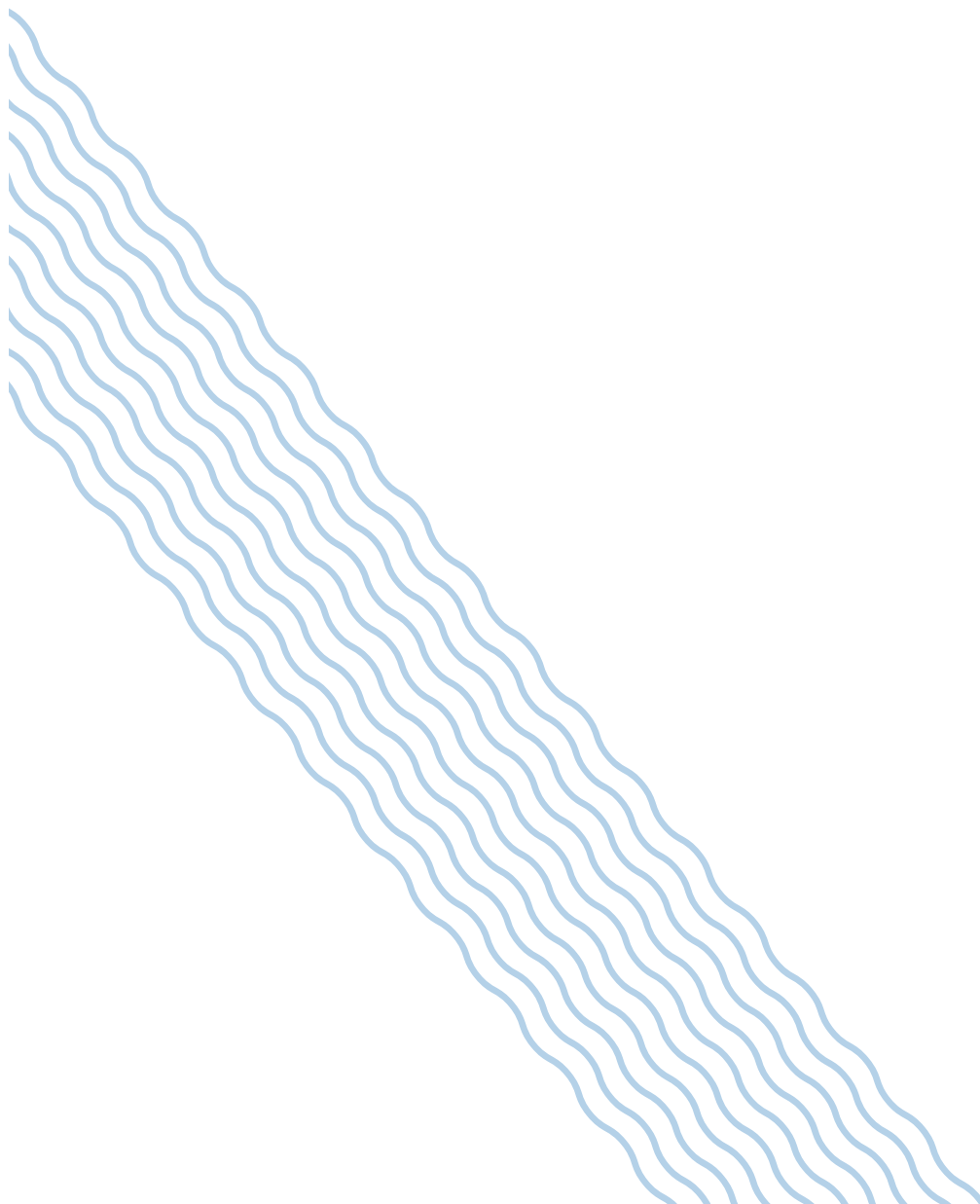

Annual Report 2018

Assessment of the EU
Recognised Organisations
Quality Management Systems



QACE 

Quality Assessment
and Certification Entity

QACE Quality Assessment and Certification Entity

Annual Report 2018

Assessment of The EU Recognised Organisations Quality Management Systems



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Company number 7455733
Registered in England and Wales
Community interest company
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I

Executive Summary

In 2018 QACE completed another successful year of assessment and certification, and implemented new recommendations for the improvement of the EU Recognised Organisation's (RO's) quality management systems.

QACE believes that readers will recognise the relevance of last year's Collective Recommendations, Section VI, especially regarding ROs maintaining necessary surveyor resources in times of recession. This year's recommendations (Annex C of this report) focus on the effectiveness of the RO classification societies vital controls over survey standard and survey reporting, International Safety Management (ISM) findings corrective actions and effective fleet monitoring and ship targeting.

QACE launched a project at the end of the year to publish an independent interpretation of the relevant quality and inspection body standards for the assessment and certification of ROs.

2018 was a year when QACE, and the stakeholders in the performance of Recognised Organisation (RO) classification societies, started to bring a focus on aligning the assessment of the ROs to meet the various parties' obligations and objectives.

As stated above, based on its assessment activity, QACE would draw attention to the four 2019 Collective Recommendations detailed in Annex C, relating to:

- 1/ Focus on report sampling;
- 2/ Evidence to support the downgrading of major, and detention of ISM non-compliances;
- 3/ The effectiveness of ACB audit finding corrective actions;
- 4/ The effectiveness of Fleet Monitoring and Ship Targeting.

II

Scope of Activities

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

The QACE Scope of Activities are 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 9001:2015 and IACS Quality System Certification Scheme (QSCS) requirements by ISO 17021:2011 accredited certification bodies'.

QACE aims to incorporate in the new requirements the strengths of both the continuous improvement and technical 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 an audit of the effectiveness of processes, systems and controls and the fostering of continual improvement.

The QACE Secretary General, Des Gutteridge, talks about a new scope of activity:

"All ROs are congratulated on their successful transitions to the ISO 9001:2015 risk-based standard. Risk has been fundamental to the RO's appraisal in ensuring that ship rules, design approval, and construction requirements are set, so that in-service ships can safely operate and not pollute the dangerous environment in which they work. While fundamental to an RO's activity, risk-based thinking had not necessarily been included in a strategic, organised and a documented approach. Part of the QACE Assessment Requirements (QAR) will establish a benchmark, consider requirements for risks and for evidencing of the RO's consideration and mitigation of those risks".



III

The 2018 Work Plan

The plan for 2018 was:

- To hold a January Assessor's Meeting to develop the 2018 Assessment Programme, to undertake training, exchange views and consider recommendations.
- To deliver training to the scheme's auditors.
- To deliver an extensive and effective annual Assessment Programme, in the most cost-efficient manner.
- To monitor the audit and certification processes of the EU ROs and of applicant RO, to ensure they are conducted consistently and to the highest standards.
- 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 rapidly identify and correct weaknesses in their rules, processes and internal controls for the safety of the ships they inspect and certify.

Apart from the core activity, Assessment Programme, the 2018 Work Plan included:

- To hold four Board meetings during the year, one meeting in conjunction with the Members' Annual General Meeting.
- To implement the third two-year cycle of RO Individual Recommendations.
- To evaluate the RO's three-year trend analysis of audit findings.

As an overall goal, to comply with the requirements of Article 11 of EU Regulation (EC) No 391/2009 in maintaining an independent assessment and certification entity.



IV

Assessment Activities

The main objectives of QACE's assessments are to promote safety at sea and the protection of the marine environment for the benefit of the community through frequent and regular assessment of the quality management systems of Recognised Organisations.

The January two-day Assessor's Meeting is an important event in the QACE calendar in designing the year's Assessment Plan. The meetings include new internal training, exchange of experience, as well establishing the locations, dates and types of audits for assessment that will be recommended to the Board of Directors. A risk-based approach is employed in the selection of assessment visits, tailored to each RO's fleet and activities.

It is of great assistance that the accredited certification bodies (ACB) auditors produce their own testing annual audit plans and select their own risk-based samples to audit, including complex new building projects and older ships in service undergoing major classification and statutory surveys. The QACE Technical Expert is responsible for the auditors training in relation to the QACE Specific Interest Areas and statutory requirements auditing

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, audits during major periodical and statutory surveys of Ships in Operation (SiO), and audits of the ISM process.

In 2018, 65 audits of the different types were witnessed (65 in 2017, 60 in 2016), over 48 visits (48 in 2017, 38 in 2016). The 2018 assessments comprised:

- 18 Survey Locations (SL) (17 in 2017, 18 in 2016). QACE aims to attend at least one SL for each RO each year.
- 5 Control Offices (CO) (4 in 2017, 5 in 2016). Smaller ROs do not have COs, and all branch offices are controlled through the Head Office.
- 10 Head Offices (HO) (9 in 2017, 4 in 2016). QACE attends HO audits every second year, the alternate year attending the HO to discuss Individual Recommendations (refer section VI).
- 9 Plan Approval Offices (9 in 2017, 7 in 2016), and 12 New Construction Vertical Contract Audits (VCAs) (13 in 2017, 8 in 2016). The auditors are encouraged, wherever possible, to take a process approach to the new building process and include an 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.
- 11 Ships in Operation VCAs (15 in 2017, 18 in 2016). Vertical Contract Audits are an important audit element when the auditor can witness surveyors in the performance of their duties onboard ships during surveys.

Assessments held in 2018

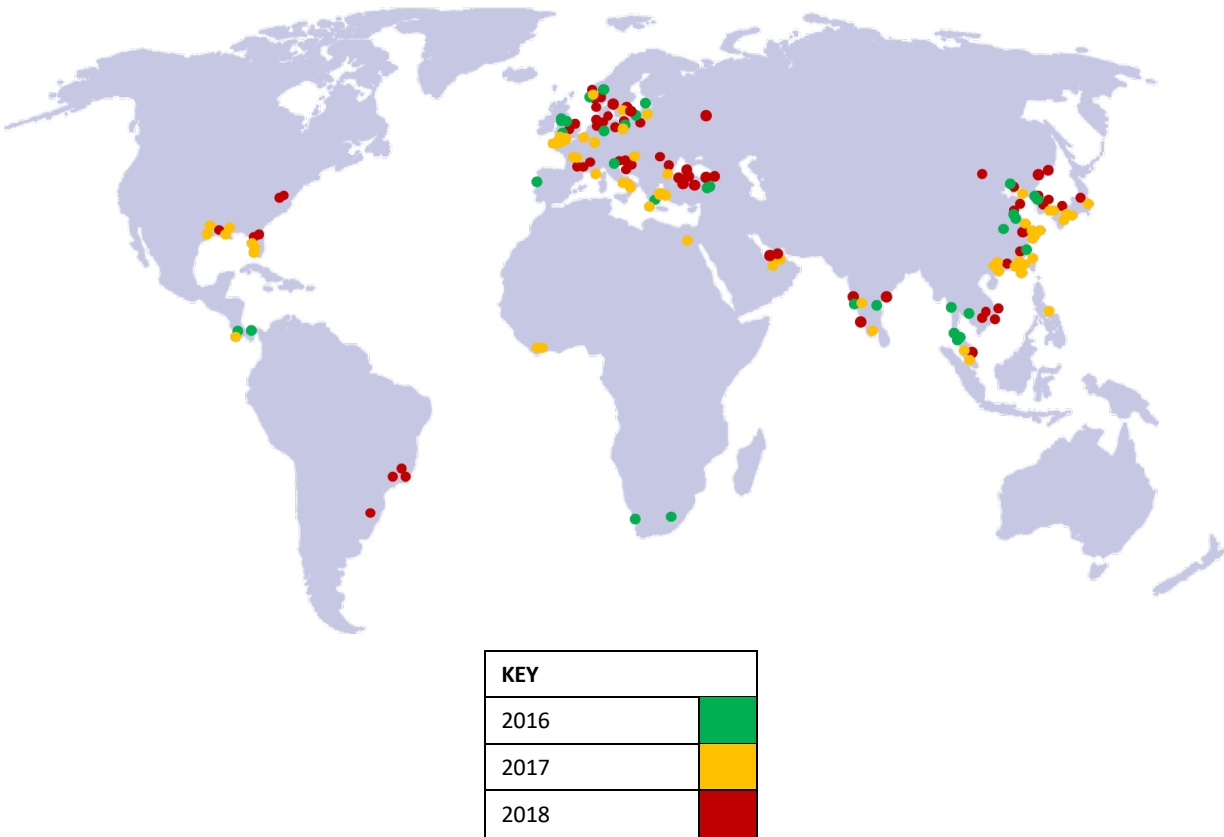


Due to the vagaries of ship operations, with regular delayed arrival times and postponed survey activity, Ships in Operation VCAs are the most challenging type of audit to organize.

QACE is asking the question, are there better ways of doing it? Ideas for establishing how a remote review of surveyor and survey records may take a part in the audit requirements will be considered together with the ACB’s and ROs.

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. To that end QACE continued to assess Türk Loydu during the year.

Assessments held 2016-18



Assessments held in 2018

Ass No	ACB	RO	Location	Date	Type
1-2	DEKRA	RS	Vladivostok	19-24 Jan	SL & SiO VCA
3	CCJ	PRS	Dubai	18-19 Feb	SL
4	SGS	NK	Dubai	20-22 Feb	SL
5	BSI	LR	Hamburg	2 Mar	CO
6	BSI	IRS	Mumbai	5-9 Mar	HO
7-8	DEKRA	RS	Gdansk	6-9 Mar	SL & SiO VCA
9-10	BSI	BV	Ho Chi Minh	12-16 Mar	SL & NC VCA
11	BSI	IRS	Singapore	15-16 Mar	SL
12	BSI	LR	Vung Tau	2-3 Apr	SL
13	BSI	ABS	Imabari	4-5 Apr	NC VCA
14	BSI	LR	Nha Trang	5-6 Apr	NC VCA
15-16	SGS	CCS	New York	18-20 Apr	CO & SL
17	BSI	LR	Constanta	19-20 Apr	SiO VCA
18	SGS	KR	Hamburg	25-26 Apr	SL
19	BSI	TL	Gelibolu	24-26 Apr	NC VCA
20	BSI	TL	Kocaeli	26-27 Apr	SiO VCA
21&22	BSI	TL	Tuzla	7-11 May	HO (transition) & SL
23	SGS	NK	Jianjing	10-11 May	NC VCA
24-25	DEKRA	RINA	Fort Lauderdale	11 May	CO & SL
26	SGS	CCS	Dalian	14-15 May	NC VCA
27	DEKRA	RINA	Rio de Janeiro	14-15 May	PA
28	DEKRA	RINA	Buenos Aires	17-18 May	SL
29-30	BSI	LR	Southampton	21-25 May	PA & HO (transition)
31	BSI	CRS	Split	28-29 May	NC VCA
32	BSI	CRS	Vela Luka	30-31 May	SL

HO - Head Office

PA - Plan Approval Office


(NC) - New Construction

VCA - Vertical Contract Audit

CO - Control Office

SL - Service Location Office

(SiO) Ships in Operation

 - Applicant RO assessments

Assessments held in 2018

Ass No	ACB	RO	Location	Date	Type
33-35	BSI	ABS	Genoa	28 May – 1 Jun	PA,SL & ISM VCA
36	SGS	NK	Tokyo	18-22 Jun	HO
37	BSI	IRS	Zhoushan	4-5 Jul	SiO VCA
38	DEKRA	RS	Nizhniy	5-6 Jul	NC VCA
39	SGS	CCS	Beijing	15-20 Jul	HO
40	BSI	TL	Tuzla	16-17 Jul	SiO VCA
41-42	BSI	BV	Rio de Janeiro	23 -27 Jul	SL & PA
43	CCJ	PRS	Szczecin	2-3 Aug	SiO VCA
44	DEKRA	DNV GL	Hong Kong	13-14 Aug	SL
45	BSI	CRS	Gdansk	23-24 Aug	SiO VCA
46-47	DEKRA	DNV GL	Rostock	27-30 Aug	SL & NC VCA
48	SGS	KR	Busan	2-7 Sep	HO
49	SGS	NK	Vizag	5-7 Sep	SiO VCA
50	BSI	IRS	Cochin	10-11 Sep	NC VCA
51-52	SGS	KR	Geoje	10- 12 Sep	PA & NC VCA
53-54	BSI	ABS	Houston	10-13 Sep	CO & PA
55-56	DEKRA	DNV GL	Hamburg	17-21 Sep	HO & PA
57-59	DEKRA	DNV GL	Hovik	9-11 Oct	HO, CO & PA
60	BSI	LR	Copenhagen	15-16 Oct	PA
61	SGS	KR	Qingdao	18-19 Oct	SiO VCA
62	BSI	CRS	Split	19-23 Nov	HO
63-64	BSI	TL	Istanbul	26 Nov- 1 Dec	HO & SL
65	CCJ	PRS	Gdansk	26-27 Nov	NC VCA

HO - Head Office

PA - Plan Approval Office


(NC) - New Construction

VCA - Vertical Contract Audit

CO - Control Office

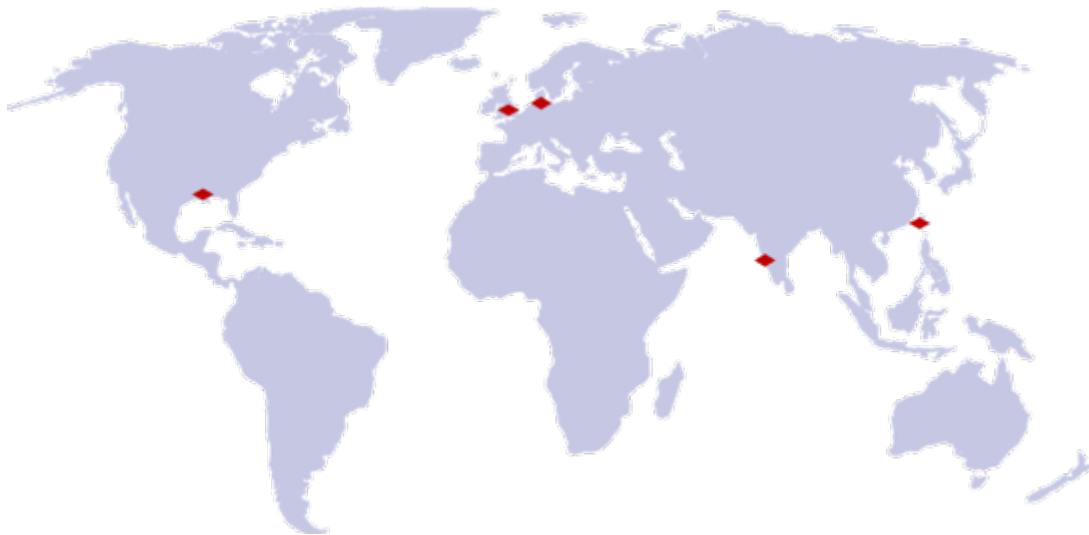
SL - Service Location Office

(SiO) Ships in Operation

 - Applicant RO assessments

The QACE Assessors are strategically located to deliver the Assessment Programme in the most cost-effective manner possible.

Map: QACE Assessor’s Locations



V Assessment Results

Established with the implementation of the Tripartite Agreement between QACE the RO's and ACBs, the ROs provide in January of each year a three-year trend analysis of the ACB's audit findings.

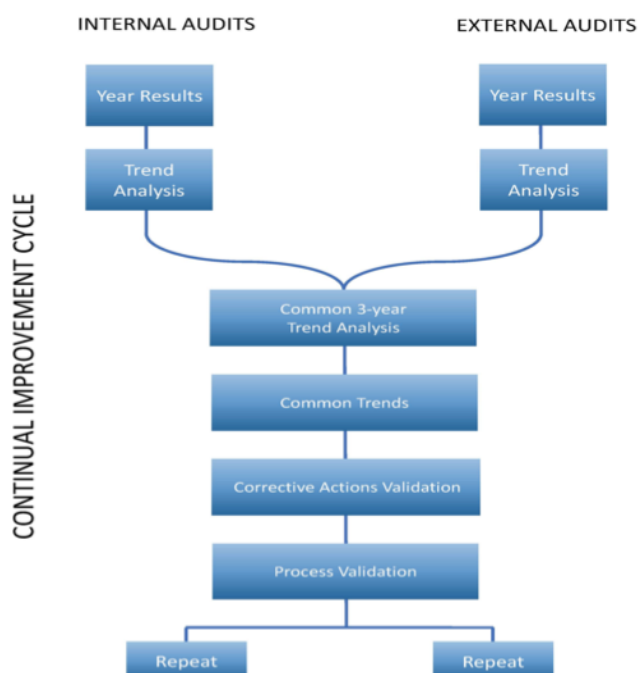
In 2018 QACE started to address associated best practices, that the analysis should not just be the number of findings each year and the system categories they fall into but include trend root-cause analysis, to ensure the corrective actions assigned are effective and that weakness areas and necessary improvements are addressed. The methodology is also an important tool for ROs in identifying focus areas for internal audits, monitoring activity and Key Performance Indicators.

Future year's analysis can demonstrate the effectiveness of previous corrective actions by reduced numbers of findings.

Stable implementations of audit finding trends analysis are an important Management Review input in the ROs systematic risk-based controls.

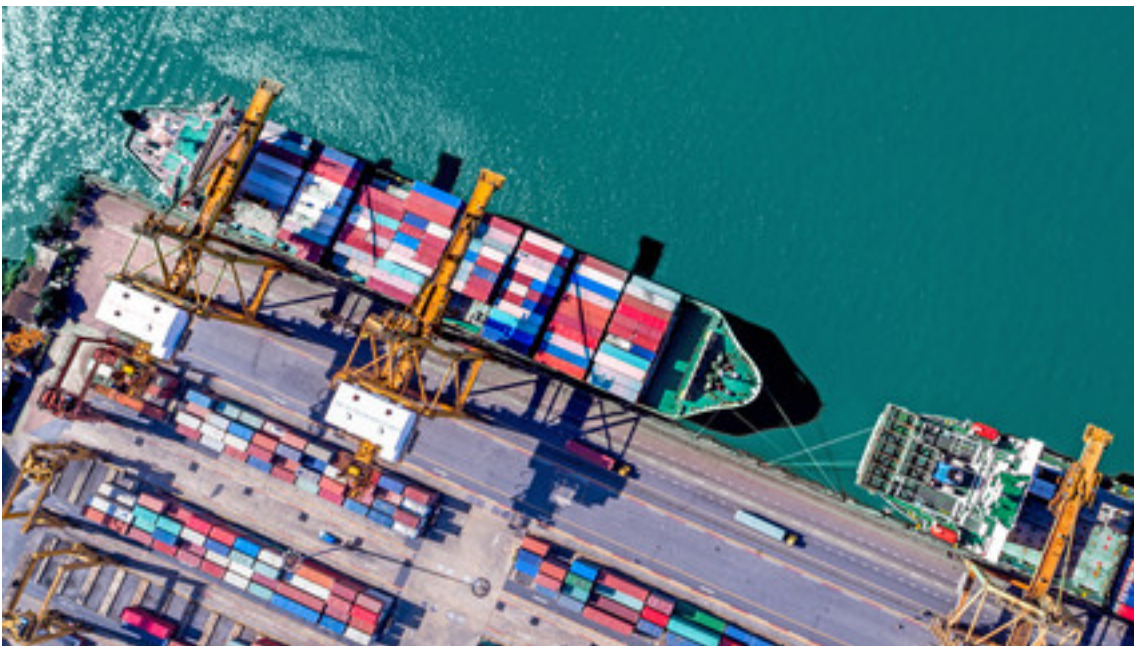
The RO's analysis of its own internal audit findings will support and validate the external audit findings, leading to reliable data driven decision making and increasingly effective processes.

These stages make up a typical continuous improvement cycle.



In relation to QACE's activity, a summary of the assessments over the year is prepared, several points are extracted that are relevant as:

- Potential recommendations to the RO or,
- As part of a trend across the ROs, potential Collective Recommendation (CR), or best practice.
- Trending items may also be relevant as proposed changes to the audit requirements.
- Issues can also relate to opportunities for improvement to be raised with the audit bodies during QACE annual meetings and at the November end-user workshop.



VI

Recommendations

Collective Recommendations

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

The RO’s and ACB’s responses to the annual recommendations are analysed in the 4th quarter of each year to determine the actions to be taken and to be able to discuss the results with the involved and interested parties during the end-user workshops in November of each year.

Built In

QACE has been pleased with the RO’s and ACB’s response to the Collective Recommendations and, addressing the issues and the way they have been ‘**built in**’ to the RO’s systems and the ACB’s audits.

Going back to the 2017 recommendations, the auditing of remote locations has highlighted isolated instances where the RO has needed to reestablish increased oversight and consider their global controls and management system implementation. Issues regarding audits being held at too early a stage of surveys have been accepted and, requirements have been implemented and further instances have not been reported.

As identified in the 2018 Collective Recommendation 03, due to the complexity of the work and ever-increasing requirements, all RO’s have issues with the accuracy of their survey and audit reports. The ROs are working hard on improvements to their associated system controls and processes. The issue is highlighted again in this year’s recommendation 2. To assist in relation to audit locations that have been identified with report accuracy issues a best practice is for the RO to include a six-month re-sampling of reports from the location to confirm that the local actions taken have been effective. QACE will establish the practice in the new assessment requirements.

In 2017 QACE established its first requirements from assessment feedback as QACE Requirements Notices (QRNs). With the advent of the QACE Assessment Requirements, the QRNs will be incorporated into the requirements and the need for QRNs, will be withdrawn.



Results from last year's Collective Recommendations (CR):

CR1/ RO's transition to the risk-based ISO 9001:2015 standard

The audit and certification of the RO's transition to the new risk-based standard is the responsibility of the ACB. QACE congratulates the ROs and ACBs in meeting the new audit requirements by the deadline. In QACE's opinion the effectiveness of the implementations varies between ROs. QACE plans to include an interpretation of the standards requirements in the assessment scheme, particularly regarding risks that are fundamental to RO activity and the ROs demonstration of how they have been mitigated.

CR2/ RO's maintenance of surveyor resources

As a natural reaction to the industry recession and the downturn in work, QACE can report that the particularly the larger ROs that have restructured, downsized surveyor resources, made office closures and have more remote working staff, the changes have been made as part of well-planned implemented projects. It is yet to be determined if the reactive nature of the process has been effective in the longer term and that resource planning lessons have been learnt, and proactive measures are in place.

During 2018 only isolated instances have been recorded where workloads were considered too high and the offices concerned were able to evidence that recruitment or transfer plans were in hand. Concern over the recession continues and, with an eventual return to possibly localized higher volumes of work, whether enough resources will be available. The focus will remain in place during 2019 and 2020.

**CR3/ RO's
controls over
classed non-
convention
vessels**

As a reaction to the unfortunate regular reports of smaller national service non-convention ship incidents QACE brought a focus on these ships in last year's auditing. The ships typically do not operate in effective Port State Control areas and are registered with poorly performing flags. Assessment activity particularly focused on whether or not the relevant RO's Fleet Monitoring and ship targeting process have these ship types as a risk factor. QACE plans to include the point in the QACE Assessment Requirements.

**CR4/ Auditing of
WBM approvals**

QACE is pleased to report that the RO's implementations of the requirements has been effective and that only isolated instances of error have been identified, mainly associated with records.

Individual Recommendations

With the increase of available information after six years of audit findings and assessment activity the IR process has become highly effective in identifying the strengths and weaknesses of each of the ROs, driving improvements to their quality management systems (QMS). New to 2017 has been the introduction of the RO's audit body (ACB) being copied into the recommendations and the RO's response.

QACE has found the process of attending each RO's Head Office to discuss the recommendations as mutually beneficial in a common understanding of the assessment recommendations and the necessary actions to be taken.



VII

QACE Assessment Requirements

As advised in this report's opening statement, to meet the EU Regulation (EC) No. 391/2019 Article 11, 2 (c) for QACE is to:

'issue of interpretations of internationally recognised quality management standards, in particular to take account of the specific features of the nature and obligations of recognised organisations'

The QACE Board of Directors approved a Project Plan. The project encompasses QACE's interpretation of the ISO 9001:2015 business standard and the ISO:17020 for inspection bodies. To date QACE has adopted the IACS Quality System Certification Scheme (QSCS) but QACE is not involved in the development of the scheme and is required to be independent from the ROs and the RO's association.

QSCS has been in effective operation for over 25 years and with agreement has been used as the basis for the QACE Assessment Requirements (QAR). A major objective is 'not to reinvent the wheel' but to interpret the standards and include the experience gained from assessment activity. Another major objective is that the scheme can be easily incorporated into the ACB's auditing.

In line with the QACE objectives of transparency and inclusion, the project and the interpretation will be reviewed by a Consultancy Group made up of the interested parties including the RO's and ACB's. This is to ensure that the interpretation is discussed and commented upon to achieve the most practical and beneficial implementation.



VIII

Working with Interested Parties

Report Distribution

Annual Reports are distributed to all interested parties by email. Hard copies are provided to the flag States and the organisations represented at IMO during the Spring MSC meetings. QACE posts the report on social media and will increase distribution through the marine media. Last year's report elicited significant interest in QACE activity and demonstrated that there is increasing awareness of QACE and its applicability to flag State interests.

The EU Commission

The October 2017 EU Commission's assessment of QACE activities main findings related to:

- The issue of interpretations of the relevant international quality standards; covered in Section VII.
- The need to ensure that QACE directors are free from conflicts of interest; addressed in an Amendments to the Articles of Association at the Annual General Meeting in November 2018.
- A call for assessment of what would be required for QACE to meet the requirements of ISO 17021 as an Accredited Certification Body has been advised to the Commission.

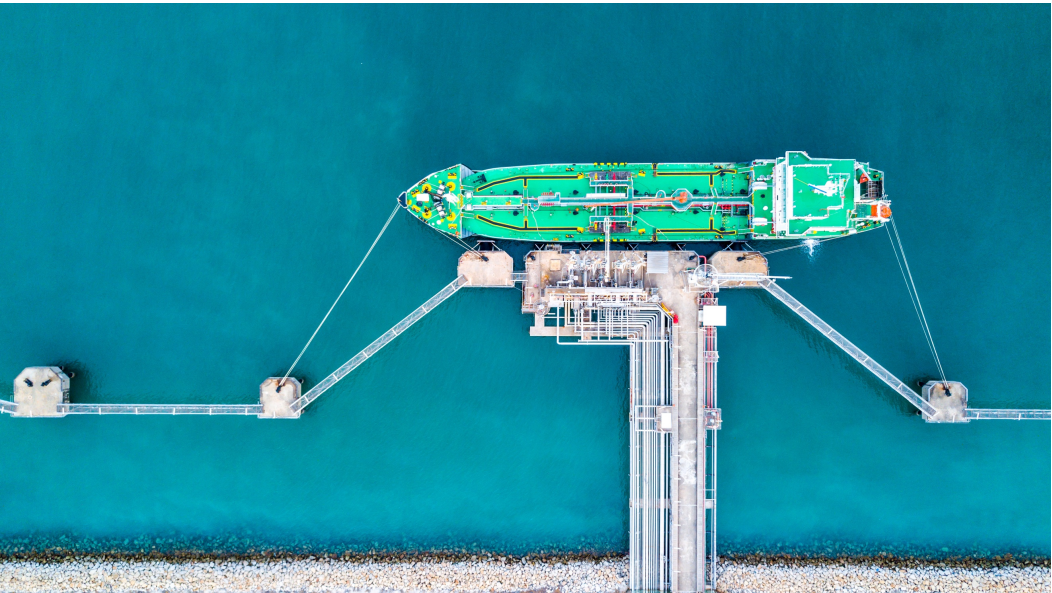
The Commission's October 2018 letter confirmed that the shortcomings were considered conditionally closed and implementation of the corrective actions would be monitored and verified at the next assessment at an appropriate time when the corrective actions have been implemented.

**The Accredited
Certification
Bodies (ACBs)**

QACE has increased its direction to the five Accredited Certification Bodies (ACBs). The third year of November meetings has been highly successful in agreeing team working between ACB auditors and QACE Assessors to achieve the two organisations different objectives through a single agreed audit outcome. Next year will see more extensive meetings to discuss and agree the audit plans.

**The International
Association of
Classification
Societies (IACS)**

QACE continues to work closely with IACS, wherever possible agreeing joint annual audit focus areas. The two meetings in the spring and autumn of each year help to establish the January auditor training and the November End User Workshop arrangements. IACS as the owners of the Quality System Certification Scheme (QSCS) used by QACE as a foundation for the QACE Assessment Requirements are an important part of the Audit Standard Consultancy Group.



IX

Concluding Remarks

In line with the QACE director's terms of office two directors retired at the Annual General Meeting on 6th November 2018 and Christian Breinholt was elected as the new Chairman of the Board. The QACE Directors, Secretariat and Members thanked Mr. Grensemann and Mr. Tseretopoulos for their outstanding commitment to QACE over the years, since before the QACE inauguration in November 2010. Klaus's Chairmanship and leadership have been broadly acknowledged as a major factor in QACE achieving its goals and obligations, through development to a stage of established operations.

As the new Chairman, Mr Breinholt recognises the QACE achievement and talks about his role in taking QACE forward into a new phase:

"QACE has demonstrated its ability not only to fulfil the objectives of the regulation but to make a positive, independent assessment and impact on the quality management systems and performance of the Recognised Organisations.



The new Board will build on what has been achieved and a number of initiatives have been agreed in order to lean the work processes, utilize modern video techniques, reduce carbon footprint and provide significant cost savings, without any negative impact on the effectiveness of the entity".

As highlighted in the QACE Chairman's remarks, 2019 sees the beginning of a period of further change for QACE but, with the foundations that have been set, the challenges can be met with some confidence.

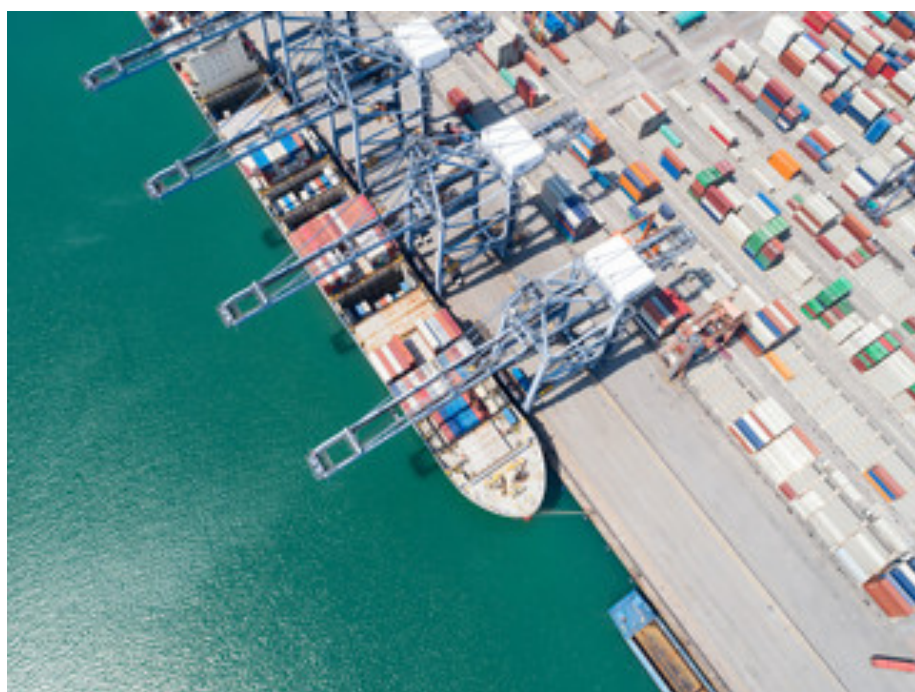
The QACE Board of Directors and the Secretariat again commit to its principals of independence, transparency and in its promise to help drive the effectiveness of the necessary controls and improvements in the general and individual Recognised Organisation's management systems performance.

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.

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.



Glossary

ABS	American Bureau of Shipping
ACB	Accredited Certification Body
AFA	Audit Focus Area
AFTA	Audit Finding Trend Analysis
AGM	Annual General Meeting
BSI	The British Standards Institution [<i>Certification Body</i>]
BV	Bureau Veritas S.A.
CCJ	Quality Certification Center [<i>Certification Body</i>]
CCS	China Classification Society
CIC	Community Interest Company [<i>Non-Profit</i>]
CO	RO Controlling Office
CRs	Collective Recommendations
CRS	Croatian Register of Shipping
DEKRA	DEKRA Certification GmbH [<i>Certification Body</i>]
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
IAF	International Accreditation Forum, Inc.
IMO	International Maritime Organisation
IRS	Indian Register of Shipping
IRs	Individual Recommendation

ISM	International Safety Management Code
ISO	International Organisation for Standardization
KR	Korean Register of Shipping
LR	Lloyd's Register
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.
QAR	QACE Assessment Requirements
QMS	Quality Management System
QRNs	QACE Requirements Notices
QSCS	IACS Quality System Certification Scheme
RINA	RINA Services S.p.A.
RO	Recognised Organisation
RS	Russian Maritime Register of Shipping
SGS	SGS S.A. <i>[Certification Body]</i>
SIAs	Specific Interest Areas
SL	RO Survey Location
SO	Scheme Owner
SPI	Specific Interest Area
TL	Türk Loydu
VCA	Vertical Contract Audit

Annex A

Elected Non-Executive Directors of the Board for QACE

Klaus GRENSEMANN	Germany (retired)
C. Dean TSERETOPOULOS	Greece (retired)
Christian BREINHOLT (Chair)	Denmark
Hui XIE	Chinas
Nikos MIKELIS	UK
Ashok MAHAPATRA	India
Niels Bjørn MORTENSON	Denmark

Under the conditions of the QACE Articles of Association terms of service, Klaus Grenseman and Dean Tseretopoulos retired at the 2018 Annual General Meeting on 6th November 2018.

Dr Nikos Mikelis was elected to the Board of directors on April 2018.

Mr Ashok Mahapatra and Mr Niels Bjørn Mortenson were elected to the Board of Directors on 6th November 2018 to start on 1st January 2019.

Secretariat

Desmond GUTTERIDGE	Secretary General
Alima KAMARA	Administration Manager
Tim HO	Technical Expert

Sub-contracted Assessors

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

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
Lloyd's 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

Patrick LE-DILY, Bureau Veritas

Approved Accredited Certification Bodies

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

Annex C

Assessments Review 2019 Collective Recommendations

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

For 2019 QACE would draw attention to four areas of the audit system that may benefit from additional focus.

1 / Focus on report sampling

Following last year's recommendation regarding concerns over the report checking process and the accuracy of survey reports, QACE continues to highlight the issue by bringing a focus for the auditors to ensure that sufficient time is given to audit sessions to ensure an effective sample of survey and audit reports is completed. Survey and audit reports are the record of the effectiveness and completeness of the survey and are the best place to determine the overall standard of surveying and reporting. The technique is to ensure that the sampling across the ROs is consistent and leads to confirmation, over time, that the actions the ROs are taking, generally and individually, over their report checking is working. It is particularly important that sub-offices and remote surveyors' reports are sampled during regional or area Control Office audits.

2 / Evidence to support the downgrading of major, and deletion of ISM non-compliances

ISM audit findings have been identified where evidence of corrective action is not available or is not considered appropriate. It is essential in ensuring the effectiveness of implementing the International Safety Management Code, with shipping companies and onboard ships, where non-conformities and especially major non-conformities are identified, that effective corrective action is evidenced and recorded before the findings are downgraded or closed. Pressure can be brought to bear where a finding delays the ship, involves a costly action or requires the implementation of improved maintenance regime.

3 / The effectiveness of ACB audit finding Corrective Actions

Particularly when undertaking the audit finding trend analysis for each RO's biennial individual recommendations there are occasions where identified findings are repeat of trends, identified from previous years' trends. Just as in the case for recommendation 2, this may indicate earlier ineffective corrective actions.

Both the RO's and ACB's trend analysis should focus on these potential situations, if they exist, whether or not a review of the effectiveness of previous corrective action is required.

4 / The effectiveness of Fleet Monitoring and Ship Targeting

A new procedural requirement has been issued regarding this important risk-based control. The ROs have all had an associated process in place for several years. To be effective the criteria for targeting should be tailored to reflect the RO's fleet profile. There are different issues associated with larger, multiple ship type fleets and for smaller older ship fleets. An important element is the risk criteria that the RO applies, which should include as a minimum, ship's age, PSC performance, poorly performing flags and most important surveyor feedback (PR17). Ineffective implementations are reactive in nature, for example, where a ship is only targeted after it has already been detained twice. One of the major benefits of an effective regime is a good PSC record. At the same time, a poor PSC record may indicate ineffective fleet monitoring. Decisions to remove a ship from targeting are to be based on data-driven evidence. Best practice includes a defined period for the ships to remain under monitoring and targeted ships subject to a minimum of two unscheduled surveys during the period. At the termination of the period the ship must evidence improved maintenance or class suspension is to be implemented. Associated QACE requirements are planned.

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