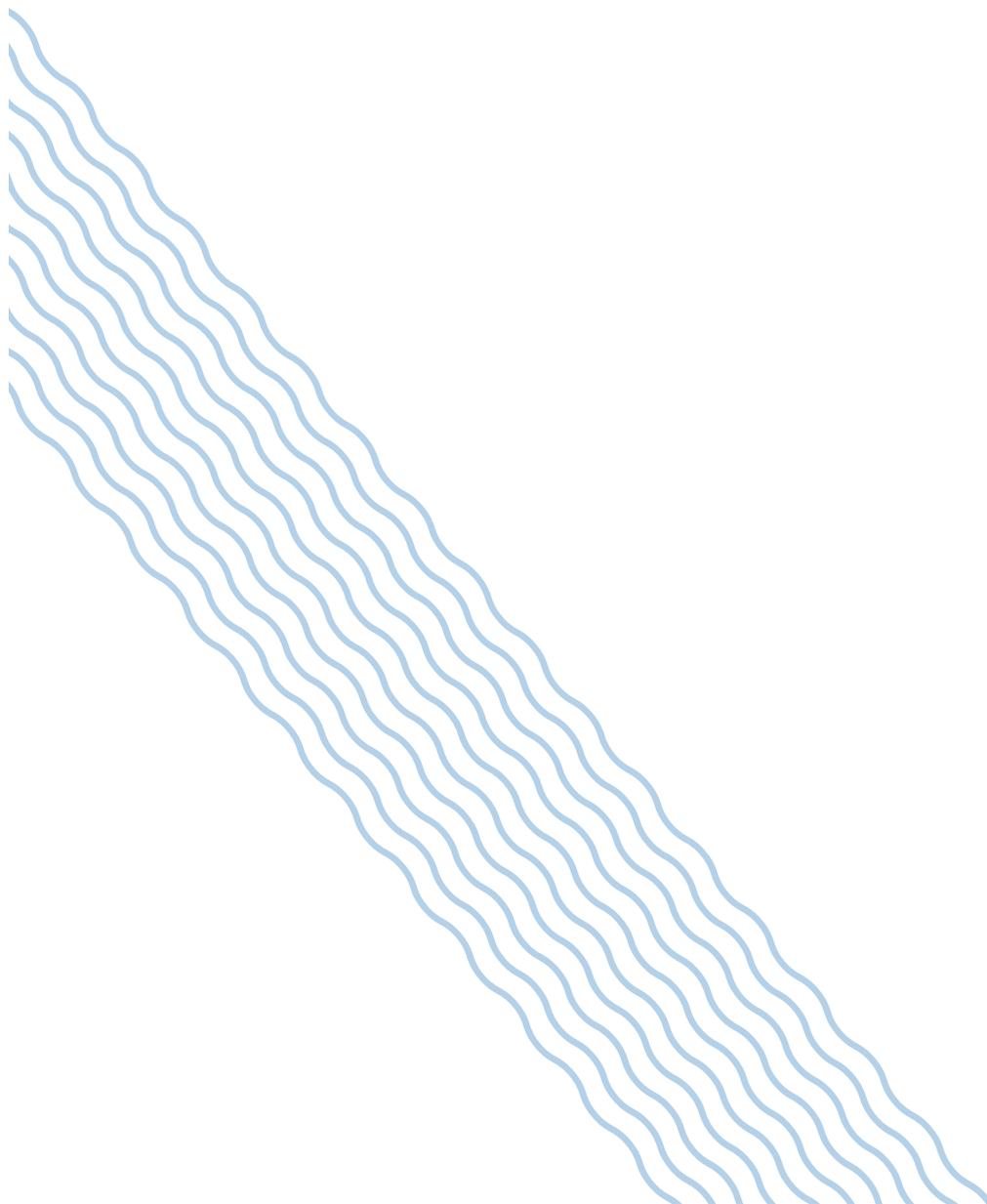

Annual Report 2017

Assessment of the EU
Recognised Organisations
Quality Management Systems



QACE 

Quality Assessment
and Certification Entity



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

From our Chairman

Klaus Grensemann
Chairman
of the Board



Dear Reader,

This is the seventh edition of the annual report that QACE has been issuing since its inauguration in November 2010. Compared to other annual reports you receive this one is not compiled for commercial reasons.

QACE as a non-profit “community interest company” has the objective of delivering an independent assessment of the Recognised Organisations’ (ROs) (classification societies) standards and quality management systems, and - where appropriate – issuing recommendations to improve them.

QACE has the obligation to keep all of its interested parties informed on its work plan and on its general findings and recommendations.

From its first year of operation in 2011 QACE has undergone a remarkable development. At the start the Board of Directors decided to begin with observation of the Accredited Certification Bodies’ (ACBs) audits and to accept the certificates the ACBs issued. Today, QACE provides for a small secretariat and five highly qualified assessors, resulting in a completely independent parallel assessment[s] resulting in QACE certification. General recommendations for improvement are included in Annex C of this report and, individual to the RO, recommendations are presented and followed up with each of the ROs.

By the end of this year (2018) QACE will have undergone a complete change of personnel. The original founding members of the board of directors will have rotated out, and the secretariat as well as the assessor’s team will have changed. The foundations have been set, and with QACE’s flexibility, we have brought onboard the best people to operate a highly effective assessment and certification program, and will be able to fulfil all requested needs in the future.

Klaus Grensemann,

Chairman of the QACE Board of Directors

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I

Executive Summary

In 2017 QACE completed another successful year of assessment and certification, implementing new recommendations for the improvement of the EU ROs quality management systems (QMS) and issuing the first of new audit requirements. In 2016 QACE reported that 'while important initiatives are ongoing, QACE is now firmly established and major changes to the organisation are not planned'. One year later QACE is to embark on a major project to develop its own audit requirements, that will ensure independence and control over the RO audit process.

QACE believes that readers of this year's report will recognise the relevance of the Collective Recommendations (Annex C of this report), especially concerning the recognised organisation classification societies maintaining necessary surveyor resources during these times of recession and downsized operations. Also, after a number of incidents, assessing that adequate controls over classed local service non-convention ships are in place.

Awareness of QACE activities has been heightened over the years, especially with the increased distribution of these annual reports. QACE is looking for full engagement with its interested parties, inclusively establishing actions to improve delivery in meeting our common goals of safe ships and clean seas. Last year's report had 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. This process, while still in its infancy, will continue to be a focus.

As stated above, based on its assessment activity, QACE would draw attention to the four 2018 Recommendations detailed in Annex C, relating to:

- 1/ Audit controls over surveyor resources.
- 2/ Auditing control over non-convention ships.
- 3/ The effectiveness of the survey report checking process.
- 4/ Implementation of Water Ballast Management requirements.

This year's report comes with an *Interested Parties Survey*. We would appreciate your comments. Please use the opportunity to raise any recognised organisation issues that affect your interest areas, which might be effectively included in the audit programme. QACE continues to commit to reporting the results and of its assessment activity in future annual reports.



II Scope of Activities

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

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 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 the fostering of continual improvement.

The ROs began, and some completed, their transition to the new 9001:2015 standard during the year. The update to the standard has a focus on risk identification and mitigation. While considering risk has always been fundamental to an RO's activity, it has not necessarily been included in a strategic, organised and documented approach. QACE is reviewing the effectiveness of the RO's implementation.



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, in accordance with the ISO 9001 quality standard criteria.

The January two-day Assessor's Meeting is an important event in the QACE calendar in designing the year's Assessment Programme. The meetings include new internal training, exchange of experience, as well as 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, while maximizing the cost and benefit effectiveness.

It is of great assistance in this process that the accredited certification bodies (ACB) auditors are 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 major classification and statutory surveys. Further in-house expertise has been achieved with the appointment of a Technical Expert responsible for internal and auditor training

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

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

- 15 Survey Locations (SL) (18 in 2016). QACE aims to attend at least one SL for each RO each year.
- 4 Control Offices (CO) (5 in 2016). Smaller ROs do not have COs and all branch offices are controlled through the Head Office.
- 9 Head Offices (HO) (4 in 2016). QACE has moved to attending HO audits every second year, the alternate year attending the HO to discuss Individual Recommendations (refer section VI). 7 HO's were attended in 2015.
- 9 Plan Approval Offices (7 in 2016), and 13 New Construction Vertical Contract Audits (VCAs) (8 in 2016). 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.
- 15 Ships in Operation VCAs (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.

Due to the vagaries of ship operations, with regular delayed arrival times and postponed survey activity, Ships in Operation VCAs are the most difficult 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 carried out assessment of Türk Loydu during the year.

Table 1: List of QACE Assessments carried out in 2017

Ass No	ACB	RO	Location	Date	Type
1	SGS	CCS	Tianjin	20-21 Feb	NC VCA
2-3	DEKRA	RS	Busan	21-22 Feb	SL & PA
4	DEKRA	RS	Geoje	23-24 Feb	NC VCA
5	BSI	BV	Panama	6-7 Mar	SiO VCA
6-7	BSI	BV	Houston	9 – 10 Mar	M&E VCA & PA
8-10	BSI	BV	Fort Lauderdale	13-17 Mar	CO, SL & SiO
11-12	BSI	TL	Tuzla	13-16 Mar	HO & SL
13	DEKRA	RS	St Petersburg	14-17 Mar	HO
14	BSI	TL	Izmir	17 Mar	SL
15-16	SGS	CCS	Shanghai	27- 31 Mar	CO & PA
17	CCJ	PRS	Gdansk	4-7 Apr	HO
18	BSI	LR	Ulsteinvik	20-21 Apr	NC VCA
19	SGS	KR	Manila	24-25 Apr	SL
20	BSI	IRS	Rotterdam	24-25 Apr	NC VCA
21	BSI	CRS	Kraljevica	28- 29 Apr	NC VCA
22-23	BSI	ABS	Dubai	30 Apr- 4 May	SL & PA
24	BSI	ABS	Abu Dhabi	7-8 May	SiO VCA
25-26	DEKRA	DNV GL	Tema	8-11 May	SL & SiO VCA
27	BSI	ABS	Houston	15-19 May	HO
28	SGS	KR	Singapore	18-19 May	SiO VCA
29	BSI	IRS	Houston	22-23 May	SL
30	BSI	IRS	Zhoushan	25-26 May	NC VCA
31	BSI	BV	Paris	29 May -2 Jun	HO
32	DEKRA	RS	Piraeus	31 May – 1 Jun	SiO VCA
33	BSI	ABS	Mangalia	08-09 Jun	NC VCA
34	BSI	TL	Ravenna	21-22 Jun	SiO VCA
35	SGS	NK	Sakaide	21-22 Jun	NC VCA
36	CCJ	PRS	Dubai	23-24 Jun	SiO VCA

Ass No	ACB	RO	Location	Date	Type
37	BSI	CRS	Split	26-30 Jun	HO
38	DEKRA	DNV GL	Ulsan	29-30 Jun	NC VCA
39-40	SGS	KR	Busan	14 – 18 Jul	PA & NC VCA
41	BSI	BV	Chittagong	19-20 Jul	NC VCA
42	SGS	NK	Taipei	20-21 Jul	SL
43	SGS	CCS	Stockholm	24-25 Jul	SL
44	SGS	NK	Singapore	25-28Jul	PA & SiO VCA
45	DEKRA	RINA	Southampton	29 – 30 Aug	SL
46	BSI	TL	Constanta	7-8 Sep	SiO VCA
47-48	BSI	ABS	London	11-13 Sep	CO & PA
49	BSI	CRS	Sibenik	18- 19 Sep	SL
50	BSI	CRS	Yalova	25-26 Sep	SiO VCA
51-53	DEKRA	RINA	Shanghai	18-26 Sep	PA, SiO VCA
54	BSI	CRS	Turkey	25-26 Sep	SiO VCA
55	BSI	LR	Southampton	26-29 Sep	HO
56	DEKRA	RINA	Genoa	3-6 Oct	HO
57	BSI	LR	Gdansk	9-10 Oct	SL
58	BSI	TL	Istanbul	9-13 Oct	HO
59	DEKRA	DNV GL	Hamburg	17-18 Oct	PA
60-61	BSI	LR	Hong Kong	30 Oct – 2Nov	CO & SiO VCA
62	BSI	TL	Istanbul	20-21 Nov	NC VCA
63	BSI	TL	Tuzla	22-23 Nov	SiO VCA
64	CCJ	PRS	Cairo	5-6 Dec	SL
65	CCJ	PRS	Gdansk	18-19 Dec	NC VCA

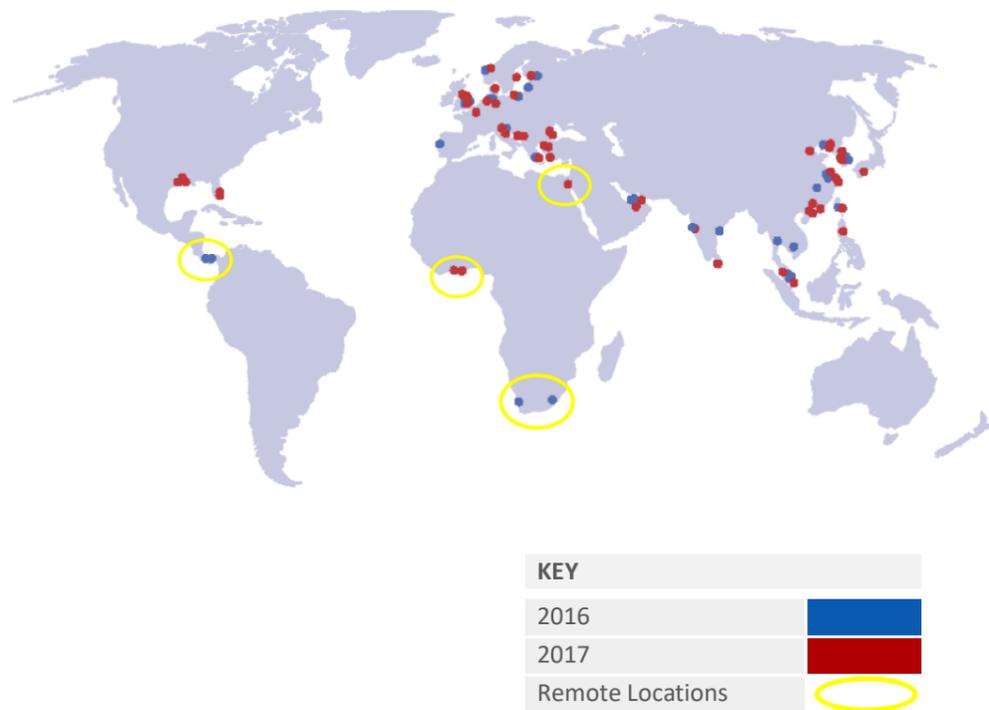
HO - Head Office
CO - Control Office
(NC) - New Construction
VCA - Vertical Contract Audit

PA - Plan Approval Office
(SiO) - Ships in Operation
SL - Service Location Office
■ Non member assessments

Over the last few years, the world’s shipping activity for new construction and major surveys has gravitated to the Far East. At the same time it is still necessary for the RO’s to provide surveyors and auditors for surveys and audits wherever a ship may call for them. All the RO’s global survey locations are required to be audited over time. 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, QACE sees a different set of challenges smaller remote locations. Distant from control offices, where complex surveys are not routine and where local ship owners provide a large part of the office activity can present its own pressures and challenges. QACE introduced the selection of ‘remote’ locations in the risk-based assessment programme in 2016 and will continue with this policy.

Map 1: QACE Assessment Locations 2016-2017



The QACE Assessors are strategically located to deliver the Assessment Programme in the most cost-effective manner possible. QACE is very pleased to announce the addition to the assessor team of Mr Alvin Shepherd based in Houston who has responsibility for assessment coverage in the Americas.

Map 2: QACE Assessor's Locations



V Assessment Results

In line with Section III Work Plan and Section IV Assessment Activities there is significant evidence that the combination of the highly competent and experienced auditors and assessor team, risk-based sampling, auditing process effectiveness and targeted focus areas, is proving an effective test of the recognised organisation's controls and management systems.

What is being done with all the information?

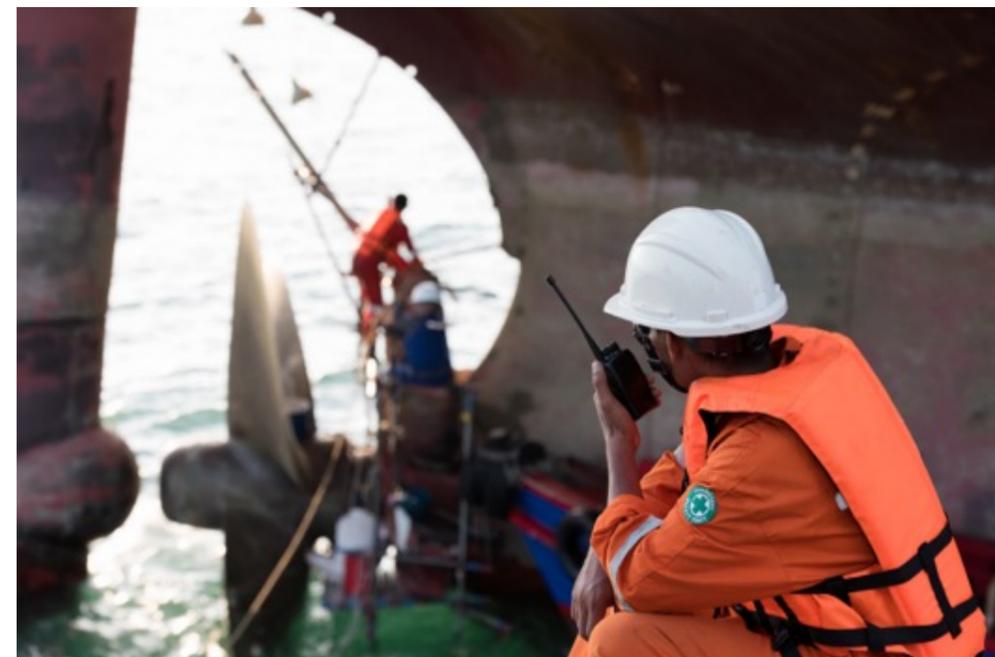
When a summary of the assessments is prepared, several points are extracted that are relevant as:

- Potential recommendations to the RO or, as part of a trend across the ROs, as a potential Collective Recommendation (CR), or best practices.
- 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.

With the advent of the Tripartite Agreements between QACE, the audit bodies and the RO's in 2016, the requirement for ROs to provide an annual three-year Audit Finding Trend Analysis (AFTA) was instigated. QACE will place increasing emphasis on the consistency and effectiveness of the RO's trend analysis. The requirement is designed to identify trends in the audit findings that may point to system or control weaknesses, potential risks and areas requiring improvement. Root cause analysis of any significant trends in audit findings is designed to identify underlying issue and help in the identification of more effective corrective actions. QACE uses this technique in constructing its Individual Recommendations for each RO.

In 2017 the twelve RO's audit findings trend analysis varied between a download of the numbers of findings against the various requirements to a full root cause analysis described above. QACE will work with the RO's, stressing the importance of the process in demonstrating lessons learnt, continuous improvement and, particularly with the new ISO 9001:2015 standard, the mitigation of risk and identification of opportunities.

The ROs have until the 15th September 2018 to transition to the new risk-based ISO 9001:2015 standard. Some achieved certification in 2017. With five different certification bodies, distributed across the twelve RO's, there have been differing approaches, both from the ACB's and in the RO's implementations. This is a disadvantage of the audit scheme, making it difficult to set a benchmark and to maximize the benefits that should be brought to the RO's through the new standard. QACE will closely monitor each RO's applications, looking for weaknesses in implementation and best practice. QACE will also look for areas of significant risk, applicable to the marine RO's, that have not been translated into the audit scheme and where requirements may need to be set.



VI Recommendations

Collective Recommendations

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

The RO's responses to the annual 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 interested parties during the end-user workshops in November of each year.

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

CR 1 / Audit of remote locations and surveyors

QACE is pleased to report that assessments of all ROs in remote locations have demonstrated adequate controls in all but isolated instances. QACE will continue with this focus in 2018.

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

QACE Requirements Notice (QRN) was published during the year that excludes block inspections from the new building audits [that excluded new building audits of ships that were only at the block inspection stage] and kick-off meetings from ships in service audits. A fundamental of the Vertical Contract Audit process is that auditors verify the effectiveness of surveyor's delivery of requirements during significant structural and statutory survey items.

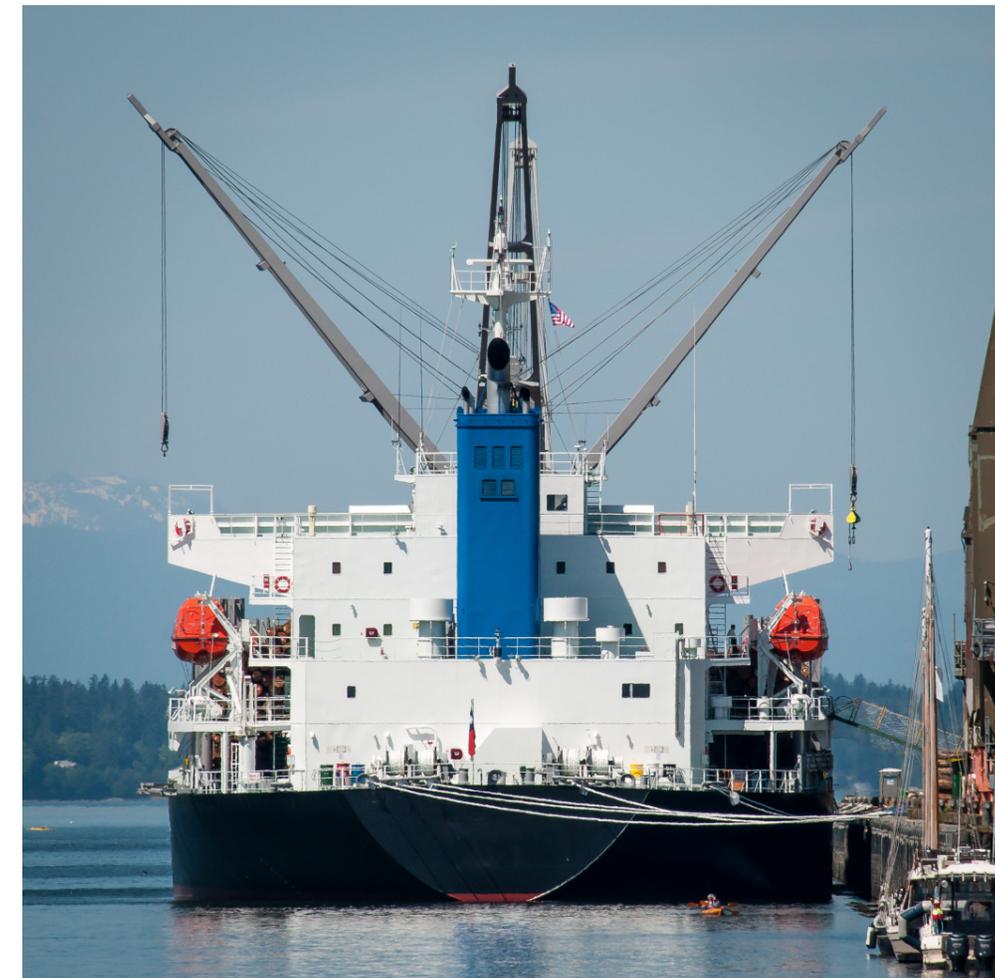
CR 3 / Closed loop audit focus area reporting.

The audit bodies have agreed that their audit reports will include feedback on the effectiveness of QACE specific interest areas for analysis and inclusion in future Annual Reports.

CR 4/ Extension of process auditing to Rule development.

QACE is pleased to report the effectiveness of the RO's end-to-end Rule development and the audit teams effective process auditing. Isolated instances have been identified where new requirements have not been implemented by the implementation date.

The annual CRs have progressed from actions that are recommended for the ROs to take, to recommendations to the auditors for inclusion in their auditing. In recognition the ACB audit bodies, formal feedback will make an important part of meetings with QACE at the end of each audit year.



Individual Recommendations

The first year of the third cycle of Individual Recommendations was completed in 2017. 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 Working with Interested Parties

In the past Annual Reports have been distributed to all interested parties by email, or hard copies, have been provided to the flag States and the organisations represented at IMO during the Spring MSC meetings. QACE is increasing its distribution by posting the report to social media and by a significant increase in its email contact list. Last year's report elicited significant interest in QACE activity and demonstrated that there is increasing awareness of QACE and its applicability to flag interests. The **2018 Interested Parties Survey** is designed to establish if QACE activities are meeting the expectations and to identify any initiatives that can be taken to work together.

The EU Commissions assessment of QACE activities in relation to meeting EU Regulation (EC) No. 391/2009 Article 11, on common rules and standards for ship inspection and survey organisations, was received in October 2017. The assessment highlighted findings:

- Concerning the requirements for QACE to issue interpretations of the relevant international quality standards.
- To implement QACES' own audit requirements, to ensure independence from the RO's and the RO's association IACS.
- To ensure that QACE directors are free from conflicts of interest.

QACE delivered its corrective action plan at the end of 2017 and awaits the Commission's comments regarding the suitability of QACE plans. As part of the corrective actions QACE has launched a major project to develop its own audit requirements.

QACE has increased its direction to the five Accredited Certification Bodies (ACBs). The second 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.

At the invitation of the European Commission DG MOVE, QACE presented a report to the June 2017 Committee of Safe Seas (COSS) meeting of the EU member States. Feedback from the meeting centered on interest in the results of assessment and QACE expertise in RO assessment that is lacking with many flag States implementing the RO Code. There was some misunderstanding of the supposed duplication of QACE and IACS activity and a common interest in including flag interest areas into the audit scheme.

During the year QACE met with both the Paris and Tokyo MoUs to explore common interest areas and opportunities to work together.



VIII Concluding Remarks

As highlighted in the QACE Chairman's opening remarks, 2017 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.

Last year's 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 2017.

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 still engendering team work. QACE issues have been assimilated into the ACB's audit plans and the audit execution has achieved a common outcome with no need for separate QACE findings, apart from isolated instances.

QACE established a suite of products during the year:

- Launching a major project to develop its own audit requirements.
- Issuing QACE Requirements Notices (QRNs) to establish individual audit requirements, outside of a formal QACE audit scheme.
- Issuing QACE annual Specific Interest Areas (SIAs) to establish QACE's annual audit focus areas.
- Three-year Audit Finding Trend Analysis (AFTA) established under the QACE/ACB/RO Tripartite Agreement, calls for ROs to use the audit findings for the improvement of their systems, controls and service delivery through improvements to their management systems.

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.

IX Acknowledgements

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 [Certification Body]
 BV Bureau Veritas S.A.
 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 GmbH [Certification Body]
 DNV GL DNV GL AS
 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 Recommendations
 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.
 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. [Certification Body]
 SIAs Specific Interest Areas
 SL RO Survey Location
 TL Türk Loydu
 VCA Vertical Contract Audit

Annex A

Elected Non-Executive Directors of the Board for QACE

Klaus GRENEMANN	Germany
Christian BREINHOLT.....	Denmark
C. Dean TSERETOPOULOS.....	Greece
Hui XIE	China

Under the conditions of the QACE Articles of Association terms of service, Francis Vallat retired on 7th November 2017.

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

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American Bureau of Shipping
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 China Classification Society
 Croatian Register of Shipping
 DNV GL AS
 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
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DNV GL AS
Indian Register of Shipping
Korean Register of Shipping
Lloyd's Register
Nippon Kaiji Kyokai
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RINA Services S.p.A.
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Annex C

Assessments Review 2018 Collective Recommendations

QACE has completed an eighth 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 2018 QACE would draw attention to four areas of the audit system that may benefit from additional focus.

1/ The auditing of the effectiveness RO's control over surveyor resources.

As a natural reaction to the industries recession and the downturn in work, some of the larger ROs have reorganised and significantly reduced their head-count. Offices have been closed and more surveyors work remote from offices. The recession has also reduced the available revenue which has led to cost cutting and which can put pressure on the available monies and resources to support the highest standards. This comes at a time when many organisations, including flag States, have also reduced their technical capabilities and staff, which might result in an overreliance on the recognised organisations.

There are several related issues that QACE is including in its assessments during 2018, confirmation that locations still have sufficient resources to service the workload and that, when new projects are generated and workloads return to previous levels, that sufficient surveyors will be available, competent and authorised to service the new work. This is particularly relevant to plan approval and new construction surveyors.

QACE is looking for the RO's to include these issues in their risk mitigation, the necessary flexibility and planning to react quickly, when the market emerges from recession, to have adequate resources in place.

2/ The auditing of the effectiveness of RO's controls over non-convention ships.

While the responsibility for the standard and safety of ships lie with the owners and flag State, instances have been reported where non-convention ships have been involved in incidents. In some cases, ships, under pressure because of poor maintenance have moved to local, national service, dropping their statutory certification. While the RO's responsibilities are limited to the classification of these ships, the associated risks should be incorporated into the RO's fleet management and controls.

3/ The effectiveness of the report checking process.

With more and more regulatory requirements increasing the complexity of the work it is difficult for surveyors to get the reporting of surveys and audits right first time. Survey checklists have become increasingly important. The ROs reporting and surveyor support systems need to be constantly updated. As a result, reporting errors are a common audit finding, calling into question the effectiveness of the report checking or verification process.

4/ Implementation of Water Ballast Management requirements

The Water Ballast Management (WBM) requirements came into force on 8th September 2017. Which was then extended another two years. A lack of take up of WBM systems is largely due to the costs and difficulties involved and that, provided certain requirements are satisfied, exemption can be granted by the flag Administration for de-harmonisation of the IOPP Certificate. Examples of submissions indicate common failures. The auditors have been trained in the requirements, the surveying and approval requirements and the evidence that should be expected.