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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 provides an updated report on progress made in the implementation of the Audit Scheme since the last session of the Council
<i>Strategic direction:</i>	2
<i>High-level action:</i>	2.0.2
<i>Planned output:</i>	2.0.2.3, 2.0.2.4, 2.0.2.5 and 2.0.2.6
<i>Action to be taken:</i>	Paragraph 11
<i>Related documents:</i>	Resolution A.974(24) and C 109/D

Member States volunteering for audits and conduct of audits

1 Since the issuance of Circular letter No.2687 of December 2005 (inviting Member States to volunteer for audits), the Secretary-General has received official communications from 69 Member States, including five dependent territories, as well as two Associate Members, informing him of their readiness to be audited. The number of Member States that have so far volunteered for audits now represents 40.6 per cent of the total membership of the Organization.

2 Of those Member States that have so far volunteered for audits, 53 Member States, two Associate Members and five dependent territories have been audited as of the date of this document. Preparations are ongoing for up to eight additional audits to be conducted during the remaining months of this year.

3 Bearing in mind that an institutionalized Audit Scheme is envisaged in the next few years, the Council may wish to reiterate its invitation to Member States that have not yet volunteered for audit, to do so as and when they are ready and as early as possible so that lessons learned can continue to be shared.

Nomination and availability of auditors

4 In response to Circular letter No.2686 of 5 December 2005 and Circular letter No.3301 of 31 July 2012 (inviting Member States to nominate qualified auditors) and as of the date of this document, a total of 231 individuals have been nominated by 63 Member States and an Associate Member from all geographical regions of the world for inclusion in the roster of auditors maintained by the Secretariat. Of those nominated, 15 per cent have become inactive due to a number of reasons.

Training of auditors

5 Within the context of the global programme on "Voluntary IMO Member State Audit Scheme", as contained in the Integrated Technical Co-operation Programme (ITCP) for 2013-2014, the training of auditors in the Framework and Procedures for the Scheme is an ongoing process. The number of auditors' training courses, however, has been reduced from four per year to two per year and two workshops for maritime administrations have been added to the programme, taking into account the increasing need for assistance programmes aiming at assisting Member States to fully participate in the Scheme. Of the two regional auditors' training courses planned for this year one has already been held in Muscat, Oman, from 27 April to 1 May 2013, for 20 participants from 15 Arab/Mediterranean States. The second course is scheduled to take place in Manila, the Philippines from 20 to 24 May, 2013 for 24 participants from 21 Asian States.

6 The two subregional workshops to assist Member States to participate in the Scheme have been scheduled for:

- .1 11 Latin American States to be held in Lima, Peru, from 1 to 5 July 2013; and
- .2 15 Wider Caribbean States to be held in Antigua and Barbuda, from 30 September to 4 October 2013.

Assistance to Member States and observer auditors

7 Resolution A.1018(26) requests the Secretary-General to take action, within the Organization's ITCP, to assist Member States to respond to their duties under the Scheme and to build capacity to address related needs. In this context, a national workshop on the implementation of mandatory IMO instruments, as a follow-up to the audit of the Bahamas, was held in Freeport, Grand Bahama, from 5 to 8 February 2013 under the ITCP.

8 The ITCP further contains programmes to provide assistance to Member States, which include funding for experts to assist Member States on matters related to the audit; funding to meet part of the cost of the audit; and for the general availability of technical assistance to address findings from audits. For the current year, eight requests have been received from Member States for technical advisory missions, assistance with the cost of audit and funding for observer auditors.

9 As the requests for technical assistance have been increasing, 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 as they prepare for audits.

Audit reports

10 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 the audit summary report (ASR), and consolidated audit summary report (CASR), the distribution of ASRs to all Member States has continued with a further three such reports distributed by Circular letter No.3357 of 26 March 2013. This brings the total number of ASRs circulated as of the date of this document to 55. Following the issuance of the sixth CASR as document C 109/5/1, further ASRs will be issued throughout the year to form the basis for issuance of the seventh CASR as a document to A 28.

Action requested of the Council

11 The Council is invited to take note of the information provided in this document and, in particular, to reiterate its invitation to Member States:

- .1 that have not yet volunteered for audit to do so as and when they are ready and as early as possible (paragraph 3);
- .2 to continue to nominate as many qualified auditors as possible in response to Circular letter No.3301 (paragraph 4); and
- .3 that are in need of assistance to enable them to participate in the Scheme to seek such assistance through the ITCP (paragraph 9).
