

A man with a beard, wearing a yellow hard hat and an orange high-visibility safety vest over a light blue shirt, is seen from the back and side. He is looking towards a stack of colorful shipping containers (blue, orange, green) in the background. The scene is set outdoors, likely at a port or industrial site. There are two red vertical bars on the left side of the image, one at the top and one at the bottom.

SMOOTH SAILING

ADDING VALUE  
TO YOUR SHIP  
MANAGEMENT  
BUSINESS

IDEAS | PEOPLE | TRUST

**IBDO**

# ADDING VALUE TO YOUR SHIP MANAGEMENT BUSINESS

The management of risk and implementation of robust corporate governance is an increasingly important aspect of global business. Regulation is becoming ever more complex and daunting, while stakeholders, including customers and suppliers, are expecting greater transparency. The pressure on senior executives and boards is to not only adhere to these requirements, but to ensure that such systems are aligned with business objectives, strategies and internal functions.

Companies that approach risk from a purely compliance point of view do not appreciate its value to sound business practice. However, those who embrace a formal framework to structure and organise their risk environment, will reap the benefits, providing value and empowering the business to achieve its goals. The process of assessing the existing environment and implementing procedural and control change can be an educational one, allowing those charged with governance to truly understand their business and the way it functions.

Regardless of your chosen framework, with our expertise in the shipping sector as well as risk and advisory, BDO is perfectly positioned to support your business through a hugely rewarding exercise. Our services are designed to ensure ship management businesses comply with regulation, achieve best-practice and add value to their ship-owning client base.

“ Regulation is becoming ever more complex and daunting, while customers and suppliers are expecting greater transparency. ”

## THIRD PARTY ASSURANCE

As use of third-party or outsourced services increases, ship owners need assurance over the extent and effectiveness of the controls their service providers have in place.

Standards such as ISAE 3402 and SSAE 18 have been developed to meet this need, the benefits of which include:

- ▶ Developing a robust and effective internal control environment demanded by mature investors
- ▶ Articulating and formalise your systems and controls for other key stakeholders
- ▶ Attracting and retaining international business, particularly from public interest or listed owners
- ▶ Supporting client auditors and reducing the burden on your own resource at key times of the year
- ▶ Demonstrating capability and controls environment to enhance business development
- ▶ Using it as launch pad to more sophisticated risk management in the context of delivering services to your clients.



**REPORT WRITING**

With internal resources limited, quite often, drafting the report is the most onerous element of the entire project.

We can guide you through this by taking the following steps:

- ▶ Understanding specific requirements of management, clients and other key stakeholders
- ▶ Defining the scope and structure of the report
- ▶ Undertaking interviews with relevant staff/management
- ▶ Documenting identified controls
- ▶ Providing feedback on identified control deficiencies
- ▶ Making recommendations for potential improvements.

**READINESS ASSESSMENT**

A readiness assessment allows the report and the control environment to be scrutinised whilst not being subject to a formal audit, confirming the information contained in the report and ensuring the existence of sufficient evidence to satisfy formal interrogation.

**TYPE 1 REVIEW**

A type 1 review addresses the design and description of controls documented in the report at a point in time and includes a formal audit opinion.

**TYPE 2 REVIEW**

Once a type 1 review has been successfully undertaken, it is usual for a type 2 review to be undertaken after a period of at least 6 months and then repeated annually. A type 2 review covers not only the design and description of the controls in place but also their operating effectiveness.



## OTHER SPECIALIST SERVICES

### OPCOST ONLINE

OpCost provides you with information to benchmark your vessels' operating costs with the industry average and identify cost saving areas.

**12** COST  
CATEGORIES

RUNNING COSTS FOR  
**3800+** SHIPS

**26**  
VESSEL TYPES

For more information, please visit:  
[www.opcostonline.com](http://www.opcostonline.com)

### RHIZA: OUR RISK MANAGEMENT SOFTWARE

Rhiza is our bespoke risk management software. Combining professional risk management expertise with intelligent design, Rhiza is an easy-to-use, customisable and cost effective software solution which can help overcome the practical difficulties of managing risks at an enterprise level and ensuring compliance with listed company requirements.

### TECHNOLOGY RISK & INTEGRATION

Technology plays a critical role in business success. When performing well, IT systems support management in fulfilling the business strategy, providing timely, reliable information in a secure environment; at their worst they drain investment resources and hamper efficient decision-making and operations. At all times, but particularly in a difficult economic climate, management need to be confident that they are getting value for money from their IT investments. They require their systems to produce accurate data. They also need confidence that their IT systems are secure, able to withstand external or internal threats. And in this increasingly uncertain world, they also seek assurance that their business can cope with a disaster and continue operations effectively. Our IT assurance and advisory experts can help ship managers understand and manage these challenges.

### CYBER AND INFORMATION SECURITY

The risk of cyber-attack is growing exponentially as the opportunities presented by technology and improved systems connectivity grow. This threat to information security is an existential threat to many organisations. Our cyber security services are unique in that they focus on using our expert staff to help you balance opportunity and risk. We can help educate, train, test or even run your information and cyber security programme.

### BDO DRIVE

Doing business can be hard. **BDO**Drive helps companies of all sizes with their day to day pressures. Whether you need help with bookkeeping, payroll and tax, or want advice to build a clear vision and avoid the pitfalls which businesses can face, **BDO**Drive can help you.

### INTERNAL AUDIT

For large and small businesses alike, we design and deliver appropriate internal audit functions – from conducting a thorough assessment of risk across the organisation, to designing strategic internal audit programmes, to reporting findings to management, the board, and other stakeholders. We not only identify issues, but we work with management to implement tailored solutions and put the appropriate controls in place.

### COUNTER FRAUD AND BRIBERY

Reducing the risk of financial and reputational losses as a result of fraud, bribery and corruption is a critical aspect of global business. BDO offers a range of services designed to help you create and embed a strong anti-fraud/corruption culture and build deterrence/prevention and detection strategies and processes through awareness, training, policies and controls.

### PRIVACY AND DATA PROTECTION

At BDO, we have devised a EU GDPR Healthcheck which will assist us in determining whether businesses are fully aware of the new regulations; whether they are currently complying with the regulation as best they could; or do they have the best internal systems and controls in existence possible to be able to comply effectively? In some cases company boards have no idea if they are complying and therefore open themselves up as a prime target to cyber criminals and the potential security breaches and associated potential fines that come with this.

### SOX COMPLIANCE

With our wealth of shipping knowledge and specialist teams located in all key global shipping hubs, we are ideally placed to assist with risk management and Sarbanes Oxley implementation. We have the capability and capacity to work with large international operations and are well versed in multi-jurisdictional assignments, creating the perfect balance of personal attention on a global scale and credentials and expertise which are second to none.

It has never been more important for shipping businesses to have robust systems and controls underpinning their operations. We recognise that the industry is investing heavily in demonstrating the effectiveness of governance, systems and controls, often to support the management disclosures associated with a public listing.

Our services to support your compliance with Sarbanes Oxley not only aim to ensure that your systems and controls are operating effectively, but also that your business gains commercial value from the exercise.

## WHY BDO SHIPPING?



You will work with a **team of shipping experts with huge experience**. They will provide you with the insights and ideas that will make a tangible difference.



BDO is the **fifth largest global accountancy and business advice firm** with a presence in every major global financial and shipping centre. Whether you already operate internationally or are looking to expand into new markets, we will be there with you.



We work hard to **earn the trust of our clients**. We take the time to understand you, your business and your goals so that we can help you turn ideas into reality.

### OUR VALUES

Our people are empowered to be flexible and invest time in getting to know you and your business. This is what enables them to deliver the insights and ideas that will make a difference to your business.

“ We have been a client for many years and have always been confident that the advice we receive is probably the best we can get when it comes to shipping tax and accounting advice. ”

“ Expert shipping accountant. ”

# CONTACT INFORMATION

BDO's dedicated Shipping & Transport team have a wealth of experience of the challenges of operating in the current shipping markets and regularly support clients reporting to their investors and stakeholders. Please contact a member of the team to discuss this further.



**ROBERT NOYE-ALLEN**  
PARTNER

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Robert is a partner who specialises in risk and advisory services. In the last 20 years Robert has been Head of Internal Audit on outsourced internal services for a number of high profile organisations in the UK and Internationally. In this role he has advised Boards and Audit Committees on matters of governance, risk and internal control.

Robert's maritime internal audit clients include DP World, Qatar Navigation (Milaha), Navigator Gas, P&O Ferries and P&O Ferrymasters. He is a highly respected leader and has many years of experience in the areas of Internal Audit, Enterprise Risk Management and Corporate Governance.



**ALEX TRILL**  
DIRECTOR

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As a Director in our Risk & Advisory Services team, Alex works with clients to either develop robust control environments, typically around their financial reporting, or provide assurance that they already have a strong framework in place. He also assists management in their monitoring and testing of controls to ensure clear, transparent and responsible reporting. With over 15 years' experience, Alex is well versed in dealing with the intricacies of such projects and particularly familiar with the requirements of third party assurance reporting (e.g. ISAE 3402 and SOC 1) and the rigours of Sarbanes Oxley. Alex's sector knowledge allows him to provide clients with a focused approach and recommendations which strike the balance between compliance and commerciality.

Alex is a member of the Institute of Chartered Accountants of Scotland with a financial audit background and vast experience in the shipping sector. As part of the ICAEW's working group, he has been involved in revising AAF01/06, the technical release dealing with assurance reports on internal controls of service organisations.



**MICHAEL SLUCKIS**  
SENIOR MANAGER

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Michael started his career working on statutory assurance engagements for companies from a multitude of industry sectors. Since joining BDO, Michael has worked on a range of assurance, advisory and regulatory reporting assignments to companies predominantly in the shipping, transportation and offshore maritime sectors including both UK and international clients.

Now a Senior Manager within the Risk & Advisory Services department, Michael manages the firms' offering of third party assurance reporting (under AAF01/06, SSAE18 and ISAE3402), advisory and implementation for public interest entities and SOX compliant organisations as well as tailored controls assurance engagements and deep dive investigations into high risk business units.

FOR MORE INFORMATION:

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