

IMO MEMBER STATE AUDIT SCHEME (IMSAS)

Tatjana Krilic
Department for Member State Audit and
Implementation Support
MSD, IMO

MARITIME SAFETY DIVISION



KEY CONSIDERATIONS FOR THE AUDIT SCHEME:

- The Actors in the implementation and enforcement of maritime treaty obligations
- Progressing the enforcement of maritime treaty obligations
- Existing international monitoring regimes & evolution of the IMO audit scheme
- Framework and Procedures for IMSAS - resolution A.1067(28)
- Implementation of the Audit Scheme
- Issues going forward

MARITIME SAFETY DIVISION

2



WHO ARE THE ACTORS IN ENSURING COMPLIANCE WITH INTERNATIONAL MARITIME STANDARDS?



THE ACTORS IN THE IMPLEMENTATION AND ENFORCEMENT OF MARITIME TREATY OBLIGATIONS:

IMO has the responsibility to develop technical safety, security and pollution prevention standards related to maritime transport, but has no enforcement and compliance monitoring role;

GOVERNMENTS (flag, port & coastal State) have the duty to implement and enforce these standards;

RECOGNIZED ORGANIZATIONS have a duty to be impartial and to exercise due diligence when acting on behalf of governments;

SHIPPING COMPANIES have the responsibility to apply the same standards to individual ships; and

SHIPBOARD PERSONNEL have the task of putting into operation the various standards related to safety and pollution prevention on ships.

GOVERNMENTS - IMPLEMENTATION AND ENFORCEMENT:

Flag States

Have regulatory and enforcement responsibilities under various treaties' obligations

- A number of treaties provide latitude to flag States through phrases such as:
 - to the satisfaction of the Administration;
 - equivalency and exemption provisions; and
 - unrestrained powers to delegate statutory work.

GOVERNMENTS - IMPLEMENTATION AND ENFORCEMENT:

Port States

- port State control
- provision of appropriate reception facilities or capability to accept all waste streams regulated under the instruments of the Organization;
- keeping a register of fuel oil suppliers;
- etc.

GOVERNMENTS - IMPLEMENTATION AND ENFORCEMENT:

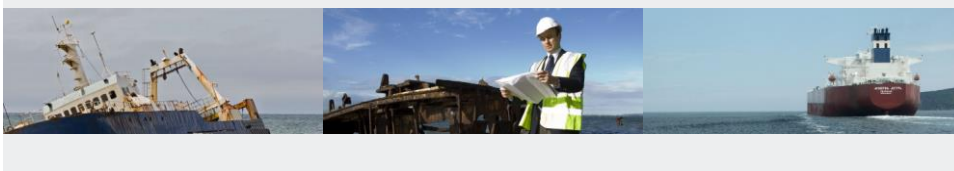
Coastal States

- pollution detection
- prosecution for violation
- establishment of aids to navigation
- dissemination of safety information
 - on wrecks
 - other dangers to navigation
 - weather and sea conditions
- establishment and maintenance of SAR service
- hydrographic services
- etc.

NATIONAL LAWS TO IMPLEMENT INTERNATIONAL MARITIME TREATIES VARY CONSIDERABLY AND THIS LEADS TO:

- partial or full delegation of statutory work to non-State entities;
- different degree of implementation and enforcement;
- absence of State accountability makes ship registration an attractive and legitimate State business; and
- lack of uniform flag State enforcement creates varying economic advantage for shipowners.

PROGRESSING THE ENFORCEMENT OF MARITIME TREATY OBLIGATIONS

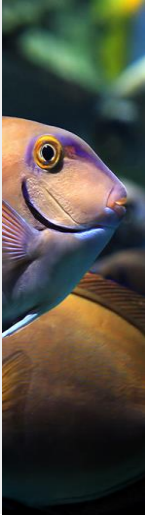


IMO HAS NO ENFORCEMENT AND COMPLIANCE MONITORING POWERS

- The IMO Convention does not contain any provision that gives the Organization an enforcement and monitoring role.
- With the drive for greater transparency and accountability, it has often been said that IMO needs teeth to ensure compliance.
- How to achieve that, is emerging gradually.



IMO HAS NO ENFORCEMENT AND COMPLIANCE MONITORING POWERS



- Therefore, a cooperative mechanism had to be developed for States to accept a monitoring regime through IMO. This mechanism had to address certain core principles:
- Sovereignty and universality;
- Consistency, fairness, objectivity, and timelines;
- Transparency and disclosure;
- Co-operation; and
- Continual improvement.

PLAUSIBLE ARGUMENTS FOR A COMPLIANCE MONITORING REGIME

- The “Treaty” argument
- The “Sovereignty” argument
- The “National Dialogue”

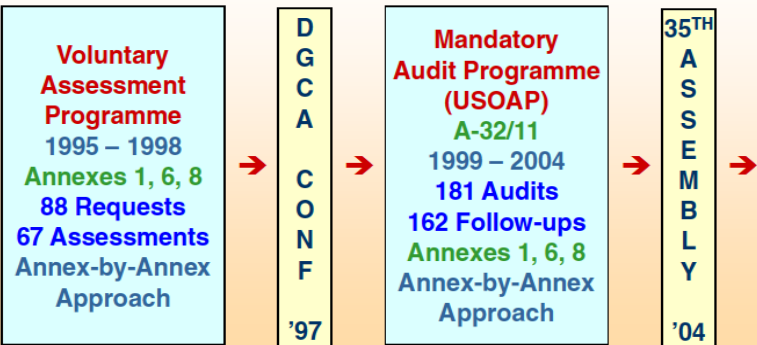
EXISTING INTERNATIONAL MONITORING REGIMES:

ICAO Universal Safety Oversight Audit Programme

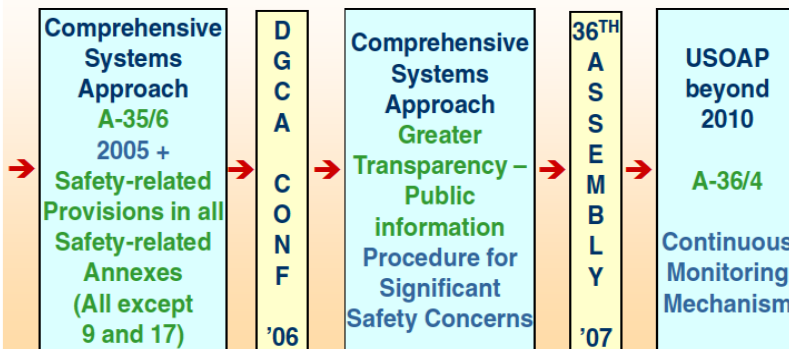
IMO Member State Audit Scheme



EVOLUTION OF THE USOAP:



EVOLUTION OF THE USOAP



14

EVOLUTION OF IMO AUDIT SCHEME

A S S E M B L Y 2 0 0 5	VOLUNTARY IMO MEMBER STATE AUDIT SCHEME (VIMSAS)	A S S E M B L Y 2 0 0 9	DEVELOPMENT OF THE MANDATORY AUDIT SCHEME	A S S E M B L Y 2 0 1 3	MANDATORY AUDIT SCHEME
	2005 – 2013		2010 - 2015		1 JANUARY 2016
	Resolution A.974(24) – Framework and Procedures		Resolution A.1018(26)		Resolution A.1067(28) Framework and Procedures for the IMO Member State Audit Scheme
	Resolution A.973(24) – Code for the implementation of mandatory IMO instruments		Revised Code- IMO Instrument Implementation (III) Code		Resolution A.1068(28) Transition from the Voluntary IMO Member State Audit Scheme to IMO Member State Audit Scheme
	79 Member States and two Associate Members have volunteered		Amendments to 8 instruments		Resolution A.1070(28) IMO Instrument Implementation (III) Code and A.1083 (28), A.1084 (28) and A.1085 (28)
	59 Member State, two Associate Members and five dependent territories audited		Revised Framework and Procedures		
			Auditor's Manual – Circular letter No.3425		

TRANSITION FROM VIMSAS TO IMSAS

- Resolution [A.1068\(28\)](#)
- All audits after 28th session of the Assembly carried out:
 - In accordance with the Framework and the Procedures [resolution A.1067\(28\)](#)
 - Using the III Code as the audit standard [resolution A.1070\(28\)](#)

FRAMEWORK AND PROCEDURES FOR THE IMO MEMBER STATE AUDIT SCHEME (IMSAS) Resolution A.1067(28)



FRAMEWORK



Content

- 1. Purpose**
- 2. Application**
- 3. Audit standard**
- 4. Vision statement**
- 5. Objective**
- 6. Principles**
- 7. Scope**
- 8. Responsibilities**
- 9. Technical co-operation**

Purpose

- To describe the objective, principles, scope, responsibilities and capacity-building aspects for the Scheme, which together constitute the strategy.
- The Scheme is supported by the Procedures and the III Code

Application

- **Applies to all those involved in the Member State audit**

Audit standard

- The audit standard is the IMO Instruments Implementation Code (III Code)

Vision statement

- To promote the *consistent and effective* implementation of *applicable* IMO instruments and to *assist Member States to improve* their capabilities, whilst *contributing to the enhancement of global and individual Member State overall performance* in compliance with the requirements of such instruments to which it is a Party

Objective

- The objective of the audit is to ***determine to what extent Member States are implementing and enforcing the applicable IMO instruments***
- In order to achieve this, a number of issues will be observed and assessed

Principles

- Sovereignty and universality
- Consistency, fairness, objectivity and timeliness
- **Transparency and disclosure**
- Co-operation
- Continual improvement

Scope

- General
- **IMO instruments**
- Obligations and responsibilities
- Areas to be covered by the audit

Scope - areas to be covered

- Jurisdiction
- Organization and authority
- Legislation, rules and regulations
- Promulgation of IMO mandatory instruments, rules and regulations
- Enforcement arrangements
- Control, survey, inspection, audit, verification, approval and certification functions
- Selection, recognition, authorization, empowerment and monitoring of ROs, as appropriate, and of nominated surveyors
- Investigations required to be reported to:
 - IMO
 - Other Administrations and organizations

Responsibilities

Responsibility for the Audit lies with:

- **Secretary-General**
- **Member State**
- **Audit Team Leader**

Technical co-operation

In order to obtain the full benefits of the Scheme:

- **Consider capacity-building matters**
- **Address human and financial resources requirements**

Technical co-operation (cont)

- Technical assistance may, inter alia, include the following:
 - .1 training
 - .2 exchange programmes
 - .3 provision of experts
 - .4 participation of observers during the conduct of audits in other Member States

PROCEDURES



Contents

1. Purpose
2. Application
3. Definitions
4. Planning
5. Preparing for the audit
6. Conducting the audit
7. Reporting
8. Member State's corrective action plan
9. Audit follow-up
10. Records
11. The audit process

1 - Purpose

- **To describe the procedures
for a Member State Audit**

2 - Application

- **Applies to all those [States] involved in a Member State audit**

3 - Definitions

- **The definitions are (*initially*) taken from ISO 9000:2000, ISO 19011:2002 and from the ISM Code**
- **New definitions of **Finding** and **Observation****

DEFINITION OF AN AUDIT

A Systematic, independent and documented process for obtaining objective evidence and evaluating it objectively to determine the extent to which [audit] criteria are fulfilled.

4 - Planning

- **Audit cycle and schedule**
- **Initial arrangements:**
 - **Memorandum of Co-operation**
 - **Agreed timetable**
- **Nomination of auditors**
- **Selection of auditors**
- **Selection of an audit team**

5 - Preparation

- Request background information (PAQ, MoC, etc.)
- Information meeting above request
- Detailed audit plan
- Checklists
- Consultations between the Secretary-General, the Audit Team Leader and the Member State
- Briefing of the Audit Team

Audit plan

- Location(s) of audit
- Purpose, scope and objectives of audit
- Dates for the audit
- Names of participants
- Necessary documentation
- Tentative programme of activities

Audit plan (cont)

- **Brief review of information received**
- **Travel and administrative issues**
- **The language to be used**
- **Assignments and responsibilities of audit team members**
- **Scope of the mission report**

Preparation - Briefing of the Audit Team

- **Purpose, scope and objectives of audit**
- **Analysis of the pre-audit questionnaire**
- **Agreeing on roles and responsibilities during the audit, including the final preparations on checklists and/or aide memoires in specific fields**
- **This briefing need not occur in person – it is left to the discretion of the Audit Team Leader**

6 - Conducting the audit

- **Timeline – in accordance with MoC**
- **Conduct of auditors - objective, strategy and principles as described in the Framework**
- **Highest standards of objectivity, impartiality and confidentiality**
- **Language proficiency**
- **Sensitivity of the audit report**
- **External interviewing of audit team**

6 - Conducting the audit (cont)

Opening meeting

- **At least the following agenda items (1):**
 - **Introduction of participants**
 - **Background and objectives**
 - **Provisional audit timetable**
 - **Confidentiality**
 - **Methods and procedures to be used**
 - **Official communication links**
 - **Facilities and administrative arrangements**
 - **Programme of visits to regional offices, etc.**

6 - Conducting the audit (cont)

Opening meeting (cont)

- **At least the following agenda items (2):**
 - **Time, date and place of closing meeting and any interim meeting with senior management**
 - **Procedures for documenting audit findings and observations, etc.**
 - **Confidentiality of findings and observations**
 - **Agreement that, if practicable, a draft interim audit report and draft executive summary report should be tabled during the closing meeting**

6 - Conducting the audit (cont)

Opening meeting (cont)

Assistance required from the audited State:

- **Working space, preferably with privacy**
- **Access to:**
 - **personal computers, photocopiers, etc.**
 - **necessary facilities**
 - **relevant files and records**
 - **selected personnel for interviews**

6 - Conducting the audit (cont)

The audit

- **Member State official to accompany the audit team**
- **Interviews, review of documents, observations of selected activities**
- **Note taking**
- **Discussion and recording of details of possible findings and observations**
- **Continuous provision of findings and observations, communication with key personnel**

6 - Conducting the audit (cont)

Audit closing meeting

- **Provide information on findings and/or observations**
- **Ensure clear understanding of the situation**
- **Emphasize the most significant issues**
- **Where practicable, the draft audit interim report and draft executive summary report should be presented**
- **Discuss follow-up actions, as appropriate**
- **Provide information on critical dates**

6 - Conducting the audit (cont)

Audit closing meeting format

- **Review of the purpose, scope and objectives of the audit**
- **Summary of audit procedures**
- **Presentation of findings and/or observations included in the draft interim report and draft executive summary report**
- **Information on visits to head, regional offices, etc.**
- **Actions by the Member State following the audit**

7 - Reporting

General principles

- **Maintain consistency of audit findings and observations**
- **Use only objective evidence**
- **State findings and observations clearly and concisely – summarize at the end**
- **Avoid generalities and vagueness**
- **Present findings in an objective manner**
- **Use accepted terminology – no jargon**
- **Avoid criticism of individuals or positions**

7 – Reporting (cont)

- **Audit interim report**
- **Contents (1):**
 - 1 Introduction**
 - 1 Background**
 - 2 Members of the audit team**
 - 3 Involved officials from the Member State**
 - 4 Acknowledgement**
 - 2 Scope, objectives and activities of the audit**

7 - Reporting (cont)

Audit interim report - Contents (2):

- 3 Maritime activities of the Member State:**
 - 1 General**
 - 2 Flag State**
 - 3 Coastal State**
 - 4 Port State**
- 4 Findings**
- 5 Observations**
- 6 Comments and possible recommendations**
 - 1 Areas of positive development**
 - 2 Areas for further development**
- 7 Appendices**
- 8 Annexes**

7 - Reporting (cont)

Audit interim report

- **Any disagreement by the Member State with the interim audit report (if not resolved during the closing meeting) may be recorded in writing and annexed to the interim report**
- **Every endeavour shall be made by the Member State and the audit team to avoid disagreement over audit findings and observations**
- **Available only to the Member State, the Secretary-General and the Audit Team**

7 - Reporting (cont)

Executive summary report

- **contain the details of the audited Member State:**
 - the involved entity(ies) of the State
 - summary of findings and observations
- **Prepared by the audit team leader and submitted to the Member State for acceptance**
- **When accepted by the Member State, submitted to the Secretary-General**
- **published by the Secretary-General, based on authorization received from the Member State prior to the audit**
- **form as set out in appendix 5**

7 - Reporting (cont)

Audit final report

The official and actual report of the audit:

- Structured as:
 - the interim report
 - + an analysis of the corrective action plan
 - + root cause
 - + any issues left unresolved
- Available to the Member State, the Secretary-General and the Audit Team,
- published by the Secretary-General, based on authorization received from the Member State prior to the audit

7 - Reporting (cont)

Member State comments on the progress of implementation of corrective action plan

- contain any statement that an audited State may wish to put forward in relation to the progress made in the implementation of the corrective action plan
- published as received and based on authorization received from the Member State prior to the audit, without validation by the Secretariat or the audit team leader

7 - Reporting (cont)

- **Audit team leader's mission report**
- **Key Elements:**
 - **Conduct of the audit**
 - **Positive elements and difficulties encountered**
 - **Proposals to improve the planning and conduct of audits**
- **Provides feedback from 'planning to completion' of the audit to be used by the Secretary-General to improve audit planning**

7 - Reporting (cont)

Feedback from the Member State

- **describing the conduct of the audit, positive elements and difficulties encountered and proposals to improve the planning and conduct of audits**
- **integral part of the quality assurance programme for the audit scheme and will be used by the Secretary-General to improve audit planning**

8 - Member State Corrective Action Plan

- Responds to the audit findings by proposing corrective action to bring the Member State in conformance with, or adherence to, the Code. May also include response to observations
- Corrective actions identified for each finding - with timelines for action
- To be presented to the audit team leader and the Secretary-General within 90 calendar days after receiving the interim report
- released to all Member States or the public by the Secretary General, subject to prior authorization of the Member State concerned

9 - Audit follow-up (1)

- An audit follow-up should, if applicable, be conducted between three to four years following an audit (after corrective actions have been completed)
- Normally conducted in the form of a document-based audit. Where the full implementation of the corrective action cannot be effectively verified by reviewing the documentary evidence, the Secretary-General should consider constituting an on-site follow-up audit
- in that case, same procedure as a standard audit, except for the difference in scope, i.e. limited to issues identified during the initial audit
- Where possible, *at least one* audit team member for an audit follow-up should have been a member of the original audit team

10 Records

Records that are required to be maintained by the Secretary-General:

- .1 Member State audit interim and final reports;
- .2 Executive summary reports;
- .3 Corrective action plan
- .4 audit team leaders' mission reports; and
- .5 audit follow-up reports.

PROCEDURES Appendices



Contents

- **Appendix 1** **Model Memorandum of Co-operation**
- **Appendix 2** **Pre-audit questionnaire**
- **Appendix 3** **Audit scheme sequence of activities**
- **Appendix 4** **Model forms for audit reports**
- **Appendix 5** **Model Executive summary report**
- **Appendix 6** **Audit process**

Model Memorandum of Co-operation (1)

- **Preamble**
- **Section 1 – General**
- **Section 2 – Confidentiality**
- **Section 3 – Member State responsibilities**
- **Section 4 – IMO responsibilities**
- **Section 5 – Scope of the audit**

Model Memorandum of Co-operation (2)

- **Section 6 – Privileges and immunities and other legal implications**
- **Section 7 – Settlement of disputes**
- **Section 8 – Suspension, modification or cancellation**
- **Section 9 – Validity and duration**
- **Section 10 – Additional provisions (as necessary)**

- **MoC**

Pre-audit questionnaire (1)

General information

PART 1 - COMMON AREAS

PART 2 – FLAG STATE

PART 3 – COASTAL STATE

PART 4 – PORT STATE

PAQ

Audit Scheme - Sequence of activities

This is a list:

- **of all relevant activities in chronological order**
- **that states who is responsible for the activity and contains references to the relevant paragraph(s) in the Procedures document**

Sequence of activities

Model Appendix Forms

- **Form A - Is a model form for reporting each finding / observation**
- **Form B - Is a model form for a corrective action and follow-up action**
- **Form C - Is a model form for verification of effective implementation of the corrective action**
- **Forms ABC**

Model Executive summary report

This is a model form to be used for a brief Executive summary report, containing:

- **Audited entities**
- **Audit period and scope**
- **Audited areas**
- **Findings and observations**

ESR

Audit Process

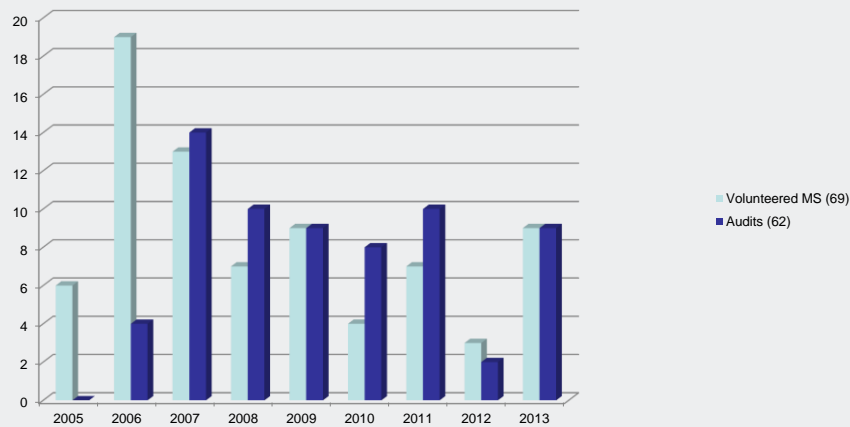
- **This is a flow-chart depicting the audit process, containing:**
- **the sequence of activities**
- **related inputs/outputs for each step of the process**
- **responsibility for each step**

Audit process

IMPLEMENTATION OF IMO AUDIT SCHEME



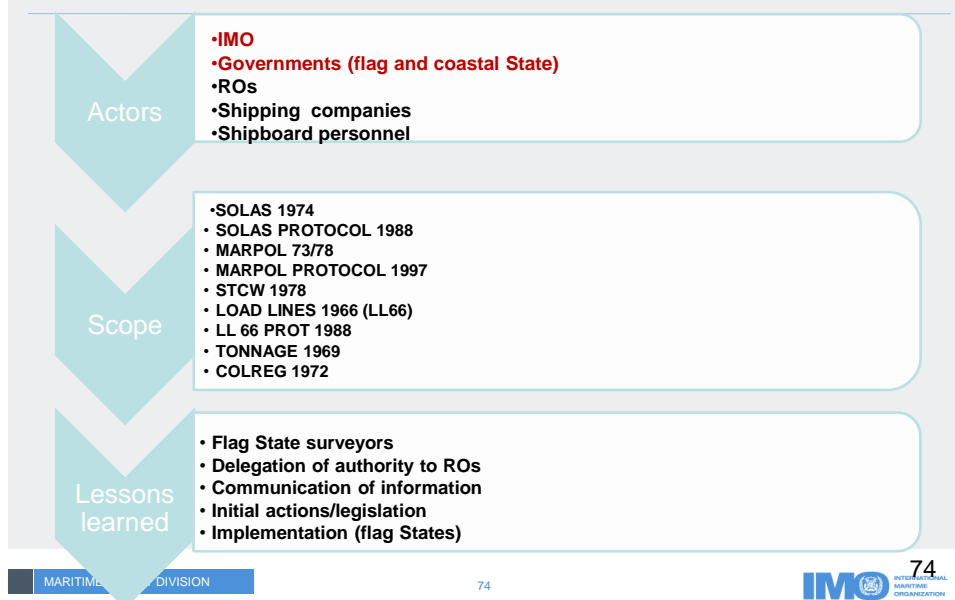
IMPLEMENTATION OF THE AUDIT SCHEME



MANAGING THE AUDIT SCHEME

- 81 Member States volunteered for audit
- 253 individuals nominated by 64 Member States
- 67 audits have been carried out by 101 individual auditors
- no objection or refusal to circulate the findings from audits to all Member States has been received
- audits have been able to identify areas for improvement in all States audited
- preparation for audits by Member States have identified gaps in existing maritime administration structures
- audit results have led to the commitment of additional resources by States to their maritime administrations
- certain regulations addressed to States may have to be reviewed in the near future
- etc.

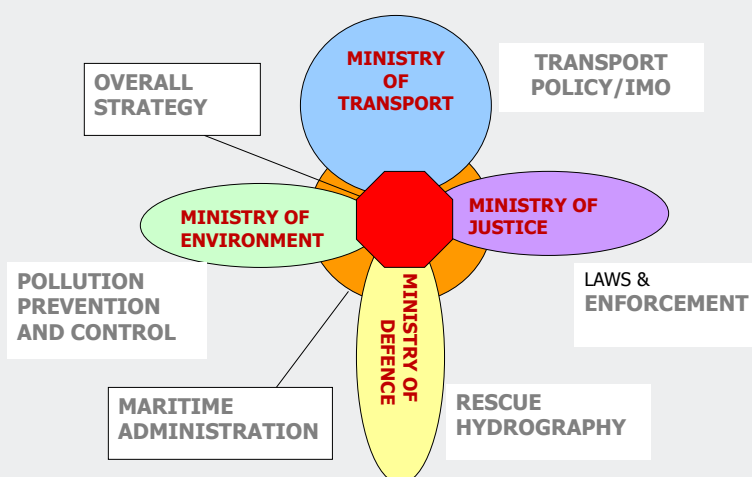
THE AUDIT SCHEME



Challenges vs reality

- New requirement: a **STRATEGY** as an effective mechanism for the State to evaluate its effectiveness in meeting its international obligations under the relevant IMO Conventions
- Concept of a corporate entity as Maritime Administration not apparent
- Treaty obligations spread over several entities, ministries, agencies, etc.
- Concept of audit and review not fully accepted (lack of experience of this or culture)

THE NATIONAL DIALOGUE - NEW NORM FOR PARTICIPATING STATE ENTITIES IN A MARITIME ADMINISTRATION



ISSUES GOING FORWARD



WHAT ARE THE ISSUES GOING FORWARD

- Adoption of the remaining amendments to:
 - SOLAS
 - MARPOL
 - STCW
 - LL PROT 1988
- [A-1083 Amendments to LL 66.doc](#)

WHAT ARE THE ISSUES GOING FORWARD

- Council
- Secretariat
- [PREPARATORY WORK FOR THE COMMENCEMENT OF AN INSTITUTIONALIZED AUDIT SCHEME.docx](#)

Expected benefits of making the Scheme mandatory

- The Scheme is planned to be **mandatory in 2016**
- **All States** will benefit from the Audit Scheme
- The process will be inclusive of all
- The diversity of State structures, ability and specific maritime interests will **inform the regulatory framework** for the future
- The administrative and organizational aspects of the Scheme do not rely exclusively on the decision of individual Member State; but become a collective pool of resources
- The concept of a quality management system is introduced globally in the implementation and enforcement of State obligations and responsibilities relating to maritime transport

THANK YOU

International Maritime Organization

4 Albert Embankment
London
SE1 7SR
United Kingdom

Tel: +44 (0)20 7735 7611
Fax: +44 (0)20 7587 3210
Email: info@imo.org
www.imo.org



twitter.com/imohq



facebook.com/imohq



youtube.com/imohq



[flickr.com/photos/
imo-un/collections](https://flickr.com/photos/imo-un/collections)

MARITIME SAFETY DIVISION

