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IMO MEMBER STATE AUDIT SCHEME

Progress report on the implementation of the Scheme

Note by the Secretary-General

SUMMARY

Executive summary: This document provides an updated report on progress made in the implementation of the Audit Scheme since C/ES.32, as well as information on the audit schedule, audit management and reporting

Strategic direction, if applicable: 1

Output: 1.4

Action to be taken: Paragraph 26

Related documents: C 125/6/1; C 112/INF.3; C 116/8/1; C 116/D; C 118/D; C 122/6/1, C 122/D; C/ES.32/7, C/ES.32/D; resolutions A.1067(28) and A.1070(28)

Introduction

1 Various components of the IMO Member State Audit Scheme (IMSAS) have progressed since the thirty-second extraordinary session of the Council (C/ES.32), i.e. the conduct of follow-up audits; the completion and release of audit and audit follow-up reports to all Member States or the public, based on authorizations received from the audited Member States; and the nomination of individuals by Member States to serve as auditors. A single audit was conducted during 2020, in accordance with the decisions of C/ES.32 to postpone the audits scheduled for 2020 to 2021, due to the impact of the COVID-19 pandemic, and to reschedule the audits originally planned for 2021 and 2022 to be conducted in 2022 and 2023, respectively (C/ES.32/D, paragraph 7.2).

Conduct of audits and audit planning

2 Since the commencement of mandatory audits of Member States under IMSAS, in February 2016, 76 audits have been conducted before the disruption caused by the pandemic, in line with the overall audit schedule contained in document C 112/INF.3, the last update of which is set in the annex to document C/ES 32/7.

3 With respect to audit reports, out of the 76 audits conducted, 75 audit final reports have been finalized and are in the Member State Audit (MSA) module in the Global Integrated Shipping Information System (GISIS). One remaining final report of an audit conducted in 2019 is being finalized with work on the development of related corrective action plan (CAP) by the Member State is ongoing.

4 For the remaining 24 Member States on the audit schedule for 2021, as set out in the annex, no audit has been conducted due to the pandemic, which rendered international travel unfeasible. The Secretariat is closely monitoring the developments in relation to the pandemic globally and will use any opportunity to proceed with audits scheduled for 2021, where possible, however, such prospect is considered unlikely, and the audits will need to be postponed taking into consideration the developments globally. Depending on the decision of the Council in relation to the introduction of a remote audit mechanism (C 125/6/1), some of the audits scheduled for 2021 might proceed remotely, thereby reducing the need for further postponements.

5 Regarding the 25 audits on the schedule for 2022, as set out in the annex, all but five Member States have responded to the Secretary-General's notification of their audit sent in July 2019 and have provided details of the Single Points of Contact (SPCs) for their audits. Follow-up letters have been sent out to those Member States that are yet to respond.

6 There are currently 34 Member States and one Associate Member listed on the audit schedule for 2023, as set out in the annex. Based on the current capacity of the Organization to carry out 25 audits per year, the Secretariat has carried out an analysis of the first 25 out of 35 Member States and Associate Member scheduled to be audited in 2023 with respect to the mandatory instruments to which they are Parties and, in due course, formal notification letters for those audits will be prepared to fulfil the not-less-than 18 months advance notification of the projected date for the audit of these Member States. Considering the ongoing uncertainties surrounding international travel and the need for further postponements of the overall audit schedule, no action has been taken for the programming of the audits scheduled for 2023 at this stage.

7 An analysis of the remaining 10 Member States currently on the audit schedule for 2023, as well as assessment of the viability of the postponed audits to proceed, will be carried out by the Secretariat at a later stage and these audits will need to be scheduled after 2023, at the earliest.

8 The revised overall audit schedule, with appropriate notations on the progress made in the conduct of audits and indicative audit timeframe for future audits, is set out in the annex. The overall audit schedule does not take into consideration the possible introduction of a remote audit mechanism. In case the Council decides favourably on the introduction of the remote audit mechanism, under the existing *Procedures for the Audit* (resolution A.1067(28), annex, part II) (hereafter Procedures), the indicative audit schedule, as set out in annex 5 of document C 125/6/1, would replace the audit schedule for 2021, as shown in the annex. An updated audit schedule, taking into account the decision of the Council on the remote audit mechanism, would then be submitted to the Assembly at its thirty-second session for consideration and action, as appropriate.

Audit management and reporting

9 Audits are managed through the MSA module in GISIS, which provides a common platform for the implementation of audits and support to Member States, audit teams and the Secretariat in all major steps of the process, from planning through to the reporting phases of the audit. The development of further functionalities of the MSA module to cover the audit follow-up process has started in-house.

10 The authorization for the release of the executive summary reports (ESR), corrective action plans (CAP) and Member States' comments on the progress of the implementation of their corrective action plans (CPICAP), is normally provided through the Memorandum of Cooperation (MoC). All Member States audited since 2016 have authorized the Secretariat to release their ESRs, CAPs and CPICAPs to all Member States, with three Member States authorizing the release to the public. For those remaining Member States scheduled to be audited in 2021, similar authorization is being granted as 17 MoCs have been concluded so far. In addition to the authorization granted through the MoC, a Member State may grant further authorization for the release of its audit final report through an official communication to the Secretariat.

11 As of the date of this document, 76 ESRs, 75 CAPs, 36 CPICAPs and three final reports have been released to Member States through the MSA module, which demonstrates the transparency and commitment of the audited Member States to work towards ensuring improvements in the implementation and enforcement of the mandatory IMO instruments. In order to facilitate sharing of lessons learned from audits, access to these reports is being granted to one authorized person per Member State. The Council may wish to encourage Member States that have not yet done so to provide the Secretariat with the details of an individual authorized to access Member State audit reports through the MSA module as per Circular Letter No.3587.

12 The Council, at its 118th session, endorsed the issuance of consolidated audit summary reports (CASRs), containing lessons learned from mandatory audits, as circular letters (C 118/D, paragraph 6.2(vii)). The first CASR was issued as Circular Letter No.3772 and the analysis of this CASR was issued through documents III 5/7 and III 5/INF.3. Three further CASRs were issued as Circular Letters No.3879, 4028, and 4317. The analysis of the four CASRs issued so far is expected to be considered by the Sub-Committee on Implementation of IMO Instruments, at its forthcoming seventh session. The Secretariat will continue preparing CASRs and issuing relevant circular letters as the completion of the audit reports continues.

Audit follow-up

13 In 2020 and 2021, the work related to follow-up audits for those Member States that were audited in 2016 and 2017 continued. Based on the general provisions of the Procedures, the audit follow-up process has been developed, including associated guidelines and forms, and presented to the auditors under the Scheme and the SPCs of the Member States audited in 2016 and 2017 in virtual meetings held on 8 and 15 July 2020, respectively, to ensure smooth implementation.

14 In accordance with the Procedures, an audit follow-up should, if applicable, be conducted after the Member State has completed corrective actions, but not later than three to four years following a Member State audit, to determine the status of implementation of the CAP. The first step of the audit follow-up process is the assessment of the information and evidence provided by the audited Member States through the CPICAP. The outcome of this assessment, along with the draft audit follow-up report (DAFR), is communicated to the SPC for feedback that may be required to verify the completion of the corrective actions or, in cases where the corrective actions have been completed, to verify their effective implementation. Any additional information or evidence provided by the Member State through the process is assessed to establish the completion and/or effectiveness of the corrective actions implemented for each finding and/or observation issued in the audit, and the outcome is reflected in the audit follow-up report (AFR). In accordance with the Procedures, those findings and/or observations where corresponding corrective actions are found to be effectively implemented are signed off by completing Form C. The AFR, along with the signed Form C,

if any, are communicated to the SPC and made available to all Member States through the MSA module. After the issuance of the AFRs, Member States are encouraged to continue implementing those corrective actions found not completed and communicating additional information to the Secretariat in the form of CPICAP, which are then uploaded onto the MSA module.

15 With respect to the audit follow-up work, the assessment of documents provided by the audited States through the CPICAPs and assessment of feedback from the Member States requested through DAFRs has been completed for 25 audits - all 19 audits conducted in 2016 and six out of 22 audits conducted in 2017. The corresponding AFRs have been made available to all Member States in the MSA module. The remaining 16 follow-up audits of Member States audited in 2017 are in various stages of planning and completion. The decision to carry out in-situ follow-up audits, where applicable, will be made when the audit schedule resumes.

16 CPICAPs are an essential element and a starting point of the audit follow-up process, where necessary. As progress is being made to meet the audit cycle, target deadlines established by some of the audited Member States for the implementation of some of their corrective actions have elapsed and not all related CPICAP have been communicated to the Secretariat. Especially in cases where deadlines for Member States to communicate their CPICAP to the Secretariat have been reached or are approaching, the information should be provided in line with the agreed deadlines established in their CAPs. The Council may wish to remind audited Member States to provide the Secretariat with their CPICAP, which is an important obligation on their part in order to demonstrate their commitment to further enhancing the effective implementation and enforcement of their international obligations and responsibilities undertaken as Parties to the various mandatory IMO instruments.

17 In addition, specific audit questions based on the assessment of the CPICAP are communicated to the Member State through the DAFR, for feedback in relation to the completion and/or effectiveness of the implementation of the CAP. Taking into account the volume of documents and information to be assessed in the document-based follow-up audit, timely communication of the specific requested information by Member States is vital for the smooth and efficient completion of the audit follow-up process. In this regard, the Council may wish to encourage those Member States that are undergoing the audit follow-up process to communicate the information and documentary evidence requested through the DAFR in a timely manner.

18 Whilst some Member States demonstrated considerable progress made in the implementation of their CAPs, the analysis of the outcome of the 25 document-based audits conducted so far showed that nine out of 25 Member States did not provide CPICAP or any other information or feedback, as requested through their corresponding DAFRs, and three Member States did not provide CPICAPs for all findings and observations issued in their audits. Furthermore, the analysis revealed that out of 371 corrective actions agreed through the audit final reports for those 25 Member States, only 21 corrective actions were found completed and, of those, only nine were found to be effectively implemented, resulting in the corresponding findings and/or observations being signed-off. Figure 1 provides an overview of the number of findings/observations issued, number of CPICAP submitted by respective Member States, number of CAPs completed and number of findings/observations signed-off in relation to the 25 document-based audits completed. This outcome of audit follow-up process shows a lack of capacity in the majority of the audited Member States to implement the agreed corrective actions and to engage in providing relevant information and evidence, as requested through the DAFR, in order to effectively complete the audit follow-up process.

MS	No. of FDs/OBs	No. CPICAPs submitted	No. CAPs completed	No. FDs/OBs signed-off
1	2	11	2	0
2	2	2	0	2
3	24	24	0	0
4	11	0	0	0
5	25	0	0	0
6	6	6	0	0
7	17	0	0	0
8	5	5	3	2
9	22	0	0	0
10	19	19	3	1
11	12	11	0	0
12	26	26	0	0
13	10	0	0	0
14	16	16	2	1
15	2	2	0	0
16	18	0	0	0
17	7	7	3	1
18	22	22	0	0
19	22	22	5	2
20	24	0	0	0
21	5	0	0	0
22	9	5	0	0
23	11	1	1	0
24	20	12	0	0
25	25	0	0	0

Auditors

21 With respect to the procedure for the nomination of new auditors, individuals to be nominated by Member States should enter their details through the E-roster in order for the validation process to be carried out by the Secretariat, after official nominations have been received from the Member States. In this regard, the Council may wish to encourage Member States and auditors to use the procedures set out in Circular Letter No.3547.

22 Currently, the percentage of women that have been nominated and assessed as meeting the criteria established in the Procedures is 10%. In this regard, the Council may wish to encourage Member States to enhance women's participation in the audit Scheme.

Further development of the Scheme

23 The Council, at its 122nd session, endorsed, in principle, the general approach for the further development of the Scheme and requested the Secretary-General, taking into account the comments made in plenary, to submit detailed documentation, as indicated in paragraph 19 of document C 122/6/1, including draft terms of reference for the re-establishment of the Joint Working Group on Member State Audit (JWGMSA), to C 124 (C 122/D, paragraph 6.3).

24 Due to the disruption caused by the pandemic, C 124 was held remotely, in accordance with the decisions of C/ES.32 and the item on IMSAS could not be included in the agenda due to time constraints.

25 C 125 will be invited to consider a substantial submission from the Secretariat on the remote audit mechanism (C 125/6/1), based on invitation to Member States and the Secretary-General by C/ES.32, which may require an extensive discussion in order to enable the audit schedule to proceed. Taking into account the limited time available in the remote session and the delay in completion of the current audit cycle due to the disruption caused by the pandemic, the above-mentioned requested detailed documentation indicated in paragraph 19 of document C 122/6/1, will be submitted to a future session of the Council.

Action requested of the Council

26 The Council is invited to take note of the information provided in this document and, in particular to:

- .1 endorse the revised overall audit schedule set out in the annex, and request the Secretariat to update the overall audit schedule, as necessary, taking into account the decision of the Council with regard to the remote audit mechanism (C 125/6/1) and to submit the updated overall audit schedule to A 32 (paragraph 8);
- .2 encourage those Member States that have not yet done so to provide the Secretariat with the details of an individual authorized to access Member State audit reports through the MSA module in GISIS as per Circular Letter No.3587 (paragraph 11);
- .3 invite audited Member States to provide the Secretariat with their CPICAP in line with the agreed deadlines established in their CAPs, especially when those deadlines have been reached or are approaching (paragraph 16);
- .4 invite audited Member States that are undergoing the audit follow-up process to provide information and documentary evidence requested through the DAFRs in a timely manner (paragraph 17);
- .5 encourage auditors to update their profiles in the E-roster (paragraph 20);
- .6 encourage individuals, nominated for inclusion in the roster of auditors, and Member States, nominating such individuals, to use the procedures set out in Circular Letter No.3547 (paragraph 21); and
- .7 encourage Member States to enhance women's participation in the audit Scheme (paragraph 22).

ANNEX**MEMBER STATES AUDIT STATUS FOR 2016**

NO.	MEMBER STATE	Audit period	Remark
1	Guinea-Bissau ⁱ		No audit/postponed based on decision of C 113
2	Guinea	July	Audited/Reports completed
3	Côte d'Ivoire	February	Audited/Reports completed
4	Bosnia and Herzegovina ⁱ		No audit/postponed based on decision of C 113
5	Togo	February	Audited/Reports completed
6	Mauritania	April	Audited/Reports completed
7	Qatar	March	Audited/Reports completed
8	Georgia ^{**}		Voluntary audit carried out, moved to the back of the list
9	Nepal ⁱ		No audit/postponed based on decision of C 113
78	Portugal	April	Audited/Reports completed
10	Serbia	April	Audited/Reports completed
11	United Arab Emirates	May	Audited/ Reports completed
12	Albania	May	Audited/Reports completed
13	Angola		Voluntary audit carried out, moved to the back of the list
14	Seychelles	June	Audited/Reports completed
15	Nigeria	June	Audited/Reports completed
16	Senegal	July	Audited/Reports completed
17	Sri Lanka	July	Audited/ Reports completed
18	Paraguay	July	Audited/ Reports completed
19	Papua New Guinea	September	Audited/Reports completed
20	Jordan	October	Audited/ Reports completed
21	Somalia ⁱ		No audit/postponed based on decision of C 113
22	Egypt	November	Audited/Reports completed
23	Yemen ⁱ		Postponed based on decision of C 116
24	Hungary	October	Audited/Reports completed
25	Mongolia	November	Audited/Reports completed

MEMBER STATES AUDIT STATUS FOR 2017

NO.	MEMBER STATE	Audit period	Remark
26	Ghana	January	Audited/Reports completed
27	Kazakhstan	January	Audited/Reports completed
28	Macao, China [±]	December	Audited/Reports completed
29	Gambia		(Audited in 2018)
30	Kiribati	May	Audited/Reports completed
31	Bahrain	March	Audited/Reports completed
32	Oman	March	Audited/Reports completed
33	Gabon	April	Audited/Reports completed
34	Venezuela (Bolivarian Republic of)	April	Audited/Reports completed
35	Democratic Republic of the Congo	May	Audited/Reports completed
36	Azerbaijan	May	Audited/Reports completed
37	Cabo Verde	May	Audited/Reports completed
38	Nicaragua	June	Audited/Reports completed
39	Iraq ⁱ		Postponed based on decision of C 116
40	El Salvador ^{**}		Voluntary audit carried out, moved to the back of the list
41	Czechia	October	Audited/Reports completed
42	Cambodia	July	Audited/Reports completed
43	Slovakia	July	Audited/Reports completed
44	Cuba	September	Audited/Reports completed
45	Bangladesh	October	Audited/Reports completed
46	Trinidad and Tobago	December	Audited/Reports completed
47	Monaco	September	Audited/Reports completed
48	Madagascar	October	Audited/Reports completed
49	Vanuatu	October	Audited/Reports completed
50	Bolivia (Plurinational State of)	December	Audited/Reports completed

MEMBER STATES AUDIT STATUS FOR 2018

NO.	MEMBER STATE	Audit period	Remark
51	Djibouti	November	Audited/Reports completed
52	Myanmar	February	Audited/Reports completed
53	Guyana	February	Audited/Reports completed
54	Suriname	March	Audited/Reports completed
55	Ukraine	June	Audited/Reports completed
56	Barbados	June	Audited/Reports completed
57	Fiji	May	Audited/Reports completed
58	Brunei Darussalam	April	Audited/Reports completed
59	Samoa	May	Audited/Reports completed
60	Cook Islands**		Voluntary audit carried out, moved to the back of the list
61	Colombia**		Voluntary audit carried out, moved to the back of the list
62	Saint Lucia	May	Audited/Reports completed
63	Lebanon	July	Audited/Reports completed
64	Turkmenistan		(Audited in 2019)
65	Indonesia**		Voluntary audit carried out, moved to the back of the list
66	Austria		No audit based on decision of C 118
67	Kenya	May	Audited/Reports completed
29	Gambia	September	Audited/Reports completed
68	Sudan	September	Audited/Reports completed
69	Grenada	November	Audited/Reports completed
70	Sao Tome and Principe	November	Audited/Reports completed
71	Equatorial Guinea	September	Audited/Reports completed
72	Costa Rica	November	Audited/Reports completed
73	Sierra Leone	November	Audited/Reports completed
74	San Marino		Postponed based on decision of C 120
75	Congo	October	Audited/Reports completed

MEMBER STATES AUDIT STATUS FOR 2019

NO.	MEMBER STATE	Audit period	Remark
76	Eritrea	January	Requested postponement with no justification. Awaiting follow-up response from the State
77	Viet Nam	January	Audited/Reports completed
78	Portugal		(Audited in 2016)
79	Algeria	September	Audited/Reports completed
80	United Republic of Tanzania	March	Audited/Reports completed
81	Tuvalu	March	Audited/Reports completed
82	Comoros	March	Audited/Reports completed
83	Uganda		Postponed based on decision of C 120
84	Croatia**		Voluntary audit carried out, moved to the back of the list
85	Zimbabwe		Postponed based on decision of C 120
86	Iceland	May	Audited/Reports completed
87	Tonga	May	Audited/Reports completed
88	Solomon Islands	June	Audited/Reports completed
89	Saint Vincent and the Grenadines**		Voluntary audit carried out, moved to the back of the list
90	Libya		Postponed based on decision of C 122
64	Turkmenistan	June	Audited/Reports completed
91	Saudi Arabia		(Rescheduled for 2020)
92	The former Yugoslav Republic of Macedonia		Postponed based on decision of C 120
93	Mozambique		Postponed based on decision of C 122
94	Kuwait	December	Audited/Reports completed
95	Dominica	November	Audited/Reports being finalized
96	Montenegro	November	Audited/Reports completed
97	Syrian Arab Republic		Postponed based on decision of C 120
98	Guatemala	October	Audited/Reports completed
99	Haiti		Postponed based on decision of C 122
100	Palau	November	Audited/Reports completed

MEMBER STATES SCHEDULED TO BE AUDITED IN 2020 2021¹

NO.	MEMBER STATE	Audit period	Remark
91	Saudi Arabia	April	Postponed
101	Malawi	June	Postponed
102	Maldives	March	Postponed
103	Mauritius		Audited in 2020/Reports completed
104	Benin	March	Postponed
105	Cameroon	March	Postponed
106	Pakistan	March	Postponed
107	Republic of Moldova	October	Postponed
108	Dominican Republic	April	Postponed
109	Ethiopia	December	Postponed
110	Namibia	April	Postponed
111	Democratic People's Republic of Korea	May	Postponed
112	Timor-Leste		Postponed based on decision of C 121
113	Denmark	September	Postponed
114	Cyprus	October	Postponed
115	United Kingdom	September	Postponed
116	Spain	August	Postponed
117	Marshall Islands	August	Postponed
118	Sweden	June	Postponed
119	Japan	September	Postponed
120	Liberia	November	Postponed
121	Chile	November	Postponed
122	Republic of Korea	July	Postponed
123	Greece	December	Postponed
124	Canada	June	Postponed
125	New Zealand	October	Postponed

¹ Should the international travel reopen, every attempt will be made to engage with the Member States on rescheduling and proceeding with their audits

MEMBER STATES SCHEDULED TO BE AUDITED IN 2021 2022²

NO.	MEMBER STATE	Audit period	Remark
126	Netherlands	February	Audit confirmed
127	Italy	February	Audit confirmed
128	Thailand	February	Audit confirmed
129	Norway	February	Audit confirmed
130	Germany	October	Audit confirmed
131	South Africa	March	No response yet
132	United States	March	Audit confirmed
133	Uruguay	April	Audit confirmed
134	Australia	April	Audit confirmed
135	Luxembourg	April	Audit confirmed
136	Singapore	May	Audit confirmed
137	Bulgaria	May	Audit confirmed
138	Panama	June	Audit confirmed
139	Romania	June	Audit confirmed
140	Malaysia	June	No response yet
141	Argentina	June	Audit confirmed
142	Brazil	July	Audit confirmed
143	Russian Federation	July	Audit confirmed
144	France	September	Audit confirmed
145	Ecuador	September	No response yet
146	Philippines	October	Audit confirmed
147	China	October	No response yet
148	Hong Kong, China [±]	November	Audit confirmed
149	Poland	October	Audit confirmed
150	Ireland	November	Audit confirmed

² Conduct of audits in 2022 will be contingent on the international travel reopening and audits scheduled for 2021 being carried out.

MEMBER STATES SCHEDULED TO BE AUDITED IN 2022 2023

NO.	MEMBER STATE	Audit period	Remark
151	India		-
152	Latvia		-
153	Estonia		-
154	Mexico		-
155	Bahamas		-
156	Jamaica		-
157	Lithuania		-
158	Iran (Islamic Republic of)		-
159	Malta		-
160	Faroese ⁺		-
161	Finland		-
162	Honduras		-
163	Antigua and Barbuda		-
164	Israel		-
165	Peru		-
166	Switzerland		-
167	Slovenia		-
168	Morocco		-
169	Turkey		-
170	Belize		-
171	Tunisia		-
172	Saint Kitts and Nevis		-
173	Belgium		-
15	El Salvador ^{**}		-
61	Colombia ^{**}		-
84	Croatia ^{**}		-
13	Angola ^{**}		-
65	Indonesia ^{**}		-
8	Georgia ^{**}		-
60	Cook Islands ^{**}		-
89	Saint Vincent and the Grenadines ^{**}		-
174	Zambia		-
175	Belarus		-
176	Armenia		-
177	Nauru		-

Postponed audits

1	Guinea-Bissau ⁱ
4	Bosnia and Herzegovina ⁱ
9	Nepal ⁱ
21	Somalia ⁱ
39	Iraq ⁱ
23	Yemen ⁱ
66	Austria ⁱ
74	San Marino ⁱ
92	The former Yugoslav Republic of Macedonia ⁱ
97	Syrian Arab Republic ⁱ
83	Uganda ⁱ
85	Zimbabwe ⁱ
112	Timor-Leste ⁱ
90	Libya ⁱ
93	Mozambique ⁱ
99	Haiti ⁱ

ⁱ No audit/postponed based on decisions of C 113, C 116, C 118, C 120 and C 121.

^{**} Voluntary audit carried out and moved.

[±] Associate Member.