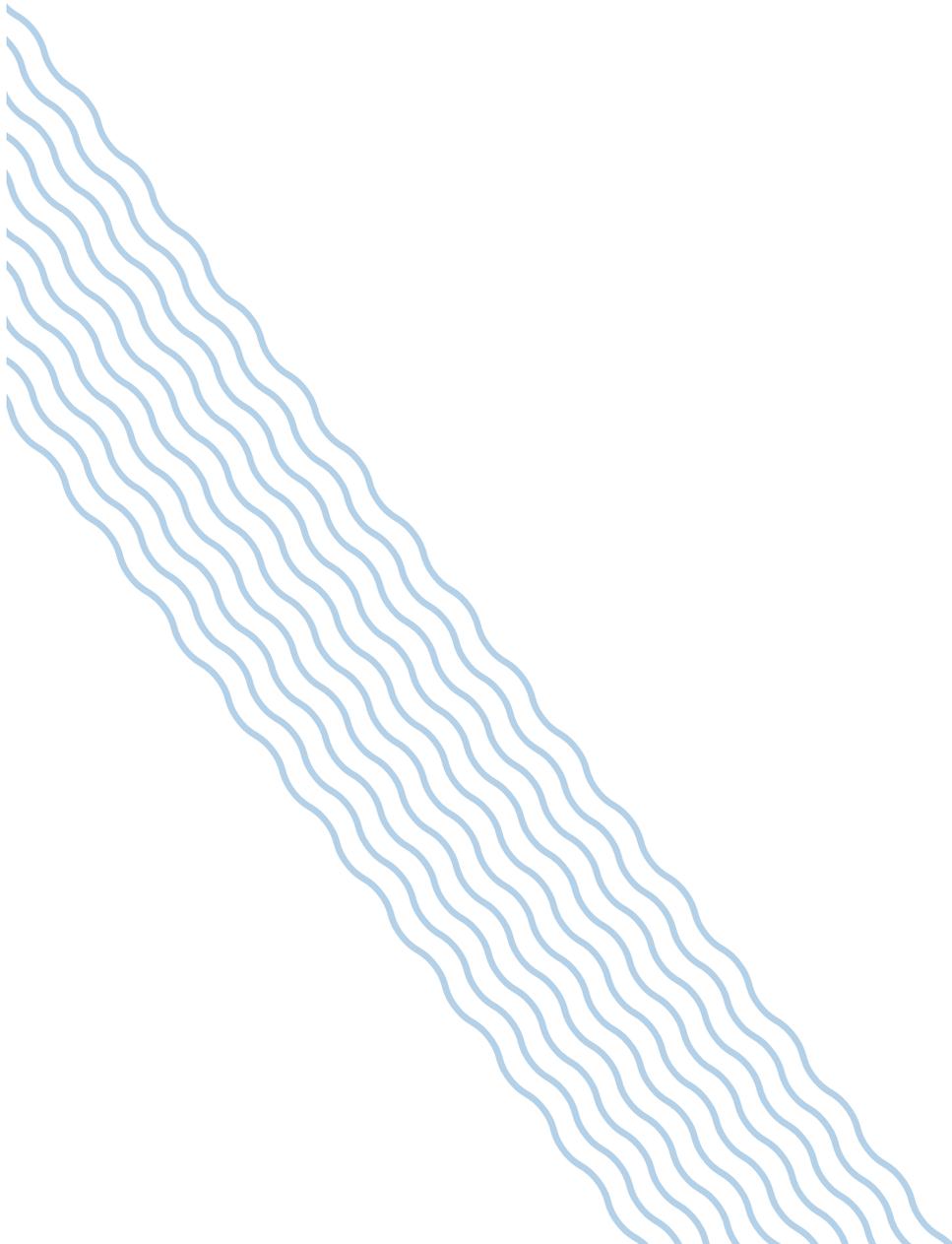


# Annual Report 2013

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The assessment of QMS  
Certification of Maritime  
Recognised Organisations

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**QACE** 

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Quality Assessment  
and Certification Entity

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Company number 7455733  
Registered in England and Wales  
Community interest company  
limited by guarantee

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# Glossary

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ABS.....	American Bureau of Shipping
ACB.....	Accredited Certification Body
BSI.....	The British Standards Institution [Certification Body]
CCS.....	China Classification Society
CIC.....	Community Interest Company [Non Profit]
CO.....	RO Controlling Office
CR.....	Collective Recommendations
CRS.....	Croatian Register of Shipping
DEKRA.....	DEKRA Certification GmbH [Certification Body]
DNV.....	Det Norske Veritas AS
DQS.....	DQS GmbH [Certification Body]
EC.....	European Commission
EMS.....	Environmental Management System
EMSA.....	European Maritime Safety Agency
EU.....	European Union
EUW.....	IACS ACB Auditor End User Workshop
GL.....	Germanischer Lloyd SE
HO.....	RO Head Office
IACS.....	International Association of Classification Societies
IACS PR.....	IACS Procedural Requirements
IACS UI.....	IACS Unified Interpretations
IACS UR.....	IACS Unified Requirements
IAF.....	International Accreditation Forum, Inc.
IAF MD.....	IAF Mandatory Document
IMO.....	International Maritime Organization
IRS.....	Indian Register of Shipping
IR.....	Individual Recommendation
ISM.....	International Safety Management Code
ISO.....	International Organization for Standardization
ISRSISPS.....	International Ship and Port Facilities Security Code
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
QMS.....	Quality Management System
QSCS.....	IACS Quality System Certification Scheme
RINA.....	RINA Services S.p.A.
RINAVE.....	Registro Internacional Naval SA
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
TL.....	Türk Loydu
UTM.....	Ultrasonic thickness measurement
VCA.....	Vertical Contract Audit
ZSJZ.....	Zakład Systemów Jakości i Zarządzania [Certification Body]

## Executive Summary

2013 concluded a successful year for QACE operations. The organisation is moving from a set-up and development stage when the core business and operating practices were developing, into a continuous improvement cycle, increasing the impact on the management systems of the Recognised Organisations (ROs).

The year has seen a number of important developments and follow-up actions to be reported:

- To establish as quickly as possible full and consistent data, the originally planned three year observation programme was delivered in the year, doubling the number of observed audits from 2012. This has allowed QACE to again formulate strong 2013 Collective Recommendations. The recommendations are one of the main drivers of the scheme.
  - The response of the ROs and ACBs to initial concerns and deficiencies noted by QACE in 2011 over the consistency of ACB audits was commended in last year's report. QACE is pleased to be able to report a further general improvement in 2013 and another positive reaction to the QACE recommendations and concerns. The level of consistency across the ACBs is now satisfactory, but with some work still to be completed.
  - Based on the observed audits and assessment of audit findings in 2012 and 2013, QACE would draw attention to the six collective recommendations detailed in Annex C, related to improving review of the effectiveness of corrective actions, auditing statutory requirements and services, certificate accuracy, audit preparation, quality objectives and the new construction process.
  - A very important addition during the year has been the development and delivery of Individual Recommendations (IRs). Delivered during visits to or from the ROs, the IRs identifies the strengths, potential weaknesses and any necessary corrective actions within individual ROs.
- The EU Commission's assessment in accordance with EU Regulation No EC 391/2009 on the set-up, maintenance and operation of QACE has been received and a QACE action plan will be delivered in June 2014. QACE considers that the central issues from the assessment are the requirement for QACE to be certified to a recognised quality standard, to have increased control over the audit and certification process and to be fully independent from its member Recognised Organisations (ROs).
  - QACE is observing the audits of three classification societies that have applied for EU recognition. If recognised the organisations will become new QACE members.
  - QACE sees a potential role for itself and opportunity to combine the various stakeholders in RO oversight as part of a broader remit. QACE needs to reassert the international nature of its role and to that end will change its name.



# I

## Introduction

This is the third annual report of QACE, with the purpose of recording its activities and communicating the Collective Recommendations (Annex C) of the independent Board of Directors to interested parties. The assessment is based on observations of audits against international standards for quality management.

“QACE - Entity for the Quality Assessment and Certification of Organisations Recognised by the European Union CIC” was founded on the 24 November 2010 by the then 12 organisations recognised by the European Union (Annex B). The establishment was the result of a mandatory requirement in the EU Regulation (EC) No 391/2009 that an independent body shall carry out “frequent and regular assessment of the quality management systems of the recognised organisations”. With the merger during the year of Det Norske Veritas AS and Germanischer Lloyd SE to form DNV GL AS there are now 11 Members.

QACE is incorporated under the English Companies Act 2006 as a private limited and community interest (non-profit) company. The company has its office in London.

QACE exercises its mandate by conducting observations and assessments of the audits and certification carried out by independent Accredited Certification Bodies (ACBs) contracted by the EU ROs to the extent that it will verify and assess that the requirements of ISO 9001 and of the internationally recognised quality standards for Recognised Organisations (ROs), including the IACS Quality Management System Requirements (QMSR) requirements as adopted by QACE and as set out in the QACE Procedures are met.

# II

## Assessment Standards

The main basis of assessment is the ISO 9001 quality standard. The inclusion of ISO 9001 expertise from the accredited bodies and their auditors is having a significant impact. The 2013 recommendations are based on continuous improvement and the effectiveness corrective actions.

All ROs are also required to have a QMS compliant with the “IACS Quality Management System Requirements” including rules and procedures compliant with the IACS Technical Resolutions. QACE in its review of QSCS before it was formally adopted recognised that the highly technical nature of the ROs work requires a combination of audit facilities; for the verification of the processes and controls but also verification of the technical compliance and performance necessary to protect and improve the quality and safety of the ships and the people and cargo that they carry.

The IACS “Quality Management Systems Requirements” (QMSR, therein referred to as ‘QSCS’) are built upon the quality management requirements of ISO 9001, including, where considered necessary, additional requirements and guidelines relevant and appropriate to classification societies. The IACS QSCS has been in operation and developing since the early 1990’s. The “Minimum requirements” of the EC Regulation are explicitly or implicitly included in the QSCS scheme. The latest revision of the QSCS Volume 3, dated December 2013, also incorporates the IMO RO Code requirements.

QACE is establishing a formal QSCS annual report to be submitted to the IACS Quality Committee in February of each year to provide feedback and improvements to the scheme identified during the preceding year’s observations and audit analysis.

### III

## The 2013 Work Plan

The main objectives of QACE's observations of audits conducted by ACBs of ROs are:

- to ensure that the audit and the certification processes are conducted consistently, to common standards and are being carried out satisfactorily according to the procedures of QACE,
- to collect information in order to formulate and adopt individual and collective recommendations for the improvement of ROs' processes and internal and external control mechanisms, and
- 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.

For the first years of operation the main focus for the observations was the consistency of audits and the fulfilment of requirements defined for the audit and certification processes. Then to extend the number and scope of the observations to include different types of audits held on each RO, to collect more information to establish that the necessary actions had been taken, to identify further opportunities for improvement and, if necessary, to impose additional QACE requirements.

#### The plan for 2013 was:

- to complete a full observation programme of all audit types for all ROs,
- to undertake a full analysis of audit findings with a view to increased analysis to support the 2013 collective recommendations
- to formulate individual recommendations for RO's, focussing on four RO's each year, completing the first cycle in 2015,
- to focus on observing new auditors coming into the scheme.

#### For 2014:

As a three year audit cycle was completed in just one year in 2013, QACE has reduced the number of observations and increased the risk analysis in its audit observation selection for 2014. Criteria for the audit selection include new auditors to the scheme, previous RO and ACB performance issues, remote locations outside of the ROs home countries, major and complex new construction projects, high risk ship type ships during major surveys.

As part of the review the relative benefits of observing all Head Office audits every year has been reassessed and is being moved to a two year cycle, so that only six of the eleven ROs Head Offices audits will be observed in 2014.

Apart from the Observation Plan as the core business the work plan includes:

- Four Board of Directors meetings and an Annual General Meeting (AGM)
- An Annual Observer's Meeting
- A Procedure Review Project (PRP) and preparation for ISO: 9001 certification
- Visits to or from ROs to deliver Individual Recommendations
- QACE is developing an International Strategy to consider increasing its scope of activity

## IV Observation Activities

QACE carried out 52 observations in 2013, doubling the 26 held in 2012, 31 more than in 2011. All twelve Head Office audits were observed. QACE set out to cover Vertical Contract Audits (VCAs) of both New Construction (NC) and Ships in Operation (SO) in 2013. 21 VCAs were observed. Many observations combined audits at offices with VCAs.

List of QACE observations carried out in 2013 →



HO - Head Office  
VCA - Vertical Contract Audit  
CO - Control Office  
(NC) - New Construction

PA - Plan Approval Office  
(SO) - Ships in Operation  
SL - Service Location Office  
(MEC) - Materials Equipment Components

ACB	RO	Where	Date	Type
ZSJZ	PRS	Gdansk	January	HO
DEKRA	RINA	Busan	February	PA / SL / NC VCA
ZSJZ	PRS	Istanbul	March	SO VCA
DEKRA	DNV	London/ Southampton	March	CO / PA / SL
SIA	RD	Busan	April	PA / SL / NC VCA
SGS	ABS	Houston	April	HO
BSI	BV	Buenos Aires	April	SL / SO VCA
BSI	LR	London/Southampton	April	HO
SIA	RS	Gothenburg	May	SL / MEC VCA
SGS	CCS	Singapore	May	SL
SGS	CCS	Zhoushan	May	SO VCA
DEKRA	DNV	Hövik	May	HO
SGS	KR	Piraeus	May	CO / SL
BSI	BV	Paris	June	HO
SIA	RS	St.Petersburg	June	HO / SO VCA
DEKRA	DNV	Dalian	June	SL / NC VCA
SGS	NK	Tokyo	June	HO
DEKRA	RINA	Gdansk	June	SO VCA
BSI	RINA VE	Lisbon	July	HO / NC VCA / SO VCA
BSI	LR	Singapore	July	CO / NC VCA / SO VCA
SGS	CCS	Beijing	August	HO
SGS	KR	Busan	August	HO
BSI	LR	Trieste / Venice	August	PA / NC VCA / SO VCA
SGS	NK	Singapore	August	PA
DQS	GL	Shanghai	August	PA / NC VCA
SGS	KR	Ulsan	September	NC VCA
SGS	NK	Dubai	September	SL / SO VCA
DQS	GL	Hamburg	September	HO
SGS	ABS	Piraeus	September	CO / SO VCA
DEKRA	RINA	Genoa	October	HO
BSI	BV	Shanghai	November	NC VCA
SGS	ABS	Istanbul	December	SO VCA

## V Main Findings

Having established the consistency and standard of the audits QACE has been able to concentrate its focus on the main responsibility to oversee and continuously improve the management systems and performance of the Recognised Organisations

QACE is very pleased to report a further general improvement in the auditing of the RO's in 2013. QACE assessment is that a contributing factor is a smaller and increasingly experienced team of auditors. The 2012 Annual Report drew attention to three areas of the audit system that required improvement.



### 1 / Identification of Non-compliances

Review of the accredited body findings raised during audits in 2012 indicated some concern that there was inconsistency in assigning Non-compliances, rather than Observations, to findings where a clear divergence from a requirement had been identified. It is important that findings are correctly identified for the RO to recognise the importance of the issue and be required to evidence root cause analysis and effective corrective action. Effective performance trending and analysis is based on consistent information. *QACE has seen an improvement in this area and, apart from isolated incidents, does not see this as an issue this year.*

### 2 / Selection of Vertical Contract Audits

The ROs control a significant percentage of the world's ships in operation and under construction. The number of surveys that can be audited is limited to a small sample. It is therefore important that the VCAs that are selected are during surveys that represent the highest complexity and risk. Major surveys for ships in service have become localised to certain areas of the world and in other parts of the world it is increasingly difficult to identify a suitable opportunity as surveys are booked at short notice. ACBs and ROs must strive to use every facility available to ensure that appropriate VCAs are selected. QACE will expect the ACB to question the suitability of VCAs where technical requirements and focus areas will not be surveyed and therefore cannot be audited. *Again, QACE has seen significant improvement in this area. There are, however, isolated occasions where audits have been rejected or considered poor samples.*

### 3 / Findings analysis and closure

It is important that audit findings, especially Non-compliances, are thoroughly investigated to determine an effective corrective action and are closed in an appropriate time. The investigation of Non-compliances should include an appropriate level of root cause analysis which includes an assessment of any impact outside of the location audited. *Improvement has been observed in 2013 but QACE will continue to focus on this aspect and check that the actions taken are implemented in the RO's organization and are robust.*

Apart from a number of necessary improvement areas covered in the 2013 report QACE would draw special attention to what it considers two critical issues; at the last annual End User Workshops QACE stated:

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**1 / The small number of auditors makes the system vulnerable**

Recruitment of new experienced Auditors is crucial. Very few new auditors have joined the scheme and as result there is a critical over-reliance on a small number of sub-contracted auditors, some now working for four ACB's, in up to six ROs. As it has been determined experience with an RO is one of the critical competencies for the scheme's auditors the ROs need to work to identify suitable candidates'. It is also a critical issue to find replacements for the retiring members of the QACE Observer team.

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**2 / ACB Audit Programs have not been delivered to the standard and timings required**

If programs are not completed (with all the audits complying with the requirements) QACE will not verify the Annual Statements of Compliance and will have no option but to report the issue to the flag States and the Commission'. In the end QACE has verified that each of the RO's audit programmes was satisfactorily completed with regard to the numbers of audits required. That plans were the subject of continuous and late minute changes is the subject of ongoing concern and is being addressed during Individual Recommendation visits.

There are a number of other necessary improvement areas, but it is also encouraging that QACE has identified a number of best practices that have been developed by ACBs and ROs that could be employed generally to raise the standard and effectiveness of the RO's management systems. The necessary improvements and best practices are included in the 2013 Collective Recommendations (Annex C).

QACE has already brought these issues to the attention of the accredited bodies and recognised organisations as part of its presentation to the End-User Workshop held in Genoa in November 2013.

There is an issue that has wider connotations for the audit system which involves the transfer between ACBs of possible performance issues. Within the current system there is no facility or process for an ACB, which has identified a potential performance issue with another RO, for example during the audit of transfer of class cases, to pass that information to that RO's ACB for investigation.

QACE has been promoting with the accredited bodies increased levels of focus and risk analysis in the selection of audits and has identified Focus Areas for the ACB's and ROs to consider in the 2014 audit planning exercise.

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**2014 Focus Areas**

- Passenger Ships (fire safety)
- Mobile Offshore Units and FPSOs
- Certificate Accuracy
- Statutory surveys
- Life boat and Life Raft Service Suppliers
- Maritime Labour Convention (MLC) implementation

## VI Collective Recommendations

### Collective Recommendations

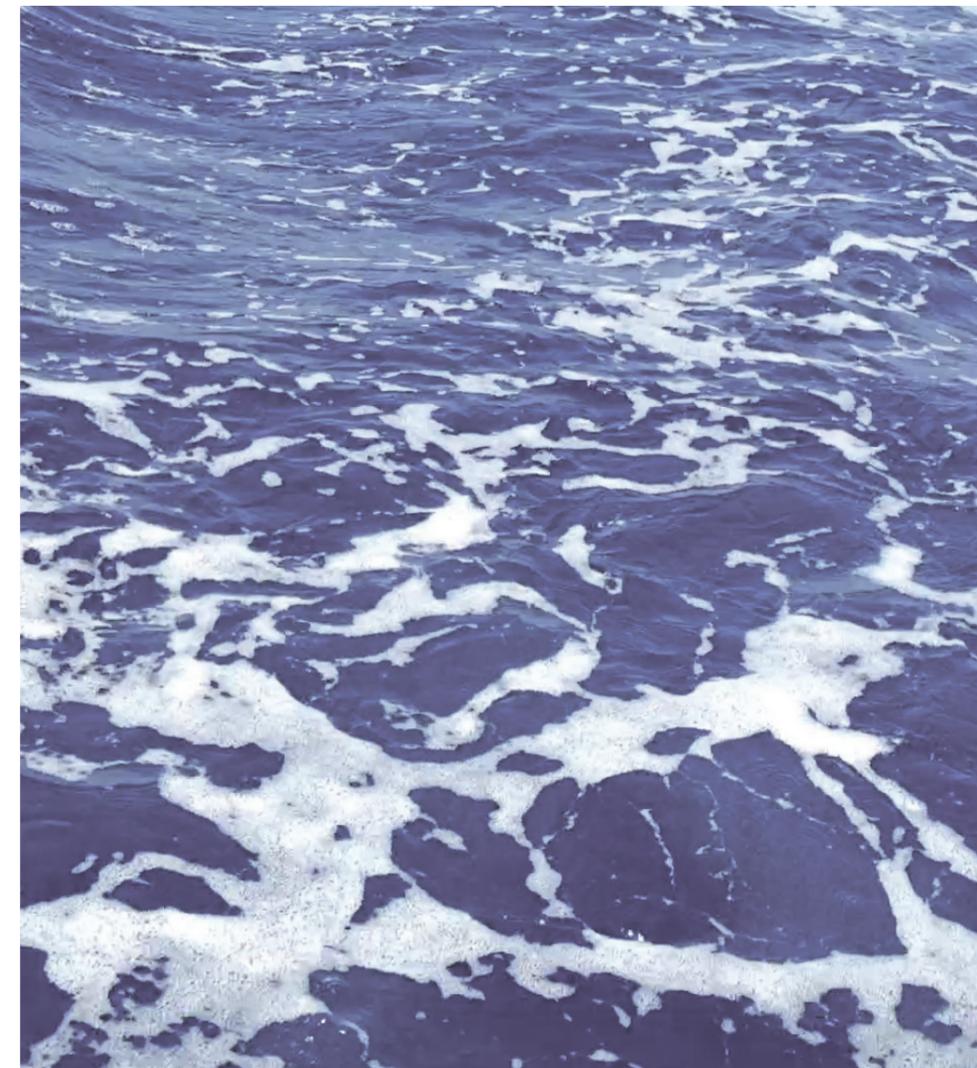
The QACE 2013 Collective Recommendations (CRs) are key outputs from the observation and audit process. The six 2013 recommendations are detailed in Annex C. In the third quarter of each calendar year the Recognised Organisations are asked to comment on their how the subject of the recommendations have been dealt with within their own, or if relevant within their ACB's organisation. The responses are used to assess the strengths and weaknesses and potential further improvements or audit focus points within the quality management systems and their processes and procedures.

### Individual Recommendations

New for 2013 Individual Recommendations (IRs) are another key output from the observation and audit process.

- The IR's are an important mechanism within the system and as such will be the subject of QACE procedures.
- Working to achieve a two year cycle six of the Member RO's were visited in 2013 and the remaining five will be delivered during visits in 2014. The IR's are typically planned around the observation of Head Office audit observations during a meeting with the RO's most senior management.
- The IR's are designed to identify the RO's and their ACB's strengths and weaknesses using information from the results of QACE observed audits, analysis of the ACBs audit findings, PSC performance information and other relevant publically available information.
- The IR's are confidential to QACE but the ACB is expected to share any relevant information with their accredited body.
- QACE requests a formal response to the IR's within three months of their delivery. QACE will monitor any RO or ACB performance issues during observed audits and during the two year cycle.

QACE has been very pleased with the positive reaction to the IR's from the RO's who have been very supportive of the process and the benefits to their systems.



## VII Relations with other Organisations

While QACE needs to ensure its independence from any other body there are very important stakeholders involved in its activities.

**QACE Members** QACE appreciates the work undertaken by its Member Recognised Organisations to support QACE development and the efforts of the accredited bodies in becoming increasingly conversant with the system and constantly improving performance around the QSCS and IACS technical requirements as adopted by QACE. QACE has seen increasing evidence of the benefits brought to the system by the inclusion of ISO: 9001 expertise.



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

Apart from the efforts made to maintain the QSCS scheme adopted by QACE and the incorporation of the IMO RO Code requirements into the latest revision of Volume 3, QACE acknowledges and commends IACS for the initiatives that have been taken in support of its own members to address the audit issues raised by QACE. The symbiotic relationship has been recognised by both bodies in a move to formalise the relationship while ensuring mutual independence.

- **Meetings** / It is planned to have two meetings between QACE and IACS each year.
- **Auditor Training** / QACE will be formally part of the ACB auditor training courses.
- **Joint Audit Focus Issues** / It is planned to develop a single set of yearly audit focus issues.
- **ACB End User Workshop (EUW)** / The annual EUW in November is of enormous value in feeding back on the system and year's audits and in the dissemination of the strengths, weaknesses and best practice. QACE takes an active role, particularly as it is the opportunity to talk directly to the ACBs.

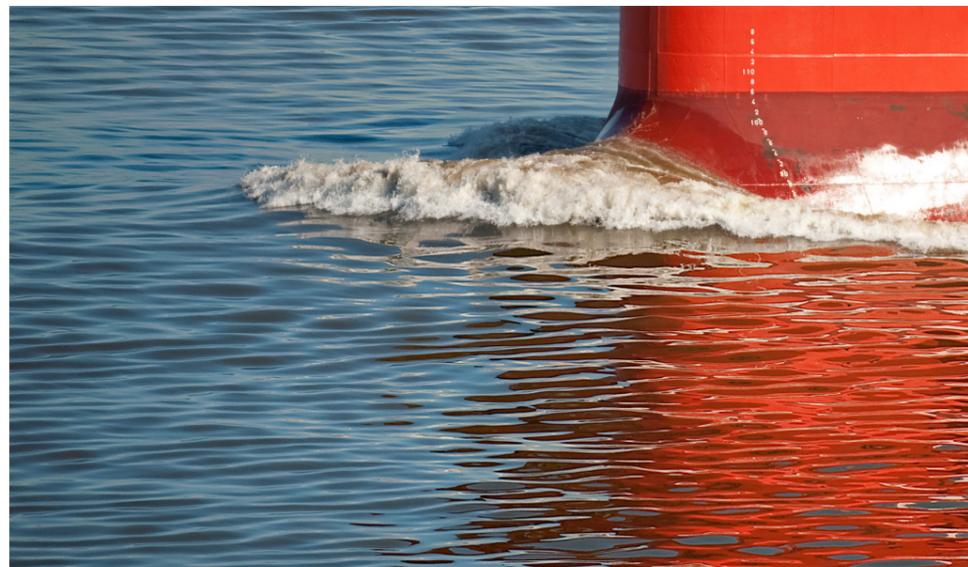
### **International Maritime Organisation (IMO)**

QACE has followed the development and adoption of the (RO) Code with interest. QACE will continue to review its position and potential for a role to play.

## VIII New Members?

Regulation EC 391/2009 Article 11 2 (b) requires “*certification of the quality management systems of recognised organisations, including organisations for which recognition has been requested*”. In line with the requirement, visits have been made to the organisations and selected observations are being undertaken of their accredited bodies’ audits.

- **Croatian Register of Shipping (CRS)**
- **Indian Register of Shipping (IRS)**
- **Türk Loydu (TL)**



## IX EU Commission Assessment

In April 2012 the EU Commission’s DG Mobility and Transport services the European Maritime Safety Agency (EMSA) carried out an assessment of the setup, maintenance and operation of QACE in accordance with Regulation (EC) No.391/2009. The very thorough report was received in May 2013.

Based on the results of EMSA’s report the Commission issued their assessment in October 2013. The assessment identified six Shortcomings and six Observations.

QACE sees three main issues at the centre of the assessment:

- The requirement for QACE to be certified to an International quality standard (ISO:9001)
- The requirement for control over the audit and certification process
- The requirement for independence from all other parties, including the Commission, but particularly the RO’s and the Classification Societies association IACS.

Working in collaboration with its Members QACE has recommended a number of changes that will be presented as an Action Plan to the Commission by the end of June 2014.

A copy of the EMSA Report and Commission’s Assessment can be found on the QACE website [www.qace/co](http://www.qace/co) here.

A copy of the QACE Action Plan will be published to interested parties in July 2014 and will also be available on the QACE website.

## X How QACE may look in the future

As QACE reports its activity for the year 2013 there are two main influences on how the organisation may look in the future.

The results of the actions taken to address the Commission's assessment are far reaching. QACE is to have been set-up and maintained in accordance with the applicable international quality standards and to that end QACE plans to be certified to ISO: 9001 by the end of 2015. It is also likely that QACE will take increased responsibility for the auditing and certification process.

The second influence is a reaction to the changing regulatory environment and the need for a bringing together of the assessments of the Recognised Organisations. With the advent of the IMO RO Code and the need for an Observation Entity, QACE sees itself as an organisation that can combine a number of activities and even reduce the RO's high levels of audit activity, without creating unnecessary contradictions in the process.

Many stakeholders have an increasing knowledge and understanding of QACE, but a common misconception is that QACE is a European organisation. It is true QACE was established as a result of EC Regulation and law but to ensure that an independent (and independent from the EU Commission), international organisation has oversight of the international recognised organisations. Four of the QACE members are from outside of Europe as are two of the three potential new members and all of the ROs operate extensively outside of Europe. The QACE Board is required to be represented by Directors from Asia, the Americas, as well as Europe.

QACE owes some responsibility for this misconception having named itself with an EU prefix in its title. To address the issue and in order to place itself as an accepted international organisation QACE is changing its name to the International Quality Assessment Certification Entity QACE.

## XI Concluding Remarks

The year 2013 represents the third year of QACE operations. Last year's annual report summarised the year as being 'a year of learnt lessons, consolidation and improvement'. The QACE Board of Directors, in preparing this year's report, realise how much more was achieved in 2013.

The environment in which QACE operates is fast changing and, while understanding the difficulties associated with its plans, the QACE Board finds itself confident that it can meet the challenges and drive the improvements that the regulation and industry is looking for.

QACE acknowledges the EU Commission's assessment and the need for changes; for QACE to be certified to an internationally accepted quality standard, to have increased control over the audit and certification process and to be fully independent from its member Recognised Organisations.

The effectiveness of the observation programme can only be demonstrated by the changes that have been implemented as a result of the 2012 recommendations and the strength and relevance of the new 2013 recommendations. If properly implemented a step change from compliance to steadily increasing effectiveness of the recognised organisation management systems should be looked for.

QACE focus has already turned to the performance of the ROs rather than the ACBs auditing them. QACE will again observe in 2014 and looks forward to seeing the recommendations addressed and improved.

Feedback from the many different stakeholders has been extremely positive but also informed, especially regarding the challenges associated with a wider QACE remit. A common comment has been being '*impressed with QACE effectiveness in taking on its responsibilities and with the results of the observations*', as well '*QACE's understanding and tackling of the issues*' and that '*there is a wider role for QACE to play*'.

QACE commits to its principles of independence, transparency and in its promise to drive the recognised organisation's management systems performance.

## XII Acknowledgements

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The Board of Directors and Executive Secretary first of all thank the QACE Member ROs and the Accredited Certification Body companies for their cooperation and efforts that have contributed to this successful third full year of operation.

The Board and Executive Secretary would like to recognise the contribution of the QACE observation team, Gur Sarup, Jim Garlinge and Colin Spencer, who constantly demonstrate their experience and professionalism. Without their dedication the QACE system could not have operated at the standard it has established.

QACE acknowledges and thanks their out-going Director Victor Santos-Pedro for his outstanding services and commitment to QACE. Through the inception and inauguration period and in the vital start-up years, his sound advice and experience proved invaluable on many occasions.

In turn QACE welcomes and thanks their new Director Mr Xie Hui for agreeing to being nominated and offering his services to QACE. Welcome to the QACE team.

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 ships and cleaner seas that requires the commitment of so many.



## Annex A

### Elected Non-Executive Directors of the Board for QACE

Klaus GRENSEMANN ..... Germany  
Hiroshi (Dave) IWAMOTO ..... Japan  
C. Dean TSERETOPOULOS ..... Greece  
Francis VALLAT ..... France

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

Xie HUI ..... China

Who took up duty at the QACE Annual General Meeting on the 20th November 2013. Mr Hui replaced as Director:

Victor SANTOS-PEDRO ..... Canada

### Executive Secretary

Desmond GUTTERIDGE  
(from December 2012)

### Subcontracted Observers

A. Jim GARLINGE  
Gur SARUP  
Colin E. SPENCER



Left to right: Xie Hui (incoming Director), Des Gutteridge (Executive Secretary), Dean Tseretopoulos (Director), Victor Santos-Pedro (Director), Klaus Grensemann (Chairman), Dave Iwamoto (Director), Bob Giuffra (President)

## Annex B

### Members of QACE – EU Recognised Organisations

American Bureau of Shipping  
Bureau Veritas SA  
China Classification Society  
DNV GL AS  
Korean Register of Shipping  
Lloyd's Register  
Nippon Kaiji Kyokai  
Polski Rejestr Statków S.A.  
RINA Services S.p.A.  
RINAVE - Registro Internacional Naval SA  
Russian Maritime Register of Shipping

### Elected President 2013

Svein Flogeland Gathe, DNV GL AS Marine

## Annex C

### Review of Observations – 2013 Collective Recommendations

QACE has observed a third year of the system that is working toward consistent, transparent and robust audits, strengthened procedures and the continuous improvement to the Recognised Organisation quality management systems and service provision. QACE recognises the efforts being made by ACBs and ROs to ensure that this succeeds. For 2013 QACE would draw attention to six areas of the audit system that require improvement:

#### 1 / Improved review of the effectiveness of corrective actions from previous findings

Too often the ACBs audit findings reflect the same issues from year to year within the RO.

QACE would recommend that one of the ACBs personnel is made responsible for the analysis of audit findings and the identification of trends and improvement areas. Identified issues can be followed-up during subsequent audits, especially as part of a three year plan, which can also determine if issues are localised or common within the RO. Where serious repeat findings are identified a major NC is to be raised against ineffective corrective actions requiring an action plan and, where necessary, threatening certification. QACE is to be immediately advised of any such instances.

#### 2 / Auditing Statutory Services

There has been a concentration on the classification processes to the detriment of the statutory disciplines and the ROs delivery of statutory surveys.

Increased levels of audit and verification during Head Office, Plan Approval, New Construction and ships in operation surveys are required. A day has been added to the mandatory auditor refresher training dedicated to statutory requirements.

#### 3 / Certificate Accuracy

As the number and complexity of statutory and flag specific requirements has increased, in many cases the accuracy of certificates and the systems used to control their accuracy have been insufficient.

- The ROs certificate control and checking processes are to be tested. Sampling alone is unlikely to identify certificate accuracy levels.
- As certificates are a key product in the verification of the quality and safety of the ships and are required to allow trading, it should be expected that internally, for clients and for the flag Administrations that authorise the RO to act on their behalf, the RO should set a certificate accuracy objective and target. The RO may not be in compliance with product realisation and client expectation requirements if not.
- Corrective actions should be evident where accuracy levels are low.

#### 4 / Audit Preparation

A number of best practices have been observed:

- Already mentioned, assigning audit manager or coordinator responsibilities within the accredited bodies audit team.
- Three year audit plans.
- Although potentially an additional cost, an auditors preparation day before Head Office audits.
- To improve sampling and save time during audits 1. The provision of a list of ongoing new construction projects at the beginning of the year, 2. Before Survey Location and Plan Approval office audits the provision of a list of recently held surveys, audits or plan approvals.
- Balance high risk cases with a more random sample of major surveys.
- Increasing reliance by the accredited bodies in selecting the audit locations, ensuring global coverage and not to repeat previously audited locations.

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## 5 / Quality Objectives

The ROs quality objectives vary in how complete and effective they are. The ACB's audit of quality objectives and targets is also inconsistent.

QACE recommends that each major service should have an associated quality objective and target for ROs to monitor the standard and accuracy of plan approvals, survey reports and certificates (new construction and ships in operation) and ISM and ISPS audit reports and certificates.

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## 6 / New Construction process

The intent of a Vertical Contract Audit is to sample, as far as possible, the elements of a process and the implementation of the associated technical requirements by witnessing surveys.

To that end QACE continues to encourage the ACBs to select for audit plan approval projects that can be followed up during audits of the construction surveys. If well planned the materials, equipment or component process can also be included as a separate VCA.

The interface between plan approval comments, their on-site survey and records is important and is to be verified during each relevant audit.

New construction is a complex process with a number of stages. Serious consideration should be given to the audit duration of new construction VCAs with necessary additional time for the associated review of records.

Please do not hesitate to contact the QACE Executive Secretary

Des Gutteridge

if more explanation or assistance is required:

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