LOG TRACKING SYSTEM (LOTS)

Semilan Ripot

Revenue Manager Sarawak Forestry Corporation

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Briefing Outline

What is LOTS?
LOTS Distribution and Layout
System Architecture and Model
LOTS Process Flow
ISO Certification
LOTS Reports
Benefit of LOTS

What is LOTS?

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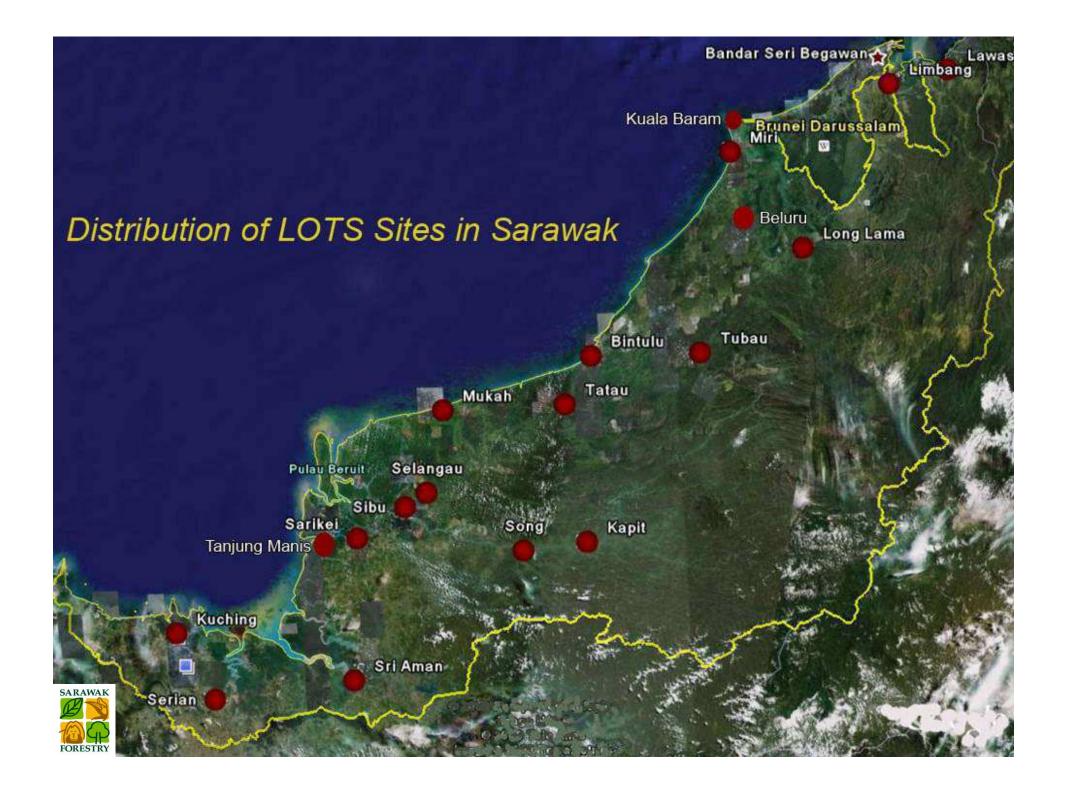


It is a network application designed and tailor-made in Sarawak to capture, record and monitor:

- the details of logs felled by the respective licensees or contractors
- volume of logs that had been royalty assessed
- •the movement of logs from one place to another

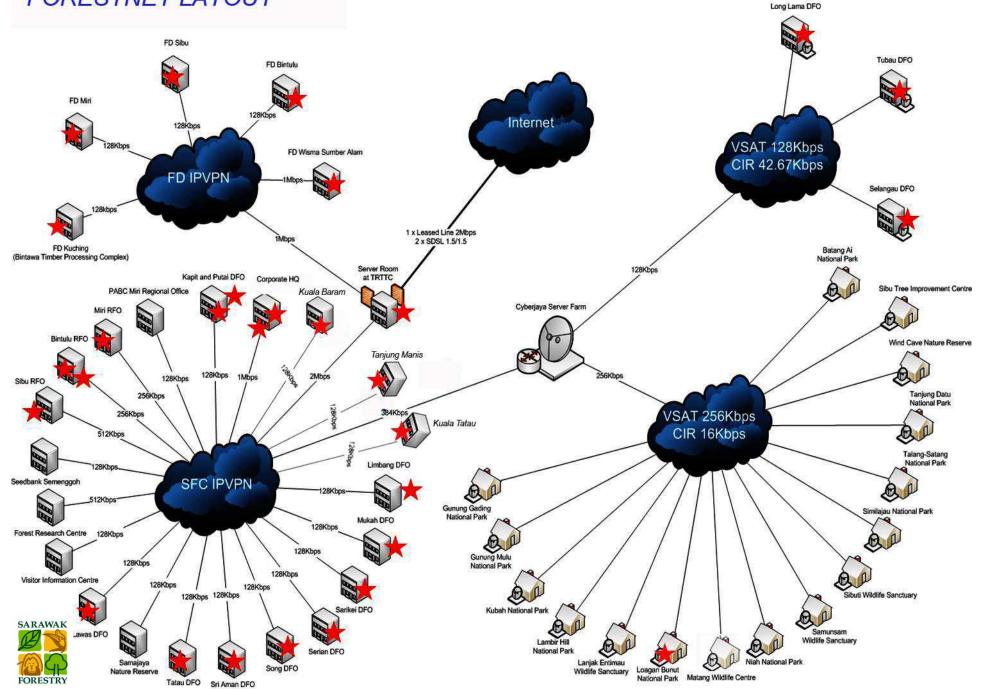




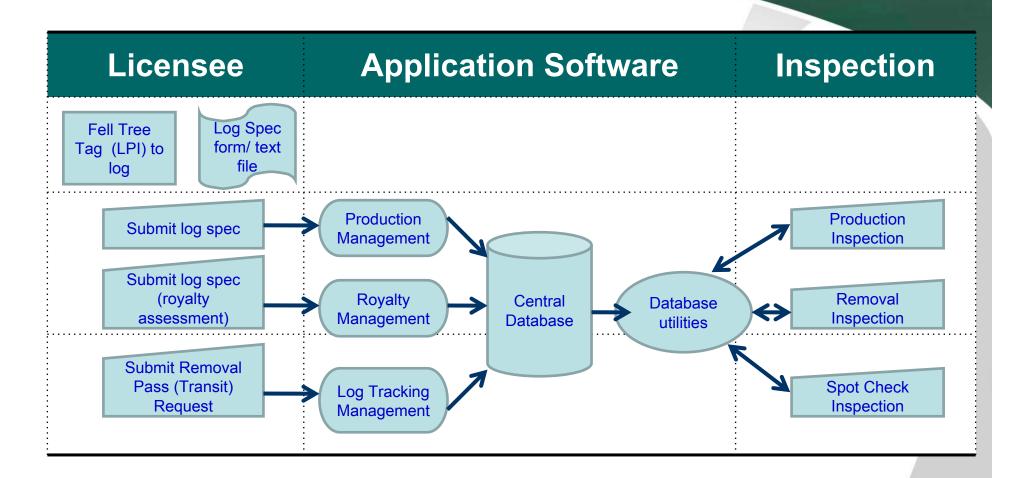


FORESTNET LAYOUT





System Architecture and Model



System Architecture and Model (Continued)

RFOS :Incoming Shipment - View Log Production Identity (LPI) Registration File Edit Window 📝 Batch Header 🧥 Species Summary 🇯 Log Detail 🏚 Checking Detail 👨 Trailer 🚷 Illegal Log RF05 | Lag Production - New Se Alt: Worker Y Production Header (If Lag Catal 1) Trains Lots Reference No : SB/RP/2009/05/21/022 Tug Boat/Barge 2009/05/77kM1B/000822 By Name HORK LEE HIN Security No. LDTS Reference on: 11 111 Complet date Hatch no. Total Sheet 542/07 TONGKANG Account res Tetal Log Transporter Name : **Folial Volume:** 0.0080 Conpany name: SG. TELIAN TRANSIT LOGPON 1.30 Grand Longthins: Compr Grand Disserted ced. Property mark ABLE GRACE SDN BHD Con. Representative Type Di Conpany Receiving DFO: TANJONG MANIS CHECKING ST Officer. Document Statur : 21/05/2009 Venue: Date Issued : Last Audited Date: 26/05/2009 08 09 12 Venue: 21/05/2009 8,077,009 Date Entered : 24/05/2009 # Audited By DOMESTICATION OF THE CO. Posted Date: Date Arrived 00/00/0000 Date Detained : Load thele **Incoming Shipment Royalty Assessment** 💡 : Removal Pass Application - New File Edit Window Batch Header Research Method Manager Species Summary For Log Detail 1 € Checking Detail 1 € Trailer REOS : Royalty Marking - New By Mode Statch Header Proposes Suremany Elizabette Michael Chestery Debat Chester Security No : By Name Barge/Raft Removal Pass No Transporter Name LBTS Reference on: 17 111 Representative Rep. Complete date: Eatth ret PEC No. Account no Camp Prop. Acct. Company name Total Sheet Caesa Total Log Property mark **Total Net Volume** 0000 RP (Rogaliy) No. Grand Length(m) Finest Type: Grand Dissetedard Receiving DFO: Type Of Produce: Strand Dat. Dismeter(cm) Date Repolly Marked: 10/00/103 Type of Company. Document Status: Editable - For Differentials 00/00/0000 Date Entered Posted By Compiled by: 00/00/0000 Posted Date 26/05/2009 00:12:07 Compiled date: 8 Last Audited Date 00/00/0000 Date Expired EDELY#U2000 C Posted Date



Received Date

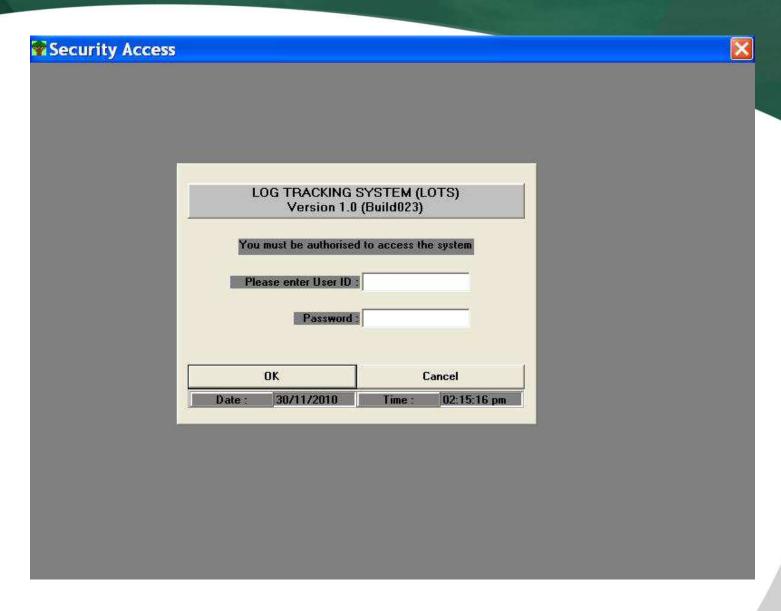
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Browse Load Date

Browse Load Data

Removal Pass (Transit) 7

System Architecture and Model (Continued)



LOTS Process Flow

| LOTS | Venue | Stake-Holder & Purview | | | |
|---|------------------------------|---|--|--|--|
| Process | | Licensee | Sarawak Forestry Corporation (SFC) | Third Party | |
| Approval print Log Production Identity | SFC Regional Office | Apply range of LPI to be printed. Print Approved LPI tags at Vendor Registered with Forest Department Sarawak. | Process & approve range of LPI to be printed. Registered the range of printed LPI tags in log Tracking System LOTS Computers | Monthly Auditing by Forest Department Sarawak. | |
| Capture Log Production Identity SARAWAK FORESTRY | Felling Block (Licence Area) | Fell tree Cut trees to logs Scale and grade the log Tag logs with LPI tag Fix / hammer licensee property mark to log. Submit the detail of log produce in Daily Production Return (DPR) to SFC, before remove it from the licence area. Move the captured LPI logs to Forest Checking Station (FCS) | Check logs against DPR and uploading its into LOTS Generate the LOTS reference number for production (eg. SB/PO/10/7/2/1) Completing column "Official Use Only" of DPR | Spot check by Forest Department and Internal Audit Department of Chief Minister's Office, Sarawak | |

| LOTS Process | Venue | Stake-Holder and Purview | | |
|---|-------|---|---|--|
| | | Licensee | Sarawak Forestry Corporation (SFC) | Third Party |
| Royalty Assessment A00001 PM Camp Coupe E SP. CODE: Or L M 123 M SARAWAK FORESTRY | СМ | Prepare Log Specification for royalty assessment Layout logs to be royalty assessed for easier checking by the authority | Complete the column "Official Use Only" of Royalty Assessment Log Specification. Issue Removal Pass (royalty after physical and LOTS verification. LOTS PC generated Royalty LOTS reference number (eg.SB/RO/10/7/2/1) also Royalty Marking Document Entry Report. | Spot check by Forest Department and Internal Audit Department of Chief Minister Office, Sarawak Yearly audit by Moody International Auditor |

| LOTS Process | Venue | Stake-Holder and Purview | | |
|---------------------------------------|-------|---|---|--|
| | | Licensee | Sarawak Forestry Corporation (SFC) | Third Party |
| Application of Removal Pass (Transit) | | Prepare log Specification for Logs to be removed. | Issue Removal Pass (Transit) complete with LOTS security number to milling or export point. | Harwood Timber Sdn Bhd Physically inspect logs to be removed and issue Endorsement Clearance Certificate (ECC). Complete the column "Offical Use Only " of Log Specification (Transit) |

| | | The state of the s | Name and Address of the Owner o | |
|-------------------|----------------------|--|--|--|
| LOTS Process | Venue | Stake-Holder and Purview | | |
| | | Licensee | Sarawak Forestry Corporation (SFC) | Third Party |
| Incoming Shipment | Mill or Export Point | Surrender documents attached to Removal Pass (Transit) to SFC office, upon reaching the designated point | Acknowledge receipt the consignment by rubber stamp of the removal pass (Transit) Update the LOTS system | Harwood Timber Sdn Bhd •Physically inspect incoming logs to mill or export point |

| LOTS Process | Venue | Stake-Holder and Purview | | |
|--|---------|--|--|--|
| | | Licensee | Sarawak Forestry Corporation (SFC) | Third Party |
| Application of Removal (Transit) for Export Logs A00001 PM Camp Coupe Block SP. CODE: SARAWAK FORESTRY | <u></u> | Prepare log Specification for Logs to be removed. From export point to exporter country. | Issue Removal Pass (Transit) complete with LOTS security number to vessel Eg. KU/RP/2010/07/ 20/0001 Security No Eg.2010/07/Ffa 2SA | Harwood Timber Sdn Bhd Issue Export Clearance certificate (ExCC) for logs to be exported. Complete the column "Offical Use Only " of Log Specification (Transit) |

| LOTS Process | Venue | Stake-Holder and Purview | | | |
|--|-----------------|--------------------------|---------------------------------------|--|--|
| | | Licensee | Sarawak Forestry Corporation (SFC) | Third Party | |
| Application of Removal (Transit) for Export Logs | | | Update LOTS | Sarawak Timber Industry Development Corporation (STIDC) •Issue export certificate (Custom Declaration form 2) •Issue clearance certificate | |
| SARAWAK FORESTRY | Vessel (End) | | | | |



LOTS Reports

LOTS can generate the following reports:



Administration Reports
(12)





Transaction Reports



- 1) LOTS011 Daily Production Return Form
- 2) LOTS012 Royalty Assessment Log Specification Form
- 3) LOTS013 Removal Pass Listing
- 4) LOTS014 Removal Pass by Royalty Batch Listing
- 5) LOTS015 Shutout Log Specification Form
- 6) LOTS016 Transgression Log Specification Form
- 7) LOTS017 Production Audit Batch Listing
- 8) LOTS018 Royalty Audit Batch Listing
- 9) LOTS019 Removal Pass Audit Batch Listing
- 10) LOTS020 Shutout Audit Batch Listing
- 11) LOTS021 Transgression Audit Batch Listing
- 12) LOTS022 Unroyalty Marked Log
- 13) LOTS023 Royalty Audit Batch Listing (New Format)





Administration Reports



- 1) LOTS001 Royalty Marked Logs At Camps Report
- 2) LOTS002 Royalty Marked Logs In Transit
- 3) LOTS003 Logs At Sawmill
- 4) LOTS004 Logs At Export Point
- 5) LOTS005 Number Of Logs At Log Pond
- 6) LOTS006 Losses And Leakages From the System
- 7) LOTS007 Log Movement Between Sections
- 8) LOTS008 Arriving Logs
- 9) LOTS009 Usage Of Revenue Forms Report
- 10) LOTS010 Missing Logs Listing
- 11) LOTS011 RP Invalid Log Listing
- 12) LOTS012 Unroyalty Marked Log Listing





Maintenance Reports

- 1) LOTS051 List Of Processors By Name/Code
- 2) LOTS052 List Of Importing Countries By Name/Code
- 3) LOTS053 List Of Other Destinations By Name/Code
- 4) LOTS054 List Of Accounts By Licensee Name
- 5) LOTS055 List Of RFO By Name/Code
- 6) LOTS056 List Of Exporters By Name/Code
- 7) LOTS057 List Of Licensees By Name/Code
- 8) LOTS058 List Of Camps By Licensee Name & Acc. No
- 9) LOTS059 List Of Contractors
- 10) LOTS060 List Of DFOs By Name/Code
- 11) LOTS061 List Of Log Ponds By Owners' Name
- 12) LOTS062 List Of Species By Type, Name Code For Specific Type
- 13) LOTS063 List Of Transport By Type, Name For Specific Type
- 14) LOTS064 List Of Areas By Name
- 15) LOTS065 List Of PECs
- 16) LOTS066 List Of Assigned LPI By Number
- 17) LOTS067 List Of Unused LPI By Number





Benefits of LOTS

1. Traceability of Individual log to Coupe, Block, Licence Area through LPI

2. Real-time verification of origin (legality) against central database

4. Common platform for all regions and agencies concerned to carry out monitoring, auditing and enforcement functions

3. Detection of tag duplication and false declarations

5. Expedited and Improved collection of royalties due to the government



