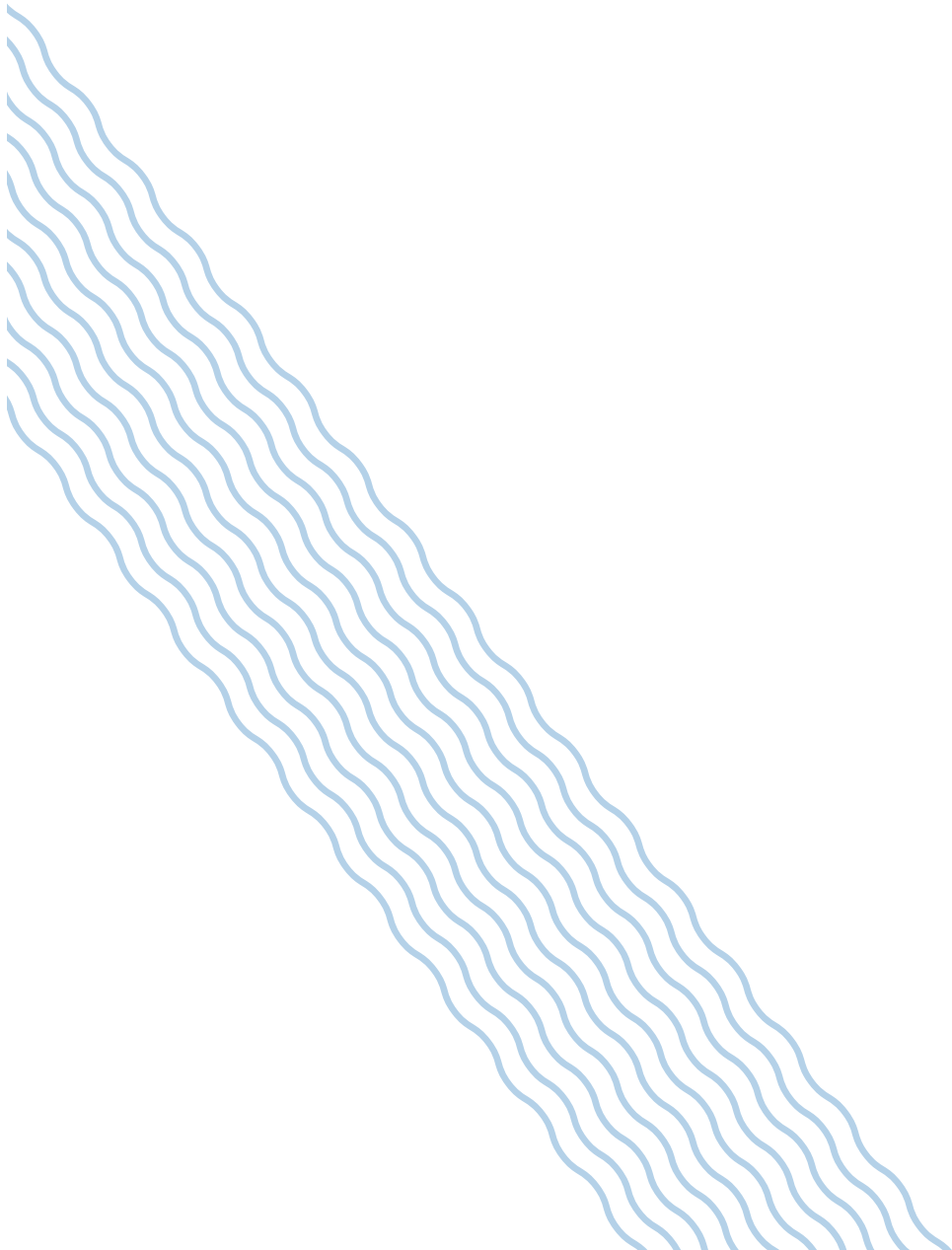

Annual Report 2016

Assessment of The EU
Recognised Organisations
Quality Management Systems



Quality Assessment
and Certification Entity



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Glossary

ABS American Bureau of Shipping

ACB Accredited Certification Body

AFA Audit Focus Area

AGM Annual General Meeting

BSI The British Standards Institution *[Certification Body]*

CCJ Quality Certification Center *[Certification Body]*

CCS China Classification Society

CIC Community Interest Company *[Non Profit]*

CO RO Controlling Office

CRs Collective Recommendations

CRS Croatian Register of Shipping

DEKRA DEKRA Certification B.V. *[Certification Body]*

DNV GL DNV GL SE

EC European Commission

EMSA European Maritime Safety Agency

EU European Union

EUW IACS ACB Auditor End User Workshop

HO RO Head Office

IACS International Association of Classification Societies

IACS PR IACS Procedural Requirements

IACS UR IACS Unified Requirements

IMO International Maritime Organisation

IRS Indian Register of Shipping

IRs Individual Recommendation

ISM International Safety Management Code

ISO International Organisation for Standardisation

KR Korean Register of Shipping

LR Lloyd’s Register of Shipping

NC Audit finding graded as Non Conformity

NGO IMO Non-Governmental Organisation

NK Nippon Kaiji Kyokai

OB Audit finding graded as Observation

PA RO Plan Approval Centre

PRP Procedure Review Project

PRS Polish Register of Shipping S.A.

QMS Quality Management System

QSCS IACS Quality System Certification Scheme

RINA RINA Services S.p.A.

RO Recognised Organisation

RS Russian Maritime Register of Shipping

SAI G. SAI Global Limited *[Certification Body]*

SGS SGS S.A. *[Certification Body]*

SL RO Survey Location

VCA Vertical Contract Audit

Executive Summary

Previous year's reports have pointed to how QACE has developed in the years since its incorporation in 2010. The content of this report regarding QACE activities in 2016 underlines that, while important initiatives are ongoing, QACE is now firmly established and major changes to the organisation are not planned.

While the results of the 2016 EU Commission's assessment of QACE activities in relation to compliance with EU Regulation (EC) No 391/2009 Article 11 is awaited, the QACE Board of Directors feels confident that the criteria for the independent assessment and certification of EU Recognised Organisations (RO's) Quality Management Systems have been fulfilled and that QACE can meet the challenges of its remit.

Awareness of QACE activities has been heightened over the last years, especially with the increased distribution of these annual reports. QACE is looking for full engagement with its interested parties in establishing together the necessary actions to meet our common goals of safe ships and clean seas.

This year's report has a focus on bringing our interested parties' issues to the audit process and testing the RO's systems and controls in relation to issues that affect your organisation.

Thank you to all those who completed the survey which came with last year's annual report. The survey will be repeated in 2018, but QACE would encourage stakeholders interested in RO performance to engage in the process directly by contacting QACE at post@qace.co with your areas of interest.

Based on its assessment activity QACE would draw attention to the four Collective Recommendations detailed in Annex C, relating to :

- 1/ Audit of remote locations and surveyors.
- 2/ Exclusion of early stages of surveys from Vertical Contract Audits.
- 3/ Closed loop Audit Focus Area reporting.
- 4/ Extension of process auditing to Rule Development.



I

Context of the Organisation

This is the sixth Annual Report, for the purpose of recording QACE activities and communicating the Collective Recommendations (Annex C) to interested parties.

'QACE - Entity for the Assessment and Certification of Organisations Recognised by the European Union - CIC' was founded on the 24th November 2010, by the 12 organisations recognised by the European Union. Membership has changed over the years. The current QACE Members are detailed in Annex B. The establishment was the result of a mandatory requirement in Article 11 of EU Regulation (EC) No 391/2009 'Common rules and standards for ship inspection and survey organisations', that requires an independent body shall carry out 'frequent and regular assessment of the quality management systems of the Recognised Organisations'.

QACE is incorporated under the UK Companies Act 2006 as a private limited and community interest (not for profit) company - CIC. The company has its office in London.



II Scope of Activities

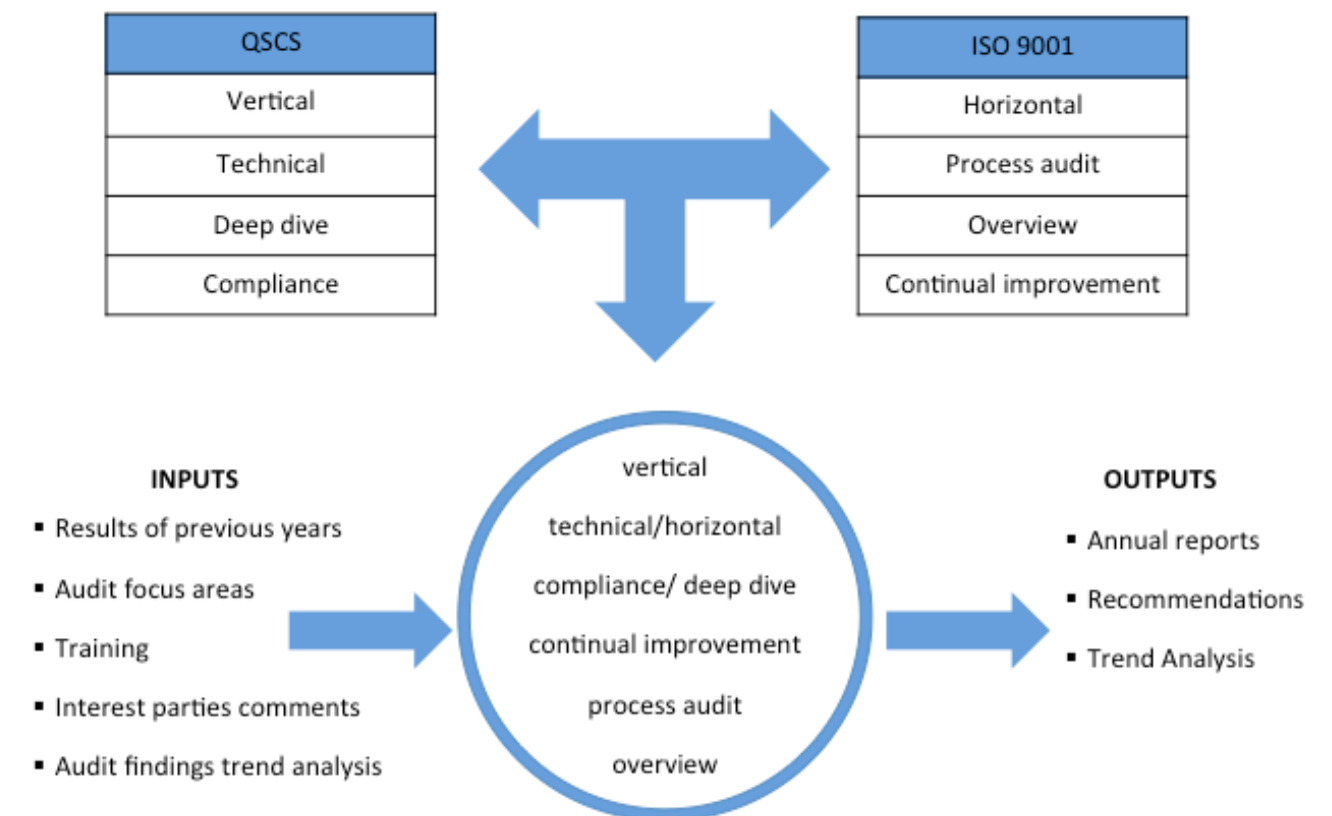
The QACE Scope of Activities is defined as:

“The Assessment of the Quality Management Systems (QMS) of the EU Recognised Organisations (EU ROs) in accordance with the principles of ISO 19011:2011 ‘Guidelines for auditing management systems’, through the witnessed application of the ISO 9001:2008 and IACS Quality System Certification Scheme (QSCS) requirements by ISO 17021:2011 accredited certification bodies’.

The basis of QACE assessment is the ISO 9001:2008 quality standard. The inclusion of ISO 9001 expertise from the accredited bodies and their auditors, in addition to the auditor’s technical competence with IACS Quality System Certification Scheme (QSCS) continues to have a significant impact.

With the two above mentioned standards, the audit scheme benefits from both vertical and horizontal audit techniques, which encompass both the highly technical nature of the RO’s work through ‘deep dive’ review of technical compliance as well as audit of the effectiveness of processes, systems and controls and fostering continual improvement.

Much confidence is engendered by the longevity of both standards, one as the recognised marine industry standard, the other as the most recognised of the business standards, both having been tested and refined and in use for over 25 years.



III

The Work Plan

The plan for 2016:

- To hold a two-day Assessors Meeting to develop the 2016 Assessment Plan, exchange views and consider recommendations.
- To deliver training to the scheme’s auditors.
- To deliver an extensive and effective annual Assessment Plan in the most cost efficient manner.
- To monitor that the audit and certification processes of the EU ROs (and applicant ROs) are conducted consistently and to the highest standards.
- To collect information to develop and adopt Individual and Collective Recommendations for the improvement of the ROs’ Quality Management Systems.
- To enhance the ability of the ROs to identify rapidly and correct weaknesses in their rules, processes and internal controls for the safety of the ships they inspect and certify.
- To propose common actions for the sustained improvement of all EU ROs.

Apart from the Assessment Plan as QACE’s core activity the 2016 Work Plan included:

- To hold 4 Board meetings during the year, one meeting in conjunction with the Annual General Meeting.
- To increase interest parties’ awareness of QACE activities.
- To complete the second cycle of RO Individual Recommendations.
- To initiate three-year trend analysis of audit findings.

As an overall goal;

- To verify the effectiveness of the QACE corrective actions in relation to the EU Commission assessment report pertaining to the set up and maintenance of QACE in accordance with the requirements of EU Regulation (EC) No 391/2009 Article 11.

The QACE Board and Secretariat are pleased to report the 2016 Work Plan was successfully delivered over the year.

The QACE Secretariat were particularly pleased to have delivered an increasingly effective Assessment Plan, able to confirm compliance as well as recommendations for improvement.

The second two-year cycle of Individual Recommendations has been delivered. The process has matured to an effective stage where QACE can say with some confidence that strengths and weaknesses within the individual RO’s have been identified. The ROs have responded with appropriate corrective actions in relation to areas needing improvement. The effectiveness of the actions will be monitored over the year between visits and followed up during the Head Office audit, timed to fall in the year after IR visits.

With the advent in 2016 of the requirement under the Tripartite Agreement for the ROs to provide an annual 3-year Audit Findings Trend Analysis (AFTA), QACE will place increasing emphasis on the consistency and effectiveness of the RO’s trend analysis which is designed to identify trends in the audit findings that may point to problem areas and potential risks. Root cause analysis of any significant trends is designed to identify the underlying issue and help in the identification of more effective corrective actions. QACE uses this technique in constructing its Individual Recommendations for each RO.

IV Assessment Activities

The main objectives of QACE's assessments are:

- The regular assessment of the Recognised Organisation's (RO's) Quality Management Systems (QMS).
- To collect information to formulate and adopt Individual and Collective Recommendations for the improvement of RO's processes.
- To enhance the ability of ROs to identify rapidly and then correct weaknesses in their rules, processes and internal controls for the safety of the ships they inspect and certify.
- To ensure that the audit and the certification processes are conducted consistently, to common standards in accordance with the ISO 9001 and QSCS standards and QACE procedures.

The January two day Assessor's Meeting is an important event in the QACE calendar as apart from important exchange of experience it establishes the audit assessment visits that will be recommended to the Board of Directors. A risk-based approach is employed in the selection, tailored to each RO's fleet and activities, while maximizing the cost and benefit effectiveness.

It is of great assistance in this process that the ACBs are becoming increasingly effective in producing testing annual audit plans and in selecting their own risk-based samples to audit, including complex new building projects and older ships in service surveys.

Assessments are held at the RO's Head Offices (HO), Control Offices (CO), Survey Locations (SL) and Plan Approval (PA) Offices.

Central to the audit scheme are the Vertical Contract Audits (VCAs), audits onboard ships during New Construction (NC) surveys and during major Ships in Operation (SiO) periodical and statutory surveys. VCA audits of ISM and Materials & Equipment (M&E) are included.

58 audits of the different types were witnessed in 2016 (46 in 2015), over 37 visits (28 in 2015). The 2016 assessments comprised:

- 18 Survey Locations. QACE aims to attend at least one SL for each RO each year.
- 5 Control Offices. Smaller ROs do not have COs and all branch offices are controlled through the Head Office.
- 4 Head Offices. QACE has moved to attending HO audits every second year, the alternate year to attending the HO to discuss Individual Recommendations (refer section VI). 7 HO's were attended in 2015.
- 5 Plan Approval Offices, and 9 New Construction VCAs. The auditors are encouraged, wherever possible, to take a process approach to the new building process and include audit of both the plan approval and construction of the same project. In the end-to-end approach the contract and the ship's formal classification and required records can be audited during HO audits.
- 17 Ships in Operation VCAs. The onboard audit of RO's surveyors during main surveys.

The standard of the audits is now of a consistently high standard and sufficient auditor resources are now available; both were significant issues and a risk to the scheme from previous years. The ROs and ACBs have done well in the identification of new auditors, supported by IACS for their QSCS training and authorization.

EU Regulation (EC) No. 391/2009 Article 11.2 requires the assessment and certification, not only of EU recognised organisations, but of organisations requesting recognition. After achieving EU recognition on 1st August 2016 QACE welcomed the Indian Register of Shipping (IRS) as a QACE Member later that month. QACE had undertaken an IRS assessment programme in 2015 and 2016 and issued a Certificate of Compliance during the QACE visit to Mumbai to deliver the QACE 2015 IRS Individual Recommendations on 24th November 2015.

Table 1: List of QACE Assessments carried out in 2016

Ass No	ACB	RO	Location	Date	Type
1	BSI	BV	Busan	22-23 Jan	NC VCA
2-3	BSI	BV	Piraeus	09-11 Feb	ISM & SiO VCA
4	BSI	CRS	Singapore	18-19 Feb	SiO VCA
5	BSI	IRS	Visakhapatnam	25-26 Feb	SL
6	BSI	IRS	Mumbai	29 Feb-2 Mar	HO
7	SGS	KR	London	15-16 Mar	SL
8	SGS	CCS	Zhejiang	20-21 Mar	SiO VCA
9	DEKRA	RINA	Mumbai	05-06 Apr	SL
10	CCJ	PRS	Klaipeda	07-08 Apr	SL
11-12	SGS	NK	Shanghai	11-14 Apr	SL & PA
13	BSI	CRS	Shanghai	21-22 Apr	SL
14	SAI G	RS	Baltic	22 Apr	PA
15	SAI G	RS	Vyborg	25-26 Apr	NC VCA
16-18	SGS	CCS	Wuhan	25-29 Apr	PA, SL & CO
19	BSI	IRS	London	03-04 May	CO/SL
20	BSI	LR	Dalian	05-06 May	NC VCA
21-22	SAI G	RS	Riga	17-20 May	SL & SiO VCA
23-24	BSI	BV	Piraeus	18-20 May	CO & SL
25	SGS	CCS	Nanjing	19-20 May	NC VCA
26	BSI	IRS	Singapore	01 – 02 Jun	SiO VCA
27	DEKRA	DNV GL	Mumbai	06-07 Jun	SL
28	SGS	NK	Kaohsiung	22-23 Jun	NC VCA
29	BSI	IRS	Dubai	27-28 Jun	SiO VCA
30	SAI G	RS	Tianjin	27-28 Jun	SiO VCA
31-32	BSI	LR	Panama	18-22 Jul	SL & SiO VCA
33-34	SGS	NK	Panama	25-27 Jul	SL & SiO VCA
35	SGS	KR	Guangzhou	4-5 Aug	SL
36	SGS	NK	Rotterdam	23-24 Aug	SiO VCA

Ass No	ACB	RO	Location	Date	Type
37	SGS	KR	Shanghai	29-30 Aug	PA
38	DEKRA	DNV GL	Ulsteinvik	29-30 Aug	NC VCA
39	SGS	KR	Geoje	1-2 Sep	NC VCA
40	SGS	KR	Busan	5-9 Sep	HO
41-42	BSI	CRS	Rijeka	05-08 Sep	SL& ISM VCA
43	BSI	LR	Southampton	13-16 Sep	HO
44	DEKRA	DNV GL	Bangkok	14-15 Sep	SL
45	BSI	ABS	Vung Tau	19-20 Sep	NC VCA
46	DEKRA	DNV GL	Singapore	20-21 Sep	SiO
47	BSI	ABS	Singapore	22-23 Sep	SiO VCA
48-49	BSI	ABS	Singapore	26-30 Sep	CO & PA
50	DEKRA	DNV GL	Hamburg	04-07 Oct	HO
51	BSI	ABS	Durban	11-12 Oct	SL
52	BSI	ABS	Cape Town	13-14 Oct	SiO VCA
53	DEKRA	RINA	Hamburg	17-20 Oct	SL
54	DEKRA	RINA	Hamburg	19 Oct	SiO VCA
55	SGS	KR	Dubai	19-20 Oct	SiO VCA
56	CCJ	PRS	Rijeka	02-04 Nov	SiO VCA
57	CCJ	PRS	Piraeus	10-11 Nov	SiO VCA
58	CCJ	PRS	Piraeus	14-15 Nov	SL

HO - Head Office	PA – Plan Approval Office
VCA Vertical Contract Audit	SO- Ships in Operation
CO – Control Office	SL – Service Location Office
NC – New Construction	MEC – Materials Equipment Components
<div><div></div>Non member assessments</div>	

Over the years, the world's shipping activity for new construction and major surveys has gravitated to the Far East, while it is still necessary for the RO's to provide surveyors and auditors for surveys and audits wherever a ship may call for them.

While all the RO's global survey locations are required to be audited over time, in order to be confident that there will be appropriate ships under survey at the time planned for Vertical Contract Audits QACE has concentrated its assessment activity on higher volume survey hubs which can be seen from Map 1 and a concentration of assessments in Europe and the Far East.

Apart from busy locations that may have associated resourcing issues, QACE perceived the potential for smaller, remote locations that have a different set of challenges. Distant from control offices, where complex surveys are not routine and where local ship owners provide a large part of the offices activity can present its own pressures and challenges. QACE has introduced the selection of 'remote' locations in the risk-based assessment plan. See also Annex C Collective Recommendation 1. In line with the policy QACE undertook assessment visits in Panama and S. Africa during the year and will continue to identify suitable opportunities with each of the ROs.



Map 1: QACE Assessment Locations 2016

The very experienced QACE Assessors are strategically located and deliver the assessment programme in the most cost effective manner possible.



Map 2 QACE Assessor's locations.

V Assessment Results

A fundamental question at the end of each assessment year is always whether the Recognised Organisation's (RO's) Quality Management System has been adequately tested. QACE's assessment is that, while the situation must continue to be monitored, the auditing standards are now at a high and consistent standard, a statement that is supported by the other observers of the scheme.

QACE would bring to the attention of its interested parties the following points:

While the ROs continue to demonstrate the very highest levels of competence and professionalism, the downturn in the marine industry business has affected the RO's with significantly reduced workloads. A number have realigned their services and reduced staffing levels. At the same time, many marine organisations are carrying out similar exercises which may include reducing their technical capability. As a result, the industry can become increasingly dependent on the RO's services. Cost cutting can put pressure on the necessary surveyor support systems and affect areas such as training. The RO's cost cutting has been passed on to QACE with some pressure put on what is already a conservative budget.

While QACE has not identified specific issues with any of the RO's the situation is monitored as part of the assessment and questions are raised during the biennial Individual Recommendations meetings.

A final point on the issue is the need for the RO's to include in their risk mitigation, the necessary flexibility and planning to react quickly, when the market emerges from recession, to have adequate resources in place when new projects are generated and workloads return to previous levels.

Keeping up with the ever-increasing flow of new requirements that must be implemented into the RO's Rules and instructions is another major influence, that affects the ability of surveyors to get it right first time. QACE Collective Recommendation 4 draws attention to the issue and increasing the effectiveness of how the process is audited.

QACE has these issues at the forefront of its consideration of the assessment of the RO's management systems.

What is being done with all the information?

In some more detail, when a summary of the assessments is prepared, several points are extracted that are relevant as potential recommendations for improvement to the RO or, as part of a trend across the ROs, as a potential Collective Recommendation (CR), or best practice. Trending items may also be relevant for potential issues to be raised in relation to the QSCS standard. Issues can also relate to opportunities for improvement to be raised with the audit bodies during the annual End-User Workshops.



VI

Recommendations

Collective Recommendations

QACE publishes its annual Collective Recommendations (CRs) in Annex C of this report.

The RO’s responses to the recommendations are analysed in the 3rd quarter of each year to determine the actions to be taken and to be able to discuss the results with the involved and interest parties during End-User Workshop in November of each year.

Results from the 2016 Collective Recommendations:

2016 CR 1 / Auditing of new and major statutory requirements

The scheme’s auditor training includes training in relation to new and future statutory requirements. QACE recommended that specific new statutory requirements become a focus for following year’s audits.

To avoid duplication and assist the auditors QACE and IACS make every effort to agree the annual audit focus areas. At some point, however the organisation’s objectives differ and in this case QACE will proceed with publishing its own new statutory requirement audit focus areas.

2016 CR 2 / Review of Activity Monitoring (IACS PR6).

Supported by the ACBs QACE highlighted a weakness in the ability of some ROs to evaluate the result of activity monitoring and provide evidence of identified improvements.

The discussion is ongoing with IACS and QACE considers it a suitable subject for general discussion with the systems stakeholders during the November 2017 End-User Workshop.

2016 CR 3 / Major Incident and Casualty feedback

While the responsibility for casualty investigation lies with the flag State, the RO’s should learn any lessons from internal casualty investigations and major incidents, both in addressing possible Rule amendments and advice to the surveyor team where it is appropriate.

The QACE recommendation for incorporation in the requirements has been included in the December 2016 QSCS Volume 3, Revision 6.

2016 CR 4 / Effective implementation of new procedures

QACE recommended a focus on the new QSCS Volume 3 Revision 6 procedures and requirements.

The new revision incorporates a transition to ISO 9001:2015 and new requirements suggested by QACE, including 2016 CR 3. New requirements for Fleet Monitoring are still awaited.

Individual Recommendations (IRs)

The second two-year cycle of Individual Recommendations was completed during the year. With the increase of available information provided by six years of assessment activity, audit findings review and trend analysis, the addition of data sources as well as the ability to follow up on the RO’s responses to the last IRs the process has become increasingly sophisticated.

The RO’s confirm the accuracy of the recommendations regarding the identification of their strengths and weaknesses. Increasingly the RO’s own internal audits and monitoring controls are identifying the same issues. The ROs have been very supportive of the process in driving improvements to their quality management systems. While the confidentiality arrangements are in place QACE now recommends that the RO share the IRs with its ACB.

VII

Working with Interest Parties

The Annual Report is distributed to interest parties by email. Hard copies of the QACE Annual Reports are made available to the flag States and the organisations represented at IMO during the Spring MSC meetings. Last year's report, with its survey, elicited significant interest in QACE activity and demonstrated that there is increasing awareness of QACE and its applicability to flag interests.

At the invitation of the European Commission DG MOVE, QACE presented a report to the June 2016 Committee of Safe Seas (COSS) meeting regarding QACE activity. Feedback from the meeting centered on QACE comments regarding the results of the assessments and benefits obtained, QACE expertise in RO assessment that is lacking with many flag States implementing the RO Code, some misunderstanding of the supposed duplication of QACE and IACS activity and a common interest in including flag interest areas into the audit scheme.

As advised in the Executive Summary to this report. QACE is looking for full engagement with its interested parties and in ***'establishing together the necessary actions to meet our common goals of safe ships and clean seas'***. To do that and, although the 2018 survey will provide an opportunity to comment, QACE is keen to bring our interested parties issues to the audit process, to test the RO's systems and controls in relation to issues that affect your organisation. QACE would encourage direct engagement in the process by making contact with QACE at post@qace.co.

QACE has informally met with the International Maritime Organisation (IMO) to discuss common interest areas.

In May 2016, the European Maritime Services Agency (EMSA) carried out an inspection in relation to the setup, maintenance and operations of QACE in accordance with Regulation (EC) No 391/2009. The resulting report and QACE's comments are under review by the European Commission.

QACE continues to work closely with the International Association of Classification Societies (IACS). IACS have published the December 2016 QSCS Volume 3, Revision 6 that incorporates interpretation of the ISO 9001:2015 risk management requirements as well as important QACE feedbacks. Incorporation of the new standard allows the RO's to transition to the new standard by the end of 2018, while still complying with ISO 9001:2008.



Picture 1 Des Gutteridge, the QACE Secretary General presenting at the speaking at the November 2016 IACS End-User Workshop in Gdansk'

VIII Latest News

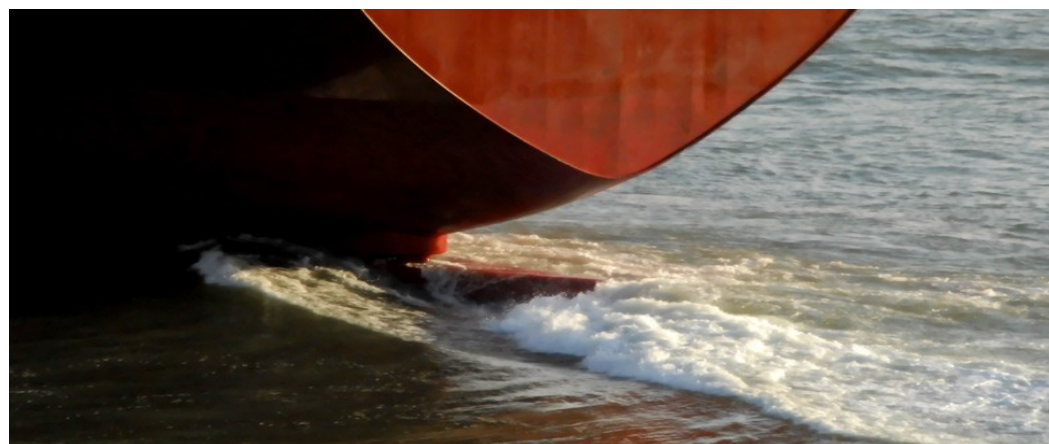
QACE Assessors Meeting

QACE added a third day to its Assessors Meeting in January 2017 to incorporate specific requirement training. The meeting was attended by three of the five QACE Directors.

QACE achieved certification to ISO 9001:2015 in February 2017.

The new version of the standard follows the underlying philosophy that an organisation's outputs are important and it is therefore necessary to demonstrate that its processes and systems are achieving the planned results, providing confidence in the ability to consistently provide conforming products and services. The standard makes a switch from management commitment to leadership to enhance the chance of success while embedding responsibility for the operation and performance of the QMS at all levels of the organisation.

Des Gutteridge, the QACE Secretary General, says **'while it is not one clause that makes the standard different from the 2008 standard, in our business it is key to have requirements for risk-based planning and decision making to ensure we are organised to manage and mitigate risk'**.



IX Concluding Remarks

The year 2016 represented the sixth year of QACE operations. Last years annual report summarised the year as moving beyond compliance to the stepped changes required to achieve a continual improvement cycle, driving performance.

The QACE Board of Directors, in preparing this year's report, realise how much has been achieved again in 2016.

QACE activity is now firmly focused on RO performance having established that the necessary high standard of auditing is being maintained.

The Tripartite Agreement, implemented in July 2015, has found the audit teams working ever more closely with the QACE Assessors. Both parties' necessary independence has been maintained while engendered team working. QACE issues have been assimilated into audit plans and the audit execution has achieved a common outcome with no need for separate QACE findings, apart from isolated instances.

The QACE Board of Directors and the Secretariat again commit to its principals of independence, transparency and in its promise to help drive the effectiveness of the necessary controls and improvements in the general and individual Recognised Organisation's management systems performance.

X Acknowledgments

The QACE Board of Directors and Secretary General acknowledge the importance of the QACE Assessors role in delivering the QACE core activity in its assessment programme. Without the expertise, professionalism and commitment they display it would be impossible to deliver the QACE objectives and interested parties' expectations.

For 2016 QACE would particularly thank the Accredited Certification Bodies and the audit teams, for their positive implementation of the Tripartite Agreement and incorporation of QACE requirements and Assessors into the audit process, which has resulted in a team philosophy, in order that all participants can achieve their objective through a single agreed outcome.

QACE was conceived and created by the efforts of many individuals and continues to secure its independent mandate by acknowledging the common purpose of safer shipping and cleaner seas that requires the commitment of so many.



Annex A

Elected Non-Executive Directors of the Board for QACE

Klaus GRENSEMANN	Germany
C. Dean TSERETOPOULOS	Greece
Francis VALLAT	France
Hui XIE	China

Under the conditions of the QACE Articles of Association terms of service the Members elected:

Christian BREINHOLT	Denmark
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Who took up duty at the QACE Annual General Meeting on the 11th November 2016
Mr Breinholt replaced as Director:

Hiroshi (Dave) IWAMOTO	Japan
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Secretariat

Desmond GUTTERIDGE	Secretary General
Alima KAMARA	Administration Officer

Sub-contracted Assessors

Tim HO	Far East
Hartmut NICKEL	Europe
Mike JENNINGS	Europe
Gur SARUP	South Asia

Sub-contracted Auditor Trainer

Terje EINARSRU	Europe
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Annex B

Members of QACE – EU Recognised Organisations

American Bureau of Shipping
Bureau Veritas SA
China Classification Society
Croatian Register of Shipping
DNV GL SE
Indian Register of Shipping
Korean Register of Shipping
Lloyds Register
Nippon Kaiji Kyokai
Polish Register of Shipping S.A.
RINA Services S.p.A.
Russian Maritime Register of Shipping

The QACE Members Certificates of Compliance can be found on the QACE website qace.co

Elected President

Andrew KENNEDY, Lloyds Register

Approved Accredited Certification Bodies

BSI	Milton Keynes, U.K.
CCJ	Warsaw, Poland
DEKRA Certification B.V.	Arnhem, The Netherlands
SAI Global Limited	Sydney, Australia
SGS S.A.	Geneva, Switzerland

Annex C

Assessment Review

2017 Collective Recommendations

QACE has completed a sixth year of its assessment activity and can report consistent, transparent and robust audits, strengthened procedures and the continuous improvement to the Recognised Organisation (ROs) quality management systems and service provision.

For 2017 QACE would draw attention to four areas of the audit system that require improvement.

1/ Audit of remote locations and surveyors

Areas of the world which are distant from the RO's control, where high volumes of surveys and audits are not held, do not have the same level of experience with complex surveys. Local restricted service or national trade vessels may not be subject to the most stringent level of control. QACE recommends a focus on the work held by these offices and remote surveyors. QACE recommends an audit of representative offices and, where inclusion in the audit plan may not be practical, remote review of office and surveyors jobs and local vessel survey control information.

2/ Exclusion of early stages of surveys from Vertical Contract Audits.

While the difficulties of organising the audits during ships in operation surveys are well known, the intention of Vertical Contract Audits is to witness the survey of substantial requirements. To that end QACE will specify a requirement that survey planning kick-off meetings are not an appropriate subject for VCA. For the same reason QACE will also specify that New Construction VCAs are to be held where plan approval is complete and where the ship is at erection stage and that audit of block inspection is not an appropriate subject for VCA. The QACE requirements will be published in June 2017, effective 1st January 2018.

3/ Closed loop Audit Focus Area reporting

Audit focus areas, have been identified from finding trends and concerns from industry partners. Where necessary the auditor team have been trained in the issue and are required to include the points during appropriate audits. To date the results of the audits in relation to the focus areas have not been collected and analysed to identify effective measures, or the results reported back to the interested parties. QACE would like to explore possible methods to achieve this during the annual End-User Workshop.

4/ Extension of process auditing to Rule development

QACE considers Rule Development as a critical process in ensuring new external and internal requirements are effectively implemented into the RO's Rules and instructions in advance of the mandatory implementation date. Typically audited in the Rule Development of the RO's Head Offices. QACE sees some scope in ACB's considering the end-to-end process from the identification of requirements (external affairs), control within the Rule development plan, the technical appraisal, Rule inclusion, publication, training, advice to surveyors, updates to systems and controls. Important in the process is how the RO verifies the effectiveness of the process and individual Rule inclusions.



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Registered in England and Wales
Community interest company
limited by guarantee

