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v01.01

AUDIT FORMS for Verifying Legality of Timber against Principles and Criteria of Myanmar Timber Legality Assurance System

MYANMAR FOREST CERTIFICATION COMMITTEE



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Acronyms

<i>AAC</i>	Annual Allowable Cut
<i>CF</i>	Community Forest
<i>DGM</i>	Deputy General Manager
<i>FD</i>	Forest Department
<i>FME</i>	Forest Management Enterprise (Include FD, MTE and PTC which involve in the supply chain)
<i>MONREC</i>	Ministry of Natural Resources and Environmental Conservation
<i>MTE</i>	Myanma Timber Enterprise
<i>MTLAS</i>	Myanmar Timber Legality Assurance System
<i>NF</i>	Natural Forest
<i>PPF</i>	Protected Public Forest
<i>PTC</i>	Private Timber Company
<i>RF</i>	Reserved Forest
<i>RIL</i>	Reduced Impact Logging
<i>SOS (MTE)</i>	Standing order for Extraction Staff of MTE
<i>SOS (FD)</i>	Standing order for Subordinate of FD
<i>SOP (FD)</i>	Standard Operation Procedures of FD

PROCEDURES IN USING THE AUDITFORMS

The audit forms are to be used by auditors in assessing the legality of timber against the Principle Criteria and Indicators (PC&I) set in the Myanmar Timber Legality Assurance System (MTLAS). The scope of the audit shall be limited to verifying compliance with respect to legality of timber from natural forests for export. The audit shall be conducted to verify the compliance in terms of documentations, communication and field practices of the FMEs, related to harvesting, transportation, processing and trade of timber and timber products against all the relevant Myanmar's national laws and regulations.

“Audit”

For each indicator, the auditor needs to carry out the document review (D), communication or consultation with interested parties (C) and/or a field audit (F) as indicated in the verifier column.

"Compliance level"

For each Indicator, the auditor shall evaluate the level of compliance to all the associated verifiers. Identify the degree to which each verifier has been complied with. Depending on the compliance with all the verifiers, the auditor shall decide on the level of compliance for the Indicator; 'Full Compliance', 'Partial Compliance' or 'Non-Compliance'. Under the circumstances, if the Indicator is not relevant to the scope of the audit, the Auditor shall tick the "Not Applicable"(NA) box.

Cover sheet of Legal Timber Audit Forms

Name of Forest Management Enterprise – FME (FD, MTE and PTC)	
Address	
Person in-charge	
Scope of Audit	
Members of Audit team	
Date and duration of Audit	

Audit Forms to be used in auditing legality of Timber against the Principles and Criteria of MTLAS

Principle 1: Right to harvest

Criterion	Indicator	Verifier
1.1 Forest Management Enterprise (FME) shall have the appropriate documents for timber harvesting.	1.1.1 Availability of relevant documents related to timber harvesting in the natural forest.	<u>MTE</u> 1(D) Forest Law (1992), Ch-VI: Permission for Extraction of Forest Produce, Section No. (18-A) 2(D) Annual Harvesting Contract between Extraction Agency (MTE) and District Forest Office (FD) 3(D) Record of forest compartment entry permit by FD
Findings:		<p style="text-align: center;">Compliance level</p> <div style="display: flex; justify-content: space-between; padding: 0;"> <div style="width: 60%;">Full</div> <div style="width: 35%; text-align: center;"><input type="checkbox"/></div> </div> <div style="display: flex; justify-content: space-between; padding: 0;"> <div style="width: 60%;">Partial</div> <div style="width: 35%; text-align: center;"><input type="checkbox"/></div> </div> <div style="display: flex; justify-content: space-between; padding: 0;"> <div style="width: 60%;">N/C</div> <div style="width: 35%; text-align: center;"><input type="checkbox"/></div> </div> <div style="display: flex; justify-content: space-between; padding: 0;"> <div style="width: 60%;">N/A</div> <div style="width: 35%; text-align: center;"><input type="checkbox"/></div> </div>

Principle 1: Right to harvest

Criterion	Indicator	Verifier
1.2 The FME shall demonstrate compliance with the relevant laws and regulations relating to environmental obligation of a forest management activities.	1.2.1 Availability of instructions and procedures related to environmental management by FD and MTE.	<p><u>FD</u></p> <p>1(D) List of reserved trees.</p> <p>2(D) Forest Department Notification No.583/94 "Wildlife species which are to be protected from extinction"</p> <p>3(D) Instructions related to trees not to harvest under the Convention on International Trade in Endangered Species (CITIES) of Wild Fauna and Flora.</p> <p>4 (D) Standard Operation Procedures of FD.</p> <p><u>MTE</u></p> <p>1(D) MTE Extraction Manual</p> <p>2(D) Standing Order for extraction Staff (SOS) of MTE</p> <p>3(D) Reduced Impact Logging Guidelines (RIL)</p> <p>4(D) Departmental Instruction (DI)for MTE</p>
Findings:		<p>Compliance level</p> <p>Full <input type="checkbox"/></p> <p>Partial <input type="checkbox"/></p> <p>N/C <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>

Principle 1: Right to harvest

Criterion	Indicator	Verifier
1.3 FME shall have the plans related to timber harvesting activities and approved by the relevant authorities.	1.3.1 Availability of plans of each FME related to timber harvesting	FD 1(D) District Forest Management Plan 2(D) AAC for Teak and other hardwoods 3(D) Annual Plan of Operation MTE 1(D) Annual Operational Harvesting Plan 2(D) Field exploration report (AC report). Details extraction working plan for each compartment to be harvested.
Findings:		Compliance level Full <input type="checkbox"/> Partial <input type="checkbox"/> N/C <input type="checkbox"/> N/A <input type="checkbox"/>

Principle 2: Forest operations

Criterion	Indicator	Verifier
2.1 FME shall delineate and demarcate the area for timber harvesting in accordance with prescribed procedures and instruction.	2.1.1 Availability of documents and maps related to demarcation of harvesting area.	<u>FD</u> 1(D) Map showing RF, PPF in Forest District and Extraction Agency. 2(D) Map showing approved area for timber harvesting. (mentioned in the Contract) 3(F) Boundaries of harvesting area are marked on the ground.
Findings:		Compliance level
		Full <input type="checkbox"/>
		Partial <input type="checkbox"/>
		N/C <input type="checkbox"/>
		N/A <input type="checkbox"/>

Principle 2: Forest operations

Criterion	Indicator	Verifier
2.2 Selection marking for felling shall be made in accordance with prescribed procedures and instructions.	2.2.1 Availability of documents and maps on selection marking of trees for felling of teak and other hardwoods	FD 1(D) Reports on Selection marking for felling of teak and other hardwoods. 2(D) Selection Marking Note Books of Teak and other Hardwoods for felling (Forest S-32 (a/b)). 3 (D) Maps showing the position of marked trees to be felled.
Findings:		Compliance level
		Full <input type="checkbox"/>
		Partial <input type="checkbox"/>
		N/C <input type="checkbox"/>
		N/A <input type="checkbox"/>

Principle 2: Forest operations

Criterion	Indicator	Verifier
2.3 Felling, logging, and measuring shall be done in accordance with prescribed instructions.	2.3.1 Availability of documents related to instructions of felling, logging and measuring of teak and other hardwoods.	<p><u>MTE</u></p> <p>1(D) Extraction Manual</p> <p>2(D) Departmental Instruction</p> <p>3(D) Registration of hammers, vehicles, machineries, chainsaw and elephants to be utilized harvesting operation at the District Forest Office.</p> <p>4(D) Records of</p> <ul style="list-style-type: none"> - Felling Order (Form-AG), - Jungle Register (Form-B), - logging register (Form-C), - Measurement book (Form-D) and <p>5(D) Joint measurement of logs and Akauk (Revenue/ Royalty) hammer marking (S18 by FD) and (Form D by MTE)</p> <p>6(D) Completion report (Form – AJ) for area harvested to submit to FD</p> <p><u>FD</u></p> <p>1(D) Records of measurement of logs (Form S-18) for royalty assessment.</p> <p>2(F) Records of Field Inspection of harvested area.</p>
Findings:		<p>Compliance level</p> <p>Full <input type="checkbox"/></p> <p>Partial <input type="checkbox"/></p> <p>N/C <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>

Principle 2: Forest operations

Criterion	Indicator	Verifier
2.4 Log transportation by FME shall be made in accordance with prescribed laws, rules, regulations and instructions.	2.4.1 Availability of documents related to laws, rules, regulations and instructions of log transportation from the forest to the final destination.	<p><u>FD</u></p> <p>1(D) FD's standard operating Procedure</p> <p>2(D) Records of inspection of logs at measuring point inside the harvesting area which are skidded from stumps.</p> <p>3(D) Records of inspection of logs accompanied by trucking slips (MTE Form B and C) with details of logs in consignment at checking stations established at important points along the route of transportation verified against details indicated in the trucking slip.</p> <p>4(D) Records of inspection of logs transported by Rail or Rafting or Barging accompanied by removal pass (MTE Form-AT), contents and measurement list of logs (MTE Form-AU) with details of logs in consignment at checking stations established at important points verified against details indicated in the Form AT and AU.</p> <p><u>MTE</u></p> <p>1(D) Department Instruction 121</p> <p>2(D) Records of inspection on logs (Forms B and C) by Compartment in - charge before skidding from the stump to measuring point.</p> <p>3(D) Records of Logs transported from measuring point in the forest to agency depot are accompanied with trucking slip of MTE.</p> <p>4(D) Records of Logs transported from agency depot to MTE processing plants and other depots (Form AT and AU)</p> <p><u>PTC</u></p> <p>1(D) FD removal pass for MTE tendered logs which are transported from agency depot to the processing plant</p> <p>2(D) FD removals pass for Sawn timbers which are converted from MTE tendered logs, transported to processing plant and other destinations.</p>
	2.4.2 Traceability of logs for MTLAS that allows for the tracking of all logs in the supply chain from depot/processing facility to the relevant harvesting sites/forests.	

		<p><u>FD</u></p> <p>1(D) Hammer marks on the logs</p> <ul style="list-style-type: none"> - Akauk (royalty) marks - Region - Number of Akauk Marked - Year - Akauk numbers in two rows <p>2(D) FD form S-18 for Akauk number and harvested area of the log.</p> <p><u>MTE</u></p> <p>1 (DF) Hammer marks on the logs</p> <ul style="list-style-type: none"> - Agency hammer mark - Species code - Extraction year - Standing tree and log number <p>2(D) Form D</p>
<p>Findings:</p>		<p style="text-align: center;">Compliance level</p> <p>Full <input type="checkbox"/></p> <p>Partial <input type="checkbox"/></p> <p>N/C <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>

Principle 2: Forest operations

Criterion	Indicator	Verifier
2.5 FME fulfills the requirements of forest worker safety and health in accordance with prescribed instructions.	2.5.1 Availability of documents related to prescribed instructions for forest worker safety and health in a forest operation	<p><u>FD</u></p> <p>1(C)(D) Record of Safety Briefing to forest workers and staff by the Township Forest Officer prior to conduct of tree marking operation</p> <p>2(C)(D) Records of provision of basic medicines to FD forest workers.</p> <p><u>MTE</u></p> <p>1(C)(D) Records of provision of basic medicines to MTE forest workers and elephants.</p> <p>2(C)(D) Records of accident report:- (i) Form Tha La Tha -1, for elephant workers. (ii) Form ThaHtaYa – 49, for vehicle accident.</p> <p>3(D). Record of safety demonstration of felling, logging, skidding from stump to measuring /delivery point by Range in charge to staff and forest workers.</p> <p>4(D). Record of conducting training related to dos and don'ts in timber harvesting.</p>
Findings:		<p>Compliance level</p> <p>Full <input type="checkbox"/></p> <p>Partial <input type="checkbox"/></p> <p>N/C <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>

Principle 3: Statutory charges

Criterion	Indicator	Verifier
3.1 All applicable and legally prescribed fees, royalties, taxes and other charges for timber harvesting shall be paid by FME.	3.1.1 Availability of documents related to payment of prescribed fees, royalties, taxes and other charges for timber harvesting.	<p><u>MTE</u></p> <p>1(D) Records of payment for settlement of due royalty for harvested timber based on acceptance statement (AS) jointly prepared by FD & MTE.</p> <p>2(D). Records of payment. (Cheques, Chalang, etc)</p>
Findings:		<p>Compliance level</p> <p>Full <input type="checkbox"/></p> <p>Partial <input type="checkbox"/></p> <p>N/C <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>

Principle 4: Other user's rights

Criterion	Indicator	Verifier
4.1 FME shall recognize and respect legal or customary rights of local communities in and around the harvesting area in accordance with laws and regulations	4.1.1 User rights of local communities in and around the harvesting area are taken into consideration.	<p><u>FD</u></p> <p>1(C)(D) Records of exclusion areas set aside in RF and PPF. {Forest Law Section (6) and Forest Rules Section (6)}</p> <p>2(C)(D) Records of CF in the harvesting area. (Exclusion of 50 households and above inside the RF and PPF)</p> <p><u>MTE</u></p> <p>1(C) Activities carried out for the development of Local Communities.</p>
Findings:		<p>Compliance level</p> <p>Full <input type="checkbox"/></p> <p>Partial <input type="checkbox"/></p> <p>N/C <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>

Principle 5: Mill operation

Criterion	Indicator	Verifier
5.1 Evidence of documents and licenses for FME involved in timber processing shall be demonstrated in accordance with laws and regulations	5.1.1 License related to timber processing shall be made available for inspection.	<u>MTE/ PTC</u> 1(D) License for operating saw mills, wood processing facilities and chainsaws. 2(F) Comply with the Terms and conditions of the license.
Findings:		Compliance level
		Full <input type="checkbox"/>
		Partial <input type="checkbox"/>
		N/C <input type="checkbox"/>
		N/A <input type="checkbox"/>

Principle 5: Mill operation

Criterion	Indicator	Verifier
5.2 Timber processing of FME is subject to stated conditions within the laws and regulations	5.2.1 Timber processing facility of FME has wood log books and prescribed procedure for controlling timber processing.	<p><u>MTE</u></p> <p>1(D) Up-dated wood log books for recording incoming logs.</p> <p>2(D) Records of permission from the concerned authority to cut logs into different sizes of sawn timbers.</p> <p>3(D) Record of outturns of sawn timber obtained from sawing and use in different stages of value-added processing</p> <p>4(D) Record of outgoing products</p> <p>5(D) Records of inspection and monitoring of mill operations and products by different level of MTE staff.</p> <p><u>PTC</u></p> <p>1(D) Record of incoming logs and sawn timber</p> <p>2(D) Record of permission to cut logs into different sizes of sawn timber from FD</p> <p>3(D) Record of outturns of sawn timber obtained from sawing and use in different stages of value-added processing.</p> <p>4(D) Record of the outgoing products (sawn timber and wood-based products)</p> <p>5(D) Records of inspection and checking of balanced logs and other wood products by FD.</p> <p><u>MTE</u></p> <p>1(D) Records of payment for timber processing.</p>
	5.2.2 All logs and sawn timber received by the processing facility of FME must be accompanied by sale contracts and official sales invoice or delivery order by MTE.	

Criterion	Indicator	Verifier
		<p><u>PTC</u></p> <p>1(D) Record of sales contracts for each transaction of logs and sawn timber from MTE</p> <p>2(D) Records of sales invoice for each transaction of sawn timber for export.</p> <p>3(D) Records of Delivery Order (DO) for transaction of logs and sawn timber delivered to PTC.</p> <p>4(D) Records of payment for timber processing.</p>
Findings:		<p>Compliance level</p> <p>Full <input type="checkbox"/></p> <p>Partial <input type="checkbox"/></p> <p>N/C <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>

Principle 5: Mill operation

Criterion	Indicator	Verifier
5.3 The FME shall meet all applicable laws and regulations covering health and safety of employees and workers in timber processing plant	5.3.1 Occupational safety and health requirements are met in timber processing plant.	<p><u>MTE/ PTC</u></p> <p>1(D) Records of conducting worker's training on both operating processing facilities safely and health</p> <p>2(F) Measures to prevent damage to the hearing and health of workers due to noise issuing from the manufacturing process of the factory, and to prevent accidents.</p> <p>3(F) Arrangements of escape routes and fire alarms.</p> <p>4(D) Life/casualty insurance and/or social welfare for worker</p> <p>5(F) Provision of at least one (1) first- aid box or medical box at every factory, depending on the number of employees.</p> <p>6(F) Provision of separated and sufficient toilets in clean condition.</p> <p>7(F) Provision of spittoons and garbage bins.</p> <p>8(F) Provision of an adequate dining room and rest areas for premises with more than 100 workers.</p> <p>9(F) Prohibition of child-labour.</p> <p>10(F) Prohibition of drugs, smoking, using fire, drinking alcohol and nuts and gums at the workplace.</p>
Findings:		<p>Compliance level</p> <p>Full <input type="checkbox"/></p> <p>Partial <input type="checkbox"/></p> <p>N/C <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>

Principle 6: Trade and Customs

Criterion	Indicator	Verifier
6.1 The FME shall document evidence of all applicable documents related to timber products for export in accordance with relevant laws and regulation.	6.1.1 The FME possesses all necessary documents for export of timber products in accordance with relevant laws and regulations.	<p><u>MTE</u></p> <p>1(D) Notice for Open tender sale of Forest Produce - FOB forest produce</p> <p>2(D) Sale Confirmation</p> <p>3(D) Sale Contract</p> <p>4(D) Commercial Invoice</p> <p>5(F) Records of Inspection and sealed by MTE for FOB sale and shipment.</p> <p>6(D) Export license issued by Ministry of Commerce.</p> <p>7(D) Customs declaration/allowed shipment notification approved by the Customs Department.</p> <p>8(D) Packing list of timber products issued by MTE.</p> <p>9(D) Bill of lading issued by Shipping Agency.</p> <p><u>PTC</u></p> <p>1(D) Certificate of Incorporation issued by the Directorate of Investment and Company Administration.</p> <p>2(D) Certificate of Exporter/Importer issued by the Directorate of Trade.</p> <p>3(D) Industrial License issued by Industrial Control and Inspection Department.</p> <p>4(D) Saw-Mill License issued by Forest Department</p> <p>5(D) Notice for the open tender sale by MTE.</p> <p>6(D) Sale Contract issued by MTE.</p>

Criterion	Indicator	Verifier
	6.1.2 Taxes on timber are paid in accordance with prescribed rules and regulations.	<p>7(D) Delivery Order (DO) issued by MTE.</p> <p>8(D) Certificate for legal timber products issued by FD.</p> <p>9(D) Export license issued by Ministry of Commerce.</p> <p>10(D) Customs declaration/allowed shipment notification approved by the Customs Department.</p> <p>11(D) Packing list of timber products issued by PTC.</p> <p>12(D) Bill of lading issued by Shipping Agency.</p> <p><u>MTE</u></p> <p>1(D) Records of payment for corporate/income taxes issued by the Internal Revenue Department as the whole Department</p> <p>2(D) Records of payment for special commodity taxes</p> <p><u>PTC</u></p> <p>1(D) Records of payment for commercial taxes issued by Internal Revenue Department.</p> <p>2(D) Records of payment for corporate/income tax issued by the Internal Revenue Department.</p> <p>3(D) Records of payment for special commodity taxes</p>
Findings:		<p>Compliance level</p> <p>Full <input type="checkbox"/></p> <p>Partial <input type="checkbox"/></p> <p>N/C <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>

A. Document History

Date of Issue:	Version	Approval date:	Requested by:	Nature of Change	Approved by:
2019.02.22	01.01	2019.02.22	MFCC	1. V 01.00 has issued at 2018.03.28.and this version 01.01 is inserted only into standard template but there are no changes this v01.00 of MTLAS audit form.	MFCC