



Guidelines for Natural Resources and Environment (Audit) Rules, 2008

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| Contents | Page |
|---|-------------|
| Introduction | 3 |
| 1. Citation and Commencement | 4 |
| 2. Interpretation | 4 |
| 3. Requirement of environmental audit | 7 |
| 4. Establishment of panel | 8 |
| 5. Application for appointment as an environmental auditor | 10 |
| 6. Appointment of environmental auditor | 11 |
| 7. Suspension or revocation of appointment of environmental auditor | 19 |
| 8. Order to carry out an environmental audit | 19 |
| 9. Register of environmental auditors | 19 |
| 10. Code of conduct and responsibilities of environmental auditors | 19 |
| 11. Audit to be carried out by environmental auditor | 20 |
| 12. Audit to be carried out by appointed auditor | 21 |
| 13. Submission of environmental audit report | 21 |
| 14. Confidentiality of environmental audit report | 22 |
| 15. Audit recommendations | 22 |
| 16. Audit fees | 22 |
| 17. Penalty | 24 |
| References | 25 |
| | |
| Appendices | |
| Appendix 1 – Form for New Application as an Environmental Auditor | |
| Appendix 2 – Form for Renewal of Registration as an Environmental Auditor | |
| Appendix 3 – Academic Qualification | |
| Appendix 4 – Professional Qualifications and Memberships | |
| Appendix 5 – Relevant Training Received | |
| Appendix 6 – Relevant Environmental Auditing Experience | |
| Appendix 7 – Continual Professional Development (CPD) Log Sheet | |
| Appendix 8 – Non-Disclosure Agreement | |
| Appendix 9 – Format of Report | |
| Appendix 10 – Corrective and Preventive Action Report (Schedule) | |
| Appendix 11 – Flowchart for Audit Process | |
| Appendix 12 – Flowchart for Registration of Environmental Auditors | |

Guidelines for Natural Resources and Environment (Audit) Rules, 2008

Introduction

The main objective of the guidelines in this document is to provide adequate explanations on the requirements of the Natural Resources and Environment (Audit) Rules, 2008 of Sarawak, Malaysia (referred thereafter as NRE (Audit) Rules, 2008 or the Rules).

These guidelines are numbered and titled exactly the same as those of NRE(Audit) Rules, 2008 to enable easy referencing.

Every attempt is made to ensure this document is complete and accurate in interpreting the requirements and implementation of NRE (Audit) Rules, 2008. However, in case of any requirements in the Rules not explained here, the user shall refer to the Natural Resources and Environment Board (NREB), Sarawak office for clarification, and the decision by the Controller shall be final.

1. Citation and Commencement

The guidelines here shall be read in conjunction with the NRE (Audit) Rules, 2008 pertaining to:

- a) requirements of environmental audits,
- b) environmental audit process,
- c) registration and de-registration of environmental auditors, and
- d) competency, roles and responsibilities of environmental auditors

Though the NRE (Audit) Rules, 2008 now requires the application of external audits by environmental auditors registered by NREB Sarawak, the same guidelines shall also apply for all internal environmental audits in the event that self-regulation is imposed by NREB Sarawak.

2. Interpretation

The following terms shall be used throughout the whole audit process, including the audit report:

- 2.1 “audit criteria” means set of policies, procedures or requirements;
- 2.2 “audit client” means organization or person requesting an audit, and in these Rules, it means the Controller of Environmental Quality, Sarawak;
- 2.3 “audit conclusion” means outcome of an audit, provided by the audit team after consideration of the audit objectives and all audit findings;
- 2.4 “audit evidence” means records, statement of facts or other information, which are relevant to the audit criteria and verifiable. Note that audit evidence can be either qualitative or quantitative;
- 2.5 “auditee” means organization being audited;
- 2.6 “audit findings” means results of evaluation of collected audit evidence against audit criteria. Note that audit findings should indicate conformity or nonconformity with audit criteria or opportunities for improvement;
- 2.7 “auditee’s representative” means person from the auditee who is being audited. [Note: “knowledgeable person” carries the same meaning and can be used];
- 2.8 “auditor” means person with the competence to conduct the environmental audit and shall be registered with the Board under rule 9;

- 2.9 “auditor-in-training” means a trainee auditor who is not competent and not registered with the Board;
- 2.10 “audit plan” means description of the activities and arrangements for an audit;
- 2.11 “audit programme” means set of one or more audits planned for a specific time frame and directed towards a specific purpose;
- 2.12 “audit report” means a report prepared by an environmental auditor for submission to the Controller under rule 13;
- 2.13 “audit scope” means extent and boundaries of an audit – includes a description of the physical locations, organizational units, activities and processes as well as the time period covered;
- 2.14 “audit team” means one or more auditors conducting an audit. Note that the audit team shall have an audit team leader, and may include other team members such as auditors-in-training and technical experts;
- 2.15 “audit team leader” means a leader of the audit team who has the authority to manage the audit team and to take full responsibility of the audit process;
- 2.16 “Board” means the Natural Resources and Environment Board of Sarawak established under Section 3 of the Ordinance;
- 2.17 “combined audit” means two or more types of environmental audit are carried out at the same time on a single auditee by an audit team;
[Note: refer to 2.20 for the 3 different types of environmental audit]
- 2.18 “competence” means demonstrated personal attributes and demonstrated ability to apply knowledge and skills as described in section 6;
- 2.19 “Controller” means the person appointed pursuant to section 3(9) of the Ordinance, and includes a Deputy Controller;

- 2.20 “environmental audit” means a periodic, systematic, documented and objective evaluation to determine:
- (a) the compliance status of any order, directive, conditions of approval or any requirement issued or made by the Board;
 - (b) the environmental management system and its compliance; and
 - (c) any risk, that may be caused to the environment in regard to the use, exploitation or development of any of the natural resources of the State.

[Note: the above denotes respectively 3 different types of environmental audit:

- a) environmental compliance audit;
- b) environmental management systems audit; and
- c) environmental risk audit]

- 2.21 “environmental expert” means a person with the requisite knowledge and experience in the field of environmental management for a period of ten years and above;
- 2.22 “environmental management system” means a system or process comprising of an organizational structure with its responsibilities, procedures, practices and control for the overall management and protection of the environment;
- 2.23 “environmental risk” means any risk, hazard or chances of bad consequences that may be brought upon the environment;
- 2.24 “environmental risk assessment” means the examination of risks that may be caused to the environmental or that threaten ecosystems, animals and people in regard to the use, exploitation or development of any of the natural resources of the State which includes human health risk assessments, ecological or ecotoxicological risk assessments;
- 2.25 “external audit” means the environmental audit which is conducted by the auditor(s) who is/are not staff member of the auditee;
- 2.26 “internal audit” means the environmental audit which is conducted by the auditor(s) who is/are staff member(s) of the auditee;
- 2.27 “joint audit” means two or more auditing organizations cooperate to audit a single auditee;

- 2.28 “Occupier” means any person in actual occupation of land and, in case of land reserved or allocated for the use of a native community, includes the headman of the particular native community for the village or longhouse;
- 2.29 “Ordinance” means the Natural Resources and Environment Ordinance, 1993 [Laws of Sarawak Cap.84 (1958 Ed.);
- 2.30 “owner” means the person in whose name the title to any land is registered, and includes any person, other than the Government, who receives or is entitled to receive the rent or profits of any land whether on his own account or on behalf of himself and others or as agent;
- 2.31 “Panel” means a Panel appointed under rule 4;
- 2.32 “prescribed activities” means any of the activities specified in the First Schedule of the Natural Resources and Environment (Prescribed Activities) Order, 1994 [Swk. L.N. 45/94];
- 2.33 “Register” means a Register of appointed environmental auditors maintained by the Controller under rule 9;
- 2.34 “technical expert” means a person who provides specific knowledge or expertise and with good reputation to the audit team and does not act as an auditor in the audit team.

3. Requirement of environmental audit

The Controller may order one or more type(s) of environmental audit to be carried out on a single auditee. The 3 types of environmental audits are:

- a) environmental compliance audit – shall be conducted:
 - i) for prescribed activities listed in the First Schedule of the Natural Resources and Environment (Prescribed Activities) Order, 1994 [Swk. L.N. 45/94], and/or
 - ii) there are reasonable grounds to suspect non-compliance with the approval or permit conditions, directives or orders issued by the Controller.

[Note: The Controller shall set the audit scope, intent and other details pertaining to each compliance audit]

- b) environmental management systems audit – to determine whether the auditee has an effective environmental management system.

[Note: The audit criteria set by the Controller will be based on the requirements set in the latest edition of *MS ISO 14001 (or ISO 14001) – Environmental management systems: requirements with guidance for use*]

- c) environmental risk audit – to assess the environmental risks caused by development activities or by the exploitation or utilization of the natural resources.

[Note: The Controller may require the environmental risk audit to be conducted if there is a need to address specific environmental risks due to public complaints, statewide or national environmental concerns such as haze or massive floods and other environmental issues of concern which can adversely impact the health and life of the people, community and the state. This type of audit could encompass any aspects of environment, such as groundwater contamination, inland water and coastal water pollution, air pollution, severe soil erosion due to land development etc. The audit criteria will state clearly the requirements and expectation of the audit]

4. Establishment of Panel

- a) The Panel shall consists of 4 members:
- i) A Chairman – who is an environmental expert, and
 - ii) 3 members – who are members or appointed officers of the Board who have relevant qualifications and work experience.
- b) Roles and responsibilities of the Chairman of the Panel include:
- i) review the application forms submitted for registration of environmental auditors; [Note: refer to 6(2) of the Rules and 6(2) of the Guideline for criteria on qualification as environmental auditors];
 - ii) inform any unqualified applicant in writing;
 - iii) set examination and professional interview questions;
 - iv) inform qualified applicants on the exact date, time and venue of examination and professional interview;
 - v) conduct examinations and professional interviews on applicants;
 - vi) make decisions on the applications submitted – including competency requirements of the applicant, results of examinations and professional interviews;

- vii) review the registration and maintenance of competency of environmental auditors;
 - viii) make recommendation to the Controller on the appointment of each successful applicant as environmental auditor.
- c) Roles and responsibilities of Panel members include
- i) carrying out tasks as directed by the Chairman of the Panel
 - ii) updating the Chairman regularly on all matters related to environmental audit as directed by the Board – such as audit programmes, quality of audits reports, auditors involved, complaints received from auditees, etc.
- d) Examinations and professional interviews conducted by the Panel
- Every applicant intending to be registered as an environmental auditor shall attend and pass the examinations and a professional interview determined by the Panel. The passing grade for each part of the examinations and professional interview is 70%. Details are as follows:
- i) Written examination: there are 3 parts for this examination-
 - Part A will consist of a maximum of 50 questions – this is a closed book examination and has a combination of subjective and objective questions. All questions shall be answered, and they are based on the knowledge, skills, training and code of ethics required for each discipline of auditor in this document (refer to guideline 6 and 10). Maximum time allowed for this examination is 1.5 hours. This part constitutes 25% of total score.
 - Part B is a case study examination – this is a subjective, opened-book and essay-typed question. The candidate shall select a question from 3 questions provided. Maximum time allowed is 1.5 hours. Part B will constitute 25% of total score.
 - Part C is the audit report writing – this is a take-home examination. The audit report shall be submitted within 2 weeks after the training on environmental audit which shall include a practical audit at one of the prescribed activities in Sarawak stipulated in the NRE (Prescribed Activities) Order, 1994. This part will constitute 50% of the total score.

[Note that Parts A and B examinations will be conducted during the same day in that order. Part C will be done on a different day.]

ii) The professional interview – this is an oral examination. At least 4 weeks prior to the interview date, the candidate shall submit his/her previously completed audit reports to the Panel. During the interview, the candidate will be required to make a presentation (maximum 30 minutes) on his or her work on environmental audits conducted and the environmental audit experience.

The Panel may ask questions on the work completed or other topics related to the knowledge, skills, training, relevant laws, audit methodology, codes of conduct, interpersonal skills, mannerism, experience, personal attributes, personal background and other relevant questions that can affect the registration of an environmental auditor. Maximum time for the professional interview is 3 hours.

The Panel shall make the final decision on whether the candidate who sat for the written examinations and attended the professional interview shall be given “pass” or “fail” grade with reasons.

5. Application for appointment as an environmental auditor

(1) Every applicant wishing to be registered as an environmental auditor shall follow the following requirements:

(a) The application forms in Appendices 1, 3, 4,5 and 6 shall be completed. Similar forms can also be obtained online from www.nreb.gov.my

(b) Duly completed application forms must be forwarded in hardcopy(either by courier, mail or hand) in an envelope and addressed to:

**Controller of Environmental Quality
Natural Resources and Environment Board,
18th -20th Floors, Menara Pelita
Locked Bag No. 2103, Petra Jaya
93050 Kuching, Sarawak.**

(c) The lower right corner of the front envelope shall be written clearly the following words: **“Application for Environmental Auditor”**

(d) Registration fee: Completed application forms must be accompanied by appropriate fee in Table 1 for each type of environmental auditor.

Table 1: Fees payable to NREB for registration of each type of environmental auditor

| No | Fee | Amount (RM) | Payment shall be received by NREB |
|--------------|-----------------|-------------|---|
| 1 | Application fee | 50 | Together with the completed application form |
| 2 | Examination fee | 200 | Within 2 weeks of the date of notification by the Panel Chairman on the examinations to be conducted. |
| 3 | Certificate fee | 250 | Within 2 weeks of the date of notification from the Controller that the registration is successful |
| Total | | 500 | |

*Note : Fees for environmental auditor training shall be charged separately

- (e) An applicant can pay the fee in various stages as in Table 1 or in a lump sum of RM500 during application.
 - (f) The fees are payable to “Natural Resources and Environment Board, Sarawak” either in cheques, money orders or postal order;
 - (g) If application for any phase of registration is not accepted by the Board, any fee paid will not be refunded;
 - (h) Certificate of Registration will be given to the applicant upon successful registration.
- (2) a) Qualified applicant: after reviewing the complete application and fees submitted, qualified applicants will be informed in writing by the Controller to attend the examinations and professional interview as in guideline (4).
- b) Unqualified applicant
- i) In the event the applicant is not qualified, the applicant will be informed in writing by the Controller stating the reasons for rejection;
 - ii) The applicant may appeal by writing to the Controller stating reasons or provide sufficient evidence of qualification. Any appeal must be done within 2 months from the date of the letter from the Controller. Beyond that, it is taken as that the applicant is no longer interested in the application; and the applicant must submit a new application with fees stated in Table 1.
 - iii) The decision of the Controller is final with regards to disqualification of the applicant.

6. Appointment of environmental auditor

- 1) a) After receiving the recommendation from the Chairman of the Panel, the Controller may approve the registration of a qualified applicant as environmental auditor based on the competency criteria in this document.
- b) The appointed environmental auditor to carry out the environmental audit shall be paid by the Controller according to the following scale:

Table 2 – Fees Payable To Environmental Auditors

| Case | Audit Team composition | Percentum of total fees for | |
|------|---|-----------------------------|-----------|
| | | Audit team | The Board |
| 1 | All auditors are non-staff of the Board | 90 | 10 |
| 2 | All auditors are staff of the Board | 10 | 90 |
| 3 | Equal number of auditors from the Board and non-Board staff | 50 | 50 |

Note: (i) For all cases above, if the audit team has more than one (1) member, the audit team leader shall receive twice the amount of any audit team member and all other team members shall share equally the amount.

(ii) Example of the fee scale:

If an audit team of two (2) environmental auditors will conduct an environmental compliance audit and the total fees to be paid by the auditee is RM 10,000. Calculation of fees to the auditors will be as follows:

- a) 90% paid to audit team = $RM10,000 \times 0.9 = RM9,000$
- b) Audit team leader shall be considered for twice the amount,
The audit team leader will get $RM9,000 \times 2/3 = RM6,000$ and the other member will get $RM9,000 \times 1/3 = RM3,000$

(iii) Any other cases not mentioned above shall be determined by the Controller based on a fair basis according to Table 2

2) Competency criteria of an environmental auditor:

- a) To be competent as an environmental auditor, the following criteria are expected and required (Table 3)
 - i. Personal attributes
 - ii. Level of Education
 - iii. Work experience
 - iv. Work experience related to environmental audit
 - v. Auditor training
 - vi. Audit experience

Table 3. Competency Requirements Of An Environmental Auditor

| No | Criteria | Auditor | Audit Team Leader |
|-----|--|---|---|
| i | Personal attributes | Meets all requirements | Same as for auditor |
| ii | Level of Education | Minimum a recognized degree in relevant discipline. | Same as for auditor |
| iii | Total Work Experience | Minimum 5 years full-time or equivalent part-time | Same as for auditor |
| iv | Work experience related to environmental audit | Minimum 2 years of the total 5 years or equivalent part-time | Same as for auditor, with additional skills to be a team leader |
| v | Auditor Training | Minimum 40 hours meeting the knowledge and skills as an environmental auditor | Same as auditor, with additional skills and knowledge as an audit team leader |
| vi | Audit Experience | Minimum 2 complete audits and 10 days on-site audit within 3 years consecutively. | Minimum 7 complete audits and 20 days on-site within 3 years consecutively. |

b) Personal attributes:

An environmental auditor and audit team leader shall be:

- i) ethical – fair, truthful, sincere, honest, unbiased no conflict of interests, not corrupted;
- ii) open-minded – willing to consider alternative ideas or points of view;
- iii) diplomatic – tactful in dealing with people;
- iv) observant – actively aware of physical surroundings and activities;
- v) perceptive – instinctively aware of and able to understand situations;
- vi) versatile – adjusts readily to different situations;
- vii) tenacious – assertive but not aggressive, focused on achieving objectives;
- viii) decisive – reaches timely conclusions based on logical reasoning and analysis; and
- ix) self-reliant – acts and functions independently while interacting effectively with others.

c) Level of Education

The minimum educational requirement for an environmental auditor or a team leader is a recognized university degree in relevant discipline.

“Recognized university degree” means a minimum Bachelor degree or equivalent from a university or a college recognized by the Public Service Department (Jabatan Perkhidmatan Awam) of Malaysia.

“Related discipline” means science or engineering discipline related to environmental studies, for example: environmental management, environmental science and environmental engineering

d. Total Work experience

An environmental auditor and an audit team leader should have the appropriate work experience that contributes to the development of the knowledge and skills. The work experience can be in technical, administrative, managerial or professional position involving the exercise of judgment, problem solving and communication. The auditor should have a minimum of at least 5 years of such working experience, or an equivalent number of years for those who worked part-time.

e. Work experience related to environmental audit

In the minimum 5 years total work experience, an environmental auditor should have worked at least 2 years full-time or equivalent part-time related to environmental audit. The job tasks could be an auditor-in-training, a technical expert in an environmental audit or an administration coordinator or an assistant to environmental auditors. The work experience shall be gained through guidance from registered or competent environmental audit team leader and within the same type of the environmental audit – for example, an environmental compliance auditor shall have related experience in environmental compliance audit; an environmental management systems (EMS) auditor shall have related experience in environmental management systems audit etc.

In addition to the requirements above, an audit team leader shall have been working as an environmental auditor or audit team leader in-training for 7 complete audits and with a total of 20 days on-site audit. The audit team leader shall demonstrate adequate managerial, technical and leadership skills.

f) Auditor Training

All applicants for registration as environmental auditors shall attend the training approved by NREB, Sarawak and shall pass all examinations required of such training. The total duration of the training shall be at least 40 contact hours of training – which can include classroom lectures,

workshops, practical audits and case discussions. The Controller may appoint approved trainer(s) to conduct such training courses to be attended by any person wishing to register as an environmental auditor.

The skill requirements, which also means the training syllabus, shall cover for:

i) Environmental Compliance Auditors

- All applicable laws and requirements, including:
 - Natural Resources and Environment Ordinance, 1993
 - Natural Resources and Environment (Prescribed Activities) Order, 1994
 - Natural Resources and Environment (Fire Danger Rating System) Order, 2004
 - Natural Resources and Environment (Compounding of Offences) Rules, 1997
 - Natural Resources and Environment (Audit) Rules, 2008
 - Environmental guidelines and standards enforced by NREB, Sarawak
 - Any other relevant laws being enforced in Sarawak

- Systematic methodology of conducting environmental compliance audit, which enables the understanding and application of:
 - audit principles, procedures and techniques,
 - ability to define the scope and intent,
 - 3 stages of audit – pre-audit, on-site audit and post-audit,
 - effectively managing and conducting of the 3 stages of audit;
 - collecting information through effective interviewing, listening, observing and reviewing,
 - effective interpersonal and interviewing skills,
 - using, developing and customizing audit tools such as audit checklists;
 - verifying the accuracy of collected information – through verification interviews, site inspection and document review,
 - confirming the sufficiency and appropriateness of audit evidence to support audit findings and conclusions,
 - preparing corrective and preventive action reports and audit reports,

- maintain the confidentiality and security of information,
- ability to follow-up on audit reports,

- Other related skills and knowledge shall include:
 - case studies on challenges of conducting environmental audits and ways to overcome them;
 - understanding technical tools and techniques available in compliance to legal requirements such as effluent sampling kits and noise monitoring equipment
 - knowledge on organizational behaviour, cultural, social and customs

The minimum total contact hours for this training shall be 40 hours.

ii) Environmental Management Systems (EMS) Auditors

In addition to the skills requirements listed for environmental compliance auditors, an EMS auditor shall also be trained to acquire the following skills and knowledge in:

- Environmental management systems (EMS)
 - Concepts and applications of environmental management systems
 - Requirements contained in the latest edition of ISO 14001 International Standard on EMS,
 - Interaction between the components of the EMS in ISO 14001,
 - Documentation and implementation systems related to EMS,
 - Maintenance of the EMS,
 - Certification process of ISO 14001

The audit training syllabus shall be focused on EMS audit – including the principles, scope, intent, methodology, audit reports, etc. The minimum total contact hours for this training shall be 60 hours.

iii) Environmental Risk Auditors

In addition to the skills requirements listed for environmental compliance auditors, an Environmental Risk Auditor shall also be trained and have the following skills and knowledge in:

- Environmental risk management
 - Concepts of environmental risk management
 - Hazard identification and techniques
 - Types and applications of environmental risk assessment,
 - Qualitative and quantitative risk assessment,
 - Hazard identification and Risk assessment techniques – HAZOP, fault-tree, failure mode effects analysis, chemical health risk assessment, what-if and checklists,
 - Techniques for risk planning and management
 - Effective control measures and emergency planning
 - Risk communication and follow-up

The audit training syllabus shall be focused on risk audit – including the principles, scope, intent, methodology, audit reports, etc. The minimum total contact hours for this training shall be 60 hours.

3) Renewal of registration

- a) A registered environmental auditor intending to renew registration shall complete the renewal form in Appendix 3. The applicant shall also complete the continual professional development (CPD) log sheet in Appendix 7, together with updated information using Appendices 3, 4, 5 and 6. Similar forms can also be obtained online from www.nreb.gov.my
- b) Continual professional development (CPD)

The applicant shall demonstrate that at least 30 credit hours of continual professional development has been completed within the 2 years period of registration.

Criteria for credit hours is summarized below:

- i) 1 hour for each hour of training/seminar/conference attended recognized by the Board related to environmental audit anywhere in Malaysia or outside Malaysia,
- ii) 10 hours for each technical paper published in a journal or presented in a conference related to environment or environmental audit in Malaysia or outside Malaysia

- c) Duly completed application forms must be forwarded in hardcopy (either by courier, mail or hand) in an envelope and addressed to:

**Controller of Environmental Quality
Natural Resources and Environment Board,
18th -20th Floors, Menara Pelita
Locked Bag No. 2103, Petra Jaya
93050 Kuching, Sarawak.**

- d) The lower right corner of the front envelope shall be written clearly the following words: **“Application for Renewal of Environmental Auditor”**
- e) Renewal fee: Completed application forms must be accompanied by appropriate fee. The fee structure for each type of environmental auditor is shown in Table 4.

Table 4: Processing Fee for Renewal As An Environmental Auditor

| No | Fee | Amount (RM) | Payment shall be received by NREB |
|---|-------------------------|-------------|--|
| 1 | Renewal Application fee | 50 | Together with the completed application form |
| 2 | Certification fee | 250 | Together with the completed application form |
| Note: The total fee can be paid in stages or in full lump sum | | | |

- f) The fees are payable to “Natural Resources and Environment Board, Sarawak” either in cheques, money orders or postal order;
- g) If the renewal application is not accepted by the Board, the fees paid will not be refunded;
- h) Certificate of Registration will be given to the applicant upon successful re-registration.
- i) The Controller of the Board, with recommendation from the Panel, may reject the renewal of any registered applicant on based on non-conformity to the criteria set in Table 3 and/or other reason such as complaints (from the NREB officers, auditee(s), the public or other related parties). unethical behavior (corruption, bribery or intimidation), or other unprofessional conduct (poor mannerism, conflict of interests, etc).

7. Suspension or revocation of appointment of an environmental auditor

The Controller may revoke or suspend the appointment of any environmental auditor if the person:

- a) has breached any terms and conditions stipulated in the letter of appointment,
- b) has breached any of the duties and responsibilities as an environmental auditor prescribed by the Board, including all requirements set in the guidelines here,
- c) has committed any offence relating to fraud, corruption or dishonesty,
- d) is a bankrupt; or
- e) upon review rule 10 (code of conduct), the Controller is satisfied the appointment shall not be continued.

8. Order to carry out an environmental audit

- (1) The Controller may order any person to carry out an environmental audit on any activity under rule 3, which means it could be either compliance audit, environmental management systems audit or environmental risk audit.
- (2) The Controller may order an occupier, owner or developer to carry out an environmental audit with a specified scope and to submit an audit report to him within specific time and requirements.
- (3) If any person fails to comply with (1) and (2) above, the Board may conduct the audit by itself or any environmental auditor appointed by the Controller. The whole costs of audit shall be paid by the person who failed to comply with (1) and (2) above.

The environmental auditor conducting the environmental audit for (1), (2) and (3) shall be registered with the Board.

9. Register of environmental auditors

- (1) The Controller shall keep and maintain a current register of environmental auditors.
- (2) The register of environmental auditors is open to public for review if the payment of Ringgit Malaysia five (RM5) is paid to the Board.
The fee is payable to “Natural Resources and Environment Board, Sarawak” either in cheque, money order or postal order;

10. Code of conduct and responsibilities of environmental auditors

- (1) All environmental auditors, including audit team leaders, audit team members, auditors-in-training and technical experts, shall exercise discretion, confidentiality and take full responsibility of the audit findings and audit conclusions in carrying out the environmental audits and compiling the audit reports.
- (2) All environmental auditors shall follow the following codes of conduct:
 - a) to act professionally, be unbiased with no conflict of interests,

- b) to be honest and truthful in audit and audit report,
- c) to conduct audit diligently with professional judgment,
- d) to undertake audit only if competent to perform,
- e) to work as a team with other team members and leader for attainment of audit objectives,
- f) to disclose any potential conflict of interests to the Controller when an auditor is appointed;
- g) to inform the Controller immediately in case of any serious irregularities arising from the audit process – such as imminent environmental disasters or security concerns to the local, national or international,
- h) not to accept bribes, inducements, commission, gifts or other benefits from auditee’s representatives or their employees or other interested parties;
- i) not to represent conflicting or competing interests;
- j) not to intentionally communicate false or misleading information that may compromise the integrity of the audit or the auditor registration process, and
- k) not to act in any way that would jeopardize or prejudice the reputation of the Board or the Panel or the auditor registration process, and to cooperate fully with any inquiry in the event of any illegal break of this code.

These codes of conduct shall be fully complied in addition to the personal attributes required of an environmental auditor described in guideline 6(2)(b).

11. Audit to be carried out by environmental auditor

- (1) The Controller shall appoint an environmental auditor from the list of registered environmental auditors to conduct an environmental audit.
- (2) The Controller shall inform the appointed environmental auditor on the scope, coverage and depth of the environmental audit.
- (3) The appointed environmental auditor shall become the audit team leader of the audit. The audit team leader can select environmental auditors from the list of environmental auditors to assist him/her in carrying out the audit, and may include technical experts, subject to the approval of the Controller.
- (4) The audit team leader shall prepare the audit plan and take full responsibility and complete the tasks for the whole audit process - pre-audit, on-site audit and post-audit.

12. Audit to be carried out by appointed auditor

The environmental auditor appointed by the Controller shall only carry out the environmental audit, details of which are described in guideline 11.

13. Submission of environmental audit report

- (1) The environmental audit report in four (4) original hardcopies with one (1) softcopy (in compact disc) shall be submitted by the audit team leader to the Controller. The audit reports submitted shall fulfill all the requirements expected of a good audit report, otherwise the Controller shall return these audit reports to the audit team leader for the necessary corrections and amendments. A copy of the report shall be forwarded to the highest management of auditee by the Controller.
- (2) The environmental audit report shall be prepared in the format as per Appendix 9 and the followings shall also be noted :-
 - a) Cover Letter – shall be addressed to the Controller. This cover letter shall state the date of the audit, whether the audit scope and intent have been achieved, the audit team members, audit methodology and appreciation to the auditee’s representatives. The letter should be signed by the audit team leader and all team members. A “Confidential Statement” shall be included here.
 - b) Executive Summary – summarizes the audit report including the “Noteworthy Efforts” which are the good efforts done by the auditee and the “Areas for Improvements” which are the non-conformities.
 - c) The Corrective and Preventive Action Reports attached in the audit report should have only the Part A completed by the auditor and acknowledgement receipt signature by the auditee’s representative. (Note: Parts B and C shall be completed later)
- 4) Other requirements for an environmental audit report:
 - a) The audit report shall be typed using Microsoft word, Times New Roman, font size 12 for normal, laser printed on A4-sized 80g or 100g white paper, portrait-orientation (except Working Copy, if needed), printed either on single-face or double-sided faces, photographs shall be in colour and include captions, and the whole report shall be metal or spiral bound.
 - b) Four (4) original sets of the audit report (hard-copy) and a softcopy report in pdf format (either on compact disc or pen-drive) shall be submitted to the Controller within 21 days after completion of the on-site audit. The audit team leader may request in writing to the Controller for an extension of the time for submission of the audit report, subject to the approval from the Controller.

Any requirement not complied with shall result in the Controller returning the audit report submitted for corrections and re-submission without additional fee paid.

14. Confidentiality of environmental audit report

Without the written approval from the Controller, no one – including the auditor or the auditee’s representatives – shall make known of the content of the audit report to any other person. The environmental auditor in making such offence may be subject to disciplinary action from the Board, including being de-registered from the list of environmental auditors and other legal penalty. All environmental auditors shall complete and sign the Non-Disclosure Agreement in Appendix 8 and submit it to the Controller within seven (7) days after being appointed to conduct an environmental audit; and the same completed document shall also be attached in the audit report.

15. Audit recommendations

- (a) After conducted an environmental audit, the audit team leader shall complete the Corrective and Preventive Action Report (as in the Schedule – NRE (Audit) Rules, 2008).
 - i) Part A: Audit Findings – this part shall be completed by the audit team leader or the audit team member stating clearly the audit findings and non-conformities. It should be signed and dated by the auditor and a copy handed to the auditee’s representative during the audit closing meeting. The auditee’s representative shall sign with date to acknowledge receipt of this report.
 - ii) Part B: Proposed Corrective and Preventive Action – to be completed by the auditee’s representative within 30 days and shall be submitted to the Controller.
 - iii) Part C: NREB Verification and Comment – shall be completed by the officer of the Board with signature from the Controller.
- b) In addition, the Controller shall direct the auditee’s representative to plan and implement any or all of the recommendations in the environmental audit report and submit evidence of the work completed.
- c) The Controller may issue any directive or notice to any person not in compliance with the requirements.

16. Audit fees

- (a) The owner or occupier or developer (who is the auditee’s representative) shall bear all fees for the conduct of the environmental audit, including the fees for submission of the environmental audit report.
- (b) The auditee’s representative shall deposit the total audit fees with the Controller within 21 days of the notice from the Controller. The fees are payable to “Natural Resources and Environment Board, Sarawak” either in cheques, money orders or postal order
- (c) The Controller shall have the final discretion on the fees to be charged.

17. Penalty

- (1) After receiving the audit report, the owners, occupiers and developers shall implement all recommendations in the audit report, including the Corrective and Preventive Action Report (CAR) within the time frame stipulated by the Controller. Failure to do so shall be an offence, and the maximum penalty is RM50,000 (fifty thousand ringgit) and imprisonment of 5 years. For continuing offence, a further fine of RM1,000 (one thousand ringgit) for each day the offence continues.

- (2) The followings shall also be an offence for an environmental auditor or any other person with maximum penalty of RM50,000 (fifty thousand ringgit) and imprisonment of 5 years if he/she:
 - (a) submit the audit report containing facts, data or information, which is knowingly or has reason to believe, it is false or calculated to deceive the Controller; and
 - (b) Provides facts, data or information such as for registration of environmental auditor and for the audit process, which is knowingly or has reason to believe, is false or calculated to deceive the Controller.

- (3) The payment for the penalty shall be made in accordance with the Natural Resources and Environment (Compounding of Offences) Rules, 1997.

References

1. *International Standard ISO 19011:2002 – Guidelines for quality and/or environmental management systems auditing*
International Organization for Standardization, 2002
2. Chong, Hock Guan
Environmental Audit – A Proactive Tool for Pollution and Accident Prevention
Bulletin Ingenieur, The Board of Engineers Malaysia, September-November 2004.
3. *Environmental Compliance Audit Training Manual*
GMP Environmental Consultants, 2011 (Third Edition)
4. *Environmental Management Systems Audit Training Manual*
GMP Environmental Consultants, 2011 (Tenth Edition)
5. *Environmental Risk Management Audit Training Manual*
GMP Environmental Consultants, 2011 (Fourth Edition)
6. *Environmental Audit Guidance Manual*
Department of Environment Malaysia, 2010 (Edition 1)
7. *Registration and Employment of Consultants for the Conduct of Environmental Impact Assessment (EIA) for Various Prescribed Activities*
Natural Resources and Environmental Board, Sarawak, 1997
8. *The Natural Resources and Environmental (Audit) Rules, 2008*
The Sarawak Government Gazette Part II, vol. LX111 No 39, 2008
9. *The Natural Resources and Environmental (Compounding) of Offences Rules, 1997*
The Sarawak Government Gazette Part II, vol. L11, 1997

Appendix 2 – Form for Renewal Application as an Environmental Auditor

(Instruction: type or write clearly in black colour; leave no blanks. Write N/A for non-applicable. Incomplete, wrong or vague information could subject to rejection. Note that non-Malaysians are not eligible to apply and register.

| | | | |
|--|----------------------------------|--|---|
| Full Name (Surname, Given Name) | | | |
| Title | | | |
| Myocard Number | | | |
| Date of Birth (date, month, year) | | | |
| Gender (Male/Female) | | | |
| Organization Name/Position | | | |
| Existing NREB Registration No: | | | |
| Type of Environmental Auditor Applying for Renewal(circle whichever appropriate) | Environmental Compliance Auditor | Environmental Management Systems Auditor | Environmental Risk Auditor |
| Postal Address (number, street name, postcode, city/town, state, country) | | | Recent passport-sized Photograph (paste firmly here) |
| Telephone (office): _____ (home): _____ Mobile phone: _____ Fax: _____ Email: _____ | | | |
| Details of Credentials <i>(Instructions: Use the forms or format in Appendices 3, 4, 5, 6 and 7 to fill in your academic, professional membership ,training and seminars attended, audit and work experience. Attach completed forms and copies of certificates/documents together with this form.)</i> | | | |
| References: <i>(Fill in 2 references from 2 different organizations who can be reached to verify your personal attributes, education, training, work and audit experience)</i> 1.Name: _____ 2. Name _____ Address: _____ Address: _____ _____ _____ Tel: _____ Fax: _____ Tel: _____ Fax: _____ Email: _____ Email: _____ Stamp/Date/Signature: _____ Stamp/Date/Signature: _____ | | | |
| Declaration: I certify that all information contained here are true and accurate to the best of my knowledge. I abide by the codes of conduct and all the requirements in the Natural Resources and Environment(Audit) Rules, 2008 and Guidelines., and any wrong or false information in this application form can lead to rejection of my application. Signature: _____ Date: _____ | | | |
| Verified by Commissioner of Oath: <i>(stamp/signature/date)</i> | | | |
| Checklist: <i>(tick boxes below to ensure the application is complete)</i> <input type="checkbox"/> Form completed <input type="checkbox"/> Payment attached: state cheque no and amount: _____ <input type="checkbox"/> Complete Documents/certificates attached | | | |
| For NREB use only 1.Date received: _____ 2. Fees correctly paid? Y/N _____ 3. Documents complete? Y/N _____ 4. Decision: Approve/Reject Reason: _____ 5.Reviewing officer name/signature/date: _____ | | | |

Appendix 3 – Academic Qualifications

(Complete your information on education background, starting from latest received till primary education)

| Full Name | | | | | | |
|--|----------------|-------------------|---|---|--|---|
| Date started (eg. 5 January 1997) | Date completed | Full or part time | Full title received (eg. Master of Science in Environmental Science) | Name and address of school or university or institution | Grade obtained (eg. First class or CGPA=4.00) | Description of subjects/topics studied (list subjects or attach results transcripts) |
| | | | | | | |
| <p>I declare that all the above information is correct and accurate, with the understanding any wrong information can lead to rejection or return of my application.</p> <p>Signature: _____ Date: _____</p> | | | | | | |
| <p>For NREB use only</p> <p>1. Form/attachments complete? Y/N Reasons:</p> <p>2. Verifications satisfactory? Y/N Reasons:</p> <p>3. Name and signature of Officer/Date:</p> <p>4.</p> | | | | | | |

Appendix 4 - Professional Qualifications and Memberships

(Complete your information on professional affiliations, starting from latest received. Attach certificates/documents as evidence)

| Full Name | | | | |
|---|------------------------------|---|---------------------------------|----------------------|
| Full name of Professional Body | Official abbreviation | Address, Telephone, Fax, email and website | Current membership grade | |
| | | | Title/Grade | Date achieved |
| | | | | |
| <p>I declare that all the above information is correct and accurate, with the understanding any wrong information can lead to rejection or return of my application.</p> <p>Signature: _____ Date: _____</p> | | | | |
| <p><u>For NREB use only</u></p> <ol style="list-style-type: none"> 1. Form/attachments complete? Y/N Reasons: 2. Verifications satisfactory? Y/N Reasons: 3. Name and signature of Officer/Date: 4. | | | | |

Appendix 5 – Relevant Training Received

(Complete your information on public/in-house training attended, starting from latest received. Attach certificates/documents as evidence)

| | | | | | |
|--|--|--------------|--|---|--|
| Full Name | | | | | |
| Title of training or seminar attended | Duration and Date (eg. 3 days, 10-12 Jan. 2011) | Venue | Details of training provider or seminar organizer | | Title of certificate (eg. Certificate of Attendance) |
| | | | Name | Address, telephone, fax, email and website | |
| | | | | | |
| <p>I declare that all the above information is correct and accurate, with the understanding any wrong information can lead to rejection or return of my application.</p> <p>Signature: _____ Date: _____</p> | | | | | |
| <p>For NREB use only</p> <p>1. Form/attachments complete? Y/N Reasons:</p> <p>2. Verifications satisfactory? Y/N Reasons:</p> <p>3. Name and signature of Officer/Date:</p> | | | | | |

Appendix 6 – Relevant Environmental Auditing Experience

(Complete your information on auditing experience, starting from latest received. Attach documents as evidence)

| Full Name | | | | | | | | |
|-----------|--|--|-------------------------------------|---|---|------------------------------------|---|------------------------------|
| No. | Type of audit (eg. Environmental Compliance Audit) | Duration and Date of On-Site Audit (eg. 3 days, 10-12 Jan. 2011) | Role in the Audit Team (eg. member) | Number of auditors (and name of leader) | Details of Auditee | | | Description of auditing work |
| | | | | | Name of organization and person-in-charge | Industrial sector (eg. plantation) | Address, telephone, fax, email, website | |
| | | | | | | | | |

I declare that all the above information is correct and accurate, with the understanding any wrong information can lead to rejection or return of my application.

Signature: _____ Date: _____

For NREB use only

- Form/attachments complete? Y/N Reasons:
- Verifications satisfactory? Y/N Reasons:
- Name and signature of Officer/Date:

Appendix 7 – Continual Professional Development (CPD) Log Sheet

(Refer to the Guidelines on NRE (Audit) Rules for information on CPD. Complete your information below for each year after your registration as environmental auditor)

| Full Name | | | | | |
|--|---------------------|------------------------|-------------------------|-----------|--|
| NREB Registration No. | | | | | |
| Year for this CPD | | | | | |
| No. | Details of activity | | | CPD hours | Verification source (name, address, telephone, fax, email) |
| | Date | Actual hours completed | Description of activity | | |
| | | | | | |
| Total CPD hours for the year | | | | | |
| <p>I declare that all the above information is correct and accurate, with the understanding any wrong information can lead to rejection or return of my application.</p> <p>Signature: _____ Date: _____</p> | | | | | |
| <p>For NREB use only</p> <p>1. Form/attachments complete? Y/N Reasons:</p> <p>2. Verifications satisfactory? Y/N Reasons:</p> <p>3. Name and signature of Officer/Date:</p> | | | | | |

Appendix 8 – Non-Disclosure Agreement for Environmental Auditors

(Instruction: this form shall be completed by all environmental auditors prior to conducting the audit, and the same completed form shall also be attached in the audit report)

I/We certify that we fully abide by all the codes of conduct and confidentiality of the environmental audit mentioned in the NRE (Audit) Rules, 2008 and its Guidelines.

All information obtained in the process of conducting the audit will be kept confidential, and I/we shall not disclose any such information to any party, including the media or any other interested party, without the prior written consent from the Controller. Violating this requirement means I/we shall be subjected to disciplinary actions including de-registration as an environmental auditor of the Board and other penalties punishable under the laws.

1. Audit team leader:

Name:

Signature/Date:

2. Audit team members:

Name:

Signature/Date:

Name:

Signature/Date:

Name:

Signature/Date:

Name:

Signature/Date:

Appendix 9 – General Format of Report

The generally adopted format of an Environmental Audit Report is outlined herewith :-

I. Title Page

- Title of Project
- Period of Audit
- Name and address of project proponent
- Name of Audit Team
- Confidentiality Note

II. Table of Content

- List of Tables**
- List of Figures**
- List of Appendices**
- List of Abbreviations**

III. Executive Summary

IV. Main Report

Chapter 1 : Introduction

- 1.1 Project Background
- 1.2 Legal Requirement for Independent Environmental Audit
- 1.3 Audit Objectives
- 1.4 Audit Scope
- 1.5 Audit Methodology
- 1.6 Audit Team

Chapter 2 : Working Copy

- Completed audit Checklists / Criteria
- Findings from Interviewing Auditee's Representative
- Evidence of Document Review

Chapter 3 : Audit Activities and Findings

- 4.1 Results of Verification Interviews
 - Include questions asked, responses received and analysis of the responses
- 4.2 Findings from Site Inspection – photographs with clear captions and comments
 - 4.2.1 Noteworthy Efforts
 - 4.2.2 Areas for Improvement
- 4.3 Corrective Action / Preventive Measures

Chapter 4 : Status of NCRs Raised in Previous Audit (not applicable for the first audit report)

Chapter 5 : Recommendations

Chapter 6 : Conclusion

Chapter 7 : Disclaimer

Appendices :

- Attendance Lists of Opening and Closing Meetings
- Prescribed Criteria or Approval Document
- Corrective and Preventive Action Report (CAR)
- Relevant Document

Appendix 10 – Corrective and Preventive Action Report *(to be attached in the report, of which, Part A is to be completed by the auditor complete with the acknowledgement receipt signature by the auditee’s representative)*

SCHEDULE

(Rules 15)

CORRECTIVE AND PREVENTIVE ACTION REPORT

PART A: AUDIT FINDING

[Note: To be submitted to the NREB within 30 days of audit report submission to the NREB.]

Audit Report Ref. No.:

Audit Finding Ref. No.:

Brief Audit Finding:

PART B: PROPOSED CORRECTIVE AND PREVENTIVE ACTION

(Add more lines as necessary)

Proposed completion date:

Prepared by:

Actual completion date:

Reported by:

[For NREB Use Only]

PART C: NREB VERIFICATION AND COMMENT

Completion: satisfactory/not satisfactory*

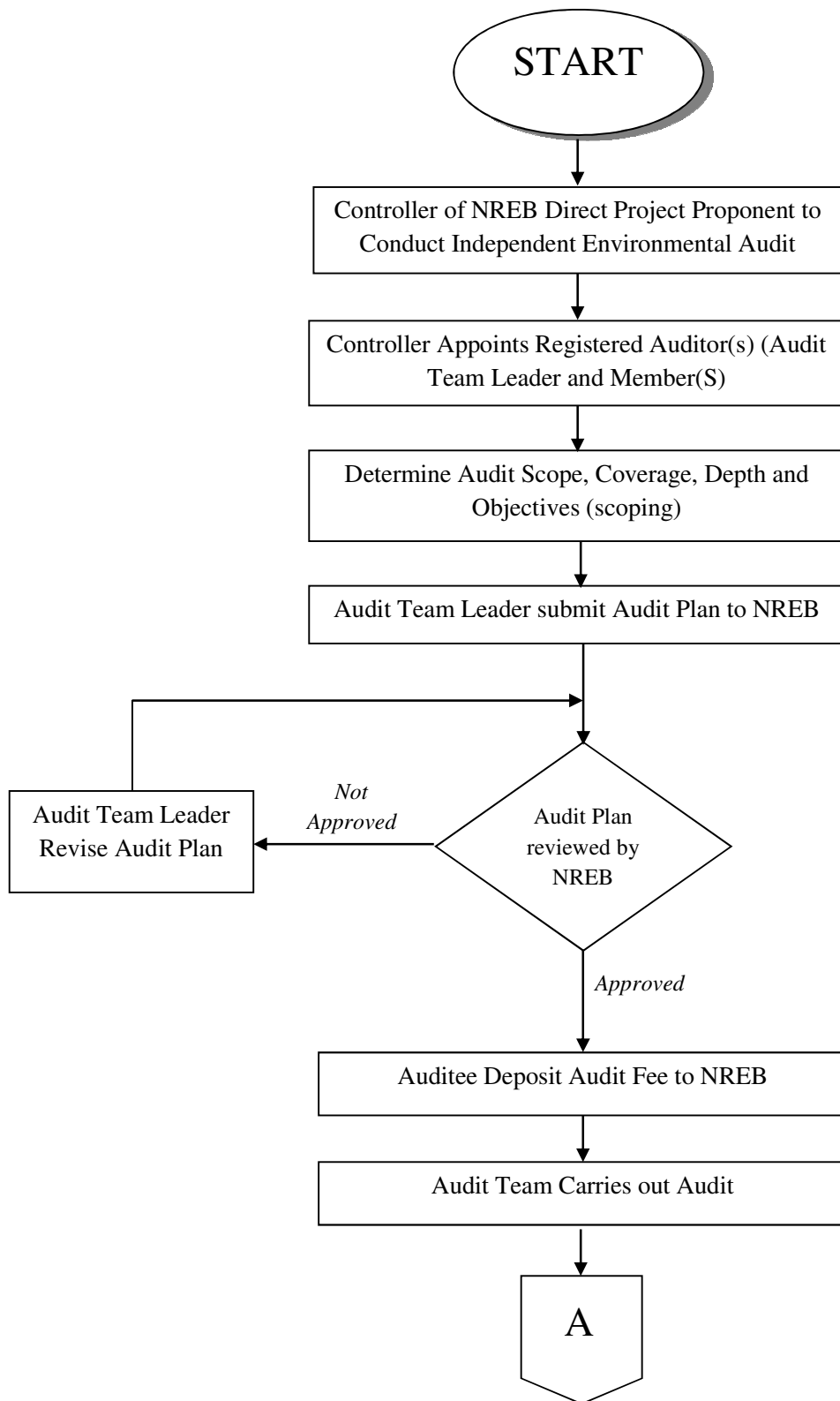
*(*Delete whichever is not applicable.)*

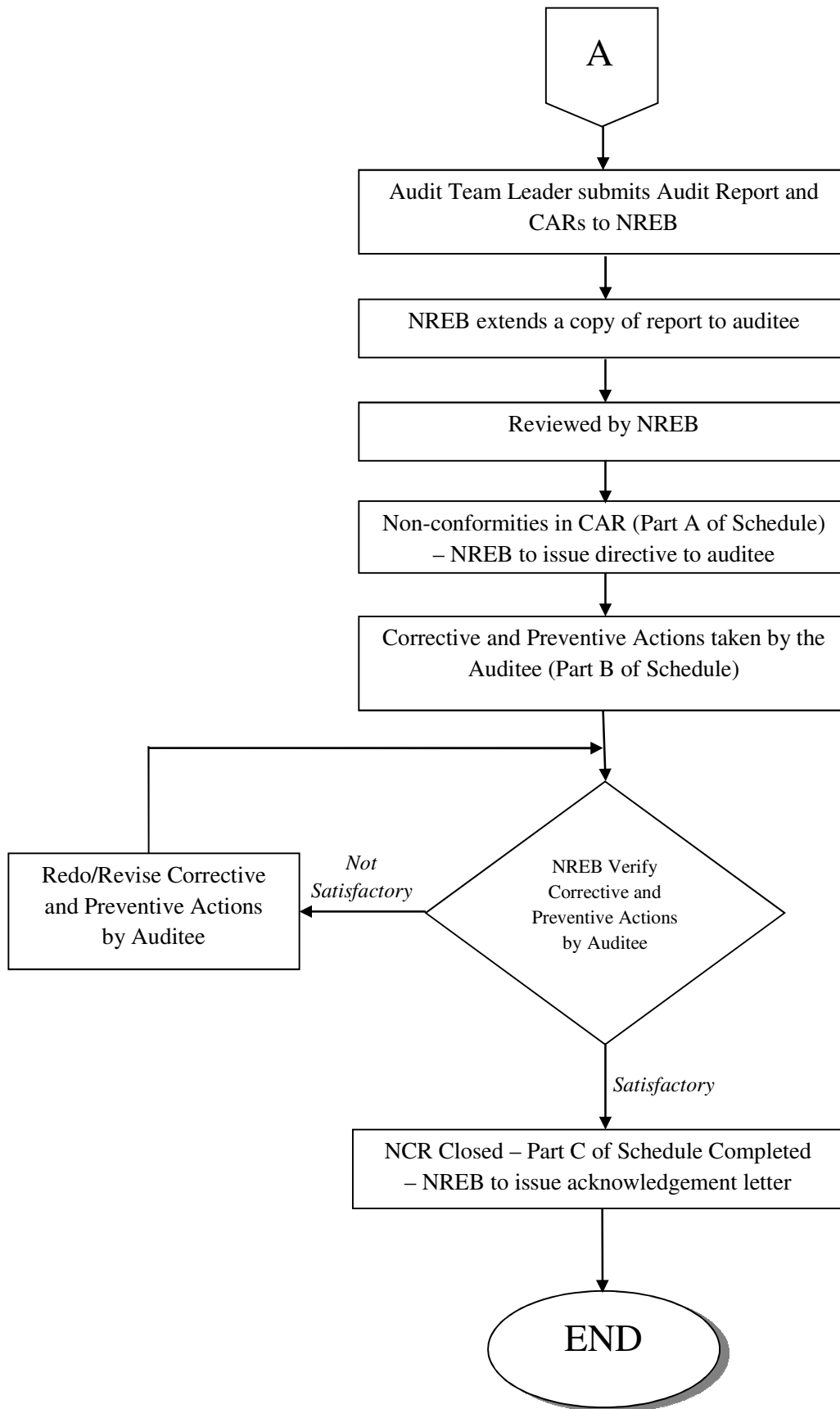
Verification comment

Verification date:

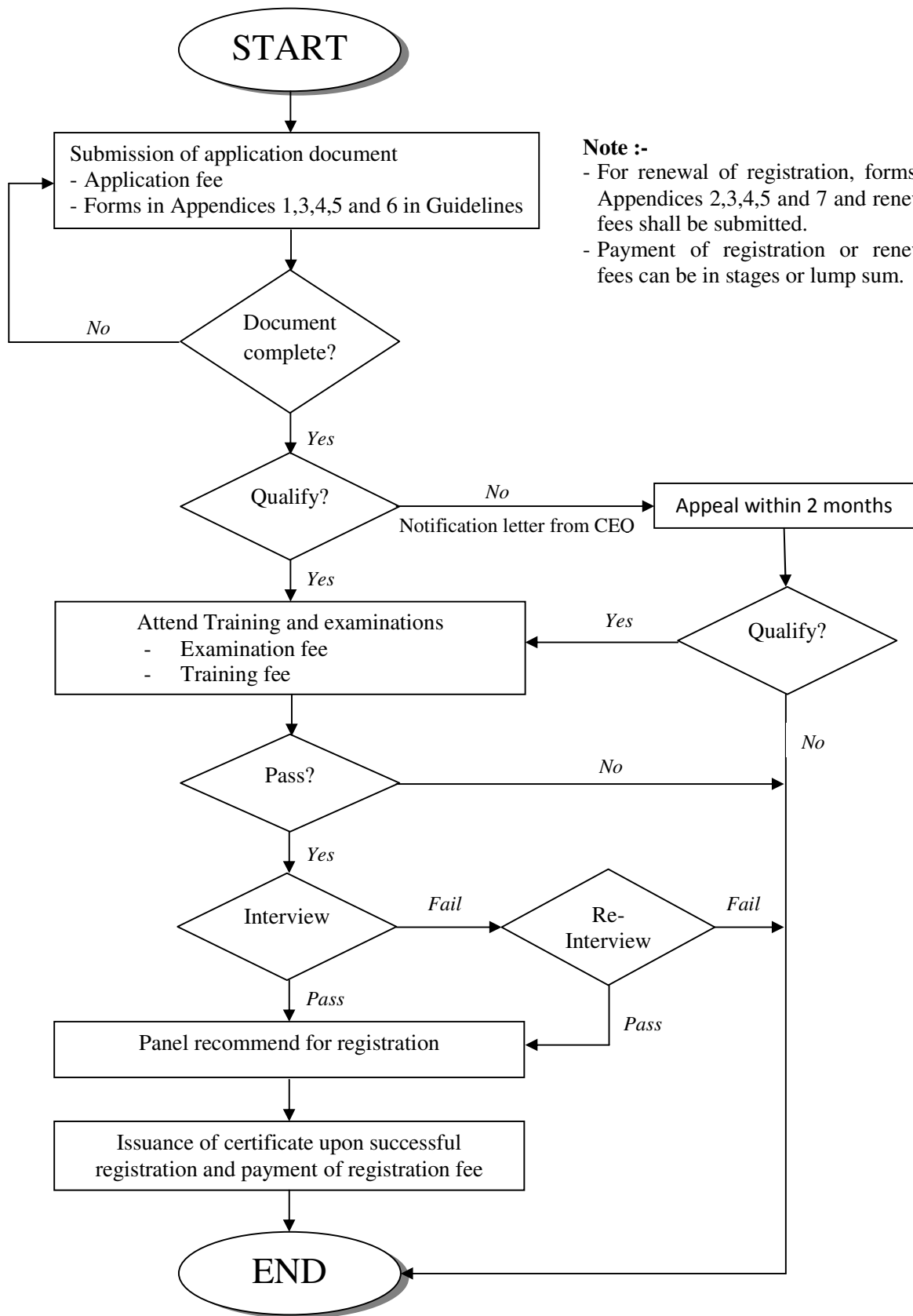
Controller of Environmental Quality

Appendix 11 – Flowchart for Audit Process





Appendix 12 – Flowchart for Registration of Environmental Auditor



Note :-
 - For renewal of registration, forms in Appendices 2,3,4,5 and 7 and renewal fees shall be submitted.
 - Payment of registration or renewal fees can be in stages or lump sum.