

COUNCIL
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Agenda item 6

C 118/6
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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 117, 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 17

Related documents: C 112/D, C 112/INF.3; C 116/6, C 116/D; C 117/D and resolution A.1067(28)

Conduct of audits and audit planning

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

2 Audits of all 19 Member States on the audit schedule for 2016 were successfully completed. The reporting phase from 15 of those audits have been completed and various reports from the remaining 4 audits are currently being finalized.

3 For the 23 Member States on the audit schedule for the current year, as of the date of this document, 10 audits (Azerbaijan, Bahrain, Cabo Verde, Democratic Republic of the Congo, Gabon, Ghana, Kazakhstan, Kiribati, Oman and Venezuela) have been conducted and reports from these audits are currently at different stages of completion. Eleven of the remaining audits are proceeding to plan, whilst two audits (Gambia and Macao, China) are being rescheduled for later in the year.

4 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 the 22 of the 25 Member States that are scheduled to be audited in 2018. Three Member States (Colombia, Cook Islands, and Indonesia) were audited under the transitional arrangements and have been moved to the back of the audit schedule.

5 In addition, in September 2016, the Secretary-General received a communication from Austria, which is a land locked country scheduled to be audited in 2018, informing him of the special circumstances in relation to its audit under Scheme, following the decision of Austria to close its ship registry. Taking into account that an amendment to the Austrian Law on Sea Shipping was enacted in 2012, restricting the entitlement to fly the Austrian flag only to small pleasure crafts not used for commercial purposes, Austria requested that its audit should be reconsidered, as it is no longer a flag State in terms of the applicable IMO instruments. Taking into account the Procedures for the Scheme, as well as decision of the Council (C 113/D, paragraph 5.6(v)), the Secretary-General has assessed the aforementioned request and has concluded that there is no tangible benefit to be derived from carrying out an audit of Austria and that the audit be postponed indefinitely.

6 As we will be entering the third year of mandatory audits in 2018, it would be prudent for Member States scheduled to be audited after 2018 to opt for an earlier audit in 2018 to fill the shortfall in the number of audits and to inform the Secretary-General no later than November of this year.

7 As the Council is aware, Zambia and Belarus became Members of the Organization in 2014 and 2016, respectively. Zambia is party to one instrument covered by the Scheme, which was ratified more than 30 years ago, while Belarus is party to seven of the nine instruments covered by the Scheme and some of these instruments were ratified by Belarus more than 10 years ago. Considering that the audit cycle still has more than five years to complete, the Secretary-General has tentatively included Belarus and Zambia at the end of the current overall audit schedule, for which the endorsement of the Council is being sought.

8 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

9 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.

10 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 in 2016 have authorized the Secretariat to release their ESRs, CAPs and CPICAPs 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 for the release of its audit final report through an official communication to the Secretariat, for which one such authorization has been received.

11 As of the date of this document, 22 ESRs and 15 CAPs have been released to all Member States through the MSA GISIS module. Access to these reports is being granted to one authorized person per Member State. This is particularly important as under the 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 designation of an authorized person by a Member State 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, not all Member States have designated an authorized person to access the various reports. 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.

12 As progress is being made to meet the audit cycle, target deadlines established by some of the audited Member States for the implementation of their corrective actions are now being reached. For those Member States whose deadlines for communicating their CPICAP to the Secretariat have been reached or 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.

Circulation of consolidated audit summary reports (CASRs)

13 Ten CASRs had been issued as Council or Assembly documents (one CASR per year), containing lessons learned from all audits conducted under the Voluntary IMO Member State Audit Scheme (VIMSAS) and transitional arrangements. The average number of audits included in each of those CASRs was eight and the number of pages ranged from 20 to 70. Taking into account that up to 25 audits are planned annually under IMSAS, the number of audits included in each CASR will be considerably higher in the future, thus resulting in a significant increase in the number of pages of each CASR.

14 Being mindful of the rules on the submission of documents contained in the *Guidelines on the organization and method of work of the Council* (Circular Letter No.3607), which stipulates that, as a general rule, documents (including information documents) should not contain more than 50 pages (paragraph 3.4.1 of the Guidelines), and the benefit for Member States to have a reasonable size CASR in the three working languages of the Organization, the Secretariat wishes to issue future CASRs from mandatory audits as Circular Letters as and when the reporting from a reasonable number of audits have been completed. A reference to each such Circular Letter issued would then be included in the document reporting to the Council and Assembly on progress made in the implementation of the Scheme. The Council may wish to endorse the issuance of future CASRs as Circular Letters.

Auditors

15 There are currently 217 individuals that have been assessed as meeting the criteria established in the Procedures for the Scheme. Of those, 153 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 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 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 note the progress made in audits for 2016, 2017 and 2018 and the related information (paragraphs 2 to 4);
- .2 endorse the request from Austria, and the related assessment that there is no tangible benefit to be derived from carrying out an audit (paragraph 5);
- .3 invite Member States that are scheduled to be audited after 2018 and who are prepared to have their audits brought forward to 2018 to inform the Secretary-General before November of this year (paragraph 6);
- .4 endorse the inclusion of Belarus and Zambia in the current audit cycle and the revised overall audit schedule set out in the annex (paragraphs 7 and 8);
- .5 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 11);
- .6 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 12);
- .7 endorse the issuance of future consolidated audit summary reports containing lessons learned from audits as Circular Letters, which will be reported to the Council and Assembly (paragraph 14); and
- .8 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 AUDITED IN 2016

NO.	MEMBER STATE	Audit period	Remark
1	Guinea-Bissau*		No audit based on decision of C113
2	Guinea	July	Audited/Reports completed
3	Côte d'Ivoire	February	Audited/Reports completed
4	Bosnia and Herzegovina*		No audit 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*		No audit 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 being finalized
17	Sri Lanka	July	Audited/ Reports completed
18	Paraguay	July	Audited/ Reports completed
19	Papua New Guinea	September	Audited/Reports being finalized
20	Jordan	October	Audited/ Reports completed
21	Somalia*		No audit based on decision of C113
22	Egypt	November	Audited/Reports being finalized
23	Yemen*		Postponed based on decision of C116
24	Hungary	October	Audited/Reports completed
25	Mongolia	November	Audited/Reports being finalized

MEMBER STATES SCHEDULED TO BE AUDITED IN 2017

NO.	MEMBER STATE	Audit period	Remark
26	Ghana	January	Audited/Reports being finalized
27	Kazakhstan	January	Audited/Reports being finalized
28	Macao, China [±]	February	Audit confirmed/ postponed for later in the year
29	Gambia	February	Audit confirmed/ postponed for later in the year
30	Kiribati	May	Audited/Reports being finalized
31	Bahrain	March	Audited/Reports being finalized
32	Oman	April	Audited/Reports being finalized
33	Gabon	April	Audited/Reports being finalized
34	Venezuela (Bolivarian Republic of)	April	Audited/Reports being finalized
35	Democratic Republic of the Congo	May	Audited/Reports being finalized
36	Azerbaijan	May	Audited/Reports being finalized
37	Cabo Verde	May	Audited/Reports being finalized
38	Nicaragua	June	Audit confirmed
39	Iraq*		Postponed document C116/D
40	El Salvador**		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

MEMBER STATES SCHEDULED TO BE AUDITED IN 2018

NO.	MEMBER STATE	Audit period	Remark
51	Djibouti	January	No response yet
52	Myanmar	February	Audit confirmed
53	Guyana	February	Audit confirmed
54	Suriname	January	Audit confirmed
55	Ukraine	February	Audit confirmed
56	Barbados	March	No response yet
57	Fiji	May	Audit confirmed
58	Brunei Darussalam	March	Audit confirmed
59	Samoa	May	No response yet
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	No response yet
63	Lebanon	March	Audit confirmed
64	Turkmenistan	April	Audit confirmed
65	Indonesia**		Voluntary audit carried out, moved to the back of the list
66	Austria	June	No audit Subject to C116 review
67	Kenya	June	Audit confirmed
68	Sudan	September	No response yet
69	Grenada	September	No response yet
70	Sao Tome and Principe	October	No response yet
71	Equatorial Guinea	September	No response yet
72	Costa Rica	November	Audit confirmed
73	Sierra Leone	October	No response yet
74	San Marino	October	No response yet
75	Congo	November	No response yet

MEMBER STATES SCHEDULED TO BE AUDITED IN 2019

NO.	MEMBER STATE	Audit period	Remark
76	Eritrea		-
77	Viet Nam		-
78	Portugal		Audited in 2016
79	Algeria		-
80	United Republic of Tanzania		-
81	Tuvalu		-
82	Comoros		-
83	Uganda		-
84	Croatia**		Voluntary audit carried out, moved to the back of the list
85	Zimbabwe		-
86	Iceland		-
87	Tonga		-
88	Solomon Islands		-
89	Saint Vincent and the Grenadines**		Voluntary audit carried out, moved to the back of the list
90	Libya		-
91	Saudi Arabia		-
92	The former Yugoslav Republic of Macedonia		-
93	Mozambique		-
94	Kuwait		-
95	Dominica		-
96	Montenegro		-
97	Syrian Arab Republic		-
98	Guatemala		-
99	Haiti		-
100	Palau		-

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 [±]		-

MEMBER STATES SCHEDULED TO BE AUDITED IN 2022

NO.	MEMBER STATE	Audit period	Remark
149	Poland		-
150	Ireland		-
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		-

Postponed audits

1	Guinea-Bissau*
4	Bosnia and Herzegovina*
9	Nepal*
21	Somalia*
39	Iraq*
23	Yemen*

* No audit based on decision of C 113/C 116

** Voluntary audit carried out and moved

± Associate Member