INTERNATIONAL ASSOCIATION OF CLASSIFICATION SOCIETIES

IACS PROCEDURES

Volume 3:
IACS QUALITY SYSTEM CERTIFICATION SCHEME (QSCS)

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IACS PROCEDURE VOLUME 3

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A. INTRODUCTION

A.1 This volume is a subset of IACS Procedures. It deals with the ***Quality Management System Certification Scheme*** of IACS (hereinafter referred to as **QSCS)**, including procedures relating to independent Accredited Certification Bodies (hereinafter referred to as ACBs). This volume also covers procedures for processing of complaints and appeals.

A.2 This volume applies to all the classification societies who are members of IACS or those applying for membership (hereinafter referred to as CS).

A.3 This volume is developed and maintained by the Quality Committee (hereinafter referred to as QC), with the assistance of the Quality Secretary (hereinafter referred to as QS). The contents are subject to review by the Advisory Committee to IACS QSCS, comprising of senior industry representatives and IMO Observer (hereinafter referred to as AVC) and approval by IACS Council.

A.4 The ***Charter*** published on the IACS website takes precedence over this operational document, in case of any perceived or actual conflict between the two.

IACS Quality Policy

i) IACS promotes continual improvement of its Members' performance in the pursuit of high levels of safety of life, property and protection of the maritime environment.
IACS encourages and supports its Members to deliver:

-high levels of technical expertise and competence;
-integrity, impartiality and ethical practices; and
-excellence of services either acting as a Classification Society or as a Recognized Organization.

In striving to achieve the above objectives, IACS Members have established, implemented and work in compliance with the robust and independently audited IACS Quality System Certification Scheme.
QSCS is continually reviewed by the QC to maintain its relevance to CS and the shipping industry, in general.

ii) The QC is supported by the QS in the management of QSCS.

iii) IACS policies on copyright, general terms and conditions and those relating to the use of IACS documents by non-members are laid out in Vol. 1 Section D of Procedures.

iv) It is the policy of IACS to hold all information provided to it by anybody as strictly confidential. IACS will disclose such information to third parties for the purpose of QSCS audits, or where authorised by the CS or where required by law and in accordance with PR 3.

v) All employees of IACS Ltd are governed by signed confidentiality agreements, as are sub-contractors, if any.

vi) The members of the IACS bodies, such as the GPG, Panels etc. and the AVC are each responsible for holding personally confidential, any information or data pertaining to CS or vessel which may come into their knowledge in the course of their activities.

vii) All authorised persons carrying out audit of QSCS files or accompanying ACB auditors during observed audits are responsible for holding personally confidential any information or data pertaining to specific CS or specific ship files or ship data seen during the course of their duties.

B. ORGANISATION

B.1) The organisation structure of IACS is available on the IACS website's Home Page (www.iacs.org.uk) under the tab: ***IACS Explained***.

B.2) QSCS is managed and operated through the following bodies:

B.3) The IACS Council is the approving body for the QSCS. The constitution and the operational details of Council are detailed in Vol. 1 of these procedures.

B.4) The Small Group on Quality Policy (hereinafter referred to as SG(QP)) may be constituted by the Council to act as an intermediary between the QC and Council, to facilitate speedy decisions and approval of quality related issues, as necessary. SG(QP) may also discharge a strategic role by anticipating quality initiatives for the QC to follow through.

B.5) QC is the governing body which develops, maintains and manages the QSCS and its related manuals and procedures.

B.6) ACBs contracted by individual Societies directly, audit and certify / verify the CS's compliance to ISO 9001 and QSCS requirements.

B.7) QSCS Operations Centre, comprising of the QS and his / her staff, observes the audits relating to the certification of the management system of the CS by ACBs. The QS also supports the QC in the management of the QSCS.

B.8) AVC and the IMO Observer provide the necessary industry oversight to ensure the relevance and impartiality of the QSCS.

B.9) The terms of reference of QC, QS and AVC are detailed in the next section.

B.10) The QC may interact directly with the GPG, the five panels and expert groups to draw upon their technical expertise, as and when necessary.

B.11) The QC, the AVC and the QS discharge their respective functions without prejudice to the functions of each other.

B.12) The document: ***'Description of Scheme'*** (Sec. F, below) details the policy and purpose of QSCS and the scheme itself.

B.13) The document: ***'Quality Management System Requirements'*** (Sec. G, below) is an integral part of the QSCS. It is built upon the ISO 9001 standard and details the supplementary requirements specific to classification societies.

C. TERMS OF REFERENCE

C1. QUALITY COMMITTEE (QC)

C1.1. MEMBERSHIP AND OFFICE HOLDERS

1.1) As determined in the IACS Charter, the QC shall consist of one voting representative per Member CS. Such representatives shall be quality professionals who have, or have had, management responsibility within Member CS's corporate quality management function.

1.2) The QS is non-voting member of the QC.

1.3) The Chair and Vice-Chair of the QC shall be nominated and elected from among its members. They will normally serve for a period of three years, with the possibility of extension up to one year.

1.4) The QC Chair shall be impartial. The Chairing CS is entitled to nominate a voting QC representative, additional to the Chair. In such a case, the Chair will have no voting right.

1.5) The QC Chair shall act as the representative of the QC to the Council and GPG, the AVC and to such other bodies as may be required and determined by QC or Council, from time to time.

1.6) In case of unavailability of the Chair, the Vice-Chair shall fulfil all duties normally carried out by the Chair. In such an event, the Vice-Chair retains his/her voting right. The Vice-Chair may also be requested by the Chair to assist him/her during meetings.

1.7) If both the Chair and Vice-Chair are unable to preside at a Meeting, the members present shall elect a Chair for that meeting from amongst themselves.

C1.2. VOTING

1) Unless otherwise stated the required voting majority is two-thirds of members entitled to vote.
A quorum comprises two thirds of the voting members of QC.

C1.3. FUNCTION AND FIELDS OF COMPETENCE OF QC

1) The QC has the following responsibilities:

a) Maintain effective oversight of the QSCS and to develop, document, maintain and revise the QMSR, quality guidelines and procedures for subsequent approval by the IACS Council.

b) Consult the AVC on policy, and QSCS related matters and follow-through as appropriate.

c) Review reports and feedback from the IMO Observer to QSCS and to take appropriate actions.

d) Consider feedback received from members, ACBs including the audit results, the QS and AVC, in order to continually improve the QSCS and ensure its robustness, consistency and integrity.

e) Conduct an annual review of the QSCS in entirety and follow through as necessary.

f) Interpret the QMSR on request from members, the QS, internal and external bodies, or as part of appeals and complaints according to relevant procedures.

g) Review and advise IACS Council on complaints relating to QSCS, on the performance of the QC and Quality Secretariat.

h) Develop and maintain criteria for observing ACBs, recognition of ACB auditors and the application of QSCS on CS.

i) Oversee the function of the QS.

j) Establish, oversee and discontinue any ad hoc working groups set up by the QC to discharge its responsibilities.

k) On request of GPG, review IACS PRs to ensure their auditability, prior to their adoption by GPG.

l) Report to IACS Council, as required.

C1.4. MEETINGS AND GENERAL ADMINISTRATION

a) QC normally meets twice per year. Additional meetings may be called by the IACS Council or the Chairman of the QC, subject to agreement by the quorum.

b) Four weeks notice of a meeting is given to members of the QC, as far as possible.

c) Meetings of the QC will be held, unless otherwise agreed, under the auspices of the QC Chair's CS.

d) The QC Chair shall be responsible for maintaining minutes of all meetings and for the submission and presentation of QC reports, in writing, to the IACS Council. A copy of the approved minutes of all meetings and QC Chair reports shall be held in electronic (pdf) format at the QSCS Operations Centre.

e) The AVC Chair and the IMO Observer to QSCS are invited to attend the regular meetings of QC, as part of external oversight.

f) QC may invite, subject to acceptance by two-thirds of voting members, other external guests or experts to specific meetings.

g) Joint meetings with other IACS bodies may be held, if and when considered necessary by QC.

h) The QC tracks all their actions arising out of decisions of their meetings / Council instructions through an Action Log. The QC Chair is responsible to maintain this log. The updated copy of this log, in electronic format, shall also be maintained at the QSCS Operations Centre.

C2. QUALITY SECRETARY (QS)

The QS is an officer of the Permanent Secretariat (ref. Vol.1 Sect. B.2.6).

The main purpose of this function is to promote the effective operation of the QSCS, ensuring the continued robustness, consistency and integrity of the scheme, with a uniformly high quality standard within IACS.

C2.1. RESPONSIBILITY AND AUTHORITY

1.1) The QS will have the following responsibilities and commensurate authority to discharge them:

a) Assist IACS Council and the Secretary General in the processing of applications for IACS membership and also in the periodic verification of Member Societies compliance with the membership criteria.

b) Verify that the documentation, establishing the contractual arrangements between CS and their chosen ACBs (excluding financial details), as well as non-IACS classification societies at their request, whether or not they are applying for IACS Membership, satisfies the minimum requirements defined in the IACS ACB Requirements document, as may be amended.

c) Prepare and provide familiarisation and refresher training for ACB auditors as and when appropriate to maintain a list of recognized auditors and technical experts used by ACB's in their audit teams.

d) Select, at his / her discretion, and observe scheduled ACB audits of CS, as per relevant procedures.

e) Collate and review, annually, ACB audit reports of CS, ACB feedback and other relevant inputs from CS, AVC, IMO Observer, published PSC data, other stakeholders and end-user workshops, to identify improvements to QSCS.

f) Compile and present to IACS Council, QC and AVC, periodic Quality Management Review reports, based on audit findings and other performance indicators, if any, with the objective of identifying areas for continual improvement.

g) Verify, as necessary and by appropriate sampling, the accuracy of audit findings submitted to him/her by ACB.

h) Provide first level interpretation of QSCS and its technical documents, specific to the work of CS prior to endorsement/comment of the QC, when so requested by any ACB and / or Class Societies.

i) Review, as per the relevant procedures, complaints relating to the obligations of IACS and its CS regarding the QSCS and its related requirements (QMSR), Procedural Requirements (PRs), Unified Requirements (URs), Common Structural Rules (CSRs) and Unified Interpretations (UIs)) as required.

j) Conduct an initial review of complaints relating to the performance and behaviour of the QSCS Operations Centre's staff.

k) Attend meetings of IACS Council, QC, the AVC and other IACS bodies as required and act as Secretary to the AVC.

l) Develop and maintain the QSCS Ops Centre Web Site, the audit reporting software and such other software as may be developed from time to time, in consultation with QC.

m) Manage the QSCS Operations Centre's staff and finances, in close co-operation with the Permanent Secretariat.

n) Co-ordinate, as necessary, with all interested parties – CS, ACBs, industry bodies etc. – to improve the QSCS and implementation thereof. Communication with external parties shall be governed by relevant procedures set out in Vol. 1.

o) Perform such other tasks as may be assigned by the Council or by the QC.

p) Keep IACS Council and QC fully informed of ongoing matters.

1.2) The Quality Secretary and his / her staff shall maintain the required confidentiality in discharging the above.

C3. IACS QSCS ADVISORY COMMITTEE (AVC)

a) The purpose of AVC is to advise the QC regarding the views of parties external to IACS and its membership, interested in the quality management of classification and statutory services and the effectiveness of the QSCS.

b) The AVC contributes to the improved effectiveness of QSCS and impartial certification of CS to QMSR and enhancing external understanding of the aims, standards and parameters to which QSCS operates. In pursuance of this, the AVC may also raise technical / quality issues considered by them as common to Members of IACS.

c) The AVC provides an impartial view on the work and performance of Member Societies with respect to QSCS. The AVC may make recommendations with respect to improving policies or methods of operation for QSCS.

d) The Chair of the AVC has the right to attend the meetings of the QC and to join the IACS Council meeting when the QS presents the annual quality management review.

C3.1. MEMBERSHIP

a) The AVC shall consist of between six and ten independent members from governmental and non-governmental organisations, in the maritime industry. Identification of organisations is such as to ensure as diverse a composition of groups in the membership, as is practicable.

b) The organisations to be represented on the AVC shall be identified by IACS Council. Individual members shall have no affiliation with an organization that has a formal relationship with IACS in respect to QSCS and shall be drawn from organisations that include, but not limited to:

IMO
Regulatory Bodies
National Maritime Administrations (flag or port states)
Ship Owners Associations
Insurance Providers
Manufacturers and Shipbuilders Associations

Offshore Oil Exploration/Production Interests

c) The identified organisations shall be contacted by the QS or by the Secretary General (as mutually agreed between them), to seek nominations of individuals to represent them in the AVC.

d) The individuals proposed by the organisations to become members of the AVC shall have an understanding of quality management system certification requirements and of classification and statutory certification services.

e) Individuals nominated by their organisations to be members of the AVC shall be so appointed, without substitute, formally by IACS Council.

f) The term of office for a member shall be for a period of four years. Re-appointment for a further period of four years or less is permitted.

g) A Chair and Vice Chair of the AVC shall be elected by and from amongst the members for a two year term. Re-election shall be possible for a further two year term of office.

h) In case of unavailability of the Chair, the Vice-Chair shall fulfil all duties normally carried out by the Chair

i) Members of the AVC are responsible for maintaining strict confidentiality in respect of any information or data they become privy to in the course of their activities on the AVC.

j) The Chair of the QC and the Chair of IACS GPG are ex-officio members of AVC.

k) QS is the Secretary to the AVC.

l) The AVC's membership is honorary. However, expenses connected with the meetings of the Committee shall be borne by IACS.

C3.2. VOTING

2.1) Each member, including the AVC Chair, has one vote. Decisions shall be based on simple majority.

C3.3. FUNCTIONS OF AVC

3.1) The AVC shall actively contribute to the improvement of QSCS, by:

a) Representing the interests of all non-IACS parties concerned with the services covered by the QSCS.

b) Providing advice to ensure the proper and impartial application of QSMR and that no single interest predominates in the QSCS decision making process.

c) Reviewing of the effectiveness of the QSCS, based on the data submitted by IACS, which includes, *inter alia*, statistics of results of audits, complaints and other relevant information appropriate to QSCS, including the QS's annual quality management review to Council, observation of ACB audits as described in Annex 5 to these Procedures.

d) Advising the QC on matters related to the development of QSCS policy and QMSR and procedures, including certification related matters.

e) Considering proposed changes to the QSCS – policy, description, requirements, procedures etc. - and commenting on them.
f) Reviewing the resolution, by IACS, of complaints and appeals related to QSCS.

3.2) The AVC is entitled to submit an annual report to IACS Council on its own activities, the annual quality management review and other issues it considers appropriate.

C3.4. MEETINGS AND GENERAL ADMINISTRATION

a) Meetings of the AVC shall be held at least once and not more than twice per year. The venue will be arranged by the QS. Extraordinary meetings beyond two meetings a year may be called by the Chair of the AVC or the Chair of the QC, subject to approval by a simple majority of members.

b) The quorum for a meeting shall be the Chair or Vice-Chair of the AVC, the Chair of the QC and at least members representing two other interest bodies.

c) The AVC Chairman shall set the AVC meeting agenda but shall consider the inclusion of any agenda item requested by any member of the AVC or by the QC which is within the functions of AVC.

d) The proceedings of the AVC meetings shall be documented by the QS and approved by the AVC before submission to the QC.

D. COMMUNICATION

D.1) Email system shall be the general mode of communication with other IACS bodies and with external stakeholders such as IMO, ~~F~~flag States, EC etc.

D.2) Websites of IACS and QSCS Ops Centre shall be the primary means of communication of IACS reference documentation to all its stakeholders. Hard paper copies of documents are not distributed, as far as possible.

D.3) An inter-active web based Audit Management Tool is the primary mode of communication of audit findings by the ACBs to QSCS Ops. Centre.

D.4) All other communication with external parties shall be by the Council, or under its specific directions.

E. DOCUMENTATION

E.1) Documentation relating to the QSCS and related procedures are developed, maintained and issued in a controlled manner.

E.2) QSCS documents are developed on a need basis, as identified by the interested parties and on approval of the QC.

E.3) The QSCS documents are defined in four levels:-

a. **Level 1 – Documents defining policy**
   1. The QSCS Description of Scheme Document (Annex 1 of this volume)
   2. The QSCS Quality Management System Requirements Document (Annex 2 of this volume)

   These documents are developed by QC and approved by Council.

b. **Level 2 – Documents implementing policy**
   The QSCS Procedures (this volume)
   These documents are developed, as necessary, by QC and approved by Council.

c. **Level 3 – Documents supporting the QSCS Procedures**
   Forms, formats and Templates (part of this volume)
   These documents are developed by the QS, as necessary, and approved by QC.

d. **Level 4 – IACS Documents supporting the QSCS**
   Other IACS documents like URs, PRs, UIs etc. - these are developed and maintained by other IACS bodies, as detailed in other volumes of these procedures.

e. **Level 5 – External Documents supporting the QSCS**
   ISO standards, IMO documents etc. are referenced and used as necessary within the IACS documentation.

E.4) Approved versions of all above documents (except Level 5 – externally copy-righted documents) are maintained by the Permanent Secretariat, in the source formats (word or excel or other), in electronic form.

E.5) During development and revision of QSCS documents, adequate version control mechanisms are used by the developers to prevent the use of obsolete documents.

E.6) Currently valid versions of required documents from the above are published, in pdf format, on the IACS website, by the Permanent Secretariat.

E.7) QSCS documents (Levels 1 to 3, above) are reviewed, as and when necessary, by QC, based on inputs from all interested parties and other relevant sources, to maintain their continued relevance and validity.

E.8) AVC may choose to review the QSCS documents, as they deem fit, and provide their comments to QC, for consideration.

F. DESCRIPTION OF SCHEME

F.1) The QSCS is described in detail in the document ***Description of Scheme***, which is available in Annex 1 to these procedures. This document details the purpose and policy of the scheme.

G. IACS QUALITY MANAGEMENT SYSTEM REQUIREMENTS

G.1) The additional requirements for CS and QSCS interpretation of the requirements of the quality management standards are detailed in the document ***IACS Quality Management System Requirements***, which is available in Annex 2 to these procedures. The structure of this document is similar to that of ISO 9001 standard. This document is an integral part of QSCS.

H. ACB RELATED PROCEDURES

H1. REQUIREMENTS FOR ACCREDITED CERTIFICATION BODIES FOR QSCS CERTIFICATION

H1.1) All ACBs intending to be contracted by CS for the certification to QSCS requirements have to comply with the requirements detailed in the document***: Requirements for Accredited Certification Bodies for QSCS Certification***, hereinafter referred to as *IACS ACB Requirements document,* which is available in Annex 3 to these procedures.

H1.2) *The IACS ACB Requirements document* specifies qualitative requirements for the ACBs, policies on auditing, observation of audits, reporting etc. It also specifies qualification requirements for the ACB audit team and auditors, provides for their training by IACS, if necessary, and their assessment.

H1.3) The procedure for assessment of those ACB auditors who are to be qualified for QSCS auditing through IACS training and assessment are detailed in Sec. H2, below. Any auditor to be used by an ACB should not have had any affiliation with the CS being audited for a period of three years prior to the audit.

H2. PROCEDURE FOR JUDGING IF AN ACB AUDITOR HAS SATISFACTORILY COMPLETED THE IACS QSCS FAMILIARISATION AND REFRESHER COURSE

H2.1) This procedure applies to those ACB auditors who are to be qualified for QSCS auditing through IACS training and assessment, as per Clause 4.6 (c) of the ACB requirements document referred to and quoted in Sec. H1 above.

H2.2) This procedure describes the methodology to be followed to assess, in an appropriate, transparent, fair and effective way, whether or not a delegate has successfully completed the familiarisation course, organised, from time to time by IACS, for the benefit of the ACBs of CS. Refresher training is not formally assessed but the course presenters will gauge the candidates apparent understanding and grasp of the subject matter during the course. The QS will inform the concerned CS and ACBs of the results of the trainings.

H2.3) Familiarisation and refresher training is chargeable from 1 February 2013 in accordance with the procedure at Annex 9.

H2.4) Upon (a): satisfactorily completing the referenced course and (b): confirmation from the CS that the *Curriculum Vitae* of the ACB auditor is acceptable and (c): verification thereof by the QS, the ACB auditor will be included on the list of auditors maintained by the QS.

H2.5) Within two weeks of completion of a familiarization course, the QS shall ensure the completion of the assessment of the participant, as per the methodology in the spreadsheet, in Sec Q2 of these procedures.

H2.6)Within three weeks of completion of a familiarization course, the QS shall provide a confidential but not anonymous, feedback to the relevant QC representative and relevant ACB as to whether the delegate has satisfactorily completed the familiarization course or has areas for further improvement of his / her knowledge with respect to the familiarisation course.

H2.7) Should the ACB wish their auditor, who has not successfully completed the course, to be recognised as meeting the QSCS familiarity requirements through complying with the criteria laid down in section 4.6 (c) of the *IACS ACB Requirements document* (see Sec. H1 above), they must, in consultation with the QS, either arrange for their delegate to;

a) Re-attend the familiarisation course (as and when scheduled next, by the QS) and satisfactorily complete the applicable assessment again, or

b) Re-sit only the written examination, which might be invigilated by an independent IACS Member having no contractual relationship with the concerned ACB employing this auditor. In agreement with the QS, the IACS member will provide practical arrangements for the invigilation, receive the examination papers, and send answer papers back to the QS for assessment. In no circumstance is the invigilating IACS member involved in the assessment of the examination itself, which is to be performed by the QS. In this event, the 'presenters' assessment component will be the same as the one used the first time – refer to the spreadsheet in Sec. Q2 below; or

c) Complete additional course work set by the QS which addresses the areas of improvement identified from the delegate's assessment. This additional course work is to be completed to the satisfaction of the QS and the delegate concerned shall be observed during subsequent audits by the QS (or his nominee) to confirm acceptability or not, for inclusion on the list of auditors, maintained by QS.
The QS shall inform QC, in anonymous format, of actions taken and results, thereof, regularly.

d) In all cases of familiarisation training the time allowed for the written assessment will be 2 hours for native speakers of English. Candidates whose first language is not English will be allowed 2.5 hrs to complete the written assessment. In all cases the candidate is permitted a maximum of two further attempts after the initial assessment. If after three attempts they have not completed the assessment satisfactorily they will be barred from becoming an auditor of IACS QSCS.

e) Refresher training will be gauged during the course by the course presenters according to the spreadsheet included in section Q2 below.

H3 PROCESS FOR THE MANAGEMENT OF THE PERFORMANCE OF THE ACBs

H3.1 For IACS Members:

1) QS and the IACS Observers assess the performance of the ACBs using the IACS approved methodology – to see the methodology follow this link http://iacs-qscs.org.uk/acb/default.aspx .

2) This assessment takes place annually, based on, but not limited to;

- Audit planning,
- Selection of VCAs,
- Results of audits e.g. findings
- Observation of audits,
- General interaction with ACBs

3) At the end of the assessment period i.e. normally at the calendar year end, the QS will ensure that the assessment has been completed as objectively as possible, impartially free from bias and without fear or favour.

4) As soon as possible, but not later than the end of January of the following year, the QS will send to each CS and its ACB an official email showing the rating of the concerned ACB as well as an explanatory note. This email will include the Table showing the performance assessment of the particular ACB. Due consideration will be given to any comments the CS or ACB may have on the scores allocated, see Annex 6 paragraph 3.5.

5) At the subsequent June Council meeting the QS will present the results of the ACB Performance Assessment for the previous calendar year, together with actions, if any, taken by the CS and their ACBs.

H3.2 For IACS applicants:

1) When instructed by Council IACS OC will observe the ACB audits with all fairness and objectivity and assess the performance of the concerned ACBs along the same criteria, including targets, as for the members' ACBs.

2) IACS will recognize the QSCS certification of an applicant class society only if the concerned ACB for this particular CS meets the applicable yearly performance target (see H3.4).

3) All the costs occurred by this process shall be borne by the applicant society, in the same way they are for IACS Members.

H3.3 Methodology

1) The methodology used by OC for this assessment is based on a Performance Target Methodology Table which was initially approved by Council. This methodology is made available to the ACBs on the IACS ACB website.

2) The methodology is reviewed by QC at each fall QC Meeting and may be amended based on the proposals by QS and/or by QC Members. After approval by QC the revised Table will be submitted as an Annex to the QCC report to the Council with proposal for entry into force the next year. This Table will then be communicated to the ACBs via the IACS ACB website.

H3.4 Acceptance criteria

1) QC will discuss and agree the acceptance criteria for ACB's performance for the next three years (Y1,Y2,Y3) at the fall QC meeting and the QCC will propose these to Council at the December Council Meeting of year 0 (Y 0).

2) Depending on the performance of the ACBs during Y1 the QC might propose different targets than the ones initially envisaged, for Y2 and Y3 or confirm these as well as propose target for Y4 during the Y1 December Council Meeting. Once approved by Council the targets will be communicated to the ACBs.
These agreed acceptance criteria will be posted on the ACB web site.

3) The aim is to improve the consistency of the various ACBs, relative to each other and to continually improve the robustness of the scheme. This naturally dictates that these targets should be challenging and ambitious.

H3.5 Consequence of not reaching the targets for any one given year

1) If an ACB fails to reach the target set for the year in question, the concerned Member and its ACB are requested to take immediate corrective measures so that its performance meets the target set for the next year.

2) Such measures will include an official meeting, which will take place in the HO of the concerned society during the 1st Quarter of the next year and as far as possible before the start the next audit cycle, with QS (plus the concerned IACS Lead Observer), the ACB manager and the concerned society. The purpose of the meeting is to refine the improvement action plan previously prepared in order to improve the performance of the ACB so as to reach the target set.

3) A note of the meeting will be circulated by QS within 2 weeks after the meeting to the participants.

4) Specific IACS costs incurred for the official meeting referred to above, should be borne by the concerned CS or ACB as may be agreed between the CS and ACB.

5) Additionally in case of serious underperformance (target missed by more than 5%), it is recommended that the concerned CS shall consider sending an official letter to its ACB warning that in case of repeated underperformance at the end of the next audit cycle, the CS will commence the process to engage an ACB that either is already performing to an acceptable standard with another IACS Member or has the clear potential to do so. The Member shall also inform Council they have started to take positive action together with anticipated timescales.

H3.6 Consequence of not reaching the targets for two consecutive years

1) Should an ACB underperform for a second consecutive year the concerned CS would have to contract with an ACB whose performance has been found satisfactory by IACS or has the clear potential to do so (paragraph 1.7 of annex A to Annex 3 may apply).

H3.7 Improvement Action Plan (IAP)

1) The IAP referred to in the above paragraphs must be developed by the concerned ACB (in conjunction with the CS) and submitted by the CS (after review and endorsement) to the OC ahead of any possible meeting addressing the weak points clearly identified by the OC at the time of the observations and at the time of the final assessment and benchmarking.

2) IACS has developed clear guidelines for this IAP which must be followed by the concerned ACB and its client CS. These IAP guidelines are maintained by the QS and are posted on the ACB part of the IACS QSCS Website.

3) This plan may, amongst other measures, result in a more intensive IACS observation plan, which will be discussed at the time of the meeting, the cost of which will be borne by the concerned CS.

H4. PROCEDURE TO OBSERVE ACB AUDITS OF CLASSIFICATION SOCIETIES (MEMBERS AND APPLICANTS)

H4.1) The primary purpose of the OC observing audits conducted by ACBs on CS is;

- to ensure and safeguard the robustness and integrity of the QSCS, and
- to ensure the audits are conducted consistently and are being carried out to a satisfactory level within IACS, and
- to provide guidance for improvement to the ACBs.

H4.2) The Advisory Committee (AVC) Members also may observe ACB audits for themselves as detailed in Annex 5.

H4.3) Observation of audits commenced in 2011 and continue.

H4.4) The year 2011 was the first year ACBs were the sole auditors of CS against the requirements of QSCS. It was also the first year the QS was required to observe such audits.

H4.5) In 2011 the QS observed, for each CS, i.e. Member Societies and those granted “Applicant Status” and pursuing membership;

- the head office audit, plus
- one survey location audit, plus
- one VCA new construction, plus
- one VCA on an existing ship (not ISM or ISPS)

H4.6) For 2012 and thereafter, the extent of observation will be reconsidered based on the experience gained and performance of ACBs auditing more than one CS.

H4.7) The scope of observed audits is to be such as to be representative of;

- the number of ACB’s involved with QSCS within IACS, and
- the type of audits being conducted, i.e. head office, survey location and Vertical Contract Audits, and
- the geographic spread of the audit function.

H4.8) The audits to be observed should also take due cognisance of:

- the profile of the CS's fleet;
- the experience of the ACB in auditing CS against the QSCS;
- biennial observation of all auditors that appear on the 'list of recognised auditors'

H4.9) The use of a language other than English during the course of the audit of a CS by its ACB is acceptable provided that the audit team, composed of one person or several, has the necessary fluency in English. The background for this is that the working language of IACS is English, its source documents are in English and the auditors will need to consult them. The audit reports to the QS are required to be in English.

H4.10) In the context of observed audits (by IACS observers) the same rule applies and the team should have the necessary fluency in English, in order to allow the observer to observe efficiently and transparently the audit process. As far as practicable the English language will be used during such audits in order to ensure the most transparent possible observation process by IACS, which guarantees consistency and robustness of the QSCS.

H4.11) If for some reason (for example the use of a different language as the crew working language during an ISM audit) the English language cannot be used during the ACB audit, then observed audits need not be conducted in English. In such cases, the ACB auditor (and the surveyor/auditor/CS staff) might have to explain in English, step by step to the observer, or alternatively, interpretation is made available, so that he / she can understand the proceedings fully.

H4.12) IACS shall advise the ACB and the CS of a specific audit or audit type which IACS desires to observe. The CS will work with the ACB and its clients to accommodate the request by scheduled audits, to minimize inconvenience to all.

H4.13) This activity will involve observing the audit, with the focus on identifying improvements of the audit process and the auditor. During the audit the observer may ask to see documentation related to the survey for the purpose of determining the effectiveness of the audit rather than the survey.

H4.14) Improvements identified, if any, shall be communicated immediately after the audit to the concerned ACB auditor. While the CS may discuss the suggested improvements with the Observer and ACB auditor, the CS will in no way attempt to influence the observer.

H4.15) Reference is made to Annex 3 Chapter 4.7(f)) regarding ACB's introduction of new auditors to the scheme. Based on the OC observed audit the QS will make a recommendation to the CS with copy to the ACB as to whether or not the auditor is considered capable of auditing independently or if he/she should be coached further by an experienced auditor.

H4.16) The Observer shall provide a written report, in the format specified in Sec. Q3 of this Volume, to the QS within 15 days of the audit. The QS shall submit the final report to the ACB and CS within 30 working days of the audit's closing meeting.

H4.17) The ACB is responsible for taking follow-up actions, if any, to the observations of the OC. The CS may be involved but is not responsible for the action. The action shall be reported to the QS.

H4.18) If the QS is of the opinion that the action related to Technical Resolutions is not satisfactory, he / she shall so advise the ACB. If the QS is of the opinion that some action by the ACB related to quality management system audit is not satisfactory, he / she may consider addressing the situation with the QC, for subsequent follow-through, as necessary.

H4.19) If the QS concludes that the ACB is not verifying compliance with QSCS and has not responded to improvements, he / she shall so advise the QC, with his / her recommendations. These recommendations may be for further training, audit practices changes, or removal of the ACB or auditor from the list of recognized ACBs or auditors. The QC shall review the matter to consider these recommendations. The conclusion of the QC shall be submitted to IACS Council for consideration and action as appropriate. The AVC will be notified of these actions.

H4.20) The results of above observation of ACB audits shall be one of the inputs to subsequent IACS-ACB Workshops and training.

H4.21) Refer to Annex 6 for other details related to this observation process.

H5. AUDIT FINDINGS REPORTING PROCEDURE – ACB's TO QS

H5.1) Consistent with previous years the QS will be required to compile, submit and present data for the annual Quality Management Review (QMR) to IACS Council and QC, conducted in their summer meetings. This data is also circulated to the AVC for their review and comments. The AVC subsequently submits a written report to the June IACS Council on the performance of the Scheme.

H5.2) The annual Quality Management Review (QMR) provides an important contribution to the continual improvement of QSCS. The QMR is based upon the findings raised during QSCS audits during the year. The audit findings issued by the ACBs during the audits of all CS are to be submitted - after deletion of any confidential or commercially sensitive information or data - to the QS, in electronic format, by the ACB Auditor direct to qscs.ops@iacs.org.uk . All findings during the year are to be reported to IACS Operation Centre by the 31stOctober

H5.3) Findings reporting software - *IACS Audit Manager* - is available to ACB's on the ACB page of the QSCS web site.

H5.4) All findings will be held on a web-based database operated and maintained by IACS Ops. Centre. This enables the QS to analyse the findings and prepare the QMR.

H5.5) The electronic reporting mechanism also incorporates references to particular IACS Resolutions and clauses of IQMSR as well as particular searchable fields that enable meaningful analysis of audit findings, specific to the operations of CS.

H5.6) IACS uses just two categories of finding, i.e. Observation and Nonconformity.

H5.7) These categories of findings are defined as;

H5.8) Nonconformity is: the non-fulfilment of a specified requirement.

H5.9) Observation is: a statement of fact made by the auditor which is based on objective evidence, but not a non-conformity.

a) This could be because of a lack of clarity, or ambiguity, e.g. of the CS's internal procedures, the QSCS Requirements or a related document.

b) It could be a situation where a non-conformity may exist but insufficient evidence has been found to substantiate this.

c) It could also be an indication that there is a potential for non-conformance in the future, or the potential for the degradation of service quality.

d) It could also be an opportunity for improvement that the auditor observes that does not fit into the other items listed above.

e) An Observation is not an opportunity for an auditor to make comparisons among Societies. However, it is acknowledged that an auditor's experience may influence an observation.

H5.10) In order to maintain consistency with reporting during previous years and to enable future QMR's to be relevant to what has previously been reported, the continued use of the two categories of finding, specifically, Nonconformities and Observations, shall be maintained by ACB's, while reporting their findings to the QS.

H5.11) The data fields within the *IACS Audit Manager* software are shown in the table below:

Society:	Audit Ref No.	Date:	NC/Obs No.
IMO/Hull/Job No:	Flag:	Auditor:	Audit Type:
IQMSR Para No.	PR No./IMO Res.	UR No.	ACB:
*System Related:	*Technical:	*Category of finding:	Finding Type:
Text of finding:			

* As defined by QC

H5.12) The fields currently used in categorising QSCS findings, shown below, will continue to be used. In that regard the two fields "System Related" and "Technical" contain headings, which can be selected from drop-down menus, as follows:

H5.12.1) System Related has five sub-categories which are:

1. Training/Resource Management
2. Normative Documentation/Instructions etc.
3. Internal Audits/Management Review/Management Communication
4. Complaints
5. Quality Objectives/Measurements

H5.12.2) Technical has 16 sub-categories:

1. Project Communication/Availability of Information
2. Acceptance Criteria
3. Contract Control
4. Job Planning/Preparation (includes plan approval, survey, audit, MLC inspection)
5. Job execution (includes plan approval, survey, audit, MLC inspection)
6. Recommendations (CoC)
7. TM Gauging/NDT
8. Regulation or Requirements Implementation including specific flag requirements (Documentation inadequate)
9. Progress/Job Report
10. PSC
11. Issue and Endorsement of Certificate
12. Personal Safety/Work Environment
13. Rules/Service Development
14. Service Suppliers
15. Monitoring/Supervision
16. Other

H5.13) Findings categorised as "System Related" concern issues that possibly go wider than the local office and may transcend the entire organisation. "Technical" issues are generally of a local nature and related to a specific job/survey/audit. (NB: These fields have been particularly useful in analysing clause 7.5 of ISO-9001 against which the vast majority of findings are allocated).

H5.14) The ACB shall contribute to the development of QSCS by directly providing the QS with any feedback on matters of interpretation or ambiguous system requirements.

J. CONTINUAL IMPROVEMENT OF QSCS

J1. GENERAL

1.1) In pursuance of the policy of IACS to continually improve its services, collectively and severally, IACS endeavors to closely monitor the status of QSCS and its implementation to ensure its continued relevance and validity to the maritime industry in general and to the CS, in particular.

J2. TOOLS

J2.1) The following tools are used by IACS, for this purpose:

a) Analysis of the findings raised by ACBs.
b) Analysis of the outcomes of the QS's observation of ACB audits of CS.
c) Analysis of the results of 'IACS-ACB' Workshops, including the proposals of ACBs, if any, for improvement of QSCS.
d) QC's Annual Review of QSCS, of all aspects of QSCS including audit findings. The input to this review also includes the IMO Observer's report on QSCS. This review is conducted in its summer meeting, with an aim to identify possible improvement opportunities, if any. To enable this, the QS prepares an *Annual Review Report*, as per the format included in Sec.Q. The review conclusions of QC are entered in the QS's Annual Review format and forwarded, as a part of the QC Chair's report, to Council and the AVC for their oversight.

e) AVC, as part of its oversight responsibilities, reviews these reports, in their summer meeting, and its conclusions and recommendations are generally sent to the Council directly.
f) Council's ***QSCS Management Review***, conducted in its summer meeting addresses the QC/QS's Annual Review report and the AVC comments. Council, based on its review, gives suitable directions to the QC and the QS, for implementation.
g) Council, in its winter meeting, conducts an ***Operational Review*** focusing on membership criteria, PSC performance and Audit Focus Areas for the coming year.
h) The identified 'audit focus areas' are conveyed by the QS to CS and to all their ACBs by posting them on the IACS ACB website.

J2.2) Apart from the above, the Council and / or QC and / or AVC may identify other improvements to QSCS.

J3. REPORTING OF FOCUS AREAS TO ACB'S FOR 2011 AND FUTURE YEARS

J3.1) Once agreed by IACS Council at the winter Council meeting the Focus Areas for the following year's audits will be posted on the ACB web site accompanied by some explanatory guidance text provided by the Quality Secretary after consultation with IACS Audit Managers. The Quality Secretary will also notify ACB's and QC Members of Focus Areas by email.

J3.2) In the course of compiling the management review for consideration at the winter IACS Council meeting, the Quality Secretary will consult IACS ACB's as to what in their view should be included as Focus Areas.

J4. COMMON PERFORMANCE INDICATORS

a. IACS monitors the performance of its Members, on a yearly basis, based on publicly available performance data reported by the main Port State Control regimes, in their annual reports, viz., Paris and Tokyo MoUs and the USCG.

b. IACS has identified two such indicators as follows:

   i. Presence in the 'high performance' category of Paris & Tokyo MoUs and USCG 'zero point' category, for a minimum of 2 out of 3 consecutive years, preceding the current year.
   ii. 'Recognised Organisation related detentions' as a percentage of 'inspections' (Paris & Tokyo MoUs) / 'distinct arrivals' (USCG).

c. The QS shall compile the above indicators and present them, along with trend analysis, as appropriate, to IACS Council, for their QMR, during their summer meeting .

d. IACS encourages all classification societies (members & applicants) to set, internally, objectives and targets, including appropriate action plans, to continually improve their performance against the aforesaid common performance indicators.

e. IACS expects, from their members and applicants, time-bound corrective action plans when these targets are not met. Compliance with this will be monitored through ACB audits.

f. IACS may develop suitable targets for the above CPIs, if considered necessary and appropriate.

g. IACS may amend the above CPIs, as appropriate and as required, to keep them relevant, current and in congruence with the practices of the reporting organisations.

J5. BENCHMARKING

a. IACS also encourages the classification societies (members & applicants) to develop, in line with international best practices, their own benchmarking systems to measure their performance in various aspects of their business, as appropriate, against those of other organisations within and / or outside the marine industry, to improve their performance continually.

K. VERTICAL CONTRACT AUDITS (VCA)

1) Vertical Contract Audit is a combination of 'process audit' and 'product audit' with the main purpose of assessing the effectiveness of the service delivery process in ensuring product quality.

2) The purpose is also to identify possible improvements, if any, in the processes and sub-processes and their interactions with other associated processes and their interfaces, including management control.

3) Towards meeting the above purposes, VCAs assess for the selected contract/order, to the extent applicable and possible at the audit location:

a) the effectiveness of the process, especially in the interface of various parties and locations;
b) the correct application of the CS's Rules and Regulations;
c) the correct application of relevant Statutory requirements and/or International convention requirements;
d) the conformance of the process to the CS's procedures and other pertinent documents;
e) the correct application of acceptance criteria provided by the CS for acceptance of the request for survey / approval / inspection;
f) the implementation of IACS technical resolutions (UR, UI, PR, CSR), as applicable;
g) the suitability of the recommendations or plan review comments and/or the instructions provided to the surveyor (the term, "surveyor", is used for all categories of a qualified plan approval engineer, ship surveyor, machinery surveyor, auditor, inspector etc.).

K1. SCOPE

1.1) The scope of the VCA will be defined by a specific contract/order for survey, audit, inspection or plan approval as applicable at the audit location.

1.2) The contract may be a contract for a new construction including plan approval and surveys, a frame agreement for in-service surveys, a frame agreement for ISM audit or ISPS audit or MLC inspection, a frame agreement for survey and certification at an equipment / material manufacturer or it may be a specific request for a survey, audit, inspection or plan approval.

1.3) The scope may include relevant sub-processes or related production processes relevant for the particular contract. Typical sub-processes may be e.g. previous part surveys to the same survey, service supplier processes connected to the survey (e.g. UTM, radio inspection, diving survey), interaction between different plan approval disciplines, etc.

1.4) The scope will normally be limited to the activities carried out at the audit location, and by the activities planned at the time of the audit.

1.5) The scope of the VCA programme for any year should cover at least the following activities;

- New construction(s);
- ISM Code, or ISPS Code, or MLC Convention;
- Significant equipment and/or material certification;
- Ships in service.

1.6) In addition, when selecting a suitable VCA consideration should be given to IACS Council agreed Focus Areas for the year in which the audit takes place.

1.7) The scope of Plan approval VCA may be completed tasks.

K2. PLANNING

i) VCAs shall be carried out both internally by CS and also by their ACBs, certifying their Quality Management System (QMS) to the QSCS.

ii) VCAs should be planned to be held at specific stages of a contract e.g. (but not limited to): planning, commencement of surveys or plan approval, other relevant in-process stages like: just prior launching/delivery, prior to undocking, on completion of approval of major drawings / calculations, prior to final test and trials etc.

K2.1 Internal VCA's:

2.1.1) Internal VCA may be substituted by 'process audits' or other equivalents, which may be carried out by the CS, as per its own QMS.

2.1.2) The CS should define, in its QMS, the function responsible for planning, organizing and conducting the VCAs or equivalents and processing the findings thereof. This function may be the same as the one managing the CS's internal audits.

2.1.3) Internal VCAs should be planned to ensure a representative geographic spread and that they are representative of the CS's fleet and work profile. (Every effort should be made to avoid auditing the same location repeatedly within a short period of time. If that is unavoidable the scope (listed in paragraph 1.1 above) of the VCA should be varied)

2.1.4) Internal VCAs may be selected and administered centrally or regionally, to suit the operations of the CS.

2.1.5) The location could be a plan approval office, survey station, project site etc.

2.1.6) Internal VCAs should be considered on the basis of one or more of the following:

a. Workload and types of work at the locations
b. Extent of work at geographic divisions

c. Importance / size / criticality of contracts
d. Results of previous audits, if any & relevant
e. Customer complaints / feedback, if relevant.

2.1.7) Internal VCAs may be held more than once on the same contract if considered appropriate and beneficial by the CS.

2.1.8) Internal VCAs may be combined with Internal Audits.

2.1.9) Internal VCAs may also be carried out at any location on its own initiative.

2.1.10) When practical, Activity Monitoring of the surveyors executing the contract/order may also be carried out concurrently with Internal VCAs.

K2.2 External VCA's

2.2.1) A Plan should be developed by the CS and its ACB for the conduct of external VCAs to ensure the quantitative requirements as determined by IACS for external VCAs are met.

2.2.2) For all CS, the minimum total number of VCAs to be held each year is calculated by the QS, based on an empirical formula*, using the fleet data submitted by the CS at the beginning of every year. This information is released to the relevant CS by the QS prior to end of January of each year.

- The minimum total number of VCAs shall in no case be less than six (6).
- The minimum number of VCAs on new construction activity shall be calculated by the QS, based on empirical formula as indicated in footnote.
- Equipment VCAs shall constitute less than 20% of the total number of VCAs.

For classification societies applying for IACS membership, the requirements set out in Volume 2, Section C.2.2, subparagraphs 4) and 5) apply.

2.2.3) The scope of external VCAs should as a minimum, cover the types of activities listed in paragraph 1.5 above.

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*Note: The number of VCAs to be conducted annually is calculated according to the following empirical formula (please note the second term of the equation, rounded up, gives the number of VCAs to be conducted on new constructions, the first term, rounded up, gives the balance of the total for the year);

$$N_{VCA} = k_1\{(1x10^{-7}E_{GRT})+(0.002E_N)\}^{0.5}+k_2\{(1x10^{-7}NC_{GRT}+0.002NC_N)\}^{0.5}$$

Where:
$k_1 = 2.25$
$k_2 = 2.8$
E_{GRT} = Gross tonnage of existing ships
E_N = Number of existing ships
NC_{GRT} = Gross tonnage of new constructions
NC_N = Number of new constructions

The definition of "existing ships" and "new constructions" is;
(i) the number and gross tonnage of existing ships for classed ocean going vessels of over 100gt as of 1 January YYYY, with those known to be dual classed with another IACS Society counted at 50% of their number and GT.
(ii) number and gross tonnage of ships under construction for ocean going vessels of 5000gt and over, contracted for class, for which the keel has been laid but the vessel has not been delivered as of 1 January YYYY.

K3. EXECUTION

3.1) Internal VCAs should be carried out by persons who have the relevant domain-knowledge, preferably with training and experience in the auditing of quality management systems and processes as described in the CS's QMS.

3.2) External VCAs shall be performed only by those auditors meeting the qualification requirements specified in the *IACS ACB Requirements document.*

3.3) Appropriate checklists/process maps may be used to support the audit process at the auditor's discretion.

3.4) The VCAs should cover the following activities, relevant to the main process, for the specific work under audit:

a) Request processing
b) Allocation of competent and qualified surveyors
c) Review of supporting documents, ship file, relevant drawings etc.
d) Review of the surveyor's notes and other documentation relevant to the progress of the work
e) Review of the actual service delivered by a visit on board ship or to the site
f) Implementation of relevant sub-processes, as applicable
g) Review of work / test reports and records
h) Interviews with the attending surveyor and, if necessary, the location manager
i) Any other matters, the auditor considers to be relevant.

K4. REPORTING

K4.1 Internal VCA's:

4.1.1) Information should be recorded by CS, identifying, date and place of audit, the ships IMO number or contract / order number audited, as applicable, the status of the survey activity at time of audit, the names of auditor(s) and the attending surveyors. Findings are to be recorded and reported the same way as other location audits are recorded, in accordance with the CS's' internal procedures.

4.1.2) This information could be either in the form of a report or an appropriate database, to suit the CS's practices.

K4.2 External VCA's:

4.2.1) ACB reporting shall be in accordance with IACS procedures and agreed contractual practice.

4.2.2) The External VCAs conducted by the ACB for each year shall be distinctly identified in respect of date, location and type of survey / audit, in their 'Statements of Compliance' issued to the CS, every year.

K5. FOLLOW-UP

5.1) The findings of the VCAs shall be processed and followed through, as appropriate, both at the location and at the Head / Central / Regional Office, in accordance with the CS's procedures for internal VCAs and, for external VCAs, in accordance with ACB practices.

5.2) The findings should be used to identify process/system improvements and, if warranted, to identify suitable future audit locations and type of VCA, both by the CS and ACB.

5.3) The findings, conclusions and actions thereof shall be one of the inputs to the CS's Management Review and for the ACB to ensure added value to the overall audit programme.

L. COMPLAINTS

L.1) IACS takes complaints seriously and shall ensure that admissible complaints are investigated according to the procedures established by the IACS Council. IACS endeavours to give to the complainant and the defending party, if any, a comprehensive and reasoned answer, in a timely manner.

L.2) *IACS Procedure for Handling of Complaints* is available in Annex 4 to these procedures.

M. APPEALS

M.1) QSCS provides for an appeals process to deal with differences of opinion that may arise between the CS and the ACB auditors, during the course of QSCS audits on matters of audit execution and interpretation of the QSCS documentation – such as Description of Scheme, QMSR, URs, PRs, UIs, CSR etc. – all within the context of QSCS only.

M.2) The first level of resolution of appeals is the QS. The next and final level of resolution is the QC, who may, where necessary, draw upon the technical expertise of other bodies of IACS. This decision shall be binding and final on all the concerned parties.

M.3) AVC reviews the impartiality of treatment of all the appeals, in its periodic meetings. To enable this, the QS prepares a brief report on all the appeals and their resolution, processed in the relevant review period.

M.4) Appeals on audits themselves and on matters relating to the interpretation of relevant and applicable ISO standards are to be dealt with as per the appeals procedures of the respective ACB, without reference to IACS.

M.5) Appeals on matters of Membership are dealt with by the Independent Appeals Board of IACS, as detailed in Vol.1 of IACS Procedures.

N. RECORDS

N.1) Sufficient and accurate records of QSCS activities are maintained as detailed in the various sections of this Volume. Broadly, QSCS records relate to:

a) Membership.
b) ACB auditors' recognition, training & monitoring.
c) Findings analysis & annual reviews.
d) Proceedings of meetings of QC & AVC.
e) Proceedings of meetings and workshops with ACBs.
f) Reports to Council, by QCChair& QS.
g) Complaints and appeals.

N.2) Records may be maintained in paper or electronic format, and should be retained for a period of six years - unless specified otherwise elsewhere.

N.3) Records are maintained in a manner which will prevent deterioration and provide ready access for authorised personnel. Records are held secure and in confidence, as applicable.

N.4) Adequate care is taken by the holder of the records to ensure that confidentiality between CS, as applicable and agreed, is maintained. Confidentiality with respect to outsiders is maintained as per IACS policy.

N.5) Adequate back-up arrangements and disaster recovery systems, including appropriate offsite storage, are deployed to maintain electronic records.

P. (Intentionally left blank)

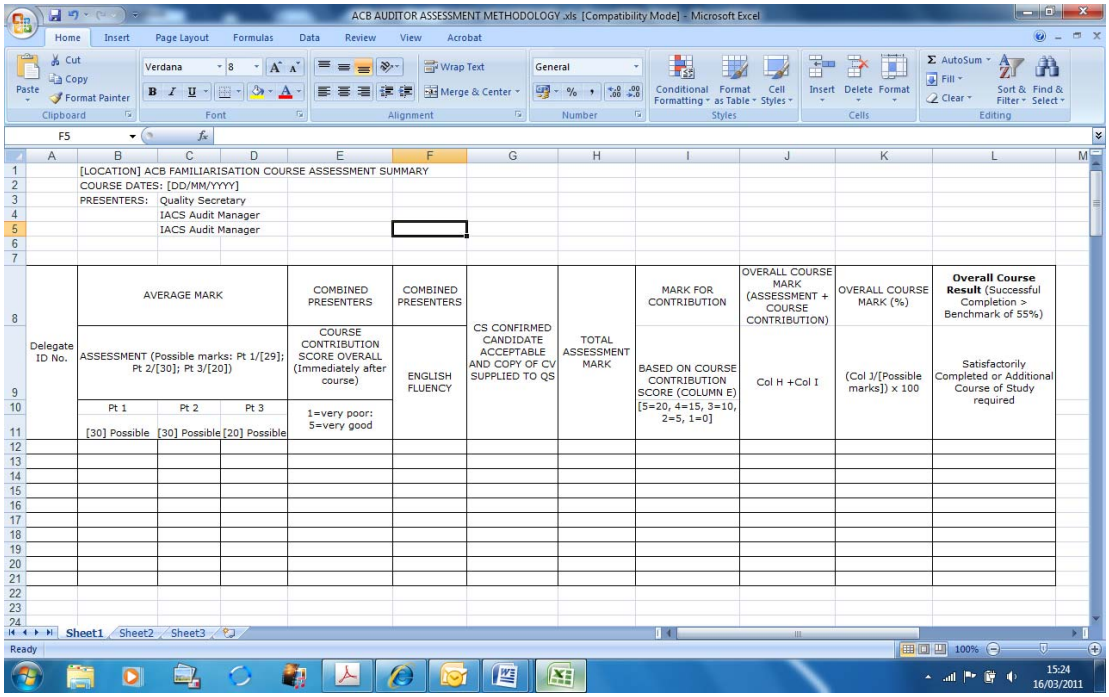
Q. FORMATS AND TEMPLATES

Q1. FORMAT OF REPORT OF QC'S ANNUAL REVIEW OF QSCS:

Report of QC's Annual Review of QSCS **Annex 'x' to Minutes of Meeting of QC*nn of mmm.yy at [place]***			
Sr. No.	**Aspect**	**Status**	**Remarks**
01	Complaints		
02	Appeals		
03	QSCS Operations:		
03a	Human Resources		
03b	Training		
03c	Physical Resources		
04	Audits of Societies by ACBs		
04a	Technical aspects		
04b	Non-technical aspects		
04c	Results of ACB audit observations		
05	QSCS System		
06	QSCS Documenta-tion		
07	Inputs, if any, from External Agencies / Bodies		
07a	AVC		
07b	IMO Observer		
07c	Others		
08	Other Matters, if any		
Conclusions and Recommendations of QC:			

Q2.FORMAT FOR ASSESSMENT OF AUDITORS PARTICIPATING IN IACS TRAINING COURSES:

(Excel Sheet)
FAMILIARISATION TRAINING ASSESSMENT SHEET

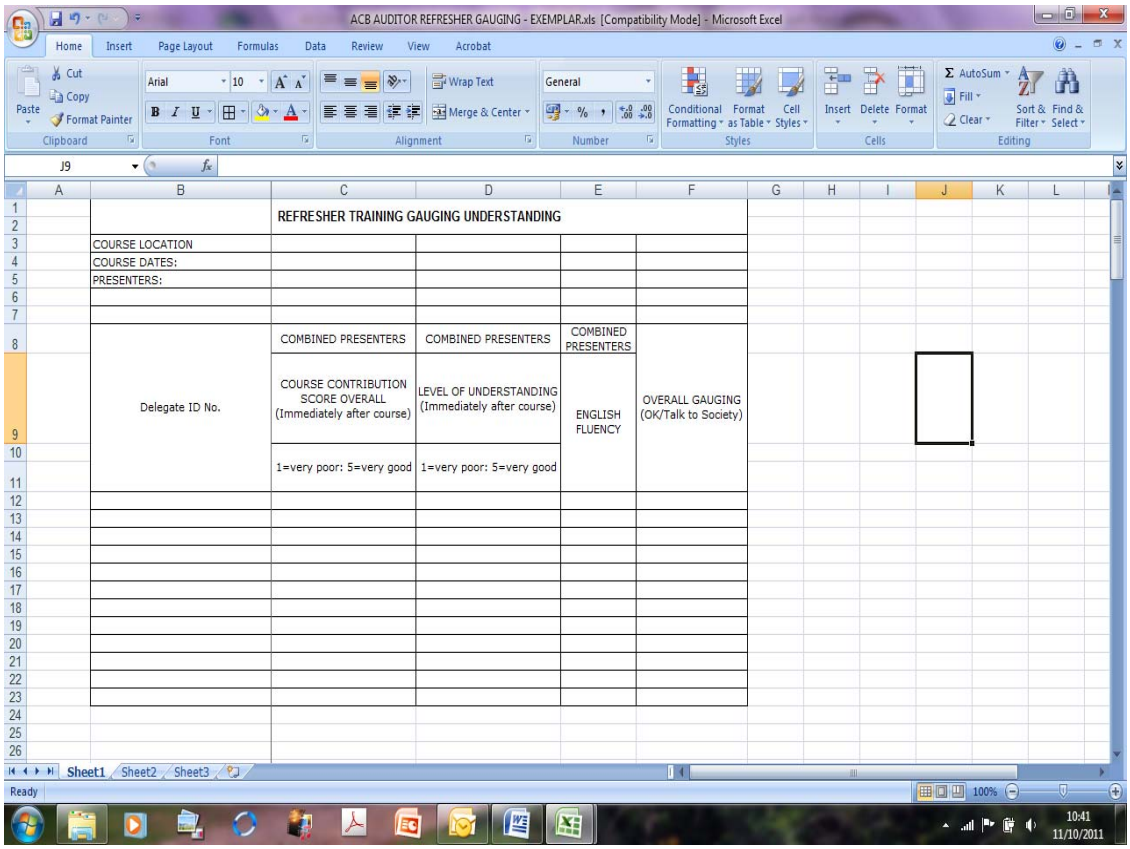


[LOCATION] ACB FAMILIARISATION COURSE ASSESSMENT SUMMARY
COURSE DATES: [DD/MM/YYYY]
PRESENTERS: Quality Secretary
IACS Audit Manager
IACS Audit Manager

Delegate ID No.	AVERAGE MARK			COMBINED PRESENTERS	COMBINED PRESENTERS	CS CONFIRMED CANDIDATE ACCEPTABLE AND COPY OF CV SUPPLIED TO QS	TOTAL ASSESSMENT MARK	MARK FOR CONTRIBUTION	OVERALL COURSE MARK (ASSESSMENT + COURSE CONTRIBUTION)	OVERALL COURSE MARK (%)	**Overall Course Result** (Successful Completion > Benchmark of 55%)
	ASSESSMENT (Possible marks: Pt 1/[29]; Pt 2/[30]; Pt 3/[20])			COURSE CONTRIBUTION SCORE OVERALL (Immediately after course)	ENGLISH FLUENCY			BASED ON COURSE CONTRIBUTION SCORE (COLUMN E) [5=20, 4=15, 3=10, 2=5, 1=0]	Col H +Col I	(Col J/[Possible marks]) x 100	Satisfactorily Completed or Additional Course of Study required
	Pt 1	Pt 2	Pt 3	1=very poor: 5=very good							
	[30] Possible	[30] Possible	[20] Possible								

Notes:
1. *The actual calculation sheet is available with the QS.*

REFRESHER TRAINING GAUGING SHEET



REFRESHER TRAINING GAUGING UNDERSTANDING

COURSE LOCATION
COURSE DATES:
PRESENTERS:

Delegate ID No.	COMBINED PRESENTERS	COMBINED PRESENTERS	COMBINED PRESENTERS	OVERALL GAUGING (OK/Talk to Society)
	COURSE CONTRIBUTION SCORE OVERALL (Immediately after course)	LEVEL OF UNDERSTANDING (Immediately after course)	ENGLISH FLUENCY	
	1=very poor: 5=very good	1=very poor: 5=very good		

Q3. FORMAT FOR REPORTING IACS OPERATION CENTRE OBSERVATION OF ACB AUDITS

1.General information Society_____ ACB_____ Place and Date(s)_____ Audit type: HO,SL,PA,CO, VCA_____ Audit mandays (nearest half day)_____ ID of VCA object_____ IACS Observer(s)_____ _____ ACB audit Team Leader _____ Auditor(s)_____ Technical Expert (s)_____ Other Observer(s)_____ Society Representative(s) _____
2. Audit team satisfies Volume 3, Annex 3, section 4.6 *All members included in consolidated list of ACB auditors*
3. Audit plan covers all relevant processes & IACS requirements in accordance with Volume 3 Annex 8 *Sufficient notice and communication with CS* *IACS Requirements considered, including Focus Areas* *Sufficient time allocated* *Auditor allocation correct according to training and experience* *Audit conducted consistent with the plan*
4.General Audit performance and robustness *Parts of the audit that were performed well* *Parts of the audit that have room for improvement*
5.Audit findings *Clear, concise and correctly categorized* *IACS Requirements correctly reflected* *Factually based* *ARM software used correctly and drafting guidance taken into account*
6. VCA additional matters *Selection and timing correct for a meaningful audit* *H&S aspects adhered to* *Sampled appropriate survey practices*
7. Issues the auditor might focus on to further improve performance
8. Possible improvement suggestions for the Scheme
9. Robustness and consistency: *Was this observed audit consistent with the robustness of other similar audits observed regardless of the ACB or CS?*

Q4. FORMAT OF STATEMENT OF COMPLIANCE & ANNEX TO BE ISSUED BY ACB'S TO CS:

[ACB name] ANNUAL STATEMENT OF COMPLIANCE CONFIRMING [SOCIETY name] COMPLIANCE WITH IACS QUALITY SYSTEM CERTIFICATION SCHEME		
Period of assessment	From 1st January YYYY	To: 31st December YYYY
This Statement of Compliance attests that [society]'s internal quality management system has been verified by [ACB] as being in conformity with IACS' Quality System Certification Scheme. Scope of IACS QSCS certification covers: • Classification of ships and mobile offshore installations in respect of both new building and in service, • Statutory work carried out on behalf of nominating flag Administrations.		
The specific reference documents[1] upon which IACS QSCS is based are:		
• IQMSR[2] • IMO Res MSC.349(92) - IMO RO Code • ISO/IEC 17020	• IACS Procedural Requirements • IACS Unified Requirements • IACS Unified Interpretations • IACS Common Structural Rules	
The audits described in the Annex to this Statement of Compliance have been completed by [ACB], an accredited certification body confirmed by IACS as being in compliance with Annex 3 to IACS Procedures Vol. 3 "*Requirements for Accredited Certification Bodies for auditing classification societies in accordance with QSCS Quality Management System Certification*" and in accordance with the applicable requirements of [ACB]'s Accrediting Body, which is a member of the International Accreditation Forum.		
Signed: [ACB] Lead Auditor[3]	Signed: [ACB countersignature][3]	
Name:	Name:	
Date:	Date:	

[1] Latest version.
[2] Any exclusions as defined in IQMSR, as amended, are to be included in separate Annex to this Statement of Compliance.
[3] If appropriate, the signatures can be in accordance with ACB own procedures.

ANNEX

[ACB name] ANNUAL STATEMENT OF COMPLIANCE CONFIRMING [SOCIETY name] COMPLIANCE WITH IACS QUALITY SYSTEM CERTIFICATION SCHEME		
Period of assessment	From 1st January YYYY	To: 31st December YYYY

DATE OF AUDIT	TYPE OF AUDIT[4]	AUDIT NUMBER	LOCATION[5]	AUDITOR	SHIP IMO NUMBER/JOB NUMBER[6]	SHIP TYPE[7]	TYPE OF SURVEY[8]

Reviewed by IACS Operations Centre			
	Date	Name & Signature of IACS Quality Secretary	IACS Stamp

[4] Head Office (HO), Controlling Office, if applicable (CO) Survey Location (SL), Plan Approval (PA), Vertical Contract Audit (VCA)
[5] Audit location marked with an asterix have been observed by a representative of the IACS Operations Centre
[6] VCA's only
[7] VCA's only
[8] VCA only, for example, Special Survey(SS), Intermediate Survey (IS), Annual Survey (AS), International Safety Management Code (ISM), International Safety and Port Security Code (ISPS), New construction (NC) and Equipment Certification (EC)

ANNEX 1: DESCRIPTION OF THE SCHEME – 11th EDITION

1. PURPOSE

1.1 The purpose of this document is to provide general information on the IACS Quality System Certification Scheme (QSCS). Additional details regarding the IACS QSCS Requirements are available on the IACS website (www.iacs.org.uk).

1.2 For the definition of the entities or persons mentioned below, refer to Annex 4 of the IACS Charter and/or Section 2 of 'Requirements for Accredited Certification Bodies for auditing Classification Societies (CSs) in accordance with QSCS Quality Management System Certification' (ACB Requirements).

2. ESTABLISHMENT OF QSCS

2.1 The decision to develop IACS QSCS was made by the IACS Council at its May 1990 meeting in Tokyo. The Scheme was approved by the IACS Council at its meeting in Helsinki, June 1991.

2.2 QSCS is continually reviewed by the Quality Committee (QC) to maintain its relevance to CSs and the shipping industry, in general.

2.3 This 11th Edition incorporates the changes to the Scheme, consequent to IACS's decision to make the Scheme generic to all the CSs and independently auditable by Accredited Certification Bodies (ACBs), which becomes fully effective from 1 January 2011.

3. QSCS OBJECTIVES AND POLICY

3.1 The main objective of QSCS is to verify that:

(i) a CS has developed its own internal quality management system;

(ii) the system of the CS is in conformity with the requirements laid down by IACS in the QSCS 'Quality Management System Requirements' (QMSR) available on the IACS website;

(iii) the system of the CS is in operation as described in relevant documents of that CS.

3.2 Compliance with IACS QSCS is mandatory for IACS Members and Applicants. Other non-IACS CSs may apply QMSR and request an ACB to certify QSCS compliance on a voluntary basis.

3.3 The only QSCS certificate recognized for IACS Membership is the one issued by an ACB complying with the ACB Requirements, and recognised by IACS as compliant with such ACB Requirements in accordance with the procedure that they prescribe, as listed on the IACS website.

3.4 The IACS QSCS covers the following services rendered by a CS:

- Classification of ships and mobile offshore installations in respect of both new building and in service,
- Statutory work carried out on behalf of nominating flag Administrations.

4. QUALITY MANAGEMENT SYSTEMS REQUIREMENTS

4.1 To obtain the QSCS certification (or statement of compliance) by an independent ACB, the quality management system of an individual CS is to comply with the IACS 'Quality Management System Requirements' (QMSR) published on the IACS website.

4.2 The IACS QMSR are built upon the quality management requirements of the latest version of ISO 9001 Standards, including, where considered necessary, additional requirements and guidelines, as deemed relevant and appropriate to CSs, resulting from the experience of application of the QSCS and specifically complying with the following:

(i) IMO Resolution MSC.349 (92), applicable parts of ISO 17020 and other applicable standards, identified from time to time;

(ii) IACS Resolutions, including IACS Unified Requirements, Procedural Requirements, Unified Interpretations and Common Structural Rules.

5. QUALITY MANAGEMENT SYSTEM CERTIFICATION

5.1 Issuance, by an ACB, recognised by IACS as compliant with the ACB Requirements referred to in 3.3, of the Quality Management System Certificate of Conformity to ISO 9001 (hereinafter referred to as the *'Certificate'*) and a 'Statement of Compliance' to IACS QMSR (hereinafter referred to as the *'SoC'*), attest that the certificated CS' internal quality management system has been verified as being in conformity with IACS' QSCS and that the system is in operation.

5.2 The *SoC* (refer to Sec. Q4 for the format of this document) consists of a main page supported by an Annex detailing the audits carried out for the year.

5.3 The *SoC*, as drafted by ACBs, shall be reviewed first by the respective CS and subsequently sent by ACBs to the IACS OC.

5.4 As evidence of the review of the *SoC* by IACS, the IACS QS shall endorse (date, sign & stamp) the Annex to the *SoC*, prior to posting it on IACS public website.

5. 5 The Quality Secretary may choose to join a scheduled ACB audit as observer, which shall be agreed to and arranged to suit the mutual convenience of the Operations Centre (OC), ACB and the Member.

5. 6 Maintenance by a CS of the *Certificate* and *SoC* issued by an ACB that is recognised by IACS as complying with the ACB Requirements and in accordance with the procedures of that ACB, shall constitute evidence of continued compliance with QSCS.

5. 7 The *Certificate* may be suspended / withdrawn, in accordance with the ACB's documented procedures. The concerned CS shall inform the IACS OC immediately, if and when such suspension / withdrawal takes place.

6. INTERPRETATION OF QSCS

6.1 The authority to interpret QSCS and its technical documents is as follows:

(i) additional requirements specific to the operations of CSs into the IACS QMSR: QS is first level, followed by QC;

(ii) IACS Resolutions: GPG, supported by the appropriate Panel.

6.2 If the first level interpretation does not satisfy either the Member, the Applicant, or its ACB, then the issue may be submitted, in writing, to the IACS Council.

7. QSCS CONTINUAL IMPROVEMENTS

The following describes the various measures taken by IACS to ensure that QSCS is continually maintained, updated and improved as necessary according to documented procedures:

System Related

7.1 Development, periodic review and updating of the QSCS system documentation to maintain its applicability, relevance, adequacy, efficiency and effectiveness, are all based on one or more of the following:
(i) improvements initiated by Members;
(ii) QS's Annual Quality Management Review (QMR);
(iii) IMO Observer's report;
(iv) comments of Quality Advisory Committee (AVC);
(v) appeals and complaints.

7.2 Annual collation, review and suitable analysis of ACB audit data of Members, based on ACB feedback and other inputs from Members, AVC, IMO Observer, other stakeholders and end-user workshops as referred to paragraph 1.7 of the ACB Requirements, for identifying improvements to QSCS.

7.3 Maintenance of documented evidence, as required, in any suitable format and media.

7.4 Development of software tools, as necessary, to discharge the functions efficiently.

Certification Related

7.5 Maintenance and development of the ACB Requirements.

7.6 Review of the credentials of ACBs proving their compliance with the above-mentioned Requirements.

7.7 Maintenance of a publicly available list of ACBs satisfying the ACB Requirements.

7.8 Observing of audits by ACBs, of system implementation by Members and Applicants.

Training Related

7.9 Development and periodic updating of the training modules for the training of ACB Auditors.

7.10 Training of ACB Auditors, as and when appropriate.

Complaints Related

7.11 Consideration of requests for interpretation of QSCS requirements.

7.12 Consideration of complaints relating to QSCS (see further Section 9 below).

8. OVERSIGHT BY EXTERNAL PARTIES

8.1 The QSCS is subject to oversight by external Parties to ensure its relevance and suitability and also to identify further improvement opportunities, as follows:

(i) the IMO Observer periodically reviews the activities of IACS related to the implementation and continual improvement of the QSCS, including the activities of the ACBs, as deemed necessary by him/her to submit his/her periodical QSCS assessment report to the IMO;

(ii) the AVC provides objective, independent advice, guidance and oversight from the industry in accordance with clearly defined procedures;

(iii) representatives of flag States may also observe the ACB audits of Members and provide their feedback.

8.2 The QS and QC identify and implement appropriate follow-up actions, as required.

9. COMPLAINTS

9.1 Complaints against IACS Members are processed as per the IACS Complaints Policy published on the IACS website and in Annex 4.

9.2 Complaints against ACB certification are processed as per the respective ACB's procedures, and, if the ACB process does not satisfy the complaint raised the documented procedures of the relevant national accreditation body whose logo appears on the ISO 9001 certificate issued by the ACB.

10. PUBLICATION

10.1 IACS publishes, inter alia, on its public web site www.iacs.org.uk:

(i) this Description of the Scheme document;

(ii) the QMSR;

(iii) IACS Resolutions;

(iv) the list of IACS Members;

(v) a list of ACBs that, at the request of a CS, have been verified by IACS as compliant with the ACB Requirements.

10.2 Any CS that possesses a valid QSCS compliance certificate issued by an ACB that appears on the IACS list of ACBs is permitted to refer to this fact publicly.

10.3 Any ACB that appears on the IACS list of ACBs shall be permitted to refer to this fact publicly.

11. CONFIDENTIALITY

11.1 All members of OC, QC, AVC, Council, the ACBs and IMO and EMSA Observers respect the confidentiality of any information they may receive pursuant to the implementation of this Scheme.

ANNEX 2-A: QUALITY MANAGEMENT SYSTEM REQUIREMENTS – 9th. ISSUE (Compatible with ISO 9001:2008)

0. INTRODUCTION

i) The International Association of Classification Societies (IACS) is an Association representing the world's classification societies as defined in Sect. 3.1 below.

ii) IACS works for a uniform application of quality in ship classification and also in statutory work undertaken on behalf of flag Administrations.

iii) To achieve this objective, IACS has, since 1990, developed these Quality Management System Requirements which constitute the IACS interpretation of the ISO 9001 standard and additional requirements supplementing those of the ISO 9001 standard itself, as applied to classification societies/Recognized Organizations.

iv) The achievement of the above is conditional upon continued compliance with the Rules and Regulations and proper care and conduct on the part of the Owner and Operator.

~~i~~v) This 9th issue constitutes a revision of the previous issue~~s~~ of the IACS QSCS QMS Requirements to improve visibility of the Recognised Organisation's role which a Class Society serves. For sake of introduction and clarity, in this text 'Rules' are associated with the Rules and Regulations applicable to Classification Services; and 'Regulations' are associated with Statutory Services. A previous objective was to make these Quality Management System Requirements equally useable by IACS Members and non-IACS classification societies alike, this objective remains an important consideration as part of the release of this 9th issue.

STRUCTURE OF THIS DOCUMENT

i) Commencing from Chapter 4:

a) The texts of all ISO 9001 clauses from chapter 4 to 8 are applicable requirements, but not repeated in this document. The numbering used aligns with the ISO 9001 standard, chapters and sections should therefore be read in conjunction with the ISO 9001 text. If only the paragraph number appears, the wording in ISO 9001 is considered sufficient.

b) Additional requirements specific to the operations of Classification Societies are appended to the ISO 9001 clauses where relevant.

c) Where necessary, non-mandatory guidance for the interpretation and application of these requirements is included as text in italics.

ii) Sect. 4.3 is additional to ISO 9001 and is based on applicable requirements from the included requirements listed in Ch. 1.2.

1. SCOPE

1.1 General

1.1.1) This Quality Management System Requirements document specifies applicable requirements for a quality management system which covers the following services rendered by a Classification Society:

- Classification of ships and mobile offshore installations in respect of both new building and in service,
- Statutory work carried out on behalf of nominating flag Administrations.

1.1.2) Classification Services and Statutory Services have much in common and both are, to a great extent, inextricably linked to each other. Therefore, the requirements specified herein are, unless specifically separated, applicable to both the services. Where deemed necessary for reasons of better clarity and or differing needs, the requirements have been documented under separate headings.

1.2 APPLICATION

1.2.1) All requirements of this Quality Management System Requirements document are generic and are intended to be applicable to all classification societies, regardless of type, size and services provided.

1.2.2) Where any requirement(s) of this Quality Management System Requirements document cannot be applied due to the scope of services delivered by a Classification Society, this may be considered for exclusion in connection with a certification or assessment of the Quality Management System.

1.2.3) Where exclusions are made, claims of conformity to this Quality Management System Requirements document are not acceptable unless these exclusions are limited to the requirements listed below and provided that such exclusions do not affect the organizations ability, responsibility, or authority to provide services within its scope of classification that meet customer and applicable statutory and regulatory requirements:

1.2.4) Any exclusions to above permitted references shall be listed on the statement of compliance to this Quality Management System Requirements document, and be publicly available. The basis on which the exclusion is granted shall be clear, concise and documented.

2. REFERENCES

2.1 NORMATIVE REFERENCE

2.1.1) The appropriate versions (see Note 3, below) of the following normative documents contain provisions which, through reference in this text, constitute essential provisions for the application of these requirements.

- ISO 9000: Quality Management Systems - Fundamentals and vocabulary,
- ISO 9001: Quality management systems — Requirements
- IACS Technical Resolutions, defined as:
    - IACS Unified Requirements (UR).
    - IACS Unified Interpretations (UI)
    - IACS Procedural Requirements (PR).
    - IACS Common Structural Rules (for tankers and bulk carriers) (CSR)

NOTE 1: Unified Requirements are minimum requirements. Any Classification Society is free to set more stringent requirements. More stringent requirements will not to be construed as exclusions. The existence of a UR does not oblige a Classification Society to issue the respective rules if it chooses not to have rules for the type of ship or marine structure concerned. In case where a Classification Society chooses not to offer classification for the type of ship or marine structure addressed by a UR, or group of URs, it shall be reported as exclusion to the UR(s) concerned (Ref. Ch. 1.2).

NOTE 2: Latest and valid IACS Technical Resolutions are publicly available on IACS web-site: http://www.iacs.org.uk/publications/default.aspx.

NOTE 3: REGULATION (EC) No 391/2009 & RO Code refer to different versions of ISO 9001 & 17020 standards. QMSR is generally updated to reflect the currently valid versions of the ISO 9001 & 17020 standards.

2.2 INCLUDED REQUIREMENTS

2.2.1) This Quality Management System Requirements address applicable requirements from the following reference documents:

- EN ISO/IEC 17020 (appropriate version): General criteria for the operation of various types of bodies performing inspection,
- International Maritime Organisation's Code for Recognised Organisations (hereinafter referred to as *'RO Code'*) as adopted by:
    - MEPC 65 on 17th. May 2013 (Part 2 of Annex to Annex 3 of Resolution MEPC 237(65)) and
    - MSC 92 on 21.June, 2013 (Resolution 349(92)).

NOTE 1: Some of the requirements stated in the reference documents above are included in the Normative references listed in Section 2.1.

NOTE 2: Members of IEC, ISO, IACS, IMO or national Administrations maintain registers of currently valid international standards.

NOTE 3: IMO Resolutions A.739(18) and A.789(19) have since become part of the *RO Code.*

3. TERMS AND DEFINITIONS

i) For the purposes of this Quality Management System Requirements document the following terminology applies in addition or in substitution of the Terms and Definitions of ISO 9000 para 3 where these are not adequate for the work of Classification Societies.

ii) Terms and definitions in Part 2 of the RO Code are also applicable, in so far as they are relevant to the statutory services rendered by Classification Societies.

3.1 CLASSIFICATION SOCIETY (CS)

A legally identifiable organisation which:

(i) publishes its own classification rules (including technical requirements):

1. in relation to the design, construction and survey of ships, and
2. has the capacity to
   (a) apply,
   (b) maintain and
   (c) update those rules and regulations with its own resources on a regular basis;
   (d) document its experience in the above activities.

(ii) verifies compliance with these rules during construction and periodically during a classed ship's service life;

(iii) publishes a register of classed ships;

(iv) is not controlled by, and does not have interests in, ship-owners, shipbuilders or others engaged commercially in the manufacture, equipping, repair or operation of ships; and

(v) is authorised by a fFlag Administration as a *Recognised Organisation*

NOTE:

“Own classification rules" as stated in item (i) above include rules given as normative references in this Quality Management System Requirements and rules which the classification society is legally entitled to use.

3.2 RECOGNISED ORGANISATION (RO)

A legally identifiable organisation which has been assessed by a flag State and found to comply with the applicable requirements of the RO Code and is authorised by a flag Administration as defined in SOLAS Chapter XI-1, Regulation 1 and listed accordingly in the IMO database, Global Integrated Shipping Information System (GISIS)."

3.3 PRODUCT

The products of a Classification Society are of the following generic categories:

- Rules in relation to the design, construction and survey of ships and other marine-related facilities
- Information (e.g. access to CS’s Class database)
- Software (e.g. calculation programs related to classification/statutory compliance process developed by the CS either for internal use or made available to the public)
- Hardware (e.g. Documentation, Publications).

3.4 SERVICES

The services of a Classification Society addressed by these requirements are those associated with Classification services and/or Statutory services as noted below:

3.5 CLASSIFICATION SERVICE

The results generated by classification activities at the interface between the Classification Society and the customer and the Classification Society's internal activities to meet customer needs.

NOTES:

a) For ships and mobile offshore installations in service, each CS maintains the provisions of class by way of periodical visits by its Technical Staff to the ship or mobile offshore installation as defined in its Rules in order to ascertain that the ship or mobile offshore installation currently complies with those Rules and Regulations. The forgoing is without prejudice to the obligation of the owner or operator to maintain the vessel and_to report to the CS significant defects, damages or modifications in accordance with the Rules of the CS.

b) A ship or mobile offshore installation is said to be in Class when the Rules which pertain to it have, in the opinion of the CS concerned, been complied with.

c) Concerning the auxiliary systems, it is noted that the scope of such systems reflect the scope of the ship or mobile offshore installations classification notation. For example, a ship or mobile offshore structure which has a class notation reflective of a production system onboard would include the same within its scope of auxiliary systems.

3.6 STATUTORY SERVICE

3.6.i) The results generated by statutory activities as defined by the Administration at the interface between the Classification Society and the customer and the Classification Society internal activities to meet customer needs.

3.6.ii) Statutory services address the same concepts noted under classification (3.5) except that the Regulations are defined by the Administration.
3.6.iii) For statutory requirements it is recognized that classification societies traditionally have a contractual arrangement with flag Administrations to act on their behalf. This means the societies do not design the requirements but are authorised to apply the flag State requirements provided to them either directly or by adoption of an international, regional or national published instrument. In this context a flag Administration is one of the CS/RO's customers.

3.7 EVIDENCE OF SERVICE

Documents (e.g. reports, certificates, letter, electronic records etc.) which confirm that the defined services provided are in compliance with specified internal and external requirements.

3.8 CUSTOMER

The recipient of a product or service provided by the CS/RO.

NOTE: The customer may for example be the direct user (e.g. ship designer, engineering company, marine equipment manufacturer, ship yard, ship owner, charterer, ship-management company) or the beneficiary (e.g. national Administration, port State, underwriter, cargo interest or the public at large). See also: "Interested party" in ISO

9000.

3.9 CONTRACT

Agreed and binding set of requirements between a CS and a customer transmitted by any written means.

3.10 FUNDAMENTAL PROCESSES

3.10.1 Classification Service

All technical and administrative processes affecting service; these include:

- a) Development of the CS's Rules for classification services, including the associated research;
- b) Publication of the CS's Rules;
- c) Application of the CS's Rules, operational instructions, and requirements, through:
  - Verification and/or approval of documents and/or drawings relevant to the design,
  - Approval and survey of materials and equipment,
  - Survey during construction and installation,
  - Survey during service,
  - Issue of class certificates and reports,
  - Maintenance of class records
- d) Publication and maintenance of the register of ships and mobile offshore installations
- e) Provision of a network of qualified and competent technical staff, including the related supervision and training systems.

3.10.2 Statutory Service

All technical and administrative processes affecting service which, *inter alia*, include:

a) Adoption of flag State regulations for statutory services;

b) Application of the flag State regulations, operational instructions, through:
- Verification and/or approval of documents and/or drawings relevant to the design,
- Approval and survey of materials and equipment,
- Survey during construction and installation,
- Survey during service,
- Issue of statutory certificates and reports,
- Maintenance of statutory records

c) Provision of a network of exclusive qualified and competent technical staff, including the related supervision and training systems.

3.11 TECHNICAL STAFF

Technical staff includes plan approval engineers, surveyors, inspectors, auditors and other technical staff (whatever be their nomenclature in different CS) who directly render the classification and statutory services of a CS.

3.12 SURVEY LOCATIONS, CONTROLLING OFFICES AND PLAN APPROVAL CENTRES

3.12.1 Survey Locations are those that manage and execute surveys, audits, and inspections.

3.12.2 Plan Approval Centres are those that carry out plan approval activities, including approval of designs, drawings, manuals etc.

3.12.3 Controlling Offices (if any) are those that manage and control the proper execution (and related documentation) of the processes and related procedures and work instructions, including quality management system matters.

3.13 SITE

The place at which Technical Staff deliver services in respect of a specific contract or a series of contracts (e.g. port, shipyard, firm, company, etc.). All sites are to be controlled by a location.

3.14 VERTICAL CONTRACT AUDIT

VCA is a contract/order specific audit of production processes, including witnessing work during attendance at a survey, audit or plan approval in progress and, as applicable, including relevant sub-processes, VCA is carried out at a location and/or site to verify the correct application of relevant requirements in service realization for the specific work in that contract/order, and their interactions. (Relevant sub-processes include e.g. previous part surveys or thickness measurement processes connected to the survey). Plan approval VCA may be carried out for completed tasks.

3.15 PROCESS MONITORING

Checking on a sample basis the ongoing processes that technical staff are applying to their work outputs (such as CS Rules, statutory requirements, procedures, etc.).

3.16 ACTIVITY MONITORING

Activity Monitoring is an assessment by the Society of its technical staff, conducted by a monitor - for plan approval or in the course of a survey, audit, or MLC inspection.

4. QUALITY MANAGEMENT SYSTEM

4.1 GENERAL REQUIREMENTS

4.1.1 Classification services

As a minimum the quality management system shall ensure that:

a) the CS's Rules for classification services are created, maintained and published in a systematic manner, including the development of the associated research,

b) the CS's products, including arrangements to respond to customers' valid needs, are established and maintained in a systematic manner,

c) the CS's Rules are complied with through:

- verification and/or approval of documents and/or drawings relevant to the design
- approval and survey of materials and equipment,
- survey during construction and installation,
- survey during service,
- issue of class_certificates and reports,
- maintenance of class records,

d) the register of ships and mobile offshore installations is published and maintained,

e) a network of qualified and competent technical staff, including the related supervision and training systems, is provided.

4.1.2 Statutory services

As a minimum the quality management system shall ensure that:

a) the statutory requirements relevant to the work for which the CS/RO is authorized as an RO, together with any specific requirements defined in agreements with national Administrations, are implemented and maintained in a systematic manner,

b) the statutory regulations and related requirements are complied with through:

1. verification and/or approval of documents and/or drawings relevant to the design,
2. approval and survey of materials and equipment,
3. survey during construction and installation,
4. survey during service,
5. issue of statutory certificates and reports,
6. maintenance of statutory records.

c) a network of qualified and competent technical staff, including the related supervision and training systems, is provided.

4.2 DOCUMENTATION REQUIREMENTS

4.2.1 General

4.2.2 Quality Manual

The Quality Manual or the QMS documentation shall include or reference:

- General information (name, address, phone number, etc. and legal status),
- Management statement on its policy and objectives for, and commitment to quality,
- Management statement assigning the person designated in 5.5.2,
- Description of the CS/RO's areas of activity and competence,
- Information on the CS/RO's relationship to its parent or associated organizations (where applicable),
- Organization charts,
- Relevant job descriptions,
- Policy statement on qualification and training of personnel,
- Other procedures and instructions or references to other procedures or instructions which are required in this Quality Management System Requirements document.

4.2.3 Control of Documents

Guidance for Application

i) *The provision of "document control" shall apply to any type of document, including electronic media, IT applications, etc. where said electronic media may affect the reliability of the service or of the recorded data*

The provisions ISO 9001 Ch. 4.2.3 a) to e) and g) apply to internal documents, such as e.g.:

- *Quality manual/QMS documentation;*
- *Procedures;*
- *CS's Rules;*
- *Register of ships and offshore installations; - Other documented process procedures, where such are considered necessary (these include any circulars or letters, which provide the technical staff and administrative staff with up-to-date information on classification, statutory and related matters);*
- *Specifications and diagrams defining or amplifying service processes;*
- *Pro-forma reports, checklists and certificates appropriate to the activities covered by this certification.*

ii) *The provisions of ISO 9001 Ch. 4.2.3 f) and g) apply to external documents, such as:*

- *National and International Standards necessary for the activities governed by this instrument;*
- *IMO Conventions and Resolutions;*
- *IACS technical resolutions,*
- *National shipping Regulations and standards appropriate to the authorisations current with the CS/RO;*
- *Documents and data submitted to the CS/RO for verification and/or approval; see also 7.5.3 and 7.5.4,*
- *Specified correspondence defined by the CS/RO to be of an important nature;*

4.2.4 Control of Records

i) **Classification services**

Records shall include at least those relevant to:

a) CS's Rules development and associated research,

b) CS's Rules implementation, through:

- verification and/or approval of documents and/or drawings relevant to the design
- approval and survey of materials and equipment,
- survey during construction and installation,
- survey during service,
- issue of Certificates.

c) the register of ships and mobile offshore installations,

d) all other records required by this Quality Management System Requirements document.

Pertinent records from suppliers shall be an element of these data.

ii) **Statutory services:**

Records shall include at least those relevant to:

a) Implementation of statutory regulations and requirements through:
   i. verification and/or approval of documents and/or drawings relevant to the design,
   ii. approval and survey of materials and equipment,
   iii. survey during construction and installation,
   iv. survey during service,
   v. issuance of certificates.

b) Other records required by statutory regulations, in all their applicable instruments relevant to the work of the CS/RO.

c) Records required by authorising flag States in their agreements with the CS/RO and in normative references contained therein.

Records shall be retained for periods specified in the statutory codes; and in agreements with authorizing flag States, if applicable.

4.3 ADDITIONAL CLASSIFICATION SOCIETY / RECOGNISED ORGANISATION SPECIFIC REQUIREMENTS

4.3.1 General

a) The CS/RO, or the organization of which it forms a part, shall be legally identifiable.

b) A CS/RO which is part of an organization involved in functions other than services rendered by a Classification Society, shall be identifiable within this organization.

c) The CS/RO shall have adequate documentation which describes its functions and the technical scope of activity for which it is competent.

d) The precise scope of a service will be determined by the terms of the individual contract or request for service. This shall be defined in documents within the Public

Domain – e.g. a Society's published Rules or an International Convention.

e) The CS/RO, or the organization of which it forms a part, shall have liability insurance unless its liability is assumed by the State in accordance with national laws.

f) The CS/RO shall have adequate documentation describing the conditions on which it performs its services.

g) The CS, or the organization of which it forms a part, shall have independently audited accounts.

h) The CS/RO shall have documented procedures for the consideration and resolution of appeals against the results of its services, where these are carried out under legally delegated authority.

4.3.2 Impartiality and Integrity

a) The personnel of the CS/RO shall be free from any commercial, financial and other pressures which might affect their judgement. Procedures shall be implemented to ensure that persons or organizations external to the CS, cannot influence the results of services carried out.

b) The CS/RO shall be independent to the extent that is required with regard to the conditions under which it performs its services.

c) The remuneration of the CS/RO's personnel engaged in the CS/RO's activities shall not directly depend on the activities carried out and in no case on their results.

d) The CS/RO shall be governed by a *Code of Ethics / Conduct,* which shall recognise the inherent responsibility associated with delegation of authority to include assurance of adequate performance of services.

Guidance for application

i) A risk assessment may be carried out to identify any risk of conflict of interest between the society and associated organizations which might affect its impartiality.

ii) The society may have an independent "Supervisory Body" ensuring impartiality which the personnel may address to any concern on actions which might affect their judgement.

4.3.3 Independence Criteria

a) The CS/RO shall be independent of the parties involved.

b) The CS/RO and its staff responsible for carrying out the service shall not be the designer, manufacturer, supplier, installer, purchaser, owner, user or maintainer of the item subject to the service, nor the authorised representative of any of these parties.

c) The CS/RO and its staff shall not engage in any activities that may conflict with their independence of judgement and integrity in relation to their service activities. In particular, they shall not become directly involved in the design, manufacture, supply, installation, use or maintenance of the items covered by the service, or similar competitive items.

d) All potential customers shall have access to the services of the CS/RO. There shall not be undue financial or other conditions. The procedures under which the CS operates shall be administered in a non-discriminatory manner.

e) The CS/RO must not be controlled by shipowners or shipbuilders, or by others engaged commercially in the manufacture, equipping, repair or operation of ships.

f) The CS/RO is not substantially dependent on a single commercial enterprise for its revenue.

g) The CS does not carry out class or statutory work if it is identical to or has business, personal or family links to the shipowner or operator. This incompatibility shall also apply to technical staff employed by the CS/RO, who directly render service to the shipowner / operator.

4.3.4 Confidentiality and Transparency

The CS/RO shall ensure confidentiality of information obtained in the course of its activities. Proprietary rights shall be protected.

4.3.5 Cooperation

The CS/RO must allow participation in the development of its rules and procedures by flag Administration and other parties concerned.

The CS/RO shall give access to, or disclose all information related to its statutory certification and services to the relevant fFlag State and shall communicate information to the flag State.

The CS/RO shall cooperate with other Societies and ROs and flag states to share relevant experience to standardise processes and services, particularly concerning statutory certification which may affect the validity of certificates issued by other ROs, as appropriate.

CS/ROs shall cooperate as necessary and required by statutory codes / instruments / agreements, among themselves and with flag administrations, in cases of transfer of statutory certification from one CS/RO to another.

5. MANAGEMENT RESPONSIBILITY

5.1 MANAGEMENT COMMITMENT

Guidance for application

The commitment of top management should be demonstrated and made visible by e.g.:

- evidence for the development of clear values and expectations for the organization

- acting as a role model for the organization's values and expectations, leading by example

- providing and receiving training

- making themselves accessible, listening and responding to the organization's people

- being active and personally involved in improvement activities

- reviewing and improving the effectiveness of the whole management group

5.2 CUSTOMER FOCUS

Guidance for application

See 3.8, definition of customer.

5.3 QUALITY, SAFETY, OCCUPATIONAL HEALTH & ENVIRONMENTAL PROTECTION POLICY

The society's policies shall refer to quality of services, safety of life (including occupational safety and health) and property; prevention of pollution and protection of the marine environment

5.4 PLANNING

5.4.1 Quality Objectives

Guidance for Application

i) When establishing these objectives, top management should consider the current and future needs of the CS/RO and the parties influenced by its work.

ii) The Quality Management Reviews, among other sources, should produce input to the establishment of quality objectives.

5.4.2 Quality Management System Planning

i) Quality planning is an integral part of the management process. Top management shall implement quality planning for the activities and resources needed to satisfy the quality policy, objectives and requirements. Its output shall be documented, reviewed and revised as necessary.

Guidance for Application

a) Primary input can be:

- needs and expectations of the customers and other interested parties; e.g. feedback from IMO, flag Administrations and Industry Associations.

- performance of the products; e.g. Statistics from Port State Control, Casualties, loss trends; feedback on use of software and hardware(see definitions) obtained from internal and external users

- performance of the QMS processes; e.g. feedback from internal audits, NCs, and internal comments

- lessons learned from previous experience; e.g. from examination of survey reports, casualty investigations or external sources.

- risk assessment and mitigation. e.g. an amalgamation of inputs from all of the above, coupled with an evaluation of the affect on safety of life property and the marine environment

- other sources of information which identifies opportunities for improvement

b) The output of the planning should include:

- the responsibility and authority for developing improvement plans;

- skills and knowledge needed;

- improvement approaches, methodology and tools;

- the resources needed;

- alternative planning needs;

- indicators for performance achievements, and

- the need for documentation and records.

5.5 RESPONSIBILITY, AUTHORITY AND COMMUNICATION

5.5.1 Responsibility and Authority

i) The CS/RO shall define and document the responsibilities and reporting structure of its component parts, clearly defining the relationships and functions of those component parts with particular regard to;

- execution of all fundamental processes for Classification and Statutory services,
- initiate actions to prevent the occurrence of any nonconformity,
- control the further processing until a nonconformity is corrected or concession is accepted,
- verify the implementation, and
- evaluate the result for further improvement.

ii) The CS/RO shall have named persons who will deputise in the absence of any manager responsible for classification or statutory services and products.

5.5.2 Management Representative

NOTE: External parties referenced in ISO 9001 Ch. 5.5.2 can be the external audit and/or certification bodies, flag administrations or similar entity.

5.5.3 Internal Communication

5.5.4 Communication with Statutory Organisations

CS/ROs shall implement effective communication procedures, as necessary and required by statutory codes / instruments / agreements, among themselves and with flag Administrations.

5.6 MANAGEMENT REVIEW

5.6.1 General

The interval between the management reviews shall not be more than 13 months.

5.6.2 Review Input

Any output to management reviews containing information relevant to quality objectives, customer complaints and activity monitoring, throughout the CS/RO, shall be used as input to the top management review.

5.6.3 Review Output

In connection with the requirements of 5.1, top management shall ensure that the results of the top management review of the Quality Management System, including the derived quality objectives, are documented and communicated throughout the organization, as appropriate.

6. RESOURCE MANAGEMENT

6.1 PROVISION OF RESOURCES

6.1.1) In implementing the requirements of this paragraph 6 the CS/RO shall take into account the whole range of resources needed to develop and maintain the quality management system and the fundamental processes.

6.1.2) The CS shall provide worldwide coverage by its exclusive technical staff or, in exceptional and duly justified cases, through exclusive technical staff of other societies.

Guidance for application for statutory services

The CS/RO shall normally perform the work it contracts to undertake with its own exclusive technical staff. While still remaining responsible for the certification on behalf of the flag State, the CS when acting as a RO may subcontract radio surveys to non-exclusive surveyors, in accordance with the RO Code.

6.2 HUMAN RESOURCES

6.2.1 General

This includes the assignment of trained personnel for management and for performance of activities relevant to the fundamental processes, including internal audits.

6.2.2 Competence, Awareness and Training

The CS/RO shall perform all its classification and statutory services by the use of competent technical staff that are duly qualified, trained and authorised to execute all duties and activities incumbent upon their employer, within their level of work responsibility.

When implementing the requirements of 6.1 and 6.2, a CS/RO shall consider explicitly the requirements of IMO RO Code and the relevant IACS Procedural Requirements.

6.3 INFRASTRUCTURE

Guidance for application

Systems provided to the technical staff (hardware and software) shall be identified and relevant training on their use shall be carried out and documented. Special consideration should be given to the situation where technical staff is working out of a home-based office.

6.4 WORK ENVIRONMENT

6.4.1) Suitable lighting, ventilation and access conditions shall be made a requirement to permit safe and effective survey to take place. While it is understood that the provision of such environmental conditions is not within the supply of the CS/RO, the environmental conditions under which the survey will be permitted to take place shall be made clear to the customer prior to survey commencing, e.g. stating them in the CS's Rules.

6.4.2) Training of staff on personal safety shall be carried out and documented.

6.4.3) Requirements for personal protective equipment to be used at surveys, and procedures for personal safety of technical staff_at work shall be established and documented.

7. PRODUCT REALIZATION

7.1 PLANNING OF PRODUCT REALIZATION

The CS/RO shall take the following into account:

a) Classification services

The requirements of the IACS Procedural Requirements, the IACS Unified Requirements, IACS Common Structural Rules (for tankers and bulk carriers) which are incorporated in the CS's Rules or practices.

b) Statutory services

The specific provisions of relevant and applicable statutory regulations, instruments and codes, to be met by a recognised organization; the requirements of the IACS Unified Interpretations.

Guidance for Application

Quality Plans

i) Quality plans may be appropriate, when new products are developed or when an existing product will be significantly changed. In developing quality plans, consideration should be given to the fundamental processes followed in classification and statutory activities.

ii) The quality plans may be formatted in a number of ways to suit the CS/RO's method of operation. They may for example be in the form of a process flow chart with cross-references to detailed procedures or they could be in tabular form e.g. a check list.

iii) Which ever way they are presented, they should give a map of the sequence of steps to be followed, the monitoring and measurements to be performed, the verification method, where applicable, to be applied and the specific responsibilities within the process.

iv) Consideration should be given to any controls, skills or equipment which the CS/RO needs to ensure that its quality objectives can be met (e.g. a CS/RO may consider it essential for some or all survey stations to possess certain gauges to enable random re-inspection by their own personnel. A further example would be the acquisition of computer hardware or software to carry out drawing approval commitments).

v) When designing new Rules for construction, or planning for the fulfilment of statutory work, full consideration should be given to the viability of the subsequent survey required within the Rules during production and operation of the ship or mobile offshore installation or equipment.

vi) When new survey requirements are developed or introduced, due consideration should be given to how the new requirements can be met in terms of manpower skills and resources and their deployment within the operating structure of the CS/RO.

vii) In considering the above the development of documented procedures, work instructions and reports needed by the CS/RO's technical_staff and suppliers to implement and record the activities carried out should be taken into account.

- *The identification of any measurement requirement involving capability that exceeds the known state of the art, in sufficient time for the needed capability to be developed.*
- *The identification of suitable verification at appropriate stages within each fundamental process should be built into the quality plans or procedures.*

viii) To assure a high degree of consistency between all locations, suitable guidance on standards of acceptability should be provided in process procedures, circulars, computer software or other controlled documents. These standards should cover service matters as well as technical criteria (e.g. target turn around times for drawing approval, survey response and reporting times as well as criteria for units in operation such as wear down limits of propeller shaft bearings).

ix) It is recognised that there will be unanticipated situations where precise technical criteria may not be available but the CS/RO should identify what course of action should be followed in such situations, e.g. specify an outstanding recommendation or provision for contacting supervisory personnel for assistance.

7.2 CUSTOMER-RELATED PROCESSES

7.2.1 Determination of requirements related to the product

Review of requirements related to the product

A. Classification Services

The above provisions apply inter alia to:

1. contracts for classification of new constructions (usually between the builder and the CS);
2. contracts for certification of equipment for ships and mobile offshore installations manufactured under type approval or similar programmes (usually between the manufacturer and the CS);
3. contracts for classification after construction including transfers of class (usually between an owner, an owner's agent or a manager and the CS);
4. long-term contracts or agreements for units in service (such contracts, determining fee agreements over a fixed term basis may be signed between an owner, an owner's agent or a manager and the CS);
5. verbal or written requests for attendance, including those from national Administrations or other classification Societies ("service requests");
6. agreements between the CS and other Classification Societies laying down requirements to be followed when acting on their behalf;
7. contracts for provision of software in connection with the Classification and statutory certification of ships and mobile offshore installations.

B. Statutory Services

The above provisions apply inter alia to:

1. contracts for statutory certification of new constructions (usually between the builder and the RO);
2. contracts for approval and certification of equipment for ships and mobile offshore installations manufactured under type approval or similar programmes, as per national, international and flag State codes and requirements (usually between the manufacturer and the RO);
3. contracts for statutory certification after construction including transfers of flag (usually between an owner, an owner's agent or a manager and the RO);
4. when implementing this paragraph, the specific requirements of the flag Administrations on whose behalf the CS/RO acts as well as any specific national interpretations of International Conventions and Codes shall be determined.

C. Contract / Order

Before the acceptance of a contract or order, the contract or order shall be reviewed by the CS/RO to ensure that:

1. the stated requirements comply with the CS/RO's Rules and Regulations, or statutory requirements, as appropriate;
2. the location has the necessary capability and resources (or has access to the necessary capability and resources elsewhere within the CS/RO), including reference documents, to meet the contract or order requirements.

Any differences between the contract or order requirements shall be resolved before the work is carried out and shall be recorded.

7.2.2 Customer Communication

7.3 DESIGN AND DEVELOPMENT

a) The following provisions apply to:

- the design, development and publication of the CS's Rules,
- the design and development of the classification and statutory services,
- the development and publication of supporting documentation for the effective application of statutory regulations and requirements.

The CS/RO shall include in its rules and / or procedures:

- requirements specified and communicated by the flag State, specifically for statutory certification and services;
- requirements not stated by the flag State but necessary for specified or intended use, as determined by the CS/RO;
- Implementation of requirements may be in the form of adoption into the CS/RO's internal requirements or by use of the original documents from IMO or flag State.

Guidance for Application

i) When considering the design of services offered within the scope of this Quality Management System Requirements document, consideration should be given to staff and logistic requirements needed to fulfill the service offered. This includes a means of regularly appraising adequacy of international networks related to customers' needs and a means of assessing staff needs, both in terms of availability and competence related to specific processes or procedures, to permit satisfactory fulfillment of the stated service.

ii) When developing service and service networks to satisfy the needs of National Administrations and other customers, the degree of application of this requirement may be governed by agreement or contract with these parties, either collectively or individually. Consideration to staff and logistic requirements should be especially given when existing services are significantly modified or new services are developed (e.g. the introduction of new statutory codes).

7.3.1 Design and Development Planning

7.3.2 Design and Development Inputs

Inputs shall also include in-service experience with ships and mobile offshore installations obtained from within the CS/RO itself and external sources.

7.3.3 Design and Development Outputs

i) Classification Services

Classification Rules are, as a minimum, to provide for:

a) the structural strength of (and where necessary the watertight integrity of) all essential parts of the ship or mobile offshore installation and its appendages,

b) the safety and reliability of the propulsion and steering systems, and those other features and auxiliary systems which have been built into the ship or mobile offshore installation in order to establish and maintain basic conditions on board~~,~~.

ii) Statutory Services:

Operating instructions, procedures, reference documentation are to comply with the statutory requirements.

7.3.4 Design and Development Review

7.3.5 Design and Development Verification

Guidance for Application

The design and development verification may include activities such as

- performing alternative calculations,

- comparing the new design or development with a similar proven design, if available,

- undertaking tests and demonstrations, and

- reviewing the design stage documents before release.

7.3.6 Design and Development Validation

i) Design and development validation shall not be limited to the publication of Rules but shall apply, to the extent necessary, to all other products (see 3.3).

ii) In the case of proposed Rules, and amendments to existing ones, the CS shall submit these to organizations representing material manufacturers, builders, engineering companies, owners, professional institutions and statutory authorities, as appropriate, for review and comment. These organizations may be suitably constituted Committees of the CS.

Guidance for Application

When developing classification Rules, consideration should be given to the processes and equipment needed (by the owner or manufacturer) to build or maintain ships or mobile offshore installations or equipment in accordance with the CS's Rules. Rules should not be developed without taking into account the availability of processes or equipment necessary for their implementation. This includes whether the Rules reflect the latest manufacturing technologies.

7.3.7 Control of Design and Development Changes

7.4 PURCHASING

7.4.1 Purchasing Process

A. The CS/RO's quality management system must ensure effective control of the service delivery, regardless of whether it is performed by exclusive technical staff or, where so permitted, by non-exclusive technical staff or agents, considering the specific statutory requirements regarding the use of non-exclusive technical staff for delivery of statutory services.

The above provisions apply to suppliers, such as:

1. non-exclusive technical staff (i.e. independent, individual technical staff who enter into an agreement with a CS/RO to act on its behalf but who are also free to work on behalf of organizations such as other Classification Societies or underwriters),
2. Agents who undertake surveys or inspection services on behalf of the CS/RO, but who are also free to work on behalf of other organizations,
3. Other CS/ROs who perform surveys on behalf of the CS/RO, whether or not a fee is paid,
4. Specialist suppliers providing services to the CS/RO such as radio expertise, NDE measurements, underwater inspections. (Note: Where the service is paid for by the owner or builder, the service is considered as customer property – see 7.5.4),
5. Software houses who undertake design and development of computer software which is intended to be used in the CS/RO's activities affecting quality of products.

B. i) The CS/RO shall ensure that the control applied to suppliers under items A1, A2 and A3 is not less effective than that applied to their own staff engaged in a similar category of process.

ii) With regard to the application of these provisions to other CS/RO, due account may be taken of quality management systems in conformance with these Requirements but the responsibility remains with the CS/RO to ensure that the supplying CS/RO provides services fully compatible with the quality policy, objectives and specific requirements of the subcontracting CS/RO.

C. i) In evaluating the type and extent of control over the suppliers, account shall be taken over the level and complexity of the work assigned and its impact on the quality of the final service of the CS/RO.

ii) Before assigning any work to a supplier, the CS/RO shall ensure that any restrictions on the use of suppliers placed on the CS/RO by bodies such as national Administrations are strictly complied with.

7.4.2 Purchasing Information

A. i) When a CS/RO is engaging suppliers to perform activities on its behalf, such as non-exclusive technical staff (see also 7.4.1.A), agents and other classification societies, appropriate contracts defining the scope of work they are authorised to undertake shall be drawn up. The contracts shall include duties, responsibilities, impartiality and confidentiality requirements to be complied with by the suppliers.

ii) The supplier shall be provided with or have access to the CS's relevant Rules for classification services, relevant operating instructions and procedures.

iii) Purchasing documents for each job shall include instructions appropriate to the level of work authorised.

iv) Such documents shall be maintained in a controlled system ensuring the supplier is always provided with applicable issues of documents appropriate to the works being undertaken.

v) When engaging suppliers such as other classification societies, the contracts or agreements shall clearly stipulate which Rules apply.

B. i) When engaging specialist suppliers, the CS/RO shall provide them with clear guidance on the Rules and Regulations to be applied and/or clear instructions on a case by case basis.

ii) The specialist supplier shall be approved in accordance with the CS/RO's

requirements, considering additional and specific requirements, if any, of the relevant flag State and other applicable statutory instruments, codes and requirements.

7.4.3 Verification of Purchased Product

7.5 PRODUCTION AND SERVICE PROVISION

7.5.1 Control of Production and Service Provision

A. Classification & Statutory Services

i) This shall be carried out at appropriate stages of the product realisation process.

ii) Evidence of conformance with the acceptance criteria used shall be documented.

iii) During the surveys, progress shall be documented.

iv) Records shall indicate the authority responsible for release of product or the evidence of service.

v) Controlled production and service operations include the following issues:

a) ready access to the correct issue of the CS's Rules, statutory requirements, standards, codes and specifications appropriate to the work to be done,

b) documented procedures and/or instructions delineating work to be done and defining responsibilities for such work, where the absence of such procedures/instructions could adversely affect quality,

c) monitoring and control of suitable process parameters and product characteristics, which shall include a supervisory system which monitor the actions and work carried out.

vi) Evidence for work carried out shall not be released until all the activities specified in the quality plan and/or procedures and/or instructions have been satisfactorily completed. Records of the above shall be maintained.

vii) Where post-delivery activities are included in specified requirements, the CS/RO shall establish and maintain procedures for ensuring that these activities meet the specified requirements.

viii) The CS/RO shall have documented procedures for the consideration and resolution of appeals against the results of its surveys.

ix)The equipment mentioned under item 7.5.1 c) of the ISO 9001 standard include computers and associated software used by the CS/RO in drawing approval, survey activities, Rule development or database maintenance. It would also include any measuring and monitoring devices used by the CS/RO within a production process.

NOTE: Post-delivery activities mentioned above refer to:

a) Updating of drawing approval software and of other software to internal and external customers, unless they are superseding the Rules.

b) Updating of Rules, Regulations and statutory requirements.

c) Supply of survey status and information to customers.

d) Supply of information to customers, e.g. damages, failures.

B. Statutory services:

i) An RO accepting a ship that was constructed without a known flag State shall conduct the statutory certification and services of the ship and shall verify, prior to certification, that the ship complies with national requirements of that flag State with which the ship is to be flagged.

ii) The RO shall not issue statutory certificates to a ship, irrespective of its flag, which has been declassed or is changing class for safety reasons, before giving the opportunity to the competent Administration of the flag State to give its opinion within a reasonable time as to whether a full inspection is necessary.

7.5.2 Validation of Processes for Production and Service Provision

7.5.3 Identification and Traceability

The identification of products shall be maintained either directly or by cross-reference, for all relevant documents or data. These shall be traceable through the above identification, identity of the ship or the mobile offshore installation (e.g. register number, international code, construction number, name), customer's name or other suitable means.

7.5.4 Customer Property

i) Customer property includes:

a) documents submitted by customers to the CS/RO for verification and approval,

b) documents provided by customers to the CS/RO for evidence of activities performed by them, "documents provided" are those contributing to survey decisions, such as computer calculations, radio experts' reports, underwater inspection reports, NDE measurements,

c) services supplied on behalf of the customer witnessed by the CS/RO; where a CS/RO is verifying testing at manufacturers, builders, repairers or owners premises and reporting the same, the CS/RO shall ensure that the measuring devices used in the process are identified and that evidence of calibration is obtained; where a CS/RO is witnessing testing of service equipment installed or available onboard, a means shall be established so that the CS/RO is satisfied as to the appropriate accuracy of the measuring equipment.

d) documents provided by flag Administrations relevant to services on their behalf.

ii) Records of the above shall be maintained.

7.5.5 Preservation of Product

Guidance for Application

i) The CS/RO should provide methods for unique identification of products, evidence of services and documents.

ii) The CS/RO should provide methods of handling products, evidence of services and documents that prevent damage or deterioration both during processing, storage and transmittal.

iii) The CS/RO should ensure appropriate conditions for storage in its locations and

archives to prevent damage or deterioration of products, evidence of services and documents.

iv) Appropriate methods for authorising receipt to and dispatch from locations and storage facilities should be stipulated.

v) The CS/RO should control packaging processes of products, evidence of services and documents to ensure conformance to specified requirements.

vi) The CS/RO should ensure protection of products, evidence of services and documents (including those stored on computer) to prevent access by unauthorised persons both during processing, storage and transmittal. (e.g. a surveyor's recommendation should be prevented from being changed by anyone other than authorised personnel, a recommendation's fact should be preserved until closed out a further survey).

7.6 CONTROL OF MONITORING AND MEASURING DEVICES

7.6.1) The provisions of 7.6 apply generally to monitoring and measuring equipment owned or leased by the CS/RO or by a supplier, to provide evidence of conformity of product to determined requirements.

7.6.2) It does not apply to equipment used by manufacturers, builders, repairers or owners (see 7.5.4).

8. MEASUREMENT, ANALYSIS AND IMPROVEMENT

8.1 GENERAL

Guidance for Application

Measurement, analysis and improvement should include issues such as the following:

- *measurement, analysis and improvement should be used to establish appropriate priorities for the CS/RO;*
- *the measurements employed by the CS/RO should be reviewed periodically, and data should be verified on a continual basis for accuracy and completeness;*
- *the benchmarking of selected processes as well as customer satisfaction should be employed as an improvement tool;*
- *the use of measurements and the generation of information are essential for good communication and they should be the basis for improvement and involvement of all interested parties; such information should be current, and be clearly defined as to its purpose;*
- *appropriate tools for the communication of information resulting from the analyses of the measurements should be implemented;*
- *the effectiveness of communication to interested parties should be measured to determine whether the information is clearly understood;*
- *self-assessment should be considered on a periodic basis to assess organizational performance and to define improvement opportunities.*

8.2 MONITORING AND MEASUREMENT

8.2.1 Customer Satisfaction

Guidance for Application

i) The CS/RO should identify internal and external sources of customer and end - user information available and establish processes to gather, analyse and deploy this

information.
Examples of customer - related information include:
- feedback on all aspects of CS/RO's product,
- customer requirements and contract information,
- market needs,
- product delivery data, and
- information related to competition.

ii) The CS/RO's process for requesting, monitoring and measuring feedback of customer satisfaction and dissatisfaction should provide information, on continual basis. It should address conformance to requirements, meeting needs and expectations of customers.

iii) The CS/RO should establish and use sources of customer information and should cooperate with its customers in order to anticipate future needs. The CS/RO should plan and establish processes to listen effectively and efficiently to the" voice of the customer".

iv) The CS/RO should specify the methodology and measures to be used and the frequency of gathering and analysing data for review.

v) The CS/RO should plan data collection methodologies.

vi) Examples of sources of information on customer satisfaction include:
- customer complaints,
- direct communications with customer,
- CS/RO's questionnaires for customer and own personnel,
- Public opinion poll,
- Results of surveys,
- Reports in various media, and
- Studies and Publication on the Maritime and Technical Supervisory Sectors
- Different Awards for Quality.

8.2.2 Internal Audit

A. Scope

i) The audit scope shall cover the fundamental processes for the classification and statutory services at various locations with a focus on verification of the efficient and effective implementation of the QMS and applicable work processes at the individual location. The audit periods, which may be established according to the findings, shall ensure that each location is audited at least once per three years.

ii) Audits at locations shall also include visits to selected sites, which operate under the control of the location.

B. Planning

When planning the internal audits, consideration shall be given to complaints received in the past (either related to the location or in general) and to the results of previous internal audits and to the operation of the locations. Also, when planning specific audits, the check lists may need to have a different emphasis depending on the type of location.

C. Effectiveness and efficiency

i) The CS/RO shall evaluate and improve the effectiveness and efficiency of the internal audit process.

ii) Internal auditors shall also look for and communicate improvement suggestions.

8.2.2.1 Vertical Contract Audit

i) The CS/RO shall carry out, annually, Vertical Contract Audits for each of the following processes:

- Plan Approval
- New Construction Survey
- In-Service periodical survey / audit
- Type approval (where applicable) or survey of other materials and equipment.

ii) Evidence of completion of VCAs and findings thereof, shall be formally recorded.

8.2.3 Monitoring and Measurement of Processes

The CS/RO shall develop key performance indicators with respect to the performance of statutory certification and services.

Guidance for Application

The implemented methods should consider:

- accuracy
- timeliness of product delivery
- reliability
- responsiveness
- reaction time of staff to special requests and/or external requests
- staff turnover, as it affects the delivery of products.

8.2.4 Monitoring and Measurement of Product

Guidance for Application

The implemented methods may consider issues such as:

- Port State Control detentions
- casualties
- rework of plan approval letters and survey reports

8.3 CONTROL OF NONCONFORMING PRODUCT

With reference to ISO 9001 Ch. 8.3 b), Statutory services nonconformities shall be reported for concession to the relevant flag Administration.

The CS/RO shall comply with the instructions of the flag State detailing actions to be followed in the event that a ship is found not fit to proceed to sea without danger to the ship or persons on board, or presenting unreasonable threat or harm to the marine environment.

The CS/RO shall cooperate with port State control Administrations where a ship to which the RO issued the certificates is concerned, in particular, in order to facilitate the rectification of reported deficiencies or other discrepancies.

The CS/RO responsible for issuing the relevant certificate shall, upon receiving a report of an accident or discovering a defect to a ship which affects the safety of the ship or the efficiency or completeness of its life saving appliances or other equipment, cause investigations to be initiated to determine whether a survey is necessary.

Guidance for Application

Controls should provide for identification, documentation, evaluation, non-issuance or withdrawal of report or certificate, disposition (treatment) of nonconforming products, and for notification to the functions concerned.

Identifying of nonconforming product

All people within the CS/RO should have the authority to report nonconformities at any stage of the processes to initiate prompt corrective action.

Review and disposition of nonconforming product

i) Review of nonconformities should be conducted by designated persons to determine whether they constitute trends or a repetition of earlier occurrences. They should be competent to evaluate the effects of the nonconformity and have the authority and resource to define corrective action.

ii) Nonconforming product should be reviewed in accordance with documented procedures. It may be:

- corrected to meet the specified requirements,

- accepted with or without correction by concession,

- rejected.

iii) However, in no instance shall the actions taken by the CS endanger the safety of the vessel.

iv) Corrected product should be re-verified in accordance with the quality plan and/or documented procedures.

Documented procedures

The procedures should define the responsibility for review and authority for the disposition (treatment) of nonconforming product.

Concession

For accepting with or without correction by concession, consideration should be given to the nonconformities with Rules or statutory requirements during:

- drawing approval,

- survey of materials and equipment,

- survey during construction and installation,

- survey during service.

8.4 ANALYSIS OF DATA

Guidance for Application

i) The CS/RO should analyse data from various sources to assess performance against plans and goals and to identify areas for improvement.

ii) The CS/RO should foresee the use of statistical methodologies for data analysis, which can help in assessing, controlling, and improving performance of processes.

iii) The analysis of data can help in determining the cause of problems, and therefore guide effective corrective and preventive action. This may require analysis of the product requirements, as well as analysis of relevant processes, operations and quality records.

iv) Information and data from all parts of the CS/RO should be integrated and analysed to evaluate the overall performance of the Quality Management System.

v) The results of analysis should be documented and used to determine:

- trends,

- operational performance,

- customer satisfaction and/or dissatisfaction through complaints or other quality indicators (PSC detentions, Administration nonconformities, etc.),

- effectiveness and/or efficiency of processes,

- performance of supplier's.

8.5 IMPROVEMENT

Sources of Information

The CS/RO should identify sources of information and establish processes for collection of information for planning continual improvement, corrective and preventive actions. The examples of such sources of information include:

- customer complaints

- nonconformance reports

- outputs from management reviews

- internal audit reports

- outputs for data analysis

- relevant records

- outputs from customer feedback and satisfaction measurements

- process measurements

- results of self assessment

- in-service experience.

8.5.1 Continual Improvement

Guidance for Application

i) The CS/RO should continually seek to improve its processes, rather than wait for a problem to reveal opportunities for improvement.

ii) Potential improvements can range from continual activities to long-term improvement projects.

iii) The CS/RO should have a process in place to identify and manage improvement projects.

iv) The efficiency and effectiveness of processes should be emphasized when actions are taken. These actions should be monitored to ensure that desired goals are met. Identification of causes of deviations may result in changes to products, processes and even revision of the quality management system.

8.5.2 Corrective Action

Guidance for Application

i) A corrective action, being an action aimed at eliminating the causes of a nonconformity to prevent its recurrence, should apply to both the quality management system and the product.

ii) When identifying the causes for nonconformities, consideration should be given to documented procedures, appropriate resources, manpower, skills and qualification of personnel.

iii) The CS/RO should plan and establish a process for corrective action. Corrective action planning should evaluate the significance of problems affecting quality in terms of their potential impact on such aspects as operating costs, costs of nonconformity, performance, dependability, safety and customer satisfaction.

iv) Appropriate CS/RO functions should be represented in the corrective action process.

v) Efficiency as well as effectiveness of processes should be emphasized when actions

are taken and actions should be monitored to ensure that desired goals are met.

vi) Corrective actions should be considered for inclusion in the management review process, especially corrective actions with high financial impact or those that have significant potential impact on customer satisfaction.

8.5.3 Preventive Action

Guidance for Application

i) The CS/RO should use preventive methodologies to identify the causes of potential nonconformances.

ii) Examples of such methodologies may include risk analyses, trend analyses, statistical process control, fault tree analyses, failure modes and effects and criticality analyses.

iii) CS/RO's appropriate representatives should participate in the preventive actions.

ANNEX 2-B: QUALITY MANAGEMENT SYSTEM REQUIREMENTS – 10th. ISSUE (Compatible with ISO 9001:2015)

0 Introduction

0.1 General

a) The International Association of Classification Societies (IACS) is an Association representing the world's classification societies as defined in Sect. 3.1 below.

b) IACS works for a uniform application of quality in ship classification and also in statutory work undertaken on behalf of flag Administrations.

c) To achieve this objective, IACS has, since 1990, developed these Quality Management System Requirements (QMSR) which constitute the IACS interpretation of the ISO 9001 standard and additional requirements supplementing those of the ISO 9001 standard itself, as applied to Classification Societies (CS)/Recognized Organizations (RO).

d) The achievement of the above is conditional upon continued compliance with the Rules and Regulations and proper care and conduct on the part of the Owner and Operator.

e) This 10th issue constitutes a revision of the previous issue of the IACS QSCS QMS Requirements to improve visibility of the Recognized Organization's role which a Class Society serves. For sake of introduction and clarity, in this text 'Rules' are associated with the Rules and Regulations applicable to Classification Services; and 'Regulations' are associated with Statutory Services. A previous objective was to make these Quality Management System Requirements equally useable by IACS Members and non-IACS classification societies alike, this objective remains an important consideration as part of the release of this 10th issue.

0.2 Structure of this document

0.2.1 Commencing from Clause 4:

a) The texts of all ISO 9001 clauses 4 through 10 are applicable requirements, but not repeated in this document. The numbering used aligns with the ISO 9001 standard, clauses and sub clauses should therefore be read in conjunction with the ISO 9001 text. If only the clause number appears, the wording in ISO 9001 is considered sufficient.

b) Additional requirements specific to the operations of Classification Societies are appended to the ISO 9001 clauses where relevant.

c) Where necessary, non-mandatory guidance for the interpretation and application of these requirements is included as text in italics.

0.2.2) Clauses in 4.5 are in addition to ISO 9001 clauses and are based on applicable requirements from the included requirements listed in clause 2.2.

1 Scope

1.1 General

1.1.1 This Quality Management System Requirements document specifies applicable requirements for a quality management system which covers the following services rendered by a Classification Society:

- Classification of ships and mobile offshore installations in respect of both new building and in service,
- Statutory work carried out on behalf of nominating flag Administrations.

1.1.2 Classification Services and Statutory Services have much in common and both are, to a great extent, inextricably linked to each other. Therefore, the requirements specified herein are, unless specifically separated, applicable to both the services. Where deemed necessary for reasons of better clarity and or differing needs, the requirements have been documented under separate headings.

1.2 Application

1.2.1 All requirements of this Quality Management System Requirements document are generic and are intended to be applicable to all classification societies, regardless of type, size and services provided.

1.2.2 Where any requirement(s) of this Quality Management System Requirements document cannot be applied due to the scope of services delivered by a Classification Society, this may be considered in 4.5, which defines conditions under which a Classification Society can decide that a requirement cannot be applied to any of the processes within the scope of its quality management system. The Classification Society can only decide that a requirement is not applicable if its decision will not result in failure to achieve conformity of products and services. The Classification Society shall report all such cases to the Accredited Certification Body which issues the Statement of Compliance and to the IACS Quality Secretary.

1.2.3 A Classification Society subject to QSCS verification shall comply with the requirements of this 10th Issue no later than 15 September 2018.

QSCS Guidance Note:

ISO 9001 Note 2 applies to the legal requirements a CS/RO shall comply with as a business or as an employer in various countries which classifications societies are also bound by relevant local and national regulations. The requirements in the Note are not those requirements, e.g. SOLAS, it applies in the course of its service provision.

2 References

2.1 Normative references

The appropriate versions (see Note 3, below) of the following normative documents contain provisions which, through reference in this text, constitute essential provisions for the application of these requirements.

- ISO 9000: Quality management systems - Fundamentals and vocabulary
- ISO 9001: Quality management systems — Requirements
- IACS Resolutions, defined as:
    - IACS Unified Requirements (UR)
    - IACS Unified Interpretations (UI)
    - IACS Procedural Requirements (PR)
    - IACS Common Structural Rules (for tankers and bulk carriers) (CSR)

NOTE 1: Unified Requirements are minimum requirements. Any Classification Society is free to set more stringent requirements. More stringent requirements will not to be construed as a reservation or exclusion. The existence of a UR does not oblige a Classification Society to issue the respective rules if it chooses not to have rules for the type of ship or marine structure concerned. In cases where a Classification Society chooses not to offer classification for the type of ship or marine structure addressed by a UR, or group of URs, it shall be reported on Form Z: Notice of Not Applicable IACS Unified Requirements with respect to the UR(s) concerned.

NOTE 2: Latest and valid IACS Resolutions are publicly available on IACS web-site: http://www.iacs.org.uk/publications/default.aspx.

NOTE 3: REGULATION (EC) No 391/2009 & RO Code refer to different versions of ISO 9001 & 17020 standards. QMSR is generally updated to reflect the currently valid versions of the ISO 9001 & 17020 standards. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

2.2 Included requirements

This Quality Management System Requirements address applicable requirements from the following reference documents:
- EN ISO/IEC 17020 (appropriate version): Requirements for the operation of various types of bodies performing inspection,
- International Maritime Organization's Code for Recognized Organizations (hereinafter referred to as *'RO Code'*) as adopted by:
- MEPC 65 on 17th May 2013 (Part 2 of Annex to Annex 3 of Resolution MEPC 237(65)) and
- MSC 92 on 21 June, 2013 (Resolution 349(92)).

NOTE 1: Some of the requirements stated in the reference documents above are included in the normative references listed in Section 2.1.

NOTE 2: Members of IEC, ISO, IACS, IMO or national Administrations maintain registers of currently valid international standards.

NOTE 3: IMO Resolutions A.739(18) and A.789(19) have since become part of the RO Code.

3 Terms and definitions

For the purposes of this Quality Management System Requirements document the following terminology applies in addition or in substitution of the Terms and Definitions of ISO 9000 para 3 where these are not adequate for the work of Classification Societies.

Terms and definitions in Part 2 of the RO Code are also applicable, in so far as they are relevant to the statutory services rendered by Classification Societies.

3.1 Classification Society (CS)

A legally identifiable organization which:

a) publishes its own classification rules (including technical requirements):
    1. in relation to the design, construction and survey of ships, and
    2. has the capacity to
        (a) apply,
        (b) maintain and
        (c) update those rules and regulations with its own resources on a regular basis;
        (d) document its experience in the above activities.

b) verifies compliance with these rules during construction and periodically during a classed ship's service life;
c) publishes a register of classed ships;
d) is not controlled by, and does not have interests in, ship-owners, shipbuilders or others engaged commercially in the manufacture, equipping, repair or operation of ships; and
e) is authorized by a flag State as a *Recognized Organization*

NOTE:

“Own classification rules" as stated in item (a) above include rules given as normative references in this Quality Management System Requirements and rules which the classification society is legally entitled to use.

3.2 Recognized Organization (RO)

A legally identifiable organization which has been assessed by a flag State and found to comply with the applicable requirements of the RO Code and is authorized by a flag State as defined in SOLAS Chapter XI-1, Regulation 1 and listed accordingly in the IMO database, Global Integrated Shipping Information System (GISIS)."

3.3 Product

The products of a Classification Society are of the following generic categories:

- Rules in relation to the design, construction and survey of ships and other marine-related facilities
- Information (e.g. access to CS’s Class database)
- Software (e.g. calculation programs related to classification/statutory compliance process developed by the CS either for internal use or made available to the public)
- Hardware (e.g. Documentation, Publications).

3.4 Services

The services of a Classification Society addressed by these requirements are those associated with Classification services and/or Statutory services as noted in 3.5 and 3.6.

3.5 Classification service

The results generated by classification activities at the interface between the Classification Society and the customer and the Classification Society's internal activities to meet customer needs.

Note 1) For ships and mobile offshore installations in service, each CS maintains the provisions of class by way of periodical visits by its Technical Staff to the ship or mobile offshore installation as defined in its Rules in order to ascertain that the ship or mobile offshore installation currently complies with those Rules and Regulations. The forgoing is without prejudice to the obligation of the owner or operator to maintain the vessel and to report to the CS significant defects, damages or modifications in accordance with the Rules of the CS.

Note 2) A ship or mobile offshore installation is said to be in Class when the Rules which pertain to it have, in the opinion of the CS concerned, been complied with.

Note 3) Concerning the auxiliary systems, it is noted that the scope of such systems reflect the scope of the ship or mobile offshore installations classification notation. For example, a ship or mobile offshore structure which has a class notation reflective of a production system onboard would include the same within its scope of auxiliary systems.

3.6 Statutory service

a) The results generated by statutory activities as defined by the Administration at the interface between the Classification Society and the customer and the Classification Society internal activities to meet customer needs.

b) Statutory services address the same concepts noted under classification (3.5) except that the Regulations are defined by the Administration.

c) For statutory requirements it is recognized that classification societies traditionally have a contractual arrangement with flag Administrations to act on their behalf. This means the societies do not design the requirements but are authorized to apply the flag State requirements provided to them either directly or by adoption of an international, regional or national published instrument. In this context a flag Administration is one of the CS/RO's customers.

3.7 Evidence of service

Documents (e.g. reports, certificates, letter, electronic records etc.) which confirm that the defined services provided are in compliance with specified internal and external requirements.

3.8 Customer

Person or organization that could or does receive a product or service provided by the CS/RO.

NOTE: The customer may for example be the direct user (e.g. ship designer, engineering company, marine equipment manufacturer, ship yard, ship owner, charterer, ship-management company) or the beneficiary (e.g. national Administration, port State, underwriter, cargo interest or the public at large). See also: "Interested party" in ISO 9000.

3.9 Contract

Agreed and binding set of requirements between a CS and a customer transmitted by any written means.

3.10 Fundamental processes

3.10.1 Classification Service

All technical and administrative processes affecting service; these include:
a) Development of the CS's Rules for classification services, including the associated research;
b) Publication of the CS's Rules;
c) Application of the CS's Rules, operational instructions, and requirements, through:
- Verification and/or approval of documents and/or drawings relevant to the design,
- Approval and survey of materials and equipment,
- Survey during construction and installation,
- Survey during service,
- Issue of class certificates and reports,
- Maintenance of class records

d) Publication and maintenance of the register of ships and mobile offshore installations
e) Provision of a network of qualified and competent technical staff, including the related supervision and training systems.

3.10.2 Statutory Service

All technical and administrative processes affecting service which, *inter alia*, include:
a) Adoption of flag State regulations for statutory services;
b) Application of the flag State regulations, operational instructions, through:
- Verification and/or approval of documents and/or drawings relevant to the design,
- Approval and survey of materials and equipment,
- Survey during construction and installation,
- Survey during service,
- Issue of statutory certificates and reports,
- Maintenance of statutory records

c) Provision of a network of exclusive qualified and competent technical staff, including the related supervision and training systems.

3.11 Technical staff

Technical staff includes plan approval engineers, surveyors, inspectors, auditors and other technical staff (whatever be their nomenclature in different CS) who directly render the classification and statutory services of a CS.

3.12 Survey locations, controlling offices and plan approval centres

a) Survey Locations are those that manage and execute surveys, audits, and inspections.

b) Plan Approval Centres are those that carry out plan approval activities, including approval of designs, drawings, manuals etc.

c) Controlling Offices (if any) are those that manage and control the proper execution (and related documentation) of the processes and related procedures and work instructions, including quality management system matters.

3.13 Site

The place at which Technical Staff deliver services in respect of a specific contract or a series of contracts (e.g. port, shipyard, firm, company, etc.). All sites are to be controlled by a location.

3.14 Vertical contract audit

VCA is a contract/order specific audit of production processes, including witnessing work during attendance at a survey, audit (including MLC inspection), or plan approval in progress and, as applicable, including relevant sub-processes, VCA is carried out at a location and/or site to verify the correct application of relevant requirements in service realization for the specific work in that contract/order, and their interactions. (Relevant sub-processes include e.g. previous part surveys or thickness measurement processes connected to the survey). Plan approval VCA may be carried out for completed tasks.

3.15 Process monitoring

Checking on a sample basis the ongoing processes that technical staff are applying (such as CS Rules, statutory requirements, procedures, etc.).

3.16 Activity monitoring

Activity Monitoring is an assessment by the Society of its technical staff, conducted by a Monitor - for plan approval or in the course of a survey, audit, or MLC inspection.

4 Context of the Organization

4.1 Understanding the organization and its context

4.2 Understanding the needs and expectations of interested parties

4.3 Determining the scope of the quality management system

4.4 Quality management system and its processes

4.5 Additional Classification Society / Recognized Organization specific requirements

4.5.1 Quality Management System

4.5.1.1 Classification services

As a minimum the quality management system shall ensure that:

a) the CS's Rules for classification services are created, maintained and published in a systematic manner, including the development of the associated research,

b) the CS's products, including arrangements to respond to customers' valid needs, are established and maintained in a systematic manner,

c) the CS's Rules are complied with through:
1) verification and/or approval of documents and/or drawings relevant to the design
2) approval and survey of materials and equipment,
3) survey during construction and installation,

4) survey during service,
5) issue of class certificates and reports,
6) maintenance of class records,

d) the register of ships and mobile offshore installations is published and maintained,

e) a network of qualified and competent technical staff, including the related supervision and training systems, is provided.

4.5.1.2 Statutory services

As a minimum the quality management system shall ensure that:

a) the statutory requirements relevant to the work for which the CS/RO is authorized as an RO, together with any specific requirements defined in agreements with national Administrations, are implemented and maintained in a systematic manner,

b) the statutory regulations and related requirements are complied with through:
1) verification and/or approval of documents and/or drawings relevant to the design,
2) approval and survey of materials and equipment,
3) survey during construction and installation,
4) survey during service,
5) issue of statutory certificates and reports,
6) maintenance of statutory records.

c) a network of qualified and competent technical staff, including the related supervision and training systems, is provided.

4.5.2 General

a) The CS/RO, or the organization of which it forms a part, shall be legally identifiable.

b) A CS/RO which is part of an organization involved in functions other than services rendered by a Classification Society, shall be identifiable within this organization.

c) The CS/RO shall have documentation which describes its functions and the technical scope of activity for which it is competent.

d) The precise scope of a service will be determined by the terms of the individual contract or request for service. This shall be defined in documents within the Public Domain – e.g. a Society's published Rules or an International Convention.

e) The CS/RO, or the organization of which it forms a part, shall have liability insurance unless its liability is assumed by the State in accordance with national laws.

f) The CS/RO shall have adequate documentation describing the conditions on which it performs its services.

g) The CS, or the organization of which it forms a part, shall have independently audited accounts.

4.5.3 Impartiality and Integrity

a) The personnel of the CS/RO shall be free from any commercial, financial and other pressures which might affect their judgement. Procedures shall be implemented to ensure that persons or organizations external to the CS, cannot influence the results of services carried out.

b) The CS/RO shall be independent to the extent that is required with regard to the conditions under which it performs its services.

c) The remuneration of the CS/RO's personnel engaged in the CS/RO's activities shall not directly depend on the activities carried out and in no case on their results.

d) The CS/RO shall be governed by a *Code of Ethics / Conduct,* which shall recognise the inherent responsibility associated with delegation of authority to include assurance of adequate performance of services.

Guidance for application

A risk assessment may be carried out to identify any risk of conflict of interest between the society and associated organizations which might affect its impartiality.

The society may have an independent "Supervisory Body" ensuring impartiality which the personnel may address any concern or actions which might affect their judgement.

4.5.4 Independence Criteria

a) The CS/RO shall be independent of the parties involved.

b) The CS/RO and its staff responsible for carrying out the service shall not be the designer, manufacturer, supplier, installer, purchaser, owner, user or maintainer of the item subject to the service, nor the authorized representative of any of these parties.

c) The CS/RO and its staff shall not engage in any activities that may conflict with their independence of judgement and integrity in relation to their service activities. In particular, they shall not become directly involved in the design, manufacture, supply, installation, use or maintenance of the items covered by the service, or similar competitive items.

d) All potential customers shall have access to the services of the CS/RO. There shall not be undue financial or other conditions. The procedures under which the CS operates shall be administered in a non-discriminatory manner.

e) The CS/RO must not be controlled by shipowners or shipbuilders, or by others engaged commercially in the manufacture, equipping, repair or operation of ships.

f) The CS/RO is not substantially dependent on a single commercial enterprise for its revenue.

g) The CS does not carry out class or statutory work if it is identical to or has business, personal or family links to the shipowner or operator. This incompatibility shall also apply to technical staff employed by the CS/RO, who directly render service to the shipowner / operator.

4.5.5 Confidentiality

a) The CS/RO shall ensure confidentiality of information obtained in the course of its activities. Proprietary information rights shall be protected.

4.5.6 Cooperation

a) The CS/RO must allow participation in the development of its rules and procedures by flag Administration and other interested parties.

b) The CS/RO shall give access to, or disclose all information related to its statutory certification and services to the relevant flag State and shall communicate information to the flag State.

c) The CS/RO shall cooperate with other Societies and ROs and flag States to share relevant experience to standardize processes and services, particularly concerning statutory certification which may affect the validity of certificates issued by other ROs, as appropriate.

d) CS/ROs shall cooperate as necessary and required by statutory codes / instruments / agreements, among themselves and with flag Administrations, in cases of transfer of statutory certification from one CS/RO to another.

5 Leadership

5.1 Leadership and commitment

5.1.1 General

Guidance for application

The commitment of top management should be demonstrated and made visible by e.g.:
- evidence for the development of clear values and expectations for the organization
- acting as a role model for the organization's values and expectations, leading by example
- providing and receiving training
- making themselves accessible, listening and responding to the organization's people
- being active and personally involved in improvement activities
- reviewing and improving the effectiveness of the whole management group

Top management should normally develop a strategy and vision for the organization. In drafting the strategy/vision for the Classification Society, top management should take due cognizance of any IACS strategy/vision statement.

5.1.2 Customer focus

Guidance for application

See 3.8, definition of customer.

5.2 Policy

5.2.1 Establishing the quality policy

Quality, Safety, Occupational Health & Environmental Protection

The society's policies shall refer to quality of services, safety of life (including occupational safety and health) and property; prevention of pollution and protection of the marine environment.

5.2.2 Communicating the quality policy

5.3 Organizational roles, responsibilities and authorities

The CS/RO shall have named persons who will deputize in the absence of any manager responsible for classification or statutory services and products.

Guidance for application

ISO 9001:2015 attempts to ensure that the ownership of the QMS does not center around a single individual; however the RO Code requires a Management Representative. CS/RO

may elect to have a team of management responsible for the requirements in 5.3, however an individual should be named in order to comply with the RO Code.

6 Planning

6.1 Actions to address risks and opportunities

6.2 Quality objectives and planning to achieve them

6.2.1

Guidance for Application

a) When establishing these objectives, the CS/RO should consider the current and future needs of the CS/RO and the parties influenced by its work.

b) The Quality Management Reviews, among other sources, should produce input to the establishment of quality objectives.

6.2.2

Quality planning is an integral part of the management process. The CS/RO shall implement quality planning for the activities and resources needed to satisfy the quality policy, objectives and requirements. Its output shall be documented, reviewed and revised as necessary.

Guidance for Application

a) Primary input can be:
- *needs and expectations of the customers and other interested parties; e.g. feedback from IMO, flag Administrations and Industry Associations.*
- *performance of the products or services; e.g. Statistics from Port State Control, Casualties, loss trends; feedback on use of software and hardware(see definitions) obtained from internal and external users*
- *performance of the QMS processes; e.g. feedback from internal audits, NCs, and internal comments*
- *lessons learned from previous experience; e.g. from examination of survey reports, casualty investigations or external sources.*
- *risk assessment and mitigation. e.g. an amalgamation of inputs from all of the above, coupled with an evaluation of the effect on safety of life, property and the marine environment. Refer to ISO 31000, Risk management — Principles and guidelines; and ISO 31010, Risk management — Risk Assessment Techniques.*
- *preventive action methodologies may include risk analyses, trend analyses, statistical process control, fault tree analyses, failure modes and effects and criticality analyses.*
- *other sources of information which identifies opportunities for improvement*

b) The output of the planning should include:
- *the responsibility and authority for developing improvement plans;*
- *skills and knowledge needed;*
- *improvement approaches, methodology and tools;*
- *the resources needed;*
- *alternative planning needs;*
- *indicators for performance achievements, and*
- *the need for documentation and records.*

6.3 Planning of changes

7 Support

7.1. Resources

7.1.1 General

In implementing the requirements of this clause 7 the CS/RO shall take into account the whole range of resources needed to develop and maintain the quality management system and the fundamental processes.

7.1.2 People

The CS shall provide worldwide coverage by its exclusive technical staff or, in exceptional and duly justified cases, through exclusive technical staff of other societies.

Guidance for application for statutory services

The CS/RO shall normally perform the work it contracts to undertake with its own exclusive technical staff. While still remaining responsible for the certification on behalf of the flag State, the CS when acting as a RO may subcontract radio surveys to non-exclusive surveyors, in accordance with the RO Code.

7.1.3 Infrastructure

Guidance for application

Systems provided to the technical staff (hardware and software) should be identified and relevant training on their use should be carried out and documented. Special consideration should be given to the situation where technical staff are working out of a home-based office.

7.1.4 Environment for the operation of processes

7.1.4.1 Suitable lighting, ventilation and access conditions shall be made a requirement to permit safe and effective survey to take place. While it is understood that the provision of such environmental conditions is not within the supply of the CS/RO, the environmental conditions under which the survey will be permitted to take place shall be made clear to the customer prior to the service provision commencing, e.g. stating them in the CS's Rules.

7.1.4.2 Training of staff on personal safety shall be carried out and documented.

7.1.4.3 Requirements for personal protective equipment to be used during service provision, and procedures for personal safety of the CS/RO technical staff at work shall be established and documented.

7.1.5 Monitoring and measuring resources

7.1.5.1 General

7.1.5.2 Measurement traceability

7.1.5.2.1 The provisions of 7.1.5.2 apply generally to monitoring and measuring equipment owned or leased by the CS/RO or by an external provider, to provide evidence of conformity of product to determined requirements.

7.1.5.2.2 It does not apply to equipment used by manufacturers, builders, repairers or owners (see 8.5.3).

7.1.6 Organizational knowledge

7.2 Competence

The CS/RO shall perform all its classification and statutory services by the use of competent technical staff that are duly qualified, trained and authorized to execute all duties and activities incumbent upon their employer, within their level of work responsibility.

When implementing the requirements of 7.2, a CS/RO shall consider explicitly the requirements of IMO RO Code and the relevant IACS Procedural Requirements.

7.3 Awareness

7.4 Communication

7.5 Documented information

7.5.1 General

7.5.1.1 The Quality Manual or the QMS documentation shall include or reference:

a) scope of the quality management system, including details of, and justification for any exclusions;
b) management statement on its policy and objectives for, and commitment to, quality;
c) description of the CS/RO's areas of activity and competence;
d) general information about the organization and its head office (name, address, phone number, etc., and legal status);
e) information on the CS/RO's relationship to its parent or associated organizations (where applicable);
f) charts describing the organization's structure;
g) management statement assigning a person designated as responsible for the organization's quality management system;
h) relevant job descriptions;
i) policy statement on qualification and training of personnel;
j) documented processes established for the quality management system, or reference to them;
k) description of the interaction between processes of the quality management system; and
l) description of all other documents required by the quality management system.

7.5.1.2 The CS/RO shall establish a documented procedure to define the controls needed for its documented information.

Guidance for application

The documented procedure should consider the requirements in 7.5.2 and 7.5.3 of the ISO standard as well as 3.5.2 and 3.6.2 of the RO Code.

7.5.2 Creating and updating

7.5.3 Control of documented information

The CS/RO shall maintain records, demonstrating achievement of the required standards in the terms covered by Classification and statutory certification and services performed as well as the effective operation of the quality management system.

7.5.3.2.1 Classification services

Records shall include at least those relevant to:
a) CS's Rules development and associated research,
b) CS's Rules implementation, through:
- verification and/or approval of documents and/or drawings relevant to the design
- approval and survey of materials and equipment,
- survey during construction and installation,
- survey during service,
- issue of Certificates.

c) the register of ships and mobile offshore installations,
d) all other records required by this Quality Management System Requirements document.
Pertinent records from suppliers shall be an element of these data.

7.5.3.2.2 Statutory services

Records shall include at least those relevant to:
a) Implementation of statutory regulations and requirements through:
- verification and/or approval of documents and/or drawings relevant to the design,
- approval and survey of materials and equipment,
- survey during construction and installation,
- survey during service,
- issuance of certificates.

b) Other records required by statutory regulations, in all their applicable instruments relevant to the work of the CS/RO.
c) Records required by authorizing flag States in their agreements with the CS/RO and in normative references contained therein.

Records shall be retained for periods specified in the statutory codes; and in agreements with authorizing flag States, if applicable.

Guidance for Application

i) *The provision of "documented information" shall apply to any type of document, including electronic media, IT applications, etc. where said electronic media may affect the reliability of the service or of the recorded data.*

The provisions of 7.5.2 and 7.5.3 apply to internal documents, such as e.g.:
- *Quality manual/QMS documentation;*
- *Procedures;*
- *CS's Rules;*
- *Register of ships and offshore installations;*
- *Other documented process procedures, where such are considered necessary (these include any circulars or letters, which provide the technical staff and administrative staff with up-to-date information on classification, statutory and related matters);*
- *Specifications and diagrams defining or amplifying service processes;*
- *Pro-forma reports, checklists and certificates appropriate to the activities covered by this certification.*

ii) *The provisions of 7.5.3.2 apply to external documents, such as:*
- *National and International Standards necessary for the activities governed by this instrument;*
- *IMO Conventions and Resolutions;*
- *IACS technical resolutions,*
- *National shipping Regulations and standards appropriate to the authorisations current with the CS/RO;*
- *Documents and data submitted to the CS/RO for verification and/or approval; see also 8.5.2 and 8.5.3,*
- *Specified correspondence defined by the CS/RO to be of an important nature;*

8 Operation

8.1 Operational planning and control

The CS/RO shall plan, implement and control the processes needed to meet the requirements of the following:
a) Classification services

The requirements of the IACS Procedural Requirements, the IACS Unified Requirements, IACS Common Structural Rules (for tankers and bulk carriers) which are incorporated in the CS's Rules or practices.

b) Statutory services

The specific provisions of relevant and applicable statutory regulations, instruments and codes, to be met by a Recognized Organization; the requirements of the IACS Unified Interpretations.

8.2 Requirements for products and services

8.2.1 Customer communication

The CS/ROs shall implement effective communication processes amongst themselves, with flag Administrations and with interested parties: as necessary and/or as required by statutory requirements, instruments and agreements.

The CS/RO shall ensure that appropriate internal communication processes are established within the CS/RO and that communication takes place regarding the effectiveness of the classification and statutory certification and services provided.

8.2.2 Determination of requirements for products and services

8.2.2.1 Classification Services

The provisions of 8.2.2, 8.2.3 and 8.2.4 apply inter alia to:

a) contracts for classification of new constructions (usually between the builder and the CS);
b) contracts for certification of equipment for ships and mobile offshore installations manufactured under type approval or similar programmes (usually between the manufacturer and the CS);
c) contracts for classification after construction including transfers of class (usually between an owner, an owner's agent or a manager and the CS);
d) long-term contracts or agreements for units in service (such contracts, determining fee agreements over a fixed term basis may be signed between an owner, an owner's agent or a manager and the CS);
e) verbal or written requests for attendance, including those from national Administrations or other classification Societies ("service requests");
f) agreements between the CS and other Classification Societies laying down requirements to be followed when acting on their behalf;
g) contracts for provision of software in connection with the classification and statutory certification of ships and mobile offshore installations.

8.2.2.2 Statutory Services
The provisions of 8.2.2, 8.2.3 and 8.2.4 apply inter alia to:
a) contracts for statutory certification of new constructions (usually between the builder and the RO);
b) contracts for approval and certification of equipment for ships and mobile offshore installations manufactured under type approval or similar programmes, as per national,

international and flag State codes and requirements (usually between the manufacturer and the RO);

c) contracts for statutory certification after construction including transfers of flag (usually between an owner, an owner's agent or a manager and the RO);

d) when implementing this paragraph, the specific requirements of the flag Administrations on whose behalf the CS/RO acts as well as any specific national interpretations of International Conventions and Codes shall be determined.

8.2.3 Review of the requirements for products and services

The provisions of 8.2.3 and 8.2.4 apply inter alia to:

8.2.3.1 Before the acceptance of a contract or order, the contract or order shall be reviewed by the CS/RO to ensure that:

a) the customer stated requirements for product and/or services comply with the CS/RO's Rules and Regulations, or statutory requirements, as appropriate;

b) the CS/RO's location has the necessary capability and resources (or has access to the necessary capability and resources elsewhere within the CS/RO), including reference documents, to meet the contract or order requirements for product and/or services.

c) any differences between the contract or order and the applicable requirements for product and/or services shall be resolved before the work is carried out and shall be recorded.

8.2.4 Changes to requirements for products and services

8.3 Design and development of products and services

8.3.1 General

8.3.1.1 The provisions of 8.3 apply to:

a) the design, development and publication of the CS's Rules,

b) the design and development of the classification and statutory services

c) the development and publication of supporting documentation for the effective application of statutory regulations and requirements.

8.3.1.2 The CS/RO shall include in its rules and / or procedures:

a) requirements specified and communicated by the flag State, specifically for statutory certification and services;

b) requirements not stated by the flag State but necessary for specified or intended use, as determined by the CS/RO;

8.3.1.3 Implementation of requirements may be in the form of adoption into the CS/RO's internal requirements or by use of the original documents from IMO or flag State.

Guidance for Application

a) When considering the design of services offered within the scope of this Quality Management System Requirements document, consideration should be given to staff and logistic requirements needed to fulfill the service offered. This includes a means of regularly appraising adequacy of international networks related to customers' needs and a means of

assessing staff needs, both in terms of availability and competence related to specific processes or procedures, to permit satisfactory fulfillment of the stated service.

b) When developing service and service networks to satisfy the needs of flag Administrations and other customers, the degree of application of this requirement may be governed by agreement or contract with these parties, either collectively or individually. Consideration to staff and logistic requirements should be especially given when existing services are significantly modified or new services are developed (e.g. the introduction of new statutory codes).

c) The requirements of 4.5.6 should be considered when applying the requirements of this clause.

8.3.2 Design and development planning

8.3.3 Design and development inputs

Inputs shall also include experience with classification and statutory services of CS/RO of ships, mobile offshore installations and their equipment obtained from within the CS/RO itself and external sources.

8.3.4 Design and development controls

8.3.4.1 Design and development validation shall not be limited to the publication of Rules but shall apply, to the extent necessary, to all other products (see 3.3).

8.3.4.2 In the case of proposed Rules, and amendments to existing ones, the CS shall submit these proposals to organizations representing material manufacturers, builders, engineering companies, owners, professional institutions and statutory authorities, as appropriate, for review and comment. These organizations may be suitably constituted Committees of the CS.

Guidance for Application

a) When developing classification Rules, consideration should be given to the processes and equipment needed (by the owner or manufacturer) to build or maintain ships or mobile offshore installations or equipment in accordance with the CS's Rules. Rules should not be developed without taking into account the availability of processes or equipment necessary for their implementation. This includes whether the Rules reflect the latest manufacturing technologies.

b) The design and development verification may include activities such as:
- *performing alternative calculations,*
- *comparing the new design or development with a similar proven design, if available,*
- *undertaking tests and demonstrations, and*
- *reviewing the design stage documents before release.*

8.3.5 Design and development outputs

8.3.5.1 Classification Services-

Classification Rules are, as a minimum, to provide for:

a) the structural strength of (and where necessary the watertight integrity of) all essential parts of the ship or mobile offshore installation and its appendages,

b) the safety and reliability of the propulsion and steering systems, and those other features and auxiliary systems which have been built into the ship or mobile offshore installation in order to establish and maintain basic conditions on board.

8.3.5.2 Statutory Services- operating instructions, procedures, reference documentation are to comply with the statutory requirements.

8.3.6 Design and development changes

8.4 Control of externally provided processes, products and services

8.4.1 General

8.4.1.1 The CS/RO's quality management system must ensure effective control of the service delivery, regardless of whether it is performed by exclusive technical staff or, where so permitted, by non-exclusive technical staff or agents, considering the specific statutory requirements regarding the use of non-exclusive technical staff for delivery of statutory services. The above provisions apply to external providers, such as:

a) exclusive technical staff of other Classification Societies, with which CS/RO has an agreement and which is recognized by the appropriate flag Administration;

b) agents who provide inspection services on behalf of the CS/RO, but who are also free to work on behalf of other organizations;

c) external providers providing services to the CS/RO such as radio expertise, NDE measurements, underwater inspections. (Note: Where the service is paid for by the owner or builder, the service is considered as customer property – see 8.5.3);

d) software houses who undertake design and development of computer software which is intended to be used in the CS/RO's activities affecting quality of products.

8.4.1.2 The CS/RO shall ensure that the control applied to external providers under items 8.4.1.1 a and 8.4.1.2 b is not less effective than that applied to their own staff engaged in a similar category or process.

8.4.1.3 With regard to the application of these provisions to other CS/RO, due account may be taken of quality management systems in conformance with these Requirements but the responsibility remains with the CS/RO to ensure that the supplying CS/RO provides services fully compatible with the quality policy, objectives and specific requirements of the subcontracting CS/RO (see also 7.1.2).

8.4.1.4 In evaluating the type and extent of control over the external providers, the CS/RO shall take account of the level and complexity of the work assigned and its impact on the quality of the final service of the CS/RO.

8.4.1.5 Before assigning any work to an external provider, the CS/RO shall ensure that any restrictions on the use of external providers which is placed on the CS/RO by bodies such as flag Administrations are strictly complied with.

8.4.2 Type and extent of control

8.4.3 Information for external providers

8.4.3.1 When a CS/RO is engaging external providers to perform activities on its behalf, such as non-exclusive technical staff (see also 8.4.1), agents and other classification societies, appropriate contracts defining the scope of work they are authorized to undertake shall be drawn up. The contracts shall include duties, responsibilities, impartiality and confidentiality

requirements to be complied with by the external providers. The following requirements are to be applied, as applicable:

a) the external providers shall be provided with or have access to the CS's relevant Rules for classification services, relevant operating instructions and procedures;

b) purchasing documents for each job shall include instructions appropriate to the level of work authorized;

c) such documents shall be maintained in a controlled system ensuring the external providers is always provided with applicable issues of documents appropriate to the works being undertaken; and

d) when engaging external providers such as other classification societies, the contracts or agreements shall clearly stipulate which Rules apply.

8.4.3.2 When engaging external providers -specialist suppliers, the CS /RO shall:

a) provide them with clear guidance on the Rules and Regulations to be applied and/or clear instructions on a case by case basis; and

b) shall approve them in accordance with the CS/RO's requirements, considering additional and specific requirements, if any, of the flag State and other applicable statutory instruments, codes and requirements.

8.5 Production and service provision

8.5.1 Control of production and service provision

8.5.1.1 Classification and statutory services- the CS/RO shall implement production and service provision under controlled conditions, which shall include, as applicable:

a) evidence of conformance with the acceptance criteria used shall be documented;

b) during surveys progress shall be documented;

c) records shall indicate the authority responsible for release of product or the evidence of service;

d) controlled production and service operations include the following issues:

1) ready access to the correct issue of the CS's Rules, statutory requirements, standards, codes and specifications appropriate to the work to be done;

2) documented process and/or instructions delineating work to be done and defining responsibilities for such work, where the absence of such procedures/instructions could adversely affect quality;

e) evidence for work carried out shall not be released until all the activities specified in the quality plan and/or procedures and/or instructions have been satisfactorily completed. Records of the above shall be maintained; and

8.5.1.2 Statutory services- the CS/RO shall implement production and service provision under controlled conditions, which shall include, as applicable:

a) an RO accepting a ship that was constructed without a known flag State shall conduct the statutory certification and services of the ship and shall verify, prior to certification, that the

ship complies with national requirements of that flag State with which the ship is to be flagged; and

b) the RO shall not issue statutory certificates to a ship, irrespective of its flag, which has been declassed or is changing class for safety reasons, before giving the opportunity to the Administration of the flag State to give its opinion within a reasonable time as to whether a full inspection is necessary.

8.5.2 Identification and traceability

The identification of products shall be maintained either directly or by cross-reference, for all relevant documents or data. These shall be traceable through the above identification, identity of the ship or the mobile offshore installation and/or associated equipment (e.g. register number, international code, construction number, name), customer's name or other suitable means.

8.5.3 Property belonging to customers or external providers

Services supplied on behalf of the customer witnessed by the CS/RO; where a CS/RO is verifying testing at manufacturers, builders, repairers or owners premises and reporting the same, the CS/RO shall ensure that the measuring devices used in the process are identified and that evidence of calibration is obtained; where a CS/RO is witnessing testing of service equipment installed or available onboard, a means shall be established so that the CS/RO is satisfied as to the appropriate accuracy of the measuring equipment.

Guidance for Application

Customer property includes, inter alia:

a) documents submitted by customers to the CS/RO for verification and approval;

b) documents provided by customers to the CS/RO for evidence of activities performed by them, "documents provided" are those contributing to survey decisions, such as computer calculations, radio experts' reports, underwater inspection reports, NDE measurements; and

c) documents provided by flag Administrations relevant to services provided on their behalf.

8.5.4 Preservation

Guidance for Application

a) The CS/RO should provide methods for unique identification of products, evidence of services and documents;

b) The CS/RO should provide methods of handling products, evidence of services and documents that prevent damage or deterioration both during processing, storage, transmission or transportation;

c) The CS/RO should ensure appropriate conditions for storage in its locations and archives to prevent damage or deterioration of products, evidence of services and documents;

d) Appropriate methods for authorising receipt to and dispatch from locations and storage facilities should be stipulated;

e) The CS/RO should control packaging processes of products, evidence of services and documents to ensure conformance to specified requirements; and

f) The CS/RO should ensure protection of products, evidence of services and documents to prevent access by unauthorized persons both during processing, storage, transmission or transportation. (e.g. a surveyor's recommendation should be prevented from being changed by anyone other than authorized personnel, a recommendation's fact should be preserved).

8.5.5 Post-delivery activities

Where post-delivery activities are included in specified requirements, the CS/RO shall establish and maintain procedures for ensuring that these activities meet the specified requirements.

Guidance for Application

Post-delivery activities mentioned above refer to:

a) Updating of drawing approval software and of other software to internal and external customers, unless they are superseding the Rules;

b) Updating of Rules, Regulations and statutory requirements;

c) Supply of survey status and information to customers; and

d) Supply of information to customers and interested parties, e.g. damages, failures.

8.5.6 Control of changes

8.6 Release of products and services

8.7 Control of nonconforming outputs

The CS/RO shall comply with the instructions of the flag State detailing actions to be followed in the event that a ship is found not fit to proceed to sea without danger to the ship or persons on board, or presenting unreasonable threat or harm to the marine environment.

The CS/RO shall cooperate with port State control Administrations where a ship to which the RO issued the certificates is concerned, in particular, in order to facilitate the rectification of reported deficiencies or other discrepancies.

The CS/RO responsible for issuing the relevant certificate shall, upon receiving a report of an accident or discovering a defect to a ship which affects the safety of the ship or the efficiency or completeness of its life saving appliances or other equipment, cause investigations to be initiated to determine whether a survey is necessary.

A documented procedure shall be established to define the controls and related responsibilities and authorities for dealing with nonconforming outputs.

Guidance for Application

Controls should provide for identification, documentation, evaluation, non-issuance or withdrawal of report or certificate, disposition (treatment) of nonconforming products, and for notification to the internal customer(s) concerned.

Identifying of nonconforming product

All people within the CS/RO should have the authority to report nonconformities at any stage of the processes to initiate prompt and appropriate action(s).

Review and disposition of nonconforming output

Review of nonconformities should be conducted by designated persons to determine whether they constitute trends or a repetition of earlier occurrences. They should be competent to evaluate the effects of the nonconformity and have the authority and resources to define appropriate action(s).

Concession

For accepting with or without correction by concession, consideration should be given to the nonconformities with Rules or statutory requirements during:
- drawing approval,
- survey of materials and equipment,
- survey during construction and installation,
- survey during service.

With reference to ISO 9001, 8.7.1 d), statutory services nonconformities shall be reported for concession to the flag State.

9 Performance evaluation

9.1 Monitoring, measurement, analysis and evaluation

9.1.1 General

The CS/RO shall develop key performance indicators with respect to the performance of statutory certification and services.

Guidance for Application

Measurement, analysis and improvement should include issues such as the following:
- monitoring, measurement, analysis and evaluation should be used to establish appropriate priorities for the CS/RO;
- the measurements employed by the CS/RO should be reviewed periodically, and data should be verified on a continual basis for accuracy and completeness;
- the benchmarking of selected processes as well as customer satisfaction should be employed as an improvement tool;
- the use of measurements and the generation of information are essential for good communication and they should be the basis for improvement and involvement of relevant interested parties; such information should be current, and be clear in its purpose;
- appropriate tools for the communication of information resulting from the analyses of the measurements should be implemented;
- self-assessment should be considered on a periodic basis to assess organizational performance and to define improvement opportunities.

The implemented methods should consider:
- accuracy
- timeliness of product and service delivery
- reliability
- responsiveness
- reaction time of staff to special requests and/or external requests
- staff turnover, as it affects the delivery of products and services.

9.1.2 Customer Satisfaction

The CS/RO shall have a documented process to receive, evaluate and make decisions on complaints and appeals.

Guidance for Application

a) The CS/RO should identify internal and external sources of customer and end – user information available and establish processes to gather, analyse and deploy this information. Examples of customer - related information include:

- *feedback on all aspects of CS/RO's products and services;*
- *customer requirements and contract information;*
- *market needs; and*
- *product and service delivery data.*

b) The CS/RO's process for requesting, monitoring and measuring feedback of customer satisfaction and dissatisfaction should provide information, on a continual basis. It should address conformance to requirements, meeting needs and expectations of customers.

c) The CS/RO should establish and use sources of customer information and should cooperate with its customers in order to anticipate future needs. The CS/RO should plan and establish processes to listen effectively and efficiently to the" voice of the customer".

d) The CS/RO should specify the methodology and measures to be used and the frequency of gathering and analysing data for review.

e) The CS/RO should plan data collection methodologies.

f) Examples of sources of information on customer satisfaction include:

- *customer complaints,*
- *direct communications with customer,*
- *CS/RO's questionnaires for customer and own personnel,*
- *Public opinion poll,*
- *Results of service provision,*
- *Reports in various media,*
- *Studies and Publication on the Maritime and Technical Supervisory Sectors, and*
- *Different Awards for Quality.*

9.1.3 Analysis and evaluation

Guidance for Application

The implemented methods may consider appropriate data and information arising from:

- *Port State Control detentions*
- *casualties*
- *rework of plan approval letters and survey reports*

9.2 Internal audit

A documented procedure shall be established to define the responsibilities and requirements for planning and conducting audits, establishing records and reporting results. Records of audits and their results shall be maintained.

9.2.2.1 The audit scope shall:

a) cover the fundamental processes for the classification and statutory services at various locations with a focus on verification of the efficient and effective implementation of the QMS and applicable work processes at the individual location. The audit periods, which may be established according to the findings, shall ensure that each location is audited at least once per three years; and

b) cover audits at locations which also include visits to selected sites, which operate under the control of the location.

9.2.2.2 When planning the internal audits, consideration shall be given to the status and importance of the processes and areas to be audited, as well as the results of previous audits, flag State feedback, complaints (either related to the location or in general) and appeals including port State and flag State inspections, and to the operation of the locations.

9.2.2.3 The CS/RO shall evaluate and improve the effectiveness and efficiency of the internal audit process.

9.2.2.4 Internal auditors shall also look for and communicate improvement suggestions.

9.2.2.5 The CS/RO shall carry out, annually, Vertical Contract Audits for each of the following processes:
a) plan approval;
b) new construction survey;
c) in-service periodical survey;
d) type approval (where applicable) or survey of other materials and equipment; and
e) audits and MLC inspections.

Evidence of completion of VCAs and findings thereof, shall be retained.

Guidance for Application

When planning specific audits, the scope may need to have a different emphasis depending on the type of location.

9.3 Management review

9.3.1 General

The interval between the management reviews shall not be more than 13 months.

9.3.2 Management review inputs

Any output from local/regional management reviews containing information relevant to product and service provision, quality objectives, customer complaints, activity monitoring, etc., throughout the CS/RO, shall be used as input to the top management review.

9.3.3 Management review outputs

In connection with the requirements of 5.1.1, top management shall ensure that the results of the top management review of the quality management system, including the derived quality objectives, are documented and communicated throughout the organization, as appropriate.

Guidance for Application

Clause 9.3.3 (a) covers improvement of services related to the requirements established in the authorization agreement between a flag State and the CS/RO.

10 Improvement

10.1 General

Guidance for Application

Sources of Information
The CS/RO should identify sources of information and establish processes for collection of information for planning continual improvement, corrective and preventive actions. The examples of such sources of information include:
- customer complaints;
- nonconformance reports;
- outputs from management reviews;
- internal audit reports;
- outputs from data analysis;
- relevant records;
- outputs from customer feedback and satisfaction measurements;
- process measurements;
- results of self-assessment; and
- in-service experience.

10.2. Nonconformity and corrective action

Documented procedure shall be established to define requirements for reviewing non-conformities, determining the cause of non-conformities, evaluating the need for action to ensure that non-conformities do not recur, determining and implementing action needed, records of the results of action taken and reviewing the effectiveness of the corrective action taken.

Guidance for Application

a) A corrective action, being an action aimed at eliminating the causes of a nonconformity to prevent its recurrence, should apply to both the quality management system and the product or service.

b) When identifying the causes for nonconformities, consideration should be given to documented information, appropriate resources.

c) Corrective action planning should evaluate the significance of problems affecting quality in terms of their potential impact on such aspects as costs of nonconformity, performance, dependability, safety and customer satisfaction.

d) Appropriate CS/RO functions should be represented in the corrective action process.

e) Efficiency as well as effectiveness of processes should be emphasized when actions are taken and actions should be monitored to ensure that desired outputs are met.

f) Corrective actions should be considered for inclusion in the management review process, especially those that have a significant potential impact on customer satisfaction.

10.3 Continual Improvement

A documented procedure shall be established to define requirements for determining potential non-conformities and their causes, evaluating the need for action to prevent occurrence of non-conformities, determining and implementing action needed, records of results of action taken and reviewing the effectiveness of the preventive action taken.

Guidance for Application

a) The CS/RO should continually seek to improve its processes, rather than wait for a problem to reveal opportunities for improvement, through the use of the quality policy, quality objectives, audit results, analysis of data, corrective and preventive actions and management review. Actions to address the risks and opportunities should be integrated and implemented in the CS/RO's quality management system processes.

b) Potential improvements can range from continual activities to long-term improvement projects.

c) The CS/RO should have a process in place to identify and manage improvement projects.

ANNEX 3: REQUIREMENTS FOR ACCREDITED CERTIFICATION BODIES FOR AUDITING CLASSIFICATION SOCIETIES IN ACCORDANCE WITH QSCS QUALITY MANAGEMENT SYSTEM CERTIFICATION

1. INTRODUCTION

1.1 The objective of this Annex is to establish the procedure to be followed by a Classification Society, whether an IACS Member or Applicant for membership of IACS (all of whom shall be referred to in this Requirement as "CSs") for selecting and contracting an independent Accredited Certification Body (ACB) with adequate capabilities for the auditing and certification of the CSs Quality Management System (QMS) in compliance with the IACS QSCS Requirements and Membership Criteria.

1.2 IACS QSCS provides for audits and assessment of compliance with the QSCS to be carried out by independent external Accredited Certification Bodies (ACBs), and can be applied equally to IACS Members, Applicants and non-IACS Classification Societies.

1.3 IACS QSCS imposes no restrictions on the ability of non-IACS Classification Societies to request ACBs to audit and assess their compliance with the QSCS or any of its individual elements, all of which are published on IACS' website at www.iacs.org.uk and in the event of achieving certification by an ACB, to issue a statement of compliance with the QSCS or such elements thereof as are satisfied.

1.4 IACS organises annually an “End-User Workshop” as a meeting platform with the IACS Recognised ACBs with the following intent of continual improvement of QSCS by:

- Updating the ACBs regarding the forthcoming changes to QSCS;
- Providing feedback to the ACBs on common issues arising out of their audits;
- Sharing experiences of ACBs in auditing as per the Scheme;
- Soliciting feedback from the ACBs regarding QSCS.

This EUW is normally open for participation by other stakeholders of QSCS such as the AVC; flag States; non-IACS Classification Societies and ACBs; QACE, EMSA, IMO.

2. DEFINITIONS

In the context of this procedure, the following definitions apply:

2.1 **Accredited Certification Body (ACB):** an organisation accredited to comply with ISO/IEC 17021standard by an accreditation body who is signatory to the International Accreditation Forum (IAF) Multinational Recognition Agreement (MLA).

2.2 **Applicant:** a Classification Society which has been granted Applicant status in accordance with the IACS Charter

2.3 **Common Structural Rules (CSR):** a comprehensive set of minimum requirements for the classification of the hull structures of double-hull oil tankers and bulk carriers, in relation to which the contract for construction has been signed on or after 1 April 2006.

2.4 **IACS Ltd**: a company limited by guarantees provided by IACS' Members, the purpose of which is to provide permanent secretariat services to IACS.

2.5 **IACS Member**: a CS having the rights and obligations laid down in the current IACS' Charter.

2.6 **IACS Resolutions**: IACS' URs, including CSR, UIs and PRs.

2.7 **International Maritime Organisation (IMO):** the United Nations' organisation dealing with aspects related to safety of life at sea, security and protection of the marine environment (see www.imo.org).

2.8 **International Organization for Standardization (ISO):** the international organisation dealing with the development of quality and industry standards (see www.iso.org).

2.9 **Non-IACS Classification Society:** a CS which is not an IACS Member or an Applicant.

2.10 **Procedural Requirements (PRs):** IACS resolutions on technical matters of procedure.

2.11 **Quality Advisory Committee (AVC):** an external committee composed of representatives of organisations concerned with the quality of services provided by IACS Members, including the IMO (as observer), fFlag and Port States, international industry associations, insurers and underwriters, and which provides advice on matters related to the contents and application of QSCS.

2.12 **Quality Committee (QC):** a committee composed of representatives of IACS Members, responsible for QSCS development, maintenance and continual improvement.

2.13 **Quality Management System Requirements (QMSR):** a set of IACS requirements based on internationally recognised quality standards (i.e. ISO 9001 and ISO-IEC 17020) and IMO Resolution MSC.349(92), as far as applicable to CSs.

2.14 **Quality Secretary (QS):** a person employed by IACS Ltd responsible for co-ordinating the QSCS Operating Centre and for producing periodic Quality Management Review reports based on audit findings, aimed at identifying areas for continual QSCS improvement.

2.15 **Quality System Certification Scheme (QSCS):** the audit and certification scheme adopted by IACS and which comprises (i) the QMSR and (ii) the IACS Resolutions.

2.16 **QSCS Operations Centre (OC):** a group of auditors and lead auditors conducting the QSCS audits until 31 December 2010, employed or contracted by IACS Ltd and co-ordinated by the IACS Quality Secretary.

2.17 **Unified Requirements (URs):** minimum technical requirements adopted by IACS which, subject to ratification by the governing body of each CS, are to be incorporated in its rules and practices. URs set forth minimum requirements; each CS remains free to set more stringent requirements.

2.18 **Unified Interpretations (UIs):** IACS resolutions on matters arising from implementing the requirements of IMO instruments. They provide uniform interpretations of Convention Regulations or IMO Resolutions on those matters which in the Convention are left to the satisfaction of the Administration or where more precise wording is found to be necessary.

2.19 **Vertical Contract Audit (VCA):** A contract/order specific audit of production processes, including witnessing work during attendance at survey, audit or plan approval in progress and as applicable, including relevant sup-processes. VCAs are carried out at locations and/or sites to verify the correct application of relevant requirements in service realization for the specific work in that contract/order, and their interactions.

3. REFERENCES

3.1 ISO 9001 "Quality Management System Requirements".

3.2 ISO 19011 "Guidelines for Quality and/or Environmental Management System Auditing".

3.3 ISO/IEC 17020 "General Criteria for the Operation of Various Types of Bodies Performing Inspection".

3.4 ISO/IEC 17021 "Conformity Assessment – Requirements for Bodies Providing Audit and Certification of Management Systems".

3.5 IMO Resolution MSC.349 (92): International Maritime Organization's Code for Recognized Organizations.

4. MINIMUM REQUIREMENTS

4.1 In order to audit and certify a CS's quality management system against the QSCS requirements, the ACB is to meet the following minimum requirements (the Minimum Requirements):

4.2 It shall be accredited to comply with ISO/IEC 17021 standard by an accreditation body who is signatory to of International Accreditation Forum (IAF) Multinational Recognition Agreement (MLA).

4.3 It shall have worldwide recognised accreditation from among the following NACE and/or EAC codes:

(a) **NACE Codes**: Machinery and equipment - 25.4, 28, 30.4, 33.12, 33.2 ; Electrical and optical equipment - 26, 27, 33.13, 33.14, 95.1; Shipbuilding - 30.1, 33.15; Engineering services - 71, 72, 74 (except 74.3); Transport, storage - 49, 50, 52

(b) **EAC Codes**: 17/17.1,18/18.1, 20 and 34.

4.4 It shall have access to adequate resources to carry out the QSCS audits, covering the survey network of the CS, as necessary.

4.5 It shall neither be owned by, be a subsidiary body of, or affiliated, in anyway, to any Classification Society whether an IACS Member, an Applicant society or any other non-IACS society.

4.6 It shall assign to QSCS audits teams that have:

(a) General auditing competence qualifications based on the guidance provided in ISO 19011 standard, ISO/IEC17021 and based on the processes carried out at

the location being audited, the knowledge and experience relating to the relevant NACE or EAC Codes referenced in paragraph 4.1.ii above.

(b) Specific IACS QSCS knowledge and experience relevant theoretical knowledge and practical experience in applying IACS QSCS, IACS technical resolutions and CS' Rules for classification and statutory service activities of not less than 2 years within the preceding 5 year period immediately prior to the auditor's recognition under this scheme. Knowledge and experience will be accepted if gained through:

(i) working for an IACS Member in a position of responsibility dealing with;

- technical matters, or
- quality management, or
- office/plan approvals, or
- internal quality auditing, or
- marine surveying, or
- marine management systems auditing, or

(ii) working for the IACS OC as an IACS QSCS auditor or sub-contract auditor, or

(iii) working for a flag Administration, as a port State or flag State inspector, or

(iv) auditors that joined the Scheme prior to January 2012[9] and have maintained their eligibility to carry out IACS QSCS audits including completing the Refresher training at least once a calendar year, will continue to be accepted

(c) IACS QSCS training

(i) all team members must have attended and satisfactorily completed the IACS QSCS Familiarization training course. Auditors with previous IACS QSCS experience, recognized in accordance with para 4.1(v)(2)(b), may however be exempted from the familiarization course by QC.

(ii) all team members must have attended and satisfactorily completed the IACS QSCS Refresher training courses at least once a calendar year. QC will give consideration to justified deviation(s) on a case by case basis

(d) English language

Fluency in oral and written English: when necessary (e.g. in case of audits observed by IACS OC) provision should be made by the CS for translation into English, in accordance with IAF guidelines and ISO/IEC 17021 requirements.

[9] Condition will be removed when the auditor pool no longer meets the condition.

4.7 Clarifications

In the context of these requirements, the following clarifications apply:

(a) An audit team comprises one or more member(s) (auditors) who conduct a QSCS audit of any part of a Classification Society, irrespective of its geographical/physical location or organizational nomenclature (head office /controlling office/plan approval office/location/station etc.);

(b) Composition of audit teams shall be in accordance with the following table:

Audit type / requirement paragraph	Office audit	VCA
para (1) Auditing competence	Formal qualification required for all team members	General knowledge required, Ref. ISO 19011
para (2) IACS QSCS experience	at least one team member	at least one team member
para (3) IACS QSCS training	all team members	all team members
para (4) fluency in English	at least one team member	at least one team member

(c) To maintain their eligibility to carry out IACS QSCS audits, all QSCS auditors shall:

(i) complete as a minimum of 7 audits or 20 audit days per calendar year (VCAs will be counted). QC will give special consideration to instances where, in any given calendar year, this has not been achieved: and,

(ii) be subject to observation by IACS OC;

(d) It shall identify and declare to the CS and IACS any real or potential conflict of interest and have in place procedures to prevent and remove any such conflict of interest.

(e) Where a national accreditation authority, e.g. China Certification and Accreditation Association (CCAA), requires that auditors of ISO-9001 audit teams that provide audit services in areas under its jurisdiction shall be registered with the authority subject to its relevant requirements, such auditors may be exempted from the QSCS qualification requirements only if their audit time is not considered in computing the audit time and or team composition requirements prescribed in Volume 3.

(f) New auditors that have satisfactorily completed the familiarisation assessment will accompany a more experienced auditor, as a trainee to gain experience in the conduct, execution and reporting of QSCS audits. When the ACB considers the auditor is able to work independently, arrangements will be made for IACS Operation Centre to observe the auditor on his/her first independent QSCS audit, which he/she shall lead, after satisfactorily completing the familiarisation assessment.

4.8 Subsequent to satisfactorily agreeing and establishing contractual arrangements with their chosen ACB, the CS shall send to the QS all the information necessary to enable IACS (on the recommendation of the QS) to verify that the documentation provided by the ACB in question satisfies the Minimum Requirements. In submitting information to the QS, the CS shall identify any information which it regards as confidential; the QS shall not transmit such information to IACS.

4.9 The QS shall respect the confidentiality of any information provided pursuant to paragraph 4.2 above.

4.10 Where IACS is satisfied that the ACB satisfies the Minimum Requirements, IACS shall include the ACB in question on the list of ACBs as compliant with the Minimum Requirements in section 4.1.

4.11 Any ACB that appears on the IACS list of ACBs that have been verified as compliant with the Minimum Requirements[10] shall be permitted to refer to this fact publicly.

4.12 Any CS that possesses a valid QSCS compliance certificate issued by an ACB that appears on the IACS list of ACBs that have been verified as compliant with the Minimum Requirements shall be permitted to refer to this fact publicly.

4.13 During the periodical verification of membership (every three years) or when deemed necessary, IACS may request any Member to provide any information to verify that its ACB continues to satisfy the Minimum Requirements.

4.14 Responsibility of the Classification Society

(a) The CS has primary responsibility to ensure the individual auditors and the audit teams comply with the above requirements. Towards this, each CS shall, inter alia:

(b) satisfy itself that the requirements specified above are met by each individual auditor and each audit team, as a whole, appointed to carry out a specific audit of the CS;

(c) verify that each auditor has not been employed or contracted, for whatever purpose, by the CS during the three years immediately prior to the audit;

(d) transmit, in a timely manner, details of the audit team, agreed audit schedule and each individual audit plan and for every audit i.e. not just those being observed by OC, to the QS or the appointed IACS Observer.

4.15 Responsibility of Quality Secretary

(a) IACS QS has the responsibility, shared with QC, to monitor and verify compliance by each IACS Member with these requirements in order to ensure uniformity and consistency of implementation across the IACS membership. Consequently, the QS shall, inter alia:

(b) submit, along with the recommendation of OC, in an anonymous format, the nominated auditors' qualification and experience data to QC for review, immediately on request and receipt of such nominations from each IACS Member;

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[9] List of ACBs is available on the IACS web site – www.iacs.org.uk

(c) formally advise the classification society and its ACB of the outcome of that review, as soon as QC has concluded the review;

(d) maintain a list of auditors recognised as eligible to be used for auditing IACS QSCS, including their qualification, experience and QSCS auditing data;

(e) post on the ACB web site the recognized list of auditors.

4.16 Responsibility of Quality Committee

(a) IACS QC shall monitor the above mentioned compliance verification on the basis of information provided by QS. Reference is also made to this Volume 3, point C1.3 (d) and (h).

(b) QC can recommend, when found necessary, changes to any requirement laid down in this Annex 3.

5. THE CONTRACTED SERVICES

5.1 The CS shall enter into a contract with its chosen ACB which includes provisions which are the same as or equivalent to those set out in the **Annex** hereto.

5.2 The QS shall be permitted to request the CS to provide him with a copy of the contract except for those provisions relevant to audit fees and expenses. The QS shall respect the confidentiality of the contract and shall not communicate it to any third party.

6. NON-IACS CLASSIFICATION SOCIETIES

6.1 Any non-IACS Classification Society may:

i. request the QS to verify that the necessary information attesting that an ACB selected by it satisfies the Minimum Requirements, unless the ACB already appears on the IACS list of ACBs as compliant with the Minimum Requirements;
ii. if in possession of a QSCS certificate issued by an ACB which appears on the IACS list of ACBs that have been verified as compliant with the Minimum Requirements, publicly refer to this fact;
iii. include in its contract with its chosen ACB provisions which are the same as or equivalent to those set out in the **Annex A** hereto.

7. FEES

7.1 Requests for the QS to verify an ACB satisfies the Minimum Requirements, made by any classification society, whether an IACS Member, an Applicant or Non-IACS Classification Society, will be subject to reasonable charges levied at an hourly rate and will include associated travel and subsistence costs.

7.2 Attendance at the IACS ACB auditors' familiarisation and refresher courses (see paragraph 4.6 (c) above) will be subject to a reasonable and proportionate fee.

ANNEX A: THE CONTRACTED SERVICES

1. Audit Process

1.1 The Accredited Certification Body (ACB) shall conduct the audits in accordance with ISO 19011 to verify compliance with the ISO 9001 standard and the IACS Quality System Certification Scheme (QSCS) Requirements and in accordance with IACS "*GUIDANCE FOR PREPARATION TIME AND CONDUCT OF QSCS AUDITS"* at Annex 8.

1.2 The ACB shall issue/reconfirm validity of the ISO 9001 Certificate, as well as the QSCS Statement of Compliance (which shall be submitted to IACS Quality Secretary by 31st January each year), upon positive outcome of its audit process.

1.3 The audit by the ACB shall cover, as a minimum, the scope of certification in accordance with Section 1.1 of the QSCS Quality Management System Requirements (QMSR), i.e. classification and statutory work.

1.4 Audits shall include audits at head office, controlling offices (if any), plan approval centres and survey locations of the CS's network selected by the ACB, as well as VCA's, noting that;

(a) The head office and at least one controlling office (if any) shall be audited annually;
(b) One (1) Plan Approval Centre shall be audited annually, ensuring coverage of Plan Approval Centres in Europe, Asia and Americas over a three year period. If the CS does not have Plan Approval Centres in each of Europe, Asia and Americas, the full extent of its plan approval activities should be covered in any three year period;
(c) The sampling number of additional locations shall be determined by ACB according to their accredited sampling requirements.
(d) The minimum number of VCA's which IACS Members and Applicants are to undergo per year will be determined by the requirements laid down in section 2.2.2 of K. VERTICAL CONTRACT AUDITS (VCA). The scope of VCA's shall cover new construction, ships-in-service, ISM/ISPS/MLC certification and material and equipment inspection (see section 1.5 of K. VERTICAL CONTRACT AUDITS (VCA)).

1.5 IAF MD5:2009, as may be amended from time to time, (used to determine the number of audit days for purely ISO-9001 audits) will be used to calculate the number of audit days with additional time added for sampling in order to accommodate the QMSR and IACS Resolutions. This is expected to be in the order of an increase of 20%.

1.6 Where possible and cognisant of the required number of VCA's declared (see paragraph 1.4.d above) as part of the audits at survey locations the ACB shall perform Vertical Contract Audits (VCAs) relating to selected processes where work is being carried out by an employee (surveyor or auditor or inspector) of the CS in the field (e.g. on board ships or at the manufacturers works, shipyards, workshops, etc.) under a contract between the CS and its customer.

1.7 The ACB must have provisions in its contract with the CS to cover the cases of contract discontinuation. In the case of contract discontinuation between an ACB and a CS, the QS may have to ensure the continuity of the certification of the concerned CS for a period of time until a new ACB is contracted by the said CS.

2. Reporting and Filing

2.1 The ACB shall contribute to the development of QSCS by directly providing the QS with any feedback on matters of interpretation or ambiguous system requirements.

2.2 The ACB shall not reveal in the audit reports any information that is sensitive, such as financial information, data containing specific prices or rates, supply or name CS personnel or performance related information. Ships and companies may be identified by IMO or company number.

2.3 The ACB shall notify the CS which it audits without delay of any matter which adversely affects the certification.

2.4 Audit reports shall be in the English language.

2.5 The CS shall report to the QS audit findings in accordance with IACS Procedures.

3. Participation of external observers in ACB audits

3.1 The ACB shall allow the participation of external observers during the conduct of audits, e.g. by national Administrations, EU/EMSA, the IMO Observer to QSCS and/or a delegate of the IACS QS.

3.2 The CS shall provide assistance and facilitate any planned external observer's participation pursuant to 3.1 above.

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ANNEX 4: IACS PROCEDURE FOR HANDLING A COMPLAINT

1. INTRODUCTION

This IACS Procedure for handling a Complaint is without prejudice to any right that any party may have pursuant to the IACS Charter and its Annexes to submit an appeal to the Independent Appeal Board (IAB).

1.1 IACS takes complaints seriously and shall ensure that admissible complaints are handled according to the procedures established by the IACS Council. IACS endeavours to give to the complainant and the defending party, if any, a comprehensive and reasoned answer, in a timely manner.

1.2 IACS shall uphold the principles of fairness and objectivity in the handling of complaints and shall respect the right of appeal.

1.3 All complaints should be addressed to the IACS Secretary General (SG) in writing, clearly, explaining the nature of the complaint in detail and attaching any supporting evidence.

1.4 The English language is to be used for all documents and communication. Electronic transmission of documents is recommended.

1.5 The IACS Secretary General (SG) will conduct an initial review of the complaint and refer it according to the following guidelines.

2. ADMISSIBILITY GUIDELINES

2.1 A complaint, defined as an allegation made in writing concerning IACS technical resolutions or services provided by IACS or by IACS Member CS will be considered by IACS pursuant to this procedure subject to the complainant having fulfilled all the following provisions:

(i) the complaint having been fully pursued with the Member(s), at all appropriate levels, as per the Member's (s') complaint handling procedures;

(ii) the complaint is not the subject of existing legal or arbitration proceedings neither are there threats to commence such legal or arbitration proceedings;

(iii) there being prima facie evidence of direct involvement of the activities of IACS or its Members;

(iv) the complaint concerning the application of contracts between parties, of which at least one must be an IACS member;

(v) the complaint being against an IACS Member CS(ies) in its activities as covered by the scope of QSCS;

(vi) the complaint being received by IACS not more than three years after the occurrence of the events to which they refer.

3. RESPONSIBILITY FOR COMPLAINT REVIEW

3.1 Complaints relating to the obligations of IACS and its Members under the QSCS and its related requirements (QMSR, PRs, URs, CSRs and UIs) will be reviewed by the Secretary General (SG) and subsequently referred to either the Quality Secretary (QS), Quality Committee (QC) or General Policy Group (GPG), as appropriate.

3.2 Complaints relating to the performance and behaviour of the Quality Committee (QC) and the Quality Advisory Committee (AVC) will be referred to the QC and AVC respectively and subsequently, to the IACS Council.

3.3 Complaints relating to the performance and behaviour of the GPG will be referred to the GPG and subsequently, to the IACS Council.

3.4 Complaints relating to the performance and behaviour of the IACS Council will be referred to the IACS Council.

3.5 Complaints relating to the performance and behaviour of the IACS Operations Centre staff, in relation to QSCS, will be referred to the Quality Secretary (QS) and subsequently, to the Quality Committee (QC).

3.6 Complaints relating to the performance and behaviour of the Quality Secretary (QS) will be reviewed by the Quality Committee (QC), in relation to QSCS, and by the IACS Secretary General (SG), for any other matter.

3.7 Complaints relating to the performance and behaviour of the IACS Secretary General (SG) will be reviewed by the IACS Council.

3.8 Complaints relating to membership of IACS will be reviewed by the IACS Council. This is without prejudice to any rights or obligations regarding membership which are included in the IACS Charter and in Volume 2 of the IACS Procedures.

4. PROCEDURE FOR HANDLING A COMPLAINT

4.1 The PS will, on receipt of the complaint, refer to the above and consider whether the complaint is admissible pursuant to the guidelines. If the complaint is admissible the complainant and any other party against which the complaint is made will be advised of the person/body that will consider the complaint.

4.2 If the complaint is not admissible, the PS will respond to the complainant stating the reasons why the complaint is not admissible. The non-admissible complaint will be kept in the IACS files in case of an appeal

4.3 The person/body responsible for considering the complaint will be entitled to have access to all relevant evidence, as determined by such person/body and will prescribe the procedure for such determination, e.g. by correspondence or personal attendance.

4.4 The person/body responsible for the handling of the complaint shall consider the complaint fairly, objectively and as expeditiously as possible. No directly interested party shall be entitled to be a member of the body, neither be the person, considering the complaint. Directly interested party means being an employee or former employee (by less than 5 years) of one of the IACS members against which the complaint is made.

4.5 The person/body responsible for the handling of the complaint shall, prior to issuing its decision, inform in writing the complainant and any other party against which the complaint is made about the conclusions reached so that final observations can be made by the complainant and defending parties (the latter being entitled to the last answer) within a time frame set by the person/body responsible for the consideration of the complaint.

4.6 The decision of the person/body handling the complaint will be issued in writing and reported directly to the PS who will then inform all interested parties.

4.7 The QS will report complaints according to IACS procedures to IACS Council, QC and AVC.

4.8 The direct costs and expenses associated to the handling of the complaint if incurred will be borne initially by the PS who will subsequently apportion it at his discretion.

5. APPEALS

5.1 Complaints handled according to this procedure and communicated through the PS may be appealed. Such appeals shall be dealt with as per guidance in section 3.

6. CONFIDENTIALITY

6.1 All involved parties are bound to respect the confidentiality of any information they may receive in the execution of the requirements of this procedure.

ANNEX 5: PROCEDURE FOR AVC OBSERVATION OF ACB AUDITS OF IACS MEMBER SOCIETIES

1. Purpose of AVC observation ACB audits

1.1 To enable AVC Members to observe at first hand the conduct of audits of IACS Members, in order to assist the AVC in fulfilling its responsibilities in advising IACS QC in enhancing the effectiveness of QSCS.

1.2 Promote transparency and continual improvement of QSCS.

2. Co-ordination of AVC observations

2.1 AVC Members requests to observe an audit (excluding shipboard VCA for reasons of safety) should be made through the AVC Chairman to IACS QS. The QS will then liaise with the QC to ensure a rational and cost effective approach to observations and thus avoid an excessive number of observers attending any one audit noting that other parties also have obligations to observe ACB audits.

2.2 All parties will endeavour to keep associated costs to an absolute minimum and it is anticipated that no more than two observations will be conducted per year.

2.3 Associated costs will be for IACS OC account (budget agreed annually by IACS Council at its winter meeting).

2.4 When a suitable audit has been identified and agreed between the ACB, AVC Member and the CS it will be for the AVC Member to agree practical arrangements in direct liaison with the CS.

3. Reporting

3.1 On completion of the observation the AVC member will provide verbal feedback to the CS at the conclusion of their observation and before departing the audit. In principle the observation will not impose or require any direct action or follow up to be taken by either the ACB or CS.
The AVC member will provide a short and timely written report to the next scheduled meeting of the AVC, QC and/or joint AVC/QC meeting (copied to IACS QS) regarding their observation. The AVC and QC will take whatever action, if any, they consider appropriate.

3.2 The AVC observers are bound by confidentiality as an AVC Member (see Functions of AVC).

ANNEX 6: WORK INSTRUCTION FOR THE OBSERVATION OF ACB AUDITS OF IACS MEMBERS AND APPLICANT SOCIETIES BY IACS OPERATIONS CENTRE

1. Purpose

1.1 To supplement with required and detailed instructions for the Observers, the procedure "QUALITY SECRETARY' OBSERVATION OF ACB AUDITS OF IACS MEMBERS AND APPLICANTS" as was agreed at the 2010 ACB End User Workshop.

1.2 To attain as great a degree of objectivity and consistency in the observation process as possible, in order to;

a) Contribute to the IACS philosophy of continual improvement of QSCS with a view to maintain the robustness, integrity and consistency of the scheme;
b) Provide meaningful feedback to the ACB, individual ACB auditors and Classification Society in the context of the audits;
c) Provide constructive input to ACB End User Workshops and training courses.

2. Methodology

2.1 Audits to be observed will be selected by IACS Operations Centre on the basis of type, date and location of planned audits submitted by ACB's/IACS Members Societies to IACS Operations Centre.

2.2 ACBs shall obtain permission from the Classification Society to release any audit related information to the IACS Operations Centre

2.3 Specific dates of audits should be submitted to IACS OC according to the following schedule:

a) Head Office – by the 31 January each year;

b) Survey Location and new construction VCA's – as soon as known but not less than 4 weeks prior to the audit;

c) Ship in Service and material/equipment, VCA – as soon as possible.

2.4 Audit plans should be forwarded to IACS OC for all audits at the same time they are issued to the Classification Society.

2.5 IACS OC will maintain a calendar detailing all known audit details in order to plan observations as economically as possible.

2.6 IACS Audit Managers will be allocated lead responsibility for certain societies (using the schedule previously used for audits prior to 2011) but will observe audits of other societies also to promote consistency and homogeneity in approach and implementation.

2.7 The Quality Secretary will arrange an annual meeting of IACS Audit Managers at the beginning of the year.

2.8 The number of IACS Observers at all audits will be in principle limited to one unless there are special reasons which will be discussed and agreed with the concerned CS.

2.9 All observers shall declare any conflict of interest and sign Confidentiality Agreement with the Classification Society to ensure that all audit related information is kept confidential between IACS Operations Centre, Classification Society and ACB.

3. Reporting

3.1 The observer will make no comment during the Closing Meeting. IACS Observer(s) will refrain from intervening, offering advice or expressing an opinion during the audit unless specifically invited to do so by the ACB or CS, or that in the professional judgement of the IACS Observer, it would be appropriate to do so.

3.2 However if in the course of his observation, the IACS Observer identifies a critical situation which in his opinion is not dealt with appropriately, the IACS Observer will draw privately, as soon as possible the attention of the auditor and suggest clearly an appropriate course of action. Later on the IACS Observer will document this fully in his debriefing and in his observation report

3.3 The ACB Team Leader will provide details to the Observer about what nonconformities and other findings (e.g. observations, Areas of Concerns, etc.) are to be issued by the audit team, latest at the time of the closing meeting.

3.4 The IACS Observers debrief the ACB auditor(s) and the quality Manager of the concerned CS during a meeting which will take place after the closing meeting of the concerned audit with adequate time being allotted for each observed auditor.

3.5 To improve this feedback process and reinforce its objectivity the concerned IACS observer will fill the pertinent parts of the assessment methodology table right after the observed audit and discuss the various ratings with the attendants for a better feedback. The QM or his representative of the CS will be given the opportunity to discuss the rating with the IACS Observer at the end of each observed audit and at the end of the year after completion of the audit cycle with QS/IACS Audit manager.

3.6 The formal written report, in the format Q3 shall be submitted by the IACS Observer to the IACS Quality Secretary not later than 15 days after the closing meeting of the observed audit.

3.7 The final written report will be forwarded by the IACS Quality Secretary to the ACB and Classification Society's QC Representative not later than 30 working days after the closing meeting of the observed audit.

3.8 The IACS Quality Secretary will make available anonymous OC observation reports, for feedback and discussion at IACS meetings, including AVC and annual End User Workshop with all ACB's.

4. Costs associated with IACS Operations Centre observation

4.1 Travel, subsistence expenses at cost, accommodation and other sundry expenses necessarily and reasonably incurred by IACS OC personnel in fulfilling their responsibility of observing ACB audits of IACS Members and Applicant Societies will be borne by the Classification Society under audit.

4.2 Travel by air will be business class (under 4 hours flight to be economy); ferry and rail first class. Hotel accommodation will be business class standard.

4.3 Wherever practicable Societies under audit will arrange and pay directly for hotel accommodation. Alternatively where subsistence expenses at cost, accommodation and other sundry expenses are paid by the OC staff directly, the expense will be reimbursed in accordance with IACS accounting procedures. Wherever possible receipts will be provided but if not available the QS' endorsement of the costs will be accepted.

ANNEX 7: PROCEDURE FOR THE COMPILATION, MAINTENANCE AND AVAILABILITY OF THE CONSOLIDATED LIST OF RECOGNISED AUDITORS OF IACS QSCS

1. Purpose:

1.1 To describe the processes by which the IACS QS compiles, maintains and makes available the list of recognised auditors to each IACS CS[11] and its chosen ACB.

2. Responsibilities:

2.1 Primary responsibility to ensure only suitably qualified auditors are used for the audit of IACS Societies under the QSCS lies with the ACB;

2.2 The IACS CS contracting with its chosen ACB for the conduct of audits under QSCS is responsible to ensure the ACB satisfies the Minimum Requirements as described in section H.1 of Volume 3 *"IACS Quality System Certification Scheme (QSCS)[12]"*.

2.3 IACS QS is responsible for verifying that the requirements have been fulfilled to ensure consistent application of the requirements amongst IACS Societies.

3. Compilation of the list:

3.1 The CV of potential auditors shall be submitted by the ACB to its CS. The CS will then send the CV in both full and anonymous format to the QS.

3.2 The QS will then circulate the anonymous CV, with his recommendation, to the QC for its consideration and decision.

3.3 Auditors recognised by IACS QC as meeting the criteria described in section H1 and paragraphs 4.1(v)(2) and/or (3) of Annex 3 of this Volume 3, shall be included on the *Consolidated List of Recognised Auditors.*.

3.4 The QS will maintain the list of recognised auditors, referred to in C.3.3 above, on the ACB web site, and so advise both CS and its ACB.

4. Maintenance of the list:

4.1 The *Consolidated List* consists of audit details, training courses and compliance status.

4.2. The ACB auditors are responsible to provide details of all their audits (with data such as audit type, days, hours and others as relevant) to IACS OC.

4.3 IACS OC will update and maintain the list, in all aspects.

4.4 This list is subject to periodic review by QC.

4.5 CS's and their chosen ACB are required to regularly review the list of recognised auditors (in accordance with Annex 3) and advise the QS accordingly of any required changes together with supporting documentation as may be required.

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[11] IACS Societies means IACS Member and Applicant Societies
[12] Available on IACS public website www.iacs.org.uk

5. Availability of Consolidated List of Recognised Auditors:

5.1 On request and on a confidential basis, and under advice to the concerned CS the list of auditors for any given CS will be made available to:

a) flag Administrations,
b) QACE,
c) EMSA,
d) IMO Observer to the scheme and
e) AVC Members

ANNEX 8: GUIDANCE FOR CONDUCT OF QSCS AUDITS

1. Definition

1.1 The audit days are audit man days; they are considered as being the time required to perform audits according to QSCS requirements. Travel time is not included in these figures.

2. Preparation time for audits

2.1 Indeterminate as it depends on the knowledge and how familiar the ACB auditor is with the systems and practices of the CS and whether s/he has a sound understanding and knowledge of the work of classification societies. However half a day should be allowed to prepare for audits. In the case of head office audits, the lead auditor should allow 2 days to prepare and team members between 0.5 – 1.0 day.

2.2 For any audit where the audit is either conducted in a language other than English or the audit documents and/or records are not in English the audit time will necessarily increase at the auditors discretion.

3. General remarks on VCAs

3.1 In addition to section 2.2.2 and 2.2.3 of K. VERTICAL CONTRACT AUDITS (VCA), defining the number of VCAs to be carried out yearly (including the number of VCAs on new construction) the following should be considered when establishing the planning and selection of VCAs.

3.2 The VCAs should preferably be spread out over the network of the CS, with an adequate balance, taking into account the locations to be subjected to office audits.

3.3 The number and selection of activities prone to VCAs shall take into account:

- The number of VCAs indicated in 3.1
- The activity predominant in selected locations/sites.
- The focus on ship in service VCAs versus the other activities,

3.4 The project selected for the VCA should, as far as possible:

(a) for a ship in service, be representative of type of surveys being carried out in the selected location. When practicable (depending on availability of such projects at the planned location and planned period) surveys should be on: ships 10 years of age and over, for a flag where the CS has delegation to perform most types of Convention surveys, and being within scope of annual, intermediate or class renewal surveys, and corresponding statutory surveys. It should preferably be done at an advanced stage of the survey when adequate assessment of the parts of the ship to be inspected including hull thickness measurements, and definition of repairs has started, as applicable.

Note: Where annual surveys are selected, first annual survey after class renewal survey would be a good manner to assess condition of ship resulting from last class renewal survey.

(b) for ISM, or ISPS, or MLC, VCA to cover one or a combination of the following jobs:

- ISM Initial, Intermediate, or Renewal audit on board of ship (SMC)

- ISM Initial, Annual, or Renewal audit of a Company (DOC)
- ISPS Initial, Intermediate, or Renewal verification on board of ship
- MLC Initial, Intermediate, Renewal inspection on board of ship (full scope)

(c) for new construction, the VCA should be performed on ships for which the CS has preferably authorization from the intended flag to perform most types of Convention surveys, not at the earliest stage of new building (i.e. before keel laying) or at the later stage (i.e. after sea trial).

(d) for certification of material and equipment, selection should be on significant jobs including some drawing review to check interface with this process.

3.5 There should be a clear distinction between a survey location/office audit and a VCA, especially in instances where a VCA is done immediately before or after an office audit.

3.6 As general practice the VCA should not be performed at the earliest stage of new building (i.e. before keel laying), or ship in service survey (i.e. before adequate assessment of the parts of the ship to be inspected including TM and definition of repairs)

3.7 New Building VCAs will encompass the drawing review process with possible link to the performance of a plan approval office which may be subject to a different specific audit.

3.8. Selection of New Building VCA project(s) shall be done as far as practicable at early stage of yearly audit plan schedule. Then, sampling of drawing review file done at time of Head Office audit or in plan approval center (if the selected Plan approval center is in charge of one of the project selected for New Building VCA), should include one of the selected VCA new construction project.

4. Auditor Guidance on VCAs

4.1 In respect of all VCAs the ACB auditor shall not question the customer's representative (i.e. shipyard or ship owner/manager/superintendent), or hold discussions with customers on the technicalities of the work or make comments on the surveyor's work in presence of persons other than the CS's representatives. The customer must not be left with the opinion that two surveys have been carried out.

4.2 It is important that the surveyor adopts a flexible approach to attend surveys when they are conducted and does not cancel or postpone planned surveys because of the audit, the surveys are what the auditor should witness.

4.3 The CS's representatives shall not give any indication to the customer that any subsequent actions, findings or recommendations are a consequence of the IACS audits.

4.4 Relevant generic aspects such as checking surveyor training and monitoring/supervision, etc. is equally applicable to all VCAs.

4.5 There should be a clear distinction between a survey location/office audit and a VCA, especially in instances where a VCA is done immediately before or after an office audit.

5. VCA New Construction

Total days: 1.5 to 2.0 days

Sufficient time at Site Office at shipyard to review files relevant to key processes and sub-processes, stage of the survey progress , check welders, surveyor training and monitoring, drawings, etc. Not necessarily split evenly in office and at yard, it depends on circumstances found at audit how the time is actually allocated. However adequate time on the building site should be spent observing practice. New Building VCAs may also encompass the drawing review process with possible link to the performance of a plan approval office which may be subject to a different specific audit.

6. VCA Ship in Service

Total days: 1.5 – 2.0 days

Good practice is to spend some time with the surveyor who is actually doing the survey, discussing the program, what the stage of the survey progress is and what is planned for the day. Significant time should be spent on the ship, observing the surveyor going about his work.

7. VCA Equipment and/or materials

Total days: 1.0 day

Good practice is to spend some time with the surveyor who is actually doing the survey, discussing the program, what the stage of the survey progress is and what is planned for the day. Significant time should be spent on site, observing the surveyor going about his work.

8. VCA ISM/ISPS or MLC

Total days: 1 day

Sufficient time for preparation and discussion of the program with the auditor/inspector and check relevant documentation.

For VCA on ISM audits the ACB auditor should accompany the classification society auditor, being cognisant of IACS Recommendation 41 Annex 1 regarding ISM audit duration.

9. Audits of Head Office Functions

9.1 General

9.1.1 Head Office Functions of Class Societies, by definition, are common to all. These are independent of the size of the Societies. The impact of size is only in terms of the number of people / locations involved in discharging these functions. Smaller Societies will probably discharge all the functions from one central location with fewer personnel, whereas, bigger larger Societies are likely to have many personnel discharging these functions from more than one location.

9.1.2 Auditing one case or example of any one of the function, say *Rule development* or *Approval of Service Supplier* or *Type Approval*, will, presumably, take the same time whether it is in a large CS or a smaller CS, since the process steps are the same for both

the Societies. The only difference arising from the 'size' of a CS is in the 'population' size of such cases.

9.1.3 Significant differences in the audit times is not expected between the Societies of different sizes, since ACBs do not audit these processes on any 'sample' size dependent on 'population' size. Therefore, the ACB practice of allocating audit time strictly on the basis of number of people working in the Head Office (or Controlling Office, as applicable) tends to be insufficient.

9.1.4 Admittedly, it is difficult to specify the minimum time required to audit any one sample in any one process. This is dependant to a great extent on the complexities of the process itself, the ability of the CS to present documents/records in English, preparation by the auditor and his foreknowledge of the processes. In this respect, following the 'audit trail' is very important and doing so can often increase the audit time for any process.

9.2 Auditable Processes

Apart from the general ISO 9001 topics (addressed in Sections 4, 5, 6, 7 & 8 of the Standard) the following functions and related processes are common to all Class Societies irrespective of their size:

9.2.1 Rule development:

- Management of external inputs – IACS, IMO, flag States, other stakeholders;
- Management of internal inputs – own experience data;
- Drafting, review (internal & external), verification and validation;
- Publication & maintenance.

9.2.2 Development, publication and maintenance of instructions, guidelines and circulars for its survey and plan approval staff for Ships in service and New Construction activities (including implementation of flag instructions and important processes such as follow up of comments resulting from plan approval process).

9.2.3 Plan / design approval (as applicable):

- Classification: hull; machinery; electrical;
- Statutory: Structural fire protection; Fire fighting systems and appliances; lifesaving systems; stability assessment.

9.2.4 Evaluation of survey and supporting documentation and final decision for:

- Approval of service suppliers;
- Type approval of products;
- Process for certification of Material & equipment surveys (as applicable).

9.2.5 Evaluation of survey and supporting documentation and final certification decisions for Fleet Management:

- Transfers of Class inc. from non IACS Members;
- Transfers of ISM/ISPS/MLC certifications;
- Periodical and occasional surveys;
- Periodical and occasional audits/inspections – ISM / ISPS / MLC etc.;
- New construction;
- Material & equipment surveys.

9.2.6 Fleet Monitoring

- Port State Control and detention management;
- Fleet monitoring and resulting actions;
- Class suspension and class withdrawal procedures;

- Reporting of possible Safety Management System Failures.

9.2.7 Data management – register books, internal & external databases.

9.2.8 Resource management:
- service network;
- safety of personnel;
- competency management - qualification, training and monitoring of technical staff.

9.3 Audit Planning

9.3.1 It is important for ACBs to plan the audits of HO functions of Class Societies to:

- Cover all the functions listed in 9.2 above at the Head Office and all Controlling Offices, if any, in the initial audit of all new applicants to IACS Membership;
- For existing IACS Members, cover all the functions listed in 9.2 above, at the Head Office and at, at least, one Controlling Office, if any, every year.

Note: It is not intended that all sub-functions listed above should be audited at Head Office and / or Controlling Office every year. For example: Plan approval of hull, machinery & electrical need not be audited every year at Head Office or at other Plan approval Office, but can be spread over a 3 year period. The principle is to cover all the sub-functions over a period of 3 years, across the Classification Society.

- Cover all Controlling Offices, if any, over a period of 3 years;
- Allocate sufficient time for auditing sufficient samples (typically 3 to 4) in each of the processes selected for the audit; the basis for time allocation being this guideline supplemented by the auditor experience with the Class Society. Consideration of 3.8 shall be taken into account in the selection of drawing review sampling.
- Address the focus areas as identified by IACS Council for the current year.

9.3.2 Considering all the aforesaid, the audit time only for the above specific topics (not including preparation time) is expected to be in the range of 8-12 man-days per CS per year.

9.3.3 Additional time will have to be considered for the other general topics.

9.3.4 In all cases, time allotted to ISO 9001+QSCS audits should not be less than that indicated in paragraph 1.5 of Annex A to Annex 3 to Volume 3.

10. Critical Situations

10.1 Critical situations are those where, in the judgment of the ACB auditor(s), the robustness of the QSCS might be compromised.

10.2 Examples of such situations and the recommended responses are as follows:

a. Evidence of gross non-conformity with class/statutory requirements which may lead to potential threat of danger for the safety of life at sea or of damage to the environment (typically such cases might be encountered during VCAs particularly for Ships in Service inc. ISM VCAs).

b. Evidence of significant failings on the part of the surveyor/auditor/ Plan approval engineers and/or inadequate scope of survey /plan review or audit (typically such

cases might also been encountered during VCAs particularly for Ships in Service inc. ISM VCAs).

c. Repetitive cases of inadequate processes of the concerned CS either locally or globally.
d. Substantial lack of commitment to quality either at local or HO level particularly at the management level of the concerned CS.

10.3 In all cases the ACB auditor shall:

a. escalate the problem to the local manager of the CS, and,
b. if adequate and timely action is not taken by the local manager, formally notify the HO Quality representative of the concerned CS complete with detailed information, and,
c. inform, in accordance with their internal communication procedures, IACS QS for the purposes of his monitoring and appropriate follow up with QC, as necessary.

ANNEX 9: COST SHARING OF IACS QSCS ACB AUDITOR TRAINING COURSES, INCLUDING FAMILIARISATION RE-SITS

1. Purpose:

1.1 To describe the process by which the preparation and delivery, including assessment as applicable, of IACS QSCS Refresher and Familiarisation courses are costed and subsequently accounted for.

2. Principles

2.1 IACS will bear the costs for the time involved in developing course material, individual course preparation time, delivering the course and marking assessment papers, as applicable.

2.2 Where the course is hosted by an IACS Member, that Member will bear the venue costs, inclusive of lunch and tea/coffee breaks.

2.3 Where the course is not hosted by an IACS Member, cost of the venue, inclusive of lunch and tea/coffee breaks, will be included in total costs described in items 5 and 6 below.

2.4 In all cases the travel and subsistence costs for the IACS course presenters will be included in the total costs described in items 5 and 6 below.

2.5 The total cost of any particular Familiarisation[13] course will be shared equally between the candidates attending the course and charged to the ACBs concerned.

2.6 The total cost of each Refresher[14] course will be shared equally between the candidates attending the course and charged to the ACBs concerned.

3. Responsibilities

3.1. QS will estimate the cost of each course and notify the QC, ACB(s) and candidates, prior to the course.

3.2. QS will advise the Secretary General of the actual cost of each course, after the course, as well as any particular invoicing instructions as may be advised by the CS, ACB or individual candidate.

3.3. Secretary General verifies costs and arranges for invoicing in accordance with IACS accounting procedures, noting any particular invoicing instructions.

Procedure agreed by Council 10/09/2012 and comes into effect on 1st February 2013.

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[13] Familiarisation training courses are demand led and the total cost will consequently be based on the number of new ACB auditors nominated for training by the ACBs/CSs.

[14] Refresher training courses are scheduled at the discretion of QC based on feedback received from members, ACBs, audit results, QS, AVC, etc., in order to continually improve the QSCS and ensure the scheme's robustness, consistency and integrity.

Revision 1 January 2012

1. H.1 editorial amendments.

2. H.2 additional explanation regarding Refresher Training.

3. H.3 additional explanation regarding possible actions resulting from ACB audit ObservationsJ. 4 and 5 added concerning Common Performance Indicators and Benchmarking

4. Q2 Format for QS to record 'gauging' of candidates performance during refresher training included.

5. Annex 1 Paragraph 3.4 aligned with paragraph 1.1 of Annex 2

6. Annex 3 Complete and significant revision of paragraph 4.1(v) regarding requirements of ACB auditors. Also new paragraphs 4.8, 4.9 and 4.10 added stating responsibilities of Classification Societies, Quality Secretary and Quality Committee, respectively.

7. Annex 6 editorial amendments/minor modifications

8. Annex 7 New annex describing the procedure for compilation, maintenance and availability of the list of recognized auditors.

Revision 2 March 2013

1. C2 paragraph 1(g) clarification that audit findings to be submitted to QS by the ACB.

2. H2.2 Clarification on information transmitted to CS and ACB about results of trainings

3. H2.3 Familiarisation and Refresher training will be chargeable from 1st February 2013 and cross references new Annex 9 concerning cost sharing.

4. H2.7 clarification of duration of Familiarisation assessment and that a maximum of two re-sits are possible after the initial assessment.

5. H3 new section explaining the management of the performance of ACBs, including ACBs used by IACS applicant classification societies.

6. K2.2 – review of text for clarification and editorial corrections concerning the VCA formula.

7. Q3 Spreadsheet on VCA Formula deleted (formula available in K2)

8. Q4 – QC action log format deleted as no longer used.

9. Q6(now renumbered Q4) format of Statement of Compliance revised to reflect current practice and explicitly harmonise scope with QSCS.

10. Annex 2 (table of content deleted for simplification purpose) paragraph 3.8 – definitions of Survey Location, Plan Approval Centre and Controlling Office revised.

11. Annex 3 paragraph 1.5 deleted to remove reference to the transition period.

12. Annex 3 paragraph 4.1 (v) 3 b) Precision on mandatory periodical attendance of refresher training course for recognized auditors

13. Annex 3 paragraph 4.1(vii) new sub-paragraph added to explain conditions of use of National auditors for ISO-9001 audits (e.g. China).

14. Annex 3 paragraph 4.9(v) Reference given to a consolidated list of all recognized auditors made available to ALL CS and ACBs.

15. Annex A of Annex 3, paragraph 1.1 cross reference to the new Annex 8 regarding guidance for preparation time and conduct of QSCS audits.

16. Annex A of Annex 3 paragraph 1.2 – Statement of Compliance to be submitted by 31st January each year.

17. Annex 4 – complaint handling procedure revised.

18. Annex 6 – requirements for OC observation reporting at individual audits revised to require scoring for the audit in accordance with the IACS agreed methodology.

19. Annex 6 paragraph 3.2 to 3.5. Revision/addition of these paragraphs to give precision to the process of debriefing the auditors by IACS Observers. Paragraph 11 is giving the possibility to the Observer to draw attention of the auditor privately and during the course of the auditor in case of critical situation found during the audit.

20. Annex 8 – new annex setting out guidance for preparation time and conduct of QSCS audits.

21. Annex 9 – new annex setting out cost sharing of IACS training of ACB auditors.

22. Whole document: Numbering of paragraphs has been reviewed for consistency and easier reference.

23. Whole document: References to ISO Standard corrected to avoid referring to a specific revision (replaced by ''as amended'')

Revision 3 September 2013

1. C3 item b - possibility for AVC to raise technical/quality issues considered by them as common to Members of

2. C3.1. item j) - GPG Chairman becomes an ex-officio member of AVC

3. Q4 – Annex to Statement of Compliance revised to include the review by IACS OC

4. Annex 1 - paragraphs 2.4 and 2.5 related to transition period deleted

5. Annex 1 paragraph 5 – text revised to take into account the new format of the Annex to Statement of Compliance in Q4

6. Annex 2 QMSR becomes 8th issue due to changes as indicated below to align it with IMO RO Code as adopted in 2013:

- Paragraphs 4.3.2, 4.3.5 (Code of Ethics and Cooperation with Flags and other ROs)
- Paragraph 5.3 (Class Society policy)
- Paragraph 6.2.2 (Competence of CS Surveyors and Auditors)
- Paragraphs 7.3 and 7.5.1 (Inclusion of Flag State requirements in CS documents, specific requirements for issue of statutory certificates
- Paragraphs 8.2.3 and 8.3 (Monitoring of processes and Control of non-conforming products

7. Annex 3 Paragraph 1 (requirements for ACBs) – modification and rewording for clarification and fitness for use

8. Annex 3 whole text - deletion of the wording ''as amended'' when reference made to ISO documents

9. Annex 7 Paragraph 4 – revision of the process for maintenance of the Consolidated list of recognised ACB auditors

10. Annex 8 section 8 – new section for planning and scope of audit of CS Head Office functions

11. Annex 8 section 9 – new section describing ACB Auditor possible action in case of critical situation found during audit

12. Whole document - wording ''continuous'' replaced by ''continual'' more adapted to the intent

13. Whole document – wording ''Society'' replaced by ''CS'' for consistency

Revision 4 April 2014

Subject no:13184_IGi

1. B. ORGANISATION - B10) "four Panels" became "five Panels" following splitting of Statutory Panel into Environmental and Safety Panels.

Revision 5 December 2014

Subject no:14021aIGc & 13170dICi

1. Reference in section H5.5 corrected to read 8th issue rather than 7th

2. Section Q3 - Revised OC observation reporting format inserted

3. Section K2.2, subparagraph 2.2.2 cross reference to Volume 2 included in respect of the observation of VCAs for applicant societies

4. Annex 2, Paragraph 3.12.1 inserted "inspection, or" to include MLC work

5. Annex 3, paragraph 4.1(v)(5)(c), the number of QSCS audits/audit days has been revised for auditors to maintain their place on the list of recognized auditors.

6. "Permanent Secretary" has been replaced by "Secretary General" throughout the document.

Revision 6 (December 2016)

1. Section C.3.1(b) clarified conditions of AVC members.
2. H4. Procedure to Observe ACB Audits Of Classification Societies- reorganized to improve readability, H4.1 & H4.17 clarified OC, H4.15 added, H4.16 clarified, renumbering as appropriate.
3. H5. AUDIT FINDINGS REPORTING PROCEDURE – ACB's TO QS- H5.5 deleted cite of IQMSR version, H5.11 data fields within the *IACS Audit Manager* software updated, H12.2 items 4 & 5 added MLC inspection.
4. K. GUIDANCE FOR VERTICAL CONTRACT AUDITS (VCA)- renamed section, 3.g added inspector, K1 1.1 added inspector, K1 1.2 expanded on type of audit or inspection, K1.1.5 clarified activities within the scope of VCA programme, K2.2 2.2.2 added "total" and clarified the extent/distribution of VCAs, K2.2 2.2.4.
5. Q4 FORMAT OF STATEMENT OF COMPLIANCE & ANNEX TO BE ISSUED BY ACB'S TO CS- added and improved footnotes.
6. ANNEX 1: DESCRIPTION OF THE SCHEME – 11th EDITION- 4.2 changed reference to MSC.349(92).
7. ANNEX 2: Changes to clarify roles, ANNEX 2 renamed to ANNEX 2-A for retention during transition and ANNEX 2-B added for transition to ISO 9001:2015.
8. ANNEX 3: REQUIREMENTS FOR ACCREDITED CERTIFICATION BODIES FOR AUDITING CLASSIFICATION SOCIETIES IN ACCORDANCE WITH QSCS QUALITY MANAGEMENT SYSTEM CERTIFICATION- 2.13, 3.5, and 3.6 changed reference to MSC.349(92). Improved numbering scheme of section 4, added 4.7(f), former paragraph 4.1(v)(2)(d) (current 4.6(b)(iv)) deleted reference and set January 2012 for application of requirement.
9. ANNEX A: THE CONTRACTED SERVICES- 1.4 text improved for ease of maintenance and refers to the location of the requirement, associated footnote deleted. 1.6 added inspector.
10. ANNEX 6: WORK INSTRUCTION FOR THE OBSERVATION OF ACB AUDITS OF IACS MEMBERS AND APPLICANT SOCIETIES BY IACS OPERATIONS CENTRE- 3.6 updated format reference.
11. ANNEX 8: GUIDANCE FOR CONDUCT OF QSCS AUDITS- Section 3 added, subsequent sections renumber, section 4 renamed and kept old section 3 text partially, section renumbered as 8 updated to include MLC, split "Auditable Processes" into its own section, 10.3.1 provided drawing sampling note.
12. Editorial improvements throughout, including reformat of footer, updating of cites where section renumbering was implemented.