

# Preparation to IMSAS for EU MSs, IPA and ENP countries

**IMO Resolution A.1067 (28)**

***“Framework and procedures for the IMO Member State Audit Scheme”***

# Resolution A.1067 (28)

## FRAMEWORK AND PROCEDURES FOR THE IMO MEMBER STATE AUDIT SCHEME

Introduction to the framework

The AUDIT:

Planning

Preparing

Conducting

Reporting

Corrective Action Plan

Follow-up



**E**

ASSEMBLY  
28th session  
Agenda item 9

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Adopted on 4 December 2013  
(Agenda item 9)

FRAMEWORK AND PROCEDURES FOR  
THE IMO MEMBER STATE AUDIT SCHEME

# Introduction to the Framework

## PURPOSE

The Framework describe the objective, principles, scope, responsibilities and capacity building aspect of the IMO Member State audit

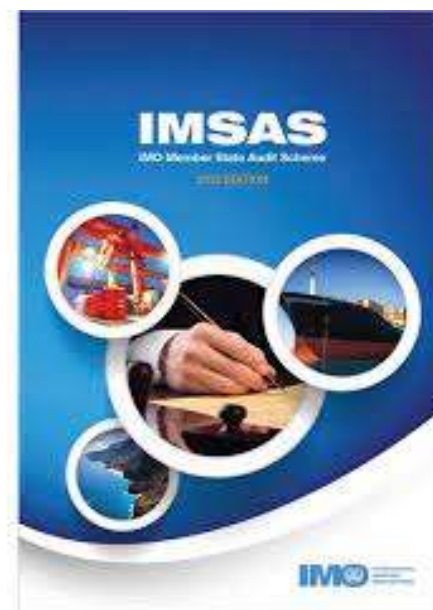
Procedures for the preparation and conduct of the audit as well as the reporting requirements are included too.

## APPLICATION

Applies to all those involved in the Member State audit

## AUDIT STANDARD

The IMO Instruments Implementation Code (IIC Code).



# Introduction to the Framework

## OBJECTIVE



To determine to what extent Member States are implementing and enforcing the applicable IMO instruments.

Achieved through observation and assessment of the:

- compliance with the audit standard;
- administration and enforcement of the applicable laws
- mechanism and control in place
- the extent to which obligations and responsibilities are discharged

# Introduction to the Framework

## PRINCIPLES

Sovereignty and  
universality

Organised and conducted in way that recognise sovereignty of the State. Positive, constructive and according the procedures

Consistency, fairness,  
objectivity and timeliness

Conducted by trained auditors, be pragmatic and recognise as valid different ways of discharging responsibilities

Transparency and  
disclosure

Conducted according to the Memorandum of Cooperation (MoC). Confidential and disclosure only based on explicit consent of the MSs

Cooperation

Conducted in a way that the MSs can contribute to the process

Continual improvement

Leading to continuous improvement through an appropriate follow-up by the MSs

# Introduction to the Framework

## SCOPE

States are responsible for promulgating laws and regulations and for taking all other steps which may be necessary to give those instruments full and complete effect so as to ensure safety of life at sea and protection of the marine environment.

In taking measures to prevent, reduce and control pollution of the marine environment, States should act so as not to transfer, directly or indirectly, damage or hazards from one area to another or transform one type of pollution into another.

## RELEVANT INSTRUMENTS

- Safety of life at sea **(SOLAS)**;
- Prevention of pollution from ships **(MARPOL)**;
- Standards of training, certification and watchkeeping for seafarers **(STCW)**; *Limited to Resolution MSC.374(93)*
- Load lines **(LL)**;
- Tonnage measurement of ships **(TONNAGE)**; and
- Regulations for preventing collisions at sea **(COLREG)**.

# Introduction to the Framework

## Obligations and responsibilities

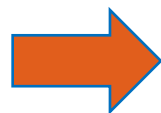
The Audit covers obligations and responsibilities contained in the applicable IMO instruments, to the extent that such instruments have entered into force for the audited Member State



## Areas to be covered by the audit

The audit will cover the Member State's:

- Implementation and enforcement of applicable IMO instruments in its legislation;
- Effectiveness of its control and monitoring mechanism; effectiveness in promulgating IMO rules and regulations;
- Enforcement action for the contravention of its laws and regulations; and
- Other obligations and responsibilities under the applicable instruments.



- Jurisdiction;
- Organization and authority;
- Legislation, rules and regulations;
- Promulgation of IMO instruments, rules and regulations;
- Enforcement arrangements;
- Control, survey, inspection, audit, verification, approval and certification functions;
- Selection, recognition, authorization, empowerment and monitoring of recognized organisations;
- Investigations required to be reported to the Organization; and
- Reporting to the Organization and other Administrations.



# Introduction to the Framework

In those instances where work to give effect to the Member State's responsibilities is divided between different organizations or offices...

...the audit addresses whether the respective tasks are clearly defined and conducted on a technical basis with the entities assigned those tasks



Cooperation and coordination between and full involvement in the audit process of all Governmental and non-Governmental Entities with assigned responsibilities and tasks is

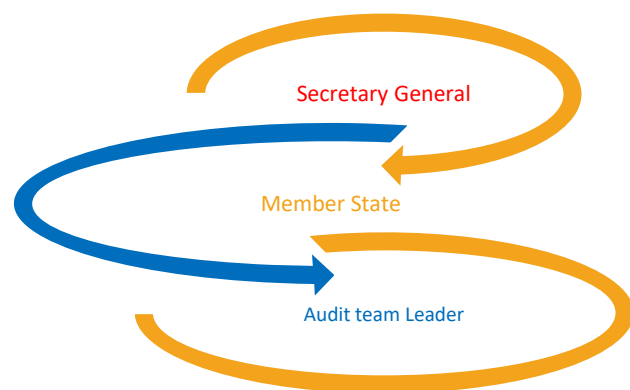
**AN ESSENTIAL STEP FOR THE  
SUCCESS OF THE AUDIT**



# Introduction to the Framework



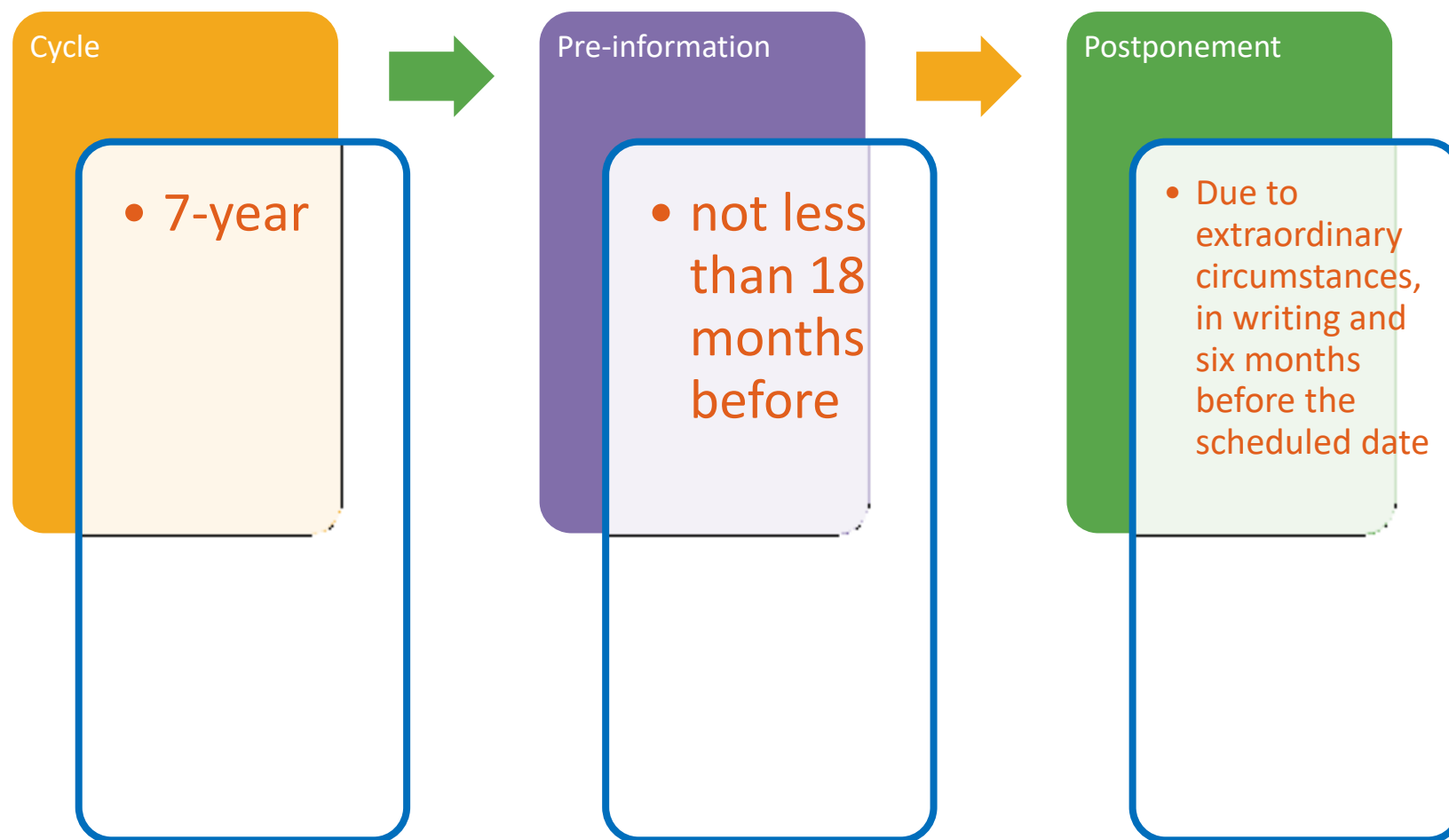
## Responsibilities



| Secretary General (SG)   | Member State (MS)  | Audit Team Leader (ATL)  |
|--|--|--|
| Administering audit scheme   | Facilitate the audit in accordance to MoC  | Plan the audit in details  |
| Appointment of auditors and keeping a list – ensuring they are competent   | Agree with SG on the ATL and Team members  | Ensure that audit team members are acquainted with pertinent information               |
| Planning the audits and concluding a MoC with the MSs to be audited  | Prepare a Corrective Action Plan (CAP) to follow-up the audit  | Audit and interviews are conducted according the procedure                             |
| Ensuring that audit team receive the pertinent information and the audit is conducted according schedule   | Prior the audit, authorise the release of executive summary report, CAP and MS's comments on the progress of implementation of the CAP | Prepare and complete the audit reports (interim and final) and the mission report      |
| Ensuring preparation of reports and maintaining records of findings and observation  | Implement the CAP within 3 years after the completion of the audit and inform SG when the action is completed                          | Report details of findings and observations to the MS                                  |
| Managing audit scheme and possible follow-up   |  | Prepare and agree with MS the executive summary report for SG                          |
| Keep records: interim and final reports, executive summary reports, corrective action plan, mission report and follow-up reports - Part II Para 10 |  | Assists in the verification of corrective actions and conduct follow-up as appropriate |

## Planning the audit





## Memorandum of Cooperation

*Appendix 1 to the Framework*

*4.2.2 An audit will not proceed until a Memorandum of Cooperation has been signed and exchanged between the Member State and the Secretary General.*

*4.2.3 The Memorandum of Cooperation will confirm, inter alia, that the audit is to be conducted in accordance with the procedures contained therein.*

### Main content:

- Consents to the conduct of a Member State audit by an IMO audit team
- Confidentiality
- Responsibilities
- Scope (to be agreed)
- Suspension, modification or cancellation (one month written notice)
- Validity and duration (3 years or as otherwise agreed)

## Memorandum of Cooperation

### Confidentiality

All information treated as confidential and not communicated or provided to anyone unless authorised in writing by the MSS

### MSs Responsibilities

- designating a single point of contact;
- assisting with the procedures for any visas or permits;
- providing the audit team with necessary evidences to perform the audit;
- making the appropriate staff members and officials available for interviews;
- arranging, as may be requested by the audit team, for the observation of operations or activities that fall within the scope of the audit;
- facilitating the work of the audit team

## Audit team

### Scope

The scope of the audit may be limited to some of the responsibilities covered by the III Code

*A landlocked country may have a role as Flag State but not as coastal and port State*

## IMO Responsibilities

- designating a single point of contact within the Secretariat;
- selecting the audit team leader and members of the audit team, the composition of which will be provided to MS prior to the audit;
- maintaining appropriate records of the audit.



## Audit team

Appointed by  
IMO amongst  
auditors with  
auditing skills  
and techniques  
nominated by  
the MSs



- audit team leader with to high professional qualifications as an auditor, ability to lead/manage and fully conversant with the audit standard;
- team members with full command of the IMO official language chosen by the Member State for use in the audit;
- where possible, at least one team member should have working knowledge of the language of the Member State's;
- members being proposed, prior to commencement of the audit and agreement with the Member State as to the suitability of the team;
- sufficient number of auditors to ensure that the audit is conducted and completed in a satisfactory way, within the agreed period.
- all members of the audit team to operate on behalf of IMO, i.e. fully independent of both their own Member State and the Member State being audited



## Preparing the audit



Identify carefully:

Entity responsible for coordination of audit preparation, internal audit and "the IMO audit" can be nominated

All involved governmental entities



- Establish a Steering Committee?
- Internal training for "key personnel"
- Define responsibilities and tasks
- Prepare "Roadmap"
- Conduct gap analysis / self-assessment / internal audits
- Address the gaps and interfaces
- Coordination meeting with all involved authorities

## Prepare the Pre-Audit Questionnaire (PAQ)

*Appendix 2 to the Framework*

As soon as possible and not later than two months after receipt, and updated, as appropriate, not later than three months before the audit

PAQ is the first impression that the audit team gets of your organisation as Flag, Port and Coastal

- Involve all relevant authorities in the preparation
- Be essential and complete. The auditors will look for processes in place: describe their essential steps
- If supporting documents attached translate into English as much as possible





Agree on the timetable

Identify meeting rooms:

- for interviews
- for the audit team
- make available all appropriate facilities (pc, beamer, screen, internet connection, possibility to plug in lap tops)

Identify the most suitable persons for the interviews

- familiar with the topic
- familiar with IMSAS and III Code
- Instruct them (internal debate among those interviewed should be avoided)

A person should be identified to take note of all supporting papers asked by the audit team and provide them by the end of the day

# Preparing the audit



Observer auditors may be attached to audit teams, based on requests received from Member States for their nominated auditors to gain necessary training and experience through actual audits



Observer auditors also sign the *Statement of Confidentiality*



Acceptance will be sought from the Member State by MSA

## Observers for the audited State

The State may will to have one or more observers to IMSAS

IMO / MSA has to be informed

## Conducting the audit



## Some definitions

**3.1 *Audit*** *Systematic, independent and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which audit criteria are fulfilled.*

**3.2 *"Audit criteria"*** *Set of policies, procedures or requirements used as a reference.*

**3.3 *"Audit evidence"*** *Records, statements of fact or other information that are relevant to the audit criteria and verifiable.*



## Opening meeting



**The audit starts with an opening meeting: audit team and representatives of the Member State should attend**

The opening meeting is to be scheduled in advance, included in the audit timetable and chaired by the audit team leader who will present the objective and scope of the audit

The agenda should cover the following items:

- *introduction of the participants;*
- *review and confirmation of the provisional audit timetable, including the scope and objectives of the audit;*
- *a short summary of the methods and procedures to be used in conducting the audit;*
- *time, date and place of the closing meeting and any interim meetings of the audit team and the Member State's senior management;*
- *confidentiality of findings and observations*
- *agreement that, if practicable, a draft audit interim report and a draft executive summary report should be tabled during the closing meeting.*

# Conducting the audit



## Logistic

Office tour  
General  
introduction, bath  
rooms, etc

Emergency actions  
and escape routes,  
security passes

Lunch and  
coffee breaks

Off hours, access  
to technical  
documents

Auditors should  
be always  
accompanied

## Role and actions

| Auditor  | Auditees   |
|----------|--|
| Question | <b>Tell what you do</b><br>(strategy, legislation, system, plan) |
| Observe  | <b>Do what you tell</b><br>(implement, execute, enforce above)   |
| Check    | <b>Prove it</b><br>(records, statements)                         |

## The Audit

1. addresses Flag, Port and Coastal State obligations of the maritime administration of a Member State and aims to determine
  - Extent that the Member State has met the obligations
  - Effectiveness of the implementation of these objectives
2. proceed according the timeline agreed between audit team leader and the Member State, in accordance with the audit timetable and the Memorandum of Cooperation.

## AT may split during the audit

- 3-4 auditors usually for the team while 2 guides may be necessary
- Interviews to be done with not more than 2 persons
- Audit is a sampling process, AT does not have to find everything
- Revealing of weak areas & shortcomings to be encouraged – opportunities for improvement !!!



## Confidentiality – The auditees must feel safe and secure

- Audit team leader has the responsibility to ensure the audit is effective and produces meaningful results
- Findings and observations must be established on objective evidence
- Absence of objective evidence can give rise to a finding or observation
- There are several forms of objective evidence: documentary, visible, oral
- Do not compare with other States, may work for them but not for you – open mind
- Disagreements – stay calm, nobody can be forced to accept
- **All findings shall be recorded – even if corrected during the audit**

# Conducting the audit

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## First day

General coverage, overview

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Organisational structure,  
methodology for  
monitoring the overall  
organisational performance

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Overall strategy

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## Key questions

Strategy defined?

“Entity” responsible for evaluation of overall performance  
of the maritime administration?

Party to all IMO instruments?

Flag state performance in PSC?

National legislation ready in time and up to date for all  
applicable IMO instruments?

Transposing the amendments into national legislation -  
smooth and effective

IMO reporting / communication in general?

Safety Culture/Quality, Records?

## Later in the week

Flag, port, Coastal State duties

Specific areas (ISM, surveyors' qualification and training, etc.)

Recognised Organisations

Accident investigations

Implementation of instruments

Implementation of guidances







## Private meetings / discussions of AT:

- Between interviews
- At each day's end



## Daily recording routine:

- Findings
- General information and structure (some info could be requested from departments)



- **Normally** findings and observations are **settled before** the closing meeting.
- A "**pre-closing meeting**" may be **necessary** to clarify late findings or findings which needed further information
- This meeting **may be "political"** and with many observers
- **Agreement in principle** on the draft interim report



## Closing meeting

Specialist meetings of the audit team members and the relevant officials of the Member State may be held prior to or after the audit closing meeting, at the discretion of the audit team leader and the Member State.



The format of the audit closing meeting should be as follows:

- review of the scope and objectives of the audit;
- summary of audit procedures;
- presentation of findings and/or observations included in the draft audit interim report and draft executive summary report;
- information on visits to regional offices and other involved organizational elements, as applicable; and
- actions to be taken by the audited Member State following the audit.

## Closing meeting

- brief all relevant personnel from the audited Member State on findings and/or observations relating to the audit.
- ensure that the Member State authorities clearly understand the situation as audited by the audit team and are able to start working on the corrective action plan, if necessary.
- should also include a short briefing on all findings and/or observations to be included in the audit interim report and the executive summary report.
- Where practicable, a draft audit interim report and a draft executive summary report should be provided to the Member State at the end of the audit during the audit closing meeting.
- any follow-up activities, including suggestions regarding the need for and content of a corrective action plan to be developed by the Member State should be discussed.
- Information on critical dates for the submission of the corrective action plan should be provided.

Reporting



## General principles

The audit findings and/or observations in the briefing to the audit closing meeting, the audit interim report and the audit final report must be consistent;

Findings and observations must be supported by objective evidence;

Findings and observations must be stated clearly and concisely, generalities and vague expressions must be avoided;

On completion of an audit, the audit team leader will transmit any completed audit checklist and any other associated records and reports to the Secretary General for review and retention in confidence until replaced by any subsequent audit material.



## Some definitions

**3.8 "Finding"** *A situation where objective evidence indicates the noncompliance with a mandatory requirement contained in an IMO instrument or in the audit standard.*

**3.9 "Observation"** *A statement of fact substantiated by objective evidence, relating to a nonmandatory provision of the audit standard.*



## FORM A: MODEL APPENDIX FORMS FOR AUDIT REPORTS

*Appendix 4 to the Framework*

To report finding and observations

Includes:

- *Number of the finding or observation*
- *Statement*
- *Evidence*
- *Applicable provision of the audit standard and/or IMO instrument*
- *Signed by the audited State*



Example:

*Finding no.1*

*The State has not sufficient personnel with maritime expertise to assist in the promulgation of the necessary national laws and to discharge all the responsibilities of the State, including reporting as required by the respective Convention*

*Confirmed by the State*

*III Code, Part I – Common Areas, Para 8.3*

## Audit interim report

*As far as possible “draft” provided at the closing meeting*

*7.2.1 The audit interim report is a formal report of the audit findings and observations submitted to the Member State.*

*The Member State's corrective action plan should be based on the findings from the audit interim report.*

*The audit interim report forms the basis for the preparation of the audit final report and is superseded by the audit final report when completed.*

Confidential and available only to the audited Member State, the Secretary General and the audit team

Diverging opinions regarding the audit findings and/or observations between the audit team and the Member State should be discussed and, if possible, resolved

Every endeavour should be made by both the Member State and the audit team to avoid disagreement over the audit findings and/or observations

Disagreement with the audit team's interim report may be recorded in writing by the Member State and shall be annexed to the interim report

All opinions, including those annexed to the interim report, should be annexed to the final report

## Executive summary report

### Appendix 5 to the Framework

*As far as possible “draft” provided at the closing meeting*



Prepared by the audit team leader and forwarded to the audited State for comments and final acceptance

Contain the details of the audited Member State, including the involved entity(ies) of the State

Provide a summary of findings and observations

Published by IMO based on authorisation received from the audited State

## Audit final report

### Official and actual report of the audit

Prepared by the audit team

Basically is the audit interim report, with the exception that includes:

- *a summary of the Member State corrective action plan submitted by the audited State,*
- *information on the progress made by the audited State on the implementation of the Member State corrective action plan, and*
- *any issues left unresolved.*

The audit final report shall only be available to the audited Member State, the audit team and the Secretary General unless differently agreed by the audited State prior to the audit ,

Based on audit final reports, the Secretariat should prepare an anonymous consolidated audit summary report on a periodic basis containing lessons learned from the audits.

## Feedbacks

### From the audit team leader

Separate report describing the conduct of the audit, positive elements and difficulties encountered and proposals to improve the planning and conduct of audits.

### From the Member State

May be prepared to describe the conduct of the audit, positive elements and difficulties encountered and proposals to improve the planning and conduct of audits.

*Feedbacks are an integral part of the quality assurance programme for the audit scheme and will be used by the Secretary General to improve audit planning.*

## Corrective Action Plan

### 5 STEPS OF EFFECTIVE CORRECTIVE ACTION:

1. Clearly **Describe** Problem
2. Immediately **Stop** Problem Accelerating
3. **Establish** What Caused Problem
4. **Determine & Implement** Action To Prevent Problem Re-Occurring
5. **Review** The Effectiveness Of The Corrective Action Taken



Responds to all audit findings by proposing action to bring the Member State in conformity or adherence with the audit standard.

Should provide detailed information of action to be taken, including a time frame for the commencement and completion of each action, and should be signed by the Member State.

## Corrective action plan

- As a **starting point** for developing corrective action(s) for each finding and/or observation, the Member State should aim to identify related root cause(s)
- Corrective action is the action to eliminate the cause of a finding and/or observation. It should be seen as a **systemic action** aiming at eliminating a cause of detected non-compliance (finding or observation).
- **Examples** set out in appendix 3 to annex 2 of the Auditor's Manual (Circular Letter No. 3425)

Corrective Action should address:

- Symptoms  
(i.e. the objective evidence)
- Findings/Observations  
(i.e. statement of the problem)
- Root causes

Some tips: **CAP** to answer

- who is responsible
- what is to be done
- timeline
- how it is done
- will it prevent recurrence



Should be presented to the audit team leader and the Secretary General within 90 calendar days after receiving the agreed audit interim report. In exceptional cases, a Member State may be granted an extension.

Can be released to all Member States or the public by the Secretary General, subject to prior authorization of the Member State concerned.

Its summary will be part of the audit final report.



# Corrective Action Plan



## FORM B: CORRECTIVE ACTION

*Appendix 4 to the Framework*

To propose corrective actions for finding and observations

Includes:

- *Number of the finding or observation*
- *Root cause*
- *Corrective action*
- *Proposed target completion date*
- *Date of submission of the CAP*
- *Signed by the audited State and the Audit Team Leader*



Example:

*Finding no.1*

*Lack of financial resources and maritime expertise*

*Identification of needs in terms of quantity and professional background  
Staff made available in cooperation between the Ministry of Transport providing the maritime expertise and Ministry of Interior providing staff with legal back*

*Plan to transpose the mandatory instruments and related amendments*

*Completion by 31 December 2023*

*Submitted on 25 October 2020*

## Audit follow-up



Comments on the progress of implementation of the corrective action plan (CPICAP)

For Member State to provide periodically



# Audit follow-up

- Follow-up may be necessary to determine status of implementation of CAP
- After completion of CAP, but not later than 3-4 years following an audit
- Normally conducted as document based verification, if possible
- On-site follow-up, where full implementation cannot be verified through documentation

## TO DO LIST

Follow Up  
Follow Up  
Follow Up . . .

The scope of follow-up audit  
is limited

Team may include ATL or  
ATM from the original audit,  
as necessary

### FORM C

Verification of effective  
implementation

Signing off FDs/Obs





**Thank you for your attention**

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