

# No. 41 Guidance for Auditors to the ISM Code

(1996)  
(Rev.1  
1997)  
(Rev.2  
1999)  
(Rev.3  
June 2005)  
(Rev.4  
Dec 2005)  
(Corr.1  
Oct 2016)  
(Rev.5  
Oct 2019)

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## Disclaimer

All the information found in this guidance, including the objective evidence examples described, shall be considered as additional data to assist the auditors in conducting audits, and should not be taken as a rule.  
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**GUIDANCE FOR AUDITORS TO THE ISM CODE****IMO Resolution A.741(18) as amended by MSC.104(73), MSC.179(79), MSC.195(80),  
MSC.273(85) and MSC.353(92)****ANNEX****INTERNATIONAL MANAGEMENT CODE FOR THE SAFE OPERATION OF SHIPS AND  
FOR POLLUTION PREVENTION (INTERNATIONAL SAFETY MANAGEMENT (ISM)  
CODE)****PREAMBLE**

1. The purpose of this Code is to provide an international standard for the safe management and operation of ships and for pollution prevention.
2. The Assembly adopted resolution A.443(XI) by which it invited all Governments to take the necessary steps to safeguard the shipmaster in the proper discharge of his responsibilities with regard to maritime safety and the protection of the marine environment.
3. The Assembly also adopted resolution A.680(17) by which it further recognized the need for appropriate organisation of management to enable it to respond to the need of those on board ships to achieve and maintain high standards of safety and environmental protection.
4. Recognizing that no two shipping Companies or ship owners are the same, and that ships operate under a wide range of different conditions, the Code is based on general principles and objectives.
5. The Code is expressed in broad terms so that it can have a wide application. Clearly, different levels of management, whether shore-based or at sea, will require varying levels of knowledge and awareness of the items outlined.
6. The cornerstone of good safety management is commitment from the top. In matters of safety and pollution prevention it is the commitment, competence, attitudes and motivation of individuals at all levels that determines the end result.

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**INTRODUCTION****1. Scope and application**

This guidance is intended for use by ISM Code auditors when performing certification under the ISM Code, unless the relevant Administration has provided special instructions that indicate otherwise.

This document is also intended to promote audits' consistency and uniformity among ISM Code auditors by providing examples, which, however, are not to be interpreted as prescriptive solutions or checklists.

Reference is made to the following Resolutions adopted by the International Maritime Organisation (IMO):

(a) the "International Management Code for the Safe Operation of Ships and for Pollution Prevention" (ISM Code), adopted by Resolution A.741(18) as amended by MSC.104(73), MSC.179(79), MSC.195(80), MSC.273(85) and MSC.353(92) and made mandatory by Chapter IX "Management for the Safe Operation of Ships" of the SOLAS Convention;

(b) "Revised Guidelines on the Implementation of the International Safety Management (ISM) Code by Administrations", adopted by Resolution A.1118(30) and referred in this document as the "IMO Guidelines", which are applicable to Recognized Organizations (RO) when acting at the request of flag Administrations;

(c) the Code for Recognized Organizations (RO Code) which was adopted by resolutions MEPC.237(65) and MSC.349(92);

(d) the MSC.Circ.1059/MEPC.Circ.401 "Procedures concerning observed ISM Code Major Non Conformities".

**2. Application of the ISM Code by Companies**

By design, the ISM Code supports and encourages the development of a safety culture in shipping. The content of a Safety Management System (SMS) will therefore be affected by Company commitment, values and beliefs, which cannot be enforced through the regulatory process. In developing and implementing their systems, Companies may have used industry guidelines, such as the ICS/ISF "Guidelines on the Application of the IMO International Safety Management (ISM) Code".

Assessing compliance with the ISM Code from detailed prescriptive management system solutions is not practical and would be inconsistent with the intent of the ISM Code, which allows a Company to develop solutions which best suit the Company and their particular operation and ship type(s), whilst ensuring basic internationally agreed standards of safety management.

**3. Certification process**

The verification of compliance with mandatory rules and regulations, required as part of the ISM Code, neither duplicates nor replaces the surveys required by the other statutory certificates. The verification of compliance with the ISM Code does not relieve the Company, the Master or any other entity or person involved in the management or operation of the ship of their own responsibilities.

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The verification process involves interviews of Company personnel and review of SMS documentation and records. Audit is a sampling process and is not exhaustive in nature. Issuance of certification is based upon verification that the sample is in compliance with the ISM Code. Where non-conformities have not been found and reported, it does not mean that none exist. Basic procedures for performing ISM Code verification are contained in the IACS "Procedural Requirements for ISM Code Certification", PR9, which reflect the IMO "Revised Guidelines on the Implementation of the International Safety Management (ISM) Code by Administrations", Resolution A.1118(30), as applicable.

**4. Editorial principles**

For convenience, this document incorporates the actual text of the ISM Code, followed by the relevant recommended guidance for ISM Code auditors. The document will be updated as necessary consistent with IACS Member Societies' experience in the audit process.

The term "should" used in the ISM Code shall be interpreted as "shall".

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## PART A – IMPLEMENTATION

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## 1. GENERAL

## ISM Code – paragraph 1.1

**1.1 Definitions**

*The following definitions apply to parts A and B of this Code.*

1.1.1 “International Safety Management (ISM) Code” means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the Assembly, as may be amended by the Organization.

1.1.2 “Company” means the Owner of the ship or any other organization or person such as the Manager, or the Bareboat Charterer, who has assumed the responsibility for operation of the ship from the Shipowner and who on assuming such responsibility has agreed to take over all the duties and responsibility imposed by the Code.

1.1.3 “Administration” means the Government of the State whose flag the ship is entitled to fly.

1.1.4 “Safety Management System” means a structured and documented system enabling Company personnel to implement effectively the Company safety and environmental protection policy.

1.1.5 “Document of Compliance” means a document issued to a Company which complies with the requirements of this Code.

1.1.6 “Safety Management Certificate” means a document issued to a ship which signifies that the Company and its shipboard management operate in accordance with the approved safety management system.

1.1.7 “Objective evidence” means quantitative or qualitative information, records or statements of fact pertaining to safety or to the existence and implementation of a safety management system element, which is based on observation, measurement or test and which can be verified.

1.1.8 “Observation” means a statement of fact made during a safety management audit and substantiated by objective evidence.

1.1.9 “Non-conformity” means an observed situation where objective evidence indicates the non-fulfilment of a specified requirement.

1.1.10 “Major non-conformity” means an identifiable deviation which poses a serious threat to the safety of personnel or the ship or a serious risk to the environment that requires immediate corrective action or the lack of effective and systematic implementation of a requirement of this Code.

1.1.11 “Anniversary date” means the day and month of each year that corresponds to the date of expiry of the relevant document or certificate.

1.1.12 “Convention” means the International Convention for the Safety of Life at Sea, 1974, as amended.

**Definitions in SOLAS Chapter IX (1996)**

*“Bulk carrier” as defined in Regulations IX / 1.6 of the SOLAS Convention means a ship which is exemplified in paragraphs 2.2, 2.3 and 2.4 of IACS Unified Requirement Z11 “Mandatory Ship Type and Enhanced Survey Programme (ESP) Notations”.*

**Definitions from IACS PR9**

"Audit" means a process of systematic and independent verification, through the collection of sampled objective evidences, to determine whether the SMS complies with the requirements of the ISM Code and whether the Safety Management System (SMS) is implemented effectively to achieve the Code's objectives.

“Auditor” means a person who is qualified and authorised to carry out ISM audits in accordance with the requirements of PR10.

“Lead Auditor” means an auditor who is authorized to lead a team of two or more auditors.

“Branch Office” means a shore-based location identified and controlled by the Company responsible under the ISM Code which may perform safety management system related tasks and is operating under the same SMS of the Company.

“Safety Management Manual” is the documentation used to describe and implement the SMS.

“Technical deficiency” means a defect in, or failure in the operation of, a part of the ship's structure or its machinery, equipment or fittings.

The following definition has some differences from the Code, as explained:

“Observation” – the definition from the Code was complemented, in the IACS PR9, stating that: it may also be a statement made by the auditor referring to a weakness or potential deficiency in the SMS which, if not corrected, may lead to non-conformity in the future.

**Definitions from ISO 9000:2015**

“Corrective action” – action to eliminate the cause of a nonconformity and to prevent recurrence.

Notes:

1. There can be more than one cause for a nonconformity.
2. Corrective action is taken to prevent recurrence whereas preventive action is taken to prevent occurrence.

“Preventive action” – action to eliminate the cause of potential nonconformity or other potential undesirable situation.

Notes:

1. There can be more than one cause for a potential nonconformity.
2. Preventive action is taken to prevent occurrence whereas corrective action is taken to prevent recurrence.

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“Correction” – action to eliminate a detected nonconformity.

Notes:

1. A correction can be made in advance of, in conjunction with or after a corrective action.
2. A correction can be, for example, rework or regrade.

## ISM Code - paragraph 1.2 (1.2.1 and 1.2.2)

### 1.2 Objectives

1.2.1 *The objectives of the Code are to ensure safety at sea, prevention of human injury or loss of life, and avoidance of damage to the environment, in particular, to the marine environment, and to property.*

1.2.2 *Safety management objectives of the Company should, inter alia:*

- .1 *provide for safe practices in ship operation and a safe working environment;*
- .2 *assess all identified risks to its ships, personnel and the environment and establish appropriate safeguards; and*
- .3 *continuously improve safety management skills of personnel ashore and aboard ships, including preparing for emergencies related both to safety and environmental protection.*

In accordance with the IMO Guidelines (Res. A.1118(30)), the objectives of mandatory application of the ISM Code are to ensure:

1. compliance with mandatory rules and regulations related to the safe operation of ships and protection of the environment; and
2. the effective implementation and enforcement thereof by Administrations.

Effective enforcement by Administrations must include verification that the SMS complies with the requirements as stipulated in the ISM Code, as well as verification of compliance with mandatory rules and regulations.

The mandatory application of the ISM Code should ensure, support and encourage that applicable codes, guidelines and standards recommended by the IMO, Administrations, classification societies and maritime industry organisations are taken into account.

These objectives encompass the effective and on-going implementation of the SMS and, to a large extent, depend on reactive and proactive improvement of the SMS functions, as part of the ISM Code.

The ISM Code paragraph 1.2.2.2 introduces a mandatory requirement for a Company to assess all identified risks to their vessels, personnel and the environment and to establish appropriate safeguards, which implies that a risk assessment is to be carried out as part of the safety management activities.

Many risk assessment models are already available and Companies are free to choose any model which suits them. Depending on the nature and complexity of the operations, Companies may choose to adopt one or more models.

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To help the Companies in establishing safeguards against all identified risks the following standards may be used:

- MCA – Code of Safe Working Practices for Merchant Seafarers, 2015 edition, Amendment 3, October 2018;
- ISO 31000:2018 – Risk management -- Principles and guidelines;
- IEC 31010:2009 – Risk management – Risk assessment techniques.
- IACS Rec.127 - A Guide to Risk Assessment in Ship Operations

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**ISM Code - paragraph 1.2 (1.2.3.1)**

*1.2.3 The safety management system should ensure:*

- .1 compliance with mandatory rules and regulations; and*
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The effectiveness of the SMS in ensuring compliance with mandatory requirements should be one of the criteria used by the auditor when assessing whether the SMS established by the Company complies with the ISM Code.

Examples of objective evidence needed for verification are documented procedures and instructions, documentation of verification carried out by senior officers of day to day operations, and other records as exemplified below. If any non-conformity is identified, the NC should not be linked to this objective but rather to an appropriate more detailed requirement of the Code.

The Company is responsible for obtaining and maintaining within the prescribed validity dates all the certificates (including any condition of class that shall be complied with within their limit dates imposed by the classification society), and documents necessary to operate the ship, in accordance with relevant rules and regulations. Inadequate performance indicates that the SMS is either deficient or not functioning effectively.

All records having the potential to facilitate verification of compliance with the ISM Code should be open to scrutiny during an examination. For this purpose, the Company should provide the auditor with statutory and classification records relevant to the actions taken by the Company to ensure that compliance with mandatory rules and regulations is maintained. In this regard, the records may be examined to substantiate their authenticity and veracity. It shall be considered that the initial statutory records issued by the classification societies may not be in the same format and not related to all statutory certificates issued for the vessel.

Examples of objective evidence found at the office may include:

- verification of how the Company controls the class and statutory documentation, including validity, statutory conditions and conditions of class endorsed, surveys, audits, etc.;
- interview with the DPA(s) and some key personnel to verify familiarization with class and statutory requirements and rules;

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- procedures and instructions defining the process which ensures compliance with mandatory international and national requirements.

Examples of objective evidence found onboard the vessel may include:

- verification of all class and statutory certificates, including validation, periodical survey endorsements, statutory conditions and conditions of class issued, etc.;
- verification of the copy of the DOC (copy not necessarily authenticated or certified), including, validity, flag, vessel type, etc.;
- interview with the officers to verify familiarization with class and statutory requirements and rules;
- procedures and instructions defining the process which ensures compliance with mandatory international and national requirements;
- results from port State inspections.

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## ISM Code - paragraph 1.2 (1.2.3.2)

1.2.3 *The safety management system should ensure:*

- .2 *that applicable codes, guidelines and standards recommended by the Organisation, Administrations, classification societies and maritime industry organizations are taken into account.*

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The ISM Code does not require mandatory compliance with these information sources. However, the auditor may encourage Companies to apply relevant codes, guidelines and standards to their particular operation, by the use of observations.

The interpretation of the term “taken into account” should be that, if not addressed in the Company’s SMS, reasonable justifications should be available.

In many cases, the flag Administrations may consider some codes, guidelines and/or standards as part of their regulations, which imply that those are to be considered as part of the item 1.2.3.1 above.

Where, in an effort to improve safety and pollution prevention, the Company has chosen to incorporate and make mandatory some of the applicable codes, guidelines and standards, this should be supported and encouraged by the auditor, who failing to find evidences of implementation should raise a non-conformity (or a major non-conformity depending on the real threat).

Examples of objective evidence found at the office may include:

- familiarization of the DPA(s) and key personnel with guides and guidelines and their systematic control;
- consideration of IMO, IACS, flag, Classification Societies guides and guidelines in system reviews.

Examples of objective evidence found onboard the vessel may include:

- familiarization of the master and officers are familiar with guides and guidelines.

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**ISM Code - paragraph 1.3****1.3 Application**

*The requirements of this Code may be applied to all ships.*

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This Code is mandatory for all ships to which the SOLAS regulations apply and to any other ship, if required by the flag Administration.

For vessels not required to comply with this Code and no requirement from the flag Administration exists, a "voluntary" document may be issued by the RO.

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**ISM Code - paragraph 1.4****1.4 Functional requirements for a Safety Management System**

*Every Company should develop, implement and maintain a safety management system which includes the following functional requirements:*

- .1 a safety and environmental-protection policy;*
- .2 instructions and procedures to ensure safe operation of ships and protection of the environment in compliance with relevant international and flag State legislation;*
- .3 defined levels of authority and lines of communication between, and amongst, shore and shipboard personnel;*
- .4 procedures for reporting accidents and non-conformities with the provisions of this Code;*
- .5 procedures to prepare for and respond to emergency situations; and*
- .6 procedures for internal audits and management reviews.*

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The functional requirements of the ISM Code are intended to ensure the implementation of safe practices in ship operations through written procedures and work instructions. These functional requirements summarise the detailed SMS requirements that are described in the remainder of the ISM Code.

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**2. SAFETY AND ENVIRONMENTAL PROTECTION POLICY**

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**ISM Code - paragraph 2.1**

*2.1 The Company should establish a safety and environmental protection policy which describes how the objectives, given in paragraph 1.2, will be achieved.*

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It is the Company's responsibility to define and document its safety and pollution prevention policy, which must describe how the objectives in paragraph 1.2 will be achieved.

This document is fundamental to, and forms an integral part of, the Company's safety management system. The procedures and all lower-level objectives must act in support of the overall objectives established in the policy.

To evidence the top commitment, the Company's policy should be approved by a member of the top management.

Examples of objective evidence that may be found both in the office and on board include:

- a copy of the policy document;
  - established safety and pollution prevention objectives.
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**ISM Code - paragraph 2.2**

*2.2 The Company should ensure that the policy is implemented and maintained at all levels of the organization both ship based as well as shore based.*

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The Company is responsible for ensuring that all relevant personnel at all levels of the Company, including shipboard personnel and sub-contractors with responsibilities relevant to the SMS, are aware of and understand the policy.

Comprehensive and effective internal audits, management reviews, corrective and preventative action, and other management processes are essential in ensuring that the policy is implemented and maintained.

Examples of objective evidence that may be found both in the office and on board are:

- interviews with relevant personnel to establish the level of awareness and understanding;
- records of internal and external audits;
- records of corrective and preventative actions and their evaluation;
- maintenance plan and records of maintenance of the ship and equipment.

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### 3. COMPANY RESPONSIBILITIES AND AUTHORITY

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#### ISM Code - paragraph 3.1

*3.1 If the entity who is responsible for the operation of the ship is other than the owner, the owner must report the full name and details of such entity to the Administration.*

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The "Company", as defined in 1.1.2 of ISM Code, other than the owner of the ship, is a synonym for the "entity" referred to in 3.1.

The flag Administration is to have full details of the entity(ies) other than the owner who have assumed the responsibility for operation of the ship and who on assuming such responsibility has agreed to take over all the duties and responsibility imposed by the ISM Code.

The reporting of the Company details of each ship to the flag Administration is an obligation of the owner of the ship.

Examples of objective evidence found at the office may include:

- a copy of letter from owner to flag Administration delegating the responsibility for operational and technical support to the ship manager/operator.

Examples of objective evidence found onboard the vessel may include:

- the details of the owner/operator are given in the SMS and agree with the details contained in valid DOCs and SMCs;
  - the auditor is to verify that the Company details given in DOC and SMC are identical to the information given in the CSR (Continuous Synopsis Record).
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#### ISM Code - paragraph 3.2

*3.2 The Company should define and document the responsibility, authority and interrelation of all personnel who manage, perform and verify work relating to and affecting safety and pollution prevention.*

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The Company is to define and document the distribution and interrelation of authority within the SMS.

This should include the following:

- person(s) or position(s) with the highest authority in developing, implementing and maintaining the SMS;
- person(s) or position(s) with the overall operational responsibility, and authority relevant to safety and protection of the environment; and
- person(s) responsible for safety and protection of the environment on a routine basis.

The Company is to define responsibility in key job descriptions for shore-based and shipboard positions that have duties related to the SMS.

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The job descriptions should contain details of the following:

- position (for instance, second engineer / superintendent / operations manager / Master, etc.);
- name and type of ship;
- communication lines for reporting including DPA;
- qualification required for the position;
- general responsibilities relating to safety and protection of the environment;
- specific duties;
- emergency duties;

and may include substitution of personnel in case of absence thereof. The Company is to define the level of knowledge required for the ship types that the Company is operating.

Examples of objective evidence found at the office may include:

- Company's organization chart with defined job descriptions defining the responsibility and authority of the personnel involved in the SMS;
- how the Company exercises effective control of the responsibilities of its subcontractors involved in the SMS;
- verification that the subcontractor fully meets the requirements set out in the SMS;

Examples of objective evidence found onboard the vessel may include:

- job descriptions of the personnel onboard involved in the SMS;
- shipboard personnel are aware of who bears full responsibility and has authority relating to SMS, and how they relate to the SMS.

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**ISM Code - paragraph 3.3**

*3.3 The Company is responsible for ensuring that adequate resources and shore-based support are provided to enable the designated person or persons to carry out their functions.*

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The designated person(s) may formally require the top management to provide resources, when deemed necessary to carry out their functions. The top management is responsible for evaluating the proposal and decide accordingly.

The Company top management is to state that appropriate resources and shore-based support will be provided at all times, and adopt this as its policy.

The Company is to develop procedures for determining the resources needed for maintaining the operational safety of the fleet.

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The resources may be defined as personnel, training, drills, supplying vessels with sufficient spare parts and stores, etc.

The Company is to carry out evaluations to ensure that shore-based support is provided onboard.

Examples of objective evidence found at the office may include:

- records of internal audits, management review, master's review, ship's condition and performance reports, etc.;
- how the Company deals with the requests for resources.

Examples of objective evidence found onboard the vessel may include:

- the ship's condition shows that necessary resources were allotted and relevant shore-based support was provided;
- records of training and drills;
- records of spare parts and equipment supplied to the vessel;
- evidence that the Master's requests for shore-based support have been fulfilled.

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#### 4. DESIGNATED PERSON(S)

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##### ISM Code - paragraph 4

*To ensure the safe operation of each ship and to provide a link between the Company and those on board, every Company, as appropriate, should designate a person or persons ashore having direct access to the highest level of management. The responsibility and authority of the designated person or persons should include monitoring the safety and pollution prevention aspects of the operation of each ship and to ensure that adequate resources and shore based support are applied, as required.*

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Essential to the Designated Person's (DP's) ability to satisfy the requirements of this paragraph is the direct access he or she must have to the highest levels of the Company's management. The auditor must be satisfied not only that such access exists, but also that the DP is able to use it effectively in ensuring that adequate resources and shore-based support are applied.

The Code specifies neither the qualifications the DP should have nor the position he should occupy in the Company's organization. For that purpose the IMO Circular MSC-MEPC.7/Circ.6: "Guidelines on the qualifications, training and experience necessary for undertaking the role of the DP under the provisions of the ISM Code" was produced and, as a guideline, shall be taken into consideration (ISM Code 1.2.3.2). The Companies should be encouraged to comply with this Guideline.

Direct access to the Company's senior management may be formally established in organization charts, job descriptions or other documents in which authorities and responsibilities are defined. Evidence that the access is real and effective may be found in, for example, routine and ad hoc reports, assorted correspondence, minutes of management meetings in which the DP participates, and actions arising.

The monitoring itself and the provision of a link between the ship and the shore-based organization may include activities such as ship visits, the review and analysis of reports of accidents, hazardous occurrences and non-conformances, including near-misses, internal audit reports, inspection reports, the minutes of shipboard safety and management meetings, and reports of drills and exercises. All such information should be appropriately summarized and reported to those responsible for the areas concerned.

It is commonly believed that the DP must be made responsible for the entire administration of the management system documentation, for the planning and conduct of internal audits, and must act as the sole conduit for all contacts between the ships' staff and the organization ashore. This is not the case. It is better to think of the DP as the person responsible for ensuring that such processes are in place and operating as required, a role that is more likely to be effective when separated from the practical implementation.

Some flags duly recommend the nomination of an alternative DP(s) to reduce the potential for single point failure.

The DP's role is often combined with others such as Technical Superintendent or Operations Manager, and the auditor should be aware of the possibility of a heavy workload and other responsibilities having a detrimental effect on the position's effectiveness. Conflicts of interest may also arise. For example, a DP who should be arguing for expenditure on safety-related items may also be the manager who controls the corresponding budget.

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Where the Company has chosen to employ outside contractors for the position of the DP, a number of additional factors need to be considered:

- the precise nature of the contractual relationship with the contractor, including any obligations imposed on the Company;
- the bases on which the choice of contractor was made;
- the suitability of the contractor to undertake the assigned roles;
- the timeliness, frequency, completeness and effectiveness of the communications between the contractor and the Company.

The Company may not be the only client of the contractor, and the provision of such services may not be the contractor's only activity. It is, therefore, important to verify that the contractor is fulfilling obligations as DPA, and that the Company is able to contact the contractor when necessary.

The DPA's role and effectiveness shall be addressed during Company audits.

In some cases, the ship will be the Company's only "site", and provision will need to be made for the remote back-up of computer systems and files, and the retention ashore of copies of important paper documents.

Examples of objective evidence found at the office may include:

- description of responsibilities, authorities and reporting lines;
- interviews to establish awareness of DP's role and identity;
- evidence of monitoring of the safety and pollution prevention aspects of the operation of the ship such as review of audit reports, accidents, hazardous occurrences and non-conformities, etc.

Examples of objective evidence found on board the ship may include:

- interviews to establish awareness of DP's role and identity;
- contact details;
- reporting requirements.

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## 5. MASTER'S RESPONSIBILITY AND AUTHORITY

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### ISM Code - paragraph 5.1

5.1 *The Company should clearly define and document the Master's responsibility with regard to:*

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The Company, taking into account its organisation, type of ships and service, should define and document the responsibilities and methods expected by the Master to carry out these functions.

The Master's responsibility in a broad sense may be found in any part of the documented system.

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### ISM Code - paragraph 5.1.1

5.1 *The Company should clearly define and document the Master's responsibility with regard to:*

*.1 implementing the safety and environmental protection policy of the Company;*

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**"Implementation of the safety and environmental protection policy"** on board is under the responsibility of the Master. Effective implementation of this could be verified through satisfactory audit of various departments on board.

Examples of objective evidence found at office may include:

- accident, near miss and non-conformity reports for injury / pollution and follow up by Company;
- evidence that Safety Committee Meetings, Emergency Drills, training on safety related matters are carried out effectively as per schedule.

Examples of objective evidence found on board the ship may include:

- display of the policy at common places;
  - understanding of the policy by officers and crew during interview;
  - accident and near miss reports for injury / pollution;
  - evidence of safe working environment and safe practices.
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### ISM Code - paragraph 5.1.2

5.1 *The Company should clearly define and document the Master's responsibility with regard to:*

*.2 motivating the crew in the observation of that policy;*

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“**Motivation of the crew**” may be achieved by the Master explaining to them how they can personally benefit from the implementation of the policy as well as encouraging their perception of ownership.

This could be achieved through meetings between the Master or a delegated Senior Officer (e.g. at embarkation, during training or safety drills) and crew members who are requested to participate in the fulfilment of the Company objectives and continuous improvement of the safety management system.

Motivation of the crew may be ascertained through interviews.

Examples of objective evidence found at office and on board ship may include:

- evidence that Safety Committee Meetings, Emergency Drills, training on safety related matters, screening of safety films carried out effectively as per schedule;
- evidence that with an aim to promote motivation following are being carried out organising safety debates, lectures, competitions, presentation of safety awards etc.

### ISM Code - paragraph 5.1.3

5.1 *The Company should clearly define and document the Master’s responsibility with regard to:*

- .3 issuing appropriate orders and instructions in a clear and simple manner;*

Examples of objective evidence on board ship may include Master’s standing orders and bridge night order book.

### ISM Code - paragraph 5.1.4

5.1 *The Company should clearly define and document the Master’s responsibility with regard to:*

- .4 verifying that specified requirements are observed; and*

The Master may delegate verification to Officers but retains responsibility to ensure that the methods defined and documented by the Company are used.

A checklist could be useful for the Master to verify that specific requirements are observed through actions/activities performed by crew members.

The auditor may verify how these activities are carried out on board through direct observation and/or by interviewing the crew.

Examples of objective evidence on board ship may include:

- a verification checklist used by the master;
- verifying during master’s audit that various requirements of the Safety Management System are complied with such as deck log book, stability calculations, oil record book, voyage plan, drill records.

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**ISM Code - paragraph 5.1.5**

5.1 *The Company should clearly define and document the Master's responsibility with regard to:*

- .5 periodically reviewing the safety management system and reporting its deficiencies to the shore-based management.*

The Master, as responsible person onboard, should inform the Company whenever there are deficiencies in the SMS relevant to the ship's operation.

Information on SMS deficiencies should include proposals for corrective action and recommendations for improving the SMS, as far as possible.

The auditor should expect that the Company has defined when and how the Master carries out the SMS reviews aboard ship. The word "periodically" clarifies that the "master's review" is not an isolated activity, it is an ongoing dynamic process aimed at continually improving the effectiveness of the safety management system.

Examples of objective evidence found at office may include:

- evidence that Master's Reviews of SMS have been received from ships at defined intervals (at least annually);
- evidence that that findings of the Master's Reviews received from ships have been studied, analyzed and necessary follow up action taken if necessary.
- that all agenda items of the Master's Review have been reported;
- that the Master's Review gives a clear picture of the status of implementation of SMS on board and that necessary suggestions/modifications to SMS have been reflected in the review.

Examples of objective evidence found on board the ship may include:

- evidence that Master's Review of SMS have been forwarded to Company office at defined interval;
- that all agenda items of the Master's Review have been reported;
- that the Master's Review gives a clear picture of the status of implementation of SMS on board and that necessary suggestions/modifications to SMS have been reflected In the review;
- timely follow up and response by the Company to issues raised in the Master's review.

**No.  
41**  
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**ISM Code - paragraph 5.2**

*5.2 The Company should ensure that the safety management system operating on board the ship contains a clear statement emphasizing the Master's authority. The Company should establish in the safety management system that the Master has the overriding authority and the responsibility to make decisions with respect to safety and pollution prevention and to request the Company's assistance as may be necessary.*

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The SMS should state the Master's overriding authority and discretion to take whatever action is considered necessary in the best interest of crew, passengers, the ship and environment.

The overriding authority of the Master applies to all circumstances.

The auditor should verify that the Company has definitively documented that the Master has an over-riding responsibility and authority on shipboard operations as prescribed in Resolution A.443(XI) "Decision of the Shipmaster with regard to Maritime Safety and Marine Environment Protection".

Examples of objective evidence found at office may include:

- evidence that masters have exercised the "overriding authority" under SMS (if any).

Examples of objective evidence found on board the ship may include:

- evidence that master has exercised the "overriding authority" under SMS (if any);
- verify during audit of master that the master of the vessel understands the meaning of "overriding authority" as per SMS and that he has the authority to make decisions with respect to safety and pollution prevention and to request for Company assistance if necessary;
- interview with Master confirm practical understanding of his overriding authority in matters such as requesting tug assistance, use of Lloyd's open form for salvage assistance, deviation from procedures if the situation so dictate.

**No.  
41**  
(cont)**6. RESOURCES AND PERSONNEL**

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**ISM Code - paragraph 6.1.1**

6.1 *The Company should ensure that the Master is:*

- .1 properly qualified for command;*
- 

The Master's qualification for command to be verified by the Company before assignment to a ship may be determined with reference to the following:

- certificate of competency, including validity and authenticity, complies with relevant flag State and STCW requirements;
- previous seagoing experience on the same type of ship;
- performance reports, including those from previous employers, if available;
- additional specific Company requirements.

Examples of objective evidence found at the office may include:

- Master's Certificate of Competence copy appropriately endorsed according to STCW requirements;
- Master's CV stating previous experience on the same type of ship;
- Company's written minimum requirements for the Master's qualification and experience.

Examples of objective evidence found on board the ship may include:

- Master's Certificate of Competence appropriately endorsed according to STCW requirements;
  - standing orders and night orders.
- 

**ISM Code - paragraph 6.1.2**

6.1 *The Company should ensure that the Master is:*

- .2 fully conversant with the Company's safety management system; and*
- 

The Company should ensure that the Master is "**fully conversant**" with all requirements relating to the Company's safety and environmental protection policies.

The auditor should expect the Master to demonstrate familiarity with the SMS during onboard interviews. To assist this purpose, the auditor may find records of participation in regular meetings with the Company's management, attendance at seminars or training sessions on the SMS.

Examples of objective evidence found at the office may include:

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- Master's appraisal records and evidence of their monitoring and evaluation by the Company;
- records of regular briefings on the SMS in the Company with the Masters;
- the Master's periodical SMS review for the Company.

Examples of objective evidence found on board the ship may include:

- knowledge, assessed by means of interviews, of the Company's SMS related procedures safety and safety management system meetings as applicable.

## ISM Code - paragraph 6.1.3

6.1 *The Company should ensure that the Master is:*

- .3 *given the necessary support so that the Master's duties can be safely performed.*

Through the interview process, auditor ensures the Master is given full support to fulfil his duties in maintaining the Company's safety and environmental policies. Evidence of this support would be how the Company responds to requests made by the Master.

Examples of objective evidence found at the office and on board the ship may include:

- written review and feedback from the Company of the safety meetings;
- Company timely feedback to the Master's requests for technical support, spare parts, elimination of deficiencies, additional training of personnel, response to emergencies, etc.;
- deficiencies identified in Master's handover forms have been taken care of by the Company.

## ISM Code - paragraph 6.2

6.2 *The Company should ensure that each ship is:*

- .1 *manned with qualified, certificated and medically fit seafarers in accordance with national and international requirements; and*
- .2. *appropriately manned in order to encompass all aspects of maintaining safe operations on board\*.*

\* Refer to the Principles of minimum safe manning, adopted by the Organization by resolution A.1047(27)

**“Manning requirements”** for vessels are defined by flag Administration. Administration requirements may be exceeded, if required, following the Company evaluation of minimum manning based on Principles of minimum safe manning defined in IMO resolution A.1047(27). The standards for certification and training of specific shipboard assignments for licensed and unlicensed personnel are described in the STCW Convention, as amended. The Company has to be familiar with such requirements consistent with ship type(s) and operation.

# No. 41

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**“Qualification of personnel”** may be ensured by adopting a policy for recruitment (e.g. evaluation of personal CV, information from other Companies, interviews), selection of personnel (e.g. by an appraisal system) and, as far as possible, embarkation of personnel already known by the Company.

The Company should have a system in place for selecting personnel, especially if obtained through a manning agent. A procedure may then be expected to detail how the selection process is carried out to comply with the STCW Convention, as amended.

When recruitment or manning is obtained through a manning agent, the Company should adopt a procedure for checking that its policy is followed by the agent. A procedure may be expected providing details on how the recruitment and selection process is carried out.

**“Medical fitness”**, as required in the amended STCW Convention, should include that a reasonable policy exists and it has been implemented. Evidence of such a policy includes certificates or endorsements in seaman books and that crew members have undergone medical examination within the intervals established by the flag Administration.

Some Companies have their own medical department providing pre-employment and existing employees medical examinations. Such a policy, while beneficial, does not always detect medical problems which can exist when a crew member joins the ship.

Some Companies have established a formal drug and alcohol policy and process of screening crew. Such policy is a method by which a Company may help ensure that ship personnel remain medically fit for duty on a day to day basis. Should this exist, the auditor may include these activities in the audit.

Examples of objective evidence found at the office may include:

- Company evaluation of minimum manning requirements based on IMO resolution A.1047(27);
- written recruiting procedures and minimum requirements for the Officers’ qualification;
- the Officers’ CVs satisfying such minimum requirements;
- the Company’s established and documented procedures for monitoring expiring Certificates, when applicable.

Examples of objective evidence found on board the ship may include:

- the vessels are manned accordingly to the minimum safe manning required by the flag and any Company additional requirements;
- the watchkeeping Officers’ Certificates of Competence appropriately endorsed by the flag as applicable;
- valid certificates according to specific ship types as required by STCW convention;
- valid medical fitness certificates and medical examination reports as required.

**“Appropriately manned”** is further elaborated in IMO Resolution A.1047(27) “Principles of minimum safe manning”. Annex 3 describes responsibilities of Companies, which includes to “make an assessment of the tasks, duties and responsibilities of the ship’s complement required for its safe operation, for its security, for protection of the marine environment, and for dealing with emergency situations”. In this respect, it seems appropriate to also refer to requirements of ISM Code 7 as well as ISM Code 8. It should also be noted that Companies’ responsibility includes to “ensure that the minimum safe manning is adequate at all times and

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in all respects, including meeting peak workload situations, conditions and requirements, and is in accordance with the principles, recommendations and guidelines contained in this resolution;”, which also includes to comply with rest hour regulations. The Company is also responsible for preparing and submitting to the Administration a new proposal for the minimum safe manning of a ship in the case of changes in trading area(s), construction, machinery, equipment, operation and maintenance or management of the ship, which may affect the safe manning”.

Examples of objective evidence found at the office may include:

- the assessment of tasks, duties and responsibilities when deciding on the manning levels of the ship;
- that the Company has applied for new minimum safe manning document if there are any changes as described in the resolution.

Examples of objective evidence found at the on board the ship may include:

- records of rest in compliance with the requirements of the STCW and MLC conventions;
- that the vessel is manned in accordance with the minimum safe manning document;
- that the crew is able to conduct their duties as required within the SMS.

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## ISM Code - paragraph 6.3

*6.3 The Company should establish procedures to ensure that new personnel and personnel transferred to new assignments related to safety and protection of the environment are given proper familiarization with their duties. Instructions which are essential to be provided prior to sailing should be identified, documented and given.*

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The Company shall provide, in accordance with STCW, written instructions to the Master of each ship to which the Convention applies, setting forth the policies and procedures to be followed to ensure that all seafarers who are newly employed onboard are given a reasonable opportunity to become familiar with the shipboard equipment, operating procedures and other arrangements needed for the proper performance of their duties, before being assigned to those duties.

“**New assignments**” related to ship personnel may include another ship, a different job or promotion.

“**Essential instructions**” are those that clearly define the crew members role within the ship’s organisation and ensure that they are prepared prior to taking up their duties on board. These instructions may include SMS crew member’s responsibility, authority and interrelationships with others involved in the SMS.

“**Instructions prior to sailing**” may include lifeboat station and responsibilities, fire station responsibilities and making available specific additional reference material associated with safety requirements from the SOLAS training manual.

“**Familiarisation**” is the process that allows a person embarking for the first time on a ship or transferred to new assignments to become familiar with that ship, its machinery, systems, equipment and operations. Familiarisation may be accomplished for instance by:

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41**  
(cont)

- embarking as supernumerary,
- receiving essential information in a language the seafarer understands,
- shore side seminars sponsored by industry or Company,
- observing onboard overlap while vessel in port,
- visual aids such as videos, manuals and operating instructions.

The choice and level of detail to assist familiarization will depend on individual experience and the job responsibilities. Should individuals require essential familiarization with an assignment prior to sailing, then the Company should identify such requirements and develop an appropriate plan. Examples may be familiarization with the equipment on the bridge or in the engine room.

A system of familiarization should also be applied to new or transferred shore staff where their responsibilities include safety and pollution prevention. This could include superintendents who are not familiar with a type of vessel being operated by the Company.

Examples of objective evidence found at the office may include:

- a documented training program for crew members;
- records of seminars and training courses;
- evidence of evaluation by the Company of appraisal.

Examples of objective evidence found on board the ship may include:

- evidence, obtained by means of interviews and observation of behaviour, when possible, that crewmembers have appropriate knowledge of SMS onboard procedures (ex working permits, bunkering checklists, etc.);
- correct performance of drills as required by SOLAS regulations, the SMS manual, the SOPEP, etc.;
- familiarization checklists duly signed by trainer and trainee.

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**ISM Code - paragraph 6.4**

*6.4 The Company should ensure that all personnel involved in the Company's safety management system have an adequate understanding of relevant rules, regulations, codes and guidelines.*

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The Company should have a plan on how to provide all personnel involved in safety and pollution prevention with information on mandatory requirements of the relevant Administration(s) and applicable codes and guidelines.

Such information may be communicated by:

- written instructions,

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- description of job responsibilities,
- formal discussions with Company representatives.

Examples of objective evidence found at the office may include:

- Company library complete, controlled and updated;
- control and updating procedure for the Company library.

Examples of objective evidence found on board the ship may include:

- shipboard library complete, controlled and updated;
- control and updating procedure for the shipboard library;
- crewmember's knowledge, assessed by means of interviews, of rules, regulations, codes and guidelines.

## ISM Code - paragraph 6.5

*6.5 The Company should establish and maintain procedures for identifying any training which may be required in support of the safety management system and ensure that such training is provided for all personnel concerned.*

The Company should identify the individual(s), ashore and onboard, having responsibility to define training needs appropriate for specific tasks, taking into account factors such as:

- previous training and experience,
- required proficiency in operation of equipment,
- familiarity with new equipment,
- familiarity with equipment when transferred to different type vessel,
- drills for emergencies,
- results of internal auditing.

Training may be supplemented by using visual aids, such as videos, manuals and operating instructions, or direct supervision by a superior.

Examples of objective evidence found at the office may include:

- Company and shipboard training plan;
- records of shore-side drills and training.

Examples of objective evidence found on board the ship may include:

- records of drills and training;

**No.  
41**  
(cont)

- internal audit reports.
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**ISM Code - paragraph 6.6**

*6.6 The Company should establish procedures by which the ship's personnel receive relevant information on the safety management system in a working language or languages understood by them.*

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The Company should establish the working language(s) onboard and the requested level of knowledge of foreign languages for the crew members.

The details and the amount of documentation should be determined by what is necessary to ensure all appropriate shipboard personnel can understand their respective roles.

In absence of documentation translated into the working language of the crew members, the auditor would expect to find objective evidence that proper familiarisation with the safety management system, as far as applicable, had taken place. Records of respective training sessions should be maintained.

Examples of objective evidence found at the office may include:

- internal audit reports, technical reports, circulars, etc.

Examples of objective evidence found on board the ship may include:

- standing orders, night orders, work orders, emergency stations, etc.
  - an entry in the ship's log book about the working language is required (SOLAS Chapter 5, Reg. 14).
- 

**ISM Code - paragraph 6.7**

*6.7 The Company should ensure that the ship's personnel are able to communicate effectively in the execution of their duties related to the safety management system.*

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Sufficient instructions in a suitable language need to be verified, as well as ensuring an understanding of them by the crew. This could be verified by witnessing an exercise. Verification that the ship's personnel are able to communicate may be accomplished by verifying the execution of orders given by Officers as requested by the auditor.

The auditor should verify if procedures exist that ensure effective communication on board. Documented evidence must be available, e.g. from manning agencies at the recruitment stage and during crew appraisals. Those responsible for the care of passengers during shipboard emergencies should be able to communicate with them effectively.

Examples of objective evidence found at the office may include:

- what is the established working language of SMS;
- Company's minimum requirements in relation to language knowledge of crew members;
- sample of crew list.

**No.**  
**41**  
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Examples of objective evidence found on board the ship may include:

- capability, assessed by means of observation of behaviour, of crewmembers to understand each other during simulation of emergencies and during shipboard procedures;
- crewmembers' understanding, assessed by means of interviews, of emergency and operative signs onboard and safety guidelines.

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## 7. SHIPBOARD OPERATIONS

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### ISM Code – paragraph 7

*The Company should establish procedures, plans and instructions, including checklists as appropriate, for key shipboard operations concerning the safety of the personnel, ship and protection of the environment. The various tasks should be defined and assigned to qualified personnel.*

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**“Shipboard operations”** in the safety and environmental protection context mean:

- all those operations for which mandatory rules and regulations prescribe performance requirements or specific requirements for plans, procedures, instructions, records and checklists;
- those connected to the particular ship’s type and which may affect safety and pollution prevention, to the extent established by the Company;
- those for which safe practices in ship operations and a safe working environment (ref. 1.2.1) have been recommended by the IMO, Administrations, classification societies and other industry bodies (ref. 1.2.3.2);
- those which the Company considers may create hazardous situations if not controlled by plans and instructions.

The ISM Code does not specify any particular approach to establish plans, instructions and checklists and it is for the Company to produce operating procedures and to choose methods appropriate to its organizational structure, its ships and its trades.

The methods may be more or less formal, but they must be systematic if assessment and response are to be complete and effective. Methods of Company identification of key shipboard operations may include the following:

- Company experience on those operations which may create hazardous situations if not controlled by plans and instructions;
- feedback provided from the SMS elements such as the Master’s review of the SMS (ref. 5.1.5), internal audits, reports and analysis of non-conformities, accidents and hazardous occurrences;
- formalized systematic methods which the Company may decide to use as a tool for hazard identification.

Non-conformities should not be raised against the adequacy, but on the implementation of such methods decided by the Company to identify key shipboard operations.

**“Procedures, plans and instructions”** including checklists, are meant to govern or support shipboard activities related to the safety of the ship and the protection of environment. These should also deal with new ship types when relevant.

Examples are those routine activities which if not correctly handled could lead to hazardous situations, e.g. watch keeping, loading, discharging, gas freeing, tank cleaning, sailing (confined waters), passage planning, pollution prevention, etc.

**No.  
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Procedures, plans and instructions should have safety and protection of environment as a primary objective and should include, inter alia, measures to manage identified risks as referenced in 1.2.2.2 of the ISM Code.

The development of procedures should take into account relevant international and national mandatory rules and regulations and applicable codes, guidelines and standards for the type(s) of ship covered by the SMS. This information should be kept updated by the Company to take into account its operational experience.

The development process shall ensure that ship and trade specific issues are adequately dealt with.

If having the same shipboard procedures for multiple ship types, care must be taken to clearly identify the procedures that are relevant for each ship.

The Company should be involved to confirm that the list is consistent with the Company's particular operational experience and procedures.

Non-conformities may be raised against the adequacy of methods decided by the Company to identify key shipboard operations and when there is evidence that such plans, procedures and instructions are inadequate.

The approval of the performance of operations for which plans, procedures and instructions are required by mandatory rules and regulations, such as damage control plans, are dealt with separately and independently of ISM Code audits.

**“Qualified personnel”** means those who are qualified to identify key shipboard operations and carry out actions requested by plans, procedures and instructions. When developing plans and instructions for key shipboard operations, the focus is on prevention, which requires the use of personnel who have adequate technical and/or operational knowledge relevant to the Company's operations.

The auditor should not prescribe particular requirements for qualified Company personnel to perform the review process.

Identification of tasks assigned to appropriately qualified personnel is an important consideration. Checklists may be used to facilitate the process. The auditor should expect the Company to have identified risks associated with a particular type of vessel and trade. Such identification should be documented in some form. Identified risks may simply be indicated in tables of contents.

Examples of objective evidence found at the Office may include:

- documented procedures for the preparation of plans and instructions for key shipboard operations concerning the safety of the ship and environmental protection;
- documented evidence of the decision making process and outcome thereof.

The effectiveness of the process should be evaluated based on the following evidence:

- evidence that a systematic review of mandatory rules and regulations applicable to each ship type included in the DOC is carried out by the Company (ref. 1.2.3.1 and 6.4) for the purpose of identification of the plans, procedures and instructions that are

**No.  
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required by mandatory rules and regulations for the type(s) of ships operated by the Company.

This evidence may include the existence of an appropriate library of applicable rules and regulations;

- evidence of a systematic review of recommendations given in form of codes, guidelines and standards by the IMO, Administrations, classification societies or other industry bodies, which the Company has decided that are applicable to their operation.

This evidence may include verification that:

- there is a list of these references,
- these recommendations are made available for those responsible for developing the plans and instructions for key operations;
- testing the completeness of the review by choosing a random sample of the operations for which there are requirements for plans, procedures or instructions in mandatory rules and regulations;
- verifying that the Company has established their own qualification requirements for those who are to be responsible for the development of plans, procedures and instructions for key operations; and
- that this has been used as a basis for a systematic identification of the plans, procedures and instructions that are required by mandatory rules and regulations for the type(s) of ships operated by the Company;

The shipboard audit should include:

- verification that key operations are under control by random sampling of those operations. This would involve the need to witness operations and confirm that the operation is conducted in accordance with procedures and instructions and will include discussion with crew members on their specific responsibilities associated with the key operation. The random sampling would depend on the type of ship, the ship operator, time available and availability of ship's personnel.
- verification that an appropriate library of applicable rules and regulations, guidelines, codes and standards exists.

**No.  
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(cont)**8. EMERGENCY PREPAREDNESS**

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**ISM Code - paragraph 8.1**

*8.1 The Company should identify potential emergency shipboard situations, and establish procedures to respond to them.*

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Usually the following scenarios are addressed by emergency plans as applicable and/or required by the specific ship types:

- structural failure / heavy weather damage;
- failure of main propulsion;
- steering gear failure;
- electrical power failure;
- collision;
- grounding / stranding;
- shifting of cargo;
- cargo / oil spillage / jettison \*;
- flooding;
- fire / explosion;
- abandoning ship;
- man over board;
- search and rescue operations;
- serious injury;
- piracy / terrorism \*;
- rescue from enclosed spaces;
- helicopter rescue operations.

\* Remark: references may be made to other separate emergency plans like SOPEP, SMPEP, SSP.

Depending on vessel's type and trade, some of emergency scenarios may be omitted (e.g. shifting of cargo on passenger vessels, piracy in certain trades). However, the list is not exhaustive and the Company shall identify all possible situations where shipboard contingency planning would be required relative to the ship's type, equipment and trade.

Examples of objective evidence found at the Office may include:

**No.  
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- records of drills;
- records of training ashore;
- emergency response plans.

Examples of objective evidence found onboard the ship may include:

- SOPEP manuals;
- records of drills;
- emergency response plans.

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**ISM Code - paragraph 8.2**

*8.2 The Company should establish programmes for drills and exercises to prepare for emergency actions.*

---

For all emergency scenarios identified by the Company (see 8.1) a drill schedule should be prescribed by the Company; for this drill schedule no certain format is required, however, following information should be provided:

- frequency of the particular drills;
- extend of the particular drills (e.g. table top drill only, or practical drill followed by debriefing and watching of a certain safety video);
- the Company might lay down who on board is responsible for the detailed planning of a drill scenario. Furthermore it appears to be prudent that a Company will instruct the vessels to perform practical drills under conditions with reduced personnel due to simulated casualties, i.e. back up / deputy staff should be involved in leadership and all tasks of a certain drill;
- in addition it may be beneficial for audit purposes to witness a shipboard safety drill or other practical demonstration (e.g. starting of life boat engine, donning of fire suit, first measures in case of detecting a cabin fire, etc).

Examples of objective evidence found at the Office may include:

- drill schedule for ships, shore-side and joint exercises;
- records of drills and training;
- analysis or evaluation of drills and exercises.

Examples of objective evidence found onboard the ship may include:

- drill schedule for ships, shore-side and joint exercises;
- records of drills and training;

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- analysis or evaluation of drills and exercises.

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## ISM Code - paragraph 8.3

*8.3 The safety management system should provide for measures ensuring that the Company's organization can respond at any time to hazards, accidents and emergency situations involving its ships.*

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It is important that Company shore and shipboard contingency planning is consistent and appropriately integrated.

Shore based emergency plans should include:

- procedures for the mobilisation of an appropriate Company emergency response team (incl. back up arrangements in the event of a prolonged emergency);
- the composition and duties of the persons acting within the contingency plan;
- procedures / checklists, etc. appropriate to the type of emergency which may assist in the systematic questioning of the ship during the response;
- the availability of vessel's contact numbers, ship particulars, plans, stability and cargo information, and safety and environmental protection equipment carried on board;
- details and contact numbers of all relevant parties including subcontractors, administrations, port states, Class emergency services, etc. who may need to be notified and consulted;
- procedures for notifying and liaising with the next of kin of shipboard personnel;
- procedures for issuing information bulletins to and answering queries from the media might also be included.

Examples of objective evidence found at the Office may include:

- emergency response plans;
- contact points for all relevant parties (ERT, owners, charterers, insurance, etc.);
- 24 hr contact number between the ship and the Company;
- back-up arrangement;
- specific drawings for ship types.

Examples of objective evidence found onboard the ship may include:

- emergency response plans;
- contact points for all relevant parties (ERT, owners, charterers, insurance, etc.);
- 24 hr contact number between the ship and the Company;

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- specific drawings for ship type;
- status and location of emergency equipment and oil spill response gear.

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**9. REPORTS AND ANALYSIS OF NON-CONFORMITIES, ACCIDENTS AND HAZARDOUS OCCURRENCES**

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**ISM Code - paragraph 9.1**

*9.1 The safety management system should include procedures ensuring that non-conformities, accidents and hazardous situations are reported to the Company, investigated and analysed with the objective of improving safety and pollution prevention.*

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Records of non-conformities, accidents, hazardous situations and relevant investigations produced by shipboard personnel and/or by the Company from operations or internal audits, should be provided to the auditor during audits to demonstrate effective functioning of the SMS.

Non-conformities may be identified as result of such activities as internal and external audits, class surveys, flag or port state inspections. The NCs may include non-fulfilment of technical as well as operational requirements.

Accidents are events that lead to unintended harm or damage such as deaths or injuries, pollution or property damage. Hazardous situations include near misses which are often defined as events that under slightly different circumstances may lead to an accident. Considering the importance of the near misses in the objective of improving safety and environment protection the IMO MSC-MEPC.7/Circ.7 provides a "Guidance on near-misses reporting".

The auditor should be aware that terminology in reporting such events varies from Company to Company.

The auditor would also expect to see the effective implementation of a documented procedure dealing with the review and analysis of the events stated above. Analyses should aim to determine root causes, not only symptoms. This should include the objective for improvement. Corrective action should include both the "repair" to deal with the immediate situation as well as measures taken to prevent or reduce likelihood of recurrence.

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**ISM Code - paragraph 9.2**

*9.2 The Company should establish procedures for the implementation of corrective action, including measures intended to prevent recurrence.*

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This requirement mirrors the definition of corrective action in the ISO 9000 standard and clarifies that it is not only required to eliminate the detected non-conformity but also to eliminate the cause of the non-conformity to prevent recurrence of the problem. The action taken to avoid recurrence should address the root cause of the problem.

The Company should have procedures for carrying out the corrective actions suggested by analysis relevant to non-conformities, accidents and hazardous situations identified from internal audits and during operations.

Auditors should focus on the effectiveness of the procedure(s) for implementing corrective actions. Failure to comply with these issues in a timely manner should qualify for a non-conformity. Consistent, grave inability to comply in time should result in the issue of a major non-conformity.

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Examples of objective evidence found at the Office and onboard the ship may include:

- personnel being aware of procedure(s) ensuring that non-conformities, accidents and hazardous situations are reported, investigated, analyzed and followed up;
- records of non-conformities, accidents and hazardous situations reported (check against documents such as class, flag and port state reports, medical logs and interviews);
- records of accident investigation and analysis;
- evidence of corrective action;
- evidence of effective and timely implementation of corrective action.

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**10. MAINTENANCE OF THE SHIP AND EQUIPMENT**

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**ISM Code - paragraph 10.1**

*10.1 The Company should establish procedures to ensure that the ship is maintained in conformity with the provisions of the relevant rules and regulations and with any additional requirements which may be established by the Company.*

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The maintenance of the ship and equipment should be in accordance with the procedures established by the Company. These procedures should take into account international conventions, flag and Port State regulations, classification rules, requirements from manufacturers, feedback information from failures, damages, defects and malfunctions.

There are a number of acceptable systems associated with maintenance of equipment. The choice depends on ship design and Company philosophy. The auditor should expect to find maintenance process documentation and records indicating compliance with maintenance program requirements.

The ISM Code makes it clear that the Company is responsible for ensuring the safe operation of the ship and protection of the environment. In particular, the Company is required to ensure that the ship's hull, machinery and equipment are maintained and operated in accordance with the applicable rules and regulations and any additional requirements that may be established by the Company. Reference can be made to the IACS Rec74 "A Guide to Managing Maintenance with the Requirements of the ISM Code".

Objective evidence is necessary to confirm conformance with established maintenance requirements.

Examples of objective evidence found at the Office and onboard the ship may include:

- documented procedures and instructions for the onboard work routine;
  - verification of their implementation in the day-to-day operation of the ship by the appropriate personnel.
- 

**ISM Code - paragraph 10.2.1**

*10.2 In meeting these requirements the Company should ensure that:*

- .1 inspections are held at appropriate intervals;*
- 

The Company should define the appropriate intervals and may be expected to justify their selection.

As part of shipboard responsibilities, there should be formal routine inspections of machinery, systems, equipment and structural integrity of the ship.

Examples of objective evidence found at the Office may include:

- shipboard inspection reports from ship staffs and/or Company superintendents at intervals as required by the maintenance plan;

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- definition of inspection criteria such as manufacturer's recommendations; and
- monitoring of maintenance status.

Examples of objective evidence found onboard the ship may include:

- shipboard inspection reports;
- condition of ship; and
- results from other surveys and inspections.

## ISM Code - paragraph 10.2.2

*10.2 In meeting these requirements the Company should ensure that:*

- .2 any non-conformity is reported with its possible cause, if known;*

This section of the Code refers to damage, defects, malfunctioning, deficiencies concerning ship and equipment, etc. Therefore, the term "non-conformity" in this context refers to a technical defect and/or technical deficiency which is caused by ineffectiveness/failure of the maintenance system.

Shipboard personnel, as part of the day-to-day operation of the ship, should have procedures which ensure that defects are reported promptly and rectified within a specified period of time.

A system should be in place to notify appropriate personnel both ashore and on board of defects and appropriate corrective actions.

Examples of objective evidence found at the Office may include:

- receipt of technical defect reports (damage, inspection reports, etc.) from the ship in accordance with the SMS procedures;
- analysis of defect and identification of causes;
- root cause analysis, if necessary.

Examples of objective evidence found onboard the ship may include:

- reporting of technical defects in accordance with SMS procedures;
- analysis of defect and identification of causes;
- root cause analysis, if necessary.

## ISM Code - paragraph 10.2.3

*10.2 In meeting these requirements the Company should ensure that:*

- .3 appropriate corrective action is taken; and*

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The Company should have documented procedures for corrective action of defects which cannot be promptly corrected by the shipboard personnel.

Defects which, for any reason, cannot be promptly dealt with by the ship personnel (e.g. due to lack of resources or material) or whose repair may be postponed (e.g. to the next dry dock or long stay) and which do not affect the ship's safety and environmental protection, should be included in a continuously updated list, to be available onboard and ashore.

The SMS should include instructions when ship's personnel are unable to correct a defect affecting the ship's safety or protection of the environment with available resources and material, in order to inform the appropriate person in the Company of the nature of the problem, whenever possible with proposals for corrective and preventive resolution.

Examples of objective evidence found at the Office may include:

- list of maintenance and repair carried out onboard;
- control, monitoring and supply of spare parts;
- evidence of preventive maintenance actions taken;
- evidence of timely follow-up and effectiveness of corrective action.

Examples of objective evidence found onboard the ship may include:

- list of maintenance and repair carried out onboard;
- control, monitoring and receipt of spare parts;
- evidence of preventive maintenance actions taken;
- evidence of timely follow-up and effectiveness of corrective action.

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### ISM Code - paragraph 10.2.4

*10.2 In meeting these requirements the Company should ensure that:*

*.4 records of these activities are maintained.*

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Records of inspections, maintenance, damages, defects and relevant corrective actions should be kept as objective evidence of the effective functioning of the SMS. The records may be maintained in electronic format.

Examples of objective evidence found at the Office and onboard the ship may include:

- evidence of all records addressed above.
- 

### ISM Code - paragraph 10.3

*10.3 The Company should identify equipment and technical systems the sudden operational failure of which may result in hazardous situations. The safety management system should provide for specific measures aimed at promoting the reliability of such*

**No.  
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*equipment or systems. These measures should include the regular testing of stand-by arrangements and equipment or technical systems that are not in continuous use.*

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The main intention of this paragraph is to increase reliability of equipment and technical systems of which a sudden operational failure can cause a dangerous situation. Hence, a risk assessment should be carried out to identify such equipment and systems. Once identified, measures should be taken to increase the reliability of the equipment or system, to ensure that it is in full operational condition whenever it is needed.

There are different methods for carrying out risk assessment of such equipment and systems, hence the first step should be to establish a suitable methodology for the assessment. One example is FMECA (Failure Mode, Effect and Criticality Analysis), but there are also other risk assessment techniques which may be successfully applied. In this respect, it is important to identify equipment and systems which are used in the operation of the vessel, and where a sudden failure can cause damage or injury to the vessel, the environment or to people.

The measures developed should aim to control the risk. An example introducing redundancy for stand-by equipment may be a solution to enhance the reliability of a technical system. Other means may be function tests and maintenance routines. In this respect it is also important to consider appropriate instructions for operation and maintenance of the equipment, as well as training and familiarization.

Equipment and systems that are not in continuous use, should be tested regularly and prior to conducting any operation to ensure that there will be no loss of function which may lead to an accident.

The testing and maintenance of stand-by equipment and infrequently used systems should be part of the Company maintenance procedures. Once identified, appropriate tests and other procedures should be developed to ensure reliability.

Examples of such equipment and systems may include but are not limited to:

- test of standby start of aux engines including emergency generator,
- test of windlass,
- test of lub oil pump for main reduction gear(s),
- test of Emergency bilge system,
- test of the arrangement for starting up from «dead-ship» condition,
- communication equipment (internal and external),
- test of isolation valve for engine room(s) on the fire line,
- alarms and emergency shutdowns,
- pre-arrival and pre-departure tests (of emergency steering gear, generators, emergency fire pumps, etc.).

Examples of objective evidence found at the Office may include:

**No.  
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(cont)

- evidence that a methodology is established for identification of equipment and systems where failure can have negative consequences for safety or environment;
- evidence of identification of such equipment;
- evidence that the results from the assessment has been considered and that appropriate measures are identified and implemented;
- evidence that the Company is familiar with rules and regulations regarding relevant equipment, in particular emergency equipment;
- procedures for operation and maintenance;
- records of inspection and testing.

The focus of the ship audit should be to verify that the measures are implemented. However, it may also be relevant to consider whether all relevant equipment and systems have been identified.

Examples of objective evidence found onboard the ship may include:

- records of inspection and testing;
- relevant personnel are familiar with the operation and maintenance/test procedures for such equipment and systems;
- condition of relevant equipment;
- spare parts are available when relevant.

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**ISM Code - paragraph 10.4**

*10.4 The inspections mentioned in 10.2, as well as the measures referred to in 10.3 should be integrated into the ship's operational maintenance routine.*

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## 11. DOCUMENTATION

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### ISM Code – paragraphs 11.1 to 11.3

11.1 *The Company should establish and maintain procedures to control all documents and data which are relevant to the safety management system.*

11.2 *The Company should ensure that:*

- .1 valid documents are available at all relevant locations;*
- .2 changes to documents are reviewed and approved by authorised personnel; and*
- .3 obsolete documents are promptly removed.*

11.3 *The documents used to describe and implement the safety management system may be referred to as the “Safety Management Manual”. Documentation should be kept in a form that the Company considers most effective. Each ship should carry on board all documentation relevant to that ship.*

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Well-designed and well-managed documentation is vital to the health and integrity of the system. It is essential in clarifying and communicating the Company’s requirements, establishing and maintaining lines of communication, defining and clarifying responsibilities and authorities, and in developing a safety culture.

It is important to remember that the issue of a certificate means that the system complies with the requirements of the ISM Code. It is not a guarantee that it does so in the most efficient way possible. Some very inefficient systems have received ISM certificates! The management system should not create a large and unacceptable bureaucratic burden, but if it does, then the documentation has been badly designed and should be reviewed.

Although the Code does not specifically require the auditor to address the efficiency of the system, serious inefficiencies can reduce its effectiveness, and should not be ignored. The auditor can do much to contribute to the system’s improvement by identifying duplication, repetition, ambiguity and redundancy.

The more concise a document, the more likely people are to read it, and the easier it will be to understand. Flow charts and well-designed forms and checklists can do much to reduce the number and size of the procedures, and keeping cross-references to a minimum makes amendment much easier.

A straightforward review and approval process is essential. To concentrate document authorization in one very senior position, for example, is likely to result in delay. It may be better to approve documents at lower levels more directly associated with the activities concerned, and with the flexibility of one or two alternative signatories. This has the added advantage of increasing the sense of ownership of those responsible for implementing the procedures.

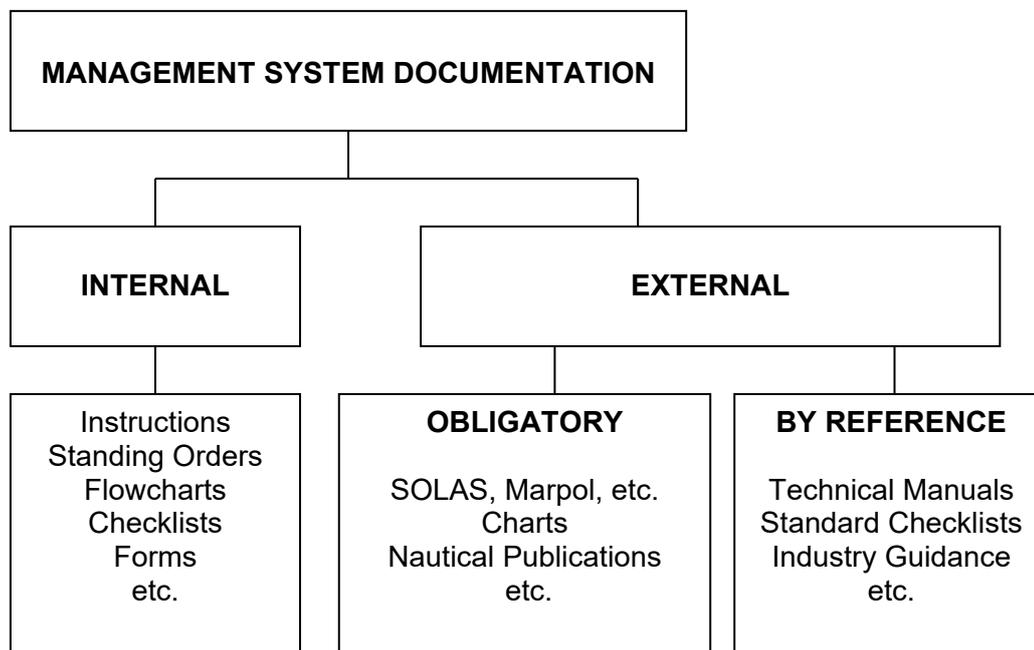
Both internally and externally generated documents must be controlled where necessary. Where the Company has chosen to incorporate external documents into its management system documentation by reference, then those documents must be available where needed, and must be of the appropriate revision.

It may be helpful to visualize the general structure of management system documentation as portrayed in the diagram below, bearing in mind that detailed arrangements will vary considerably from one Company to another. Controls may be applied at the level of individual

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procedures (which may be re-issued as changes arise) or whole manuals (for which minor amendments are accumulated to be included in regular revisions).



There is a balance to be struck between insisting on the control of every piece of paper in every area and excessive reliance on uncontrolled documents. The auditor should adopt a reasonable and practical approach, taking into account the nature of the document, the frequency with which it is likely to change, and the impact of the activity on safety and pollution prevention.

The same control principles apply to electronic documentation: only the means of application are different. There are also some additional considerations such as security of access, backup, virus protection and the reliability of power supplies.

Examples of objective evidence found at the Office and onboard the vessel may include:

- availability of documents & amendments where needed;
- removal & destruction or storage of obsolete documents;
- proper review & approval of documents & amendments;
- accurate identification of documents & revision status;
- the establishment of rules governing the availability and use of uncontrolled documents.

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**12. COMPANY VERIFICATION, REVIEW AND EVALUATION**

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**ISM Code - paragraph 12.1**

*12.1 The Company should carry out internal safety audits on board and ashore at intervals not exceeding twelve months to verify whether safety and pollution prevention activities comply with the safety management system. In exceptional circumstances, this interval may be exceeded by not more than three months.*

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Internal audits are important to demonstrate the effective functioning and continuous implementation of the SMS, both ashore and onboard.

The Company is required to conduct these internal audits of their shore-side offices and each of their vessels to all elements of the ISM Code and of their own respective procedures at least once every 12 months.

The interval should normally not be exceeded and the Company should be able to explain the "exceptional circumstances" under which the audit could not be carried out.

It is also to be noted that when an internal audit interval exceeds the twelve months period (exceptional circumstances) the next scheduled internal audit (twelve months) should not be considered from the date of the last internal audit but from the former internal audit.

The Company should specify competence requirements for their internal auditors. Refer to ISM Code, Section 6.5.

Although Company audits are also based on sampling of procedures, records, corrective action implemented and verified and interviews of personnel ashore and onboard, it would be reasonable to expect the internal audit to be more comprehensive than the audit performed during external ISM Code certification.

Objective evidence is necessary to confirm conformance with the Company's internal audit procedures, to demonstrate the efficiency of the SMS implementation, continuous improvement of the management system and management's commitment to the SMS.

Examples of objective evidence found at the office and onboard the vessel may include:

- documented procedures for internal audits and reviews, including specification of competence for internal auditors;
- verification that internal auditor meets competence requirements;
- copies of internal audit reports and master's and management reviews;
- schedule of planned internal audits, ashore and onboard vessels;
- sampling of corrective action taken and verification of effectiveness.

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**ISM Code - paragraph 12.2**

*12.2 The Company should periodically verify whether all those undertaking delegated ISM-related tasks are acting in conformity with the Company's responsibilities under the Code.*

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The Company which has taken over all the duties and responsibilities foreseen by the Code should provide adequate resources (e.g. technical, financial and human) to ensure that the safety management objectives will be achieved. Delegated ISM-related tasks being carried out by the Company's branch offices or by external entities should be outlined in the SMS.

The Company should verify that all the above involved parties undertaking delegated ISM-related tasks carry out these activities in accordance with established procedures.

The period and methods of verification should be addressed in the SMS manual and procedures.

The ISM Code requires the Company to ensure that:

- all personnel involved in the Company's SMS have an adequate understanding of relevant rules, regulations, codes, guidelines; and
- all personnel have the qualifications, training and experience that may be required in support of the SMS.

Examples of objective evidence may include:

- established procedures for periodical verification for adequate qualification/competence of all personnel delegated ISM-related activities;
- copies of records of delegated ISM-related activities undertaken by all personnel, including external entities;
- copies of records of the periodical verification including evaluation of delegated ISM-related activities.

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**ISM Code - paragraph 12.3**

*12.3 The Company should periodically evaluate the effectiveness of the safety management system in accordance with procedures established by the Company.*

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Internal audits and reviews should be able to demonstrate the Company's dedication to ensuring that procedures they have established are implemented, effective and resulting in meeting the Company's established goals and objectives.

At minimum these internal audits and reviews should occur in the office/s and onboard each vessel once every 12 months. This period could be less if internal audits or reviews indicate necessary.

Examples of objective evidence found at the office may include:

- established procedures for internal audits, management review of the SMS and Master's review of the SMS;
- copies of management review meeting, Master's review and internal audit reports.

Examples of objective evidence found onboard the vessel may include:

- internal audit performed onboard the vessel;
- Master's review of the SMS;

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- sampling of corrective action of deficiencies identified and verification of effectiveness of the corrective action taken.
- 

**ISM Code - paragraph 12.4**

*12.4 The audits and possible corrective actions should be carried out in accordance with documented procedures.*

---

The Company shall ensure that established procedures are documented and maintained to effectively demonstrate their ability to conduct thorough internal audits and to identify deficiencies during these audits.

These procedures demonstrate the Company's commitment to their SMS and goals and objective established. Internal audits and handling of corrective action also illustrate the Company's commitment for continuous improvement of the SMS implemented onboard and ashore.

Examples of objective evidence found at the office may include:

- documented and maintained procedures for conducting internal audits and handling of corrective action;
- sampling of audit reports and corrective action to ensure Company procedures are being adhered to;
- internal audit reports reflect the real situation and is confirmed by external audits/inspection such as class, port state, vetting.

Example of objective evidence found onboard the vessel may include:

- maintenance of the established procedures regarding internal audits and corrective action;
  - sampling of corrective action or deficiencies identified and disposition thereof;
  - internal audit reports reflect the real situation as observed by the external auditor and various external audits/inspection such as class, port state, vetting.
- 

**ISM Code - paragraph 12.5**

*12.5 Personnel carrying out audits should be independent of the areas being audited unless this is impracticable due to the size and nature of the Company.*

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As a general rule "independent" means not auditing areas or activities for which you are responsible. This is also seen to be a conflict of interest.

For example, the Designated Person should not be allowed to audit himself or his department.

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Likewise, on board a vessel the ship's crew should not be allowed to audit themselves on board. It is felt that this type of audit would not be effective as they are responsible for the vessel and it's operation and could be protective of their position.

For example, the Master or the Chief Engineer should not be auditing the Engine Department nor the Master or the Chief Officer auditing the deck Department.

Examples of objective evidence found in the office and onboard may include:

- procedures detailing audit process and the assignment of independent auditors.

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**ISM Code - paragraph 12.6**

*12.6 The results of the audits and reviews should be brought to the attention of all personnel having responsibility in the area involved.*

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Internal and external audit results should be the topic of a management meeting. This meeting should include the top management personnel. By reviewing the results from the audits management should be able to determine the effectiveness of the SMS and is it meeting the objectives and goals management have established.

Also, results from audits should be discussed within the department and onboard the vessel audited. This allows the department and vessel realize where continual improvement is required and where specific activities are meeting their objectives.

Examples of objective evidence found in the office may include:

- documented procedure on the management review meeting;
- copies of the internal and external audit reports;
- disposition of non-conformances identified;
- action taken to management review.

Examples of objective evidence found onboard the vessel may include:

- copies of the internal and external audit report conducted;
- status of non-conformances identified;
- copies of the Master's review of the SMS;
- relevant information from management review (it is not required to copy the management review to the vessel).

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**ISM Code - paragraph 12.7**

*12.7 The management personnel responsible for the area involved should take timely corrective action on deficiencies found.*

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Corrective action should be initiated as soon as possible for any deficiencies identified during either Master's review, Management Reviews, internal and external audits.

Timely corrective action allows personnel time to evaluate the action applied to a deficiency and to determine its effectiveness. Not taking timely corrective action allows a deficiency to exist longer than necessary and could lead to a breakdown of the SMS, its effectiveness and possibly unsafe conditions.

Corrective action should be completed within time frames established. Verification of the corrective action to an identified deficiency is to ensure that the corrective action taken was and is indeed effective.

Examples of objective evidence found in the office may include:

- documented procedure for how the Company is to deal with deficiencies identified;
- assignment of corrective action and status of the corrective action applied;
- follow up to corrective action to ensure effectiveness.

Examples of objective evidence found onboard the vessel may include:

- status and disposition of non-conformances identified from previous internal, external audits and Master's review;
- method for verification of corrective action on board and its effectiveness.

**PART B – CERTIFICATION AND VERIFICATION**

**No.**  
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For certification and verification, further reference should be made to the Part B of ISM Code, Revised Guidelines on the Implementation of the International Safety Management (ISM) Code by Administrations (IMO Resolution A. 1118(30)) and “Procedural Requirements for ISM Code Certification” (IACS PR9).

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## Annex 1

## Guidance on Duration of Audits

The table determines the durations of ISM Code verification, which take into account that there could be variations depending on each Company or ship. One manday is 8 hours. The verification does not include document review. Sufficient time should be allowed for document review as necessary.

		MINIMUM AUDIT DURATION	
<b>COMPANY</b>			
small (up to 20 employees *)		1	
medium (between 21 and 50 employees)		2	
large (more than 50 employees)		2	
* number of relevant employees who carry out or have responsibility to the Safety Management System of the Company ashore			
	INITIAL VERIFICATION	PERIODICAL VERIFICATION	RENEWAL VERIFICATION
<b>SHIP</b>			
<b>Category I</b>			
passenger ships carrying 1500 passengers and above	2	2	2
<b>Category II</b>			
passenger ships and high speed craft carrying 300 passengers and above	2	1	2
<b>Category III</b>			
oil tankers, gas carriers, bulk carriers and other cargo ships of 500 grt and above and	1	1	1
<b>Category IV</b>			
mobile offshore drilling units (MODU) of 500 grt and above	1.5	1.5	1.5

## Annex 2

No.  
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## Guidance - Companies and Vessels Operated by Owners-Masters

## 1. General

**Purpose**

There are a number of features peculiar to single ship, owner-master Companies that require special consideration when verifying compliance with the ISM Code. The purpose of this guidance is to establish an IACS approach to the assessment of the safety management system of these Companies.

The preamble of the code states that no two Companies are the same and the code is based on general principles and objectives, the code is expressed in broad terms so that it can have a wide-spread application, and that the cornerstone of good safety and pollution prevention is the commitment competence and motivation of individuals at all levels.

**Background**

The owner-master ship may not have any shore based organisation and this could give rise to problems of interpretation of the Code. The following sections of the code state or imply that the Company has a shore based organisation:

2.2 – The policy is implemented and maintained at all levels of the organisation both, ship based and *shore-based*.

3.3 – adequate resources and *shore-based* support are provided

4 – Designated person ... to provide a link between the Company and those onboard.... And that adequate resources and *shore-based* support are applied...

5 – Master's responsibility and authority

5.1.5 – reviewing the SMS and reporting it deficiencies to the *shore-based* management.

5.2 – ....request the Company's *assistance* as may be necessary.

8.3 – ....the *Company's organisation* can respond at any time to hazards, accidents and emergency situations *involving it ships*.

9.1 – ...non-conformities, accidents and hazardous situations are *reported to the Company*,.....

12 – Internal audits and system reviews

13 – Company DOC and shipboard SMC

The wording of the above requirements is based on the assumption that there will be a separation of roles and responsibilities that is impracticable in single-ship, owner-master operations.

**No.  
41**  
(cont)**Meeting the Code requirements**

There are three approaches that the single ship operator or owner-master can adopt to ensure compliance with the Code's requirements:

1. to assign two or more roles to the same person,
2. to employ outside contractors to fulfil the role of designated person, internal auditor or shore based system administrator, for example, or
3. a combination of 1 & 2 above.

Whatever solution the Company may choose it should ensure effective operational and administrative control. It is the effectiveness of the solution rather than the location (ship or shore-based) of the involved personnel that is important. For example, effective reviews of the safety management system (SMS) may be carried out, and deficiencies identified, analysed and corrected, even though the entire process may be administered by the master, with no shore-based involvement.

**Designated Person**

The critical function of the Designated Person is to ensure that the safety and pollution prevention aspects of the operation of the ship are being effectively monitored, not the fact that the code refers to this as a shore-based position. Consequently, the owner-master may act as the designated person. The owner is the highest level of management and therefore responsible for the application of adequate resources, and may ensure adequate shore based support by, for example, establishing communications and contingency arrangements with agents or other third parties.

**Emergency response**

A dedicated shore based organisation is not necessarily required to ensure that Company can respond at any time to emergency situations onboard the ship. Again the effectiveness of the solution is the key issue. The emergency response plans should cover all identified potential emergency situations. The plans should include how outside assistance can be obtained i.e. Port State emergency response centres, salvage tug contractors, spill clean-up contractors etc.

The emergency plans should ensure that the shore based emergency organisations can readily obtain current crew details. The agents at the ships sailing and departure ports could be involved in this process.

**Internal Audits**

The Code aims for independent personnel in this function "unless this is impracticable due to the size and the nature of the Company." Experience shows that the risk for an ineffective audit will increase with the lack of independence and it is encouraged that Company should employ an external contractor for this purpose. However, most important is to verify that the chosen solution is effective, i.e. the internal audit is effective in ensuring that the SMS is implemented.

**Documentation**

**No.  
41**

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Provision should be made for the remote back-up of computer systems and files, and the retention ashore of copies of important documents. Examples include current crew list with next of kin details, copies of charter parties, H & M Insurance, P & I cover etc.

**Handling of outside contractors**

Formalised procedures for selection of contractors are not required, but when a Company uses outside contractors the following factors should be considered:

1. the precise nature of the contractual relationship with the contractor, including any obligations imposed on the Company;
2. the basis on which the choice of contractor was made;
3. the suitability of the contractor to undertake the assigned roles;
4. the timeliness, frequency, completeness and effectiveness of the communications between the contractor and the Company.

The Company may not be the only client of the contractor, and the provision of such services may not be the contractor's only activity. It is therefore, important to ensure that the contractor is dedicating sufficient time and resources to fulfilling the specified commitments to the Company, and that the Company is able to contact the contractor when necessary. It is encouraged that contractor is audited or otherwise controlled by the Company to ensure contractor is meeting obligations set forth by the Company.

**2. Auditor's Guidance****ISM Code Elements 1 & 2:**

Usually the objectives and the policy are orientated on long-term perspectives in order to keep the family business running; i.e. owners-masters are people-orientated and have an own interest in maintaining the vessel in excellent condition (exemptions possible!).

Instructions and procedures might be kept relatively short, but must be comprehensive enough that also a relief master and/or new crewmembers receive adequate information about the SMS.

**ISM Code Element 3:**

All ISM relevant functions of the master (e.g.: managing director, superintendent, crewing manager, designated person, Company security officer) must be clearly described. Although an official shore-based organization is not required, if all relevant tasks can be taken over by the master and relevant contacts can be made from the vessel (contact lists to be available), shore-based support is usually available through agents, charterers, brokers, consultant, P&I Club and family members. The contractual relationship and the role of this support have to be defined in the ISM-manual.

The owner-master may act as the DPA and MD in one person, provided that he can demonstrate that the safety and pollution prevention aspects of the operation of his ship are being monitored effectively. As the owner, representing the highest level of management, he is responsible for the application of adequate resources, and may ensure adequate shore-based support by, for example, establishing communications and contingency arrangements with agents or other third parties.

**No.  
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**ISM Code Element 4:**

It is fully acceptable if the role of the designated person is covered by the owner-master.

The owner-master may act as the DP provided that he can demonstrate that the safety and pollution prevention aspects of the operation of his ship are being monitored effectively. As the owner, he is the highest level of management, he is responsible for the application of adequate resources, and may ensure adequate shore-based support by, for example, establishing communications and contingency arrangements with agents or other third parties.

Where the Company has chosen to employ outside contractors, a number of additional factors need to be considered:

- i) the precise nature of the contractual relationship with the contractor, including any obligations imposed on the Company;
- ii) the bases on which the choice of contractor was made;
- iii) the suitability of the contractor to undertake the assigned roles;
- iv) the timeliness, frequency, completeness and effectiveness of the communications between the contractor and the Company.

The Company may not be the only client of the contractor, and the provision of such services may not be the contractor's only activity. It is, therefore, important to verify that the contractor is dedicating sufficient time and resources to fulfilling his commitments to the Company, and that the Company is able to contact the contractor when necessary.

In some cases, the ship will be the Company's only "site", and provision will need to be made for the remote back-up of computer systems and files, and the retention ashore of copies of important paper documents.

**ISM Code Element 5:**

A master's review of the SMS in addition to the management review, is not required. A statement regarding the overriding authority of the master makes no sense for a owner-master himself, but of course such a statement must be available for a potential relief master.

**ISM Code Element 6:**

Quite often long standing crew members (having fulfilled many contracts for the same owner-master) are engaged; in such a case appraisal / crew ability reports are not necessarily required – as the work performance is known. Familiarization protocols should only be used for new crew members.

On many ships operated by owner-master only 2 licensed bridge watch keepers are on board (respectively 2 persons for the supervision of cargo works); thus the auditor might pay special attention for compliance with minimum rest hours (STCW'78, A-VIII / 1). On the other hand, the respective vessels quite often have considerable long port stays with no cargo works at night time and/or weekends.

**ISM Code Element 7:**

Operational plans, instructions, procedures and checklists could be kept to a minimum, but must be sufficient as guidance for the relief master and new personnel.

**No.  
41**  
(cont)**ISM Code Element 8:**

If a shore-based contact is available, at least one emergency drill per year should include involvement of the shore-based support.

**ISM Code Element 9:**

Although it might appear in-practicable if the owner-master is reporting to himself, failures, accidents, etc. should be stated in writing and are to be analyzed. However, if the system is running well, the reports might be kept to a minimum number.

**ISM Code Element 10:**

Reports from shore based superintendents are off course not required. However onboard inspections and maintenance activities are to be recorded.

**ISM Code Element 11:**

Provision should be made for the remote back-up of computer systems and files, and the retention ashore of copies of important paper documents.

**ISM Code Element 12:**

Internal audits could for example be carried out by the relief master. However, in order to achieve full independency, it is advisable that the internal audits are carried out by a third party contractor. The evaluation and review of the system could be combined with the internal audit (if a respective review statement is performed and signed by the owner).

**3. The Audit Process**

As the ship is the Company's only site, the auditor would have to conduct the Office Audits on the Ship. Whilst the office audit might overlap with the Intermediate Shipboard Audit, the auditor is however required to prepare separate audit documentation for office and ship.

For the office part of the audit, emphasis should be given to the specific requirements of the Code applicable mainly to the shore organization such as:

- S+E Policy;
- Responsibility and Authorities applicable to the key functions incl. Master and DPA;
- procedures covering element 12 of the Code.

Where found necessary by the auditor and/or requested by the Company, third party locations/outside contractors may be included in the audit.

**Document of Compliance / Safety Management Certificate**

Where the ship is be the Company's only "site," the ship cannot be given as the address on the DOC. In these cases, the address may be the Master's home address as communicated to the flag State, or that of an agent or other representative such as a bank, lawyer or a contracted Designated Person.

## Annex 3

**No.  
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**The Relationship between ISM Code & STCW****Training**

The largest portion of the STCW addresses the requirements for training, verification, and certification of seafarers. Responsibility for seafarer certification rests with the flag Administrations, and is not the responsibility of the Companies. This clearly eliminates the Company's responsibility for many of the requirements of the STCW.

The Company, however, carries responsibilities relevant to seafarer training. The Company's responsibilities in this area fall into two categories:

1. those related to the certification of seafarers; and
2. training pertinent to the responsibilities imposed by the ISM Code.

## Category 1:

Verification requirements fall under the responsibility of flag Administrations. Flag Administrations are responsible for requiring and verifying that seafarer training relevant to certified qualifications is performed within a quality system. In so far as some Companies may provide training relevant to seafarer qualification and certification, they fall under this regime. These verification activities may be delegated to recognized organisations, but do not fall under the context of ISM Code verification activities.

## Category 2:

Responsibilities fall under the verification regime associated with the ISM Code. They are documented in Regulation 1/14, and Section A 1/14 of the STCW Code. Appropriate guidance is provided in Section B 1/14 of the STCW Code but is not mandatory. IACS Societies may consider Section B 1/14 to provide "auditor guidance" relevant to what they might encounter in an audit.

**Watchkeeping**

The Company is responsible for proper watchkeeping practices. They are documented in Regulation VIII, and Section A-VIII of the STCW Code regarding watchkeeping. Appropriate guidance is provided in Section B VIII of the STCW Code but is not mandatory. IACS Societies may consider Section B VIII to provide "auditor guidance" relevant to what they might encounter in an audit.

**Additional consideration**

IACS Societies are to have an understanding of the process and documentation of recognition of certificates contained in Reg. I/2.5.

IACS Societies are to verify that seafarers have appropriate certification relevant to required emergency, occupational safety, medical care and survival functions. The requirements for this certification are detailed in Chapter VI of the amended annex to the convention and corresponding section of the STCW Code.

## Annex 4

**No.  
41****Treatment of FPSO's, FSU's etc. with respect to ISM Code Certification**

(cont)

Operations should be evaluated against the following four situations when deciding whether the ISM Code applies:

1. The vessel disconnects from the mooring system at regular intervals to proceed under its own power to a discharge port. In this case, SOLAS and the ISM Code apply.
2. The vessel has the ability to disconnect from the mooring system, and will do so for meteorological or security reasons. SOLAS may apply in these circumstances. If so, it may be possible for the operator to obtain an exemption from the flag Administration.
3. The vessel disconnects from the mooring system and proceeds under its own power to a dry-dock or repair berth, for survey or repair, at very infrequent intervals, perhaps every five or ten years. In this case, it is likely that the administration and the operator will have reached agreement on the particular arrangements to be made when this occurs.
4. The vessel can be disconnected from the mooring system, but has no independent means of propulsion. Disconnection occurs only when repairs are needed that require that the unit be towed to a repair yard. SOLAS and ISM Code will not apply in this case.

In some parts of the world, a safety case regime may be in operation that requires the operating company to have developed a risk-based safety management system covering the operation of the oil field as a whole, including the vessel. The Company may have addressed the requirements of the ISM Code by combining the existing risk-based safety management system in conjunction with a bridging document which addresses requirements of the ISM Code that are additional to those specified by the risk-based system.

Any regulatory requirements imposed by the relevant coastal State authorities must also be taken into account by the operator.

However, despite this general guidance, the final responsibility for deciding whether the ISM Code applies, lies with the flag and coastal States. Where there is any doubt, the vessel's operator should contact both states in order to obtain a decision.

## Annex 5

**No.  
41**

(cont)

**Guidelines for SMC, ISSC and MLC expiration dates alignment****1. Preamble**

These Guidelines contain the recommendations applicable when a Company requests alignment of the expiry dates of the Safety Management Certificate, the International Ship Security Certificate and the Maritime Labour Certificate.

**2. Definitions**

2.1 "Alignment" means aligning the expiry dates of certificates, SMC, ISSC and MLC.

2.2 "Aligned audits/inspection" means ISM and ISPS audits as well as MLC inspection conducted in conjunction with each other when a Company requests alignment.

2.3 "Adjusted Certificate" is the certificate or certificates, either SMC and/or ISSC and/or MLC, which will have its expiration date adjusted so as to achieve alignment.

**3. Conducting aligned audits/inspection**

3.1 When the Company selects a single Society to provide aligned audits/inspection:

- .1 the lead auditor must be qualified as Marine Management Systems Auditor, in accordance with the requirements of PR10 and as Inspector, in accordance with the requirements of PR10B;
- .2 the Society must be authorized to conduct the ISM Code audit, ISPS Code audit and MLC, 2006 inspection by the flag Administration;
- .3 TCMS apply as appropriate and in accordance with PR18 and PR36;
- .4 all elements of the ISM Code and/or ISPS Code and/or of MLC, 2006 shall be covered in the aligned audits/inspection relative to the adjusted certificate(s);
- .5 results of the aligned audits/inspection shall be documented and reported separately and in accordance with PR9, PR24 and PR40.

3.2 Any change in the expiration date of the adjusted certificate requires a full renewal verification to be carried out, unless the expiration date of the adjusted certificate(s) is(are) moved backwards and provided that the adjustment does not circumvent any audit/inspection due or coming due at the time that the adjustment is completed.

**4. Aligned SMC, ISSC and MLC through aligned audits/inspection**

4.1 Upon successful completion of the alignment, the new adjusted certificate(s) is (are) to be issued.

## Annex 6

## Guidance on Interim Audits

## Introduction

Clause 14.4 of the ISM Code states:

*An Interim Safety Management Certificate may be issued following verification that:*

- .1 the Document of Compliance, or the Interim Document of Compliance, is relevant to the ship concerned;*
- .2 the safety management system provided by the Company for the ship concerned includes key elements of this Code and has been assessed during the audit for issuance of the Document of Compliance or demonstrated for issuance of the Interim Document of Compliance;*
- .3 the Company has planned the internal audit of the ship within three months;*
- .4 the master and officers are familiar with the safety management system and the planned arrangements for its implementation;*
- .5 instructions, which have been identified as being essential, are provided prior to sailing; and*
- .6 relevant information on the safety management system has been given in a working language or languages understood by the ship's personnel.*

The period of interim certification is to allow for the special transitional arrangements when a ship is newly delivered, new to a Company, or is changing flag and to permit the ship to be operated under the new, or revised, Safety Management System (SMS) for a period of time so that sufficient objective evidence (e.g., records) is available for an auditor to evaluate the effective functioning, over time, of the SMS. It is not the purpose of the period of interim certification to give the Company time to introduce its SMS or time for shore-side and shipboard personnel to become familiar with, and develop competence, in its implementation.

The scope of an interim verification audit is defined by the Code and will vary to some degree depending upon whether the vessel is being newly delivered, is new to a Company, or is changing flag. Also, for practical reasons, an interim verification cannot be as extensive as an initial audit. Nevertheless, there is much that an auditor can do within the specified scope to test the readiness and, to some degree, the early implementation of the SMS.

A Company's SMS is to be fully and effectively implemented when the ship enters into service under one of the special transitional arrangements cited above. Interim certification was introduced because it takes time to generate evidence of implementation, not because it takes time to put the system into operation. It was not intended to serve as a licence to operate a ship that is not in full compliance with national and international requirements during the period leading up to the initial audit. Port state control authorities and flag States make no distinction between the level of implementation expected during the interim period and that expected under full certification. The consequences of any deficiencies for the Company and the RO are the same.

**No.  
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(cont)**Guidance on the Conduct of Shipboard Interim Verifications**

The following guidance is intended to assist auditors in carrying out shipboard interim verification audits:

1. Depending on the circumstances under which a ship is presented for an interim verification, it may already be engaged in some operations for which evidence of compliance with requirements will be available through direct observation, interview or the examination of the corresponding records. For example, activities such as loading, discharging, ballasting, bunkering and fuel oil transfer may be taking place and may be audited. The current loading condition and stability calculations can be audited. If crew members have been on board for some time receiving the ship or preparing to sail, records of hours of work and rest should be available. Chart corrections might have been made and the forthcoming voyage might have been planned.

The less time that has elapsed since delivery, the less evidence will be available of past or current operations and activities. Even so, the objective is to verify the Company's commitment to safety and environmental protection and the effective implementation of its SMS.

2. Internal and external documents should already be fully controlled. All documented procedures, instructions, checklists and forms must be readily available at the locations in which they are to be used. The auditor should verify that they are appropriate for the ship type and are applicable to that ship in particular. Charts, nautical publications, technical manuals and drawings must have been provided. Flag State publications must be on board.
3. Testing of the familiarisation of the master and the officers with the SMS should not be restricted to their ability to identify the system documentation and to locate elements within it. They should be able to demonstrate knowledge and understanding of the activities and procedures for which they are responsible, especially those that are already in progress and emergency situations that could occur at any time in the current circumstances.

For example, and as appropriate to their roles and responsibilities: Can they operate the emergency generator and the emergency fire pump? Can they operate the oil-water separator? Do they know, or can they locate quickly, the emergency contact details for the Company and for the emergency services?

4. Other crew-members should be interviewed to check that they have been thoroughly familiarised with their duties and the use of tools and equipment they may be expected to operate. Because less time is spent on sampling operational activities and records, more time should be spent on interviews. Particular attention should be paid to the ability of the ship's personnel to communicate with each other and their understanding of written procedures and spoken instructions.
5. Plans should exist for ship and ship/shore exercises and drills. Crew members must be thoroughly familiar with their roles in all of the potential emergency situations identified within the system. They must be able to quickly locate, and use effectively, the corresponding life-saving, fire-fighting and other emergency equipment. If time permits, the auditor may witness a drill or exercise.
6. Accessible parts of the ship relevant to its operation should be visited. Where time and circumstances have allowed, there should be evidence to show that identified technical deficiencies, structural defects or problems associated with house-keeping and hygiene

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(cont)

have been reported and that action is being taken to rectify them. Where appropriate, the class society or the flag Administration should have been notified.

7. A maintenance system should have been established and should be audited to verify that the corresponding databases have been prepared for use with maintainable items, including life-saving and fire-fighting appliances. Inspection routines, defect reporting procedures and mechanisms for the control and ordering of spare parts should be in place and audited together with any records already produced. If the ship is changing from one management Company to another, the crew may be carrying out remedial or outstanding maintenance tasks. Examples and evidence gathered during visits to other parts of the ship should be used to test the effectiveness of the system. This element of an interim verification is especially important given the frequency with which inadequate maintenance is given as a reason for detention.
8. Checks should be made of class and statutory certificates and records, the continuous synopsis record and the qualifications and medical fitness certifications of the crew.
9. Audit planning on board should take account of the time needed to carry out a thorough interim verification.

In summary, a ship's SMS is to be effectively implemented in order for an Interim Safety Management Certificate to be issued. The extent to which the auditor is able to verify compliance with the provisions of the ISM Code and the Company's SMS requirements will depend on the circumstances in each case. Nevertheless, when auditing for the issuance of an Interim SMC, the auditor should verify, in so far as is practicable, on a sampling basis, that the ship's SMS is effectively implemented.

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