

IQARB

International Quality Assessment Review Body

MSC 106 Lunchtime Presentation – Mon, 07 Nov 2022

Latest **IQARB** developments and subsequent benefits
for flag States

Lars Lange
IQARB Chair
IUMI Secretary General

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Why IQARB?

- Classification Societies (CS) are acting directly for clients (e.g. ship-owners, shipbuilders) and as Recognized Organisations (ROs) for flag states.
- Both demand oversight and auditing of quality:
 - For IACS Societies, **QMSR** sets the standard against which independent Accredited Certification Bodies (ACBs) audit class work;
 - For ROs, the **RO Code** sets the requirements flag states audit against
 - Additional regional requirements such as QACE for EU ROs.
- Auditing procedures need two key attributes to build trust:
 - **Transparency;**
 - **Independence.**
- Moreover, multiple bodies conduct many similar audits on the same CS/Ros.
- IQARB shall address this: **Effective and efficient review of audits of CSs and ROs in a most transparent and independent manner and based on accepted standard(s).**

Where does IQARB derive its authority from?

- Paragraph 15 of the IQARB Protocol says: *“IQARB derives its authority from the collective collaboration, knowledge, experience and expertise of its individual members and their shared and common desire, and that of the institutions they represent, to promote and improve safety at sea and the prevention of marine pollution.”*
- All participants in IQARB are there as representatives of their institutions and none are acting in a private capacity.
- IQARB is designed as a **journey**: Developing from an easy, feasible start into a more comprehensive system:
 - Start under the umbrella of the IMO;
 - Limit to **IACS Societies**;
 - Limit to the audits done by the **ACBs**;
 - Take **QMSR** as the standard, benchmark against the RO Code (gap analysis);
 - Invite **representative flag States, industry bodies and relevant other bodies**.

How does IQARB work?

- **IQARB reviews the certification process** of the QMS of IACS members by considering:
 - the **adequacy of IACS QSCS** in meeting the objectives set before CS/ROs by IMO, flags and industry;
 - the **performance of ACBs against the criteria of QSCS**;
 - the analysis of the **nature of findings**; and
 - the **robustness and effectiveness of the agreed corrective actions** that CS/ROs; have put in place to address the findings identified during the ACB audits.
- IQARB doesn't certify ROs/CSs, but the IQARB factual statement may however **provide confidence** to interested parties **in the independence and integrity of the ROs/CSs certification by the ACBs**.
- An **IQARB Protocol** approved by IQARB rules procedures:
 - Composition: 6 flag, 6 industry, up to 6 others (IMO, PSC, EC) - IACS "ex officio";
 - Independent Quality Assessment Analyst, IQAA;
 - Funding, Purpose (see above), Function / Procedures.

Why is IQARB of interest to Flag States? (1)

- III Code, Part 2, Paragraph 20 states:

Delegation of authority

20: The flag State should **establish or participate in an oversight programme** with adequate resources for monitoring of, and communication with, its recognized organization(s) in order to ensure that its international obligations are fully met....

- RO Code, Part 3, Paragraphs 5.2 and 6.1 state, respectively:

- 5.2: The flag State's supervision of duties delegated to an RO should consider, inter alia, the following:

.1 **documentation of the RO's quality management system**;...";

- 6.1: The flag State should be satisfied that the RO has an **effective quality management system** in place. The flag State may rely upon the audits carried out by an accredited certification body or equivalent organizations. **Intergovernmental cooperation in establishing common auditing practices is encouraged.**

Why is IQARB of interest to Flag States? (2)

- **III Code {A.1070(28)}**: An Administration should establish or participate in an oversight programme to monitor and communicate with its ROs to ensure its international obligations are fully met.
- Following the introduction of the RO Code, III Code and SOLAS Chapter XIII, the **oversight of ROs has been brought into much sharper focus** and there has been an increase in the oversight activity of flag States with respect to their ROs.
- In exercising their oversight responsibilities it is inevitable that **each flag State will ask essentially the same questions of their ROs** regarding compliance with the RO Code, unless a common, agreed and trusted oversight regime to participate in.

Why is IQARB of interest to Flag States? (3)

- IQARB's purpose (as described in MSC 100/19/8) is to establish such an **oversight regime that flag States can utilise** in order to rationalise the oversight process in a manner that will be acceptable to Administrations and ROs and at the same time pass scrutiny of the IMO MSAS.
- IQARB is **not an alternative to the sovereign right and duty of a flag State** to exercise effective oversight over the classification societies it authorises as its RO and it will be for the flag State to decide what additional issues, particular requirements or standards etc. it may require and ensure compliance with them, before it authorises the classification society as an RO. This latter aspect will be assessed by the IMO under the Member State Audit Scheme via SOLAS Chapter XIII.
- The **use of IQARB products (Factual Statements) by a flag State is entirely voluntary** and is designed to offer a flexible approach whereby different flag States can utilise the IQARB products to a greater or lesser extent depending upon their individual circumstances.

Starting the IQARB journey (1) – “Proof of Concept”

- **September 2018:** Proposal for IQARB trial phase: MSC 100/19/8 by Liberia, Marshall Islands, New Zealand and IACS; results MSC 100/20 (para 19.23 to 19.27);
- **January 2019:** Interim Chair Lawrence Barchue, IMO, invites IQARB members;
- **28 February - 1 March 2019:** IQARB 1;
 - **June 2019:** Report to MSC 101 by IMO Secretariat: MSC 101/23/3;
 - **July 2019:** Introduction to IMO III 6 by IACS QC Chair (lunchtime presentation);
- **Sep / Oct 2019:** Lars Lange, IUMI, appointed as Chair; Karl Lumbers becomes Independent Quality Assessment Analyst IQAA;
- **27/28 February 2020:** IQARB 2;
 - **March 2020:** Report to MSC 102 by IMO Secretariat: MSC 102/22 and MSC 102/INF.9;
 - **March 2020:** Factual Statements issued by IQARB 2 made publicly available;
- **July 2021:** Update to III 7 by IQARB Chair (lunchtime presentation).

Starting the IQARB journey (2) – “Create a framework”

- A **Steering Committee** was founded in Q3 of 2020 – “*assess the effectiveness of the IQARB and guide its future development*” (Para 1 SC ToR):
 - 3 meetings in Q4 2020, Q2 2021 and Q3 2022;
 - Development of **ToR** for SC and TC, of a **roadmap** for further IQARB development, of **amendments to the IQARB Protocol** and of **principles for future IQARB funding**.
- A **Technical Committee** was founded in Q4 2021:
 - **Purpose**: regularly review the technical requirements of IACS QMSR to ensure they remain fit for purpose / explore the possibility of shared steering of QMSR;
 - Wider **membership** including IQARB members, IACS, IMO, ACBs, QACE.
- **IQARB 3** took place Mon, 11 and Tue, 12 Oct 2021:
 - **Review the 2020 ACB audits** – sufficient data at hand in spite of COVID-19;
 - Consider **further development** of the scheme;
 - **Report to IMO MSC 105 (MSC 105/19/3)**.

Continuing the IQARB journey (1) – “Develop the system”

- 03/04 May 2022: **IQARB 4**
 - Factual statements issued for all IACS Societies;
 - Report to MSC 106 (MSC 106/18/2 and MSC 106/INF.9);
 - Update by IQARB Chair during III 8 in July 2022 (lunchtime presentation).
- **Further development:**
 - a. **legal entity and secretariat** – 2 step merger with QACE;
 - b. Reconsider and widen the **IQARB membership** at IQARB 5 in May 2023:
 - a. All interested flag States;
 - b. All interested ROs.
 - c. Develop an independent **funding** of IQARB – “*those who benefit*”.

Continuing the IQARB journey (2) – “Interact with IMO”

- IMO “actively participates” in IQARB (MSC 100/20, para 19.27) and hosts the meetings.
- IMO Secretariat is requested to report to MSC on progress (MSC 100/20, para 19.27): Reports to MSC 101-106 on the outcome of IQARB 1 – 4 and INF.Papers submitting the Factual Statements).
- III 8 WG in July 2022 on III Code Implementation Guidance: "Delegation of Authority", proposal to include text facilitating recognition and use of Factual Statements issued by IQARB
- Paper MSC 106/14/1 co-sponsored by 5 Member States and 6 NGOs (para 14.1-14.3):
 - IQARB Factual Statements may assist Member States to focus on their individual RO oversight programmes on targeted areas and specific matters;
 - IQARB Factual Statements may be recognized during IMSAS audits as part of the oversight programme of ROs implemented by Member States;
 - Instruct the CG on the III Code Implementation Guidance to take the above into consideration and prepare aligned relevant text for inclusion in the III Code Implementation Guidance.

IQARB – An ambitious future?

- Promote the system and build trust in it.
- Involve all stakeholders interested in the system – „offer a tool box“.
- IQARB „Roadmap“:
 - Improve the IQARB set-up based on its further development;
 - Own auditors?
 - QMSR, IMO RO Code and EU Reg. 391/2009 leading to an own IQARB standard?
 - IQARB purpose / certifications: More than review of CS/ROs and ACBs against QSCS and others?

➡ **A "Journey" – not too slow, not too fast.**

➡ **Based on success and explicit wish of all stakeholders involved.**

THANKS FOR YOUR ATTENTION

**PLEASE SUPPORT THE RECOGNITION OF IQARB FACTUAL
STATEMENTS AND THE RELATED PROPOSALS IN MSC 106/14/1**

ANY QUESTIONS OR COMMENTS?

Lars Lange
IQARB Chair

Secretary General
International Union of Marine Insurance e.V.
Große Elbstraße 36
D-22767 Hamburg
lars.lange@iumi.com