



Subject Area no. 5: Audit planning, review & close out

Principle: The company performs audits of operating and management processes to assure compliance with legal and company requirements, and drive risk reduction and performance improvement. Findings from audits are followed up for close out.

Level	Expectations	Targets	Suggested objective evidence
Basic	<p>The company has an annual internal audit plan that covers the scope of the operations to verify effectiveness of SMS.</p> <p>Audits are lead and staffed by competent personnel who are independent of the areas being audited as far as is practical.</p> <p>The company has procedures for recording and following up observations and corrective actions from internal audits and verifying effectiveness of close out.</p>	<p>An audit plan is defined at the beginning of the year or a set period. The company has a formal process that allows management to conduct planned and systematic audits of all offices and vessels within a 12-month period. Objectives of the audit should be established. These objectives can be based on consideration of:</p> <ul style="list-style-type: none"> - management priorities - management system requirements - statutory, regulatory and contractual requirements and - risks to the organization 	<p>Verification of procedures detailing audit process and the assignment of independent auditors, including specification of competence.</p> <p>Audit plan for the year covering the scope of operations.</p> <p>Audit scope and objectives.</p> <p>All shore departments and vessels included in the audit plan.</p> <p>The audit plan is communicated to the targeted entities.</p> <p>A distribution list for audit reports is clearly defined.</p> <p>Auditor training certificates and employee training records.</p>



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Intermediate	<p>Audit teams includes formally trained and certified auditors.</p> <p>Auditees include department managers.</p> <p>Auditing of contracted out offices is included in the plan, e.g., manning agents.</p> <p>The company has developed protocols and checklists for audits. Audit close out meeting is held with head of department being audited. The company's management review and approve audit plan and protocols. The company compares results from internal audits to external audits</p>	<p>There is a documented process for the audit team to include formally trained auditors.</p> <p>Lead auditor carries the necessary auditors' certification. Other members may not require an auditing certificate if they have the expertise necessary to bring value and credibility to the audit.</p> <p>Management review and approve audit plans.</p> <p>Internal reports are compared top external to verify effectiveness of audit system.</p>	<p>Protocol and checklist for the audit.</p> <p>Review:</p> <ul style="list-style-type: none"> Formal training records for auditors. Past audits for compliance with use of fully trained auditors. <p>Audit is part of job descriptions for line managers. Evidence of line manager participation in carrying out audits.</p> <p>Evidence of management approval of audit plans and protocols.</p> <p>Internal audit reports reflect the real situation and is confirmed by external audits/inspection such as class, port state, vetting</p>



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Level	Expectations	Targets	Suggested objective evidence
Advanced	<p>Audit checklist and protocols are reviewed & revised at periodically.</p> <p>The company analyses the results from audits, makes comparisons with other vessels and identifies trends and common areas for improvement</p>	<p>Management review and approve audit plans and protocols at periodic intervals.</p> <p>The company analyses the results from audits, makes comparisons with other vessels, and identifies trends and common areas for improvement</p>	<p>Evidence of management review of audit plans and protocols.</p> <p>Analysis of trends</p>



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Excellence	<p>The company's management actively monitor the audit plan at periodic intervals.</p> <p>The company uses external resources within audit plan with the aim to improve the safety management system.</p> <p>Senior managers participate in audits of office and vessels.</p>	<p>Status of audit plan is part of the management meeting agendas.</p> <p>Audit teams may consist of external SMEs or consultants</p>	<p>Evidence of management involvement and approval of audit plan, protocols and processes.</p> <p>Evidence of selection and use of external SMEs.</p> <p>Evidence of senior management participation on audits.</p>