

Monitoring & Auditing of ROs


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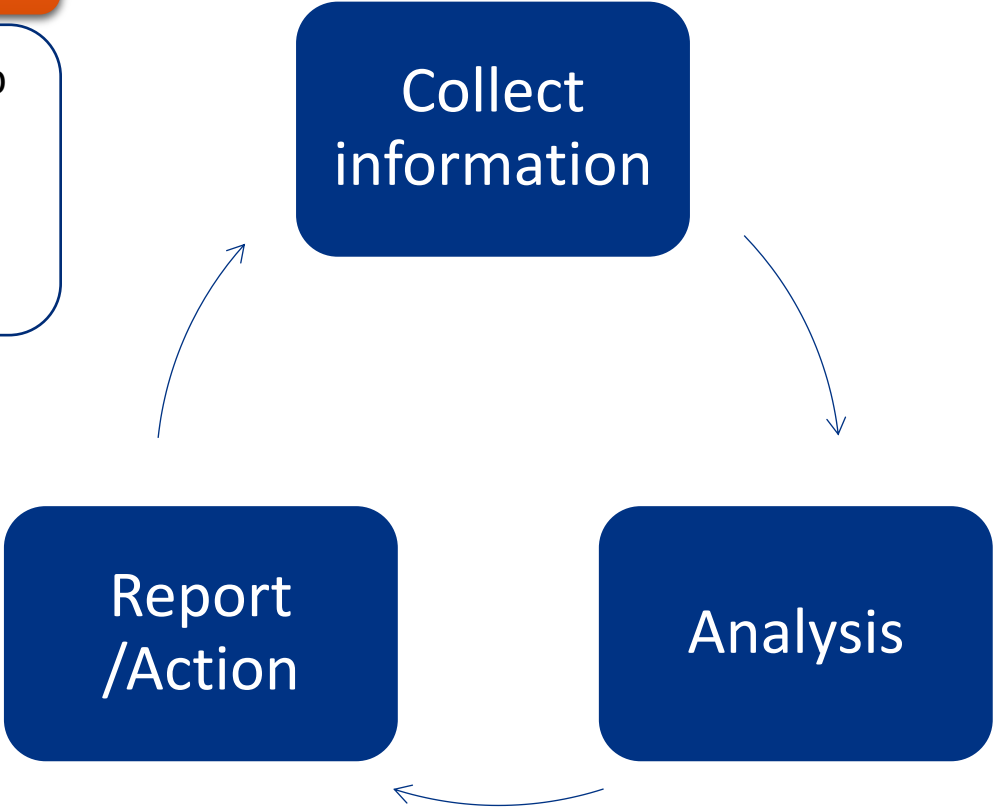
Working relationship (Art. 5)

- Written agreement
- Provisions of Appendix II of IMO resolution A.739(18) 
- Liability provisions
- Provisions for **audit** by the administration
- Possibility for ship inspection
- Compulsory reporting of fleet information



MONITOR:

to watch, keep track of, or check usually for a special purpose





IMO Res
A.739(18),
Appendix II

- 3. *The Administration should establish a system to ensure the adequacy of work performed by the organizations authorized to act on its behalf. Such a system should, inter alia, include the following items:*
 - .1 *Procedures for communication...*
 - .2 *Procedures for reporting (...) and processing of reports by the Administration*
 - .3 *Additional ship's inspections by the Administration*
 - .4 *The Administration's evaluation/acceptance of the certification of the organization's quality system...*
 - .5 *Monitoring and verification of class related matters..."*

Article 9

- 1. Each Member State shall satisfy itself that the recognised organisations acting on its behalf for the purpose of Article 3(2) effectively carry out the functions referred to in that Article to the satisfaction of its competent administration.*
- 2. In order to carry out the task referred to in paragraph 1, each Member State shall, at least on a biennial basis, monitor every recognised organisation acting on its behalf and shall provide the other Member States and the Commission with a...*

Observe and check the progress or quality of (something) over a period of time; keep under systematic review:

is concerned with continual observation

PART 3 of the RO Code

OVERSIGHT OF RECOGNIZED ORGANIZATIONS

1 PURPOSE

Part 3 of the RO Code provides guidance on flag State's oversight of ROs authorized to perform statutory certification and services on its behalf.

Part 3 also provides guidance on the principles of oversight that may include ship inspection, auditing, and monitoring activities.

Monitoring and verification:

- **Oversight of RO quality management system;**
- **Observation or systematic review of audit reports of the quality management system audits conducted by an independent third party;**
- **Verification and inspection of ships**

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Audit

systematic, independent and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which audit criteria are fulfilled

Audit criteria

set of policies, procedures or requirements used as reference against which objective evidence is compared

Audit scope

extent and boundaries of an audit

- a) **Integrity:** the foundation of professionalism
- b) **Fair presentation:** the obligation to report truthfully and accurately
- c) **Due professional care:** the application of diligence and judgement in auditing
- d) **Confidentiality:** security of information
- e) **Independence:** the basis for the impartiality of the audit and objectivity of the audit conclusions
- f) **Evidence-based approach:** the rational method for reaching reliable and reproducible audit conclusions in a systematic audit process

- **FS Agreement**
- **International Conventions requirements including RO Code**
- **Regulation (EC) 391/2009**

A large inverted pyramid is centered on the page. It is divided into three horizontal sections. The top section is red and contains the text "SYSTEM AUDIT". The middle section is light gray and contains the text "PROCESS AUDIT". The bottom section is a darker gray and contains the text "PRODUCT AUDIT".

SYSTEM AUDIT

PROCESS AUDIT

PRODUCT
AUDIT

- **System audit**
 - ✓ e.g. Quality Management System Audit
- **Process audit**
 - ✓ e.g. Transfer of class process
- **Product audit**
 - ✓ e.g. supplementary surveys [RO Code Part 2, 20.1 and 20.2]

- A second party audit
- Assess the capability of the company (RO) to meet contract (**FS agreement**) requirements

- **System audit**
- An audit conducted on a management system;
- Conducted against system requirements: e.g.:
 - ✓ IACS QSCS;
 - ✓ ISO 9001:2015, etc.

- **Process audit**

Verification that the inputs, actions and outputs are in accordance with the process requirements

European Commission: assessment of the EU recognised organisations



EMSA entrusted by the Commission with the task of carrying out the necessary inspections.

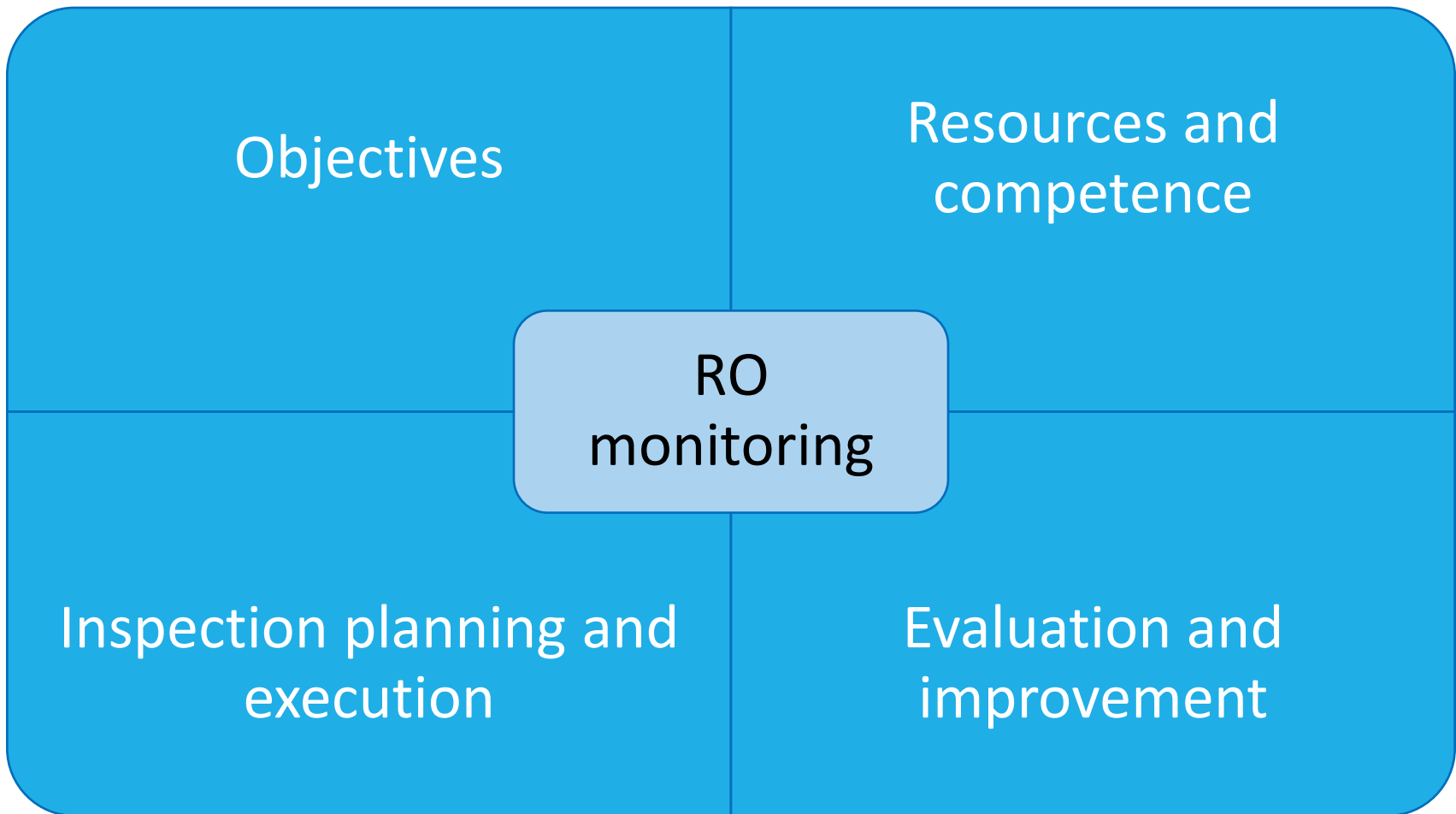


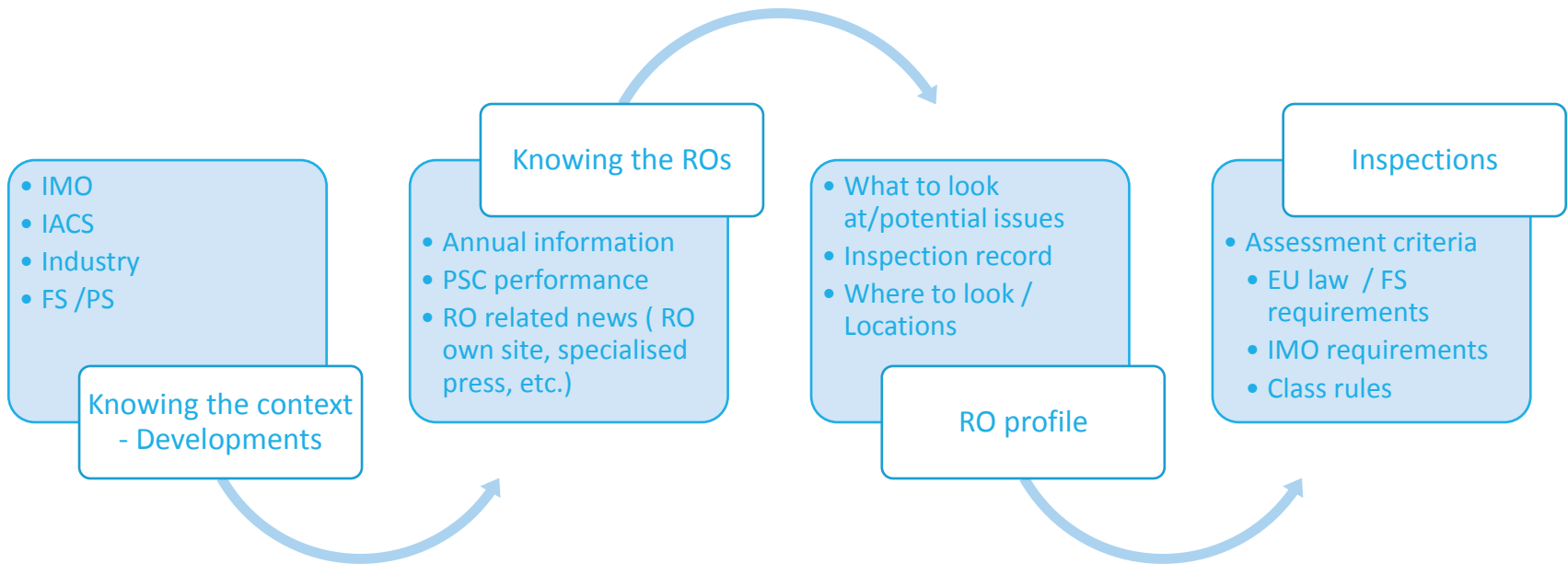
Since 2004, more than 260 inspections:

head offices,

region / field/ site offices

visits to ships





PREPARATION

REQUEST FOR RO INFORMATION

- UPDATED PROCEDURES
- DETAILED INFORMATION ABOUT LOCATION ACTIVITIES

ANALYSIS OF INFORMATION

- FOCUS AREAS
- SCOPE OF INSPECTION
- SELECTED FILES

WORK PLAN,
CHECKLISTS, 'AIDE-
MEMOIRE'

STAFF INTERVIEWS

EXAMINATION OF
RECORDS

INSPECTION

OBSERVATION OF
ACTIVITIES

FINDINGS PRESENTED
AT CLOSING MEETING

REQUEST FOR INFORMATION

- List of shipboard and office audits
- Details of company,
- Details of ship: IMO, Flag, Type, etc.
- Date of audit

ANALYSIS

Look at PSC records of ships / Companies (Equasis, Seaweb)

Cross check audit dates vs PSC/FS inspections

Identification of ships detained shortly before/after audit; poor performing ships/companies

Select files for review

File for review?

Intermediate audit
completed 9
November 2017

No NC
identified

Only two
'observations'
imposed

Annual surveys
completed 17
December 2017

17 conditions
of class
imposed

Survey results
indicate lack of
maintenance

Ship detained
January 2018

Drills

ISM related
deficiencies

What was found?



Auditor

Lack of records of qualification and training

Non exclusive auditor

The NES employer was also the managing company for the ship !!!



Audit

Insufficient time

Application of criteria for NC assessment

Audit procedures not followed



Management control

Assignment of auditor

None of the issues were identified by internal verification of the job

REQUEST FOR INFORMATION

- List of TOC
- Details of ship: IMO, Flag, Type, YB, etc.
- Date of survey(s)

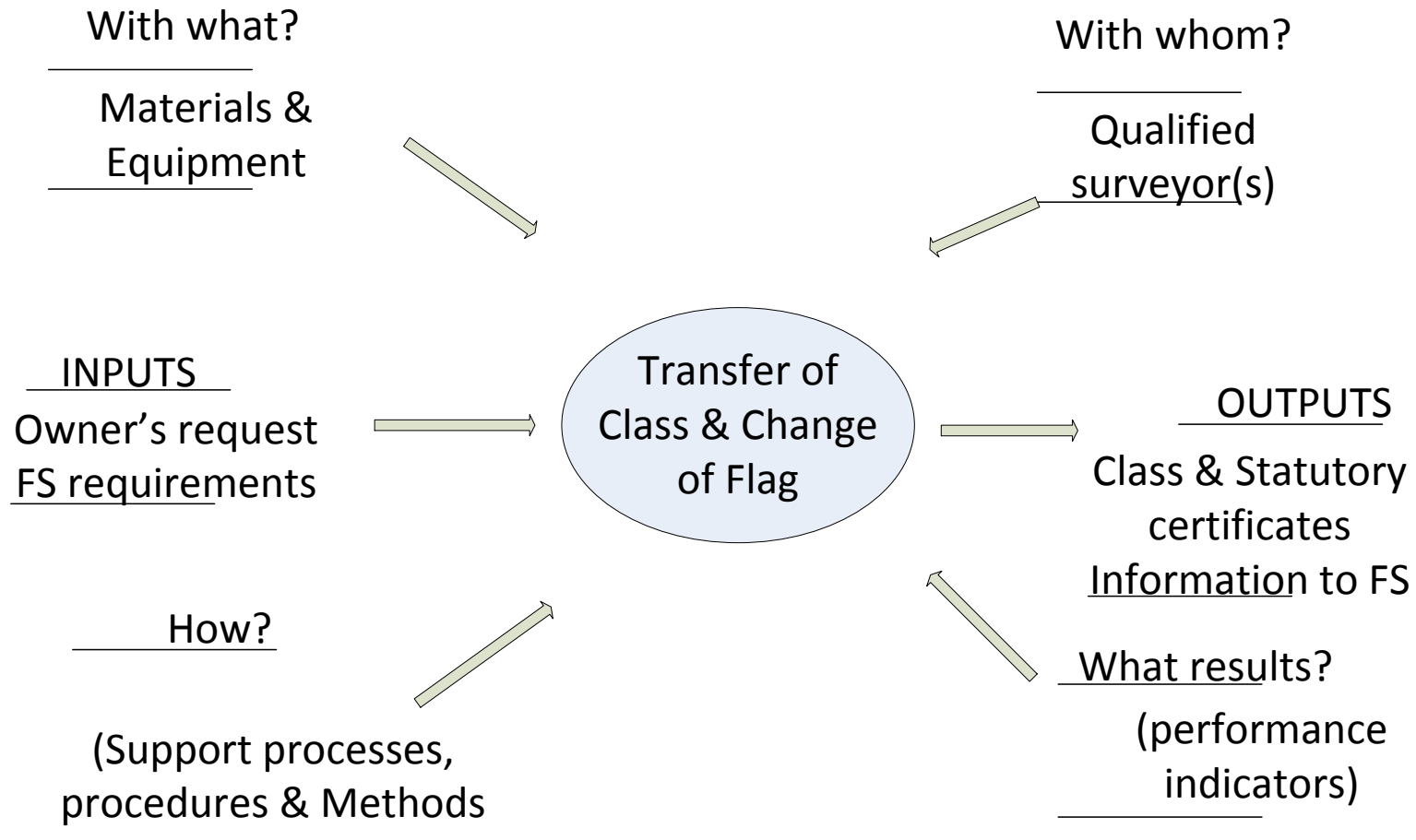
ANALYSIS

Look at PSC / survey history of ships

Cross check TOC dates vs PSC/FS inspections

Identification of ships detained shortly before/after TOC

Select files for review



Inputs Owner's request

FS Agreement

Status & plans from LS

**With
whom?**

Use of exclusive surveyors

Qualified according RO
systems

Knowledge of IMO Res
A1104(29)

How? Availability of updated procedures and instructions

FS requirements

Plans and drawings.

**With
what?**

Use of approved service
suppliers

Use of qualified/authorised
service technicians

Measurement tools
calibrated

Performance & Results

Has RO identified/set any performance indicator?

Handling of Retroactive Requirements

Handling of CC and statutory conditions

Handling of exemptions and equivalences. **Acceptance by gaining FS**

Handling of equipment required to be certified

Confirmation of class and statutory surveys in required scope, including **FS specific instructions**

Output Issue of full term certificates

Ship meeting class &
statutory requirements,
including FS specific

Report to FS

File for review?

TOC surveys completed 6 June 2016

Bulk carrier >30 Year

Record show repeated TOC /COF in recent years

Poor PSC record

Class suspended before TOC & COF

What was found?



Surveyors

One of the attending surveyors was not qualified for ESP BC



Survey

Class entry survey not in required scope

Insufficient time given the type and age

In water survey in lieu of DD, against requirements

Statutory surveys not as required



Management control

Deviation from rules & statutory requirements authorised by HO

No contact with FS prior to issue certificates despite deviation from SOLAS and LL requirements

Briefing.

- You are provided with the following documents:
 - RO agreement
 - RO profile
 - RO procedures for Transfer of Class & Change of flag
 - FS instructions for ToC & CoF
- Review the documents and:
 - Prepare an audit programme for a HO inspection
 - Prepare a checklist for verification of compliance with the RO with the agreement.
 - Prepare a checklist for examination of ToC & CoF
 - Examine the ToC & CoF case provided

Briefing.

- You are provided with the following documents:
 - RO quality manual
 - RO training and qualification procedure
 - RO monitoring procedure
 - RO staff training and qualification records

- Review the documents against the requirements of the Agreement and RO Code and determine to what extent the RO meets the requirements.

Briefing.

- You are provided with the following documents:
 - Ship PACIFICA Survey status prior to ToC & CoF
 - Ship PACIFICA ToC & CoF survey report.
 - Refer also to the documents provided and checklist developed in workshop #1
- Review the documents and determine to what extent the applicable requirements have been complied with
- What other documents /audit trails would you like to examine / follow?

Briefing.

- You are provided with the following documents:
 - Renewal survey records. Ship 'TEREBELLUM'
- Review the documents and determine to what extent the applicable requirements have been complied with
- What are your conclusions about the surveys done/ competence of society?

Briefing.

- You are provided with the following documents:
 - Renewal survey 23 January 2017
 - Class Occasional survey(following PSC detention) and single voyage declaration 26 February 2017
 - ISM audit 19 October 2017
 - PSC detention 23 October 2017

- Review the documents and determine to what extent the applicable requirements have been complied with:

- What are your conclusions?



Directive 2009/15/EC

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