

COUNCIL
120th session
Agenda item 7

C 120/7
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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 118, as well as information on the audit schedule, audit management and reporting

Strategic direction, if applicable: 1

Output: 1.4

Action to be taken: Paragraph 17

Related documents: C 112/INF.3; A 30/8, A 30/D and resolution A.1067(28)

Conduct of audits and audit planning

1 Since the commencement of mandatory audits of Member States under the IMO Member State Audit Scheme (IMSAS) in February 2016, 48 audits have been conducted, which is in line with the overall audit schedule contained in document C 112/INF.3, the last update of which is set in the annex to document A 30/8.

2 The reports from all 19 audits conducted in 2016 and 8 of the 22 audits conducted in 2017 have been finalized and are available on the MSA module in the Global Integrated Shipping Information System (GISIS).

3 For the 21 Member States on the audit schedule for the current year, as of the date of this document, seven audits (Brunei Darussalam, Fiji, Guyana, Kenya, Myanmar, Saint Lucia and Suriname) have been conducted and reports from these audits are currently at different stages of completion. The remaining audits are proceeding to plan, with some adjustments within the year, for justifiable reasons.

4 In addition, and taking into account the Procedures for the Scheme, as well as the Council's decision (C 113/D, paragraph 5.6(v)), the Secretary-General has assessed the ratification of IMO instruments by San Marino. As at 31 December 2017, San Marino was not party to any of the mandatory IMO instruments included in the scope of the Scheme, therefore,

the Secretary-General has concluded that there is no basis to conduct the audit of San Marino at this time and that this audit will be postponed.

5 The Secretariat has carried out an analysis of the 22 Member States on the audit schedule for 2019 with respect to the mandatory instruments to which they are Parties. The analysis has shown that three Member States on the list (the former Yugoslav Republic of Macedonia, Uganda and Zimbabwe) are not Parties to any of the IMO instruments concerned. It is therefore necessary for the audits of these three States to be postponed. Furthermore, the Council may wish to note that the Syrian Arab Republic is scheduled to be audited in 2019; however, it is the considered view of the Secretary-General that the audit of the Syrian Arab Republic should be postponed as it would not be viable to undertake this audit in that timeframe.

6 Based on the considerations provided in the previous paragraph and in accordance with the overall audit schedule, the Secretary-General has formally written to 18 of the 22 Member States that are scheduled to be audited in 2019. The communication to these Member States would have fulfilled the not-less-than 18 months advance notification of the projected date for the audit of the Member States concerned.

7 As we will be entering the fourth year of mandatory audits in 2019, it would be prudent for Member States scheduled to be audited after 2019 to opt for an earlier audit in 2019 to fill the shortfall in the number of audits and to inform the Secretary-General no later than November of this year.

8 As the Council is aware, Armenia acceded to the IMO Convention on 19 January 2018 and became a Member State of the Organization. As of the date of this document, Armenia is not Party to any of the instruments covered by the Scheme. Considering that the audit cycle still has four more years to complete, the Secretary-General has tentatively included Armenia at the end of the current overall audit schedule, for which the endorsement of the Council is being sought.

9 The revised overall audit schedule, with appropriate notations on the progress made in the conduct of audits and indicative audit timeframe for future audits is set out in the annex to this document.

Audit management and reporting

10 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.

11 The authorization for the release of the executive summary reports (ESR), corrective action plans (CAP) and Member States' comments on the progress of the implementation of their corrective action plans (CPICAP) is normally provided through the Memorandum of Cooperation (MoC). All Member States audited during the last two years have authorized the Secretariat to release their ESRs, CAPs and CPICAPs to all Member States, with three Member States authorizing the release to the public. For those Member States scheduled to be audited during this year, similar authorization is being granted as 13 MoCs have been concluded so far. In addition to the authorization granted through the MoC, a Member State may grant further authorization for the release of its audit final report through an official communication to the Secretariat.

12 As of the date of this document, 37 ESRs and 27 CAPs have been released to all Member States through the MSA GISIS module. In order to facilitate sharing of lessons learned from audits, access to these reports is being granted to one authorized person per Member State. The Council may therefore wish to reiterate the invitation to Member States to provide the Secretariat with the details of an individual authorized to receive access to these reports in the MSA module by referring to Circular Letter No.3587 of 15 September 2015.

13 As progress is being made to meet the audit cycle, target deadlines established by some of the audited Member States for the implementation of some of their corrective actions have elapsed and not all related CPICAP have been communicated to the Secretariat. For those Member States whose deadlines for communicating their CPICAP to the Secretariat have been reached or are approaching, it would be prudent to provide that information in line with the agreed deadlines established in their corrective action plans. The Council, therefore, may wish to remind audited Member States to provide the Secretariat with their CPICAP, which is an important obligation on their part. This is necessary to demonstrate their commitment to enhancing further, the effective implementation and enforcement of their international obligations and responsibilities undertaken as parties to the various mandatory IMO instruments, and, where necessary, for appropriate audit follow-up to be considered and planned in accordance with the Procedures for the Scheme.

14 The Council, at its 118th session, endorsed the issuance of CASRs, containing lessons learned from mandatory audits, as circular letters. The first CASR containing the outcome from 18 audits completed in 2016, has been issued as Circular Letter No.3772 of 4 September 2017. The thirtieth regular session of the Assembly, which was held from 27 November to 6 December 2017, requested the Maritime Safety Committee and the Marine Environment Protection Committee to consider the CASR contained in Circular Letter No. 3772 and, in due course, to advise the Council of the outcome of their consideration.

Auditors

15 There are currently 223 individuals that have been assessed as meeting the criteria established in the Procedures for the IMO Member State Audit. Of these, 183 have completed their profile in the "E-roster of experts and consultants" (E-roster). It is important that those individuals who have already been nominated and assessed as meeting the criteria and who have not completed their profiles in the E-roster to do so and notify the Secretariat accordingly.

16 With respect to the procedure for the nomination of new auditors, individuals to be nominated by Member States should enter their details through the E-roster, which will then be validated by the Secretariat after an official nomination has been received from the Member State. In this regard, the Council may wish to encourage Member States and auditors to use the procedures set out in Circular Letter No.3547 of 8 May 2015.

Action requested of the Council

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

- .1 endorse the inclusion of Armenia in the current audit cycle and the revised overall audit schedule set out in the annex, including the decision to postpone the audits of San Marino, the former Yugoslav Republic of Macedonia, the Syrian Arab Republic, Uganda and Zimbabwe, for the reasons provided in paragraphs 4, 5, 8 and 9;

- .2 invite Member States that are scheduled to be audited after 2019 and who are prepared to have their audits brought forward to 2019 to inform the Secretary-General before November 2018 (paragraph 7);
- .3 encourage Member States to provide the Secretariat with the details of an individual authorized to access Member State audit reports through the GISIS module as per Circular Letter No.3587 (paragraph 12);
- .4 invite those audited Member States whose target deadlines for the implementation of the corrective action plan have been reached to provide the Secretariat with their comments on the progress of the implementation of their corrective action plans (paragraph 13); and
- .5 encourage auditors to update their profiles in E-roster and for individuals nominated for inclusion in the roster of auditors and for the Member State nominating such individuals to use the procedures set out in Circular Letter No.3547 (paragraphs 15 and 16).

ANNEX

MEMBER STATES AUDIT STATUS FOR 2016

| NO. | MEMBER STATE | Audit period | Remark |
|-----|-------------------------------------|--------------|--|
| 1 | Guinea-Bissau ⁱ | | No audit/postponed based on decision of C113 |
| 2 | Guinea | July | Audited/Reports completed |
| 3 | Côte d'Ivoire | February | Audited/Reports completed |
| 4 | Bosnia and Herzegovina ⁱ | | No audit/postponed based on decision of C113 |
| 5 | Togo | February | Audited/Reports completed |
| 6 | Mauritania | April | Audited/Reports completed |
| 7 | Qatar | March | Audited/Reports completed |
| 8 | Georgia ^{**} | | Voluntary audit carried out, moved to the back of the list |
| 9 | Nepal ⁱ | | No audit/postponed based on decision of C113 |
| 78 | Portugal | April | Audited/Reports completed |
| 10 | Serbia | April | Audited/Reports completed |
| 11 | United Arab Emirates | May | Audited/ Reports completed |
| 12 | Albania | May | Audited/Reports completed |
| 13 | Angola | | Voluntary audit carried out, moved to the back of the list |
| 14 | Seychelles | June | Audited/Reports completed |
| 15 | Nigeria | June | Audited/Reports completed |
| 16 | Senegal | July | Audited/Reports completed |
| 17 | Sri Lanka | July | Audited/ Reports completed |
| 18 | Paraguay | July | Audited/ Reports completed |
| 19 | Papua New Guinea | September | Audited/Reports completed |
| 20 | Jordan | October | Audited/ Reports completed |
| 21 | Somalia ⁱ | | No audit/postponed based on decision of C113 |
| 22 | Egypt | November | Audited/Reports completed |
| 23 | Yemen ⁱ | | Postponed based on decision of C116 |
| 24 | Hungary | October | Audited/Reports completed |
| 25 | Mongolia | November | Audited/Reports completed |

MEMBER STATES AUDIT STATUS FOR 2017

| NO. | MEMBER STATE | Audit period | Remark |
|------------|------------------------------------|---------------------|---|
| 26 | Ghana | January | Audited/Reports completed |
| 27 | Kazakhstan | January | Audited/Reports completed |
| 28 | Macao, China [±] | December | Audited/Reports being finalized |
| 29 | Gambia | September 2018 | Audit confirmed/ postponed to 2018 |
| 30 | Kiribati | May | Audited/Reports completed |
| 31 | Bahrain | March | Audited/Reports completed |
| 32 | Oman | March | Audited/Reports completed |
| 33 | Gabon | April | Audited/Reports completed |
| 34 | Venezuela (Bolivarian Republic of) | April | Audited/Reports completed |
| 35 | Democratic Republic of the Congo | May | Audited/Reports being finalized |
| 36 | Azerbaijan | May | Audited/Reports completed |
| 37 | Cabo Verde | May | Audited/Reports completed |
| 38 | Nicaragua | June | Audited/Reports completed |
| 39 | Iraq ⁱ | | Postponed based on decision of C116 |
| 40 | El Salvador ^{**} | | Voluntary audit carried out, moved to the back of the list |
| 41 | Czechia | October | Audited/Reports being finalized |
| 42 | Cambodia | July | Audited/Reports being finalized |
| 43 | Slovakia | July | Audited/Reports completed |
| 44 | Cuba | September | Audited/Reports being finalized |
| 45 | Bangladesh | October | Audited/Reports being finalized |
| 46 | Trinidad and Tobago | December | Audited/Reports being finalized |
| 47 | Monaco | September | Audited/Reports being finalized |
| 48 | Madagascar | October | Audited/Reports being finalized |
| 49 | Vanuatu | October | Audited/Reports being finalized |
| 50 | Bolivia (Plurinational State of) | December | Audited/Reports being finalized |

MEMBER STATES SCHEDULED TO BE AUDITED IN 2018

| NO. | MEMBER STATE | Audit period | Remark |
|------------|-----------------------|---------------------|--|
| 51 | Djibouti | November | Audit confirmed |
| 52 | Myanmar | February | Audited/Reports being finalized |
| 53 | Guyana | February | Audited/Reports being finalized |
| 54 | Suriname | March | Audited/Reports being finalized |
| 55 | Ukraine | June | Audit confirmed |
| 56 | Barbados | June | Audit confirmed |
| 57 | Fiji | May | Audited/Reports being finalized |
| 58 | Brunei Darussalam | April | Audited/Reports being finalized |
| 59 | Samoa | May | Audit confirmed |
| 60 | Cook Islands** | | Voluntary audit carried out, moved to the back of the list |
| 61 | Colombia** | | Voluntary audit carried out, moved to the back of the list |
| 62 | Saint Lucia | May | Audited/Reports being finalized |
| 63 | Lebanon | July | Audit confirmed |
| 64 | Turkmenistan | September | Audit confirmed |
| 65 | Indonesia** | | Voluntary audit carried out, moved to the back of the list |
| 66 | Austria | | No audit based on decision of C118 |
| 67 | Kenya | May | Audited/Reports being finalized |
| 68 | Sudan | September | Audit confirmed |
| 69 | Grenada | September | Audit confirmed |
| 70 | Sao Tome and Principe | October | Audit confirmed |
| 71 | Equatorial Guinea | September | Audit confirmed |
| 72 | Costa Rica | November | Audit confirmed |
| 73 | Sierra Leone | October | Audit confirmed |
| 74 | San Marino | | No audit proposed. For decision of C 120 |
| 75 | Congo | October | Audit confirmed |

MEMBER STATES SCHEDULED TO BE AUDITED IN 2019

| NO. | MEMBER STATE | Audit period | Remark |
|---------------|---|---------------------|--|
| 76 | Eritrea | January | Audit confirmed |
| 77 | Viet Nam | January | Audit confirmed |
| 78 | Portugal | | <i>(Audited in 2016)</i> |
| 79 | Algeria | September | Audit confirmed |
| 80 | United Republic of Tanzania | February | Audit confirmed |
| 81 | Tuvalu | March | Audit confirmed |
| 82 | Comoros | March | Audit confirmed |
| 83 | Uganda | | No audit proposed. For decision of C 120 |
| 84 | Croatia** | | Voluntary audit carried out, moved to the back of the list |
| 85 | Zimbabwe | | No audit proposed for decision of C 120 |
| 86 | Iceland | June | Audit confirmed |
| 87 | Tonga | May | Audit confirmed |
| 88 | Solomon Islands | June | Audit confirmed |
| 89 | Saint Vincent and the Grenadines** | | Voluntary audit carried out, moved to the back of the list |
| 90 | Libya | April | Response received |
| 91 | Saudi Arabia | November | Audit confirmed |
| 92 | The former Yugoslav Republic of Macedonia | | No audit proposed. For decision of C 120 |
| 93 | Mozambique | July | No response yet |
| 94 | Kuwait | October | No response yet |
| 95 | Dominica | September | No response yet |
| 96 | Montenegro | November | No response yet |
| 97 | Syrian Arab Republic | | Postponement proposed for decision of C 120 |
| 98 | Guatemala | October | Audit confirmed |
| 99 | Haiti | December | No response yet |
| 100 | Palau | December | Audit confirmed |

MEMBER STATES SCHEDULED TO BE AUDITED IN 2020

| NO. | MEMBER STATE | Audit period | Remark |
|------------|--|---------------------|---------------|
| 101 | Malawi | | - |
| 102 | Maldives | | - |
| 103 | Mauritius | | - |
| 104 | Benin | | - |
| 105 | Cameroon | | |
| 106 | Pakistan | | - |
| 107 | Republic of Moldova | | - |
| 108 | Dominican Republic | | - |
| 109 | Ethiopia | | - |
| 110 | Namibia | | - |
| 111 | Democratic People's Republic of Korea | | - |
| 112 | Timor-Leste | | - |
| 113 | Denmark | | - |
| 114 | Cyprus | | - |
| 115 | United Kingdom | | - |
| 116 | Spain | | - |
| 117 | Marshall Islands | | - |
| 118 | Sweden | | - |
| 119 | Japan | | - |
| 120 | Liberia | | - |
| 121 | Chile | | - |
| 122 | Republic of Korea | | - |
| 123 | Greece | | - |
| 124 | Canada | | - |
| 125 | New Zealand | | - |

MEMBER STATES SCHEDULED TO BE AUDITED IN 2021

| NO. | MEMBER STATE | Audit period | Remark |
|------------|-------------------------------|---------------------|---------------|
| 126 | Netherlands | | - |
| 127 | Italy | | - |
| 128 | Thailand | | - |
| 129 | Norway | | - |
| 130 | Germany | | - |
| 131 | South Africa | | - |
| 132 | United States | | - |
| 133 | Uruguay | | - |
| 134 | Australia | | - |
| 135 | Luxembourg | | - |
| 136 | Singapore | | - |
| 137 | Bulgaria | | - |
| 138 | Panama | | - |
| 139 | Romania | | - |
| 140 | Malaysia | | - |
| 141 | Argentina | | - |
| 142 | Brazil | | - |
| 143 | Russian Federation | | - |
| 144 | France | | - |
| 145 | Ecuador | | - |
| 146 | Philippines | | - |
| 147 | China | | - |
| 148 | Hong Kong, China [±] | | - |
| 149 | Poland | | - |
| 150 | Ireland | | - |

MEMBER STATES SCHEDULED TO BE AUDITED IN 2022

| NO. | MEMBER STATE | Audit period | Remark |
|------------|----------------------------------|---------------------|---------------|
| 151 | India | | - |
| 152 | Latvia | | - |
| 153 | Estonia | | - |
| 154 | Mexico | | - |
| 155 | Bahamas | | - |
| 156 | Jamaica | | - |
| 157 | Lithuania | | - |
| 158 | Iran (Islamic Republic of) | | - |
| 159 | Malta | | - |
| 160 | Faroese [†] | | - |
| 161 | Finland | | - |
| 162 | Honduras | | - |
| 163 | Antigua and Barbuda | | - |
| 164 | Israel | | - |
| 165 | Peru | | - |
| 166 | Switzerland | | - |
| 167 | Slovenia | | - |
| 168 | Morocco | | - |
| 169 | Turkey | | - |
| 170 | Belize | | - |
| 171 | Tunisia | | - |
| 172 | Saint Kitts and Nevis | | - |
| 173 | Belgium | | - |
| 15 | El Salvador** | | - |
| 61 | Colombia** | | - |
| 84 | Croatia** | | - |
| 13 | Angola** | | - |
| 65 | Indonesia** | | - |
| 8 | Georgia** | | - |
| 60 | Cook Islands** | | - |
| 89 | St. Vincent and the Grenadines** | | - |
| 174 | Zambia | | - |
| 175 | Belarus | | - |
| 176 | Armenia | | - |

Postponed audits

| | |
|----|-------------------------------------|
| 1 | Guinea-Bissau ⁱ |
| 4 | Bosnia and Herzegovina ⁱ |
| 9 | Nepal ⁱ |
| 21 | Somalia ⁱ |
| 39 | Iraq ⁱ |
| 23 | Yemen ⁱ |
| 66 | Austria ⁱ |

ⁱ No audit/postponed based on decisions of C 113, C 116 and C 118.

^{**} Voluntary audit carried out and moved.

[±] Associate Member.