

COUNCIL
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Agenda item 5

C 113/5/3
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IMO MEMBER STATE AUDIT SCHEME

Comments on the issues related to institutionalization of the Scheme

Submitted by the Islamic Republic of Iran

SUMMARY

Executive summary: This document provides comments of the Islamic Republic of Iran on the issues related to the institutionalization of the IMO Member State Audit Scheme and the seven-year audit cycle

Strategic direction: 2.0

High-level action: 2.0.2

Planned output: No related provision

Action to be taken: Paragraph 7

Related documents: C 113/5, C113/5/1 and C 112/INF.3

Background

1 As per document C 113/5, since the commencement of the Voluntary IMO Member State Audit Scheme in 2005, the Secretary-General had received official communications from 85 Member States, including five dependent territories, as well as two Associate Members, informing him of their readiness to be audited. As of the date of document C 113/5, 67 audits had been conducted, which include 59 Member States, two Associate Members, five dependent territories and a second audit of a Member State.

Issues related to the remaining States that have volunteered to be audited and request for additional audit before 2016

2 Pursuant to information received by the Secretariat in document C 113/5, which indicates that preparations are ongoing for up to five additional audits to be conducted during the remaining months of year 2014 and considering that 67 audits have been already carried out, one can conclude that during 2015, 13 more audits are left to be conducted.

3 Considering the workload that may result due to the 13 audits remaining for 2015 and bearing in mind the availability of active auditors in the roster of IMO auditors, it is believed that no more additional requests should be accepted by the IMO, and the Secretariat should be released to focus on the schedule and allocation of resources and auditors that might be needed under the mandatory Scheme.

4 Regarding the institutionalization of the mandatory Scheme and the seven-year audit cycle, the Secretary-General, in his opening speech to the III Sub-committee, informed delegations that letters had been sent to the 19 States whose audit will be carried out in 2016 and they had been requested to prepare for the mandatory audit. However, in accordance with document C 113/5/1, 25 audits are scheduled for 2016. The experience from the voluntary scheme shows that 19 audits for year 2016, as the starting year of the mandatory Scheme, is much more practicable and feasible than 25 audits as scheduled. However, in order to provide flexibility to cover the shortfalls of each year, it is proposed that the Secretariat prepares a "waiting list" or "States-in-the-queue list", comprising those States that had been audited in the first two or three years of the commencement of voluntary audits (e.g. 2006-2009), who are willing to volunteer themselves to be audited under the mandatory Scheme in 2016 onward. In this manner, if in each year some States fail to be audited, IMO has the opportunity to fill any gap or shortfall by auditing those States in the "waiting list"/"States-in-the-queue list" and will be able to notify the States well in advance (i.e. the prescribed 18-month notification period).

5 Having said the above, this delegation concurs with the option proposed in document C 113/5/1, in that flexibility is needed to accommodate any potential shortfall in the number of audits to be conducted each year. This means that any shortfalls in the number of audits in any given year should be compensated for by those Member States that have volunteered and are planned to be audited in the following years.

6 This delegation is also of the view that the audits of three Member States that have not yet ratified any of the relevant IMO instruments (Guinea-Bissau, Bosnia and Herzegovina and Nepal) should be postponed to a future date when conditions are met for conducting their audit. The reason is that the "audit" is to verify compliance with applicable instruments to which the State is a party to, thus when no instrument has been acceded to, no benefit will be derived from auditing. However, the case for the other two States, with only one or a maximum of two ratified conventions, is somehow different. If IMO excludes them from the audit programme as planned (C 112/INF.3), it may give them or other similar States a reluctant situation that may not benefit the objective of the IMO Instruments Implementation (III) Code and the Scheme. Having no obligation as a coastal State should not deprive the State from the audit because the III Code, as it is envisaged, is to assess the performance of a Member State in any of its capacities, as contracting government, flag, port or coastal State.

Action requested of the Council

7 The Council is invited to note the views expressed in this document.
