



IMO

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VOLUNTARY IMO MEMBER STATE AUDIT SCHEME

Audit Scheme experiences: improving performance through peer review

Submitted by The Netherlands

SUMMARY

Executive summary:	This document provides information on the Netherlands' experiences with the Voluntary IMO Member State Audit Scheme. It summarizes what the Netherlands' Administrations has learned from the audit and the audit-process, and broadly demonstrates how the lessons learned contributed to the improvement of the Netherlands' performance as a flag State, port State and coastal State. The document concludes with an offer of assistance to promote universal participation in the Audit Scheme.
Strategic direction:	2
High-level action:	2.2.1
Planned output:	2.2.1.3 and 2.2.1.4
Action to be taken:	Paragraph 25
Related documents:	C 101/6, C 101/6/1; C 101/D and Circular letter No.2920

Introduction

1 The Council, at its 101st session held in November 2008, considered document C 101/6, reporting on recent developments concerning the Voluntary IMO Member State Audit Scheme, document C 101/6/1, containing a synthesis of possible ways to develop the Audit Scheme further, and document C 101/6/2, containing the second consolidated audit summary report under the Audit Scheme.

2 During the Council's consideration of the Secretary-General's report on recent developments concerning the Audit Scheme (document C 101/6), the delegation of the Netherlands, while fully appreciating the report, expressed its view that complementary reports on experiences of Member States which had undergone audits might offer information that could well underline the benefits of the Audit Scheme from the quality management perspective and from the institutional philosophy contained in the Code for the implementation of mandatory IMO instruments. Other members of the Council supported the Netherlands' view.

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3 During the Council's deliberations on the Secretary-General's observations on possible ways to develop the Audit Scheme further (document C 101/6/1) the delegation of the Netherlands, while supporting the ultimate aim for universal participation in the Audit Scheme, suggested that a differentiated approach, tailored to the needs of those Member States that are presently not prepared to volunteer for an audit, might be necessary to fulfil such aim. The Netherlands' delegation was therefore among those members of the Council that supported a proposal by the delegation of Cyprus to request the Secretary-General to prepare and issue a questionnaire seeking information from Member States on any perceived difficulties in volunteering for audits. This questionnaire was circulated in November 2008 as an annex to Circular letter No.2920.

4 The Council concluded its deliberations by requesting the Secretary-General to prepare, for consideration by the Council at its 102nd session, a holistic and detailed proposal on the way forward to further develop the Audit Scheme, taking account of the statements made, including collection and analysis of information from Member States and the Secretariat on perceived difficulties with the implementation of the Audit Scheme; a possible time-frame for any necessary preparatory work; and information on any associated implications for this to happen.

5 The Council further encouraged Member States that had undergone audits to submit information on their experiences to the 102nd session of the Council. This document responds to the Council's invitation by providing such information for the Netherlands. The document summarizes what the Netherlands' Administration learned from the audit and the audit-process, and broadly demonstrates how the lessons learned contributed to the improvement of the Netherlands' performance as a flag State, port State and coastal State.

Preparatory phase

6 In its demand for an independent evaluation of its responsibilities as a flag, port and coastal State, the Kingdom of The Netherlands¹ volunteered for an IMO audit in February 2006. Due to organizational and practical reasons it was decided to split the audit in two parts. First, the Maritime Administration of the Netherlands was audited in September 2007, and then the Maritime Administration of the Netherlands' Antilles was audited in February 2008. The period in-between the application and the actual audit was used to built up a clear view on Member States' responsibilities emanating from the *Code for the implementation of mandatory IMO instruments*, and on how these responsibilities were covered by several involved entities in the Netherlands. This phase brought a first "quick-win", which was a clear overall picture of all relevant activities and corresponding responsibilities, their many interrelations and their formal and practical organization.

7 The same phase brought the awareness that, although existing interrelations between relevant activities had proven to be effective, not all of them had been formally embedded in the operations of the relevant (responsible) entities. Moreover, an overall picture of the performance of the Netherlands as a flag State, port State and coastal State was virtually non-existent. This new awareness offered both the opportunity and the tools to proactively address many of the shortcomings that had been found during the preparatory phase.

¹ In view of the constitutional structure of the Kingdom of the Netherlands, a distinction should be made between two separate Maritime Administrations: that of the Netherlands and that of the Netherlands' Antilles.

8 Another major advantage of the preparatory phase was that the actual planning of the VIMSAS audits resulted in a clear scope and objective, setting the agendas and putting focus, not only of the relevant entities of the Maritime Administrations, but also of the governmental and political superiors of these entities. This in turn helped to create excellent breeding grounds and a strong willingness for change at all levels within both involved Administrations.

9 The preparatory phase was supervised by the Netherlands' maritime auditors. Their thorough knowledge of IMO legislation, together with their earlier experiences with maritime audits, proved of great assistance in the preparation for the audits.

10 The preparatory phase was concluded by *internal* audits of both Maritime Administrations, disclosing some further shortcomings that needed to be addressed before the official IMO audit.

The IMO audit

11 During the actual IMO audits, in September 2007 and February 2008 respectively, the preparatory efforts, as concluded by internal audits, proved to have been extremely useful. Not only because the auditees were already familiar with the audit process, but also because the main shortcomings had already been identified and had been addressed as far as possible.

12 The preparatory efforts resulted in a minimum of outstanding issues at the actual audits and consequentially the audits were conducted within the agreed timetable, giving the audit team the maximum time available to draft the preliminary findings and the audit report. The early availability of the preliminary findings enabled the Administrations to act accordingly and to report back to the audit team before finalizing its audit report.

Lessons learned

13 The independent assessment carried out through the audits broadly confirmed that both the involved Administrations were well organized. At the same time the audits identified areas for improvement and valuable lessons to be learned.

14 Although an overall maritime policy was in place, this general policy had not been clearly translated into a "Strategy", as referred to in paragraph 3 of Part 1 of resolution A.996(25), i.e. an effective mechanism for the State to evaluate its effectiveness in meeting its international obligations under relevant IMO Conventions.

15 Due to the absence of such a proper "Strategy", the roles and responsibilities of the various involved entities were not always as clear as they could and should be in certain instances, resulting in imperfect compliance with responsibilities resulting from IMO conventions to which the Netherlands is a Party, in particular, responsibilities related to timely implementation and promulgation of instruments.

16 Addressing this issue after the audit not only resulted in a greater awareness with respect to such responsibilities, but also resulted in a much greater transparency of the relevant processes within the Administrations. This greater transparency has in turn contributed to a greater effectiveness in monitoring compliance with respect to the timely implementation and promulgation of instruments.

17 The IMO audit further showed that maintaining quality standards should be a permanent process, especially in a complex organization such as that of the Maritime Administrations of the Netherlands. This conclusion was also of great importance for keeping commitment at the higher management levels of the organization.

18 Finally, the audit showed that the organization of delegation of tasks to third parties was in line with the IMO standards and that continuous interaction with such parties (in particular by communicating and reporting) is essential for a successful oversight programme.

Overall conclusions from the audit

19 The development of a proper “Strategy”, as referred to in paragraph 3 of Part 1 of resolution A.996(25), largely supports the collaborative effort by all relevant entities within the Administration in meeting international obligations under the relevant IMO conventions. Such a “Strategy” proved to be an effective mechanism for a Maritime Administration to evaluate its own effectiveness and helps to increase the overall transparency in all its maritime activities.

20 The IMO audit, as an “independent peer review”, helped to create excellent breeding grounds and a strong willingness at both the political level and all management levels within the Administrations for improving the quality of the organization and its activities.

21 The overall conclusion is that participation in the Audit Scheme has been a very positive and useful experience, resulting in improvements in, and better performance by, both the Maritime Administration of the Netherlands and that of the Netherlands’ Antilles.

22 The Netherlands hopes that the above conclusions, together with the information given in this document, will be of value to Member States considering to volunteer for the Voluntary IMO Member State Audit Scheme, as the safety of life and property at sea and protection of the marine environment will greatly benefit from universal participation in the Scheme.

International co-operation to promote universal participation in the Audit Scheme

23 On certain conditions, the Netherlands is willing to offer technical assistance by sharing its knowledge, expertise and experiences with Member States that have volunteered for an IMO audit, but have not yet been audited, and particularly with those Member States that are still considering to volunteer for an IMO audit.

24 On certain conditions, the Netherlands is also willing to offer financial assistance to those Member States that, owing to plausible financial constraints, are presently not prepared to volunteer for an audit. This offer will be further clarified and substantiated during the 102nd session of the Council.

Action requested of the Council

25 The Council is invited to take note of the information provided in this document.