

# **VOLUNTARY IMO MEMBER STATE AUDIT SCHEME**

## **AUDIT OF THE REPUBLIC OF LIBERIA**

**26 FEBRUARY – 5 MARCH 2007**

### **FINAL REPORT**

**5 February 2008**

#### **1 Executive Summary**

1.1 An audit of the maritime administration of the Republic of Liberia, represented by its implementing agent the Liberian International Ship and Corporate Registry (LISCR), was undertaken between 26 February and 5 March 2007 by three auditors drawn from Denmark, Canada and Germany and one observer from the USA. The scope of the audit included only the flag State obligations of Liberia in relation to the mandatory IMO instruments it has acceded to, and as such the audit and its report are restricted to the “Administration” as defined in the applicable mandatory IMO instrument.

1.2 The auditors concluded from the information available to them that Liberia, within the scope of the audit, substantially meets its flag State obligations as an Administration in respect of the mandatory IMO instruments and also the Code for the implementation of mandatory IMO instruments. The audit identified that there were areas of good practices. It also identified areas where improvement was possible. The latter however were relatively minor in relation to the overall efficiency of the Administration.

1.3 The following report provides detail of the findings and the evidence on which these are based is to be found in the appendices to this report.

#### **2 Introduction**

2.1 The Voluntary IMO Member State Audit Scheme (VIMSAS) creates a basis to assess the degree a Member State complies with its obligations set out in the various IMO instruments made mandatory by the ratification of the State. In addition the Code for the implementation of mandatory IMO instruments (resolution A.973(24)) stipulates a number of principles a Member State should adhere to in order to achieve a Maritime Administration capable of improving its performance by a set of standards for the achievement of best practice for the benefit of maritime safety and pollution prevention.

2.2 For Liberia, a Memorandum of Cooperation was agreed with the IMO for the mandatory IMO instruments ratified by Liberia to be verified using the principles of Code for the implementation of mandatory IMO instruments, here in after “the Code”.

### **3 Background**

3.1 Following the adoption of the Framework and Procedures for the Voluntary IMO Member State Audit Scheme (resolution A.974(24)) by the 24<sup>th</sup> regular session of the Assembly, a number of Member States volunteered for an audit under the scheme. The current audit of Liberia was undertaken using fully the principles established under resolution A.974(24) and the Code for the implementation of mandatory IMO instruments (resolution A.973(24)). This report sets out the findings of this audit in the format adopted under the section 7.2 of the Procedures for the Audit Scheme.

### **4 Members of the Audit Team**

Mr. Per Søndstrup (Audit Team Leader) - Denmark  
Mr. Jens-Uwe Schröder - Germany  
Mr. Andrew Hart - Canada

Mr. Lonnie Harrison (observer) – USA

### **5 Involved Officials from the Member State**

5.1 Mr. David Pascoe served as focal point for the audit team. For the participants at the meetings and interviews see annex 1.

### **6 Acknowledgement**

6.1 The auditors wish to express their considerable thanks to the various members of the staff interviewed and the Liberian International Ship and Corporate Registry (LISCR) for their fullest cooperation during this audit. In particular, thanks are due to Mr. David Pascoe for his efforts during the preparation for this audit and for its facilitation.

### **7 Scope, objectives and activities of the Audit**

7.1 The Scope of the audit addressed flag State obligations of the Republic of Liberia (hereinafter referred to as Liberia).

7.2 The objectives of the audit were:

- .1 to determine the extent to which Liberia meets the obligations imposed upon it through its adoption of the following mandatory IMO Instruments:

1. the International Convention for the Safety of Life at Sea, 1974, as amended (SOLAS 1974);
  2. the Protocol of 1978 relating to the International Convention for the Safety of Life at Sea, 1974, as amended (SOLAS PROT 1978);
  3. the Protocol of 1988 relating to the International Convention for the Safety of Life at Sea, 1974, as amended (SOLAS PROT 1988);
  4. the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, as amended (MARPOL 73/78);
  5. the Protocol of 1997 to amend the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto (MARPOL PROT 1997);
  6. the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended (STCW 1978);
  7. the International Convention on Load Lines, 1966 (LL 66);
  8. the Protocol of 1988 relating to the International Convention on Load Lines, 1966 (LL PROT 1988);
  9. the International Convention on Tonnage Measurement of Ships, 1969 (Tonnage 1969); and
  10. the Convention on the International Regulations for Preventing Collisions at Sea, 1972, as amended (COLREG 1972); and
- .2 the effectiveness of the implementation of these objectives.

7.3 Obligations in the mandatory IMO instruments in relation to coastal and port State activities were excluded.

7.4 Implicit in this audit was also the degree of compliance with the Code for the implementation of mandatory IMO instruments (the Code), which reflects many of the references set out in the mandatory IMO instruments.

7.5 The audit was conducted using the programme set out at annex 1. The methodology used was to establish through a series of interviews, sampling, examination of written records, databases and the objective evidence which would determine the extent to which the Administration achieved the objectives of the audit.

7.6 The programme followed a process which sought initially to determine the strategy for the implementation of the mandatory IMO instruments, the review processes

in place and the arrangements for continual improvement. Following this, an examination was made of the national legislation in place which provides the mandatory IMO instruments with force of law. The processes by which the State develops and makes known its interpretations, policies and instructions regarding these mandatory IMO instruments, as well as the practical implementation of these arrangements were also reviewed.

7.7 An opening meeting was conducted on 26 February 2007, at the head office of the Administration in Vienna, Virginia, in accordance with the procedures set out in resolution A.974(24). The agenda is attached as annex 2. It was agreed that during the audit, observations and non-conformities would be immediately communicated to the Administration for comments. It was also agreed that at the closing meeting, which was scheduled for 5 March, a draft interim report would be tabled to assist in focussing discussion and the next steps to be taken.

## **8 Overview and general maritime activities of the State**

### **8.1 General**

8.1.1 The maritime authority of the Republic of Liberia is the Bureau of Maritime Affairs (BMA) in Monrovia, Liberia. It is an autonomous body headed by the Commissioner of Maritime Affairs (CMA) reporting directly to the President of the Republic of Liberia. Ship registration and operational tasks of the Administration have been assigned through Liberian Law to the maritime agent LISCR, through a statutory agreement between the Republic of Liberia and LISCR. This agreement was approved by the Liberian Legislature. The delegation covers flag State obligations only. The Administration maintains its head Office in Vienna, Virginia, USA, and has local representation at a number of major places of maritime commercial interest. The authority of the Administration is described in the Liberian Maritime Law (RLM 107) in terms of the overall role of the Commissioner of Maritime Affairs, the Deputy Commissioners, the agent (LISCR) and special agents (i.e. individual persons facilitating administrative tasks on behalf of the CMA) (Code. part 1, paragraph 3).

8.1.2 BMA is responsible for both domestic and international shipping activities including port and coastal State obligations. BMA presently has 70 employees, some of which are involved in the preparation of maritime legislation (see paragraph 8.1.5). BMA has, for the time being, not been subject to VIMSAS activities as it has not been possible to go to Monrovia, but is expected to be included in a follow-up audit. It is further reported that the number of employees of the BMA is under review.

8.1.3 Further to the above mentioned statutory agreement and specification of law and regulation, the operational link between BMA and LISCR is supported by the appointment of Deputy Commissioners of Maritime Affairs. There are up to six Deputy Commissioners of Maritime Affairs (CMA) (up to four from BMA and two from LISCR). The Deputy Commissioners of Maritime Affairs (DC) represent the BMA to carry out key functions such as granting exemptions and signing certificates (example of

signed certificate is attached as annex 3). DCs form a critical part of the organisation and create the link between LISCR and BMA through involvement in major operational tasks. The relevant responsibilities and authorizations are codified in the Liberian Maritime Law (Title 21 of the Liberian Code of Laws of 1956, RLM 107 herein after referred to as RLM 107) (Code, part 1, paragraph 7).

8.1.4 The maritime policy of Liberia is formulated in Monrovia. BMA reports formally once a year to the President and the Legislature. In addition to the working relationship with the BMA on routine matters, LISCR reports every year to BMA on its activities, such as the development of the Liberian fleet, casualties, port State control (PSC) performance and flag State inspections (annex 4). There has been continuous growth of the fleet in size and number since 2002. At LISCR, the focus is to have quality ships in the Liberian fleet and in this respect adherence to the provisions of the mandatory IMO instruments is a pre-requisite for ships. As such, recent data has shown significant improvements in terms of PSC performance (Code, part 1, paragraph 11).

8.1.5 Maritime legislation formulation processes are initiated either by LISCR or BMA. There is a consultation process between LISCR and BMA before any instrument is implemented. RLM 107 (§ 11) provides for a wide degree of authorization to the CMA as far as the formulation of Rules and Regulations is concerned. Instruments that need approval of the Legislature are prepared by BMA, which is then submitted by the Executive Branch of Government to the Legislature for consideration and adoption. Once adopted by the Legislature, the legislation is then signed by the President and promulgated by the Ministry of Foreign Affairs; thus giving it full force of law (Code, part 1, paragraph 9).

8.1.6 Changes or amendments to mandatory IMO instruments, which are subject to the IMO tacit acceptance procedures, are not promulgated through national law as the policy is that that for all amendments pertaining to instruments to which Liberia is already a Party, these automatically enter into force and are applicable to Liberian flag ships and it is the ship owners responsibility to observe and track changes of the regulations. Samplings of the maritime legislation showed inconsistency in how changes to the mandatory IMO instruments are promulgated in national law. In this regard, the following were observed:

- .1 RLM-108, section 2.37A, refers to regulation 5 and 6 for the prohibition of discharging noxious liquid substances, but in the consolidated revision of MARPOL 2006, which entered in force 1 January 2007, it is stated in regulation 13;
- .2 the Administration maintains a list (Marine Notice INT-001) of IMO regulations in force. This list is not updated with the latest revisions, e.g.. MARPOL Annexes I and II, which entered into force 1 January 2007. This list also is referred to in section 2.35 in the Liberian Maritime Regulation (RLM 108); and

- .3 RLM 108, section 2.35, places responsibility on owners and masters to ensure compliance with all applicable international conventions and agreements. This includes general prohibitions for the discharge of sewage and air emissions in Control Areas (MARPOL Annex IV and VI). However, RLM-108, section 2.37, does not include specific provisions for prohibitions for the discharge of sewage or emissions in Control Areas although it is specifically stated for the prohibition of discharge of oil, noxious liquid substances, garbage and wastage (MARPOL Annexes I, II, III and V).

8.1.7 The Administration has established various networks to communicate its policies and to establish a culture of improvement of the performance in maritime safety and environmental protection. Internal safety related meetings take place weekly. Policies are communicated through flag State inspections; and seminars take place with ship owners and ship owner associations at regional offices. Annual meetings are held with ROs. Meetings might also be organized at the Head Office with specific ship owners and ROs. LISCR is the technical advisory body to BMA, and as such participates as an advisor in various IMO meetings where Liberia has permanent representation. LISCR has a liaison with NGOs, which include, Intertanko, International Chamber of Shipping and relevant ship owner associations. The above mentioned network is used to further communicate BMA's policies (Code, part 1, paragraphs 9 and 12).

#### 8.1.8 Findings:

- **The Liberian maritime legal instruments allow for effective and timely implementation and enforcement of the mandatory IMO instruments (Code, part 1, paragraph 7).**
- **Although not formally documented, there is indication of a strategy to meet the objectives as required by the Code, part 1, paragraph 3. The functioning of processes related to an Administration strategy was verified.**
- **During the audit it was established that the BMA has delegated the various tasks and responsibilities to its implementing agent, which acts on its behalf with regard to the aspects of the mandatory IMO instruments as regard flag State obligations. Each division of the Administration is familiar with its individual tasks and responsibilities (Code, part 1, paragraph 7.3).**
- **The growth in fleet size could be considered as an indicator of the need for additional resources for the administration of the fleet in order to sustain a positive development in fleet performance in terms of casualty investigations and flag State inspections.**
- **The Administration reports to BMA include several statistics for casualties and developments in the size of the fleet. However, the reports contain, to a limited extent, analyses of indicators or trends for areas beyond PSC detentions, such as the development in accidents and**

incidents. Such indicators could be used to define specific targets to safeguard continuous improvements of these areas.

**Observation:**

- The audit established that the policy for how changes and amendments to mandatory IMO instruments are promulgated through national law and marine notices is unclear (Code, part 1, paragraphs 7 and 12.1) (Form A-OB-01).

**Corrective action:**

*The Administration will establish a procedure for periodic review of Liberian maritime law and regulations when new international instruments are ratified or acceded to by the Republic of Liberia to ensure necessary amendments are promulgated. Liberian publication RLM-108, containing Regulation 2.37 will be amended (at the subsequent legislative session of the Liberian National Legislature) to include specific provisions for prohibition for the discharge of sewage and air emissions in Control Areas (MARPOL Annexes IV and VI). The text of the specific provision will be contained in Reserved Reg. 2.37B and reg. 2.37D, respectively.*

*The Administration will establish a procedure to issue/promulgate marine notices which will highlight changes and amendments to mandatory IMO instruments when they come into force by the tacit acceptance procedures. The procedure will include periodic updating of Marine Notice INT-001, which lists the international instruments to which the Republic of Liberia is a Party, to reflect the latest revisions announced by the IMO for the use of owners and operators of Liberian flagged ships.*

*The procedure will be implemented by 28 February 2008.*

## 8.2 Flag State activities

8.2.1 The Administration is effective with a relatively “flat” structure of its organisation due to its size, location and the fact that it is not responsible for coastal or port State activities, which would otherwise result in further communication efforts between the various entities involved in a maritime framework. The obligations contained in the mandatory IMO instruments are assigned to the various departments within the Administration. The departments are described in an internal organigram developed for the ISO 9001:2000 system (annex 5), which does not include the Deputy Commissioners (DC), Bureau of Maritime Affairs (BMA) and the Commissioner of Maritime Affairs (CMA), although these are part of the processes and authority under which the Administration operates. Individual job responsibilities are described in “job descriptions” for each person (Code, part 2, paragraph 27).

8.2.2 The Administration has regional offices located in New York (responsible for ship registration), London, Piraeus, Hong Kong, Tokyo, Hamburg and Zürich. The responsibilities of the regional offices are mainly of commercial nature. They provide only commercial customer services. All flag State obligations are directly taken care of by the Head Office.

8.2.3 The BMA has approximately 70 staff members. LISCR has 90 staff members in Vienna, VA. In addition there are about 220 flag State inspectors world-wide (annex 6). These inspectors are under contract to the Administration as non-exclusive inspectors. Approximately 120 of these inspectors are authorized to carry out ISM audits on behalf of Liberia, and they are required to do this on an exclusive contract basis.

8.2.4 The Administration has established a certified ISO 9001:2000 Quality Management System (QMS) (annex 7). The system includes all aspects of its operations in Vienna (including STCW requirements). It does not extend to the contracted non-exclusive flag State inspectors. The review process of ship's inspection and ISM verification reports, however, are included.

#### 8.2.5 Findings:

- **During the audit it was established that the Administration has assigned the various tasks and responsibilities to its departments covering the aspects of the mandatory IMO instruments. Although many processes are handled across the whole organization each department is aware of its main responsibilities (Code, part 2, paragraph 27).**

#### *Evaluation and review*

8.2.6 The Administration explained that the principles of continuous improvement are met on an ongoing basis during weekly meetings. Special initiatives are identified and actions are taken, as appropriate, including analysis of specific problem areas.

8.2.7 The Administration has implemented an ISO QMS, which in this respect describes certain safety policies and refers to objectives that could not be verified during the audit, as they were not formally documented. The audit team, however, could not find evidence that the current system is not functioning as the Administration has documented a number of statistics that can be considered as some kind of benchmarking as referred to in the Code, part 2, paragraphs 43 and 44. This refers in particular to PSC deficiencies and detentions, casualty numbers etc. Those statistics are updated on an ongoing basis and reviewed during the above mentioned weekly meetings. The evaluation of the statistics is also part of the management review process.

### 8.2.8 Findings

- **During the audit, it was established that the Administration has procedures in place to measure the performance of the Liberian fleet (Code, part 2, paragraphs 43 and 44).**
- **The Administration carries out management reviews of the various key performance indicators of the Liberian fleet (Code, part 2, paragraph 42).**

### *Implementation*

8.2.9 Ship owners are informed about applicable legislative requirements for ships flying the Liberian flag (Code, part 2, paragraphs 15 and 16). This is mainly done through Marine Notices and Operations Notes available as hardcopy and online on the Administration's website. Furthermore ship owners are informed by letter (annex 8) to comply with any mandatory IMO instruments that Liberia has ratified. The Administration also communicates its regulations through its communication network, i.e. by contacting the Liberian Shippers Council or direct contacts with clients.

8.2.10 The owners are informed of upcoming changes by various means including notices and directed electronic mail messages. The ROs and the non-exclusive flag State inspectors are informed in a similar way. The inspectors are further provided with "Guidelines for Nautical Inspectors" as guidance in conducting their inspections and their reporting.

8.2.11 The term "to the satisfaction of the administration" is dealt with by using the IACS interpretations as the normal basis for the required interpretations. The Administration reviews the interpretations in consultation with the IACS Policy Committee before their publication. If the issues are not addressed in the IACS standard interpretations the Administration develops its own specifications referred to in Marine Notices (e.g. POL-001, FIR-001) (annex 8) (Code, part 2, paragraph 16.5).

8.2.12 Considering the fact that only a few persons carry out key functions with regard to technical specifications on maritime safety or environmental protection issues it is not clear if there is sufficient documentation to have fully effective succession planning, and a consolidated knowledge base of precedents to have consistency in the interpretation and application of the various requirements.

8.2.13 All certificates are issued with the Liberian crest, by the ROs other than exemption certificates that must only be issued by the BMA and signed by a DC. All exemptions are tracked, but not always reported to the IMO (at the request of the IMO that no longer wanted to be informed about routine exemptions). Before an exemption certificate is issued or renewed, the RO confirms to the Administration (as the technical review authority) that the required conditions to grant an exemption are met or maintained. There is a review process for all requests for certificate extension.

8.2.14 Sub-delegation of an authority to carry out inspections is not permitted and where inspections or maintenance (for example LSE, fire detection or fire suppression systems) are carried out by others they are approved individually by the Administration based on the prior approval of an RO.

8.2.15 Certificates have been issued occasionally on request of another Administration (e.g. a Liberian ship bare-boat-chartered to operate under the Myanmar flag; and ISPS audits for Saudi Arabia.).

8.2.16 The approval of operational manuals, such as SOPEPS, has been delegated. Those manuals in particular, however, may also be approved by the Administration. Instructions have been issued that ROs have to comply with.

8.2.17 On items that may be approved by either the RO or the Administration, the decision is left to the determination of the ship owner. However, the Administration retains the right to perform additional audits, and based on the analysis and reports, additional audits or inspections may be required from time to time (Code, part 2, paragraph 20).

8.2.18 Liberia does not have a specific form of an Official Log, but instead makes requirements that the ship keep records.

8.2.19 The Administration has recently commenced the process of making available internally in a consistent electronic fashion all of their approval and review process for ships coming into its registry and their continual review.

8.2.20 All records about ships registered under the Liberian flag are kept by the Administration in Vienna, Virginia, except paper records regarding registration particulars, which are kept in New York. Registration particulars are available electronically to Vienna through a new software information system (LIS).

8.2.21 **Findings:**

- **There is no comprehensive process for the tracking of decisions and interpretations in a fashion that would allow for the ready access of this historical knowledge base to assist in consistency in decisions (Code, part 1, paragraph 10).**
- **The Administration has introduced an effective electronic information system (LIS) for the approval and recording process of ships entering the registry and the issue certificates of registry, radio licences and minimum safe manning certificates. The system is under development to include issuance of other statutory certificates, safety inspections, ISSC and SMC verifications and other aspects.**

*Safe manning*

8.2.22 Owners or managers of Liberian ships have to apply for a safe manning certificate and to provide a suggested level of safe manning. The Administration provides guidelines and forms for the application process in its Marine Notice MAN-001. In this notice detailed reference is made to all applicable requirements under STCW as referred to in the Code and in particular in Appendix 1 of resolution A.974(24). In addition the Administration provides for a detailed outline of basic manning requirements on ships in five different categories. There are two further notices (MAN-002, MAN-003) dealing with possible reductions of crew if certain provisions are fulfilled in engine room spaces.

8.2.23 There is a controlled and documented process on the issuance of safe manning certificates in line with the Administration's quality system.

8.2.24 Safe manning certificates are individually authorized by a DC.

8.2.25 It became obvious during the audit that there are strict policies on manning issues that take into account relevant IMO guidelines and allow minimal flexible interpretations of the rules by LISCRC personnel or ship owners or managers. The Administration has in the past refused a number of potential clients that demanded reduced manning on their ships not in line with the Administration's policies.

8.2.26 The guidelines on manning are reviewed on a regular basis in order to allow for consideration of impacts of new technologies or of findings in human factor research.

8.2.27 Manning issues can be handled safely and effectively, as it may be required by the day-to-day business in the Liberian fleet (i.e. when dispensations are needed).

8.2.28 **Finding:**

- **The Administration has an effective and well defined process to determine safe manning levels on board Liberian ships. (Code, part 2, paragraph 17). The process is free of undue external influences aiming at reduced manning levels not in line with Liberian regulations.**

*STCW licenses and recognition of certificates.*

8.2.29 Liberia does not, for the time being, have any maritime training facilities for seafarers and therefore mainly carries out the obligations for the recognition of certificates. The operational STCW matters fall under the responsibility of the Administration. This includes licensing issues of seafarers as well as the standards of watchkeeping. The Seafarers Department is responsible for issuing Seafarer Identification and Record Books, special qualification certificates, and all officer certificates.

8.2.30 The licensing processes at the Administration are all detailed and documented. These are part of the quality management system. Furthermore, there are documented

procedures on how to issue seafarer documents and certificates of competency. Some of the procedures are currently in the process of being updated.

8.2.31 The Administration keeps a database of over 570,000 seafarers. Approximately 700 documents of any kind (endorsements, discharge books etc.) are produced on average per day. There are 15 staff members involved in licensing issues in the Administration. Out of these 15 staff members three work as evaluators of the documentation. They report directly to the “Head of Identification and Certification” who verifies non regular cases. The remaining staff members are involved in the processing of information and the production of the documents.

8.2.32 Fraudulent certificates have been identified in previous years. There was evidence produced that in cases where Liberian certificates have been abused a formal follow-up has been made (Code, part 2, paragraph 16.3.4).

8.2.33 A proprietary computer system is used to issue seafarer certifications and identity books. A unique component of the seafarer database and production system is the SEA (Seafarers Electronic Application) System, which allows registered filing agents to submit applications for seafarer documents in a controlled environment over a secured host on the Internet. The system seems to be highly effective. The Administration has offered this system free of charge to other registers in order to facilitate the identification of fraudulent certificates. The assumption is that if the overall data pool is larger and if more registers are working with the same data pool unnecessary duplication of work can be avoided. This refers in particular to work caused by seafarers applying with fraudulent certificates at different registers. Instead of verifying the certificates in several registers at the same time one test in a common data pool would be sufficient to identify the fraud. So far, the Administration has not received positive feedback on this idea.

8.2.34 The Administration is aware of the problem of the effective verification of STCW specified rest periods. So far paper records of work hours are kept on Liberian ships and verified by flag State inspectors during the annual safety inspection. This system can be manipulated and the Administration is aware of this.

8.2.35 As a result of the above considerations, the Administration has most recently started a project in co-operation with an American company to investigate the possibility of carrying out baseline checks for fatigue. The idea is to have a recording device on each Liberian ship that identifies deviations from a previously recorded baseline performance. The initial baseline is recorded when a crew member joins the ship. Regular tests and recordings should facilitate the identification of fatigued crew members. It is a positive development that the cost for such a device is subsidised through a discount that P&I clubs are willing to grant on insurance premiums to ships willing to carry such a device. The Administration is currently working on discussions about a pilot project.

### 8.2.36 Findings:

- **The audit established that Certificates of Competency and Endorsements are issued to a person after verification that the person meets the applicable requirements (Code, part 2, paragraph 26). A verification whether ship crews can fulfil their requirements in emergencies is undertaken during the annual safety inspections when drills are carried out in the presence of the flag State inspector (Code, part 2, paragraph 21.4).**
- **STCW requirements are enforced in national law. Further clarification and requirements are made in MAN-001 (Code, part 2, paragraph 23.1).**
- **The SEA System and the pilot project on fatigue identification are examples of best practice.**

### *Enforcement*

8.2.37 An important part of the Administration's enforcement provisions is the annual safety inspections carried out by a global network of non-exclusive flag State inspectors. These inspections are additional flag State inspections beyond the statutory surveys carried out by the ROs (Code, part 2, paragraph 20.1).

8.2.38 In the case of gross negligence on the part of a seafarer, the principal method used for enforcement when there is a violation is either a notation against, or the withdrawal of personal licences, which prevents the seafarer from sailing on Liberian ships. For other violations not directly related to the gross negligence of seafarer, the use of fines or other forms of monetary penalties is authorized by Liberian Maritime Regulations (Code, part 2, paragraph 21.6).

8.2.39 The majority of personal licensing investigations is against fraudulent certificates.

8.2.40 There is suitable allowance in the process for appeals; which is only infrequently used. There is no formal tribunal or process established unless the judicial route is taken. There are no guidelines on the administrative sanctions that could or should be imposed depending on the gravity of a situation. The process for the review and the taking of decisions on these sanctions is not expressed in the quality manual or the Marine Notices. The senior management of the Administration takes these decisions.

8.2.41 There is no step-by-step process established in the manual for the investigation or the follow up on incidents or other casualties for possible enforcement action. A number of files and statistical data were presented demonstrating the effective follow up and review of casualties by Administration and the proper submission of reports to the IMO.

#### 8.2.42 **Finding:**

- **Personnel seafarer enforcement is effectively performed by suspending or withdrawing licences. Other penalties, such as fines, expressed in the law are seldom used (Code, part 2, paragraph 21).**

#### *Flag State inspection programme*

8.2.43 The Administration has a programme to use flag State inspectors for annual safety inspections on all registered ships. In addition approximately half of these surveyors are appointed to carry out ISM audits and issue ISM certificates on behalf of Liberia.

8.2.44 The Administration has appointed more than 220 non-exclusive flag State inspectors world-wide. These inspectors serve on a contractual basis. They have to apply to the Administration and will be selected based on their qualification and experience. Records are maintained about each individual inspector/auditor (Code, part 2, paragraph 35). Inspectors and auditors are provided with specific ID cards (Code, part 2, paragraph 37).

8.2.45 Flag State inspectors may recommend the detention of registered ships, but the actual detention order is carried out by LISCR on behalf of the DC (Code, part 2, paragraph 21.1).

8.2.46 There are no specific training courses for flag State inspectors. Flag State inspectors, however, are provided with guidelines and are supported through occasional newsletters pointing out specific issues of contemporary interest.

8.2.47 The quality of the reports of flag State inspectors is monitored. Based on unsatisfactory performance appointed flag State inspectors may be excluded from service.

8.2.48 Well performing and suitable inspectors can be nominated for appointment as ISM auditors. If they are nominated as ISM auditors they have to undergo specific training in the form of a course, no matter what kind of qualification they have already obtained. The training course for ISM auditors is verified through a test. The test results are recorded. There is an initiative underway where an “audit the auditor” programme is considered for implementation. No dates for implementation of this programme were given.

8.2.49 The Administration has implemented a policy where prior to registration each ship’s PSC, Class status of surveys, conditions and other records are inspected and on the basis of a satisfactory inspection report from a flag State inspector within three to six months. More stringent criteria are applied to ships of more than 15 years of age.

8.2.50 All inspections are initiated and evaluated only by the head office.

8.2.51 The Administration verifies oversight through appropriately qualified personnel. Specific background requirements are integrated in the job descriptions of the relevant personnel.

8.2.52 There are specific performance evaluations of the staff members in the Administration Head Office in order to identify training needs accordingly.

8.2.53 Reports and results of inspections are recorded in a data base and evaluated on an ongoing base. Records are kept and used for annual evaluation and reporting on the performance of the fleet.

8.2.54 **Findings:**

- **During the audit, it was established that LISCR has qualified personnel for flag State inspections (Code, part 2, paragraphs 28 to 31).**
- **There was no evidence of a documented system for continuous updating of their knowledge as required by the Code, part 2, paragraph 35.**
- **The verification of qualification requirements according to paragraph 36 of the Code is mainly carried out through a review of the CV and certificates attached to the application. A verification of background and knowledge through face-to-face interview is not the rule.**

**Observation:**

- **The Administration maintains, on a contractual basis, approximately 110 auditors for ISM audits. It could not be verified that these auditors have received practical training under the supervision of an experienced auditor before authorization (Section 3, Standards on ISM Code certification arrangements, IMO resolution.A.913(22)). The training programme for the Administration's ISM auditors needs to be reviewed as it is not in line with the relevant IMO guidelines (Code, part 2, paragraph 35) (Form A-OB-02).**

*Corrective action:*

*The Administration has established a new procedure which requires each prospective auditor, after successfully completing his classroom training, to conduct two ISM and ISPS audits under the supervision of an experienced auditor before being allowed to conduct an audit by himself. The Administration will review their audit reports and follow up when needed with corrective comments. Additional guidance will be provided and when necessary additional training courses will be developed which may be class room oriented or may be provided on line.*

*The new training program has been implemented in December 2007. It is the intent, to have the next 40 trained auditors conduct at least two*

*satisfactory ISM and ISPS audits under the supervision of an experienced auditor. These new auditors should have completed their classroom training by the end of February 2008 and most should have completed their supervised audits by May 15th 2008. It is the intent that all the auditors and inspectors will have to complete the required training.*

***Delegation of authority and RO monitoring***

8.2.55 The technical department (Classification Societies/Interpretation of International Standards) is responsible for the monitoring of and the daily liaison with the ROs.

8.2.56 The Administration has fully authorized 10 ROs for the survey and certification required by the conventions (except for maritime security). Liberia only recognizes classification societies which are members of IACS. The policy is that for ISM the ship owner may choose to use any one of the authorized RO auditors, or the Administration's auditor.

8.2.57 The Administration has 10 identical agreements delegating statutory inspections and the issue of certification to ROs. These agreements are under active revision to consolidate elements such as ISM and ISPS, which currently is in separate authorizations, and to amend reporting requirements from the ROs to the Administration. The agreements also incorporate the delegation of ILO requirements. The present agreements dating from 1996 include appropriate wording to harmonize the issue of certificates. The agreements are kept up-to-date between revisions by issuing specific instructions to the ROs (Code, part 2, paragraph 18.2).

8.2.58 The Administration expresses a relatively small number of specific requirements by means of Marine Notices, as the Liberian Maritime Law and Regulations require that a ship must be in class with a member of IACS, and the Administration uses IACS and IMO interpretations in the application of the conventions (Code, part 2, paragraph 18.4).

8.2.59 The Administration is presently commissioning an electronic system for consolidation of all ship records. They also have access to the electronic data systems of ship records and certificates of each of the ROs for monitoring and validation purposes. Where the Administration does not have electronic access to reports or certificates these can be obtained by contacting the RO.

8.2.60 The Administration accepts as a basis for equipment to be type approved, equipment that is type approved by one of their ROs, or by a number of other administrations.

8.2.61 All of the statutory certificates issued on the behalf of the Administration by an RO include the necessary elements and follow the IMO model form (annex 9).

8.2.62 The Administration has in place requirements for action to be taken when a class certificate is suspended or cancelled, and the transfer of class from one RO to another.

8.2.63 Many of the administrative processes are not clearly documented, but when questioned there was clear knowledge and understanding of the processes to be followed for the effective functioning of the organization.

8.2.64 For the monitoring of its ROs, the Administration uses its flag State inspection programme, analysis of detained ships and other situations that the administration becomes aware of. The oversight programme includes an intention to carry out at least one or two audits of the ROs every year (Code, part 2, paragraph 18.1).

**8.2.65 Findings:**

- **The Administration has implemented a Class Agreement that needs several revisions as it does not reflect the current status of the mandatory IMO instruments (Code, part 2, paragraph 18.2).**
- **During the audit it was established that the Administration maintains an oversight programme for monitoring the ROs mainly in terms of annual and occasional meetings, annual flag State inspections and analysis of port State control detentions in conformity with paragraph 20 of the Code.**
- **For type approvals LISCR in general accepts approvals from various internationally recognized testing laboratory bodies and other administrations. LISCR has not delegated the acceptance of these type approvals to the ROs, however it routinely accepts IACS member type approvals. The details for this procedure are not specified in the Class Agreement.**
- **Apart from the flag State inspection programme and analysis for port State detentions, the Administration normally participates in an IACS audit of one of the ROs every year, meaning that it will normally take 10 years to carry out an oversight of all the ROs. Furthermore the Administration only has access to certificates and survey reports of some of the ROs on their websites and there is no regular sampling of these websites.**

**Observation:**

- **At the Administration, one single employee is responsible and has carried out audits and monitoring of the ROs. Other Administration's employees are available, but have not yet carried out audit/monitoring of the ROs. The audit established that the Administration does not maintain a documented oversight programme for the monitoring of RO's and to determine that appropriate resources are used for the monitoring of the RO's (Code, part 2, paragraphs 18,1 and 20) (Form A-OB-3).**

**Corrective action:**

*The Administration will develop and maintain a documented RO/RSO oversight program. The program will be incorporated in the LISCR ISO 9001-2000 QMS.*

*The Administration has at least six employees with maritime backgrounds who are also qualified ISO and/or ISM and ISPS auditors that will be used to assist in the auditing of the ROs. One of these employees recently conducted an audit of ROs GL and RINA. The Administration will be able to use its pool of qualified ISO/ISM/ISPS auditors (who are also qualified nautical inspectors) to monitor selected ship surveys, audits and selected company audits*

*The ROs have agreed to make available to the Administration copies of certificates and survey reports via their websites to the maximum extent possible. It should be noted that all of the ROs are required by the Agreement between the Administration and the RO to provide the Administration copies of the certificates issued on behalf of Liberia. All of the ROs currently provide survey and audit report to the Administration upon request.*

*The Administration will develop a program for sampling at least 5% of the survey reports and 5% of the audit reports each year conducted by an RO on behalf of the Administration. The Administration currently reviews reports for ship involved in major port State control actions, serious casualties, severe pollution incidents, or found to have numerous deficiencies by Liberian Nautical Inspectors.*

*The Administration has commenced the oversight RO monitoring program and activities are planned according to a detailed timeline.*

### 8.3 Investigation of Maritime Accidents

#### *The Department of investigations*

8.3.1 The department of investigations is responsible for carrying out flag State investigations as required by paragraphs 38 to 41 of the Code.

8.3.2 There are provisions for investigations following casualties in the Liberian legal instruments. A reporting requirement is stipulated under Regulation 9.257 of the Liberian Maritime Regulations (RLM-108). Casualties involving physical damage of more than 100,000 USD, or effects on the seaworthiness of a ship, or stranding or grounding, or loss of life, or injury causing any person to remain incapacitated for more than 72 hours, have to be investigated.

8.3.3 There are rules for marine investigations and hearings (Maritime Notice RLM-260) that include the relevant IMO instruments. Under RLM-260 reporting procedures of

casualties are communicated and failure to comply with these requirements can lead to follow-up activities by the Administration including possible penalties.

8.3.4 Liberia has a two tier investigation system – preliminary and formal investigations. Preliminary investigations are carried out on a routine basis. Formal investigations require approval of the CMA. In 2006 the ability to carry out formal investigations has been tested successfully during an exercise with a Liberian tanker owner, simulating an accident in US waters.

8.3.5 The IMO guidelines (IMO resolutions A.884(21) and A.849(20)) are communicated under RLM-260.

8.3.6 There is some kind of separation between safety and criminal investigations, although safety investigations in the sense of independent investigation bodies as suggested by the IMO resolution. A.849(20) are not conducted. Safety investigations are carried out by the Administration. They can result in penalties or withdrawal of licenses. Criminal investigations are carried out by the Ministry of Justice in Monrovia.

8.3.7 In order to conduct casualty investigations the world-wide network of safety inspectors is used. However, these inspectors, although certainly qualified in general have not always received special training on issues of gathering evidence, interviewing techniques, or analysis of Human Factor contribution to accidents. The Administration does not provide further guidance on these issues.

8.3.8 The casualty investigations are coordinated by the Administration Head Office. Inspectors involved receive specific instructions on what to do in the specific cases. There is also close co-operation with P&I and other investigation bodies.

8.3.9 Reporting to IMO is carried out on all major casualties (acc. to RLM-108).

8.3.10 Reports are also available to the public, currently only as hardcopies and on special request from interested parties. There are plans to revise the Administration's webpage. The new webpage will also have a section with reports available online about casualties on Liberian ships.

8.3.11 Casualty statistics are kept and detailed information on all the different casualties is readily available. The material is used to identify trends as required by the Code. Circulars are issued when the Administration feels that specific issues need to be brought to the attention of Liberian shipowners or managers (annex 10).

#### 8.3.12 Findings

- **It was established during the audit that Liberia carries out investigation following marine casualties or pollution incidents (Code, part 2, paragraph 38).**

- **The Administration maintains a system to investigate casualties in accordance with the Code, part 2, paragraphs 38 to 41.**
- **Reports on casualties are analyzed and occasionally used to identify areas for further actions (e.g. safety notices etc.).**
- **The number of major casualties to be investigated (according to Liberian Law) has been over 40 per year in recent years. The department head charged with conducting casualty investigations, although he is not working on casualty investigations exclusively. Designated administrative staff and other senior technical staff routinely and actively support the casualty investigation process, depending on the nature of the incident.**

**Observation:**

- **The Administration uses a world wide network of inspectors to assist in casualty investigations. However, there was no evidence that these inspectors have experience according to issues listed in paragraphs 39.4 to 39.6 of the Code. The Administration does not provide guidance on these matters. The Administration should ensure that investigations are conducted by suitably qualified investigators, which have the expertise in skills like interviewing techniques and evaluation of the effects of the human element. The training programmes for the Administration's flag State inspectors need to be reviewed as it does not comply with the relevant IMO guidelines (Code, part 2, paragraph 39) (Form-A-OB-002).**

*Corrective action:*

*The Administration will include a module on safety inspections and accident investigation techniques during the two week Liberian auditor training program on ISM and the ISPS Code audits. The first classes will start in February of 2008. For the existing inspectors and auditors we will look at developing a requirement to successfully complete a course in casualty investigations.*

**9 Port State activities**

9.1 Port State activities were not included in the scope of the audit. Port State activities are part of BMA local Liberian maritime administrative framework (see paragraph 8.1.2). Liberia will inform the IMO later of its readiness to be audited for port State responsibilities in accordance with resolution A. 974(24).

**10 Coastal State activities**

10.1 Coastal State activities were not included in the scope of the audit. Coastal State activities are part of BMA local Liberian maritime administrative framework (see paragraph 8.1.2). Liberia will inform the IMO later of its readiness to be audited for coastal State responsibilities in accordance with resolution A. 974(24).

## **11 Conclusions**

### ***11.1 Areas of positive development***

11.1.1 Liberia has enacted a way of implementation of the tacitly accepted amendments to IMO instruments free of consultation with other legislative bodies. As such the CMA can directly implement these amendments in a timely manner without undue delays.

11.1.2 The arrangements between BMA and its implementing agent ensure that the maritime safety and maritime pollution prevention instruments can be enforced on Liberian flagged ships in accordance with the mandatory IMO instruments.

11.1.3 The Administration maintains a very effective flag State inspection programme where every Liberian flagged ship is subject to an annual inspection of a non-exclusive flag State inspector contracted by the Administration.

11.1.4 The Administration has a very robust system for follow up on port State detentions of Liberian flagged ships and has for recent years shown significant improvements in the number of detentions.

11.1.5 The global network of nautical inspectors gives the Administration the ability to react to any issues on Liberian ships in a timely and effective manner.

11.1.6 The Administration has implemented a certified ISO 9001:2000 system, which covers the aspects of the administration of their maritime activities. In this respect, the Administration has developed a basis for the continuous improvement of their organization.

11.1.7 The Administration has established an electronic information system (LIS) that includes process control. The system is under development and significantly increases transparency and improves document control, internal communication and procedures. The same applies for database system SEA that is used for seafarers licensing.

11.1.8 The Administration has offered other registers the use of the seafarer database system free of charge in order to improve the identification of fraudulent certificates.

11.1.9 The Administration has initiated a pilot project on the improved identification of fatigue, which is a main factor in relation to maritime safety and could be one of most effective tools in the global maritime community.

### ***11.2 Areas for further development***

11.2.1 It is recommended that the Administration as a whole describes its evaluation and review processes and organizational objectives in a more formal and documented way to

improve their ability to assess the overall organizational performance, areas for improvement and necessary resources.

11.2.2 It is recommended to incorporate all regional offices and contract surveyors into the QMS (subject to review under flag state surveys) as this would be of benefit in overall consistency and will improve the present oversight expressed in the review of inspection reports.

11.2.3 It is recommended in order to further increase the performance of the Liberian flagged ships to evaluate the present monitoring system to become more proactive and to implement a system of indicators formally monitored and analyzed by the Administration.

11.2.4 It is recommended that the Administration and BMA evaluate the need for changes in the national regulations for the sanctions imposed on ship owners and seafarers for violations of mandatory IMO instruments to achieve consistency between practice and the regulations for imposing fines.

11.2.5 It is recommended that the Administration makes its casualty investigation reports public to improve information sharing on maritime safety related findings. The Administration should further establish necessary resources for an investigation body/department for the improvement of the flag State investigations carried out and the analysis of investigation reports. Investigations should focus more significantly on the analysis of causes and conditions leading to accidents and should therefore include human factor related issues to be addressed in casualty reports.

11.2.6 It is recommended that the Administration implements increased random checking of the ROs for example through monitoring of the inspection reports and certificates and direct oversight of some of the surveys.

11.2.7 It is recommended that the Administration evaluates its human resource needs and management to minimize the risk associated with the replacement of key personnel.

## **12 Annexes**

### **12.1 Observations**

Form A-OB-01  
Form A-OB-02  
Form A-OB-03

### **12.2 Non-conformities**

- NIL -

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## IMO - VIMSAS

### OBSERVATION / NON-CONFORMITY NOTICE

(Form A)

<b>FINDINGS</b>	
<b>Member State: 0851</b>  <b>Ministry/Organization</b> Liberian International Ship and Corporate Registry	<b>Audit Period: 26 February – 5 March</b>  <b>Department/Section</b>
<b>Non- Conformity No.:</b>	<b>Observation No.: 1</b>
<p><b>Findings:</b>            The policy for how changes and amendments to mandatory IMO instruments are promulgated through national law and marine notices is unclear.</p> <p><i>Evidenced by:</i>            Changes or amendments to the mandatory IMO instruments, which are subject to the IMO tacit acceptance procedures are not promulgated through national law as the policy is that these automatically enters into force and it is the ship owners responsibility to observe and track changes of the regulations. At the same time LISCR maintains a list (Marine Notice 04/2005) of IMO regulations in force. This list is not updated with the latest revisions e.g. MARPOL Annexes I and II, which entered into force 1 January 2007. This list also is referred in section 2.35 in the Liberian Maritime Regulation (RLM 108).</p> <p>RLM-108, section 2.37A, refers to regulation 5 and 6 for the prohibition of discharging noxious liquid substances which in consolidated revision of MARPOL 2006 is stated in regulation 13.</p> <p>RLM, section 2.35, places responsibility on owners and masters to ensure compliance with all applicable International Conventions and Arguments. This includes general prohibitions for the discharge of sewage and air emissions in Control Areas (MARPOL Annexes IV and VI). However, RLM-108, section 2.37, does not include specific provisions for prohibitions for the discharge of sewage or to use ex. emissions in control areas although it is specifically stated for the prohibition of discharge of oil, noxious liquid substances, garbage and wastage (MARPOL Annexes I, II, III and V).</p>	
<b>Applicable Provisions of the Audit Standard</b> Paragraphs 7 and 15.1 of the Code	
<b>Auditor:</b>	<b>Date:</b>
<b>Team Leader: Per Sønderstrup</b>	<b>Date: 5 March 2007</b>
<b>Member State:</b>	<b>Date</b>



**IMO - VIMSAS****OBSERVATION / NON-CONFORMITY NOTICE****(Form A)**

<b>FINDINGS</b>	
<b>Member State: 0851</b>	<b>Audit Period: 26 February – 5 March</b>
<b>Ministry/Organization</b> Liberian International Ship and Corporate Registry	<b>Department/Section</b>
<b>Non- Conformity No.:</b>	<b>Observation No.: 2</b>
<p><b>Findings:</b></p> <p>The training programmes for LISCR flag state inspectors need to be reviewed as they do not conform with the relevant IMO guidelines evidenced by</p> <ul style="list-style-type: none"> <li>– LISCR maintains on a contractual basis app. 110 auditors for ISM audits. It could not be verified that these auditors have received practical training under the supervision of an experienced auditor before authorization (IMO resolution A.913(22)).</li> <li>– LISCR appoints their non-exclusive flag state inspectors to carry out casualty investigations. Of these, only the ISM auditors have received some supplementary training in casualty investigations. LISCR should ensure that investigations should be conducted by suitably qualified investigators, which have the expertise in skills like interviewing techniques and evaluation of the effects of the human element.</li> </ul>	
<p><b>Applicable Provisions of the Audit Standard</b></p> <p>Paragraph 35, 38 &amp; 39.4 to .6 of the Code</p>	
<b>Auditor:</b>	<b>Date:</b>
<b>Team Leader: Per Sønderstrup</b>	<b>Date: 5 March 2007</b>
<b>Member State:</b>	<b>Date</b>

**IMO - VIMSAS****OBSERVATION / NON-CONFORMITY NOTICE****(Form A)**

<b>FINDINGS</b>	
<b>Member State: 0851</b>	<b>Audit Period: 26 February – 5 March</b>
<b>Ministry/Organization</b> Liberian International Ship and Corporate Registry	<b>Department/Section</b>
<b>Non- Conformity No.:</b>	<b>Observation No.: 3</b>
<p><b>Findings:</b></p> <p>LISCR does not maintain a documented oversight programme for the monitoring of RO's and to determine that appropriate resources are used for the monitoring of the RO's.</p> <p>Evidenced by the following observations:</p> <p>Apart from the flag state inspection programme and analysis for port state detentions, LISCR normally participates in an IACS audit of one of the ROs every year meaning that it will take app. 10 years to carry out an oversight of the ROs. Furthermore LISCR only have access to certificates and survey reports of some of the ROs on their websites and there is no regular sampling of these websites. At LISCR a single employee is responsible and has carried out audits and monitoring of the ROs. Other LISCR employees are available, but have not yet carried out audit/monitoring of the ROs.</p>	
<p><b>Applicable Provisions of the Audit Standard</b></p> <p>Paragraphs 18.1 and 20 of the Code</p>	
<b>Auditor:</b>	<b>Date:</b>
<b>Team Leader: Per Søndstrup</b>	<b>Date: 5 March 2007</b>
<b>Member State: 0851</b>	<b>Date</b>