkbox"/> To verify that the system implementation is continuously in accordance to the requirements of the standards adopted. <input type="checkbox"/> To verify that the system implementation is continuously after and in third years of implementation is in accordance to the standards adopted. <input type="checkbox"/> Other, (please specify)
Integrate Assessment	No
Issue of certificate	Yes

Scope of Certification	
Scope of certification in English	Production of MSPO certified FFB
Requirement not being applicable	Clause 4.7 Development of New Planting
Justification	All smallholder was establish since 10-20 year ago.
Other language than above	NA
Changes from Previous registration	No
Extension/changes of scope date	NA

Contact Details	
Management Representative	Nor Azila binti Mat Ripin
Alternate contacts	
Management Representative contact no.	019 788 0477
E-mail address	azila@mpob.gov.my
Fax Number	07-789 2282
Fixed Line Number	07-789 2282
NO OF SPOC MEMBERS	21

Section B Previous Audit Result

The result of the last audit system have been reviewed, in particular to ensure appropriate correction and corrective action has been implemented to address any nonconformities identified. This review has concluded that:

<input checked="" type="checkbox"/>	No nonconformities have been raised during last assessment.
<input type="checkbox"/>	Any nonconformities identified during last previous audit have been corrected and the corrective action continuous to be effective.
<input type="checkbox"/>	The management system has not adequately addressed non conformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

Section C Conclusion

The audit team conducted a process based audit focusing on significant aspects/risk objectives required by the standard(s). The audit methodology used is based on 3P which were People, Paper and Practice.

The audit team concludes and express

- CONGRATULATION and has
 CONGRATULATION however some processes need to address non-compliance(s) but others has

SORRY and the organization has not established and maintained its management system in line with the requirements of the standard and

demonstrated

not demonstrated

the ability of the system to systematically achieved agreed requirements within the scope of the organizations.

Base on the record, there is/are NIL unresolved issue.

Therefore the audit team recommends that based on the results of this audit and the system's demonstrated state of development and maturity, management system certification be:

Granted (initial certification or recertification)

Granted upon the acceptance of the noncompliance(s)

Continued (surveillance)

Continued (surveillance) upon the acceptance of the noncompliance(s)

Withheld

suspend until satisfactory corrective action(s) is completed

Others (please specify)

Note :

The assessment and recommendation for the initial or continue 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.

Section D (For Recertification only)

1	The company has demonstrated effective implementation and maintenance/improvement on its management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
2	The internal audit program has been fully implemented and demonstrates its effectiveness as a tool for maintaining and improving the management system.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
4	Throughout the audit process, the management system demonstrates overall conformance with the requirements of the audit standard	<input type="checkbox"/> Yes <input type="checkbox"/> No

Section E Auditor and Auditees Names

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
Zulkarnain Ishak	1) Pn Nor Azila	SPOC Manager

Team member		
Mohd Farul Rosli		
Mohamad Zulkefli		
Trainee auditor		
NIL		
Observer		
Hasbullah- MPOCC		

Section F Audit Process Matrix

Next Audit Matrix (legend "☒" plan to cover & covered, "☐" for uncover)

Planned month & year	11/2016	10/2017	10/2018	10/2019	10/2020
Internal Audits	☒	☒	☒	☒	☒
Stakeholder consultation / survey	☒	☒	☒	☒	☒
Use of logo	☒	☒	☒	☒	☒
Follow-up from previous audit finding	☒	☒	☒	☒	☒
4.1 Management Commitment & Responsibility					
4.1.1 MSPO Policy	☒	☒	☒	☒	☒
4.1.2 Continual Improvement	☒	☒	☒	☒	☒
4.2 Transparency					
4.2.1 Traceability	☒	☒	☒	☒	☒
4.3 Compliance to legal requirements					
4.3.1 Regulatory requirements	☒	☒	☒	☒	☒
4.3.2 Land use rights	☒	☒	☒	☒	☒
4.3.3 Customary rights	☒	☒	☒	☒	☒
4.4 Social responsibility, health, safety and employment condition					
4.4.1 Complaints and grievances	☒	☒	☒	☒	☒
4.4.2 Employees safety and health	☒	☒	☒	☒	☒
4.4.3 Employment conditions	☒	☒	☒	☒	☒
4.4.4 Training and competency	☒	☒	☒	☒	☒
4.5 Environment, natural resources, biodiversity and ecosystem services					
4.5.1 Environmental management plan	☒	☒	☒	☒	☒
4.5.2 Efficiency of energy use and use of renewable energy	☒	☒	☒	☒	☒
4.5.3 Waste management and disposal	☒	☒	☒	☒	☒
4.5.4 Natural water resource	☒	☒	☒	☒	☒
4.5.5 Status of rare, threatened, or endangered species and high biodiversity value	☒	☒	☒	☒	☒
4.5.6 Zero burning practices	☒	☒	☒	☒	☒
4.6 Best Practices					
4.6.1 Site management	☒	☒	☒	☒	☒

4.6.2 Economic and financial viability plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.3 Transparent and fair price dealing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.7 Development of new planting					
4.7.1 Oil palm shall not planted on land with a high biodiversity value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.2 Soil survey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.3 Extensive planting on steep terrain, marginal and fragile soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessment man days for the next assessment : 3.5 md. Recertification: 10/2020

Note: Recertification should be carry out minimum 2 months prior to the expiry of the certificate

Section G Audit Note

Summary of Area Audited

BUSINESS AREAS	DETAILS OF AUDITED SUMMARY	
Auditor	Date	Time
ZI	14/11/2016	0930
<p>Opening Meeting</p> <ul style="list-style-type: none"> 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> <ul style="list-style-type: none"> a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty b) the method and timeframe of reporting, including any grading of audit findings; c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification; d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit; e) the certification body's post audit activities; f) information about the complaint handling and appeal processes. g) Any diverging opinion that are not resolved. h) opportunity for the client to ask questions. 		
Executive Summary		
<p>The audit was based on the MSPO2503:2013 Part 2 Standard, procedure and applicable requirements. There is no issue during the First Assessment Visit (FAV) conducted on 01/08/2016 and found all the require document, procedure and form are available. Noted there is 21 smallholder are participate in this Kluang Sustainable Palm Oil Cluster (SPOC). SPOC Kluang was manage and monitored by TUNAS, MPOB Kluang. All member of SPOC Kluang been certified the Code Of Good Agriculture Practice by MPOB.</p> <p>The audit are divided into two session which first session is a documentation review on the Day 1 and second session is the site visit on the Day 2. This audit conducted based on the sampling and 6 smallholder been chosen and involve in this assessment activity. Noted that all the SPOC member are still in the awareness stage and all the implementation are monitored by Group Manager.</p> <p>The audit was lead by Mr Zulkarnain Ishak who are have almost 8 years in the sustainable certification and other management system certification such as RSPO, ISCC, ISO 14001, ISO9001 etc and also attended the MSPO Lead Assessor Course conducted by DQS. Co auditor is Mr Mohd Farul Rosli who are experienced in the RSPO and ISCC Certification for almost 5 years and attended the MSPO Lead Assessor Course conducted by DQS.</p>		

Audit Summary

The audit was cover all the MSPO 2503:2013 Part 2 Clause and the summary of the finding are as below:

Clause 4.1. Management Commitment & Responsibility

SPOC has implementing the system according to Malaysian Sustainable Palm Oil (MSPO) demonstrated by the established SOP. It addressed the procedures and instructions to comply with the requirements of MSPO. Group manager MSPO has established training and briefing Laporan Taklimat MSPO to all smallholders. Group manager MSPO has established training and briefing Laporan Taklimat MSPO to all smallholders.

Clause 4.2 Transparency

KPSM – Koperasi Penanam Sawit Mampan, Kluang Utara has record FFB received from smallholder and summaries on monthly basis. Record of sales and delivery of FFB has recorded weighbridge ticket and FFB receipt of payment statement on monthly basis

Clause 4.3 Compliance to legal requirement

Noted that Senarai Keperluan Undang-Undang has been established effective date 1st April 2016, No Dokumen: L-02/SKU/2016. All SPOC has license as per MPOB requirements Akta Lembaga Minyak Sawit Malaysia 1998

(Non-Conformance)

Found that one of SPOC members license has expired against as per requirements Akta Lembaga Minyak Sawit Malaysia 1998 and term of land was not stated for oil palm planting

Clause 4.4 Social responsibility, health, safety and employment condition

No complaint by stakeholder was recorded since the implementation of MSPO Scheme in all SPOC Kluang smallholder. Stakeholder consultation was conducted on 14/11/2015 and participate by JKKK Chairman, District Police Officer and Cooperation Manager. No issue were raised during the stakeholder consultation. No occupational accident and health issue were reported since and there have no complaint raised regarding wage, payment, contract and ect. resulted all mutual verbal agreement has been agreed by both parties before work start. Group Manager organised the required training to give an awareness to all SPOC member in occupational safety and health issue.

Clasue 4.5 Environment, natural resources, biodiversity and ecosystem services

Awareness training was conducted in order to give an understanding of sensitive area (river, steep, slope, forest, swamp area) and there is a format to monitor the usage of diesel.

Clause 4.6 Best Practise

Established “Pensijilan Kod Amalan Pertanian Baik (GAP) Pekebun Kecil”. Latest date done on 12/10/15 for each Individual Smallholder. Noted all 21 smallholder was certified GAP.

Clause 4.7 Development of New Planting

Not Applicable since all the SPOC member already planted their palm oil tree since 20 years ago.

Introduction

SPOC Kluang was established since year 2010 and was manage by TUNAS, MPOB Kluang with 21 smallholder participate to apply the MSPO Certification Scheme with total planted hectarage is around 46.76 hectares. The list of the smallholder and the detail of each smallholder as per table below:

No	Small holder	Lot No	Planted area (ha)	GPS Coordinate	License No	Adress
1	HANIZA BINTI ABD RAHAMAN	6657	3.1958	2°01'45.280"N 103°14'24.444"E	506914101000	RANCANGAN BATU 67, JALAN AIR HITAM/KLUANG
2	JAYARAJ A/L RENGASAMY	PTD 1202	3.3387	1°48'51.782"N 103°32'03.720"E	553077901000	MUKIM LAYANG-LAYANG
3	MOHD RAZIF BIN HJ MOHD ALIMAN	PTD 11406	1.2140	2°05'17.851"N 103°17'41.261"E	UNDER APPLICATION PROCESS	KG PERADONG
4	BAHARIN B SUKIMAN	1061	3.2370	2°09'51.682"N 103°16'00.734"E	UNDER APPLICATION PROCESS	KG GSA CHAMEK

5	SARJONO B PARMAN	1044	2.4300	2°04'55.9"N 103°17'28.6"E	297170301000	KG GSA CHAMEK
6	BARIAH BINTI ABD SAMAD	PTD 51318	0.809	2°07'15.6"N 103°28'28.5"E	UNDER APPLICATION PROCESS	KG SRI TIMUR
7	JAMADON B BAHARI	257	2.0200	1°57'13.3"N 103°15'04.4"E	312121001000	KG RAHMAT
8	TEE A BA @ TAY AH BER	1321	3.4400	2°07'17.085"N 103°24'48.737"E	293758101000	BATU 11, JALAN KLUANG MERSING
9	R. SELVAM A/L RENGASAMY	1918	3.7280	2°07'02.225"N 103°24'31.720"E	446983401000	BATU 11, JALAN KLUANG MERSING
10	SIEW YORK MOI	3462	2.0000	2°03'41.829"N 103°18'19.661"E	DALAM PROSES PERMOHONAN	BELAKANG NIYOR ESTATE, MUKIM KLUANG
11	POH KONG NGEE	1583	3.2400	2°11'42.4"N 103°15'04.9"E	512594701000	KAMPONG GSA CHAMEK, PALOH
12	LIEW BOON YIT	6383	0.9352	2°08'23.1"N 103°13'49.8"E	446368201000	KAMPONG CHAMEK, NIYOR
13	LEE TECK HUAT	4353	2.0500	2°07'20.2"N 103°14'45.6"E	542153801000	KAMPONG CHAMEK, NIYOR
14	SAN AH NING @ SAN MAN NING	1090	2.1200	1°58'30"N 103°15'59"E	304671401000	KAMPONG MIC, SRI LALANG, KLUANG
15	TE HOCK SAN	362	2.5200	2°13'52"N 103°23'20"E	291903501000	KAMPONG CHAMEK, NIYOR
16	TEE ON HOK	PTD 357	2.4281	2°14'14.096"N 103°8'8.335"E	543199101000	BEHIND CHAN WING ESTATE, MUKIM PALOH
17	LIM YONG @ LIM KING YONG	3041, 3042	1.6187, 1.6187	2°10'56.890"N 103°09'39.977"E	438151101000	MUKIM PALOH, KLUANG
18	LIM KIM HOI	3043, 3044, 3045	1.6187, 1.6187, 6.8796	2°10'53.979"N 103°09'36.725"E	317350301000	MUKIM PALOH, KLUANG

19	LIN SOON TECK	5031	3.4500	2°09'50.888"N 103°13'25.274"E	471920201000	MUKIM PALOH, KLUANG
20	GOH TIAM ANN	PT 3971	2.5799	2°09'00.518"N 103°16'45.440"E	439733701000	H.S.(M) 672, PT 3971, JALAN PALOH-KLUANG, MUKIM NIYOR KLUANG
21	CHEONG BOON HUAT	6291	1.6260	2°07'27.965"N 103°17'16.205"E	464709101000	H.S.(M) 3498, PTD 6291, JALAN PALOH-KLUANG, MUKIM NIYOR KLUANG

MSPO Clause	Clause applicable	Auditor	Date
Management Commitment & Responsibility	4.1	ZI	14/11/2016
Indicator	Indicator applicable	Auditor	Date
Policy	4.1.1	ZI	14/11/2016

SPOC has implementing the system according to Malaysian Sustainable Palm Oil (MSPO) demonstrated by the established SOP. It addressed the procedures and instructions to comply with the requirements of MSPO.
MSPO policy established by MPOB (Polisi Minyak Sawit Mampan Malaysia – MSPO). Policy has signed by Group Manager, SPOC Daerah Kluang, Pn Nor Azila Binti Mat Ripin dated 13 Jun 2016. The policy applies to all independent smallholder.

Group manager has planned to conduct a briefing on the MSPO on 30th November 2016

Requirement	Indicator applicable	Auditor	Date
Continual improvement	4.1.2	ZI	14/11/2016

Group manager MSPO has established training and briefing Laporan Taklimat MSPO to all smallholders dated 24 April 2016 at Dewan Seminar Prime City Hotel, Kluang. Training as below;

1. Good Agricultural Practice (GAP).
2. MSPO:MS2530 part I and
3. MSPO:MS2530 part II
4. Perundangan dan Status Penggunaan Tanah

Attendance list available and recorded in 17 out of 21.

Senarai Lawatan Pensijilan MSPO GAP Pekebun Kecil Tahun 2016 has established to monitor compliance and upload into Portal MPOB GAP by each region. Procedure for GAP has established and implemented effective date 19 November 2014, Doc 02, Issue No 02 and revision 02. Flowchart and details activities for MPOB GAP certification with the checklist golden agricultural practice smallholders.

MPOB Malaysia has set target compliance to GAP for 2016 total 10,000 Ha target visited for GAP is 362 smallholders.

Noted that from Lawatan Khidmat Nasihat individu every monthly, record that MPOB has take action assist smallholder take care of the issue during operating.

Noted that communication procedure well implemented, refer to letter dated 8 September 2016 to Jabatan Pertanian Bahagian Kawalan Racun Perosak and reply from Jabatan and cced to MPOB (Ketua Pengarah), JAS (KP), JPNJ, Jabatan Pertanian K/U Negeri Johor and Jabatan Penerbangan Awam dated 19 September 2016 regarding Kebenaran Menggunakan Produk ECOBAC-1 untuk program semburan udara bagi kawalan ulat bungkus has been recorded by GM SPOC.

Group manager MSPO has established training and briefing Laporan Taklimat MSPO to all smallholders

Requirement	Principle applicable	Auditor	Date
Transparency	4.2	ZI	14/11/2016
indicator	Indicator applicable	Auditor	Date
Traceability	4.2.1	ZI	14/11/2016

KPSM – Koperasi Penanam Sawit Mampan (KPSM), Kluang Utara has record FFB received from smallholder and summaries on monthly basis.