



MSPO SURVEILLANCE PUBLIC SUMMARY REPORT [YEAR 03] 2021



SALCRA

LUBOK ANTU PALM OIL MILL 1

KM 13, Jalan Ridan-Lubok Antu, Lubok Antu, 95008 Sri Aman, Sarawak.



BQAS Certification [M] Sdn Bhd

Lot 7823, Sublot 6, 2nd Floor, Block A, King Center,
Simpang Tiga, 93350, Kuching, Sarawak.

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Accreditation No: ACB MSPO CB15

CERTIFIED ENTITY



MSP0 SURVEILLANCE PUBLIC SUMMARY REPORT Year 03: 2021

SALCRA: LUBOK ANTU PALM OIL MILL 1

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: BQ/LAPOM1/SVA3/05/21

Standard: MS 2530-4:2013

REMOTE AUDIT

27 07 2021

MSPO Standards	<input checked="" type="checkbox"/> MS2530-4:2013 General Principles for Palm Oil Mills	
Type of Certification:	<input checked="" type="checkbox"/> Individual	<input type="checkbox"/> Group
Project Ref No:	BQ/LAPOM1/SVA3/05/21	
MSPO Certificate No:	BQAS P4 023-4 0420	
MSPO Certificate Validity:	14 04 2018 – 13 04 2023	
Main Office Address:	Wisma SALCRA, No 1, Lot 2220, Block 26, MTL D, Jalan Dato Mohd Musa, 94300, Kota Samarahan, Sarawak	
Contact Person / Job Title:	Puan Patricia Chan	Sustainability Executive
Telephone / Mobile:	082 621 904	016 831 2705
Email / Website:	patriciachan@salcra.gov.my	
Site Address:	Batu 13, Jalan Ridan-Lubok Antu, Lubok Antu, 95008 Sri Aman, Sarawak	
Contact Person / Job Title:	Mr Ubang Balang	Mill Manager
Telephone / Mobile:	082-220008/9	013 804 7273
Email / Website	ubangb@salcra.gov.my	

CERTIFICATION BODY**BQAS CERTIFICATION [M] SDN BHD [1179994-X]**

Office Address:	Lot 7823, Sublot 6, 2n Floor, Block A, Kings' Center, Simpang Tiga, 93350, Kuching Sarawak.	
Contact Person / Job Title:	Managing Director	
Telephone / Mobile:	+6 082 572043	
Lead Auditor:	Wilfred S Landong	
Certifier:	Maxwell S Landong	

Disclaimer:

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EXECUTIVE SUMMARY

LAPOM 1 [Lubok Antu Palm Oil Mill 1] is wholly owned by SALCRA [Sarawak Land Consolidation Rehabilitation Authority]. This is a Surveillance Certification Report Year 3 [4th year of certification] for LAPOM 1 & scope is Individual Certification under the Standards MSPO MS2530-4:2013 for Palm Oil Mills.

This Audit which was scheduled earlier to be conducted in March, 2021 was forcibly delayed due to compliance requirements of COVID 19 MCO [movement control order] enforced by government authorities of Sarawak & Malaysia. Additionally, the planned **Onsite Audit** was changed to **Remote Audit** to ensure regulatory compliances to COVID 19 Pandemic MCO [movement control order]

Guidance documents for this Remote Audit is **MPOCC Version 3 Updated Circular [22 March 2021]**

Guidance on remote audits due to Covid 19 Pandemic Restrictions.

Risk Assessment was conducted and it was determined prior to conducting the audit that LAPOM 1 is categorised as **low risk entity** and qualify to be audited remotely.

ICT tools and audit medias in use during this Audit include zoom meetings, google drive for uploading documents, emails, whatsapp chat group for Auditors & Auditees [clients] personnel, postings of realtime photographs evidence and other relevant virtual communication tools etc.

It is to be noted that during SVA02 2020 there are no palm oil milling activities in LAPOM 1. The Mill operations was suspended with effect October 2019. However, during this SVA03 2021 Audit, LAPOM 1 had resumed and normalise its palm oil milling activities.

LAPOM 1 is located at KM 13, Jalan Ridan-Lubok Antu, Lubok Antu, 95008 Sri Aman, Sarawak. The Mill Site is situated at Geo-coordinates N01° 10' 9.02" E111° 45' 28.69"; approximately 60+ kilometers from Sri Aman Town; on legally acquired Country land; owned by SALCRA, the parent organization.

The assessment method follows principles of **3P** (Paper, Practice & People)

This certification assessment is a sampling process where management systems effectiveness & efficiency are confirmed via an Audit Trail that the Auditor established to make an accurate conclusion.

The following are pertinent information on LAPOM 1:

- | | |
|-------------------------------|---|
| No of Employees | • 58 [all locals] |
| MPOB License No / Expiry date | • No: 5000 8690 4000 / Expiry: 31/12/2021 |
| Production Capacity | • 30 MT of fresh fruit bunch (FFB) per hour |



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FFB supply base	<ul style="list-style-type: none">Mainly SALCRA owned plantations & other dealers, plantations & smallholders in Lubok Antu District and surrounding areas.
Annual Production Quota	<ul style="list-style-type: none">100,000 MT
Actual volume of FFB processed for 2020	<ul style="list-style-type: none">35,450 MT
Projected volume of FFB processed for 2021	<ul style="list-style-type: none">84,264MT
Extraction Ratio	<ul style="list-style-type: none">Oil extraction ratio @ 20.86%Kernel extraction ratio @ 4.56%
Actual production volume for 2020	<ul style="list-style-type: none">Crude Palm Oil @ 7,213 MTPalm Kernel @ 1,619MT
Projected production volume for 2021	<ul style="list-style-type: none">Crude Palm Oil @ 16,853MTPalm Kernel @ 3,792MT
Projected pricing for 2021	<ul style="list-style-type: none">CPO @ RM2,131/MTPK @ RM1,928/MT

The Remote Surveillance Audit was conducted on 19 – 20 05 2021; 2 Auditors; 4 mandays. The purpose of this Audit is to evaluate the implementation, including effectiveness, and continuous compliance to MSPO requirements of LAPOM 1 management systems. Assessments were done to assess documentation, mill facilities and mill operations. Information & data were systematically gathered & documented from online interviews, realtime photos as evidence & review of documentations and records. There was only 1 finding classified as OFI [opportunity for improvements] on Criterion 4.5.3: Waste management and disposal. Corrective action report was raised on 20 05 2021 and closed out on 01 07 2021.

During SVA03, the Auditors also determined that actions to be taken on findings in SVA02 had been implemented satisfactorily and in compliance with requirements of the Standards.

The Audit team had assessed that LAPOM 1 has continuously complied & conformed to MSPO Certification standards, conditions & requirements.

Conclusively, the Lead Auditor therefore recommended that LAPOM 1 Certification under MSPO Standards MS2530-4:2013 Part 4 – General Principles for Palm Oil Mills to be continued and maintained.

Management Changes: Mill Manager – Lubok Antu Plam Oil Mill 1

It is noted that there is a change of Mill Manager in this SVA3 2021 from previous [Madam Penny Nyapay] to new [Mr Ubang Balang]

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1.0. INFORMATION: CERTIFICATION ASSESSMENT

1.1.	Type of Certification Assessment	<input type="checkbox"/>	Initial Certification / Main Audit
		<input type="checkbox"/>	Annual Surveillance Audit [Year 3]
		<input type="checkbox"/>	Re-certification Audit
1.2.	Scope of MSPO Certification		
		<input type="checkbox"/>	Sustainable Management of Palm Oil Mill with 30MT/Hour
1.3.	MSPO Standards		
		<input type="checkbox"/>	PART 4: MS2530-4:2013

2.0. INFORMATION: CERTIFIED ENTITY

Company Name & Registration No:		LUBOK ANTU PALM OIL MILL 1	
Main Address:		Wisma SALCRA, No.1, Lot 2220, Block 26, MTL D, Jalan Datuk Mohd Musa, 94300 Kota Samarahan	
Site Name:		Lubok Antu Palm Oil Mill 1	
Primary Function:		<input type="checkbox"/> Plantation/Organized Smallholders	<input checked="" type="checkbox"/> Mill
Site Address:		Batu 13, Jalan Ridan-Lubok Antu, Lubok Antu, 95008 Sri Aman, Sarawak	
Management Contact Details			
1.	Name: Ubang ak Balang	Job Title: Mill Manager	
	Mobile: 013 804 7273	Tel: 082-220008/9	Email: ubangb@salcra.gov.my
2.	Name: Wilfred Kana	Job Title: Mill Engineer	
	Mobile: 019 887 7653	Tel: 082-220008/9	Email: wifredk@salcra.gov.my

Headcount:	Local: 58	General Workers:	Total: 58
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MS 2530-4:2013 General Principles for Palm Oil Mills

MPOB License No: 5000 8690 4000	Expiry Date: 31/12/2021
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Scope of Activity:
Purchasing of FFB, Processing of FFB into CPO and PK, Storing of CPO and PK and Selling of CPO and PK

Menjual dan Mengalih	FFB, PK, CPO, SPO #
Membeli dan Mengalih	FFB #
Menyimpan	PK, CPO, SPO #



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Mengilang	FFB #
Production Capacity:	30MT/Hr
OER Extraction Ratio: 20.86%	KER Extraction Ratio: 4.56%
PK Production Volume(actual) 2020: 1,619MT	PK Production (estimate) 2021: 3,792MT
PK Pricing (actual) 2020: RM1,682/MT	PK Pricing (forecast) 2021: RM1,928/MT
CPO Production Volume(actual) 2020: 7,213 MT	CPO Production (estimate) 2021: 16,853MT
CPO Pricing (actual) 2020: RM2,859/MT	CPO Pricing (forecast) 2021: RM2,131/MT
FFB Volume(actual) 2020: 35,450 MT	FFB Volume (estimate) 2021: 84,264MT
Main Sources of FFB: Smallholders and Dealers	
Land Status: Ownership:	<input type="checkbox"/> Rented <input checked="" type="checkbox"/> Own Land <input type="checkbox"/> Joint Venture
Other Sustainability Certification:	Geo-Coordinates:
MSPO Supply Chain Certification Standard	Latitude 110°9.02 Longitude 111°45'28.69
Validity/Date of Certification:	14 04 2018 – 13 04 2023

3.0. ASSESSMENT METHODOLOGY

This certification assessment is a SAMPLING process where management systems effectiveness & efficiency are confirmed via an audit trail that the Auditor established to make an accurate conclusion

Information gathering Data collection	<ul style="list-style-type: none"> ICT tools and audit medias in use during this Audit include zoom meetings, google drive for uploading documents, emails, whatsapp chat group for Auditors & Auditees [clients] personnel, postings of realtime photographs evidence and other relevant virtual communication tools etc.
Assessment method	<p>Paper</p> <ul style="list-style-type: none"> Assessing past implementations from records, reports of the management system <p>Practice</p> <ul style="list-style-type: none"> Assessing current implementation from evidence collection on current practices <p>People</p> <ul style="list-style-type: none"> Assessing future maintenance from interviewing online the auditee personnel on understanding & assessing competencies.

Surveillance Audit		Audit Findings Classification
Term	Meaning	Description



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YES	Compliance	•	Fulfilled requirement of audited standard
OFI	Opportunity for improvements	•	Demonstrate conformity. There are, however, improvement opportunity identified that will benefit the organization
NO (minor NC)	Minor non conformity	•	Non-compliance to standard requirements or company's SOP; or are issues that when combined, jeopardized the functioning of the system
NO (major NC)	Major non conformity	•	Demonstrate absence or total breakdown of system to meet standard requirement, or a number of minor NC against a clause of standard requirements / at a particular area. Of last assessment that are not effectively addressed will be classified as major NC.

4.0. ASSESSMENT PROCESS

The assessment process was preceded by/with **Risk Assessment of the certified entity** to determine that LAPOM 1 qualify to be audited vide **Remote Audit**. BQAS had assessed that surveillance audit 03 of LAPOM1 is classified as **low risk**.

4.1. AUDIT TEAM

Assessment Year	Name	Role
Surveillance Year 03	Wilfred Landong	Lead Auditor
	Duke Ladin	Auditor

4.2. AUDIT PLAN

4.2.1. AUDIT OBJECTIVES

Surveillance Audit Year 03

- Changes to the certified client and its management system
- Verification continuous management system implementation
- Review of effectiveness of measures arising from the previous audit (if applicable)
- Confirmation of fulfillment of certification requirements
- Enquiries on aspects of certification (Complaints)



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- Review of any client's statements with respect to its certified operations (promotional material, website, use of BQAS logos and marks, use of the certificate)
- Customer specific requirements

4.2.2. ASSESSMENT SITES / PROGRAMS / PARAMETERS

MS2530-4:2013	General Principles for Palm Oil Mills
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4.2.2.1. Assessment Sites

Assessments were performed on:

- Mill Office – documentations & records
- Mill – processes, stores, waste & water management, workshop and related facilities
- Staff facilities – housing, amenities etc.

4.2.2.2. Assessment Program

Date: 19 – 20 05 21

No of Auditors: 2

No of Mandays: 4

Day 1

- Opening Meeting
- Review Certification Audit Report Year 02
- Documentation Audit / Record Review

Day 2

- Mill – facilities review (chemical, schedule waste stores, workshop, effluence ponds, grading etc.)
- Review of milling processes
- Assessment/review of staff/workers housing & living conditions, facilities & amenities, interview foreign workers, domestic waste treatment etc.
- Closing meeting
- Presentation of Audit Checklist / Report

4.2.2.3. Assessment Parameters

- Evaluate implementation, including effectiveness of the management system
- Information & evidence about conformity to all requirements
- Performance monitoring, measuring, reporting
- Reviewing against key performance objectives & targets
- Performance as regards legal compliance
- Operational control of the client's process
- Internal auditing & Management review
- Management responsibilities for policies



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- Links between the normative requirements, policy
- Competence of personnel
- Customer specific requirements
- Traceability of FFB
- Use of PPE / Safety & Health training program
- Revisit other points/areas of buffer zone, Riparian reserves, boundaries
- Implementation of Policies & procedures at all stores (fertilizer, chemical, schedule waste store)
- Improvements to workers' quarters – health & safety
- Infrastructure / roads & drainage / natural water management
- Continuous improvement plan & implementation
- Implementation of Best practices
- Implementation of environmental management plan

5.0. SUMMARY OF ASSESSMENT RESULTS

5.1. KEY FINDINGS

Table of Findings

Principles	P1	P2	P3	P4	P5	P6	Total
No of NC: Major	0	0	0	0	0	0	0
No of NC: Minor	0	0	0	0	0	0	0
No of OFI: Opportunity for Improvement	0	0	0	0	1	0	1
Total	0	0	0	0	1	0	1

Criterion 4.5.3: Waste management and disposal

Indicator	Requirement	Compliance	Findings
4.5.3.2	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution; b) Improving the efficiency and recycling potential of mill by-	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major	Waste management Plan doc dated 20 04 2021 [rev]; approved by Mill Manager is noted. However, the plan is not fully compiled and documented in actual plan format and write up. A properly fully documented Waste Management Plan is required.

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Standard: MS 2530-4:2013

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products by converting them into value-added products.		
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5.2.	AUDIT CONCLUSION: Summary Statement of Lead Auditor	Signature
	<p>The purpose of this Surveillance Audit 03 [remote audit] is to evaluate the implementation, including effectiveness, of Salcra – Lubok Antu Palm Oil Mill 1 management systems and that the requirement of the Standards MS2530-4:2013 is fulfilled.</p> <p>Only 1 Finding is observed in this Audit classified as OFI [opportunity for improvement] As this finding was observed as an OFI in SVA 02 2020, it is strongly suggested that LAPOM 1 fully document its Water Management Plan urgently so as not to affect the Certification.</p> <p>Overall, there is marked improvements from SVA 02 2021 with 5 findings.</p> <p>LAPOM 1 had continually demonstrated effectiveness of the management system and fulfilled the requirement of the Standards MS2530-4:2013.</p> <p>It is therefore recommended that Salcra – Lubok Antu Palm Oil Mill 1 certification continue to be maintained</p>	 Wilfred S Landong Date: 20 05 2021

5.3.	Acknowledgement by Certified Entity	
	This is to acknowledge and confirm the Audit Assessments described in this Report and the Acceptance of the Contents and Findings in the said Audit Report.	Mr Ubang Balang Mill Manager Date: 20 05 2021

5.4.	Closure of Corrective Action Report	

Corrective Action Reports were raised on 20 05 2021

The Corrective Action Reports were closed out by Lead Auditor on 01 07 2021

6.0.	OFFICIAL SIGN-OFF	



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6.1.	Assessment Recommendation by Lead Auditor	Signature
	<p>Based on the Findings/Action taken by Auditee/Closures above, LAPOM1 – Lubok Antu Palm Oil Mill 1 had been able to demonstrate and improved on its continual compliance to and with requirements of the MSPO MS2530-4:2013 Standard for General Principles for Palm Oil Mills. It is also observed that the change in Mill Manager continue to strengthen the integrity of the management system</p> <p>Therefore, it is recommendation of the Audit team that the Certification of LAPOM1 under MSPO MS2530-4:2013 Standard be maintained.</p>	 Wilfred S Landong Date: 20 07 2021

6.2.	Technical Reviewer - Review Statement	
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<p>I/the undersigned, being the Technical Reviewer, confirm that I have examined thoroughly all contents of this Report in its' entirety.</p> <p>I confirm that, to the best of my knowledge the information and conclusions included in this report have been prepared in compliance with the Standards requirements; and done in good faith and that the Lead Auditor recommendations had been based upon this information.</p> <p>I, hereby confirm that, the Certification of Lubok Antu Palm Oil Mill 1 under the Standard MSPO2530-4:2013 under General Principles for Palm Oil Mill be maintained.</p>	 Maxwell Stephen 22 07 2021
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7.0.	CONCLUSION	
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7.1.	Certification: BQAS Management	
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7.1.	CERTIFICATION: BQAS MANAGEMENT	
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In reference to MS 2530-4:2013, BQAS Management hereby approved of:

- Issuance of the certificate.
- Issuance of the certificate as soon as implementation of corrective action(s) has been demonstrated.
- Maintenance of the certificate.**
- Maintenance of the certificate as soon as implementation of corrective action has been demonstrated.

7.2	Next Surveillance Assessment Plan	
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SVA 04 – tentatively to be in April / May, 2022.



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8.0. Appendices / Attachments

Nil

FOOTNOTES

All audit findings are based on a sampling process, targeted towards reliable evidence for effective implementation and compliance of the management system. Where applicable findings and required corrective action were or will be agreed upon with the responsible managers or management representatives, steps have been or will be defined to resolve such non-conformity. Further business aspects may exist, positive or negative, which have not been reviewed by the audit team. It is the organization's responsibility to investigate and evaluate the potential impact and scope of findings, thus continuously ensuring full compliance to the applied standard(s).