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VOLUNTARY IMO MEMBER STATE AUDIT SCHEME

Progress report on the implementation of the Audit Scheme

Note by the Secretary-General

SUMMARY

<i>Executive summary:</i>	This document reports on progress made in the implementation of the Scheme
<i>Strategic direction:</i>	2
<i>High-level action:</i>	2.2.1
<i>Planned output:</i>	2.2.1.3
<i>Action to be taken:</i>	Paragraph 11
<i>Related documents:</i>	None

Response to Circular letter No.2687 – Volunteering States

1 Since the previous report to the Council (document C 101/6) and as of the date of this document, the Secretary-General has received four further official communications from Member States of their readiness to be audited in the course of 2009 and 2010, bringing the total, since the inception of the Scheme, to 47.

2 The portion of Member States that have so far volunteered for audits is now 28% of the total membership of the Organization. Since 2006, when the number of Member States volunteering to be audited peaked, there has been a decreasing trend, which, if it were to continue, could threaten the viability of the Scheme – a Scheme that has been widely recognized as a necessary component for the further enhancement of maritime safety and pollution prevention. It is, therefore, important that the observed trend reverses and, to this end, the Council may again wish to encourage Member States that have not yet volunteered for audits, to do so as and when they are ready and as early as possible.

Response to Circular letter No.2686 – Nomination of auditors

3 In response to Circular letter No.2686 of 5 December 2005 (inviting Member States to nominate qualified auditors) and as of the date of this document, a total of 156 individuals have been nominated by 46 Member States and an Associate Member from all geographical regions of

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the world for inclusion in the roster of auditors maintained by the Secretariat. Seventeen (i.e. 11% of the total) of those nominated so far have become inactive due to a number of reasons, which includes transfers within Administrations, retirement or different employment status.

4 The successful implementation of the Scheme relies heavily on the continued nomination by Member States of suitably qualified auditors and, therefore, the Council may wish to reiterate its invitation to Member States to:

- .1 nominate auditors to enable the Secretary-General to select audit teams from among them to conduct the audit of volunteering Member States; and
- .2 nominate qualified auditors to participate in the regional training courses the Organization convenes to provide uniform training to auditors to be used for the effective implementation of the Scheme.

Training of auditors

5 Within the context of the global programme on “Voluntary IMO Member State Audit Scheme”, as contained in the approved Integrated Technical Co-operation Programme (ITCP) for 2008-2009, the training of auditors in the Framework and Procedures of the Scheme is an ongoing process. Since the previous report to the Council, one further regional auditors training course has been conducted in Bou-Ismaïl, Algeria, from 21 to 25 February 2009, attended by 13 participants from 12 countries in the west Africa and Arab/Mediterranean region (Francophone).

6 There are three more courses planned for 2009, in:

- .1 Monrovia, Liberia, from 22 to 26 June 2009, for participants from countries in the west and central African region (Anglophone);
- .2 Roseau, Dominica, from 22 to 26 June 2009, for participants from countries in north America/Caribbean region; and
- .3 South Africa, in October 2009, for participants from countries in south and east African region (Anglophone).

Conduct of audits

7 Since the commencement of audits in September 2006 and as of the date of this document, 30 audits of 29 Member States and one dependent territory have been successfully carried out. Seven audits are scheduled for the rest of 2009, which would leave 11 Member States to be audited of the 47 that have volunteered since the commencement of the Scheme. A total of 58 individual auditors have been used for the 30 audits conducted thus far. This expanding number of auditors, with first-hand experience in the application of the Framework and Procedures for the Scheme, is a positive development for capacity-building in matters related to the Scheme. The average cost per audit remains at approximately £11,000¹.

¹ Fifty per cent of cost is affected by currency exchange movement.

Audit reports

8 The various reports listed in the Procedures for the Scheme are prepared as audits are completed. With respect to the two reports that are of interest to Member States, namely audit summary reports and consolidated audit summary reports, the distribution of audit summary reports to all Member States has continued and three such reports were distributed by Circular letter No.2948 of 2 March 2009. This brings the total of audit summary reports issued as of the date of this document to 20. Further reports will be issued throughout the year, which will form the basis for issuance of the third consolidated audit summary report as a document to the twenty-sixth regular session of the Assembly in November of this year.

Assistance to Member States and observer auditors

9 The ITCP contains programmes to provide assistance to Member States, which includes funding for experts to assist Member States on matters related to the audit, funding to meet part of the cost of the audit and the general availability of technical assistance to address findings from audits. Since the inception of the Scheme, funds have been used:

- .1 to cover the cost of one auditor out of three auditors involved in the audit of a Member State; and
- .2 meeting the cost for the participation of five observers/auditors during audits of Member States.

10 As the existing ITCP programme on the Audit Scheme has not yet been fully utilized by Member States that may be in need of assistance to participate in the Scheme, the Council may wish to encourage those Member States that have not yet volunteered for audits and who would be eligible for technical assistance to make full use of the assistance provided through the ITCP.

Action requested of the Council

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

- .1 encourage Member States that have not yet volunteered for audits to do so as and when they are ready and as early as possible (paragraph 2);
- .2 invite Member States to continue to nominate as many qualified auditors as possible (paragraph 4);
- .3 note the ongoing training of auditors through the ITCP programme on the Audit Scheme (paragraphs 5 and 6);
- .4 note the progress made in the conduct of audits and the anticipated delivery of audits scheduled for the rest of the year (paragraph 7);
- .5 note the issuance by the Secretariat of audit summary reports and that the next consolidated audit summary report will be issued as a document to A 26 (paragraph 8);

- .6 note the assistance provided so far under the ITCP to assist in the conduct of an audit and the participation of observers/auditors (paragraph 9); and
 - .7 encourage Member States that are in need of assistance to be able to participate in the Audit Scheme to seek such assistance within the framework of the ITCP as may be applicable (paragraph 10).
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