



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

Natural Resources and Environment Board (NREB) Sarawak

18th -20th Floor, Menara Pelita, Jalan Tun Abdul Rahman Yakub

Petra Jaya, 93050 Kuching, Sarawak, Malaysia

Locked Bag No. 2103, Kuching, Sarawak, Malaysia

Tel: 082-447488, 319500

Fax: 082-312800, 448254

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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).

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 require 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 “areas for improvements” means compliance or actions or initiatives and efforts that need further improvement;
- 2.2 “audit criteria” means set of policies, procedures or requirements that are prescribed in the order issued by the Controller under Rule 3 and/or Rule 8 and are used as reference against which the audit evidence is compared;
- 2.3 “audit client” means organization or person requesting an audit, and in these Rules, it means the Controller of Environmental Quality, Sarawak;
- 2.4 “audit conclusion” means outcome of an audit, provided by the audit team after consideration of the audit objectives and all audit findings;
- 2.5 “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;
- 2.6 “auditee” means organisation being audited. The term ‘organisation’ here is used interchangeably with ‘auditee’ to denote owner, occupier or developer;
- 2.7 “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;
- 2.8 “auditee’s representative” means person from the auditee who is being audited. [Note: “knowledgeable person” carries the same meaning and can be used];
- 2.9 “auditor-in-training” means a trainee auditor who has yet to meet all the competency requirements of an environmental auditor as in Guideline 6;
- 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 (NREB), Sarawak established under Section 3 of the Ordinance. The term ‘NREB’ here is used interchangeably with ‘Board’;
- 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 2.21 for the 3 different types of environmental audit]
- 2.18 “competency” means demonstrated personal attributes and demonstrated ability to apply knowledge and skills as described in section 6;
- 2.19 “compliance” means the action or facts of complying with the laws and regulations such as Natural Resources and Environment Ordinance, EIA or EMP Approval Conditions, and/or any forms of directives issued by the Board;
- 2.20 “Controller” means the person appointed pursuant to Section 3(9) of the Ordinance, and includes a Deputy Controller;
- 2.21 “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]

2.22 “environmental auditor” means person with the competency to conduct the environmental audit and shall be registered with the Board under Rule 6;

2.23 “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;

2.24 “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;

- 2.25 “environmental risk” means any risk, hazard or chances of bad consequences that may be brought upon the environment;
- 2.26 “environmental risk assessment” means the examination of risks that may be caused to the environment 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 eco-toxicological risk assessments;
- 2.27 “external audit” means the environmental audit which is conducted by the auditor(s) who is/are appointed by the NREB and not staff member(s) of the auditee, and carries the same meaning as third party or independent audit;
- 2.28 “external auditor” means a person who is appointed by the NREB to conduct an external audit;
- 2.29 “internal audit” means the environmental audit conducted by the auditor(s) who is/are appointed by the auditee;
- 2.30 “internal auditor” means a person who is appointed by the auditee to conduct an internal audit
- 2.31 “joint audit” means two or more auditing organizations cooperate to audit a single auditee;
- 2.32 “non-compliance” means the action or facts of not complying with the laws and regulations such as Natural Resources and Environment Ordinance, EIA or EMP Approval Conditions, and/or any forms of directives issued by the Board;
- 2.33 “noteworthy effort” means best practices or actions or initiatives implemented by the auditee that are above the requirement to attain compliance with the audit criteria;
- 2.34 “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;
- 2.35 “Ordinance” means the Natural Resources and Environment Ordinance, 1993 [Laws of Sarawak Cap.84 (1958 Ed.)];
- 2.36 “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;
- 2.37 “Panel” means a Panel appointed under Rule 4;
- 2.38 “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];
- 2.39 “Register” means a Register of appointed environmental auditors maintained by the Controller under Rule 9;
- 2.40 “technical expert” means a person who provides specific knowledge or expertise to the audit team and does not act as an auditor in the audit team.

3. Requirement of Environmental Audit

- (1) 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) where 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 utilisation 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, state-wide 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, the community and the state. This type of audit could encompass any aspects of the 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].

- (2) Requirement for environmental audit can also be stipulated in the Terms and Conditions of EIA or EMP approval. For such case, the organisation must conduct the internal environmental audit and for the external environmental audit, the appointment will be done by the Board.

4. Establishment of Panel

There are two (2) Panels established under Rule 4. The two Panels are:-

(1) Panel for Environmental Auditor

- (a) The Panel shall consist of 4 members:
- (i) Chairman – who is an environmental expert;
 - (ii) 3 members – who are members or appointed officers of the Board who have relevant qualifications and work experience; and
 - (iii) An appointed officer from the NREB to be the Secretary.
- (b) Roles and responsibilities of the Panel include:
- (i) review the application forms submitted for registration of environmental auditors;
[Note: refer to Appendix 15 of the Guidelines for criteria on qualification as environmental auditors]
 - (ii) inform any unsuccessful applicant in writing;
 - (iii) inform successful applicants on the exact date, time and venue of training and examination;
 - (iv) set examination questions and conduct the examination;
 - (v) make decisions on the applications submitted – including competency requirements of the applicant and results of examinations;
 - (vi) review the registration and maintenance of competency of environmental auditors;
 - (vii) make recommendation to the Controller on the appointment of each successful applicant as environmental auditor; and
 - (viii) updating the Controller regularly on all matters related to environmental audit.

(2) Panel for Professional Interview

- (a) The Panel shall consist of 4 members:
- (i) Chairman – who is Deputy Controller of Natural Resources and Environment Board, Sarawak;
 - (ii) 3 members –appointed officers from:
 - Ministry of Urban Development and Natural Resources, Sarawak;
 - Department of Environment, Sarawak; and
 - Natural Resources and Environment Board, Sarawak
 - (iii) An appointed officer from the NREB is to be the Secretary.
- (b) Roles and responsibilities of the Panel include:
-

- (i) review the application for professional interview;
- (ii) inform applicants on the exact date, time and venue of professional interview;
- (iii) set interview questions and conduct the professional interview;
- (iv) make assessment and evaluation on the performance of applicant in the professional interviews;
- (v) make recommendation to the Controller on the successful applicant as environmental auditor;
- (vi) inform successful and unsuccessful applicant in writing; and
- (vii) updating the Controller regularly on all matters related to professional interviews.

5. Application as an Environmental Auditor

- (1) Every applicant wishing to be registered as an environmental auditor should follow the following requirements:
 - (a) The application forms in Appendices 1, 3, 4, 5 and 6 shall be completed. Similar forms can also be downloaded from www.nreb.gov.my;
 - (b) Duly completed application forms must be forwarded to the Controller either by post or email;
 - (i) Postal Address
**Controller of Environmental Quality
Natural Resources and Environment Board, Sarawak
18th -20th Floor, Menara Pelita, Jalan Tun Abdul Rahman Yakub
Petra Jaya, 93050 Kuching, Sarawak, Malaysia
Locked Bag No. 2103, Kuching, Sarawak, Malaysia**
 - (ii) Email address
webmasternreb@nreb.gov.my
 - (c) For hardcopy application, the lower right corner of the front envelope is to be written clearly the following words: “**Application for Environmental Auditor**”; and
 - (d) Completed application forms must be accompanied by a processing fee of RM50 (fifty ringgit) made payable to the “**Natural Resources and Environment Board**” for all types of audit.
- (2) (a) **Successful applicant:** after reviewing the completed application form and fees submitted, applicants will be informed in writing by the Controller to attend the environmental audit training course.

(b) Unsuccessful applicant

- (i) In the event the applicant is not successful, the application will be notified in writing by the Controller.
- (ii) The applicant may appeal in writing to the Controller within 2 months from the date of notification from the Controller.

6. Appointment of Environmental Auditor

Upon the review of the application by the Panel as in Rule 4 and Guideline 4, the successful applicant will be required to undergo the assessment process according to their intended category of auditor:

(1) External Auditor

Every applicant intending to be registered as External Environmental Auditor must meet the competency criteria as stated in Table I of Appendix 15. The applicant shall attend the audit training course conducted by the NREB and pass both the written examination and professional interview conducted by the Panel.

(a) Auditor Training

The audit training course includes the followings:

Part 1 consists of:

- (i) Classroom lectures
- (ii) Site audit
- (iii) Prepare Audit Report based on (ii)

Part 2 consists of:

- (i) Classroom lectures including case studies
- (ii) Written 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:

- The passing grade for each part of the examinations is 70%;
- An applicant is allowed to sit for the examinations twice upon which if he/she fails, he/she will need to be referred (i.e. attend the whole training again);
- An examination fee of RM200 (per exam) is imposed and made payable to the “**Natural Resources and Environment Board**” prior to the examination; and
- A certificate will be issued upon the successful completion of the training. An applicant who passes the examination but does not meet all the competency requirements as in Table A of Appendix 15 will only be registered as “Auditor-in –Training”.

(b) **Professional Interview**

- (i) The professional interview is an oral examination. The candidate shall submit his/her previously completed audit reports to the Panel as required;
 - (ii) 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;
 - (iii) The Panel shall make recommendation on the successful candidates;
 - (iv) The passing grade for the professional interview is 70%; and
 - (v) An applicant is allowed to sit for the professional interview twice upon which if he/she fails, he/she will need to be referred (i.e. attend the whole training again).
- (c) After receiving the recommendation from the Panel, the Controller may approve the registration of a successful applicant as an Environmental Auditor based on the competency criteria in this document. A certificate fee of RM250 (two hundred fifty ringgit) shall be paid to the “**Natural Resources and Environment Board**” within 2 weeks of the date of notification from the Controller that the registration is successful.
- (d) A Certificate of Registration will be issued to the successful applicant and shall be valid for a period of two years. Refer to Appendix 8A: Flowchart for Registration of External Environmental Auditor.

(2) **Internal Auditor**

- (a) Every applicant intending to be an Internal Environmental Auditor must meet the competency criteria as stated in Table II of Appendix 15. The applicant shall attend the audit training course conducted by the NREB and take the written examination as in Guideline 6 (1) (a).

- (b) The Audit Team Leader must pass part each of examination with a passing grade of at least 70%. However, the passing mark as an Audit Team Member is 70% averaged from the 3 parts of examination.
 - (c) Those who fail to obtain at least 70% for each part may retake the examination (if they wish) with extra examination fee (RM 200 per exam) made payable to the “**Natural Resources and Environment Board**”.
 - (d) Practicing internal auditors should update their audit works with the NREB annually.
 - (e) Refer to Appendix 8B: Flowchart for Registration of Internal Environmental Auditor.
- (3) **Renewal of Registration (only for External Auditor)**
- (a) A registered Environmental Auditor intending to renew registration shall complete the renewal form in Appendix 2. The applicant shall also submit the continual professional development (CPD) log sheet in Appendix 7, together with updated information using forms in Appendices 3, 4, 5 and 6. These forms can also be downloaded from www.nreb.gov.my. Refer to Appendix 8C: Flowchart for Renewal of Registration for Environmental Auditor.
 - (b) **Continual Professional Development (CPD)**

The applicant shall demonstrate that at least 30 credit hours of continual professional development have been completed within the 2-year period of registration. Refer to Appendix 9 for the activities accounted for CPD.
 - (c) Duly completed application forms must be forwarded to the Controller either by post or email:
 - (i) Postal Address

Controller of Environmental Quality
Natural Resources and Environment Board, Sarawak
18th -20th Floor, Menara Pelita, Jalan Tun Abdul Rahman Yakub
Petra Jaya, 93050 Kuching, Sarawak, Malaysia
Locked Bag No. 2103, Kuching, Sarawak, Malaysia
 - (ii) Email address

webmaster@nreb.gov.my
 - (d) The lower right corner of the front envelope is to be written clearly with the following words: “**Application for Renewal of Environmental Auditor**”.
 - (e) Completed application forms must be accompanied by a processing fee of RM50 (fifty ringgit) made payable to the “**Natural Resources and Environment Board**” for all types of audit.
 - (f) The Controller of the Board, with recommendation from the Panel, may reject the renewal of any registered applicant based on non-conformity to the criteria set in

Appendix 15 and/or other reason such as complaints (from the NREB officers, auditee(s), the public or other related parties); unethical behaviour (corruption, bribery or intimidation), or other unprofessional conduct (poor mannerism, conflict of interests, etc.).

- (g) After receiving the recommendation from the Panel, the Controller may approve the renewal of registration of a successful applicant as an Environmental Auditor. A certificate fee of RM250 (two hundred fifty ringgit) shall be paid to the **“Natural Resources and Environment Board”** within 2 weeks of the date of notification from the Controller that the renewal of registration is successful.
- (h) Certificate of Registration will be given to the applicant upon successful re-registration which shall be valid for a period of two years.

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:

- (1) has breached any terms and conditions stipulated in the letter of appointment;
- (2) has breached any of the duties and responsibilities as an environmental auditor prescribed by the Board, including all requirements set in the guidelines here;
- (3) has committed any offence relating to fraud, corruption or dishonesty;
- (4) is a bankrupt; or
- (5) upon reviewing 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 Environmental 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-frame 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.
- (4) Roles and Responsibilities of Auditee’s Management/Representatives
 - (a) Provide full cooperation to both NREB and auditors during the conduct of audit;

- (b) Appoint relevant staff as knowledgeable person or auditee's representative to attend to the audit;
 - (c) Inform relevant staff, workers and contractors about the objectives and scope of audit;
 - (d) Provide all resources needed for the audit team to conduct an effective and efficient audit process;
 - (e) Provide access to the premise and evidential materials as requested by the audit team;
 - (f) Prudently implement the corrective and preventive actions; and
 - (g) Bear all fees and costs for the conduct of the environmental audit.
- (5) The audit process and methodology is appended in Appendix 10C. The environmental auditor conducting the environmental audit for Rules 8(1), 8(2) and 8(3) shall be registered with the Board.

- Note:
- (i) Refer to Appendix 10 for the Flowchart for Environmental Audit;
 - (ii) Refer to Appendix 10A for the Internal Environmental Audit Process; and
 - (iii) Refer to Appendix 10B for the External Environmental Audit Process.

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 RM5 (five ringgit) is paid to the Board. The fee is payable to "**Natural Resources and Environment Board**" 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 locally, nationally or internationally;
- (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 Appendix 15.

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, take full responsibility and complete the tasks for the whole audit process - pre-audit, on-site audit and post-audit. Refer to Appendix 10C for the recommended audit process and methodology.

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 11 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. A “Confidential Statement” shall be included here.
 - (b) Audit Summary – summarizes the audit report including the status of compliances to the requirements or provisions of the audit criteria.
 - (c) The Corrective and Preventive Action Reports (CPAR) 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).
- (3) 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, colour printed, printed either on single-face or double-sided faces, photographs shall be in colour and include captions, and the whole report shall be properly bound.
 - (b) All maps in the Environmental Audit Report shall be in accordance to the specifications as in Appendix 16: Specifications for Geographical Information Systems (GIS) Data and softcopy of the maps shall be submitted together with the report.
 - (c) 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 30 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.
- (4) 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 12 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

- (1) After conducted an environmental audit, the Audit Team Leader shall complete the Corrective and Preventive Action Report (CPAR) as in the Schedule – NRE (Audit) Rules, 2008 or Appendix 13:
 - (a) 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 that the audit findings have been presented during audit closing meeting.
 - (b) Part B: Proposed Corrective and Preventive Action – to be completed by the Auditee's Representative within 30 days after completion of the on-site audit and shall be submitted to the Controller.
 - (c) Part C: External audit: NREB Verification and Comment – shall be completed by the officer of the Board with the signature from the Controller.
Internal audit: Verification and Comment – shall be completed by the CEO/ Director/ General Manager/ Management.

Note: A copy of the CPAR should be attached in the Environmental Audit Report.

- (2) 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.
- (3) The Controller may issue any directive or notice to any person not in compliance with the requirements.
- (4) In case of any dispute (legal or technical or administration) on the audit report or audit conducted, the Audit Team Leader and/or Audit Team Members shall appear in the court and/or before NREB to answer any question related to the audit findings and the audit report submitted. Failing which, action can be taken against them which include de-registration with the NREB.

16. Audit Fees

- (1) The owners or occupiers or developers shall bear all fees for the conduct of the environmental audit, including the fees for submission of the environmental audit report.

- (2) 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**" either in cheques, money orders or postal order or online payment. The mechanism for the depository of environmental audit fees is as in Appendix 14A.
- (3) The Controller shall have the final discretion on the fees to be charged.
- (4) The appointed environmental auditor to carry out the environmental audit shall be paid by the Controller according to the scale in Table 1:

Table 1 – 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: Any other cases not mentioned above shall be determined by the Controller.

- (5) (a) The Audit Team is required to submit the financial proposal (inclusive of all the prevailing statutory taxes) in relation to the scope, coverage and depth of audit to the NREB for approval.
- (b) Audit fees shall be paid in the following manner:
- (i) 20% of the fee shall be paid prior to the conduct of audit;
 - (ii) 70% of the fee shall be paid upon submission of Environmental Audit Report; and
 - (iii) 10% of the fee shall be paid upon submission of Environmental Audit Report which is satisfactorily accepted by the Controller.
- (c) Audit Team scale of fees and other reimbursable expenses shall be in accordance with Appendix 14B: Scale of Fees and Reimbursable Expenses.
- (d) Auditor or Technical Expert who has received the 20% of the audit fees prior to the conduct of audit but fails to conduct the audit must return the monies to the Board within seven (7) days from the scheduled on-site audit.

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 (CPAR) 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, is false or calculated to deceive the Controller; and
 - (a) 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. Chong, Hock Guan
Environmental Audit – A Proactive Tool for Pollution and Accident Prevention
Bulletin Ingenieur, The Board of Engineers Malaysia, September-November 2004.
2. *Environmental Audit Guidance Manual*
Department of Environment Malaysia, 2010 (Edition 1)
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. *International Standard ISO 9000:2005. Quality management systems – Fundamentals and vocabulary.* International Organization for Standardization, 2005
7. *International Standard ISO 19011:2002. Guidelines for quality and/or environmental management systems auditing.* International Organization for Standardization, 2002
8. *Registration and Employment of Consultants for the Conduct of Environmental Impact Assessment (EIA) for Various Prescribed Activities*
Natural Resources and Environmental Board, Sarawak, 1997
9. *The Natural Resources and Environmental (Audit) Rules, 2008*
The Sarawak Government Gazette Part II, vol. LX111 No 39, 2008
10. *The Natural Resources and Environmental (Compounding) of Offences Rules, 1997*
The Sarawak Government Gazette Part II, vol. L11, 1997

Appendix 1 - Form for New 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.)

- | | | | | | | |
|---|------------------------------------|--------------------------|------------------------------------|--------------------------|---|--------------------------|
| (1) Type of Environmental Auditor Applied: (Please mark with (√)) | (a) External Environmental Auditor | <input type="checkbox"/> | (b) Internal Environmental Auditor | <input type="checkbox"/> | (c) Non Applicable – Attend Training Only | <input type="checkbox"/> |
| (2) Type of Environmental Audit Applied: (Please mark with (√)) | (a) Environmental Compliance Audit | <input type="checkbox"/> | (b) EMS Audit | <input type="checkbox"/> | (c) Environmental Risk Audit | <input type="checkbox"/> |

Full Name (Surname, Given Name)	
Title	
Myocard Number	
Date of Birth (date, month, year)	
Gender (Male/Female)	
Organization Name	
Position/Job Title	
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 (Instructions: Use the forms in Appendices 3, 4, 5, and 6 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.)	
References: (Fill in 2 references from 2 different organizations who can be reached to verify your personal attributes, education, training, work and audit experience)	
1. Name: _____ Address: _____ _____ Tel: _____ Fax: _____ Email: _____ Stamp/Date/Signature: _____	2. Name _____ Address: _____ _____ Tel: _____ Fax: _____ Email: _____ 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: _____
Checklist: (tick boxes below to ensure the application is complete)	
<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
4. Decision: Approve/Reject Reason:	3. Documents complete? Y/N
5. Reviewing officer name/signature/date:	

* A curriculum vitae (CV) stating the applicant's working experience is required to be submitted together with the application form

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.

Type of Environmental Audit Applied:
(Please mark with (√))

(1) Environmental
Compliance Audit

(2) EMS Audit

(3) Environmental
Risk Audit

Full Name (Surname, Given Name)		
Title		
Myocard Number		
Date of Birth (date, month, year)		
Gender (Male/Female)		
Organization Name/Position		
Existing NREB Registration No:		
Postal Address (number, street name, postcode, city/town, state, country)		Recent passport-sized Photograph (paste firmly here)
Telephone (office): _____ (home): _____ Mobile phone: _____ Fax: _____ Email: _____		
<u>Details of Credentials</u> <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>		
<u>References:</u> <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: _____		
<u>Declaration:</u> 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: _____		
<u>Checklist:</u> <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		
<u>For NREB use only</u> 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: _____		

* A curriculum vitae (CV) stating the applicant's working experience is required to be submitted together with the application form

Appendix 3 – Academic Qualifications*(Complete your information on education background, starting from latest received till certificates)*

Full Name					
Year of graduation	Full or part time	Full title received (e.g. Master of Science in Environmental Science)	Name and address of school or university or institution	Grade obtained (e.g. First class or CGPA=4.00)	Description of subjects/topics studied (list subjects or attach results transcripts)
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 1. Form/attachments complete? Y/N Reasons: 2. Verifications satisfactory? Y/N Reasons: 3. Name and signature of Officer/Date:					

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
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 4. Form/attachments complete? Y/N Reasons: 5. Verifications satisfactory? Y/N Reasons: 6. Name and signature of Officer/Date:				

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 (e.g. 3 days, 10-12 Jan. 2011)	Venue	Details of training provider or seminar organizer		Title of certificate (e.g. 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><u>For NREB use only</u></p> <p>7. Form/attachments complete? Y/N Reasons:</p> <p>8. Verifications satisfactory? Y/N Reasons:</p> <p>9. 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)*

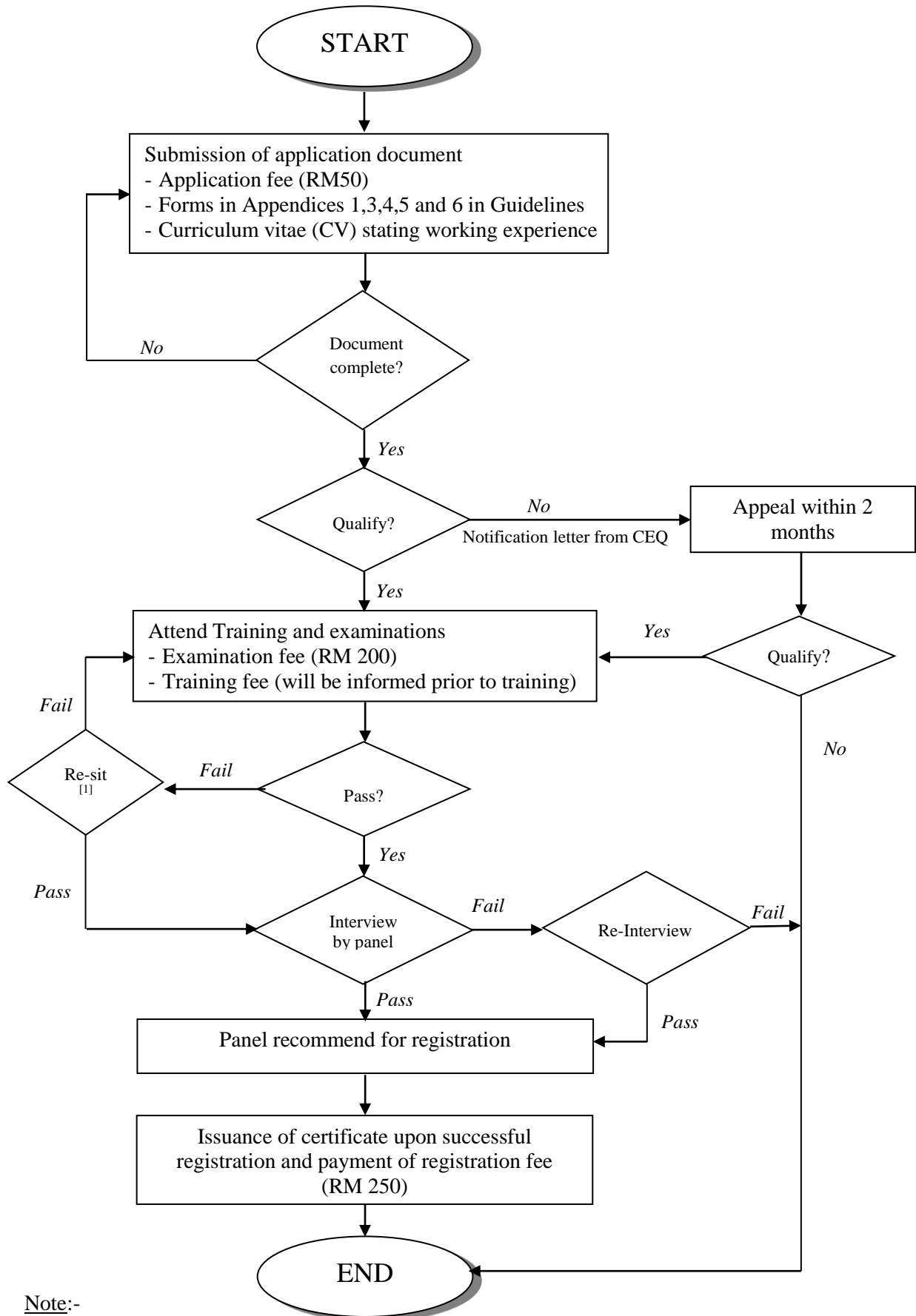
Full Name								
No.	Type of audit (e.g. Environmental Compliance Audit)	Duration and Date of On-Site Audit (e.g. 3 days, 10-12 Jan. 2011)	Role in the Audit Team (e.g. Audit Team member)	Number of auditors (and name of leader)	Details of Auditee			Description of auditing work
					Name of organization and person-in-charge	Industrial sector (e.g. 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 10. Form/attachments complete? Y/N Reasons: 11. Verifications satisfactory? Y/N Reasons: 12. 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					
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					
13. Form/attachments complete? Y/N Reasons:					
14. Verifications satisfactory? Y/N Reasons:					
15. Name and signature of Officer/Date:					

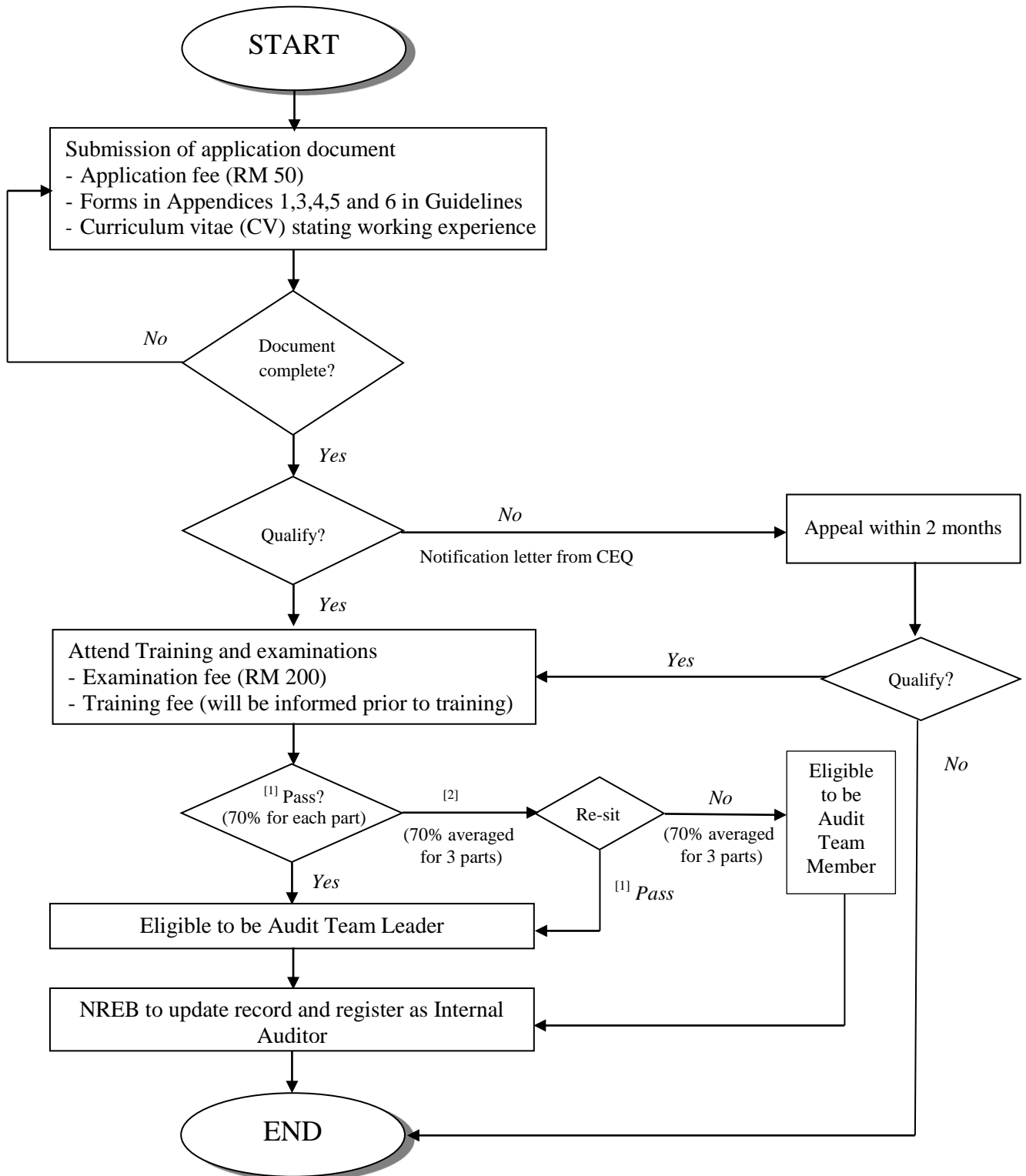
Appendix 8A – Flowchart for Registration of External Environmental Auditor



Note:-

^[1] Extra examination fee payable to NREB (RM 200) need to be made by an applicant who re-sit the examination.

Appendix 8B – Flowchart for Registration of Internal Environmental Auditor

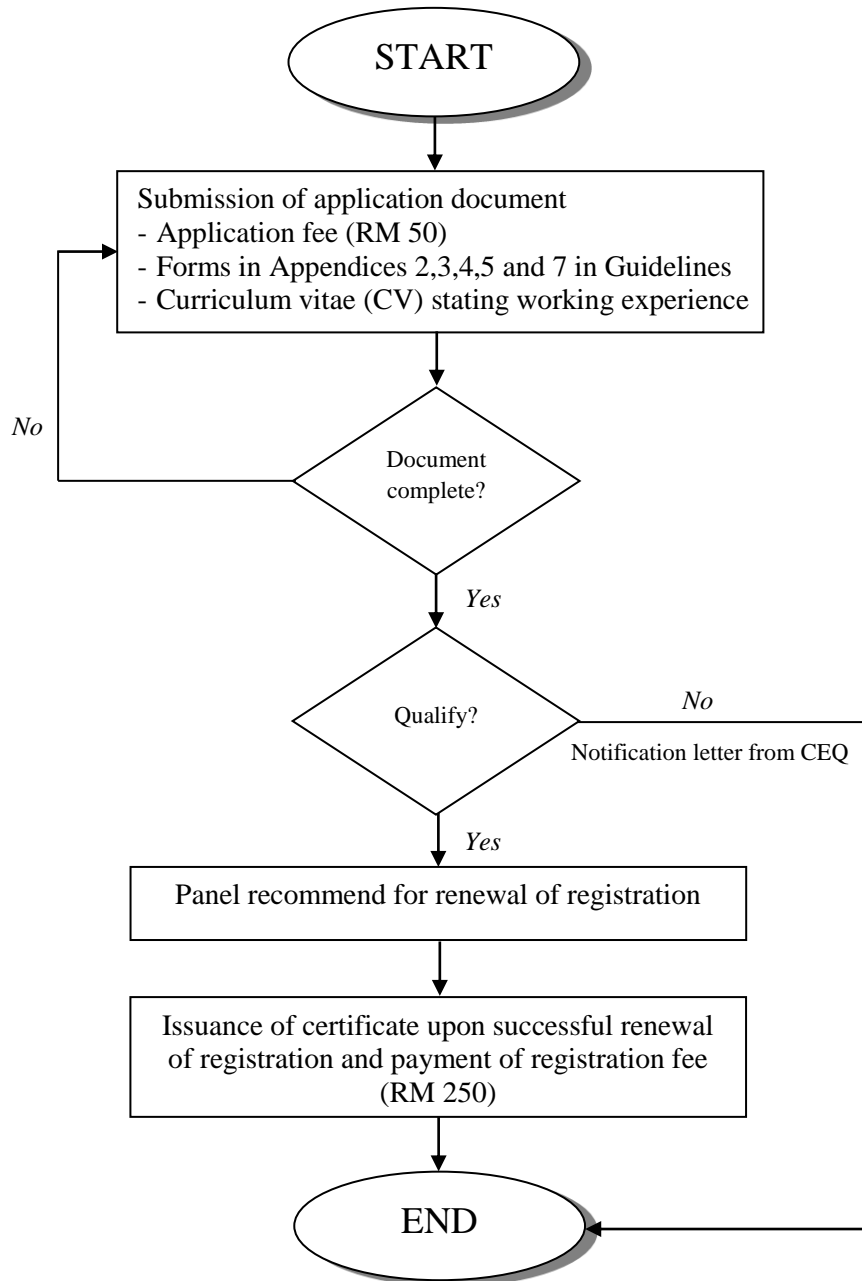


Note:-

^[1] Passing mark for Audit Team Leader is 70% for each part of examinations. Passing mark for Audit Team Member is 70% averaged for the 3 parts of examination.

^[2] If an applicant fails examinations (whereby he/she fails to obtain 70% for each part of the examinations), he/she can opt either (i) to re-sit the examination with extra examination fee payable to NREB (RM 200); or (ii) be the Audit Team Member.

Appendix 8C – Flowchart for Renewal of Registration for External Environmental Auditor



Appendix 9 – Continual Professional Development (CPD) for Registered Environmental Auditor

1. CONTINUAL PROFESSIONAL DEVELOPMENT (CPD)

All registered Environmental Auditors are required to collect a minimum of 30 CPD hours within the two (2) years period of registration. The objective of this requirement is to ensure the registered environmental auditors with the Natural Resources and Environment Board (NREB) will continually improve and upgrade their knowledge and skills.

2. TYPES OF CPD ACTIVITIES

The CPD programme will comprise six (6) categories of activities.

2.1 Training (maximum claimable: no limit)

Attendance at related conferences, colloquiums, seminars, workshops and training courses recognized by the Board related to environment, anywhere in Malaysia or outside Malaysia.

Each hour of training will quantify for 1 CPD hour and a maximum of 8 CPD hours is allowed per day. At least 10 out of the 30 CPD hours must be obtained from this category.

The list of training field (but not limited to) for the consideration of CPD hours:-

- Laws and legislations on environment (e.g. NREO and its subsidiaries legislations, EQA and its subsidiaries legislations, Land Codes, Forest Ordinance, Wild Life Protection Ordinance, OSHA, etc.)
- Relevant policies on the environment (e.g. National Policy on the Environment, National Policy on Biological Diversity, National Forestry Policy, etc.)
- Training related to EMS, EIA, SEIA, etc.
- Protocol, methodologies, writing comment and verification for environment and ecological monitoring parameters (e.g. water, soil, air, noise, flora and fauna, etc.)
- Protection of environment in logging (e.g. reduce impact logging, sustainable forest management, forest management certification, forest plantation management, etc.), agriculture (e.g. RSPO, MSPO, GAPs in plantation, Integrated Pest Management, etc.), quarry and mining, infrastructure, realty, etc.
- Training related to project management (i.e. project development, conservation of flora and fauna, control of soil erosion and sedimentation, hydrological management, control of water pollution, control of air pollution, waste disposal management, workers' safety and health, agrochemical management, socio-economic, etc.)
- Professional ethics, skills (public relation, communication, negotiation, judgement, problem solving, decision making), and etc.

2.2 Conduct Training (maximum claimable: 10 CPD hours)

A maximum of 10 CPD hours can be claimed under this category. The subject taught must be relevant to environmental or technical areas related to the auditor's expertise. Unrelated subject will not qualify for CPD hours.

Each hour of training conducted will qualify for 2 CPD hours and a maximum of 10 CPD hours is allowed per event.

2.3 Publications (maximum claimable: 20 CPD hours)

A maximum of 20 CPD hours can be claimed under this category. The types of publication acceptable are books, recognized guidelines (e.g. endorsed by government agencies or recognized bodies), and published articles in journal, magazine, bulletin and newspaper. The publications must be related to environment or environmental audit only.

The CPD hours entitled are as such:

- Book - 20 CPD hours
- Professional Journal - 10 CPD hours
- Guidelines - 10 CPD hours
- Articles in magazine/bulletin/newspaper - 2 CPD hours

2.4 Presentation (maximum claimable: 10 CPD hours)

Each technical paper presented in a conference related to environment or technical areas related to the auditor's expertise, anywhere in Malaysia or outside Malaysia will qualify for 10 CPD hours and a maximum of 10 CPD hours can be claimed under this category.

2.5 Self-study (maximum claimable: 5 CPD hours)

Self-study includes reading related books and other publications. The reading materials must be on environment or technical areas related to the auditor's expertise. Unrelated reading materials will not qualify for CPD hours. The title and a short synopsis of the books and articles read must be provided.

Each book or article read will qualify for 1 CPD hour and a maximum of 5 CPD hours can be claimed under this category.

2.6 Environmental Audit Conducted (maximum claimable: 5 CPD hours)

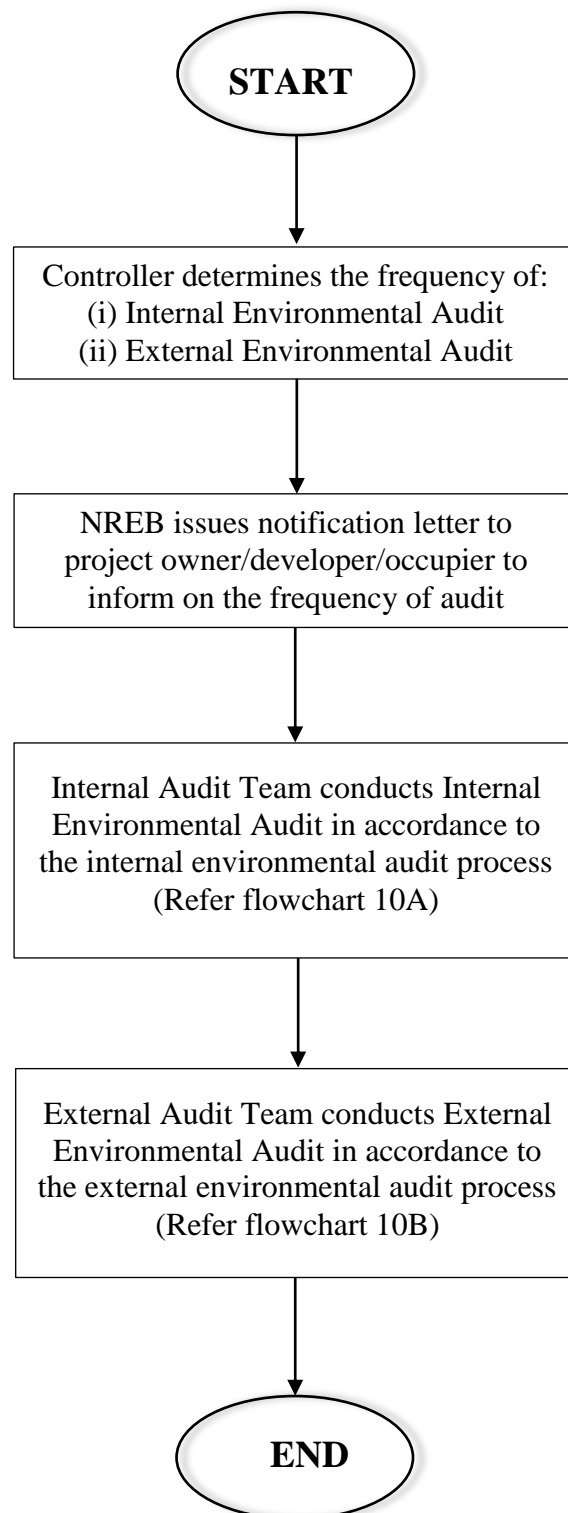
Each environmental audit conducted which is at least 2 full days will qualify for 5 CPD hours. A maximum of 5 CPD hours can be claimed under this category. The environmental audit conducted must be in Sarawak and under the purview of the Board.

3. OTHER MATTERS

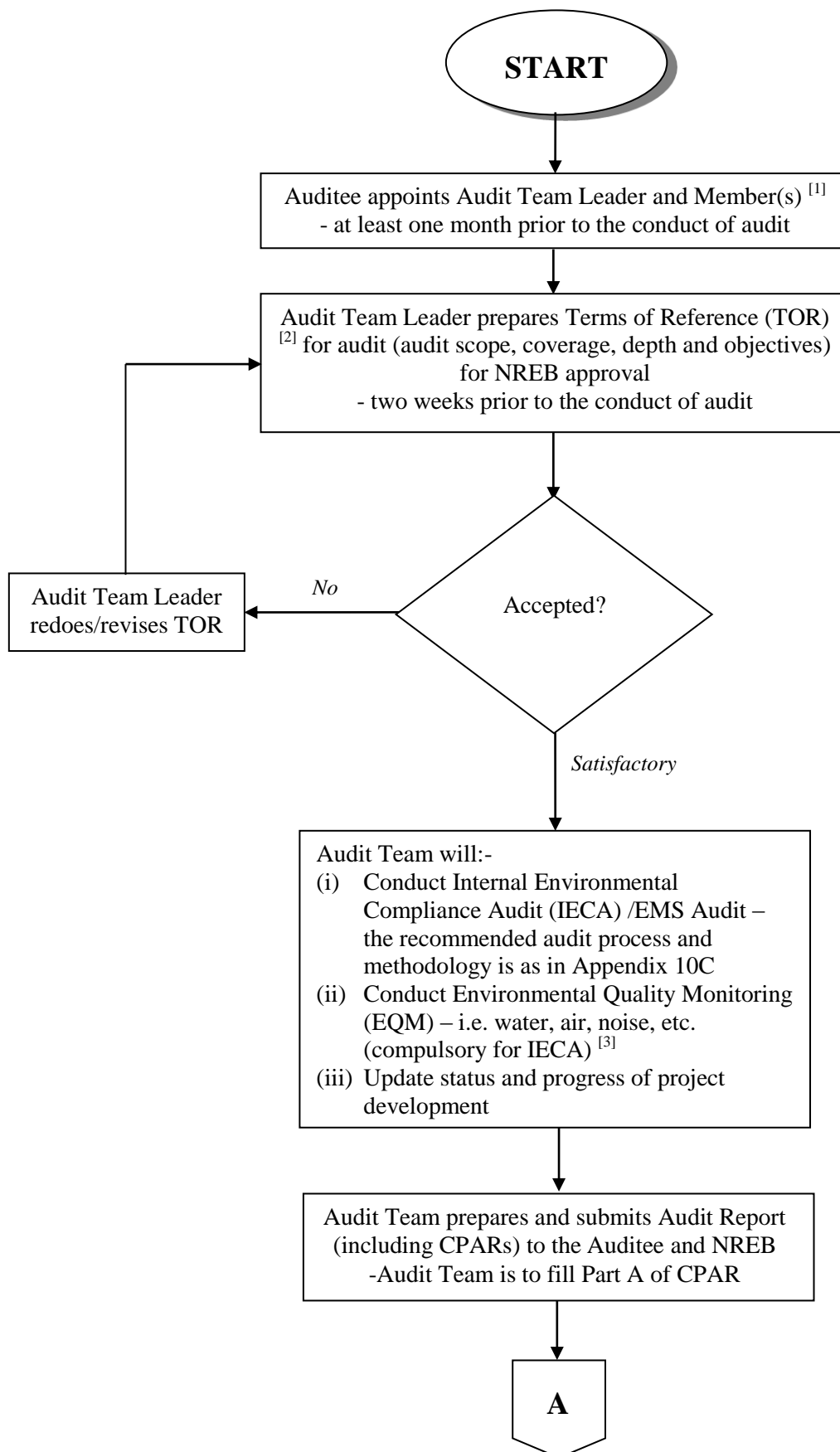
3.1 The required CPD hours must be completed within the two years period of registration.

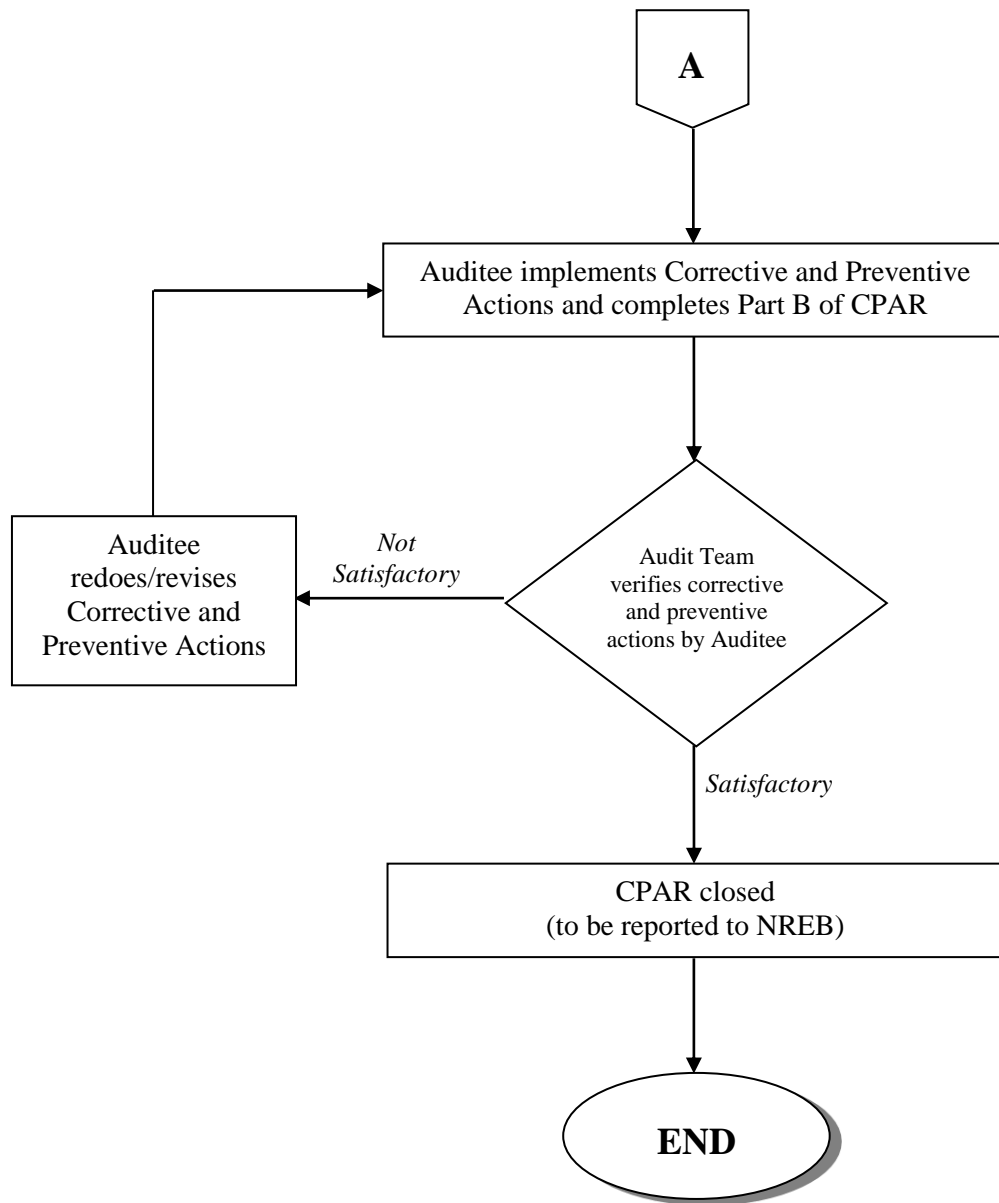
3.2 All registered auditors are required to log their activities in the CPD log sheet. Records on CPD hours obtained under Training must be logged on separate sheet.

- 3.3 For verification purpose, the log sheet need to be stamped/signed by personnel authorized by the approved event or training organizer. Other forms of verification such as certificates, record of attendance, receipt of payment, invoices etc. are acceptable.
- 3.4 Upon renewal, copy of log sheets must be attached together with renewal form.
- 3.5 For registered environmental auditors who are also members of other professional bodies, the CPD hours obtained thereof for related activities as listed above can be considered, subjected to approval by the Controller.

Appendix 10 – Flowchart for Environmental Audit

Appendix 10A – Flowchart for Internal Environmental Audit Process





Note:-

^[1] Audit Team Leader and Members must be those who have attended Auditor's Training conducted by the NREB. The Internal Audit Team Leader must meet the competency requirements as in Table II of Appendix 15.

^[3] Those conducting EQM must be trained on sampling protocol.

^[2] Terms of Reference (TOR) for Internal Audit**I. INTRODUCTION**

- Title of project
- Project background
- Name and address of Auditee
- Name of Audit Team

II. AUDIT ADMINISTRATION AND ACTIVITIES

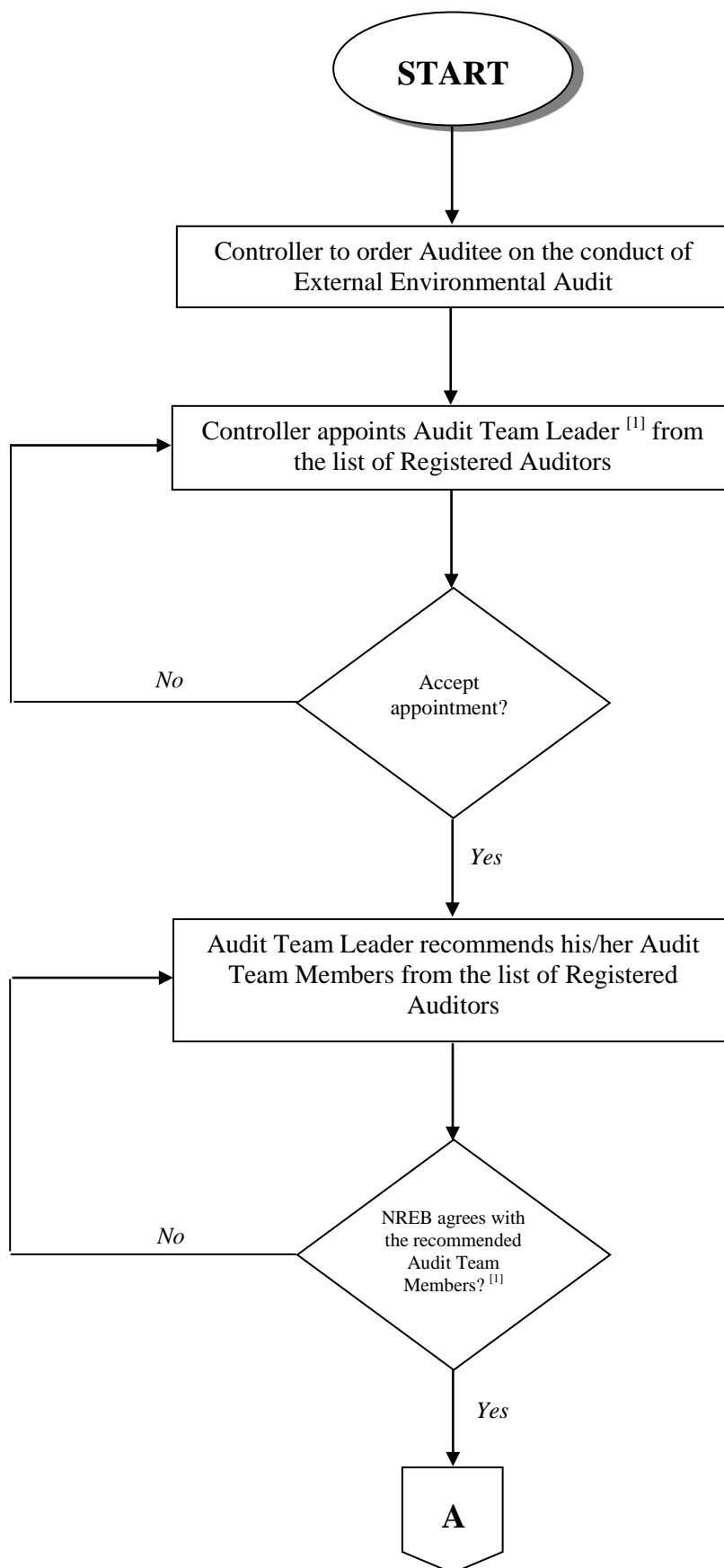
- Legislative requirement
- Audit objectives, scope and criteria
- Audit process and methodology

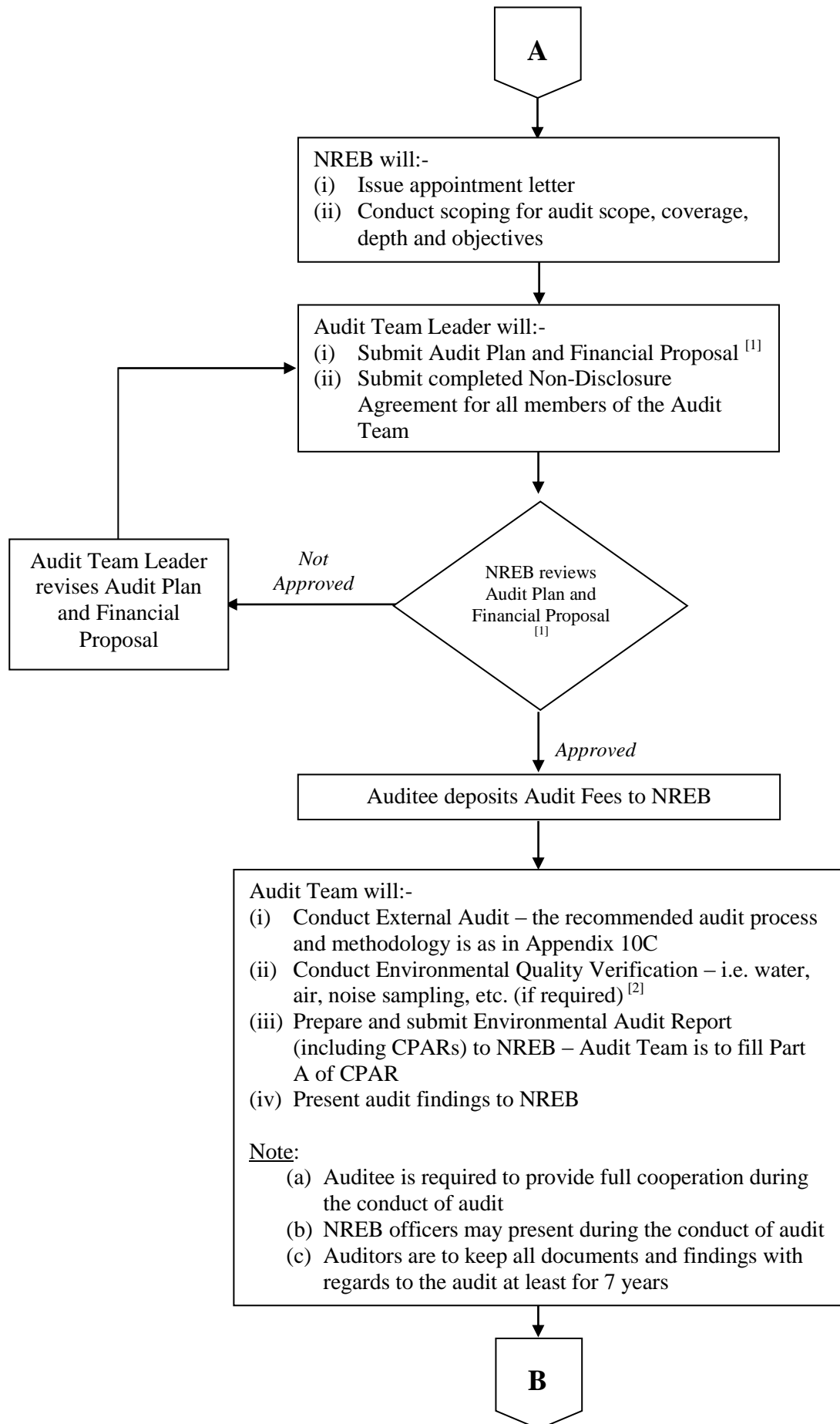
III. ENVIRONMENTAL STATUS

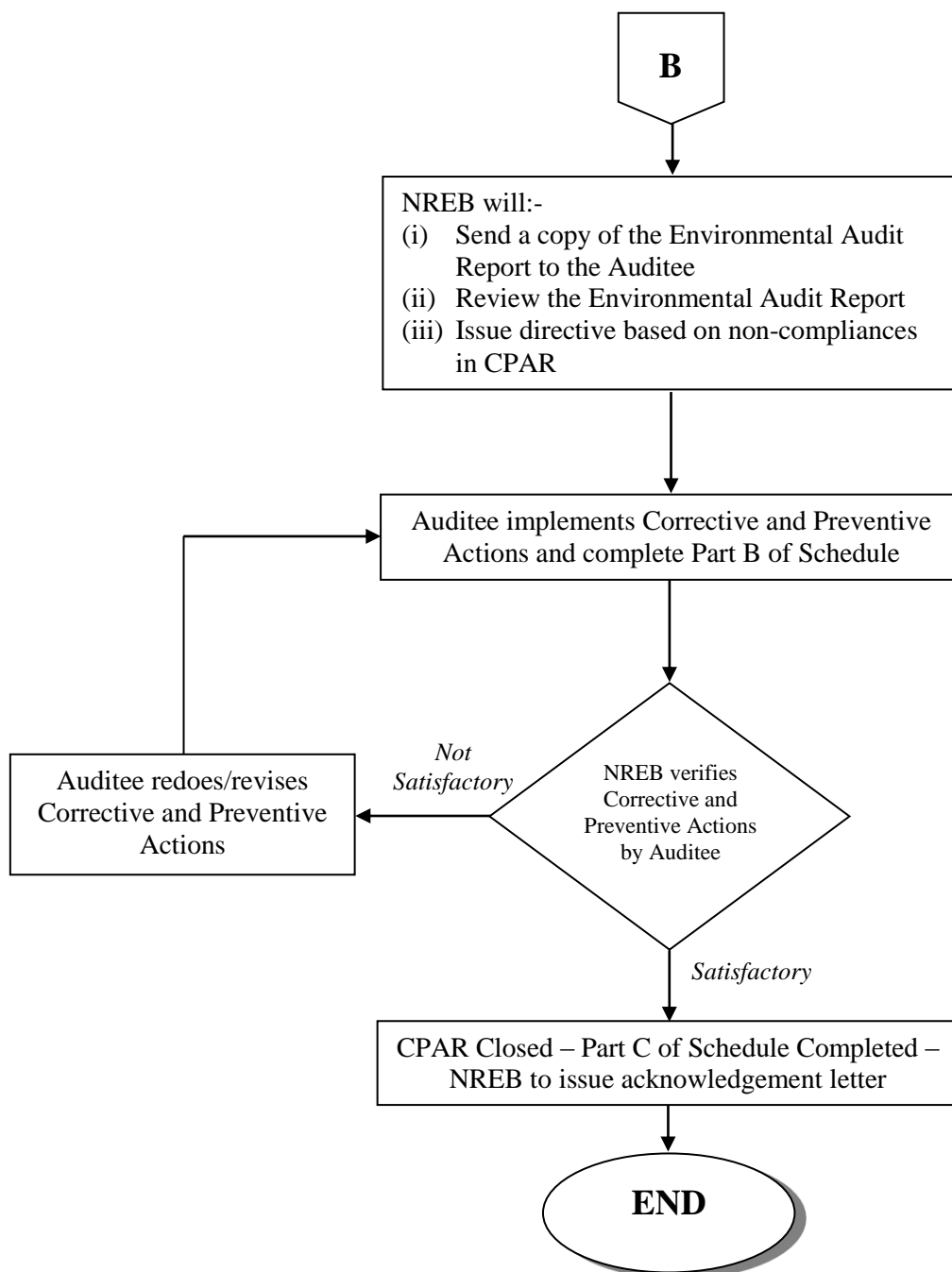
- Environmental parameters analysed
- Methodology and techniques for EQM (including location of samplings)

IV. PROPOSED AUDIT PLAN

Appendix 10B – Flowchart for External Environmental Audit Process







Note:-

^[1] NREB may liaise with the Auditee on the selection of Audit Team, Audit Plan, and Financial Proposal during the review process.

^[2] Those conducting Environmental Quality Verification must be trained in sampling protocol.

The process for Risk Audit may differ from the audit process in Appendix 10A and 10B. The Controller will have the final discretion on the process.

Appendix 10C – The Recommended Audit Process and Methodology

The environmental audit process comprises of three stages, namely (1) Pre-Audit; (2) On-Site Audit; and (3) Post-Audit. The audit process for each stage is presented below:-

Pre-Audit

- (1) Selection, appointment and assigning responsibilities of Audit Team Members
- (2) Identifying background information, audit scope, coverage, depth and objectives
- (3) Submission of Non-Disclosure Agreement
- (4) Preparation of TOR, audit plan, financial proposal and audit checklist/criteria
- (5) Arrangement for audit notification, logistics, HSE, appropriate tools required (e.g. in-situ water quality equipment, etc.) and other details

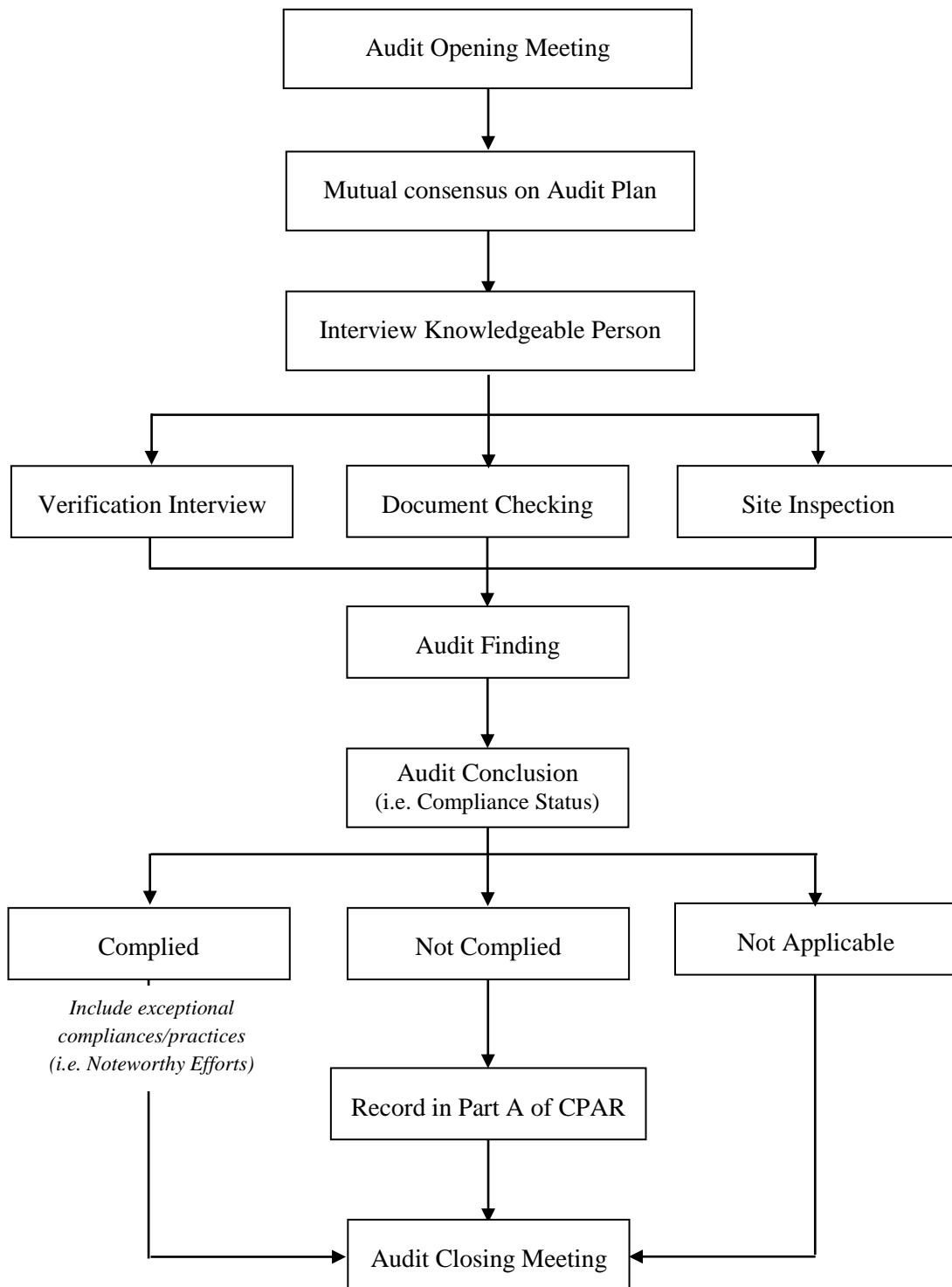
On-Site Audit*

- (1) Conduct opening meeting
- (2) Conduct familiarisation tour (optional)
- (3) Interview/enquiry knowledgeable person
- (4) Conduct document checking
- (5) Conduct site inspection
- (6) Closing meeting and issuance of CPAR (in closing meeting)

Post-Audit

- (1) Present audit findings to the NREB (for external audit) or management of Auditee (for internal audit)
 - (2) Report writing and submission of audit report (including CPAR)
 - (3) Implementation of corrective and preventive actions
 - (4) Verification of corrective and preventive actions
-

*The recommended on-site audit process and methodology** is presented below:-



** Audit Methodology is modified from GMP Environmental Consultants

Appendix 11 – General Format of Environmental Audit Report

The generic format of an Environmental Audit Report is provided below. The format may change to suit the audit conducted.

V. COVER PAGE

- Title of Project
- Period of Audit / Dates of on-site audit
- Name and address of Auditee
- Name of Audit Team
- Confidentiality Note

VI. TABLE OF CONTENTS

- Table of Contents
- List of Tables
- List of Figures
- List of Plates
- List of Appendices
- List of Abbreviations

VII. AUDIT SUMMARY

- Summarizes the audit administration as well as the audit findings, i.e. status of compliances to the requirements or provisions of the audit criteria. Refer to sample in Figure I.

VIII. MAIN REPORT**Chapter 1 : INTRODUCTION****1.1 Project Background**

- Project title, project description (i.e. location, area coverage, means of access, main project component and activities), progress of development and environmental management, etc.

1.2 Auditee

- Information on Auditee (i.e. name, correspondence address, contact details, Auditee's Representatives, etc.).

1.3 Audit Team

- Information on Audit Team Members who have conducted the audit (i.e. name, position in audit team, registration number and expiry date, qualifications, area of expertise, etc.).

Chapter 2 : AUDIT ADMINISTRATION AND ACTIVITIES**2.1 Legal requirement for Environmental Audit**

- Include information on the legal requirement for audit, audit notification issued by the Controller, audit reference number, etc.

2.2 Audit Objectives**2.3 Audit Scope and Criteria****2.4 Audit Process and Methodology****Chapter 3 : AUDIT FINDINGS****3.1 Compliances and Noteworthy Efforts****3.2 Non-compliances****3.3 Not applicable requirements (if any)**

- clear explanation on the requirements that are not applicable should be provided.

Chapter 4 : STATUS OF NON-COMPLIANCES (AS IN CPARs) RAISED IN PREVIOUS AUDIT (IF APPLICABLE)**Chapter 5 : ENVIRONMENTAL STATUS (IF APPLICABLE)**

- Progress of Development
- Water quality, noise, air (including lab analysis report)
- Interpretation of data (comparison with baseline data)
- Parameters to be analysed in accordance to those in EIA or EMP or as per required
- Other information such as description and location of sampling points, layout plan, etc.
- All maps shall be in the format prescribed in Appendix 15

Chapter 6 : RECOMMENDATIONS

- Should include issues for improvements, corrective actions, preventive measures, CPARs issued, etc.

Chapter 7 : CONCLUSION**IX. APPENDICES**

- Auditor's appointment letter from NREB
- Non-disclosure agreement
- Attendance lists for audit opening and closing meetings

- Audit criteria: e.g. Terms and Conditions of EIA or EMP approval, EMS (latest ISO 14001 criteria), etc.
- Corrective and Preventive Action Report (CPAR)
- Certificate of analysis (for samples)
- Relevant Document

X. DISCLAIMER

Figure I: Sample of Compliance Audit Summary Page

(a)	(b)	(c)	(d)
AC No.	Requirement	Compliance Status	Audit Finding / Remark

Explanation:

Column:	Description:
(a)	<i>AC No.</i>
(b)	<i>Requirement</i>
(c)	<i>Compliance Status</i>
(d)	<i>Audit Finding / Remark</i>

This refers to the serial numbering of the requirement in the Audit Criteria or Approval Conditions or any other legal requirements.

Statement/descriptions of the requirement as appear in the Audit Criteria or Approval Conditions or requirements of the NREO and its statutory laws, EQA, directive, order, etc.

The status of compliance with the requirement as evidenced in Column (d). The status may be:

- *Complied: there is evidence demonstrating that the requirement has been met or complied with*
- *Not Complied: there is no evidences demonstrating that the requirements has been met or complied with OR there is evidence demonstrating that the requirement has been violated*
- *Not Applicable: the condition or circumstance that the requirement becomes enforceable has not arise OR the auditee has no legal control or jurisdiction to act in fulfillment of the requirement OR the requirement is ambiguous or difficult to interpret or are no longer applicable (Audit team leader to explain the circumstances)*

Brief descriptions of the evidences that support or justify the status of compliance being derived at.

Note:-

The report format of Environmental Risk Audit may differ from the above format. The Controller will have the final discretion on the report format.

Appendix 12 – 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 Natural Resources and Environment (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 13A – Corrective and Preventive Action Report (CPAR) – for External Audit

(To be attached in the report, of which, Part A is to be completed by the auditor 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

Compiled by:

Auditor Name: _____

NREB EA Reg. No.: _____

Signature: _____

Acknowledgement:

I/We acknowledge that this audit finding has been presented to me/us during the Audit Closing Meeting held on _____ [Date] and I/we understood and aware of the finding.

Name: _____

Organisation: _____

Signature: _____

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

[Signature]

[Signature]

Verify by : _____

Controller of Environmental Quality

Verification date : _____

Appendix 13B – Corrective and Preventive Action Report (CPAR) – for Internal Audit

(To be attached in the report, of which, Part A is to be completed by the auditor 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

Compiled by:

Auditor Name: _____

Signature: _____

Acknowledgement:

I/We acknowledge that this audit finding has been presented to me/us during the Audit Closing Meeting held on _____ [Date] and I/we understood and aware of the finding.

Name: _____

Organisation: _____

Signature: _____

PART B: PROPOSED CORRECTIVE AND PREVENTIVE ACTION

(Add more lines as necessary)

Proposed completion date: _____

Prepared by: _____

Actual completion date: _____

Reported by: _____

PART C: VERIFICATION AND COMMENT

Completion: satisfactory/not satisfactory*

*(*Delete whichever is not applicable.)*

Verification comment

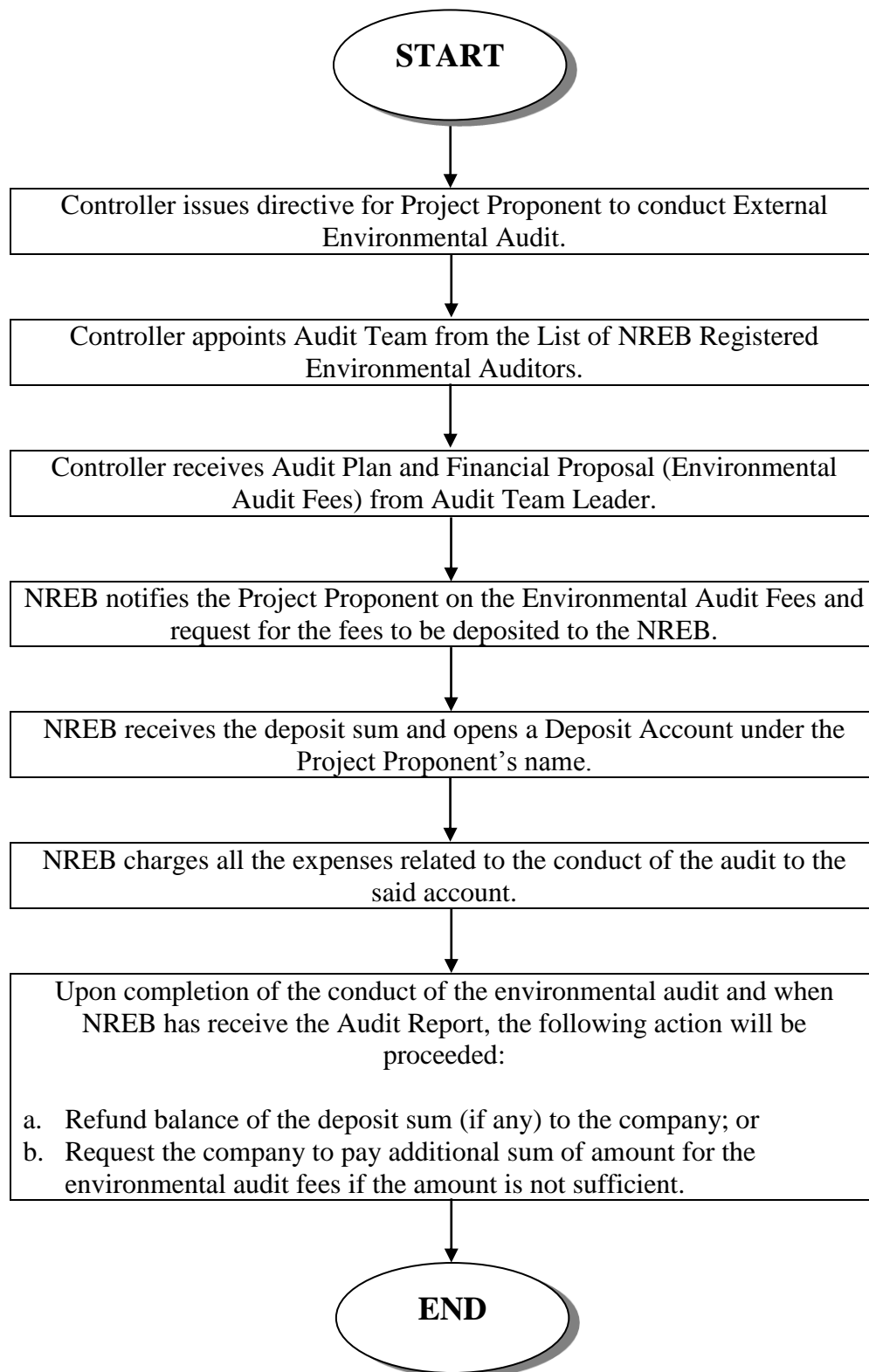
[Signature]

[Signature]

Verify by : _____

CEO/ Director/General Manager

Verification date : _____

Appendix 14A – Flowchart for Mechanism for Depository of Environmental Audit Fees**MECHANISM FOR DEPOSITORY OF ENVIRONMENTAL AUDIT FEES**

Appendix 14B – Scale of Fees and Reimbursable Expenses
SCALE OF FEES AND REIMBURSABLE EXPENSES

The Natural Resources and Environment Board (NREB) shall pay professional fees (remuneration) as set forth in Part I or reimbursable costs (out-of-pocket expenses) as set forth in Part II to the Audit Team subjected to any limitations by the State Public Service General Orders, Treasury Instructions, Treasury Circulars and other relevant instructions in force at the time.

Final decision on the payment to the Audit Team shall be at the discretion of the Controller.

PART I: SCALE OF FEES

The professional fee (remuneration) shall be paid to the Auditors and Technical Experts in the performance of Audit works at the rates specified below.

No.	Task	Rate (RM)/day
1	Audit Team Leader	1,800 – 2,500
2	Audit Team Member	900 – 1,250
3	Auditor-in-Training	400 – 600
4	Technical Expert	1,500 – 2,000

The actual man/day rate will be determined by the Controller based on the Auditor's years of experience in conducting audit.

PART II: REIMBURSABLE COSTS

Reimbursable costs are costs (other than remuneration) made by the Auditor based on the needs to conduct an audit. All claims for allowances or recovery of expenses under the provisions of this Guidelines shall be submitted to NREB within thirty (30) days after the completion of on-site audit, in duplicate, itemised statements, accompanied by proper receipts, air ticket counterfoils, invoices, vouchers and other supporting materials, of the amount payable pursuant to limitations as stated below.

A. Transportation
A1. Flight ticket

The cost of all air transportation shall be limited to the cost of economy class airfares, provided always that whenever possible where fares lower than economy class airfare such as reduced or special rates are available for use, it shall mean the cost of such reduced or special rates.

The claim shall be supported with air ticket counterfoils, and invoices or vouchers.

A2. Taxi

Auditor/Technical Expert is allowed to use taxi and reimburse for taxi fare charges from their residential to the airport (*vice-versa*) and from the airport to the audit site (*vice-versa*) based on the needs during the audit. However, the claim shall not be overlapped with Items A3 and A4.

The claim shall be supported with receipts.

A3. Mileage

Auditor/Technical Expert is allowed to use his/her own transport and claim mileage for the use of their personal vehicle during conducting audit. However, this privilege is limited only to short route as approved by the Controller. Auditor who is provided with transport facilities by the NREB or Auditee, or rented a transport is not allowed to claim for mileage.

Claims in respect of mileage shall be submitted at the rates and in accordance with the terms and conditions as set out in Table VII of the Eighth Schedule of the State Public Service General Orders.

A4. Vehicle rental

Usage of rented vehicle (car, van, four-wheeled drive, boat) is allowed based on the needs during the audit. However, prior consent or approval shall be obtained from the Controller.

Vehicle rental charges will be paid based on actual receipt amount.

B. Allowances and Accommodation

Auditor/Technical Expert who is required to travel anywhere within the State outside his/her station (based on address registered with NREB) for a period of twenty-four (24) hours or more calculated from the time of his/her departure is **eligible to claim subsistence and hotel/lodging allowances and payment, if food and accommodation is not provided** by the NREB or the Auditee.

B1. Subsistence Allowance

Subsistence allowance shall be paid at the rates and in accordance with the terms and conditions as set out in Table I of the Eighth Schedule (for Grade 48) of the State Public Service General Orders, which are at least twenty-four (24) hours (for one day) or eight (8) hours (for half day).

B2. Hotel/Lodging

Hotel room charges will be paid based on actual receipt amount or the maximum allowable amount for Grade 48 in government service, which one is lower. In addition to

hotel room charges, an Auditor may also claim recovery of service tax and Government taxes or duties imposed on the hotel room charges.

In lieu of hotel room charges, lodging allowance without the support of receipts, at the rates and in accordance with the terms and conditions set out in Table II of the Eighth Schedule (for Grade 48) of the State Public Service General Orders will be paid.

C. Printing

The actual cost of printing, preparing and reproducing of the reports based on submitted receipt, invoices or vouchers; or the below-mentioned ceiling limits, which one is lower.

- Audit Report -RM 100/copy

D. Others

The costs of facsimiles, telephone calls, postages charges in respect of approved communications only; laboratory tests and other technical services. Prior consent or approval shall be obtained from the Controller for laboratory tests and other technical services.

The claim shall be supported with receipts.

Appendix 15 – Competency Requirements of an Environmental Auditor**COMPETENCY REQUIREMENTS FOR AN ENVIRONMENTAL AUDITOR**

To be competent as an environmental auditor, criteria as in the Table I and Table II are expected and required.

Table I: Competency Requirements of an External Environmental Auditor

No	Criteria	Auditor	Audit Team Leader
1	Personal Attributes	Meets all requirements	Same as for auditor
2	Level of Education	Minimum a recognized degree in relevant discipline	Same as for auditor
3	Total Work Experience	Minimum 5 years full-time or equivalent part-time	Same as for auditor
4	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. Additional skills required to be a team leader
5	Auditor Training	Minimum 40 hours meeting the knowledge and skills as an environmental auditor Auditor Training must be of the training conducted by NREB or recognized by NREB.	Same as auditor, with additional skills and knowledge as an audit team leader Auditor Training must be of the training conducted by NREB or recognized by NREB.

Table II: Competency Requirements of an Internal Environmental Auditor

No	Criteria	Auditor	Audit Team Leader
1	Personal Attributes	Meets all requirements	Same as for auditor
2	Level of Education	Minimum a recognized diploma or degree or equivalent	Minimum a recognized degree in any discipline
3	Total Work Experience	Minimum 5 years full-time or equivalent part-time	Same as for auditor
4	Audit Experience	Not necessary to have audit experience	Minimum 2 complete audits and 10 days on-site within 3 years consecutively. Additional skills required to be a team leader
5	Auditor Training	Minimum 40 hours meeting the knowledge and skills as an environmental auditor Auditor Training must be of the training conducted by NREB or recognised by NREB.	Same as auditor, with additional skills and knowledge as an audit team leader Auditor Training must be of the training conducted by NREB or recognised by NREB.

(1) **Personal Attributes**

An environmental auditor and audit team leader shall be:

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

(2) **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.

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

(3) **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.

(4) **Audit Experience**

(a) **External Auditor**

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 audit 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 auditor shall have been working as an environmental auditor or auditor in training for 2 complete audits and with a total of 10 days on-site audit. An audit team leader shall have been working as an environmental auditor or auditor-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.

Those who have not met the requirements for audit experience but have met other competency requirements as in Table I is eligible to be the Auditor-in-Training.

(b) **Internal Auditor**

In the minimum 5 years total working experience, an audit team leader should have worked at least 2 years full-time or equivalent part-time related to environment. An audit team leader shall have been working as an environmental auditor for 2 complete audits and with a total of 10 days on-site audit. A person with no audit experience but meet the other competency requirement in Table II is eligible to be an audit team member or auditor-in-training.

(5) **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 mean the training syllabus, shall cover for:

(a) **Environmental Compliance Auditors**

- (i) All applicable laws and requirements, including:
 - Natural Resources and Environment Ordinance, Cap. 84 – Laws of Sarawak (1958 Edition)
 - Natural Resources and Environment (Prescribed Activities) Order, 1994
 - Natural Resources and Environment (Audit) Rules, 2008
 - Environmental guidelines and standards enforced by NREB, Sarawak
 - Any other relevant laws being enforced in Sarawak
- (ii) 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

(iii) 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.

(b) **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.

(c) **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.

Appendix 16 – Specifications for Geographical Information Systems (GIS) Data

SPECIFICATIONS FOR GEOGRAPHICAL INFORMATION SYSTEMS (GIS) DATA

The following specifications are required for Environmental Audit Report

(1) **General Specifications**

- (a) All data submitted shall be readable by the ESRI ArcGIS;
- (b) Preferred to be submitted in digital copy; and
- (c) Hardcopy must be printed in A3 size and show coordinate.

(2) **Technical Specifications**

All data submitted both in digital and printed should meet the following specifications:

1.	Projection	Borneo Rectified Skew Orthomorphic (BRSO)
2.	Datum	Timbalai_1948
3.	Parameter	
	False Easting	2,000,000
	False Northing	5,000,000
4.	Unit	Meter
5.	Map scale	Vary
6.	Format (vector)	
	ESRI Arc	.shp (shape file)
7.	Format (raster)	
	Image	.jpeg, .tiff
	Resolution	300 dpi desired (200 dpi minimum)