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Date: 24 May 2021

Marine Instruction (3 / 2021)

**IMPLEMENTATION OF AN EFFECTIVE OVERSIGHT PROGRAMME OF
RECOGNIZED ORGANIZATIONS**

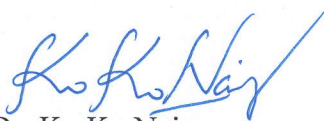
Applicable to: Recognized Organizations and flag State Surveyors

- Reference:**
- (a) Notification (2/2015) National Guidance for the Oversight Monitoring of Recognized Organizations;
 - (b) Notification (3/2015) National Guidance for the Implementation of IMO Instruments;
 - (c) IMO Resolution A.1070 (28) IMO Instruments Implementation Code (III Code); and
 - (d) IMO Resolutions MEPC.237 (65) and MSC.349 (92), Code for Recognized Organizations (RO Code).

Summary

This document provides guidance for Oversight of Recognized Organizations delegated authority by the Department of Marine Administration to perform statutory certification and services on its behalf.

1. Under the IMO Instruments Implementation Code (III Code) and Notification (2/2015) regarding National Guidance for the Oversight Monitoring of Recognized Organizations (ROs), the Department of Marine Administration (DMA) is obliged to monitor and oversight to ROs which have been delegated authority to act on its behalf, in conducting the surveys, inspections and audits, issuing of certificates and documents, marking of ships and other statutory works in accordance with the applicable requirements of the international mandatory instruments.
2. Oversight programme has been established and performed annually by the DMA with the requirements prescribed in this Guidance for monitoring activity of, and communication with, ROs in order to ensure that its international obligations are fully met by IMO Instruments such as III Code and RO Code.
3. Guidance for Oversight of Recognized Organizations attached in Appendix may be assumed to be a guide to implement oversight programme supplemented to the existing Agreement that has been concluded between the DMA and a RO.


Dr. Ko Ko Naing
Director General (Acting)

Guidance for Oversight of Recognized Organizations

Introduction

1. The Department of Marine Administration (DMA) has delegated authority to Recognized Organizations (ROs) in compliance with the provisions of the Code for Recognized Organizations (RO Code) to perform, on its behalf, statutory certification and services under mandatory IMO instruments and its national legislation.
2. The ROs delegated by the DMA are required to perform statutory certification and services by the use of competent surveyors and auditors who are duly qualified, trained and authorized to execute all duties and activities incumbent upon their employer, within their level of work responsibility.
3. The DMA is obliged to develop, implement, and manage an effective oversight programme of the ROs that act on its behalf.
4. The ROs have to make communication and giving information to the DMA according to the provisions of RO agreement and the provision of the RO Code.

Purpose

5. The oversight performance of the DMA for ROs is a primary and essential measure to ensure consistent and effective implementation of international instruments for ROs. For that reason, all ROs will be subject to the DMA oversight without exception.
 - 5.1 The purpose of the oversight monitoring programme is:
 - (a) to ensure that the statutory, regulatory and contractual requirements are followed by ROs;
 - (b) to reduce the risks to the flag State; and
 - (c) to evaluate the performance of ROs.

Responsibilities

6. If a physical audit at the ROs office cannot be conducted due to the difficult situation, the DMA may conduct a remote audit via offline and virtual meetings to the ROs, based on mutual agreements and communication.
 - 6.1 The Director General may appoint the Lead-Auditor, auditors and team to conduct oversight auditing.
 - (a) The responsibilities of Lead-Auditor are as follows:
 - (i) to contact to the offices of ROs and discuss the audit plan, schedule and

- scope;
 - (ii) to conduct opening meeting;
 - (iii) to prepare for audit findings and report;
 - (iv) to conduct closing meeting; and
 - (v) to prepare and submit audit report to the Director General.
- (b) Auditors and team member are responsible for:
- (i) conducting auditing on the submitted evidences;
 - (ii) taking the advice of lead auditor and guideline if in case of he/she has to consider the compliance with requirement; and
 - (iii) reporting to lead auditor for the preparation of audit report.

Auditor Qualification

7. The DMA may appoint to the competent individuals whom have an understanding of the oversight requirements, audit principles, and the application of audit techniques. It is necessary to have management skills as well as technical and business understanding relevant to the activities to be monitored. The minimum requirements and qualification of the Auditor are as follows:

- (a) completion of IMO Member State Auditor Training Course (or) Management System Auditor Training Course and ISM Code Auditor Training Course;
- (b) experience as an internal auditor for one year; or
- (c) experience as an external Auditor for one year; and
- (d) experience as a flag State surveyor for three years.

Audit Area

8. The following areas are subject to audit;
- (a) documentations of the RO's quality management system;
 - (b) access to international instructions, circulars and guidelines;
 - (c) access to the RO's documentations relevant to the flag State fleet;
 - (d) cooperate with the flag State survey, inspection, audit and verification work;
 - (e) provision of information and statistics; such as, but not limited to, damage and casualties relevant to the flag State's fleet;
 - (f) RO's performance by other flags;
 - (g) RO's performance by Memorandum of Understanding (MoU) on Port State Control (PSC); and
 - (h) RO's performance by flag State Inspection.

Oversight programme procedure

9. The followings are to be included in the oversight programme procedures:
- (a) planning and scheduling of oversight activities;
 - (b) assuring the competence of assigned personnel;
 - (c) selecting appropriate personnel and assigning their roles and responsibilities;
 - (d) conducting monitoring activities;
 - (e) conducting follow-up, if applicable;
 - (f) maintaining oversight programme records;
 - (g) monitoring the performance and effectiveness of the oversight programme; and
 - (h) reporting on the overall achievements of the oversight programme.

Planning for Audit

10. The followings are to be included in the audit plan:
- (a) date and time of arrival for the Audit;
 - (b) the Locations where the audits are taken place;
 - (c) the scope, objective and criteria of the Audit;
 - (d) date and time of the starting and ending for the audit, including opening and closing meeting;
 - (e) the names of the participants in the audit, both the auditors and key personnel from RO;
 - (f) identification of documents necessary to conduct the audit; and
 - (g) name and Signature of Audit team.

Oversight programme implementation

11. The implementation of the oversight programme, monitored by the DMA and, at appropriate intervals, is reviewed to assess whether its objectives have been met or not and to identify opportunities for improvement.

11.1 The following factors arranged by assigned competent flag State surveyor(s) are to be included in the implementation of the oversight programme:

- (a) communicating the objectives of the oversight programme to relevant parties;
- (b) coordinating and scheduling monitoring activities relevant to the oversight programme;
- (c) establishing and maintaining a process for the evaluation of assigned personnel and their continual professional development;
- (d) selecting and appointing assigned personnel;

- (e) providing necessary resources to the oversight programme, specifically the corresponding monitoring activities;
- (f) robust execution of monitoring activities according to the oversight programme;
- (g) ensuring the control of records of the monitoring activities;
- (h) ensuring review and approval of monitoring activity reports, and ensuring their distribution to interested parties;
- (i) ensuring follow-up, if applicable;
- (j) reviewing RO's performance by other flags;
- (k) reviewing RO's performance by Memorandum of Understanding (MOU) on port State Control (PSC); and
- (l) reviewing RO's performance by flag State Inspection.

Oversight programme records

12. The monitoring records of ROs are to be maintained for demonstrating the implementation of the oversight programme and to include the following:

- (a) all records related to monitoring activities, such as:
 - (i) plans;
 - (ii) reports;
 - (iii) non-conformity reports;
 - (iv) corrective and preventive action reports; and
 - (v) follow-up reports, if applicable.
- (b) results of oversight programme review; and
- (c) records related to personnel covering subjects, such as:
 - (i) assigned personnel competence and performance evaluation;
 - (ii) monitoring and/or audit team selection; and
 - (iii) maintenance and improvement of competence.

12.1 Records are to be retained and suitably safeguarded.

Performance Indicator

13. The DMA may develop and use performance indicators which include the following factors (but not limited to) to monitor the effectiveness of its oversight programme for ROs:

- (a) the ability of assigned personnel to implement the oversight plan;
- (b) conformity with the requirements of the RO Code, monitoring activities, and schedules; and
- (c) feedback from clients, ROs and assigned personnel.

13.1 The DMA is required to consider the following performance indicators when evaluating the performance of the ROs:

- (a) port State performance of ROs;
- (b) results of RO's internal audits;
- (c) results of quality management system audits performed by third-party organizations;
- (d) the results of previous performance monitoring; and
- (e) condition/ compliance of ships that receive survey and certification from the ROs.

13.2 The DMA may, on a periodic basis, evaluate its overall performance with respect to the implementation of administrative processes, procedures and resources necessary to meet its obligations as required by the conventions to which it is party.

Other measures

14. Other measures to evaluate the performance of the DMA may include, inter alia, the following:

- (a) port State control detention rates;
- (b) flag State inspection results;
- (c) casualty statistics;
- (d) communication and information processes;
- (e) annual loss statistics (excluding constructive total losses (CTLs)); and
- (f) other performance indicators as may be appropriate, to determine whether staffing, resources and administrative procedures are adequate to meet the obligation of flag State. Other performance measurement indicators may consist of the following:
 - (i) fleet loss and accident ratios to identify trends over selected time periods;
 - (ii) the number of verified cases of detained ships in relation to the size of the fleet;
 - (iii) the number of verified cases of incompetence or wrongdoing by individuals holding certificates or endorsements issued under its authority;
 - (iv) responses to port State deficiency reports or interventions;
 - (v) investigations into very serious and serious casualties and lessons learned from them;
 - (vi) technical and other resources committed;
 - (vii) results of inspections, surveys and controls of the ships in the fleet;
 - (viii) investigation of occupational accidents;
 - (ix) the number of incidents and violations under MARPOL, as amended;
 - (x) the number of suspensions or withdrawals of certificates, endorsements and approvals;

Review

15. The oversight programme review may also consider annually:

- (a) results and trends from monitoring;
- (b) conformity with procedures;
- (c) evolving needs and expectations of interested parties;
- (d) oversight programme records;
- (e) alternative or new auditing practices or monitoring activities; and
- (f) consistency in performance between audit teams in similar situations.

15.1 Results of oversight programme reviews can lead to corrective and preventive actions and the improvement of the oversight programme.