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Agenda item 5

C 113/5  
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## IMO MEMBER STATE AUDIT SCHEME

### Progress report on the implementation of the Audit 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 the 112th session of the Council

*Strategic direction:* 2

*High-level action:* 2.0.2

*Planned output:* No related provisions

*Action to be taken:* Paragraph 10

*Related documents:* Resolution A.1067(28) and C 112/D

#### Member States requesting to be audited and conduct of audits

1 Since the commencement of the Voluntary IMO Member State Audit Scheme in 2005, the Secretary-General has 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. The number of Member States that have so far volunteered for audits now represents 51% of the total membership of the Organization. As of the date of this document, 67 audits have been conducted, which include 59 Member States, two Associate Members, five dependent territories and a second audit of a Member State.

2 Pursuant to operative paragraph 1 of resolution A.1068(28) on the *Transition from the Voluntary IMO Member State Audit Scheme to the IMO Member State Audit Scheme*, one audit has been undertaken pursuant to resolution A.1070(28) on the *IMO Instruments Implementation Code (III Code)* and resolution A.1067(28) on the *Framework and Procedures for the IMO Member State Audit Scheme*. Preparations are ongoing for up to five additional audits to be conducted during the remaining months of this year under the aforementioned process.

3 As reported to C 112, there is still a significant audit workload if the remaining Member States that have already volunteered to be audited were to be audited before mandatory audits commence in 2016. Therefore, it will not be possible to accommodate any additional audits before the commencement of mandatory audits in 2016.

### **Auditors**

4 With regard to the nomination of auditors to undertake audits, the Council may wish to note that the total number of auditors currently on the roster is 270, of which 44 are inactive. Although there have been more individuals nominated by Member States and placed on the roster during the last two years, in response to the second invitation to Member States (Circular Letter No.3301 of 27 July 2012), there is still a trend for Member States to nominate other officials and not those who were trained as IMSAS auditors through the regional training courses. Therefore, the Council may wish to encourage Member States to nominate those individuals who have been trained as IMSAS auditors, taking into account the criteria established in the Procedures for the Scheme (resolution A.1067(28)), which also include demonstrable auditing skills and techniques.

5 Following the suggestion made at C 112, a full assessment of all individuals nominated by Member States as auditors against the criteria established in the Procedures for the Scheme is ongoing and the Council will be informed of the outcome of the assessment, with a view to ensuring that sufficient qualified auditors are available for mandatory audits.

### **Training of auditors**

6 Within the context of the global programme on the IMO Member State Audit Scheme, as contained in the Integrated Technical Cooperation Programme (ITCP) for 2014-2015, the training of auditors is continuing and the course material has been revised accordingly. For this year, one regional training course for auditors was held in Klaipeda, Lithuania from 7 to 11 July 2014 for 13 participants from 10 CIS/Eastern European States.

### **Assistance to Member States and observer auditors**

7 Resolution A.1018(26) requests the Secretary-General to take action, within the Organization's ITCP, to assist Member States to respond to their duties under the Scheme and to build capacity to address related needs. In this context, one regional workshop for maritime administrations was held for 28 participants from 12 Eastern and Southern African States in Walvis Bay, Namibia, from 21 to 25 July 2014, and another will take place for 16 Asian Member States in Jakarta, Indonesia from 6 to 10 October 2014.

8 Additionally, 11 Member States have requested mock audits/national workshops for this year and three requests for observer auditors to participate in audits have been received. Resources have been earmarked for the delivery of the requested activities. In this regard, it may be noted that mock audits of three Member States, national workshops for three Member States and a national workshop/mock audit for one Member State have been undertaken and two mock audits and two national workshops have been planned to be delivered during the rest of the year.

### **Audit reports**

9 The various reports listed in the Procedures for the Scheme are prepared as audits are completed. In this regard, the eighth consolidated audit summary report (CASR), containing the findings from a further four audits, will be issued as document C 113/5/2.

**Action requested of the Council**

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

- .1 that 85 Member States have so far volunteered for audit, representing 51% of the Membership of the Organization and 67 audits have been conducted, which include 59 Member States, two Associate Members, five dependent territories and a second audit of a Member State (paragraph 1);
  - .2 that no additional audits can be accommodated before the start of mandatory audits in 2016 (paragraph 3); and
  - .3 to encourage Member States to nominate those individuals trained as IMSAS auditors, taking into account the criteria established in the Procedures for the Scheme, which also include demonstrable auditing skills and techniques (paragraph 4).
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