



IMO MEMBER STATE AUDIT SCHEME SAFEMED IV Training on the implementation of the III Code

FLAG STATE ACTIVITIES
– delegation of authority to
and monitoring of ROs

Delegation of Authority to RO

Obligations for administrations:

- Provisions under Conventions
- RO Code
- Additional requirements in III Code

Delegation of Authority to RO

Provisions under Conventions:

- SOLAS Regulations I/6 and I/12(a)viii
 - Entrusting inspections, surveys and certification to nominated surveyors or recognized organizations
 - Notifying IMO of the responsibilities and authorities delegated
- Similar provisions under other conventions: Load Lines 1966, MARPOL and Tonnage 1969

Delegation of Authority to RO

- Code for Recognized Organizations (RO Code)
 - Circular MSC/Circ.710 – MEPC/Circ.307 - model agreement for the authorization of ROs acting on behalf of the Administration (Under revision by an intersessional correspondence group established by the III 4)
- Relevant amendments to SOLAS 1974, LL PROT 1988 and MARPOL entered into force on **1 January 2015**, making the RO Code (parts 1 and 2) mandatory
- *Resolutions A.739(18) and A.789(19) have been superseded by the RO Code*

Delegation of Authority to RO

RO Code:

- Part 1: General
(purpose, scope, communication of information, etc.)
- Part 2: Recognition and authorization requirements for organizations
(mandatory provisions for the flag State and RO as already contained in relevant IMO instruments and applicable international standards)
- Part 3: Oversight of recognized organizations
(non-mandatory guidelines)

Delegation of Authority to RO

RO Code (cont.):

- Appendix 1 – Requirements for training and qualification of recognized organization's technical staff
- Appendix 2 – Specifications on the survey and certification functions of recognized organizations acting on behalf of the flag State
- Appendix 3 – Elements to be included in an agreement

Delegation of Authority to RO (cont.)

Additional requirements in the III Code (para. 20):

- supplementary surveys
- good knowledge of staff
- audit and inspection programme

**ADMINISTRATION
REMAINS
FULLY
RESPONSIBLE!**

Delegation of Authority to RO (cont.)

- IMSAS audit will verify rigorously that each RO has been duly scrutinized and confirmed to comply with the requirements by the Administration
- Survey and certification of radio equipment – granting of authority to any entity to carry out statutory survey should always comply with the RO Code

Delegation of Authority to RO

RO Code – SCOPE:

The Code applies to:

- All organizations being considered for recognition or that are recognized by a flag State to perform, on its behalf, statutory certification and services under mandatory IMO instruments and national legislation; and
- All flag States that intend to recognize an organization to perform, on their behalf, statutory certification and services under mandatory IMO instruments.

Delegation of Authority to RO

RO Code – SCOPE:

The Code establishes:

- the mandatory requirements that an organization shall fulfil to be recognized by a flag State ([part 1](#));
- the mandatory requirements that an RO shall fulfil when performing statutory certification and services on behalf of its authorizing flag States ([part 2](#));
- the mandatory requirements that flag States shall adhere to when authorizing an RO ([part 2](#)); and
- guidelines for flag State oversight of ROs ([part 3](#)).

Delegation of Authority to RO (cont.)

RO Code, part 1, section 4

Delegation of authority - General requirements:

- A flag State may delegate authority to an organization recognized as complying with the provisions of this Code
- The flag State shall not authorize functions beyond RO's capabilities (appendix 2 applies)
- Flag States should cooperate with each other with the objective of ensuring that ROs to whom they delegate authority adhere to the provisions of this Code.

Delegation of Authority to RO (cont.)

Obligations for administrations - RO Code, part 2, section 8

Authorization of Recognized Organizations:

- General
- Legal basis of the functions under authorization:
 - The formal written agreement with the RO
 - Acts, regulations and supplementary information
 - Interpretations
 - Deviations and equivalent solutions
- Specification of authorization
- Resources
- Instruments
- Instructions
- Records

Delegation of Authority to RO (cont.)

MSC/Circ. 710 – MEPC/Circ. 307

- Annex: Model Agreement
- Appendix 1: gives the specific scope and extent of delegated duties and authority
- Appendix 2: gives the reporting and communication pattern for the execution of the delegated duties

Delegation of Authority to RO (cont.)

Obligations for ROs - RO Code, part 2, sections 2 – 7:

- Lay down minimum specifications for ROs, in six elementary modules covering following areas of interest regarding competence, capability and capacity of RO:
 - General requirements for ROs
 - Management and organization
 - Resources
 - Statutory certification and services processes
 - Performance measurement, analysis and improvement
 - Quality management system certification

Delegation of Authority to RO (cont.)

Based on mandatory minimum specifications for ROs, conditions of authorization include:

- Independence - no "conflict of interest" activities
- Appropriate communication processes with the authorizing flag State, addressing information specified by the flag State in terms of authorization, classification of ships, unsafe ships, overdue surveys or recommendations, etc.
- Use of exclusive surveyors – exceptions
- Maintain a certified quality management system

Additional conditions could be imposed by Administration:

- Comply with terms & conditions in formal agreement
- Ready access to RO's database and reports on ships flying the flag of the State and companies
- Geographical coverage

Delegation of Authority to RO (cont.)

Recommendations for administrations:

RO Code, part 3 - Oversight of Recognized Organizations

- A system to ensure adequacy of work performed by ROs, including guidance on:
 - Establishing an oversight programme
 - Principles of auditing
 - Managing an oversight programme

Delegation of Authority to RO (cont.)

RO Code, part 3 (cont.) - Oversight of Recognized Organizations

Establishing an oversight programme:

- Oversight (also para. 20 of III Code)
- The flag State's supervision of duties delegated to an RO
- Verification and monitoring

Managing an oversight programme:

- Oversight programme objectives and extent
- Oversight programme responsibilities, resources and procedures
- Oversight programme monitoring and reviewing

Delegation of Authority to RO (cont.)

Oversight of ROs – monitoring activities may include:

- Conducting **supplementary surveys** (*provisions in both III Code and RO Code - go beyond requirements of mandatory IMO instruments*)
- Conduct (or participation in) audits of ROs
- Observation of surveys and audits conducted by ROs
- Periodical meetings and dialogue sessions
- **Periodic inspections** (*field oversight*)
- Monitoring of PSC reports
- Follow-up on class-related detentions and casualties
- Review of RO survey and audit reports

Note: “should” in III Code to be read as “shall” – some of these activities are mandatory

Delegation of Authority to RO (cont.)

- *Monitoring of RO's Performance through following indicators:*
 - *FSC and PSC detention ratios*
 - *RO-related detentions*
 - *RO-related marine casualties*
 - *Reporting requirements*

Delegation of Authority to RO - Example of Finding

Example FD

There was no objective evidence to demonstrate that ROs had been duly assessed in accordance with the required standards set out in the RO Code. Formal written agreements, which were in place with six ROs, were not in compliance with the mandatory requirements of the RO Code and the III Code. There was no evidence of an RO oversight programme (SOLAS 1974, regulation XI-1/1; RO Code, part 1, section 4.2; RO Code, part 2, section 8; III Code, paragraph 18.1; III Code, paragraph 18.2; III Code, paragraph 20).

Delegation of Authority to RO - Example of Root Cause (RC)

Example RC FD

The Administration was not aware of the need to assess the adequacy of resources and to monitor activities of ROs that are members of IACS.

Lack of resources and absence of comprehensive ROs oversight process in Administration's QMS contributed to a lack of systematic approach in the oversight of ROs

Delegation of Authority to RO - Example of Corrective Action (CA)

Example CA FD

The new Merchant Shipping Law will enact the RO Code and related circulars will be issued. Policies, guidelines and documented procedures will be developed and implemented to cover the entire RO Code requirements. Necessary resources will be provided.

The Administration will:

- .1 assess whether all its ROs comply with the requirements of the RO Code;
- .2 conclude new agreements on the delegation of authority with ROs, according to the requirements of the RO Code; and
- .3 establish and implement an oversight programme with adequate resources for monitoring of ROs, in order to ensure that the international obligation of the flag State are met.

International Maritime Organization

4 Albert Embankment
London
SE1 7SR
United Kingdom

Tel: +44 (0)20 7735 7611
Fax: +44 (0)20 7587 3210
Email: msa@imo.org
<http://www.imo.org>



twitter.com/imohq

facebook.com/imohq

youtube.com/imohq

[flickr.com/photos/
imo-un/collections](https://flickr.com/photos/imo-un/collections)