

2021 JOINT IACS/QACE FOCUS AREAS

GUIDANCE NOTE

Introduction

The procedure in Section J3 of Volume 3 has been used, for the identification and development of the Focus areas for 2021 by Operations Centre (OC). Risk-based thinking was followed, taking into account input from the following:

- a) OC analysis of three years ACB audit findings and the trends analysis on the findings
- b) Feedback from ACBs
- c) Comments received from QACE
- d) Specific issues, if any, raised by AVC and considered by Council
- e) New requirements including changes in IACS CSR, URs, PRs & UIs
- f) Changes in statutory requirements
- g) Developments in ISO 9001/QMSR

The following four Joint IACS-QACE Focus Areas have been drawn up, in accordance with the recently introduced procedure J3 in Volume 3, in consultation with QACE, ACBs and QC members.

FOCUS AREAS FOR 2021

- 1. Follow up to PSC detentions and inspections including effectiveness of any ISM audit carried out**
- 2. Cyber security and risks being incorporated into ship companies SMS' (MSC.428(98))**
- 3. Effectiveness of Remote Surveys including execution and documentation**
- 4. Report Quality covering survey, inspection and audit reports**

GUIDANCE ON 2021 FOCUS AREAS

General - Implementation

- IACS Annual Focus Areas should be verified by ACBs during a year's audit program.
- The ACB auditor shall explain the annual focus areas during the onsite planning or opening meeting. The status of implementation of annual focus areas shall be explicitly commented on within ACB audit reports and be specifically included in the closing meeting.
- The IACS OC observer shall verify that the annual focus areas are robustly audited by the ACB auditors during observed audits.
- The status of implementation of annual focus areas will be included in the annual QMR.

The following points are recommended as guidance when following the audit trails related to the Focus Areas;

1. Follow up to PSC detentions and inspections including effectiveness of any ISM audit carried out

- Industry has indicated the effectiveness of ISM auditing should be enhanced
- ACB auditors should pay particular attention to ensure ISM audit findings raised by the ISM auditor have been written in accordance with section 3.8 of PR 9, i.e. clear, concise and relate to and reference the ship/company management system wherever possible
- ISM audit findings should be appropriate to issues identified in the SMS rather than being a defect list, which is often the case
- ACB auditors should check communications with the flag and that any flag requirements have been fulfilled
- ACB auditors should check the CS' own procedures and specific instructions have been complied with
- The ACB Auditor should verify that the ISM auditor has ensured the effectiveness of actions taken by the clients with respect to the findings raised
- ACB auditors should extend the audit trail to surveys and audits prior to the detention to check whether the handling and reporting were effective enough to have reasonably expected the detention to have been prevented. This is especially important for multiple detention cases and where ships are already under CS Procedures for fleet monitoring
- Auditors should look to see that the class society considers whether there are lessons to be learnt that could be usefully shared with colleagues within the class society

2. Cyber security being incorporated into ship companies SMS' (MSC.428(98))

- Although MSC.428(98) (adopted June 2017) is recommendatory and not mandatory, a number of flags (e.g. Marshall Islands, Vanuatu, Cyprus, Australia, Singapore) have adopted this as a mandatory requirements from 1st January 2021
- Administrations have been urged to ensure that cyber risks are appropriately addressed in safety management systems no later than the first annual verification of the company's Document of Compliance after 1 January 2021
- The grant of relevant class notation is not required in accordance with MSC.428(98) and it is applied differently for each class in complying with its own rules
- The ACB auditor should verify whether this focus area has been addressed in the Company's SMS during ISM DOC and SMC audits

3. Effectiveness of Remote Surveys including execution and documentation

- Remote survey became topical during the COVID-19 pandemic, accelerating an increasing use of technology in the survey process by classification societies and Recognised Organisations (ROs)
- IACS does not yet have common requirements for the full completion of a survey by remote means and IACS Survey Panel currently has a Project Team engaged in development of these
- In the meantime individual members have developed their own approaches to ensure remote survey, where applied, does not pose a risk to safety and is conducted to the satisfaction of the relevant flag State – auditors should therefore cross reference the class society's own procedures and check communications with the flag State to verify compliance with them
- ACB auditors should keep in mind the risk based approach required by ISO 9001:2015
- ACB auditor should be aware of IACS Recommendation 42 *Guidelines for Use of Remote Inspection Techniques for surveys* noting the distinction between "remote survey" and "remote inspection techniques"

- Auditors should also note particularly that industry require assurance that safety standards are not compromised by the use of remote surveys, i.e. the quality of remote surveys should be no less effective than if the survey had been conducted by the surveyor being physically present
- Whilst attention is currently greatest on surveys, auditors should look to ensure remote audits and inspections, if conducted, are no less effective than physically attended ones.

4. Report Quality covering survey, inspection and audit reports

- Survey / Inspection / audit reports are one of the most important tangible evidence of service delivery by the Class Societies & Recognised Organizations.
- It is of utmost importance that these reports are correct, complete and clear. There have been many instances when these have not been addressed well in the past year. Computerised reporting systems, surveyor/inspector/auditor training in reporting, report monitoring & feedback are the mechanisms available to augment the report quality.
- Therefore, the audits shall pay special attention to these aspects of this focus area.

xxxxxxx