

COUNCIL  
117th session  
Agenda item 6

C 117/6  
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## IMO MEMBER STATE AUDIT SCHEME

### Progress report on the implementation of the 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 C 116, as well as information on audit management and reporting

*Strategic direction:* 2.0

*High-level action:* 2.0.2

*Output:* No related provisions

*Action to be taken:* Paragraph 12

*Related documents:* C 112/D, C 112/INF.3; C 116/6, C 116/D and resolution A.1067(28)

#### Conduct of audits

1 Mandatory audits of Member States under the IMO Member State Audit Scheme (IMSAS) commenced in February 2016, in accordance with the audit timetable for 2016, which is based on the overall audit schedule (document C 112/INF.3) and was updated in the annex to document C 116/6.

2 For the 19 Member States on the audit schedule for the current year, as of the date of this document, 16 audits (Côte d'Ivoire, Togo, Qatar, Serbia, Mauritania, Portugal, the United Arab Emirates, Albania, Nigeria, Seychelles, Sri Lanka, Guinea, Senegal, Paraguay, Papua New Guinea and Hungary) have been conducted under IMSAS. Reports from these audits are currently at different stages of completion and the remaining three audits (Jordan, Egypt and Mongolia) are proceeding to plan. An update on the progress made for the 2016 audits is set out in annex 1.

### **Audits planned for 2017**

3 In accordance with the overall audit schedule and the need to notify each Member State of the projected date of its audit as soon as possible, but not less than 18 months in advance, the Secretary-General has formally written to 23 of the 25 Member States that are scheduled to be audited in 2017. One Member State (El Salvador) was audited under the transitional arrangements and has been moved to the back of the audit schedule. Also, one audit (Iraq) has been postponed as it would not be viable to undertake this audit under the prevailing conditions. The update on progress made for 2017 is set out in annex 2.

4 Based on the foregoing, the Secretariat is interacting with all 23 Member States and significant progress has been made with a number of those scheduled to be audited in 2017, which include the submission of completed pre-audit questionnaires, signing of the Memoranda of Cooperation (MoC), appointment of audit teams and agreeing on audit dates.

### **Audit management and reporting**

5 Audits are managed through the MSA module in GISIS, which provides a common platform for the implementation of audits and support to Member States, audit teams and the Secretariat in all major steps of the process, from planning through to the reporting phases of the audit.

6 In terms of providing reports to Member States or to the public, based on the authorization received from each Member State, the module displays all available reports from audits, including audit final reports (FR), executive summary reports (ESR), corrective action plans (CAP) and Member States' comments on the progress of the implementation of their corrective action plans (CPICAP). The MSA module also displays all FRs, audit summary reports (ASRs) and CAPs from audits carried out under the Voluntary IMO Member State Audit Scheme (VIMSAS) and under the transitional arrangements. The MSA module would indicate the availability of a particular report, but only the Member State audited will be able to view or download its reports automatically. If the audited Member State has authorized any of the reports to be made available to other Member States or to the public, these reports will then become accessible through the MSA Module.

7 For mandatory audits, the authorization for the release of the ESR, CAP and CPICAP is normally provided through the Memorandum of Cooperation (MoC). All those Member States being audited in 2016 have authorized the Secretariat to release their ESR, CAP and CPICAP to all Member States, with one Member State authorizing the release to the public. For those Member States scheduled to be audited in 2017, similar authorization is being granted as MoCs are concluded. In addition to the authorization granted through the MoC, a State may grant further authorization (e.g. for release of FR) through an official communication to the Secretariat. For the voluntary and transitional audits carried out, those Member States concerned can provide authorization to the Secretariat for any of the audit reports and CAP to be made available to all Member States or to the public. The Council may wish to reiterate its invitation to those Member States that have been audited to provide authorization to the Secretariat for the release of any of the reports and CAP from audits carried out under VIMSAS, so that as many audit reports as possible are made available to all Member States or to the public.

8 With regard to those reports authorized for release to Member States only, access to those reports is being granted to one designated person per Member State. This is particularly important as under the current Scheme, restricted distribution of reports from audits, including CAP and CPICAP, is managed exclusively through the MSA module in GISIS. Information on the procedure for the nomination of authorized persons to access the MSA module in GISIS

has been made available through Circular Letter No.3587 of 15 September 2015. As of the date of this document 55 Member States have designated an authorized person and access to the various reports have been granted to them accordingly. The Council may therefore wish to reiterate the invitation to Member States to provide the Secretariat with the details of an individual designated to receive access to the reports on the MSA module.

9 As mandatory audits are conducted, relevant reports have been made available through the module in accordance with the authorizations received from Member States. As of the date of this document, 12 ESRs and two CAPs have been made available to all Member States.

### **Auditors**

10 There are currently 209 individuals on the roster who have met the criteria established in the Procedures for the Scheme. It is considered that the aforementioned number of active and qualified auditors currently on the roster is reasonable for the continuation of mandatory audits. With a view to ensuring that additional qualified and experienced auditors will be available for audits, the Council may wish to encourage Member States to nominate those individuals who meet the criteria established in the Procedures for the Scheme (resolution A.1067(28)), which also includes demonstrable auditing skills and techniques.

11 With respect to the procedure for the nomination of auditors, individuals to be nominated by Member States should enter their details through the e-roster of experts and consultants, which will then be validated by the Secretariat after an official nomination has been received from the Member State concerned. Updated information on the procedure for the nomination of auditors has been made available through Circular Letter No.3547 of 8 May 2015.

### **Action requested of the Council**

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

- .1 note the progress made in audits for 2016 and 2017 and the related information (paragraphs 2 to 4 and annexes 1 and 2);
- .2 invite those Member States that have been audited to provide authorization to the Secretariat for the release of any of the reports and corrective action plan from audits carried out under VIMSAS, so that as many audit reports as possible are made available to all Member States or to the public (paragraph 7);
- .3 invite Member States to provide the Secretariat with the details of an individual designated to be authorized to receive access to Member State audit reports through the GISIS module as per Circular Letter No.3587 (paragraph 8); and
- .4 encourage Member States to nominate those individuals who meet the criteria established in the Procedures for the Scheme as auditors under the Scheme, which includes demonstrable auditing skills and techniques, taking into account Circular Letter No.3547 (paragraphs 10 and 11).

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**ANNEX 1**

**MEMBER STATES SCHEDULED TO BE AUDITED IN 2016**

<b>NO.</b>	<b>MEMBER STATE</b>	<b>AUDIT PERIOD</b>	<b>REMARK</b>
1	Guinea-Bissau <sup>1</sup>		No audit based on decision of C 113
2	Guinea	July	Audited
3	Côte d'Ivoire	February	Audited
4	Bosnia and Herzegovina <sup>1</sup>		No audit based on decision of C 113
5	Togo	February	Audited
6	Mauritania	April	Audited
7	Qatar	March	Audited
8	Georgia <sup>2</sup>		Voluntary audit carried out, moved to the back of the list
9	Nepal <sup>1</sup>		No audit based on decision of C 113
78	Portugal	April	Audited
10	Serbia	April	Audited
11	United Arab Emirates	May	Audited
12	Albania	May	Audited
13	Angola <sup>2</sup>		Voluntary audit carried out, moved to the back of the list
14	Seychelles	June	Audited
15	Nigeria	June	Audited
16	Senegal	July	Audited
17	Sri Lanka	July	Audited
18	Paraguay	July	Audited
19	Papua New Guinea	September	Audited
20	Jordan	October	Confirmed
21	Somalia <sup>1</sup>		No audit based on decision of C 113
22	Egypt	November	Confirmed
23	Yemen <sup>3</sup>		Postponed document C 116/D
24	Hungary	October	Audited
25	Mongolia	November	Confirmed

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<sup>1</sup> No audit based on decision of C 113.

<sup>2</sup> Audited under Transitional arrangements and moved.

<sup>3</sup> Postponed (document C 116/D).



**ANNEX 2**

**MEMBER STATES SCHEDULED TO BE AUDITED IN 2017**

<b>NO.</b>	<b>MEMBER STATE</b>	<b>AUDIT PERIOD</b>	<b>REMARK</b>
26	Ghana	January	Audit confirmed
27	Kazakhstan	January	Audit confirmed
28	Macao, China <sup>+</sup>	February	Audit confirmed
29	Gambia	February	Audit confirmed
30	Kiribati	March	Audit confirmed
31	Bahrain	March	Audit confirmed
32	Oman	March	Audit confirmed
33	Gabon	April	Audit confirmed
34	Venezuela (Bolivarian Republic of)	April	Audit confirmed
35	Democratic Republic of the Congo	May	Audit confirmed
36	Azerbaijan	May	Audit confirmed
37	Cabo Verde	May	Audit confirmed
38	Nicaragua	May	Audit confirmed
39	Iraq <sup>§</sup>		Postponed document C 116/D
40	El Salvador <sup>**</sup>		Voluntary audit carried out, moved to the back of the list
41	Czech Republic	June	Audit confirmed
42	Cambodia	July	Audit confirmed
43	Slovakia	July	Audit confirmed
44	Cuba	September	Audit confirmed
45	Bangladesh	September	Audit confirmed
46	Trinidad and Tobago	September	Audit confirmed
47	Monaco	October	Audit confirmed
48	Madagascar	October	Audit confirmed
49	Vanuatu	October	Audit confirmed
50	Bolivia (Plurinational State of)	November	Audit confirmed

<sup>+</sup> Associate Member.

<sup>§</sup> Postponed (document C 116/D).

<sup>\*\*</sup> Audited under Transitional arrangements and moved.